Building a sustainable tomorrow

Royal BAM Group nv

Annual report

2024

Contents

European single electronic reporting format

This copy of the annual financial reporting of Royal BAM Group nv for the year ended 31 December 2024 is not presented in the ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). To download the ESEF reporting package, please visit www.bam.com/en/investors/annual-reports. In any case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

Berghaus Plaza *Amsterdam*

Sustainable redevelopment of the former Berghaus Plaza office building in Amsterdam for real estate developer Boelens de Gruyter, including two residential towers (288 new homes) and office tower (21,600 m²).

BAM Bouw en Techniek and BAM Wonen.

Key figures[1]

People

	2024	2023
Safety		
Incident frequency BAM (IF BAM)	2.9	2.8
Incident frequency total (IF Total)	2.9	2.6
Human resources		
Average number of employees *(in FTE)*	13,172	13,344
Female representation in senior leadership group *(in %)*	16	15
Return on inclusion score	-	55

Planet

	2024	2023
Decarbonisation		
Scope 1 and 2 CO_2 emissions intensity *(in tonnes per € million revenue)*	7.5	10.9
Scope 1 and 2 CO_2 emissions *(in kilotonnes)*	49	69
Energy consumption *(in MWh)*	334,633	355,763
CDP Climate ranking	A	A
Circularity		
Construction and office waste intensity *(in tonnes per € million revenue)*	8.1	8.7
Construction and office waste *(in kilotonnes)*	52	55

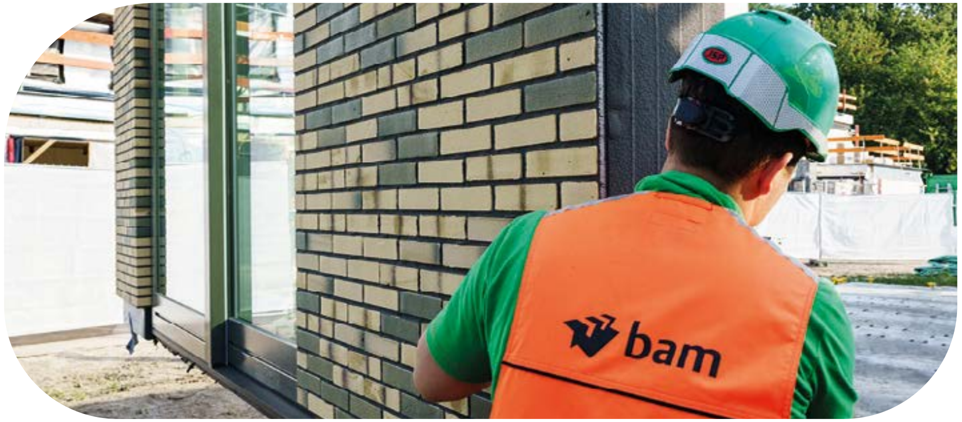
Profit[2] *(x € million, unless otherwise stated)*

	2024	2023
Revenue	6,455	6,270
Adjusted EBITDA	333.3	304.3
Adjusted EBITDA margin *(in %)*	5.2	4.9
Net result attributable to the shareholders of the Company	82.2	175.0
Earnings per share *(in €)*	0.31	0.65
Dividend per share *(in €)*	0.25	0.20
Dividend payout *(in %)*	81[3]	31
Share buyback programme	30.0	-
Number of ordinary shares ranking for dividend at 31 December *(x 1,000)*	263,524	268,978
Share closing price as at 31 December *(in €)*	4.20	2.42
Equity attributable to the shareholders of the Company	895.5	920.5
Solvency ratio *(in %)*	23.0	23.4
Capital employed	1,317.6	1,345.7
Return on capital employed *(in %)*	5.8	13.7
Order book	13,008	9,809

[1] Refer to the glossary in chapter 9.3 for definitions.

[2] Includes continued and discontinued operations.

[3] Adjusted for the impairment related to Invesis



Housing concepts Flow

With advanced digital techniques and modular components, Flow makes sustainable, fast, and affordable customisation possible on any plot, with any desired appearance.

BAM Wonen.

Message from the CEO

'I am pleased with our performance in 2024, which reflects the success of our growth strategy and our core strengths.'

Ruud Joosten
CEO Royal BAM Group nv

‘I am pleased with our performance in 2024, which reflects the success of our growth strategy and our core strengths in the energy transition, transportation and Dutch residential markets. Nearly all of BAM’s activities performed strongly, highlighting the resilience and effectiveness of our business model. We reported an adjusted EBITDA margin of 5.2%. However, project delays and supply chain disruptions at school projects in Denmark and various construction projects in construction UK did weigh on EBITDA growth.

We maintained a strong financial position by focusing on projects with an attractive risk-reward balance, along with effective cost and working capital management. This has resulted in our robust solvency and liquidity position. We propose a dividend of €0.25 per share over 2024, reflecting an increase of 25% versus last year. In addition, BAM intends to return €50 million to its shareholders through a share buyback. We have further optimised our portfolio by divesting our remaining stake in Invesis, allowing us to focus more strongly on our core business.

Furthermore, we are pleased that the Dutch Public Prosecution Office (DPPO, Openbaar Ministerie) has closed its investigation and dismissed their suspicions regarding BAM International with a favourable outcome and clarity for our company.

In early 2024, we advanced to the next phase of our strategy ‘Building a sustainable tomorrow’, centred around three key pillars Focus, Transform and Expand, with sustainability and people as the primary drivers. Under Focus we prioritise profitability, multi-asset clients and framework agreements. Key milestones were winning projects like the Lightyards development for 242 homes in Eindhoven and a high-voltage substation for Schiphol Airport. In the Transform pillar, we marked a significant step forward with the official opening of our production facility for our sustainable wooden Flow homes concept. The first Flow homes have been successfully delivered, reinforcing our commitment to innovation, digitalisation, and affordable housing.

As part of Expand, BAM continues to grow in the energy transition and rail infrastructure markets. This is illustrated by multi-year project wins in our civil engineering businesses, including the framework contract for TenneT to upgrade the electricity grid and the Orkney-Caithness link project for energy transmission.

Safety is more than a set of rules — it is a deeply embedded mindset and a shared responsibility that guides everything we do. By fostering open conversations and empowering our people to prioritise their well-being and that of their colleagues, we continue to build a culture where safety always comes first. This is why we launched an ambitious programme to further enhance the safety of our employees and supply chain partners.

Additionally, we have reinforced our commitment to sustainability with the validation of our enhanced emissions reduction targets and our net zero ambition for 2050 by the Science Based Targets initiative (SBTi). Our company’s leadership in sustainability is further demonstrated by receiving a prestigious CDP Climate A rating for the sixth consecutive year, awarding BAM’s consistent efforts in mitigating climate change.

Our dedicated efforts and strategic focus have driven the strong growth of BAM’s well-diversified order book, which has increased by 33% to €13 billion compared to year-end 2023. We continue our disciplined contract and risk management approach and we’re entering the final stage of de-risking our portfolio, which is a fundamental priority within our strategy to enhance our financial performance and predictability.

We expect that demand in our markets remains robust, although uncertainty regarding interest rates, the Dutch nitrogen situation and political unrest persist. We see attractive market opportunities driven by demand for decarbonisation, infrastructure, and sustainable and affordable housing, areas where we have demonstrated market-leading capabilities. Also, attracting and retaining employees remains a top priority for our company.

For 2025, BAM expects to deliver an adjusted EBITDA margin of around 5%, which is in the middle of the target range for the strategic period 2024-2026.

Finally, also on behalf of the Executive Committee, I extend our gratitude to all our stakeholders for their confidence in BAM. We are particularly thankful to our dedicated employees for their hard work and commitment to serving our clients.’

Bunnik, the Netherlands, 19 February 2025

Ruud Joosten,
CEO Royal BAM Group nv

Safety is more than a set of rules — it is a deeply embedded mindset and a shared responsibility that guides everything we do. By fostering open conversations and empowering our people to prioritise their well-being and that of their colleagues, we continue to build a culture where safety always comes first.

Value creation

Aberaeron Coastal Defence Scheme on the Welsh coast to protect the seaside town of Aberaeron. The scheme for Ceredigion County Council will protect the town and the surrounding coastline from rising sea levels, preventing flooding and coastal erosion.

Aberaeron, BAM Nuttall

2.1 About BAM

Royal BAM Group nv - Corporate centre

Netherlands division
BAM Infra Nederland
BAM Bouw en Techniek
BAM Residential
BAM Specials

United Kingdom and Ireland - division
BAM Nuttall
BAM Construct UK
BAM Contractors (Ireland)
BAM Ventures

Belgium
BAM Interbuild
Kairos

Public Private Partnerships
Invesis (50%)*
*will be divested in 2025

BAM is organised in two divisions, one dedicated to the Netherlands and the other to the United Kingdom and Ireland. The Group's activities in Belgium are organised separately. The two divisions and Belgium are supported by a corporate centre.

BAM's Executive Committee consists of two Executive Board members (chief executive officer and chief financial officer), two chief operating officers, one responsible for the activities in the Netherlands and the other for the activities in the United Kingdom and Ireland, and the chief HR officer.

What BAM does

In divisions Netherlands and United Kingdom and Ireland, BAM leverages its scale and strong position to lead with replicable and 'best-in-industry' construction processes, delivered by highly skilled employees to create valuable, sustainable solutions for its clients.

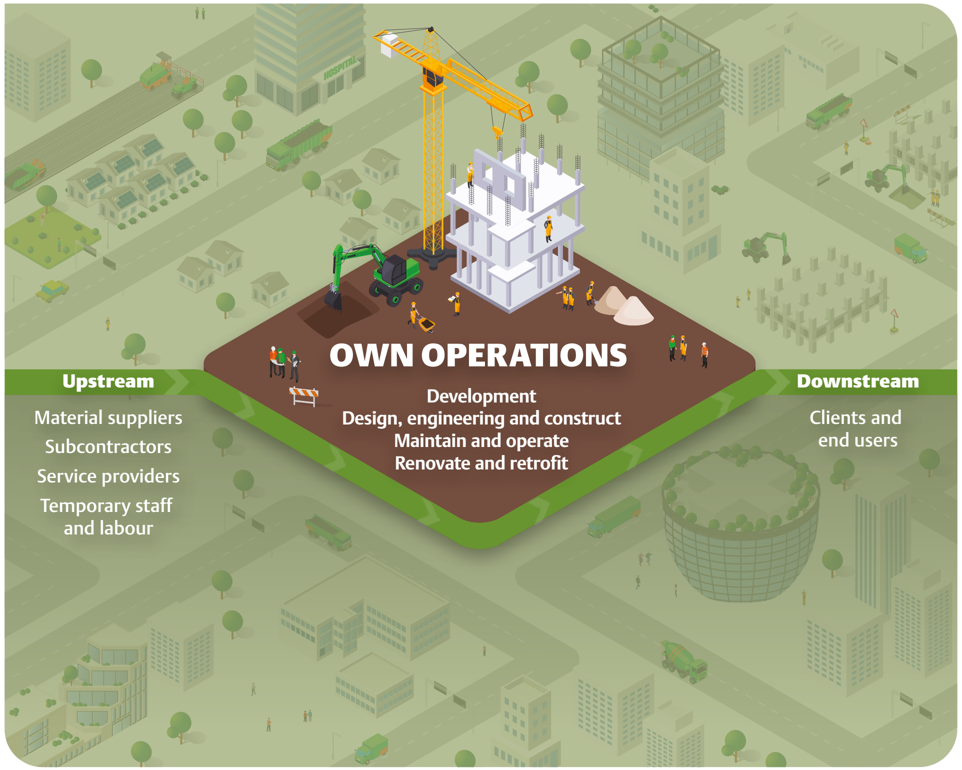
Key clients and market developments

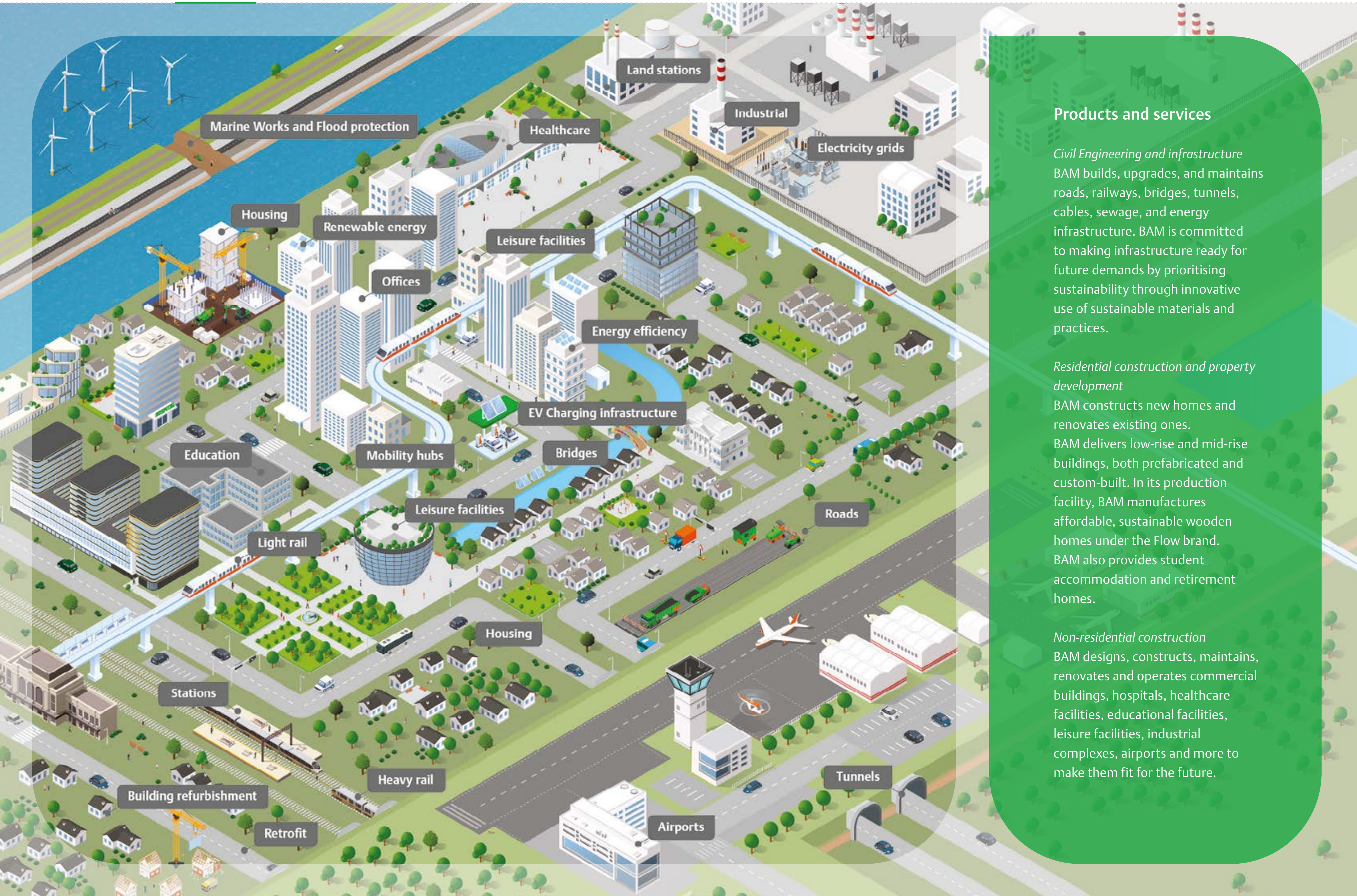
- Public and private sector
- Energy transition
- Supporting productivity
- Housing shortage
- Supporting society
- Climate adaptive assets

Markets: context and opportunities

- Governmental changes in the Netherlands and United Kingdom. Housing affordability remains a major issue in the Netherlands and significant growth opportunities continue for sustainable construction, with increasing adoption of circular and industrialised methods. In the United Kingdom, government shifted to Labour party government for the first time since 2010. Opportunities arise in various sectors including Energy (nuclear, renewables and grid upgrade), Transport (Rail), Education, and Health whereas the commercial sector is impacted by high interest rates and scrutinised client budgets.
- Geopolitics and global instability are disrupting global supply chains and increasing materials costs, but also opening the door for innovation in local sourcing and supply chain resilience.
- Instable supply chain in the United Kingdom with a lot of bankruptcies of construction companies as a consequence. Rising costs and supply chain instability are causing bankruptcies, driving demand for cost-effective, modern construction methods.
- Global capability shortage is forcing firms to look internationally for skilled workers. Rapid changes in required skills and increased demand in technical skills such as AI, robotics and automation affect reskilling requirements.
- The energy transition in BAM's home markets requires huge investments in the energy grid creating great opportunities for BAM to support the construction of these projects. Net congestions potentially affect construction projects, and create demand for energy-efficient designs and decentralised energy solutions.
- Nitrogen: strict nitrogen regulations in the Netherlands are slowing down construction, but creating opportunities for companies like BAM offering low-emission building solutions.

1 BAM's role in the value chain





Products and services

Civil Engineering and infrastructure
BAM builds, upgrades, and maintains roads, railways, bridges, tunnels, cables, sewage, and energy infrastructure. BAM is committed to making infrastructure ready for future demands by prioritising sustainability through innovative use of sustainable materials and practices.

Residential construction and property development
BAM constructs new homes and renovates existing ones.
BAM delivers low-rise and mid-rise buildings, both prefabricated and custom-built. In its production facility, BAM manufactures affordable, sustainable wooden homes under the Flow brand.
BAM also provides student accommodation and retirement homes.

Non-residential construction
BAM designs, constructs, maintains, renovates and operates commercial buildings, hospitals, healthcare facilities, educational facilities, leisure facilities, industrial complexes, airports and more to make them fit for the future.

Stakeholder involvement 2024

To execute BAM's strategy and to deliver the products and services visualised on the previous page, a diverse range of stakeholders is consulted, engaged, influenced, or at a minimum, informed. This is achieved through both a formal process, utilising a double materiality approach (as reported in chapter 6.1 and in accordance with ESRS 1 and 2 of the CSRD), and through stakeholder dialogues.

Stakeholders

BAM's stakeholders encompass all interest groups that significantly influence or are influenced by BAM's economic, environmental and social impact. These stakeholders include parties in the value chain that BAM operates in (see BAM's role in the value chain on page 7) as well as other stakeholders like employees, shareholders, financial institutions, central and local governments and non-governmental organisations.

Employees

BAM's employees are a key enabler for realising BAM's mission 'Building a sustainable tomorrow'. Employee engagement is facilitated through multiple platforms such as internal events, quarterly engagement surveys, open collaboration days, senior management meetings, the Young BAM, Future BAM and management trainee communities. Additionally, BAM has active Works Councils across the business, with whom regular engagements are in place.

Society

BAM constructs essential facilities that society requires, such as housing, hospitals, schools, utilities, and infrastructure. By their very nature, BAM's construction and civil engineering projects have a lasting presence and impact on local communities and are integral to the foundational economy. In the design phase, this involves designing for a sustainable future to benefit society while supporting local needs. During construction, BAM's engagement typically focuses on local or social spending and employment, education, and creating positive social impacts through volunteering. BAM's community liaisons ensure that local communities' experiences during the construction phase are as comfortable as possible.

Clients

As part of BAM's strategy to focus, transform and expand, BAM actively seeks to establish and strengthen relationships with clients who share BAM's sustainable ambitions. BAM engages with these clients to enhance the sustainability of products and services. This engagement extends beyond providing the most effective offerings to creating value for society and the environment. The relationship is facilitated through sustainability-themed client days and meetings to inspire, share knowledge and best practices, and fundamentally through continuous dialogue about project expectations and projections. This is primarily managed through account management and business development.

Suppliers

Supply chain partners are vital to BAM, and therefore the Company engages directly with its key suppliers. During projects, BAM maintains constant dialogue with its suppliers regarding project expectations, safety, sustainable solutions and the sources of supplied goods to minimise the environmental and social negative impacts of projects. BAM's key suppliers are material suppliers, subcontractors, service providers, temporary staff and labour.

Key partners

BAM collaborates with a number of other key partners. These include for example architects and engineers, joint venture partners, knowledge institutions, industry organisations, credit insurers, and local governments and regulators. BAM engages with these partners in different ways, for example as partners in a joint-venture bidding for a project or working with local governments on constructing projects with minimal impact.

Providers of financial capital

Engagement with investors, financial institutions and the broader financial community is actively pursued and typically occurs through road shows, seminars, investment meetings, press releases, and the Annual General Meeting of Shareholders.

Regulators

In delivering projects, BAM is in constant contact with local and other governmental authorities regarding the issuance of permits and compliance with regulations. Simultaneously, the sector must better align industry practices with sustainability standards, through increasingly ambitious regulations to minimise negative impacts and stimulate social and environmental performance.

BAM collaborates across industries in national and international organisations to influence policy and practice for the transition to a net-zero future. Therefore, BAM engages, together with trade associations, with regulators on issues such as MPG calculation (environmental impact calculation related to the Dutch market), carbon-free buildings, carbon impact in the infrastructure life cycle, and other environmental issues. A full list of BAM's memberships can be found on the corporate website.

Other stakeholders

Other stakeholders include e.g. trade organisations, knowledge institutions and non-governmental organisations such as SBTi, CDP, Nationale Denktank and Milieudefensie. BAM engages with these types of stakeholders in different ways, e.g. by collaborating on research projects with universities, being a strategic partner for the Nationale Denktank, and participation in events or one-on-one meetings.

Value creation model

BAM's value creation model shows how the Group uses resources, capabilities and expertise to create sustainable value for all stakeholders.

Inputs

Human capital
Diverse and skilled workforce in an inclusive environment, guided by the BAM values and reflective of the communities in which BAM operates.

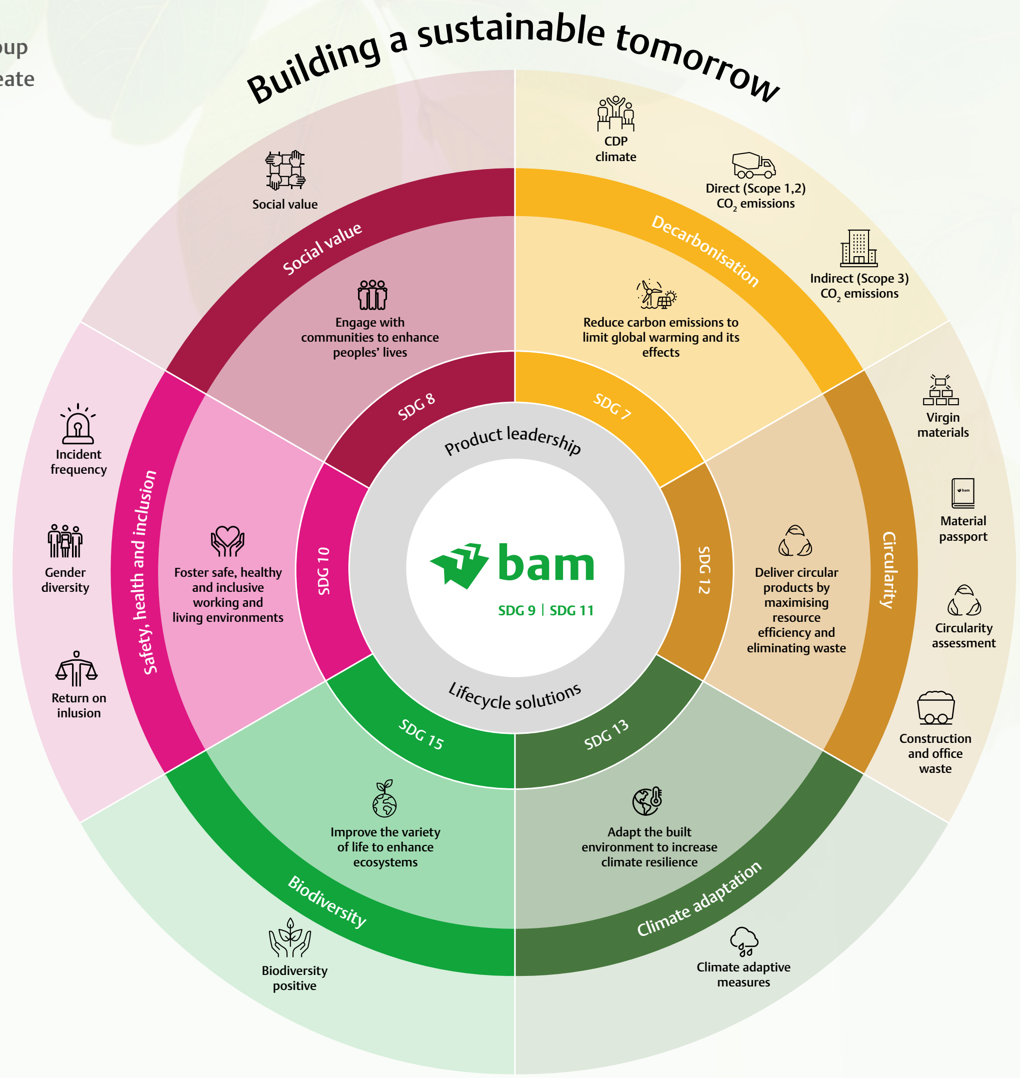
Natural capital
Materials such as concrete, steel, timber and asphalt.

Manufactured capital
Machinery, tools and buildings.

Social and relational capital
Social relationships and networks including clients, business partners, suppliers, subcontractors and other stakeholders.

Intellectual capital
Digital, modular and industrialised construction technologies.

Financial capital
Funding from shareholders, financial stakeholders and clients.



Outputs

Social impact by providing a safe and inclusive working environment.

Environmental impact by limiting global warming and its effects, and reducing waste.

Economic impact by being financially strong to build a safe and sustainable living environment.

2.2 Strategy

Building a sustainable tomorrow

BAM has one clear mission – building a sustainable tomorrow. By staying focused on its goals, BAM has taken significant steps in the right direction. The year 2024 is the first year of the next phase for 2024–2026 of BAM's mission 'Building a sustainable tomorrow'. BAM aims to transform its business from conventional (grey) to environmentally conscious (green). BAM's success lies in partnering with clients who share its values and prioritise sustainability in achieving their goals. By providing value-based, reliable, and sustainable solutions while upholding safety standards, BAM can achieve these goals with its stakeholders.

It is important for BAM to take ownership, collaborate, and embrace diverse perspectives. BAM must challenge the status quo by rethinking not only its actions but its approaches:

- What if diesel equipment is replaced with electric alternatives?
- What if one-off projects are turned into a replicable concept?
- What BAM does is impactful, time-sensitive, and plays a crucial role in shaping a sustainable future.

It is not about changing direction, but continuing the journey that has led BAM to success. BAM will focus on selecting profitable projects which align with its sustainability targets for 2026 and 2030, helping ensure BAM remains predictable, profitable, and sustainable in the future.

Recognising that maintaining the status quo will only take BAM so far, BAM understands the need to transform its products and services. BAM is committed to continuous evolution, striving to becoming more digital, scalable, and even more sustainable.

When BAM transforms, it will uncover new opportunities to expand into, such as growing in energy markets, and renovating and retrofitting. BAM will champion ownership, collaboration, and inclusion of diverse voices to achieve its goals. BAM will ask new questions and explore new perspectives.

BAM aims to focus to protect profitability, transform to strengthen competitive advantage and expand for future growth.

BAM's mission 'Building a sustainable tomorrow' remains unchanged, as it consistently strives to enhance its contribution to a more sustainable world, create an inclusive environment for its employees, and deliver significant returns for shareholders.

Strategy 2024-2026: Focus, transform and expand

BAM aims to be a market leader in sustainable, and profitable product market combinations (PMCs). The strategy for 2024-2026 focuses on protecting profitability, transforming through industrialisation and digitisation, and further expanding into growth markets.

Mission:
Building a sustainable tomorrow.

Led by a clear strategy

Focus	Transform	Expand	Values
Focus on selecting profitable work aligning with our sustainability targets to remain **predictable, profitable, and sustainable.**	Transform products and services to evolve further, becoming more digital, scalable, and sustainable.	Expand and increase efforts towards new opportunities, such as growing in **energy markets and renovating and retrofitting.**	• Reliable • Inclusive • Sustainable • Collaborative • Ownership

Focus to protect profitability

- on framework agreements;
- on infrastructure projects with a balanced risk portfolio;
- on selective multi-assets clients in the Netherlands and United Kingdom and Ireland;
- differentiate on process capability in economic core.

BAM's strategy involves clear focus on profitable growth platforms in the Netherlands, and in the United Kingdom and Ireland, emphasising key clients and proven competitive advantages. A key initiative in the division United Kingdom and Ireland includes a focus on medium-sized projects with top clients and enhancing core and value chain capabilities such as advisory, design and engineering.

Transform to strengthen competitive advantage

- industrialise housing through Flow concept;
- transform education and health through standardised designs;
- innovate roads through sustainable asphalt;
- unlock advantages through cross-segment collaboration.

BAM's transformation centres on sustainability in markets where it is looking to differentiate from competition on product and process leadership and strong relationships with clients. BAM will target markets where prioritisation of innovation and sustainability can flourish, enabling transformation within the portfolio. A key initiative in the division Netherlands is to increase the number of biobased, industrialised Flow homes within residential.

Expand for future growth

- in grids and EV charging;
- in green infra rail;
- in housing renovations;
- in commercial renovation and retrofitting.

BAM sees strong further growth in residential, new energy markets and renovations towards 2030. With BAM's scale and scope it is well positioned to serve these larger societal challenges. BAM targets leading positions in markets that are in line with its strengths and sustainability purpose. This will be done through expanding existing capabilities. A key initiative in both divisions is growing the presence in markets for energy solutions, including grids.

The BAM Experience

BAM's employees are a key enabler for realising BAM's mission 'Building a sustainable tomorrow'. In 2024, BAM launched 'the BAM Experience', an attractive employee experience tailored to the needs of BAM's employees and distinctive in the market. The BAM Experience is characterised by four main themes: 'Guided by values, united by culture', 'Embracing diversity & fostering inclusion', 'Sustainable career development' and 'Building our communities'.

What if **the BAM Experience** meant being the **best employer in construction** in Europe?

We are set on a journey to build a sustainable tomorrow, and that is no small promise. One we cannot keep without you. With The BAM Experience, we put our employees at the forefront of our strategy, ensuring that we live our values, that leadership drives us forward, that we foster diversity and inclusion, that our employees thrive and grow, and that we build communities with a focus on safety and innovation.

The BAM Experience

Guided by values, united by culture

What if we could build a company culture rooted in our values?
Our employee-picked values define everything we do, and our leaders endeavour to put those values into practice in innovative ways.

Embracing diversity & fostering inclusion

What if our workplace was as diverse as our world?
We strive to create an environment where everyone feels valued, unleashing productivity and creativity.

Sustainable career development

What if our employees could thrive and grow?
We aim to ensure that everyone at BAM can develop a sustainable career, with opportunities to learn and grow.

Building our communities

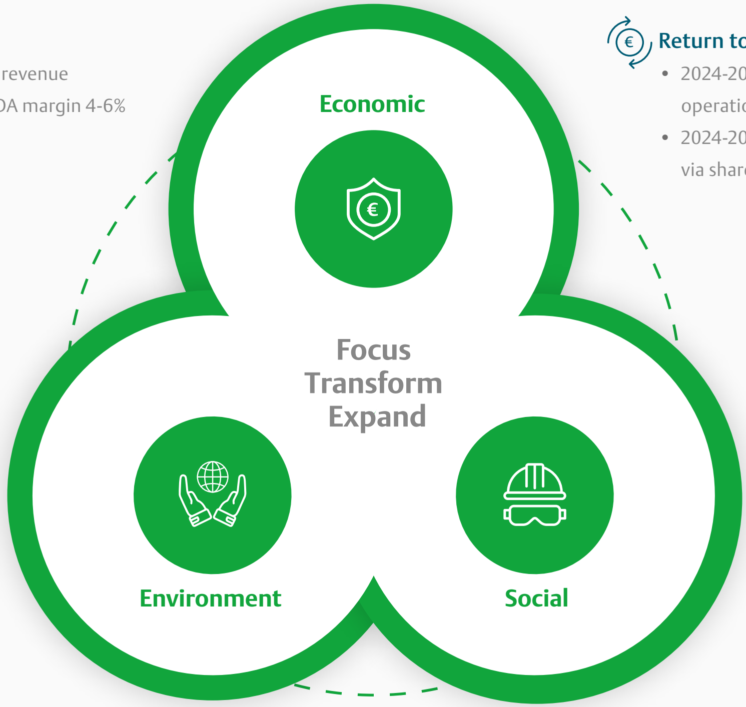
What if we could extend our legacy of building communities?
We want our employees to feel empowered to make a difference at BAM and in the communities they're building.

Overview of BAM's strategic targets for the years 2026 and 2030

Financial resilience
- 2024-2026: Capital ratio ~ 25%

Financial performance
- 2024-2026: > EUR 6 billion revenue
- 2024-2026: Adjusted EBITDA margin 4-6%

Return to shareholders
- 2024-2026: 30-50% of net income from operations for dividend
- 2024-2026: potentially additional cash returns via share buybacks



Decarbonisation
- 2026: -80% Scope 1 and 2 CO_2 intensity vs. 2015
- 2030: -50% Scope 3 CO_2 emissions vs. 2019
- Maintain CDP climate 'A' ranking

Circularity
- 2030: -50% non-biobased virgin materials vs. 2019
- 2030: A,B,C* and industrialised projects with design in their scope to use the material passport and to use the circularity assessment
- 2030: -75% construction and office waste intensity vs. 2015

Climate adaptation
- 2026: Climate-adaptive measures to be integrated in all BAM's own developments
- 2026: Offer climate-adaptive measures in all A,B,C* tenders with a design scope
- 2030: Climate-adaptive measures to be integrated in all projects

Safety, health and inclusion
Gender diversity:
- 2026: ≥ 25% female representation in senior leadership
- 2030: ≥ 30% female representation in senior leadership

Return on inclusion:
- 2026: Score > 60 (Silver)
- 2030: Score > 71 (Gold)

Social value
- 2026: United Kingdom and Ireland 35% social value for projects, the Netherlands to deliver 5% social value on top of contractual obligations

Biodiversity
- 2026: Biodiversity enhancing alternatives to be offered in all A,B,C* tenders and developments with design in their scope
- 2026: Evidenced biodiversity balanced on all projects in the United Kingdom and Ireland
- 2030: Aggregated biodiversity-positive

* BAM uses a classification system based on the size and risk profile of its projects, ranging from A (highest classification) to E. A, B, and C projects typically represent medium to large projects.

Business performance

For housing corporation ‘thuis’, BAM Wonen delivered 56 sustainable apartments with wooden support structures in Veldhoven.

Veldhoven, BAM Wonen

3.1 Financial performance

Revenue increased by 3% to €6.5 billion compared to full-year 2023, mainly driven by the division Netherlands. The development of the British pound exchange rate had a positive effect of €78 million. Adjusted EBITDA increased by 10% to €333 million. Invesis contributed €50 million to adjusted EBITDA, including €20 million earn-out for successfully securing new projects, reported in ‘Other including eliminations’ and €31 million reclassification of hedge reserves following the agreed divestment, reported in ‘Invesis’.

Net result was €82 million (2023: €175 million), reflecting earnings per share of €0.31 (2023: €0.65). Adjusted items of €12.2 million refer to reorganisation costs in both divisions. The net result was impacted by a €107 million non-cash impairment related to Invesis. The low effective tax rate of 6% is mainly driven by the yearly revaluation of deferred tax assets. The tax rate is also lowered by the future tax benefits arising from the liquidation of operations.

The order book at year-end 2024 increased by 33% to €13 billion (2023: €9.8 billion), with a clear focus on attractive risk-reward balance. This includes a positive British pound exchange rate effect of €262 million. Of the total order book, €5.8 billion is expected to be carried out in 2025.

2 Income statement

(x € million, unless otherwise stated)	2024		2023	
	Revenue	**Adj. EBITDA**	Revenue	Adj. EBITDA
Division Netherlands	**3,231**	**160.8**	3,007	179.0
Division United Kingdom and Ireland	**3,112**	**114.1**	3,139	121.5
Germany, Belgium and International	**113**	**6.4**	125	11.4
Invesis		**29.8**	-	2.6
Other including eliminations	**(1)**	**22.3**	(1)	(10.2)
	6,455	**333.3**	6,270	304.3
Adjusted items		**(12.2)**		(9.6)
Depreciation and amortisation		**(127.8)**		(121.3)
Impairments		**(114.5)**		(2.7)
Finance result		**8.5**		12.9
Result before tax		**87.4**		183.6
Income tax expense		**(5.2)**		(8.6)
Non-controlling interest		**0.0**		0.0
Net result attributable to shareholders		**82.2**		175.0

Dividend proposal

BAM’s policy is to pay out 30 to 50% of the net result for the year, thereby considering the balance sheet structure supporting the strategic agenda. BAM proposes to pay a dividend of €0.25 per share (2023: €0.20). This reflects a pay-out ratio of 35% of net result over 2024 adjusted for the €107 million impairment related to Invesis. Subject to adoption by the Annual General Meeting on 8 May 2025, the shares will trade ex-dividend on 12 May 2025 and dividend will be paid on 6 June 2025. Furthermore, BAM has decided to return an additional €50 million via a share buyback to its shareholders in 2025. This reflects BAM’s strong performance, supported by the cash proceeds of the Invesis divestment.

Outlook 2025

It is expected that the demand in BAM’s markets remains robust, although uncertainty regarding interest rates, the Dutch nitrogen situation and political unrest persist. There are attractive market opportunities driven by demand for decarbonisation, critical infrastructure, and sustainable and affordable housing, areas where BAM has demonstrated market-leading capabilities. Attracting and retaining employees remains a top priority for the company. For 2025, BAM expects to deliver an adjusted EBITDA margin of around 5%, which is in the middle of the target range for the strategic period 2024-2026.

Division Netherlands

3 Division Netherlands key numbers

(x € million, unless otherwise stated)	2024		2023	
	Revenue	Adj. EBITDA	Revenue	Adj. EBITDA
Construction and Property	2,255	85.7	2,072	111.9
Civil engineering	1,005	74.3	964	65.0
Other including eliminations	(29)	0.8	(29)	2.1
Total	3,231	160.8	3,007	179.0
Adjusted EBITDA margin		5.0%		6.0%
Revenue growth		7%		3%
Adjusted EBITDA growth		(10%)		4%
TWC efficiency		(11.7%)		(12.0%)
Order book		5,348		4,917
Order book growth		9%		13%

Revenue increased by 7% compared to full-year 2023 and was supported by high production in all businesses. Adjusted EBITDA was €161 million (2023: €179 million), reflecting an adjusted EDITDA margin of 5.0% (2023: 6.0%). The performance of the Dutch residential activities continued to be strong and home sales increased to 1,854, including 125 homes in the Bajeskwartier project (2023: 1,670, including 134 in the Bajeskwartier project). These homes were mainly bought by private buyers. The contribution of non-residential was impacted by cost overruns and the delayed completion of the schools in Denmark. In total three of the four projects in Denmark have been handed over to the client and the last one is expected to be completed in the first half of 2025. Civil engineering continued to perform strongly, with a 14% increase of adjusted EBITDA.

The order book increased by 9% to €5.3 billion supported by all business segments. Recent project wins include a long-term maintenance contract for the Sluiskil tunnel, a traffic management system project for ProRail, a 2GW landstation in IJmuiden, the Lightyards project for 242 homes in Eindhoven and a new high-voltage substation for Schiphol airport.

The residential market remained strong, driven by stable consumer confidence. The government has the ambition to build more homes, which is illustrated by the Housing Summit 2024 initiative, aimed at improving procedures to expedite residential construction. The non-residential market is cautiously optimistic, specifically in the healthcare, education and offices sector. In civil there are many attractive growth opportunities driven by the energy transition and the transport market. Regarding the nitrogen verdict by the Council of State of 18 December 2024, ongoing projects continue as planned and the diversified portfolio and order book provides BAM the flexibility to adapt where needed. There remains a strong rationale for essential investments in energy transition, infrastructure and sustainable and affordable homes. Regarding the portfolio, BAM announced it will divest BAM Infra Funderingstechnieken and strengthen its position in mobile networks with the announced acquisition of WL-Winet.

Division United Kingdom and Ireland

4 Division United Kingdom and Ireland key numbers

(x € million, unless otherwise stated)	2024		2023	
	Revenue	Adj. EBITDA	Revenue	Adj. EBITDA
Construction UK	905	(48.3)	1,046	(14.8)
Civil engineering UK	1,573	95.5	1,363	77.3
Ventures UK	310	38.1	323	36.8
Ireland	427	36.8	463	27.6
Other including eliminations	(103)	(8.0)	(56)	(5.4)
Total	3,112	114.1	3,139	121.5
Adjusted EBITDA margin		3.7%		3.9%
Revenue growth		(1%)		0%
Adjusted EBITDA growth		(6%)		49%
TWC efficiency		(11.1%)		(13.8%)
Order book		7,181		4,533
Order book growth		58%		(16%)

Revenue declined by 1% compared to full-year 2023. There was a high activity level in civil engineering UK. Revenue was lower in construction UK, reflecting the more challenging market circumstances. Adjusted EBITDA was €114 million (2023: €122 million), reflecting an adjusted EBITDA margin of 3.7% (2023: 3.9%). The performance of construction UK was impacted by project delays and supply chain issues, including a loss for Co-op Live in Manchester. Civil engineering UK delivered strong results supported by a high activity level, especially in rail and projects related to energy transition. Also, Ventures and Ireland continued their solid performance.

The order book increased by 58% to €7.2 billion. This strong increase was mainly driven by civil engineering but also Construction UK and Ireland contributed to growth. Project wins included three contracts, with a joint-venture partner, to design and build a 140-mile track infrastructure for the high-speed railway HS2 in the United Kingdom and to Construction UK the St Leonard's Catholic School and improvement of Luton Airport.

The construction market in the United Kingdom is expected to grow. Energy remains a focus of the UK Government, which has recently issued the Clean Power Action plan to speed up planning decisions to help the energy chain gear up for delivery. Furthermore, negotiations have begun with the shortlisted bidders for the Small Modular Reactor (SMR) programme and BAM participates in this process with Rolls Royce.

The New Hospital Programme in the UK will be put on a more sustainable and deliverable footing. In the first half of 2025, further announcements from the UK Government are expected, including the long-awaited ten-year Infrastructure Plan and the outcomes of the Strategic Defence Review and the Spending Review, which will determine capital spending for the next five years.

The construction market in Ireland is also forecast to grow and there is solid demand for transport and social infrastructure. For 2025, the total capital investment will be almost €15 billion, the country's highest annual spend to date. BAM remains focused on winning projects with the right risk/reward balance.

Germany, Belgium and International

5 Germany, Belgium and International key numbers

(x € million, unless otherwise stated)	2024		2023	
	Revenue	**Adj. EBITDA**	Revenue	Adj. EBITDA
Germany, Belgium and International	113	6.4	125	11.4

The activities in Belgium performed strongly in a competitive market and the order book further increased, also due to the addition of the Berkenlaan project in Diegem. In Germany, BAM still shares responsibility for one project of the former BAM Deutschland.

Invesis

In December 2024, BAM and PGGM reached conditional agreement on the divestment of BAM's remaining 50% share in Invesis to PGGM Infrastructure Fund. After the transaction, which is expected to be closed early 2025, Invesis will be fully owned by PGGM Infrastructure Fund. BAM will receive a cash consideration of approximately €105 million in two tranches in 2025.

Invesis contributed €50 million to adjusted EBITDA, including €20 million earn-out for successfully securing new projects (reported in 'Other including eliminations') and €31 million reclassification of hedge reserves following the agreed divestment. The net result was impacted by a €107 million non-cash impairment related to Invesis.

Cash flow

6 Cash flow

(x € million, unless otherwise stated)	2024	2023
Cash flow of operations	284	276
Cash flow from working capital	3	(99)
Change in provisions and pensions	(30)	(71)
Cash flow from operating activities	257	106
Cash flow from investing activities	(108)	(91)
Cash flow from financing activities	(172)	(109)
Increase / decrease in cash position	(23)	(94)
Cash and cash equivalents beginning period	757	841
Exchange rate differences	29	10
Cash and cash equivalents	763	757

At year-end 2024, cash and cash equivalents totalled €763 million (2023: €757 million), while trade working capital normalised. After a further normalisation in the first half-year 2024, trade working capital, as anticipated, has bottomed out in the second half of the year.

The operational performance resulted in a strong cash flow from operations of €284 million. Cash flow from working capital was €3 million positive. This development was in line with the anticipated stabilisation of trade working capital efficiency to -11.7% at year-end 2024.

Cash flow from investing activities of -€108 million primarily relates to regular capital expenditure (€85 million) with a focus on sustainable, digital and modular solutions such as the electrification of equipment and modular housing. The cash proceeds of the divestment of the remaining share in Invesis, of approximately €105 million are not included as these will be received in two tranches in 2025.

Cash flow from financing activities of -€172 million includes the payment of cash dividend (€26 million) and share buybacks (€66 million). The remainder primarily relates to lease payments of €86 million. Exchange rates, primarily the British pound, had a positive effect of €29 million on cash and cash equivalents at the year-end.

Financial position

7 Financial position

(x € million, unless otherwise stated)	2024	2023
Cash position	763	757
Borrowings	(67)	(62)
Net (debt) cash before lease liabilities	696	695
Lease liabilities	(256)	(234)
Net (debt) cash	440	461
Trade working capital	(938)	(822)
Shareholders' equity	896	921
Balance sheet total	3,891	3,932
Capital ratio	23.0%	23.4%
Capital employed	1,318	1,346
Return on capital employed	5.8%	13.7%

Trade working capital efficiency changed to -11.7% (2023: -13.2%), which reflects the normalisation of working capital.

The decrease in shareholders' equity of €25 million to €896 million mainly comprises the net result of 2024 (€82 million), positive exchange rate differences (€21 million), the effects of the payment of dividend in cash (-€26 million) and the buyback of shares (-€66 million), remeasurement of post-employment benefit obligations (-€13 million) and release of Invesis hedge reserves (-€30 million). BAM's solvency remained solid at 23.0% (2023: 23.4%).

The financial resilience further improved by securing the second extension of the €330 million revolving credit facility by one year to November 2028.

The lower return on average capital employed is primarily explained by the effect of the €107 million non-cash impairment related to the Invesis divestment.

Sustainability insight

At Schiphol, BAM Bouw en Techniek starts the construction of a circular crossing point ('Doorlaatpost 90'), where people and vehicles will be checked by security staff. The design is almost completely circular, using materials from the demolition of offices and cargo buildings at Schiphol.

3.2 Social performance

BAM is committed to creating a positive social impact within the communities where it operates. BAM's approach to social sustainability spans the physical safety of its own workforce (including subcontractors) and the public, the wellbeing of colleagues, supporting local economic development, social mobility and inclusion. The launch of the BAM Experience (see chapter 2.2 Strategy) in 2024 placed renewed focus on putting employees at the forefront of BAM's mission to build a sustainable tomorrow.

To guide this journey, BAM has defined social performance targets for 2030 and targets for intermediate years towards 2026. Current results are below initial expectations and reaching these targets requires persistent effort going forward. Board-level engagement, continuous constructive dialogue and corrective measures are taken to ensure a longer-term trend that moves towards the targets. Interrelated indicators show that progress is made, but it has not brought performance levels within a satisfactory range of the short-term targets. This chapter presents progress against strategic targets and key initiatives. Supplementary disclosures are presented in chapter 6.4.

Safety, health and wellbeing

The year 2024 has been one of profound reflection and loss for BAM. The tragic loss of two lives has deeply affected everybody in BAM. Each individual is not just a part of BAM's own workforce and contributor to a shared mission: 'Building a sustainable tomorrow', but also a cherished family member and friend.

Safety

BAM reaffirms its commitment to prioritising the health and safety of every person within the BAM organisation and on every site. These lost lives and serious accidents are a clear reminder that safety is not just a compliance requirement, but it is a joint responsibility that underpins everything BAM values. BAM recognises the focus areas where its safety systems, practices, and culture have not met the high standards that BAM expects.

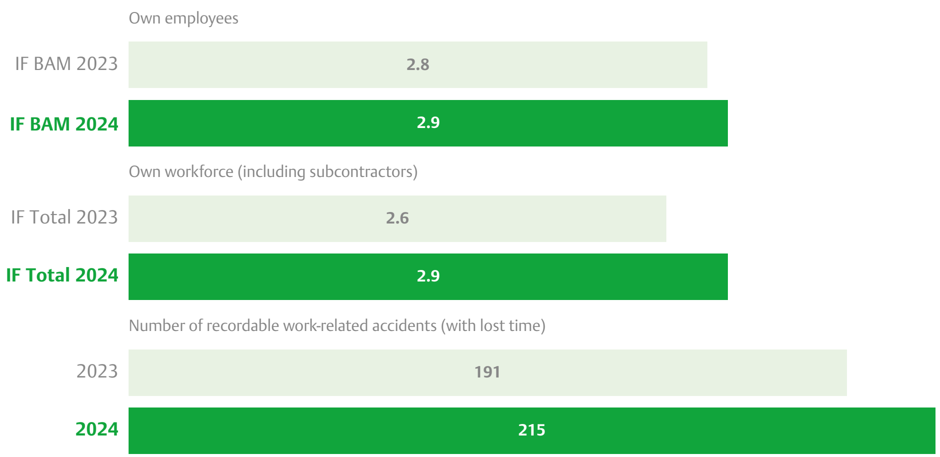
BAM measures safety performance through the incident frequency and the number of (serious) accidents with the intent of continuous improvement. Incident frequency denotes the number of occupational accidents resulting in lost time (absence from work ≥1 day) per million hours worked. BAM measures incident frequency for its own employees (IF BAM) and for its own workforce, i.e. own employees plus hires and subcontractors (IF Total).

The incident frequency (IF BAM) deteriorated from 2.8 in 2023 to 2.9 in 2024. IF Total is 2.9 in 2024 (2023: 2.6). It remains BAM's aspiration to prevent all incidents and to further reduce the incident frequency rate.

As a response to the deteriorating safety performance the Executive Committee has initiated a Group-wide safety programme for which external expertise was retained to perform a holistic assessment of BAM's safety culture, organisation and system. Top risks and their underlying root causes were identified, resulting in a prioritised roadmap to strengthen BAM's safety culture and performance.

The programme will be launched early 2025 and will focus on strengthening the organisation's system and enabling the organisation to drive system and culture. This includes enhancing safety standards, management processes, governance and tools, strengthening safety leadership and risk awareness and reducing risk tolerance at all levels.

8 Incident frequency
(x 1 million worked hours)



Based on the incidents happened in 2024, BAM reassessed potential hazards and high risks affecting safety performance. As part of enhancing preventive measures BAM continuously reviews procedures, and standards to reduce risks. Increase of (leadership) safety audits, inspections, and performance tracking focused on leading and lagging indicators, is enabling BAM to continously monitor and discuss safety performance across the organisation. BAM encourages feedback and prioritizes safety culture reinforcement. BAM actively promotes leadership involvement and employee participation in safety initiatives.

Health and wellbeing
In 2024, BAM Netherlands implemented the programme House of Vitality in part of the business. The programme gives employees insight into their own vitality by means of an extensive survey that covers the themes work ability, work experience, productivity and happiness. In addition, it provides BAM with management information and steering factors to improve wellbeing in the organisation. This allows BAM to deploy targeted interventions that make a direct contribution to improving the wellbeing of employees. The programme will be expanded next year to the rest of the division.

A comprehensive programme of training and awareness-raising was established in the division United Kingdom and Ireland, including 400+ individuals being trained as mental health first aiders to support colleagues. A BAM benefits platform was launched in 2024, totalling 63 different benefits. The platform consolidated all the existing BAM benefits such as cycle to work scheme, medical insurance, retirement planning and added a suite of new benefits such as pregnancy and baby support, and health apps. BAMathon, a United Kingdom and Ireland-wide fitness event, took place in June 2024, with high levels of engagement shown by employees taking part in walking, running, cycling and swimming events in teams. The division United Kingdom and Ireland won five wellbeing awards in 2024 from Investors in People, CECA and Mind Index for its innovative wellbeing work. It was also accredited with Investors in People - Wellbeing (gold). Mind Index nominated 35 individuals who have worked exceptionally hard to promote and support workplace wellbeing.

Female representation in leadership

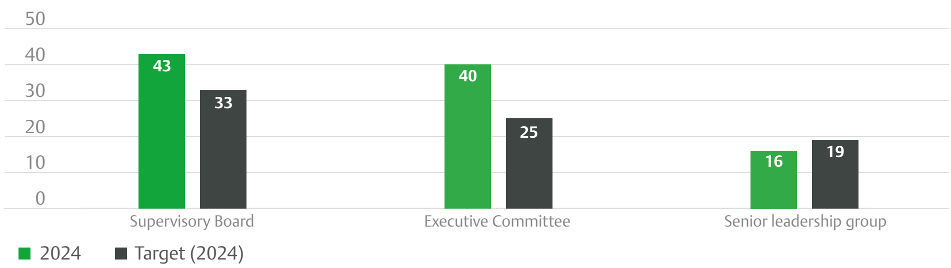
BAM strongly believes that different backgrounds, cultures and experiences enhance business, drive innovation and lead to sustainable growth. BAM welcomes diversity in thought and perspective and expects leaders to value difference, whilst it complies with statutory requirements for gender representation in leadership roles.

As prescribed by these requirements to set a number for the diversity between female and male members of the Supervisory Board, its composition shall consist of at least one third (33%) female members and at least one third (33%) male members. Since the Annual General Meeting in 2017, the composition of the Supervisory Board has been in line with this target, and with the recent appointment of Jane Hanson to the Supervisory Board, three out of seven members are female. The Group's aim is that at least 25% of the Executive Committee (including the Executive Board) shall consist of women and at least 25% shall consist of men. With the appointment of Carla Rodenburg-Verschuur as Chief Operating Officer for division Netherlands in October 2024, the female share in the Executive Committee composition is 40%.

To underpin BAM's belief in the value of diverse teams, BAM has set additional targets for the percentage of women in its senior leadership group for the period up to 2030. The senior leadership group ('SLG') is defined as all employees in senior job grades (referred to as grade F, G and H in BAM's salary framework). This group of approximately 140 employees includes members of the Executive Committee, the directors of businesses and large underlying business units, as well as the most senior functional roles in the divisions and at the corporate centre. At the end of 2024, the share of female leaders in SLG was 16%, while the target was set at 19%. The Group continues to seek opportunities to retain and develop talent to fulfil this ambition. Examples of such initiatives during the reporting period are:
- A continued focus on inclusive recruitment, including an inclusive recruitment audit, as part of BAM's Return on Inclusion commitments. This has resulted in more females joining BAM, with a 3% increase in the population of women since 2021.
- Inclusive development, progression and promotion has increased the proportion of female managers in the Group by 4% since 2021. With more females in manager positions,

BAM anticipates to increase the number of women in its succession planning and to increase females at senior levels in the future.
- Across the Group, BAM now has employee networks for gender equality. The purpose of these, and other networks in BAM, is to provide a supportive space for colleagues and advise the Group in how to increase inclusion.
- The Group sponsored AmplifyHER, a women's visibility and leadership event in Amsterdam, positioning BAM as an attractive and inclusive employer and providing 30 talented leaders with the opportunity to learn more about gender equality and inclusion.

9 Female representation
(in %)



Inclusion as a golden thread

An inclusive culture which respects and values differences, is essential to make the Group stronger, more innovative and attractive. BAM's aim is for inclusion to be a golden thread throughout the Group's operations. To support this, BAM is performing regular Return on Inclusion assessments with an external independent party to track its progress towards the target score of 71 (Gold) or higher by 2030.

The next assessment is taking place in 2026 and hence BAM has focused in 2024 on embedding the recommendations from the previous assessment to improve its score to 60 (Silver) or higher by 2026.

The assessment noted that BAM has openly recognised the necessity for cultural change. Over the period, the recommendations from the Return on Inclusion assessment that were adopted include:
- Embedding diversity and inclusion in the organisation, spanning HR activities in recruitment, leadership development and training, and procurement and IT.
- Further developing BAM's inclusion networks, with the formation of two new networks in division Netherlands with a focus on gender equality and inclusion for members of the LGBT+ community. This mirrors the approach in division United Kingdom and Ireland, with both collaborating to implement effective governance for networks, thereby increasing their impact and enhancing inclusion within BAM.
- Building a Group-wide diversity and inclusion dashboard to better understand the trends in data which inform the D&I strategy.

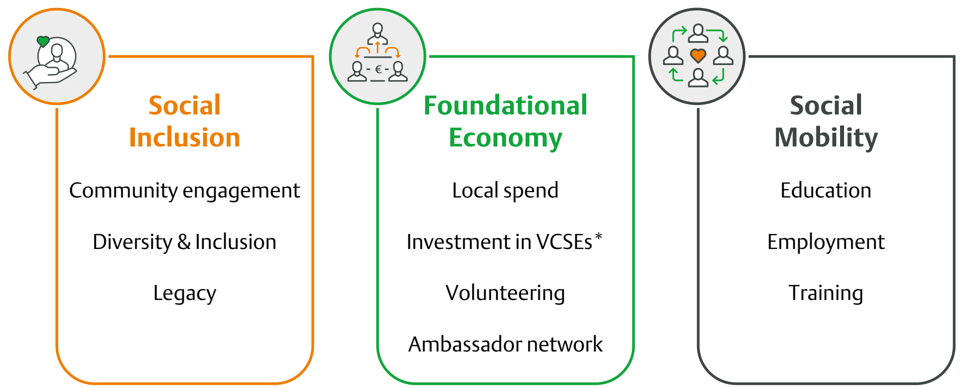
BAM is confident in its progress within D&I and is prepared to achieve its target score of 71 (Gold) or higher by 2030. To ensure BAM's vision for D&I is woven into projects, BAM shares training resources with those working on BAM sites, and hosts sessions with supply chain partners. Through sharing these resources and materials, a more inclusive industry is created. This is captured in the social value approach.

Social value

BAM aims to make a lasting societal impact by generating social value, a central theme in its goal of 'Building a sustainable tomorrow'. Social value allows for reinvestment into the communities where projects are executed. These investments include channelling wealth back into the local economy through local procurement and employment, supporting apprenticeships, and volunteering in local community projects. Activities that enhance social and local economic value are assigned a monetary value, and are expressed as a percentage of social value against revenue or contract value.

Social value in division United Kingdom and Ireland

The division United Kingdom and Ireland has a strategic target of delivering 35% social value in 2026. In 2024, the division United Kingdom and Ireland has implemented a Social Sustainability Reporting Tool, allowing social value data to be captured across projects and reported at divisional level. The themes which are tracked by the tool, allow BAM to demonstrate impact on Social Mobility, Foundational Economy and Social Inclusion.



* Voluntary, Community and Social Enterprise

The overall Social and Local Economic Value (SLEV) captured under these three themes in 2024 is estimated at over €487 million, representing 15.6% of revenue. As not yet all projects are included in the tool, this figure does not reflect the average SLEV created in projects. For further detail on this metric, see chapter 6.4 Social information. 2024 is the first year BAM was able to present consolidated social value figures. Although BAM acknowledges that there is still room for improvement in the reporting process, this is an important step forward in solid reporting towards the social value targets in the coming years.

A striking example of a project in where BAM has delivered substantial SLEV in 2024 is the Daphne Steel (University of Huddersfield) project. BAM created a social and local economic value of €26 million which was equivalent to 39% of the project value. This was generated through local employment, over 1000 apprentice weeks, 25 work experience weeks and 52% of construction spend with local organisations.

Some additional highlights of BAM delivering social value in 2024 are:
- 370 directly employed apprentices. Over 38,000 apprenticeship and T-level weeks were delivered on BAM's projects in 2024. A data academy and a digital apprenticeship scheme were launched in 2023, providing employees the opportunity to upskill and increase their digital literacy. BAM is recognised among the top ten best apprenticeship employers in the United Kingdom in the construction and property sector.
- Each year BAM offers each staff member the opportunity to spend a paid work-day volunteering with charities or community organisations. In 2024, over 11,000 staff volunteering hours supported local projects. Additionally, over 38,000 hours were spent delivering schools engagement and careers activities in educational establishments.

Social value and SROI in division Netherlands
In division Netherlands, projects for the public sector often contain obligations to deliver Social Return on Investment. This is a method of delivering and measuring social value in projects, with a focus on getting people who are distant from the labour market into work. This can be supported through placements and employments for these people directly and through social procurement, for instance purchasing from socially recognised companies. Various social activities also contribute to social return, such as school visits to engage primary school and high school students.

Division Netherlands has committed to deliver 5% social return on top of the required obligations by 2026. In 2024, a Social Policy and a Social Council have been instated, to drive delivery and reporting, and scope the social value framework for the Dutch context. For 2024, a sample part of the business has been investigated on its progress. All social value activities that are in scope of the social value framework, were used to fulfil project requirements. Based on this sample, it is estimated that in 2024, no additional social return has yet been delivered on top of the required obligations. Work remains to be done to progress towards the 2026 target, which the Social Council will drive for instance by making social value offers for all projects in the tender stage.

Division Netherlands' social return engagements in 2024 included:
- BAM Specials continued efforts to remain step 2 on the Prestatieladder Sociaal Ondernemen (Social Entrepreneurship Performance Ladder) -certification, with parts of the business reaching step 3 – recognising the way the organisation provides work to those who have difficulty finding employment.
- A national cooperation with JINC, reaching 857 young people through flash trainings, coaching and job interview training.
- 222 apprentices were employed and trained through the BAM Vocational school (BAM Leerbedrijf).

These students split their time between working (4 days) and learning (1 day) for a technical or vocational study.

Other initiatives
BAM participates in the Considerate Constructors Scheme (CCS) in the United Kingdom and its Dutch counterpart, Bewuste Bouwers. Under these schemes, construction sites adhere to the Code of Considerate Practice, which encompasses principles for respecting the community, protecting the environment, and valuing the workforce. For further details, see chapter 6.4 Social information.

Sustainability insight

For the sixth consecutive year, Royal BAM Group nv has been recognised for leadership in corporate transparency and performance on climate change by the global environmental non-profit CDP, securing a place on its annual 'A List'.

3.3 Environmental performance

Environmental sustainability forms an integral part of BAM's strategy. BAM's performance on the targets in the sustainability strategy is divided in the four key strategic environmental themes: Decarbonisation, Circularity, Climate adaptation and Biodiversity. This chapter presents progress against strategic targets and key initiatives. Supplementary disclosures and details are presented in ▶ chapter 6.3. BAM is committed to advancing its sustainability efforts, which can be categorised into three key areas:

1. Showing progress: BAM has made notable progress towards its decarbonisation goals, particularly in relation to Scope 1 and 2 emissions. While significant reductions have also been achieved in Scope 3 emissions, the Company remains focused on improving data quality and enhancing its portfolio to enable further reductions in the years ahead. BAM's position on CDP's A list for the sixth consecutive year highlights BAM's consistent commitment to its decarbonisation goals.
2. Expanding efforts: In recent years, BAM has focused on developing and aligning frameworks for biodiversity and climate adaptation. These efforts are critical for tracking progress and collaborating with partners and clients. Looking ahead, BAM plans to implement several initiatives in these areas to ensure the successful achievement of its strategic sustainability objectives.
3. Realigning intentions: In 2025, BAM intends to reiterate its sustainability strategy to ensure alignment with evolving market conditions, organisational changes, and the latest climate policies.

Decarbonisation

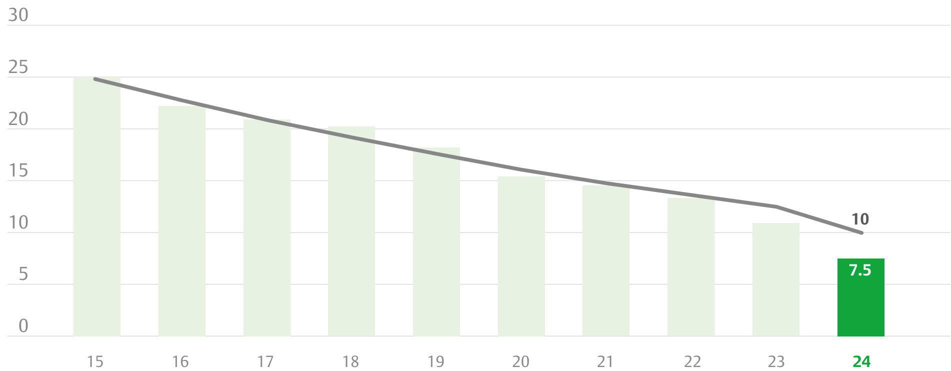
BAM underlines the urgency to reduce carbon emissions and the pivotal role that the construction sector plays in the transition towards a sustainable low-carbon society. In 2024, BAM had its 2030 CO_2 targets and 2050 net-zero ambition revalidated by SBTi, ensuring BAM's targets allign with the latest climate science requirements to meet the goals of the Paris Agreement. BAM's targets are:

- 2026: -80% Scope 1 and 2 CO_2 intensity versus 2015
- 2030: -90% Scope 1 and 2 CO_2 intensity versus 2015 (SBTi validated)
- 2030: -50% Scope 3 CO_2 emissions versus 2019 (SBTi validated)
- 2050: net-zero Scope 1,2 and 3 (SBTi validated)
- Maintain CDP Climate A List position

After reaching the 2023 Scope 1 and 2 reduction target in 2023, BAM is now accelerating its carbon reduction towards the more ambitious 2026 target. BAM's Scope 1 and 2 CO_2 intensity decreased by 70% versus 2015 (target for 2026: 80% reduction). The CO_2 intensity in 2024 was 18% lower compared to 2023 (from 10.9 to 7.5 tonnes per € million revenue). The reduction is the result of BAM's ongoing CO_2 reduction initiatives such as the use of biofuels and electrification. BAM reports Scope 1 and 2 CO_2 emissions using market based conversion factors for electricity as BAM's reduction targets are based on market based accounting. BAM's Scope 1 and 2 CO_2 emissions using location based emissions factors are included in ▶ chapter 6.3.

Scope 1 and 2 emissions

10 CO_2 emissions intensity (Scope 1 and 2)
(in tonnes per € million revenue)



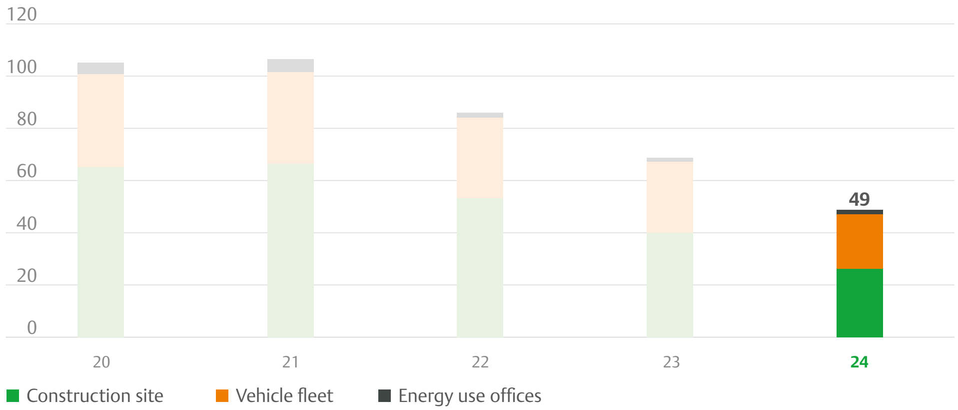
— CO_2 reduction target:
50% reduction in 2023 versus 2015

Construction sites
The largest source of CO_2 emissions remains the fuel use on BAM's construction sites. In 2024, absolute emissions from fuels used on construction site were 22 kilotonnes compared to 36 kilotonnes in 2023. This decrease was caused by electrification of equipment and replacing diesel with hydrotreated vegetable oil (HVO).

BAM continues its focus on the electrification of equipment to reduce CO_2 emissions on its construction sites and the dependency on fossil fuels. In the Netherlands, BAM aims to replace small equipment that needs replacement by electric alternatives. BAM is piloting electric equipment on its projects, for example the first electric 9-ton tandem roller which has been taken into service at Schiphol airport in 2024.

The electrification of equipment is not sufficient to reach BAM's short term CO_2 reduction targets, which is why BAM is also replacing conventional diesel with sustainably produced HVO. The use of HVO increased to 9 million litres in 2024 compared to almost 5 million litres in 2023. HVO now covers 54% of the fuel use on construction sites, saving circa 24 kilotonnes of CO_2 emissions.

11 Absolute CO_2 emissions (Scope 1 and 2)
(in kilotonnes)



The replacement of fossil fuels by biofuels continues to spark debate. This discussion is focused on proving the true sustainability of apparently lower-carbon biobased fuels, which is sometimes questioned due to potential adverse impacts (e.g. land-use change) during the production of biomass. BAM has given careful consideration to the use of HVO and remains satisfied that it is a necessary and suitable transition fuel to reduce CO_2 emissions in the short term.

Company car fleet and electricity consumption
The emissions from the vehicle fleet, which account for 43% of BAM's total Scope 1 and 2 CO_2 emissions, decreased by 15% compared to 2023. The number of fully electric lease vehicles increased to 2321 in 2024 (a share of 66% of the total lease fleet). Driven by the electrification of the vehicle fleet, BAM's electricity consumption in vehicles increased by 85% to 14.1 million kWh, compared to 7.6 million kWh in 2023.

A large share of BAM's electricity consumption is being generated by the charging of its electric fleet. On most of BAM's locations renewable electricity is used, but BAM cannot guarantee that renewable electricity is used for public and home charging. As a result, the rapid increase in electricity use for charging BAM's vehicle fleet has resulted in a decrease in BAM's renewable electricity share to 64% in 2024 (2023: 69%). BAM is exploring several options to support the use of renewable electricity in public and home charging to maintain the push towards BAM's target of 100% renewable electricity use in 2030.

Scope 3 emissions
BAM's ambitious Scope 3 reduction target for 2030 underlines BAM's commitment to reduce CO_2 emissions in the value chain. Initiatives are ongoing to reduce emissions associated with the use of raw materials, including pursuing opportunities to use more sustainable materials, such as timber, recycled steel and lower carbon concrete. BAM is starting to steer on underlying drivers, such as % of recycled steel use and % of lower carbon concrete use. An example of a lower carbon concrete initiative is 'GROENR BETON', a concept developed by BAM that leads to a reduction of 15 to 20% CO_2 emissions compared to traditional mixtures. The characteristics of GROENR BETON are comparable to those of traditional concrete, making it suitable for many applications.

To reduce downstream emissions, BAM tries to construct as many low carbon assets (A+++ and A++++ label) as possible as these have a significantly lower energy consumption during their lifespan. BAM is increasingly delivering low and net-zero carbon assets. A key example is the delivery of the Southam College project in the United Kingdom in 2024. This project is part of the Department for Education's Pathfinder programme, and serves as a model for exploring pathways to achieving Net Zero. As such, this project provided valuable insights that will fuel future developments.

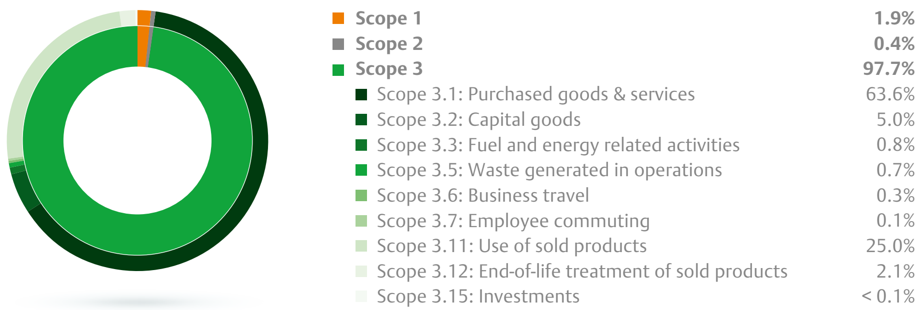
In 2024, BAM also continued its efforts to improve the quality of measurement of Scope 3. BAM has explored several options to unlock activity data on its purchased goods and services, such as supplier data, data from cost calculation models and data from building information modelling. While some of these options provided promising opportunities, BAM has not yet managed to use activity data for its upstream Scope 3 calculation, mainly because processes and controls to validate data quality are not yet in place. Therefore, BAM's upstream Scope 3 data calculation is still 100% based on spend data (description of applied methodology is provided in chapter 6.3).

BAM's Scope 3 emissions for 2024 were estimated at 2,093 kilotonnes CO_2. Figure 12 provides a breakdown of the contribution of the several Scope 3 categories to BAM's overall CO_2 footprint. The inner circle of the diagram outlines the overarching categories of Scope 1, 2, and 3 emissions, with the data highlighting that the majority (97.7%) of the impact stems from Scope 3. The outer circle illustrates the subcategories reported by BAM, with seven categories under Scope 3. The largest portion of the impact is attributed to two key categories:

- 3.1: Purchased Goods and Services, responsible for 63.6% of the total Scope 1, 2 & 3. The impact in this category is caused by the CO_2 emissions emitted during the production of the resources BAM used for the construction of its projects. The major drivers of this impact were concrete and steel for which BAM has different reduction initiatives in place.

- 3.11: Use of Sold Products, accounting for 25.0% of the Scope 1, 2 & 3 impact was caused by the energy consumption of the assets BAM constructs during its entire lifespan. The construction of low energy assets is a focus for BAM, to further reduce this environmental impact, even though a large part of this impact is outside of BAM's direct sphere of influence.

12 Breakdown Scope 1,2 and 3 CO_2 emissions

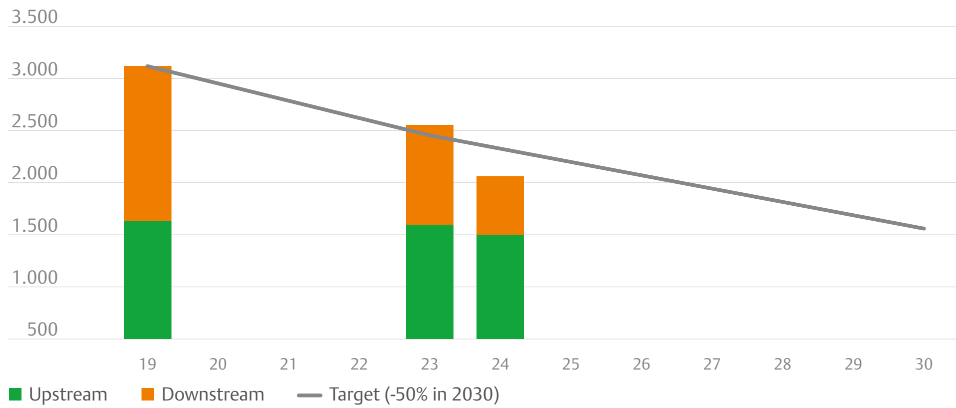


BAM also recalculated the emissions for its baseline 2019 in 2024. A comparison of BAM's Scope 3 footprint between 2019, 2023, and 2024 reflects a consistent reduction in impact (see figure 13).

BAM's 2024 Scope 3 footprint (2,093 kilotonnes) is 18% lower than the Scope 3 CO_2 emissions in 2023 (2,552 kilotonnes). The difference 2023 and 2024 was mainly the result of lower emissions in the category use of sold products. This category is estimated based on the delivered products in the reporting year, which can heavily fluctuate from year to year. In 2024, BAM delivered less assets than in 2023 and on average the estimated energy use of the delivered assets also decreased.

A direct comparison with 2019 remains challenging due to differences in data quality, data collection and processing methodologies. The estimation for 2019 is based on 18% extrapolation, compared to 5% in 2024. The largest uncertainty lies in the downstream reduction. The downward trend looks very promising, but it is important to understand that these emissions can heavily fluctuate based on BAM's portfolio of delivered assets in the reporting year. Upstream emissions seem to remain relatively constant, but that is primarily the result of the limitations of the spend-based methodology used. In reality, BAM expects that upstream reductions have occurred which are not captured in the spend-based methodology. This underlines the importance to continue BAM's efforts to unlock reliable activity data to replace spend data going forward.

13 Scope 3 CO_2 emissions (kilotonnes)



BAM's climate action acknowledged
BAM was awarded a place on the prestigious CDP Climate A List for the sixt consecutive year, recognising BAM's efforts in CO_2 reduction and transparent reporting. CDP regularly increases the A list criteria and the CDP Climate A list therefore remains an important confirmation fthat BAM is doing the right things when it comes to mitigating climate change. BAM was also again included in the Europe's Climate Leaders 2024 list of the Financial Times, a list of the top 600 European companies that have reduced their greenhouse gas emissions in the past five years the most.

Circularity

BAM aims to deliver more circular solutions to limit the use of primary materials and the environmental impact of these materials. BAM's circularity approach is centred around: 1) applying tools to support circular solutions (material passports and circularity assessment); 2) reducing the use of virgin materials by reusing, recycling and considering alternative materials and 3) waste reduction.

BAM's circularity targets are:

- 2030: -50% non-biobased virgin materials versus 2019
- 2030: A,B,C and industrialised projects with design in their scope to use the material passport
- 2030: A,B,C and industrialised projects with design in their scope to use the circularity assessment
- 2030: -75% construction and office waste intensity versus 2015

Material passports and circularity assessment

BAM is proactively offering material passports and circularity assessments to clients to stimulate the transition towards a more circular economy. The aim of a material passport is to ensure that the materials retain their value for reuse or recycling. A circularity assessment provides insight into the extent to which a building uses recycled materials and into the reusability and detachability of materials used. In 2024, circularity assessments were offered in 71% and materials passports were offered in 63% of the A+B tenders with design in scope. This promising results is mainly supported by the developments in the United Kingdom and Ireland where BAM has started to offer circularity assessments and materials passports in 2024 as well. BAM is also supporting Madaster as a pioneer partner of their newly formed United Kingdom and Ireland market, meaning BAM will help shape the solutions for materials passports going forward.

Material passports and circularity assessments are currently only delivered when they are valued by the client, as these require a significant investment. In 2025, BAM will evaluate its approach and decide whether targets on the delivery of material passports and/or circularity assessments remain a logical and valuable next step.

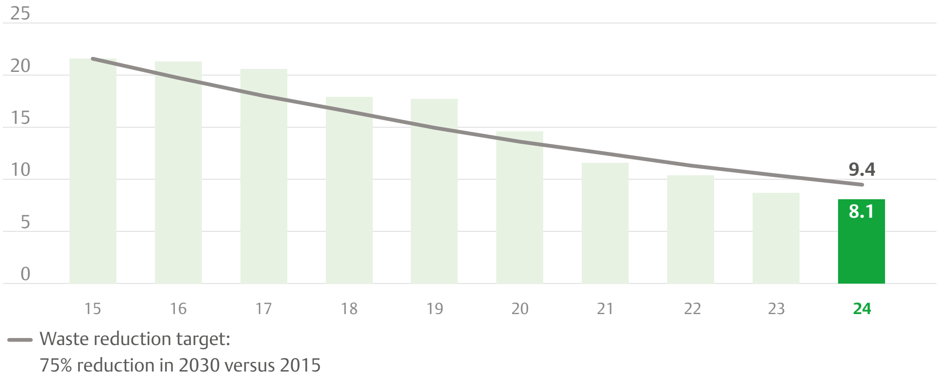
Reduce use of non-biobased primary (virgin) material

BAM is targetting to reduce the usage of primary materials to improve circularity and to drive down upstream CO_2 emissions. BAM focusses on a few key materials: concrete, steel, asphalt and timber. Accurately mapping these materials remains a challenge for the Company, but BAM is now able to estimate the quantities and percentage recycled content of these main materials used on its construction projects (see ▶ chapter 6.3). BAM estimates that the recycled content of steel used by the Company is already substantial (> 75%) contrary to the use of recycled asphalt (< 30%) and concrete (< 5%).

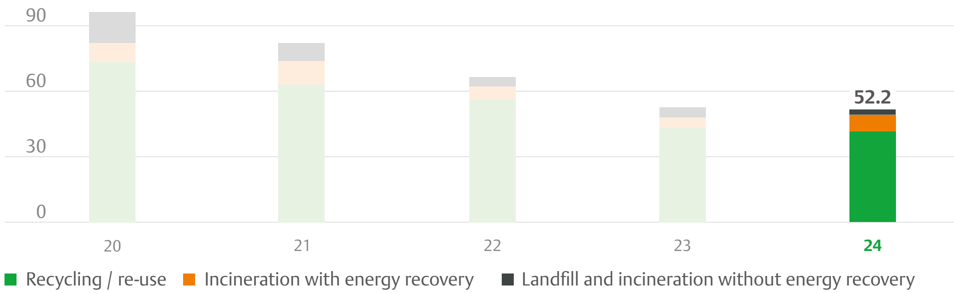
Waste reduction

BAM continues to gradually reduce its waste figures. The construction and office waste intensity was reduced by 7% to 8.1 in 2024 (2023: 8.7). Besides reducing waste, BAM also continues to explore opportunities to repurpose waste. Examples in 2024 include the repurpose of pallets that would otherwise be discarded by having a company collect all types of pallets for re-use purposes, substantially reducing timber waste on construction sites. Even though the focus of BAM is on reducing and re-using waste, recycling is still an important part of the Company's waste streams. BAM's 'recycle or reuse' rate remained stable at 83% (2023: 83%).

14 Construction and office waste intensity
(in tonnes per € million revenue)



15 Construction and office waste production per destination category
(in kilotonnes)



Climate adaptation

BAM and many other organisations are committed to mitigate climate change, but BAM also acknowledges the reality that the climate is already changing and is expected to change further in the coming decades. That is why BAM has selected climate adaptation as one of its sustainability strategic themes. For BAM, climate adaptation is about adapting the built environment to increase climate resilience, meaning that the assets BAM delivers can withstand severe climate, such as heavy precipitation, drought and rising sea levels. Climate-adaptive solutions are also increasingly demanded by communities, clients and regulators. BAM's targets related to climate adaptation are:

- 2026: Climate-adaptive measures to be integrated in all BAM's own developments

- 2026: Offer climate-adaptive measures in all A, B and C tenders with a design scope
- 2030: Climate-adaptive measures to be integrated in all projects

Performing a climate risk scan was already the standard within BAM in the Netherlands. In 2024, BAM has also developed a climate risk scan for the United Kingdom and Ireland based on the solution of the partner South Pole. As a result, BAM is progressing ahead of schedule and has offered climate adaptive measures in 96% of its A+B tenders with design in scope in 2024. The progress puts BAM in a good position to work towards its 2026 target, where the main challenge is to also ensure climate risks scans are performed and adaptive measures are included in all C (smaller category) tenders.

Biodiversity

Biodiversity loss, together with climate change, is increasingly considered a severe threat to the planet, society and economy. Economies depend on healthy and resilient ecosystems and mitigating climate change can only truly be achieved by addressing biodiversity loss. Recognising the importance of nature, BAM included biodiversity as a key topic in its sustainability strategy. BAM's biodiversity targets are:

- 2026: Biodiversity enhancing alternatives to be offered in all A, B and C tenders and developments with design in their scope
- 2026: Evidenced biodiversity balanced on all projects in the United Kingdom and Ireland
- 2030: Aggregated positive impact on biodiversity

In recent years, BAM has explored various methodologies to assess the biodiversity impact of its projects. As BAM's understanding has advanced, the focus of these frameworks has shifted from measuring impact to measuring effort, recognising that quantifying actual biodiversity impact is extremely difficult and not possible within BAM's current operations. As a result, the actions BAM is currently taking do not fully align with the targets set for 2026 and 2030. To avoid greenwashing and ensure long-term sustainability, BAM is reviewing and benchmarking these goals against industry standards and best practices.

BAM has introduced a new methodology for measuring biodiversity impact, known as BAM Biodiversity+. This assessment was originally developed in the UK&I and has been adapted to the Dutch context in 2024. In 2024 this scan has been trialed in 12 projects in the Netherlands. To account for the different level of maturity this topic has in the both divisions slight changes have been made to the assessment in several iterations without losing the alignment between the two versions. In the UK&I, Biodiversity+ assessments of completed projects have commenced to establish a baseline and identify key priorities for 2025. At the same time, BAM is investing in upskilling its workforce by addressing biodiversity knowledge gaps and the upcoming launch of a dedicated Biodiverstiy 'Design & Build Library'.

An example of BAM's biodiversity strategy in action is BAM's contribution to the creation of a dedicated "Sparrow Garden" at the Lightyard project in Eindhoven. The location of the two residential towers was previously a habitat for house sparrows. To mitigate the loss of the sparrow population, a specially designed reserve has been established diagonally opposite the construction site. The garden is carefully designed to cater to the needs of house sparrows, featuring ample shrubbery for shelter and plants that attract insects. While the sparrow garden is currently considered a temporary initiative, the municipality has not ruled out its continued existence following the completion of the project. This would complement the 2,400 m² of green space already planned within the residential area.

Biodiversity+

To guide project teams and align their efforts with BAM's biodiversity objectives, BAM has developed the Biodiversity+ Assessment Tool. This comprehensive tool, comprising eight primary themes and 29 subthemes enables BAM to assess its efforts in minimizing negative biodiversity impacts.

The five drivers addressed in the BAM Biodiversity+ assessment are:

- Habitat Creation
- Sustainable Resourcing
- Carbon Reduction
- Pollution Avoidance
- Biosecurity

While the primary focus of this approach is on biodiversity, it also incorporates broader environmental services to deliver additional benefits such as ecosystem services. BAM is actively exploring the feasibility of implementing an overarching biodiversity metric-based framework. However, at this stage, the company is prioritising a contributions-based assessment to enhance practices, foster collaboration, and identify opportunities for improvement.

Having completed a pilot and refinement phase, BAM is confident that the criteria within the Biodiversity+ assessment effectively address a wide range of project-specific and local requirements.

Risk management and governance

The new office of dsm-firmenich in Maastricht is a combination of a 'Paris Proof' historic building and a new construction that meets the highest sustainability standards, including BREAAM Outstanding and WELL Platinum. The building is the homebase for about 600 dsm-firmenich employees.

Maastricht, BAM Bouw en Techniek

4.1 Risk management

In the ordinary course of business, BAM is willing to take risks while benefitting from opportunities. Risk management is an essential activity to ensure risks and opportunities are identified and addressed in a controlled manner. The Company's risk management activities are designed to support long-term value creation.

Risk management framework

In line with the requirements of the Dutch Corporate Governance Code, BAM's risk management framework is based on the Committee of Sponsoring Organisations ('COSO') of the Treadway Commission Enterprise Risk Management Framework from 2017. It provides a standardised framework for identifying risks, mitigating actions and implementing controls. The risk management framework ensures that BAM's activities are managed in a controlled manner and in accordance with the strategy and related risk appetite.

The Executive Board is responsible for risk management and maintaining an effective control system. The Executive Board is supported by the Risk and Control Committee ("RCC") and supervised by the Supervisory Board. The RCC is established to coordinate and advise on the implementation of the risk management framework enabling an integration of risk management and the control system. The RCC is chaired by the CFO and includes risk and control specialists as well as representatives from both divisions.

The risk and control function, at Group level and in the divisions, supports the Executive Board and senior management in risk management activities. This includes providing support in performing risk assessments and monitoring of the design and operating effectiveness of control procedures.

Risk management activities are subject to a three lines model to ensure robust governance and efficient implementation throughout the organisation.

Key risk areas and risk appetite

The identification of BAM's key risk areas is a process that includes establishing the risk appetite by the Executive Board. This is followed by structured risk assessments to determine the risk profile and the monitoring of mitigating actions. The key risk areas are categorised into strategic, operational, financial and compliance risks.

Risk appetite is defined as the level at which BAM is willing to accept risk in the ordinary course of business to achieve its objectives. A risk appetite is established in accordance with the Company's strategy. The Executive Board validates the risk appetite of key risk areas on a yearly basis and performs a reassessment when required by a change in facts or circumstances, such as a change in laws and regulations or change of strategy.

The Company's general risk appetite per risk category is as follows:

- Strategic risks – BAM takes a balanced approach to risk and reward to achieve its strategic objectives and continues to invest in innovation through digital and sustainable technologies and solutions;
- Operational risks – BAM seeks to limit risks that may jeopardise the execution of its business activities;
- Financial risks – BAM strives to maintain a solid financial position, ensuring access to the financial markets and retaining its clients, supply chain and other partners. BAM wants to provide an insightful, fair and accurate representation of its performance and economic results;
- Compliance risks – Compliance with all applicable laws and regulations including BAM's code of conduct is of fundamental importance to the Group.

Risk assessments reflect on the risk profile and the risk trend versus the Company's risk appetite. These are executed in the divisions, Belgium and at Group level and include defining of mitigating actions and monitoring of their effectiveness. Risks are assessed and prioritised based on their probability of occurrence, their potential impact and the effectiveness of mitigating measures.

BAM's risk framework addresses 20 key risk areas. The key risk areas relevant for 2024, their risk trend, risk appetite and mitigating measures are summarised on pages 31 to 35.

Internal controls

BAM has a control requirements framework to manage risks, to prevent material misstatements in (non)financial reporting and to ensure compliance with laws and regulations. This framework addresses BAM's key risk areas by defining control requirements to be executed in the business. Business managers and functional leads in both divisions, Belgium and at Group level are responsible for managing risks and controls and performing self-assessments for their design, implementation and operating effectiveness.

The risk and control function reviews the operating effectiveness of the control requirements framework. Reviews of controls are performed throughout the year, based on a pre-defined schedule covering the full year. The results are reported to the Executive Board and the Audit Committee.

The internal audit function validates the control assessments and reports its obervations to the Executive Board and the Audit Committee. Internal audit also provides business managers and the risk and control function with recommendations to further improve the design, implementation and/or effectiveness of control requirements.

The results of effectiveness testing of the control requirements together with the reporting of control incidents (if any) and internal and external audit findings are taken into consideration by business management and division management in their internal reporting of in control statements.

These internal in control statements form the basis for managerial accountability for the effectiveness of the control requirements framework. Any deviations from the internal control requirements framework are reported, including remediations and follow-up actions to resolve them.

BAM strives for continuous improvement of its risk management activities. In 2024 this resulted in a next step in the maturity of adhering to control requirements, evidenced by higher effectiveness scores versus 2023 and years before. The management of the divisions and Belgium have confirmed and signed the internal in control statement 2024 which supports the Executive Board in its assessment of the effectiveness of the design and operation of the internal control and risk management systems.

Executive Board statement

In accordance with the Dutch corporate governance code and the Financial Supervision Act ('Wet op het financieel toezicht'), the Executive Board confirms that, to the best of its knowledge:

- The Executive Board report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems of Royal BAM Group;
- The aforementioned systems provide reasonable assurance that the financial statements do not contain any material inaccuracies;
- Based on the current state of affairs, it is justified that the financial statements are prepared on a going concern basis;
- There are no material risks or uncertainties that could reasonably be expected to have a material adverse impact on the Group's continuity for the period of twelve months after the preparation of the financial statements.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations. Nor can they provide certainty that BAM will achieve its objectives.

Furthermore, the Executive Board confirms that, to the best of its knowledge:

- The financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of BAM and the subsidiaries included in the consolidation;
- The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission, Taxonomy Regulation and in accordance with the Company's double materiality assessment;
- The Executive Board report provides a fair review of the position at the balance sheet date, the development and performance of the business during the financial year;
- The Executive Board report describes the principal risks and uncertainties that the Group faces.

New Lock Terneuzen

Sassevaart joint venture (including BAM Infra Nederland) delivered Nieuwe Sluis (new lock) in Terneuzen for client VNSC (Vlaams-Nederlandse Scheldecommissie).

Key risk areas

The following table summarises BAM's key risk areas, the respective risk appetite and management's measures to bring the risk in line with the risk appetite.

Risk appetite level	What does it mean
Very low	BAM has (almost) no appetite for materialisation of these risks.
Low	BAM accepts these risks to materialise at a low likelihood and/or impact.
Medium	BAM accepts these risks to materialise with a medium likelihood and/or impact.
High	BAM is risk taking and accepts that these risks may materialise with a high likelihood and/or impact.
Very high	BAM is very risk taking and accepts these risks may materialise with a very high likelihood and/or impact.

Trend level

- Increased (residual) risk
- Neutral risk trend
- Decreased (residual) risk

Risk area	Description	Management measures
Strategic risks		
Market risk *Appetite* Medium *Trend* Decreased	BAM operates in highly competitive markets and is exposed to market volatility. Fierce competition may have an adverse impact on a project's margin, its risk profile and financing structure or may lead to a lack of projects.	• A strategy is in place that focuses on product-market-combinations ('PMCs') that are attractive from a financial and sustainability perspective. The tender procedure verifies that a tender complies with this strategy. • BAM implemented a focus on key clients to mutually benefit from a long-term relationship and to reduce the impact of short-term market volatility. • BAM's tender process verifies that a project's margin, risk profile and financing structure comply with the requirements set by the Executive Board.
Transformation and innovation *Appetite* Low–Medium *Trend* Neutral	BAM's strategy involves a transformation that focuses on differentiation from competition on product and process leadership through priorisation of innovation and sustainability. Missing out on transformation and innovation opportunities has an adverse impact on BAM's competitive position and financial and sustainability performance.	• A strategic transformation agenda is in place to provide focus for transformation initiatives. The Executive Board allocates appropriate resources and budgets to the respective initiatives and monitors progress. • Together with supply chain partners and through client collaboration, BAM continuously seeks product improvements with sustainability as a key focus. Examples are low carbon asphalt and concrete and x-pods. • BAM may also leverage its size and market leadership to invest in promising and attractive innovations through capital expenditures or mergers and acquisitions.

Risk area	Description	Management measures
Operational risks		
Safety *Appetite* ●○○○○ *Trend* =	The nature of BAM's business can pose occupational health and safety risks. The well-being, safety and work-related ill health effects (long term) of its workforce are of vital importance to the Company.	• BAM implemented a safety management system covering its workforce (employees and subcontractors). The safety system complies with the ISO 45001:2018 standard for occupational health and safety management systems. • Safety is a top priority in BAM's code of conduct and both divisions have a dedicated safety function that validates compliance with safety requirements and monitors the safety performance. • Safety activities during the year include toolbox meetings, risk assessments, investigation of incidents, safety (culture) audits, trainings and an annual safety day. Also, safety specialists and senior leaders perform project safety visits. Further details about policies and performance on health and safety are described in chapter 6.4.
Property development *Appetite* ○●●○○ *Trend* ⌄	Property development projects may be postponed or completed at higher costs or lower income than expected. Furthermore, the realisable value of land bank and property development positions may be lower than the book value.	• A property policy is in place that specifies conditions and requirements for investment opportunities. • BAM implemented a property procurement process covering all property development investments. The process requires various approvals by senior managers to verify compliance with the property policy to ensure a development's risk profile is in line with the Group's risk appetite. • Start of construction of a property is also subject to an approval process to manage financial risks involved in construction. Generally, construction does not commence unless at least 70% of the project is sold. • A yearly review process is implemented to compare the book value of land bank and property developments to their realisable value.
Project tendering *Appetite* ○○●○○ *Trend* =	Selecting the right projects against balanced contractual conditions and climate, environmental and social impact is crucial. Failure to deliver on this may impact project execution and lead to fluctuations in the financial and non-financial results.	• A tender policy is in place that defines requirements for tender proposals. The policy does not allow tendering on single-stage, lump-sum projects above €150 million. • BAM implemented a tender assurance process that involves various approvals by senior managers to verify compliance with contractual and commercial requirements to ensure a project's risk profile is in line with the Group's risk appetite.
Project execution *Appetite* ○○●○○ *Trend* ⌄	The Group is constantly active in thousands of projects which exposes it to a wide variety of risks, in a sector known for its asymmetrical risk profile.	• Projects are executed by BAM's highly skilled and qualified employees under the leadership of a project manager and/or project management team. The project manager or project management team is facilitated in their oversight by project monitoring tools and dashboard. • A comprehensive risk and opportunities management process is in place to identify, evaluate (and mitigate) risks and opportunities in the execution of projects. • The operational, financial and sustainability performance of projects is reported to and evaluated by the management team of business units. The performance for 'key projects' is reported to the Executive Board on a monthly basis. Key projects are projects with a high risk profile or substantial contribution to the Group's results or cash-flows.

Risk area	Description	Management measures
Operational risks		
Supply chain *Appetite* ○○●○○ *Trend* =	BAM purchases approximately 70% of its revenue from suppliers and subcontractors. Poor quality of services or materials and/or volatility in purchase prices may negatively affect the Group's financial and sustainability performance.	• A procurement policy is in place that focusses on long-term relationships with several key suppliers to avoid dependency on one supplier and to secure appropriate volumes of key materials. The policy also requires use of standard contracts, vendor code of conduct and terms and conditions. • Procurement of materials and subcontractors is managed by the procurement specialists to ensure compliance with the procurement policy. • The project tender process includes procedures to assess supply chain risks, including price volatility. Exposure to such volatility is generally limited through price indexation reimbursement clauses in contract with customers.
Human resources *Appetite* ○●○○○ *Trend* ^	Attracting, retaining, developing and engaging diverse talent is crucial, as it enables the Company to deliver its strategy and to build on an inclusive culture that is resilient to market changes. This attractive employee experience, labeled 'The BAM Experience' is essential to remain a preferred employer in a competitive market.	• Employees are guided by BAM's five values, sustainable, inclusive, reliable, ownership and collaborative, and united by BAM's unique culture. The values are also reflected in the ten competencies in the BAM leadership framework. • A comprehensive performance and development process is implemented to pursue sustainable career development for all employees. BAM's development activities include a traineeship programme as well as tailor-made programmes for project managers and (future) senior leaders. • BAM offers fair rewards at a competitive level, encouraging personal growth while safeguarding personal wellbeing. • BAM launched an attractive employer branding campaign and has a professional team of recruiters to increase the inflow of diverse talent. BAM fosters an internal mobility culture to enhance career perspectives for employees.
Information technology and security *Appetite* ○○●○○ *Trend* =	Digitalisation, data, communication, and connectivity are essential for BAM. However, these elements also present cyber-security challenges, necessitating the Company's continuous adaptability.	• BAM has a dedicated information security function led by the Director Security. • Information security processes are based on the NIST cybersecurity frameworks and comply with with ISO27001 standards. • The information security function is subject to a periodical maturity assessment by an independent party.
Business continuity *Appetite* ○○●○○ *Trend* =	Crisis and business continuity disruptions can have a material effect on the Company's operations due to risks such as natural disasters, influenza and pandemics.	• BAM has a crisis management and business continuity policy to address significant disruptions. This policy includes a description of the organisation, processes and responsbilities. This is further elaborated in underlying procedures and instructions such as disaster and business recovery procedures. • A crisis management team is implemented at group and in both divisions to manage and supervise the business continuity system and to ensure continuity in a safe and healthy manner on project sites, in offices and at home.

Risk area	Description	Management measures
Operational risks		
Sustainability - climate change *Appetite* ○●○○○ *Trend* =	Climate change-related risks are related to climate mitigation and climate adaptation. Climate mitigation involves risks of operating in a CO_2 intensive industry while climate adaptation risks are related to the effects of global warming, causing extreme weather conditions such as storms, heat waves and flooding.	• BAM's strategy of 'Building a sustainable tomorrow' intends to contribute to creating a sustainable future for clients, colleagues, society, and future generations. • BAM is committed to an 80% reduction of its Scope 1 and 2 CO_2 intensity by 2026 (versus 2015) and a 50% reduction in Scope 3 CO_2 emissions by 2030 (versus 2019). • BAM is committed to integrate climate adaptive measures in all projects by 2030. For further details, refer to chapter 6.4.
Sustainability - environmental impact *Appetite* ○●○○○ *Trend* =	The construction industry has a negative impact on the environment due high levels of use of natural resources, pollution in the supply chain and negative effects on biodiversity through land use change. A potential positive impact is the contribution to ecosystem services (benefits to humans provided by the natural environment and healthy ecosystems).	• BAM's strategy of 'Building a sustainable tomorrow' intends to contribute to creating a sustainable future for clients, colleagues, society, and future generations. • BAM is committed to a 50% reduction of non biobased virgin materials by 2030 (versus 2019) and a 75% reduction of construction and office waste intensity by 2030 (versus 2015). • BAM is committed to the use of material passports and circularity assesments on projects with certain characteristics by 2030. For further details, refer to chapter 6.4.

Risk area	Description	Management measures
Compliance risks		
Financial and sustainability reporting *Appetite* ○●○○○ *Trend* =	Providing insightful, fair and accurate representation of the Group's financial and sustainability performance is essential for trust in BAM. Material misstatements in reports may lead to a loss of confidence of internal and external stakeholders.	• BAM has a financial reporting manual and sustainability reporting manual to ensure all subsidiaries apply the same reporting principles. The financial reporting manual complies with IFRS accounting policies and the sustainability reporting manual complies with CSRD reporting policies. • The central finance function and sustainability reporting function monitor compliance with the reporting manuals. Both functions coordinate, support and approve (the interpretation of) complex reporting matters. • Periodic reviews by management, finance, sustainability and risk functions underpin the insightful, fair and accurate representation of performance and economic results, and aim to prevent any material misstatements due to fraud or errors.
Regulatory and reputation *Appetite* ●○○○○ *Trend* ⌄	Regulatory compliance and the trust of clients, shareholders, lenders, construction partners and employees in BAM is vital to ensure the continuity of the Company. Non-compliance may result in administrative, civil or criminal liabilities including fines and penalties and suspension or debarment from government or non-government contracts.	• BAM's code of conduct and related policies such as those relating to bribery, corruption and competition align with generally accepted standards and values and local legal and other rules and regulations. • All employees are required to confirm compliance with the code of conduct. • BAM has a robust speak up procedure (including an anonymous external reporting line) for (suspected) breaches of the code of conduct and policies. The compliance function investigates matters reported in the speak-up procedures, monitors compliance with laws and regulations and advises on integrity issues. In December 2024, the Dutch Public Prosecutions Office (DPPO, Openbaar Ministerie) closed its pending investigation into BAM International from 2022 and dismissed their suspicions. BAM conducted its own internal review in connection with the DPPO's investigation and identified certain potentially irregular payments in connection with an unrelated completed project in Africa. BAM self-reported these potentially irregular payments to the DPPO. The DPPO concluded that not all of these payments were properly recorded in BAM International's administration and imposed a fine of €30,000.- on BAM International through a penalty order. BAM will not appeal the penalty order.

4.2 Corporate governance and capital information

Dutch corporate governance code

In 2023, an updated version of the Dutch Corporate Governance Code ('the Code') entered into effect. The Code is based on the comply-or-explain principle and applies as from the financial year 2017.

The application of the Code by BAM, as described in this chapter, is part of the Company's 'Corporate governance statement' as specified in article 2a of the Decree on the contents of the Executive Board report. The other information which completes this statement is specified in table 16.

Compliance with the Code is described in the Corporate governance compliance overview that is available on the Company's website and that should be read in conjunction with this section. BAM complies with the principles and best practices of the Code. In accordance with the Code, the Company will submit any substantial changes in the main features of its corporate governance structure to the General Meeting for discussion purposes. The corporate governance structure of the Company was reviewed by the Executive Board and Supervisory Board in December 2024. The BAM corporate governance compliance overview was last updated on 12 February 2025.

16 Corporate governance statement

Requirement	Addressed in
Corporate governance structure and compliance with principles and best practices of the Code	This chapter; a full compliance overview is available on the Company's website (www.bam.com/en/about-bam/corporate-governance)
Principal characteristics of the Company's management and control system for its financial reporting process	See chapter 4.1
Functioning of the General Meeting and the rights of shareholders	This chapter and further information is available on the Company's website (www.bam.com/en/about-bam/corporate-governance)
Composition and functioning of the Executive Board and the Supervisory Board (including its committees)	See chapters 4.3 and 5.1
Policy and report on gender diversity in the Supervisory Board, Executive committee and sub-top	See chapter 3

Diversity and inclusion

The Code stipulates that the diversity and inclusion policy, related targets and performance for the Company's Supervisory Board, Executive Committee and sub-top should be explained in the Executive Board report. BAM has defined the sub-top as its senior leadership group (SLG). The reporting requirement is addressed in chapter 3.2 section 'Female representation'.

Sustainability

The Corporate Governance Code prescribes in section 1.1 that the Executive Board should develop a view on sustainable long-term value creation by the Company, formulate a strategy in line with this, including specific objectives. When formulating the strategy the Executive Board should pay attention to – amongst others – the impact of the Company in the field of sustainability, including the effects on people and the environment.

BAM's strategy is build on sustainability and takes into consideration the Company's effects on people and the environment. Further information is provided in chapter 2.2. To ensure that the interests of the relevant stakeholders of the Company are considered when the substantiality aspects of the strategy are updated, BAM has formulated an outline policy for effective dialogue with those stakeholders, which is published on the Company's website.

Capital information

The Company has three classes of shares: ordinary shares, preference shares B and a series of preference shares F. At the balance sheet date, only ordinary shares were issued and these are traded on the Euronext Amsterdam stock exchange. Note 23 of the financial statements provides further information about the Company's capital structure. An overview of rights attached to the three classes of shares is included in table 17 and a summary of the statutory arrangements with respect to the distribution of profit is included in chapter 8.2.

The restriction on transfer of preference shares B provides the Company the opportunity – because of the specific purpose of issuing them, namely the acquisition of finance or achieving protection – of offering the holders of these shares an alternative in the event that they wish to dispose of their shares. The Company granted Stichting Aandelenbeheer BAM Groep (Foundation Preference Shares BAM Group, or "the Foundation") the option to acquire preference shares B.

This option was granted up to such an amount as the Foundation might require, subject to a maximum of a nominal amount that would result in the total nominal amount of preference shares B in issue (and not held by the Company) equalling no more than 99.9% of the nominal amount of the issued share capital of the other shares classes (and not held by the Company). The Company and the Foundation agreed that the Company will not issue these shares or grant any rights to purchase them to anyone else without the Foundation's permission.
The Foundation will not dispose of or encumber any preference shares B, nor renounce their voting rights, without the Company's permission. Further information about the Foundation is included in chapter 8.3.

The Company operates an equity-settled long term incentive plan ("LTI") as futher disclosed in note 29 of the financial statements.

Shareholders' agreements
The Company is not aware of any agreements involving one of the Company's shareholders and which might provide reasons for restricting the transfer of shares or depositary receipts issued with the Company's cooperation or restricting the voting rights.

Appointment and dismissal of members of the Supervisory Board and members of the Executive Board and amendment of the Articles of Association.
The Company is obliged by law to operate a mitigated two-tier structure. The General Meeting appoints the members of the Supervisory Board, based on a recommendation from the Supervisory Board. The General Meeting also appoints the members of the Executive Board, with the Supervisory Board having the right of recommendation.
A more detailed explanation of the rules governing the appointment and dismissal of members of the Supervisory Board and members of the Executive Board can be found in the Articles of Association of the Company, as published on the Company's website.

Resolutions to amend the Articles of Association or to dissolve the Company may only be adopted by the General Meeting pursuant to a proposal of the Executive Board and subject to the approval of the Supervisory Board.

Powers of the Executive Board
The Executive Board's powers are those arising from legislation and regulations. A more detailed description of the Executive Board's duties can be found in the rules of the Executive Board and the Executive Committee, available on the Company's website. In the general meeting on 10 April 2024, the Executive Board was authorised, subject to approval of the Supervisory board to (i) issue ordinary shares and Class F preference shares and to grant options to acquire these shares and (ii) to have the Company to acquire ordinary shares in the Company's capital.

This authorisation is limited in duration to eighteen months. It is also limited in scope to 10% of the issued capital. In principle, the General Meeting is asked to grant these authorisations every year.
Resolutions to amend the Articles of Association, or to dissolve the Company, may only be passed by the General Meeting based on a proposal put forward by the Executive Board and approved by the Supervisory Board.

Change of control provisions in important agreements
BAM differentiates the following categories of agreements as referred to in the Decree on Article 10 of the EU Takeover Directive:
- The Company has a €330 million syndicated revolving credit facility ('the RCF') which stipulates that a change of control provides the lenders with the right to cancel their undrawn commitments and declare outstanding loans due and payable;
- The Company and its subsidiaries have entered into various important agreements that contain clauses that, in the event of a change of control, provide the other party with the right to terminate it. Individual agreements are not considered key agreements within the meaning of the Decree on Article 10 of the EU Takeover Directive, but jointly they are considered significant;
- The terms and conditions of the LTIs stipulate that, upon the occurrence of a change of control, the Supervisory Board may decide to accelerate vesting on a prorated basis, both in terms of time and performance. The Supervisory Board is also authorised to withdraw conditional and unconditional performance shares in exchange for a cash payment at market value.

17 Rights per class of shares

Rights	Ordinary shares	Preference shares B	Preference shares F
Nominal value	€0.10 per share	€0.10 per share	€0.10 per share
Voting rights in class-holders meeting	One vote per share	One vote per share	One vote per share
Voting rights on general meeting	One vote per share	One vote per share	One vote per share
Payment on shares	Issue upon full payment	Issue upon partial payment of at least 25% of the nominal amount	Issue upon full payment
Pre-emptive right in the issue of ordinary shares	Pre-emptive right for issue of new ordinary shares, unless restricted or excluded by a resolution of the general meeting	No pre-emptive rights	No pre-emptive rights
Pre-emptive right in the issue of preference shares	No pre-emptive rights	No pre-emptive rights	No pre-emptive rights
Restrictions on transfer of shares	No restrictions	Transfer requires approval of the Executive Board	No restrictions

4.3 Supervisory Board and Executive Board

Biographies of the Supervisory Board members

From the left: N.M. (Nina) Skorupska, G. (Gosse) Boon, D. (Denise) Koopmans, H.Th.E.M. (Henk) Rottinghuis, B. (Bob) Elfring, J.C. (Jane) Hanson and M.P. (Paul) Sheffield.

H.Th.E.M. (Henk) Rottinghuis (1956) Chairman

Mr Rottinghuis is a businessman who has held senior executive and non-executive roles for leading European companies across various industry sectors. He served as CEO and chairman of the Executive Board of Pon Holdings from 2001 until his retirement in 2010. He joined Pon in 1993 and became a member of the Executive Board in 1999. Before that, he fulfilled senior management roles at Royal Nedlloyd Group. Since his retirement from Pon, he has held several Supervisory Board and non- executive director positions, including at Royal Bank of Scotland, Blokker, DRG (food retail), Stork (as chairman) and CRH (cement building materials). Mr Rottinghuis completed his studies at the University of Groningen in 1982.

Mr Rottinghuis is a Dutch national.

Other offices: chairman of the Supervisory Board of Chane Terminals and member of the Supervisory Board of Damen Shipyards Group.

G. (Gosse) Boon (1959) Vice-Chairman

Mr Boon studied quantitative business economics and commercial law at Erasmus University Rotterdam. He completed the postgraduate RA (Chartered Accountant) programme at the same university. Mr Boon started his career at Unilever. From 1983 to 2000, he held various senior positions within this company, the latest being CFO of Unilever Brazil. In the period 2000-2004, Mr Boon was CEO of DiverseyLever Netherlands. Subsequently, Mr Boon became CFO and member of the Executive Board of private equity owned Rijnmond Waste Processing and Van Gansewinkel Group respectively. In 2010, he joined publicly listed Nutreco and became its CFO and an Executive Board member in 2011. In 2015, following the delisting of Nutreco, he decided to leave this company.

Mr Boon is a Dutch national.

Other offices: lay judge (expert member) of the Companies and Business Court (Enterprise Chamber), which is part of the Amsterdam Court of Appeal, board member of Foundation Continuity ASMI.

B. (Bob) Elfring (1959)

Mr Elfring obtained a master's degree in Law and Business Economics at the University of Groningen. He started his career at Amsterdam-Rotterdam Bank, followed by management positions at Rabobank, Amsterdamse Investeringsbank, MeesPierson and Lehman Brothers. Between 2008 and 2011, he worked for Credit Suisse, where among other tasks he was responsible for Investment Banking in Northern Europe and the Benelux. Between 2011 and 2018, Mr Elfring worked for Bank of America Merrill Lynch, where from 2012 onwards he was responsible for Corporate and Investment Banking in Europe, the Middle East and Africa, based in London. Between 2021 and 2024, he was Vice-Chair of EMEA Investment Banking at J.P. Morgan Securities plc.

Mr Elfring is a Dutch national.

Other office: chairman of the Supervisory Board of Vuyk Holding and member of the Supervisory Board of ASR Nederland.

J.C. (Jane) Hanson (1967)

Mrs Hanson graduated with a Music BA (Hons) degree from the University of York, and after 2 years as a professional musician, Mrs Hanson qualified as a Chartered Accountant at KPMG. She continued her career at Aviva PLC, where she held executive roles including Head of Audit and Risk & Governance Director. After Aviva, Mrs Hanson built her own consulting company, delivering governance-related services to Boards of regulated and other significant sized entities. She gained further non-executive director experience on private, listed, public sector and charity boards, including holding Chair and Audit & Risk Committee Chair roles across a wide range of industries including Financial Services, Entertainment and the Not-For-Profit sector. Her experience includes managing complex change, improving business performance, and managing succession.
Mrs Hanson was awarded a CBE in 2022 for her contributions to Charity and Public Service.

Mrs Hanson is a British national.

Other offices: non-executive director of HM Treasury, non-executive director and audit committee chair of Welsh Water (chair of the Board with effect from 1 January 2025), audit committee chair at the Civil Aviation Authority (until 21 January 2025) and audit and risk committee member and independent advisor to the board of John Lewis Partnership.

D. (Denise) Koopmans (1962)

Mrs Koopmans earned a master's degree in Law from Erasmus University Rotterdam and a further postgraduate degree Real Estate Law from Radboud University Nijmegen. She is a graduate of Harvard Business School and an Insead certified board member. Between 1991 and 1998, Mrs Koopmans was Chief Legal Officer at NBM-Amstelland (acquired by BAM in 2000). Since then, she has worked in various commercial and senior international leadership positions at Heerema Group, Cap Gemini Engineering and RELX Group. Between 2011 and 2015, Mrs Koopmans was managing director of the Legal & Regulatory division of Wolters Kluwer in the Netherlands and director of the global business line for workflow solutions. Before Wolters Kluwer, she was CEO at LexisNexis Business Information Solutions (RELX Group). Since 2015, Mrs Koopmans has worked as a non-executive director and advisor of companies.

Mrs Koopmans is a Dutch national.

Other offices: non-executive director at Swiss Post AG and Cicor Group, member of the Supervisory Board of Norma Group, lay judge (expert member) of the Companies and Business Court (Enterprise Chamber), which is part of the Amsterdam Court of Appeal.

M.P. (Paul) Sheffield (1961)

Mr Sheffield studied civil engineering at the University of Surrey. He is a Chartered Engineer and Fellow of the British Institution of Civil Engineers. From 1983 to 2014, he was employed by the Kier Group, a large British construction and property development group, listed on the London stock exchange, where he held a number of management positions. Mr Sheffield spent the first 17 years of his career working on significant infrastructure and construction projects around the world, including seven years as a project director on power stations in the United Kingdom, desalination plants in Saudi Arabia and underground railways in Hong Kong. He then spent seven years running business units within the United Kingdom, and in 2005 he joined the Board of Kier Group with responsibility for global construction activities. He was appointed as Chief Executive Officer in 2010. In 2014, Mr Sheffield left the Kier Group for Laing O'Rourke, the largest private construction company in the United Kingdom, where he was a member of the Executive Committee until 2017 and responsible for their activities in Europe and the Middle East.

Mr Sheffield is a British national.

Other offices: none.

N.M. (Nina) Skorupska (1961)

Dr Skorupska obtained a Doctorate degree in Chemistry, Engineering and Geology at the University of Newcastle upon Tyne and subsequently conducted post-graduate research at the same university. She started her professional career with multiple research and management roles at successively IEA Coal Research and National Power plc. In 2001, National Power was acquired by RWE where she continued her career holding various senior management and executive positions until 2012, most recently as Chief Technology Officer at Essent in 's-Hertogenbosch, where she was responsible for Essent's power plants (including construction projects). From 2013 to mid-2024, Dr Skorupska was Chief Executive of REA, the Association for Renewable Energy and Clean Technology.

Dr Skorupska is a British national.

Other offices: non-executive director of Great British Energy and member of the Advisory Board of National Grid Energy Distribution.

Biographies of the Executive Board members

R.J.M. (Ruud) Joosten (1964) CEO

Mr Joosten earned a degree in Business Economics at VU University Amsterdam in 1987 and an MBA from the University of Leuven in 1990. Mr Joosten started with AkzoNobel in 1996 as a marketing director, joining from Petrofina (currently PPG) where he began his career in 1988. At AkzoNobel he held management positions in sales and marketing, and became managing director of Decorative Paints North and Eastern Europe in 2006. In 2013, he joined AkzoNobel's Executive Committee and became responsible for the Decorative Paints business. In 2018, he became the Chief Operating Officer of AkzoNobel, responsible for the business performance of the coatings and paints businesses.

Mr Joosten is a Dutch national has been a member of the Executive Board (CEO) of Royal BAM Group since September 2020.

Other office: member of the Supervisory Board of ALTANA AG.

L.F. (Frans) den Houter (1974) CFO

Mr Den Houter was trained as a hydrographic surveyor at the Amsterdam University of Applied Sciences, then earned a degree in business economics at the University of Amsterdam and an international master's degree in Finance and Control. He started his career at Exxon Mobil in 2000, where he worked as a financial analyst and controller for the Benelux retail operating company. In 2005 he moved to Shell, where he worked as a controller at Shell Global Real Estate, project manager at Shell Energy Europe and financial manager for joint ventures at Shell Upstream International. He joined Heerema Marine Contractors (HMC) in 2010 as its Finance and Control Manager and then held the position of Senior Vice-President Finance before being appointed as CFO in 2012.

Mr Den Houter is a Dutch national and has been a member of the Executive Board (CFO) of Royal BAM Group since August 2018.

Other offices: none

On 25 October 2024, the Supervisory Board announced that Mr Den Houter has decided to leave the Company in the last year of his second term, effective 1 March 2025.


R.J.M. (Ruud) Joosten and L.F. (Frans) den Houter.

18 Retirement schedule for the Supervisory Board

Member	Date of initial appointment	Year of reappointment	End of current term
H.Th.E.M. Rottinghuis*	15-04-2020	2024	2028
G. Boon	19-04-2017	2021	2025
B. Elfring	24-08-2020	2024	2028
J.C. Hanson	06-11-2024	-	2028
D. Koopmans*	24-08-2020	2024	2028
M.P. Sheffield	24-08-2017	2021	2025
N.M. Skorupska	14-04-2021	-	2025

* Right of recommendation of Central Works Council.

19 Retirement schedule for the Executive Board

Member	Date of initial appointment	Year of reappointment	End of current term
R.J.M. Joosten	24-08-2020	2024	2028
L.F. den Houter	26-06-2018	2022	2025

Shareholding position

Information about the shareholding position of the Supervisory and Executive Board members is in chapter 5.2.

4.4 Executive Committee

Biographies of the Executive Committee

From the left: J.D. (John) Wilkinson, S.B. (Sabine) van Hooijdonk-Verboom, R.J.M. (Ruud) Joosten, C. (Carla) Rodenburg-Verschuur and L.F. (Frans) den Houter.

The Executive Committee consists of the Executive Board members R.J.M. (Ruud) Joosten and L.F. (Frans) den Houter, as well as of Mrs S.B. (Sabine) van Hooijdonk-Verboom, Mrs C. (Carla) Rodenburg-Verschuur and Mr J.D. (John) Wilkinson.

Information about the role and responsibilities of the Executive Committee is included in the Executive Board and Executive Committee rules of procedure. The relationship and contact with the Supervisory Board is explained in the Supervisory Board rules of procedure (see www.bam.com), pursuant to which Supervisory Board meetings shall generally be attended by all members of the Executive Committee.

S.B. (Sabine) van Hooijdonk-Verboom (1981)
CHRO

Mrs Van Hooijdonk-Verboom was appointed Chief HR officer (CHRO), effective 1 July 2023. She joined BAM in early 2022 as executive director Group HR. Before she joined BAM, Mrs Van Hooijdonk-Verboom was global DE&I Lead and Executive HR Business Partner at JDE Peets where she was responsible for creating the People strategy in all the central functions. As part of this role, she also led the creation and implementation of the D&I business case. She gained extensive HR experience with senior (global) positions at KPMG, Philips and Signify. Mrs Van Hooijdonk-Verboom graduated as a Master of Science in business administration with a specialism in human resources at the VU University Amsterdam.

Mrs van Hooijdonk-Verboom is a Dutch national.

Other offices: none

C. (Carla) Rodenburg-Verschuur (1972)
COO division Netherlands

Mrs Rodenburg-Verschuur was appointed Chief Operating Officer (COO) for the division Netherlands, effective 1 October 2024. She joined BAM in October 2020 as executive director of BAM Infra Netherlands. She was formerly Vice President and member of the Executive Committee at Stork (acquired by Fluor). Previously she held senior positions at KPNQwest and Shell in the field of general management and business development. She started her career as a strategic consultant at Arthur D. Little. Besides a Master of Science in Electrical Engineering at Delft University of Technology, she holds a Master of Business Administration (Drs) degree at Rotterdam School of Management and Duke University in the US.

Mrs Rodenburg-Verschuur is a Dutch national.

Other office: member of the Advisory Board of Deltares.

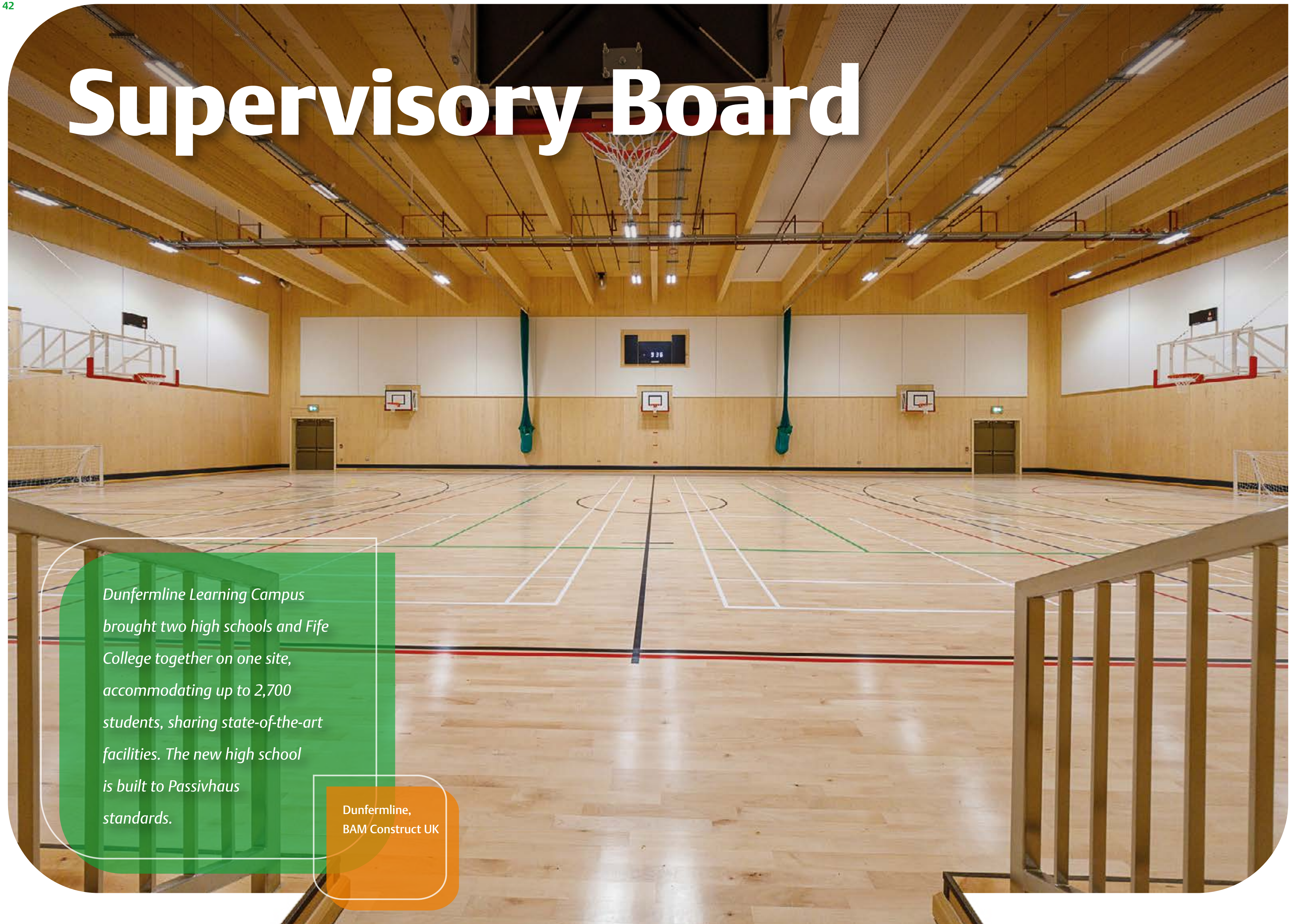
J.D. (John) Wilkinson (1968)
COO division United Kingdom and Ireland

Mr Wilkinson was appointed Chief Operating Officer (COO) for the division United Kingdom and Ireland, effective 1 January 2022. Since 5 October 2020, Mr Wilkinson has been a member of the Executive Committee (as COO for the former business line Civil Engineering). He was formerly President of Infrastructure and a member of the Executive Committee of SNC-Lavalin in Canada. He previously held senior positions with British civil engineering companies Laing O'Rourke, Kier Group and May Gurney, respectively as managing director of UK Infrastructure, executive director of Services and managing director. Mr Wilkinson holds a Bachelor of Science (Hons) in Construction Management from Reading University and is an Alumnus of Cambridge Judge Business School.

Mr Wilkinson is a British national.

Other offices: none

Supervisory Board



Dunfermline Learning Campus brought two high schools and Fife College together on one site, accommodating up to 2,700 students, sharing state-of-the-art facilities. The new high school is built to Passivhaus standards.

Dunfermline, BAM Construct UK

5.1 Report of the Supervisory Board

The year 2024 is the first year of BAM's 2024-2026 strategy 'Building a sustainable tomorrow'. Through this strategy, BAM aims to be a market leader in selected sustainable and profitable product market combinations (PMCs). The strategy focuses on protecting profitability, transforming through industrialisation and digitisation, and further expanding into growth markets. The strategy was launched on 15 February 2024 and was well received by the market.

On 21 February 2024, a serious accident took place at the project site of a bridge over the Twente canal in Lochem. As a result of this accident, tragically two persons lost their life; while other persons were seriously injured. The incident was very impactful for all involved and the Supervisory Board expressed its condolences to the family and colleagues of the deceased. It reinforces the necessity of preventing these accidents from happening and the Supervisory Board encourages and supports the Executive Committee in prioritising the health and safety of every person within the BAM organisation and on every site.

Highlights in the year were the celebration of the 65th listing anniversary on the Amsterdam Stock Exchange, the start of industrialised production of wooden Flow homes in the factory in Hoogkarspel, the inclusion of BAM in the CDP A list for the fifth consecutive year and the successful execution of a share buyback programme. The Dutch Public Prosecutions Office concluded its investigation into BAM International and the Supervisory Board welcomed the resolution.

In December the Company reached conditional agreement on the divestment of BAM's remaining share in Invesis as it no longer aligned with the strategy 'Building a sustainable tomorrow'.

Mr Frans den Houter announced his departure as CFO. The Supervisory Board is very grateful for his contributions over the past six years and appreciates that an internal successor (Henri de Pater) could be identified. Carla Rodenburg took over the position of COO of the division Netherlands from Joost Nelis. The latter's achievements and long-term commitment to the Company are highly regarded.

Supervisory Board activities

The attendance at Supervisory Board meetings and committees is specified in table 20.
During 2024, the Supervisory Board held ten meetings, including seven regular and three ad-hoc sessions. In the regular meetings, the Supervisory Board and the Executive Committee discussed:

- safety,
- the current state of affairs and BAM's financial and sustainability performance,
- market developments and order intake,
- development of working capital and cash flow,
- the Company's financial condition and
- investments and divestments.

The Supervisory Board committees reported on their activities in each quarterly meeting and the Supervisory Board was also updated by the Executive Committee on the status of key projects and large tenders. The related discussions mainly focused on the risks in these projects and how these were managed and/or could be mitigated.

Other matters discussed in the quartly meetings were the annual report and financial statements for 2023, the half-year press release and interim statements, the dividend policy and the dividend proposal, as well as compliance reports and material disputes and legal proceedings.

20 Supervisory Board attendance overview 2024

Member	SB[1]	AC[2]	RC[3]	NC[4]	HSS[5]
H.Th.E.M. Rottinghuis	10/10	-	-	4/4	4/4
G. Boon	10/10	5/5	-	-	-
B. Elfring	9/10	4/5	6/6	-	-
J.C. Hanson	3/5	2/2	-	2/2	-
D. Koopmans	10/10	-	6/6	4/4	-
M.P. Sheffield	10/10	5/5	-	-	4/4
N.M. Skorupska	10/10	-	6/6	2/3	4/4

1 Supervisory Board
2 Audit Committee
3 Remuneration Committee
4 Nomination Committee
5 Health, Safety and Sustainability Committee

Besides the regular matters that needed to be addressed, the Supervisory Board spent ample time on specific topics, which included the development and implementation of the new strategy, organisational developments and required leadership skills, mergers & acquisitions (including divestment of the remaining stake in Invesis) and the appointment of Carla Rodenburg to the Executive Committee as COO of the division Netherlands. Other specific topics of attention were the execution of the share buyback programme, the proposed succession of Frans den Houter as CFO by Henri de Pater (including period between 1 March 2025 (start as CFO) and 8 May 2025 (formal appointment as member of the Executive Board), CSRD and its expected transposition into Dutch law, the investigation and subsequent resolution of this investigation by the Dutch Fiscal Information and Investigation Service (FIOD) and the Dutch Public Prosecutions Office (Openbaar Ministerie) into certain projects of BAM International and the status of the investigations into accidents resulting in lives lost including the actions to be taken as a result.

The Supervisory Board highly values an open and regular dialogue with shareholders and investors to explain the Group's strategy and performance and to receive feedback. The Supervisory Board reviewed BAM's investor relations activities and shareholder base in all its meetings and was informed of the feedback given by shareholders, investors and analysts.

Before each meeting, the Supervisory Board met without the Executive Committee being present. Topics discussed in these pre-meetings included the preparation of the meeting, the functioning of the Executive Board, the annual self-assessment and the remuneration policy and remuneration of the Executive Board members, including the determination of the variable portion of their remuneration for 2024 and the targets for 2025.

Corporate governance
Each year, an updated corporate governance compliance overview is published on BAM's website, providing transparency on how BAM complies with the Dutch Corporate Governance Code. The Supervisory Board and the Executive Board are of the opinion that the Company's corporate governance is up to standard. Further information is included in chapter 4.2.

Risk management
Proper risk management remains a high priority for the Supervisory Board, essential for predictable performance and enhancing shareholder value. As such, it continued to be high on the Supervisory Board's agenda. In its meetings, the Supervisory Board discussed the risk appetite that aligns with the Company's strategic agenda and the related business and project portfolio.

BAM's focus on its key growth markets, alongside a robust stage gate tender process, continue to play a pivotal role in identifying potential risks early and implementing appropriate measures to mitigate risks at tendering.

The Supervisory Board continues to fully support the Executive Committee's strategic decision to stop tendering for large, complex, single-stage projects that present an unbalanced risk-reward profile. This decision reflects BAM's firm commitment to critical and selective tendering, essential for de-risking BAM's portfolio. By drawing lessons from past challenges, BAM is reinforcing its risk management strategies. Furthermore, the Supervisory Board, in collaboration with the Executive Committee, continuously evaluates the company's risk appetite. This ongoing process ensures BAM sets clear boundaries for future engagements, aligning them with its long-term strategic objectives. This includes decisions to part with clients that do not share BAM's view on a fair distribution of risk.

The Supervisory Board reviewed BAM's business and project portfolio, including those projects with a higher risk profile, (the phasing out of) legacy projects and discussed how these are managed. Additional comfort and insights were obtained from Internal Audit, which continued with auditing several high-exposure projects, resulting in recommendations to improve project control measures.

As part of the Supervisory Board's annual risk management review, the Audit Committee and subsequently the Supervisory Board discussed in their respective October meeting the outcome of BAM's enterprise risk management assessment in the presence of the Executive Director Group Control. This assessment provides an overview of the key risks BAM faces in achieving its objectives. The key risks and related mitigating measures were discussed. The Executive Director Group Control also informed the Supervisory Board about the status of adherence to BAM's control requirements framework, which is used to assess the internal risk management and control system throughout the Group.

The Supervisory Board concluded that BAM has in place adequate internal risk management and control systems, financial reporting manuals and procedures for drawing up financial reports as well as an established monitoring and reporting system.

Specific areas of attention for 2024

In 2024, the areas safety and sustainability were subject to increased attention by the Supervisory Board.

Safety
The Supervisory Board agrees with the Executive Board that safety is the highest priority for BAM, its employees, supply chain employees and society at large. The tragic loss of two lives has deeply affected everybody in the organisation. Material safety incidents were discussed and evaluated extensively by both the Supervisory Board and the Health, Safety and Sustainability Committee. These lost lives and other serious accidents show that safety is more than merely a compliance requirement. It is a top priority for the Company which requires permanent attention. The incident frequency (IF BAM) deteriorated from 2.8 in 2023 to 2.9 in 2024. IF Total is 2.9 in 2024 (2023: 2.6). It remains BAM's aspiration to prevent all incidents and to further reduce the incident frequency rate.

As a result of the deteriorating safety performance, the Executive Committee has conducted a thorough analysis to identify the root causes of these incidents and the systematic factors contributing to a negative trend. BAM is leveraging these insights to implement changes in the approach to safety—expanding training programmes, strengthening safety leadership and accountability measures, and reinforcing discipline. The Supervisory Board provided input and monitored the development of these initiatives throughout the year.

Sustainability
Early in 2023, BAM launched its long-term sustainability strategy, which is built on the Company's purpose and market-driven sustainability ambitions. This strategy is an integral part of the new strategic plan for 2024-2026. The strategy has been developed around six material themes concerning People and Planet, and is driven by the global challenges regarding climate change and inequality, and related developments concerning legislation, clients and competitors.
These themes are aligned with the selected United Nations Sustainable Development Goals (SDGs)

and include clear goals for the shorter and longer term. The Supervisory Board was closely involved in the development of the sustainability strategy and the goals that were set for the six themes. The Supervisory Board recognises the importance and connection of all six sustainability themes and supports the Company in its focus on achieving the targets it has set.

The Supervisory Board is delighted that BAM as the only Dutch construction company was rated on the CDP A-list for the fifth consecutive year and notices a promising ongoing trend in reducing BAM's environmental footprint. The Supervisory Board closely monitors the challenges in CO_2 measurements and the planned reductions in Scope 1, 2 and 3. In this regard the Supervisory Board noted with satisfaction that the Company has met (and even exceeded) its 2024 Scope 1 and 2 CO_2 reduction target of 50% reduction versus 2015. Further acceleration is however needed to also meet the ambitious 2026 targets.

The Company is also committed to reduce the Scope 3 CO_2 intensity of its operations by 50% in 2030 compared to the 2019 base year. While the Company is ambitious in its Scope 3 approach, the Supervisory Board acknowledges that consistent and reliable measuring of Scope 3 is an enormous challenge and maturing the measurement process will be a multi-year journey for the Company.

The Supervisory Board recognises the need to educate more clients to choose and pay for sustainable solutions as the goals cannot be achieved without customer cooperation.

Other activities

Besides the formal meetings, the Supervisory Board actively engaged with the Executive Committee as well as other senior managers. The chairman of the Supervisory Board had regular contact with BAM's CEO, as did the chairman of the Audit Committee with the CFO. The chairman and other members of the Supervisory Board also met a wide range of senior managers in order to be briefed on specific topics such as human resources, sustainability, finance, corporate governance and internal audit. During the off-site in September the Supervisory Board visited the Seaton Valley Schools project in Newcastle. In December the Safehouse project in London was visited.

A delegation from the Supervisory Board met with the Central Works Council in the Netherlands. The Central Works Council was informed timely about the appointment of members of the Executive Committee.

Educational sessions are organised throughout the year in order to inform and educate the Supervisory Board about specific matters. In 2024, so-called edusessions were held on topics such as double materiality assessment, sustainability reporting and people development. These educational sessions introduce the Supervisory Board to other individuals within the organisation.

Composition of the Supervisory Board

Until 6 November 2024, the Supervisory Board consisted of six members. On that date, Jane Hanson was appointed as a new member. As a result the Supervisory Board consists of seven members until the Annual General Meeting on 8 May 2025. Gosse Boon will then step down from the Supervisory Board at the end of his second term. Paul Sheffield will also reach the end of his second term but will be nominated for re-appointment for a period of one year in order to allow for a more effective re-appointment schedule.

The Supervisory Board is chaired by Henk Rottinghuis who was appointed to his position in 2020. Dr. Skorupska will reach the end of her first term of four years and will be nominated for re-appointment for a similar period. The Board's vice-chairman was Gosse Boon. Further information about the individual members of the Supervisory Board is available in ▶ chapter 4.3.

When selecting new members, the Supervisory Board considers expertise, experience, diversity, and independence aspects as described in the profile of the Supervisory Board (schedule 2 of the Supervisory Board rules of procedure, which are available on BAM's website). Candidates always meet with the Executive Board and a delegation of the Central Works Council whose input is considered in the recommendation for nomination.

Diversity and inclusion

In accordance with the 2021 law on diversity at the top of large corporations ('Wet evenwichtiger verhouding tussen mannen en vrouwen in het bestuur en de raad van commissarissen'), BAM has set and/or reconfirmed fitting and challenging targets on diversity for its Supervisory Board, Executive Committee and senior leadership group. In addition, an action plan was established in order to achieve these targets. Further information on the targets and action plan is available in ▶ chapter 3.2.

The Supervisory Board recognises the benefits and importance of diversity in its composition. The profile for the Supervisory Board includes a minimum 30% target for female and male board members respectively. Throughout the year the composition of the Supervisory Board met the target.

Induction

Following the nomination of Jane Hanson as a new member of the Supervisory Board an induction programme was established and approved by the Chairman of the Supervisory Board. The programme consisted of introduction meetings with internal and external stakeholders, including members of the Executive Committee, other senior managers and the external auditor. She also visited projects in the Netherlands and United Kingdom in order to get accustomed to the business and operations.

Training
The Supervisory Board recognises the importance of continuous training and development. This is addressed extensively in the annual performance evaluation, and safeguarded by an annual educational budget for Supervisory Board members.

Besides the educational sessions mentioned above and specific individual trainings, the Supervisory Board (together with the Executive Committee) was updated by the Institute for Sustainability Leadership (University of Cambridge) on the changing global context, with a particular focus on approaches to protect and restore nature and the interconnectedness of climate, nature, society and economic progress. In addition a dedicated training on safety performance enhancements was given by an external consultancy firm.

Independence
The Supervisory Board established that none of the Executive Board members held more than two Supervisory Board positions at large organisations or a position as chairman of such a supervisory body in 2024. This was in line with the Management and Supervision Act ('Wet bestuur en toezicht rechtpersonen') and the Corporate Governance Code. Furthermore, none of the Supervisory Board members had more than five memberships of supervisory boards at Dutch listed companies or other large institutions.

Conflicts of interest
Given his position as a member of the Supervisory Board of KPMG, Mr Boon excused himself from the selection process for the new external auditor.

As part of the annual self-evaluation (see below) the Supervisory Board also reviewed the other positions held by the members of the Supervisory Board and Executive Board and established that there are no other conflicts of interest.

Evaluation

In November 2024, the Supervisory Board performed its annual self-evaluation. This self-evaluation was based on an extensive questionnaire that was completed by all members prior to the evaluation session. The feedback from the individual members was translated into a report which was subsequently discussed in a dedicated evaluation session.

Specific attention was paid to the key areas of supervision, being strategy, risk management and internal audit, ethics and compliance culture as well as finance and accounting. The Supervisory Board concluded that it continues to be a well-functioning team, is of an appropriate size, and benefits from expertise, diversity and international representation.

A number of suggestions were made to further strengthen the Supervisory Board going forward, focusing on topics such as succession planning and access to the 'second echelon' in the organisation, a more thematic approach to compliance reporting and information gathering.

The Supervisory Board also reviewed the functioning of the Executive Board and its members, based on input received from the Executive Board following its own performance evaluation. The outcome of the review by the Supervisory Board was shared and discussed with the members of the Executive Board. The Supervisory Board appreciated the open discussions and transparent communications and felt that the Executive Board was functioning well.

Supervisory Board committees

The Supervisory Board has four permanent committees: Audit Committee, Remuneration Committee, Nomination Committee, and Health, Safety and Sustainability Committee. Three of these committees are mandatory and in line with Dutch corporate governance requirements. The Health, Safety and Sustainability Committee was established in 2021 to underline the Supervisory Board's focus and emphasis on these topics. It is the task of these committees to support and advise the Supervisory Board on matters under the committees' responsibility and to prepare the Supervisory Board's decisions regarding those matters. The Supervisory Board as a whole remains responsible for the way in which it performs its tasks and for the preparatory work carried out by the committees.

Audit Committee

In 2024, the Audit Committee was composed of Gosse Boon (chair), Paul Sheffield, Bob Elfring and Jane Hanson (from 6 November). The latter will succeed Mr Boon as chair of the Audit Committee per 8 May 2025 when Mr Boon will step down from the Supervisory Board. The composition of the committee is in line with the relevant provisions of the Corporate Governance Code. The Audit Committee prepares the Supervisory Board's decision making regarding the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems and assists and advises the Supervisory Board in this respect.

Meetings and topics
The Committee met five times in 2024: it held four regular meetings in which the financial results were discussed, plus an additional meeting in December to discuss the budget and plans for 2025. The CFO, the Executive Director Group Control, the Group Director Internal Audit and the external auditor attended all regular Audit Committee meetings. In line with its tasks and responsibilities, the Audit Committee addressed many topics, including the development of BAM's key financial figures, the reports of the external auditor, the internal audit plan for 2025, and the output and impact of the

new mandatory sustainability reporting requirements. In addition, developments relating to tax, IT, insurance, legislation (including material legal proceedings), treasury, compliance, risk management and pensions were monitored and reviewed, as well as BAM's progress on the transformation of its IT landscape and finance functions.

The Audit Committee prepared the selection of the new auditor and, taking into account the observations of the Executive Board, advised the Supervisory Board to nominate KPMG as the external auditor per the financial year 2026.

External auditor
The Audit Committee was briefed by the external auditor on relevant developments in the audit profession and on the major findings of their audit and review procedures.
The Committee met with the external auditor without the Executive Board being present, and reported to the Supervisory Board on the performance of and the relationship with the external auditor. Furthermore, the chairman of the Audit Committee regularly communicated on a one-to-one basis with the external auditor. The Audit Committee considers the Company's relationship with the external auditor to be effective.

Remuneration Committee

In 2024, the Remuneration Committee consisted of Denise Koopmans (chair), Bob Elfring and Nina Skorupska. The key responsibility of the Remuneration Committee is to make proposals to the Supervisory Board regarding the remuneration policy, the terms of employment of the members of the Executive Board, and the remuneration of the members of the Supervisory Board and the Executive Board. The remuneration of those members of the Executive Committee who are not also members of the Executive Board is also subject to the approval of the Supervisory Board.

Meetings and topics
In 2024, the Remuneration Committee met six times. The CEO and CHRO attended these meetings when deemed prudent. In February, the Remuneration Committee submitted a proposal to the full Supervisory Board regarding the pay-out of the 2023 short- term incentive and the vesting of the 2021-2023 long-term incentive, based on BAM's performance and the applicable criteria. In preparation of the 2024 Annual General Meeting, the Remuneration Committee submitted renewed remuneration policies for the Executive Board and Supervisory Board.

During the year, the Remuneration Committee reviewed the fixed remuneration of the CEO and CFO in light of remuneration increases of other employees and developments in the labour market reference group and submitted a proposal to apply indexation on their fixed remuneration following consultation with external advisors and stakeholders. Furthermore, the Remuneration Committee discussed the terms and conditions for the departure of Mr Den Houter and for his proposed successor Mr De Pater. Additionally a session was organised to be informed on general reward topics in the organisation concerning senior leader reward, gender paygap, pensions and various improvement projects. In December 2024, with the input of the HSS Committee and Audit Committee, the Remuneration Committee submitted a proposal to the full Supervisory Board for the objective setting for the 2025 short-term incentive and the 2025-2027 long-term incentive.

Finally the Remuneration Committee prepared the remuneration report, which explained how the remuneration policy had been implemented in practice and conducted an annual evaluation on its own functioning.

Nomination Committee

During 2024, the Nomination Committee consisted of Henk Rottinghuis (chair), Denise Koopmans and Nina Skorupska. Per 6 November the latter was succeeded by Jane Hanson. The key responsibility of the Nomination Committee is to make proposals to the Supervisory Board regarding the size and composition of the Supervisory Board and the Executive Board, with regard to selection criteria, selection procedures, appointments and reappointments to both boards as well as the assessment of their performance. The Nomination Committee also monitors the Executive Board's policy on selection criteria and appointment procedures for senior management, succession planning, talent development and holds annual appraisals with the individual members of the Executive Board.

Meetings and topics
The Nomination Committee met four times in 2024, in addition to which members consulted each other a number of times outside the context of a formal meeting. Items discussed included the composition of the Supervisory Board, Executive Board, Executive Committee and senior management, including diversity and inclusion aspects. In addition, the Nomination Committee, the CEO and the CHRO discussed workforce trends, selection criteria and appointment procedure for senior managers, the results of the 2024 talent review cycle, succession planning for senior management roles, diversity and inclusion, project management staffing and talent development. Additionally, the Nomination Committee was updated regularly on initiatives on the people roadmap.

Appointments to the Executive Committee are subject to the approval of the Supervisory Board. In 2024, the Nomination Committee reviewed the decision to appoint Carla Rodenburg to the Executive Committee as COO for the division NL and proposed to the Supervisory Board to approve this decision. Also, the Nomination Committee prepared the decision of the Supervisory Board to nominate Henri de Pater as successor of Frans den Houter as member of the Executive Board in the role of CFO, which will be presented to the Annual General Meeting in 2025 for appointment. Subject to shareholder approval Mr De Pater will start as CFO effective 1 March 2025.

Health, Safety and Sustainability Committee

Throughout 2024, the Health, Safety, and Sustainability (HSS) Committee, composed of Henk Rottinghuis (chair), Paul Sheffield and Nina Skorupska, supervised and challenged health and safety practices within the Company. The HSS Committee's key responsibilities included a thorough review and advisory role regarding the Company's health, safety and sustainability policies, management approaches, culture, and performance.

Moreover, the HSS Committee reflected on significant internal and external developments, fostering the advancement of an ambitious, well-structured sustainability agenda, and supporting the implementation of a clearly articulated roadmap.

Meetings and topics

In 2024, the HSS Committee met four times, besides several consultations between members outside formal meetings. The meetings are attended by the COOs of the two divisions as well as the Head of Group Sustainability. Discussions during these meetings covered a wide range of critical topics. Key areas of focus included the sustainability metrics BAM will prioritise, chosen for their credibility and reliance on accurate, objective data. Also different strategies for achieving cross-divisional synergies were reviewed, particularly in enhancing social value and health and safety practices.

The measures taken to improve overall health and safety performance are being monitored closely as were the serious and lost life accidents that occurred. The Committee also reviewed how BAM collaborates with its supply chain partners to embed sustainable solutions into its projects. The management incentives were also reviewed and aligned with the Company's sustainability agenda, alongside regular evaluations of BAM's sustainability dashboards and roadmaps. These discussions reflect the Supervisory Board's ongoing commitment to steering the Company towards ever improving safety and sustainability performance.

External auditor

During the year under review, the external auditor EY Accountants B.V. ('EY') reported on its 2023 audit, and attended the quarterly meetings with the Audit Committee, two meetings of the Supervisory Board, as well as the Annual General Meeting on 10 April 2024. Outside the meetings there were several informal contacts between the signing partner, the chairman of the Supervisory Board and the chairman of the Audit Committee respectively.

The 2024 assurance plan was presented to, and discussed with, the Audit Committee and the Supervisory Board, and subsequently approved. During the audit of the 2023 financial statements and the review of the 2024 interim financial statements, the Supervisory Board met with EY to discuss its reports. The relationship between EY and the Supervisory Board was effective and open.

The Supervisory Board established that EY received the financial and sustainability information on which the reports were based in a timely manner, and noted that it had discussed the information provided with the Executive Board and various senior managers. The Supervisory Board took note of the reports as prepared by EY and addressed the follow-up of the identified action points.

Areas of emphasis

In the February and July meeting, the Supervisory Board discussed with EY and the Executive Board the areas of audit emphasis, valuation of projects and revenue recognition for key projects, the investigation by the Dutch authorities into potential irregularities at some of BAM International's completed projects, regulations, sustainability and valuation of land and building rights. Other topics discussed were the findings on the company's internal control environment and financial processes, valuation of deferred taxes, IT general controls and fraud and (non-) compliance with laws and regulations.

Reappointment proposal

The Supervisory Board assessed the performance of, and its relationship with, the external auditor, based upon feedback from the Executive Board, the evaluation and recommendation of the Audit Committee and the feedback of the financial leadership team. Based on this assessment, the Supervisory Board's experience with the external auditor, and the external auditor's expertise with regard to the construction industry in general and BAM in particular, the Supervisory Board recommended that the shareholders present at the Annual General Meeting should reappoint EY Accountants B.V. as the external auditor responsible for auditing the 2025 financial statements and review of the sustainability information of the Group.

Appointment proposal 2026, 2027 and 2028

Based on the mandatory rotation requirements, the Supervisory Board supervised the selection process which resulted in the decision to nominate for appointment KPMG as the new external auditor for the years 2026, 2027 and 2028 at the Annual General Meeting in 2025.

Relationship with shareholders

The Annual General Meeting took place on 10 April 2024. Shareholders were given the opportunity to participate in person or virtually. The Annual General Meeting was prepared by the Executive Board and Supervisory Board. Besides the regular topics, the agenda also included the presentation of the next phase of the strategy and the amendment of the remuneration policy for the Executive Board and Supervisory Board. All proposals were adopted although one proposal (adoption of a transition allowance for the Executive Board) was withdrawn following stakeholder feedback. On 6 November 2024, an Extraordinary General Meeting was organised to appoint Jane Hanson as a member of the Supervisory Board.

Financial statements 2024

This annual report includes the 2024 financial statements, duly prepared by the Executive Board. The financial statements have been audited by EY; the unqualified independent auditor's report is included in chapter 8.1.

The Audit Committee discussed the financial statements with the Executive Board and the external auditor. The Audit Committee also discussed the auditor's reports and the quality of internal risk management and control systems. The Audit Committee had this discussion with the external auditor without the Executive Board being present. Subsequently, the Supervisory Board discussed this annual report, including the financial statements, with the Executive Board in the presence of the external auditor.

The Supervisory Board took note of the reporting from the Audit Committee and reviewed the auditor's report and the quality of internal risk management and control systems. The Supervisory Board concluded that it should approve the 2024 financial statements.

The Supervisory Board recommends that the 2024 financial statements be adopted during the Annual General Meeting, to be held on 8 May 2025. The Supervisory Board is of the opinion that the financial statements, the report by the Executive Board and the report by the Supervisory Board provide a solid basis on which to hold the Executive Board accountable for the management of policies pursued, and the Supervisory Board accountable for its supervision of these policies. The members of the Supervisory Board signed the financial statements in accordance with their statutory obligations under article 2:101, paragraph 2 of the Dutch Civil Code.

The Supervisory Board also recommends the Annual General Meeting to adopt the proposal of the Executive Board to make a distribution of €0.25 per share against the net result of 2024.

Final comments

The Supervisory Board is convinced that BAM is in a strong position to perform successfully, as the Group is consistently implementing a clear strategy based on a strong portfolio and increasing profitability. The Supervisory Board expresses its thanks to the Executive Board, the Executive Committee, management and employees for their contributions to make BAM a more resilient company, in the interest of all BAM's stakeholders.

Bunnik, the Netherlands, 19 February 2025

On behalf of the Supervisory Board,
Henk Rottinghuis, Chairman

Sustainability insight

As Network Rail's principal contractor on the new Ashley Down station scheme, BAM worked closely with staff at the nearby Brunel Field Primary School to create new green outdoor space that pupils can enjoy, with a new planting area and a safer school pond.

5.2 Remuneration report

Introduction

In addition to launching the new strategy for 2024-2026, at the start of the year, BAM has introduced its renewed policies for the remuneration of the Executive Board and Supervisory Board. After consultation with stakeholders, the policies were well received and adopted with 99.25% and 99.60% of the votes in favour. The renewed policies have now been in place for almost a year and have contributed to greater alignment between remuneration and BAM's strategic priorities, including further focus on sustainability and increased ownership of the Executive Board, while at the same time ensuring more transparency and consistency towards stakeholders.

Overall, the year has been strong for BAM, reflecting the success of the new strategy and leveraging BAM's core strengths in the energy transition, transportation and Dutch residential markets. BAM did face setbacks at school projects in Denmark and various construction projects in the United Kingdom and worked hard to minimise these. Despite difficult business circumstances with uncertainty regarding interest rates, the Dutch nitrogen situation and political unrest, it is clear that the future for BAM holds attractive market opportunities driven by a strong demand for decarbonisation, critical infrastructure, and sustainable and affordable housing.

BAM's positive business results and outlook have however been overshadowed by a personal tragedy, when two employees of subcontractors lost their lives at the project site of a bridge over the Twente Canal in Lochem and a further two of their colleagues were seriously injured at the beginning of the year. Management and employees of BAM remain deeply affected by this serious accident.
Our deepest sympathies go to their families, friends and colleagues of all concerned. BAM has launched an ambitious program to further enhance the safety of its employees and supply chain partners.

Incentive outcomes over 2024

On the basis of BAM's business results and in line with the new remuneration policy, the Supervisory Board determined the outcome of the incentive plans for the Executive Board, applying the discretion framework to assess the formulaic results and to ensure that these were in line with the philosophy of the remuneration policy and its guiding principles. The major safety incidents were considered at length in relation to this framework. But, in the end, the Supervisory Board decided not to apply discretion to the short-term incentive (STI) plan, as any payout on the safety objective had already been nullified due to underperformance based on incident frequency. In addition, the outcome of the adjusted EBITDA objective in the long-term incentive (LTI) was assessed using the framework. The positive results of the Invesis sale were not reflected in the outcome of the LTI plan since the adjusted EBITDA performance was corrected (in accordance with the agreed methodology) with results of the divested entity. This resulted in an adjusted EBITDA of 4.7% whereas the threshold was 5%. The sale of Invesis is however of strategic importance and will support the free cash flows of the Company. The Supervisory Board therefore decided to reward the importance of this strategic step, in combination with the overall positive development in adjusted EBITDA and used the framework to assign the threshold achievement of 50% to this objective.

Overall, the incentive outcomes reflect a strong performance on both the STI and the LTI. The financial and strategic progress in 2024 resulted in a STI payout for the Executive Board of 81.3% of fixed remuneration. Furthermore, 91.7% of the conditionally awarded shares for the 2022-2024 LTI plan will vest on the basis of strong profitable growth and significant shareholder value that was created over the three-year performance period as well as an excellent performance on the sustainability objectives.

Incentive objectives for 2025

As BAM enters the second year of the current strategic period, the Supervisory Board decided to maintain focus and maintain the objectives and weightings for the (2025) STI and the (2025-2027) LTI largely unchanged with some optimisations in the sustainability scorecard. Based on the increased focus on safety, the measure used for the corresponding objective in the short-term incentive plan over 2025 will however be changed from incident frequency (IF Total) to the number of field/project safety visits by Executive Committee members under a strict definition. This is to ensure that these visits truly support and drive an improved safety culture in the Company. One important condition has been added: any payout on the safety objective will be nullified in case of loss of life.

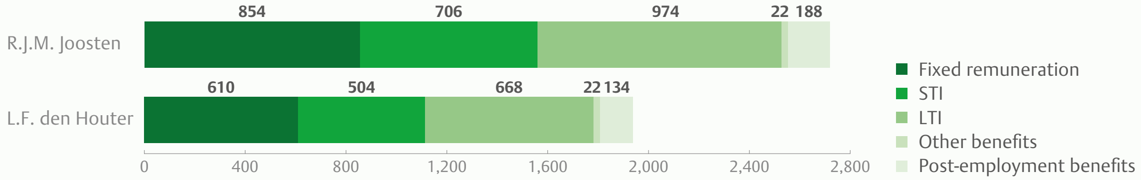
It is believed that it will be essential in 2025 to step up the engagement of top management in BAM's safety agenda. For this purpose, this objective will also be cascaded across the divisional management teams. More details on the objectives for STI 2025 and LTI 2025-2027 can be found in table 28.

With the remuneration policies that were recently reviewed and approved in 2024 as well as ambitious incentive targets set for the coming year(s), the Supervisory Board feels that BAM's practices are well positioned to drive company performance into the future. This remuneration report provides a summary of the remuneration of the members of the Executive Board and the Supervisory Board in the financial year 2024 and an outlook for 2025. The full remuneration policy, as approved by the Annual General Meeting in 2024, is published on the company website.

Bunnik, the Netherlands, 19 February 2025

On behalf of the Supervisory Board,
Denise Koopmans, Chair of the Remuneration Committee

Remuneration Executive Board in 2024 at a glance



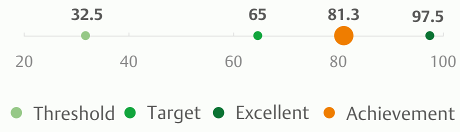
Labour market reference group (remaining unchanged for 2025)
Aalberts, Arcadis, Balfour Beatty, Corbion, Fugro, Heijmans, Keller Group, Kier Group, Koninklijke KPN, Morgan Sindall Group, PostNL, Renew Holdings, SBM Offshore, Signify

	Purpose and 2024 Policy	2024 Actuals	R.J.M. Joosten	L.F. den Houter
Fixed remuneration	**Purpose:** Provide base compensation to attract and retain qualified Executive Board members. **Policy:** Annual evaluation considering personal performance, the results of the past year, alignment with the labour market reference group, broader macro-economic factors and a particular focus on wider workforce compensation developments.	1 January 2024 +3.5% 1 July 2024 +3.5%	€839,000 €869,000	€599,000 €620,000

STI

Purpose: Reward annual performance, incentivise achievement of agreed objectives and align Executive Board and stakeholder interests.
Policy: Cash incentive expressed as a percentage of fixed remuneration.
Objective setting: 70% Financial objectives | 30% Non-financial objectives.

STI 2024 payout (% of fixed remuneration)



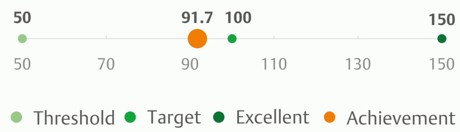
STI 2024 payout (amount)

R.J.M. Joosten	€706,063
L.F. den Houter	€503,750

LTI

Purpose: Reward long-term value creation, serve as retention instrument and align Executive Board and stakeholder interests.
Policy: Share-based incentive.
Award value expressed as a percentage of fixed remuneration: CEO 100% | CFO 90%
Objective setting: 66.7% Financial objectives | 33.3% Sustainability objectives.
Three-year vesting period.
Two-year lock-up period after vesting plus minimum share ownership requirement:
CEO: 200% of fixed remuneration | CFO: 150% of fixed remuneration.

Vesting LTI plan 2022-2024 (% of award)



Post-employment benefits

Purpose: Provide the Executive Board members a solid basis for retirement savings.
Policy: Gross allowance equal to 22% of fixed remuneration.

2024 Actuals: In line with policy

Benefits

Purpose: Offer a competitive package of benefits that suits the needs of the Executive Board members.
Policy: The benefits offering is set in line with the overall benefits proposition provided to BAM Group's wider workforce.

2024 Actuals: In line with policy

Remuneration of the Executive Board in 2024

The members of the Executive Board received remuneration in the past financial year in line with the remuneration policy adopted by the Annual General Meeting on 10 April 2024.

The remuneration policy for the Executive Board is available on BAM's website (see www.bam.com/en/about-bam/corporate-governance/articles-of-association-rules-and-codes). A summary of the remuneration of the members of the Executive Board can be found in the table below.

21 Total remuneration Executive Board
(x €1,000)

	Fixed remuneration		Short-term incentive		Long-term incentive [1]		Other benefits [2]		Post-employment benefits		Total remuneration	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
R.J.M. Joosten	**854**	801	**706**	554	**974**	545	**22**	22	**188**	176	**2,744**	2,098
L.F. den Houter	**610**	572	**504**	395	**668**	342	**22**	22	**134**	126	**1,938**	1,457

[1] The amount shown under 'Long-term incentive' consists of the IFRS valuation of the Performance Share Plan as included in note 28.1 Key management compensation of the Financial Statements.

[2] The amount shown under 'Other benefits' consists of the car allowance.

The remuneration of members of the Executive Board was not affected by a change of control at the Company and no loans or options were issued to them. The Supervisory Board did not see any reason during the financial year to use its extraordinary powers to adjust or reclaim variable remuneration that has been awarded previously.

Fixed remuneration

The Supervisory Board reviewed the fixed remuneration in line with the remuneration policy for the Executive Board. In line with the wider workforce in the Netherlands, the fixed remuneration of Mr Joosten was increased by 3.5% per 1 January 2024 and by 3.5% per 1 July 2024 to €869,000 gross per annum. The fixed remuneration of Mr Den Houter was increased by 3.5% per 1 January 2024 and by 3.5% per 1 July 2024 to €620,000 gross per annum.

Incentives

Based on input from the Remuneration Committee, the Supervisory Board evaluated the outcomes of the short-term incentive over 2024 and the long-term incentive over 2022-2024 in relation to the objectives that had been set. The Supervisory Board then reviewed the appropriateness of these formulaic outcomes against the discretion framework defined in the remuneration policy.

On the basis of this framework, limited upward discretion was applied to increase the achievement on the adjusted EBITDA objective in the LTI to threshold level, as explained in the introduction. Otherwise, it was concluded that the formulaic outcomes were reasonable and fair and discretionary adjustments were not required. Therefore, the payout of the short-term incentive has been determined at 81.3% of fixed remuneration and the vesting percentage for the long-term incentive has been determined at 91.7%. Further details on the achievement of the performance objectives can be found in tables 22 and 23. The conditional performance shares that were awarded under the LTI plan 2022-2024, will vest on 25 April 2025.

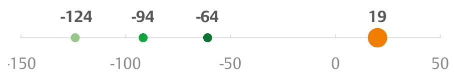
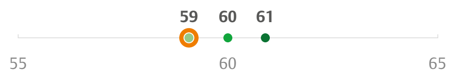
Post-employment benefits and other benefits

Both Mr Joosten and Mr Den Houter received an age-independent gross allowance of 22% of their fixed remuneration as pension contribution, in line with the remuneration policy.

Terms of appointment of the Executive Board members

Members of the Executive Board are appointed for a term of four years, and deliver their services under a management services agreement. Details of their appointment are specified in table 19. The notice period is three months for both the Company and the Executive Board member, the maximum severance is one year's fixed remuneration in case of termination by the Company.

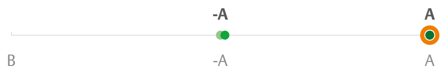
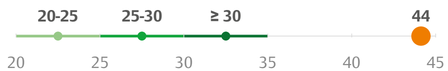
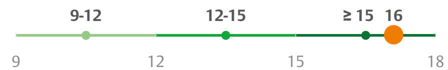
22 Performance on 2024 STI objectives

	Objective	Weighting (%)	Achievement on performance objectives	Achievement	Achievement (% of target)	STI (% of fixed remuneration)
Financial	Adjusted EBITDA *(x € million)*	45		BAM delivered a strong performance with an adjusted EBITDA of €302 million. This excludes the effect of recycling of Invesis' hedge reserves.	150	43.9
	Total cash flow *(x € million)* [1]	25		The total cash flow significantly exceeded excellent level.	150	24.4
Non-financial	Employee engagement (action taking) *(in %)* [2]	10		The engagement of employees has been improving steadily during the year. But overall performance ended up at threshold level.	50	3.3
	Safety *(IF Total)*	10		The performance did not justify payout.	-	-
	Scope 1 and 2 CO_2 intensity reduction *(in %)*	10		The reduction of Scope 1 and 2 CO_2 intensity continued and was larger than anticipated.	150	9.8
			Threshold Target Excellent Achievement			
	Overall achievement					**81.3**

[1] Average end-month IFRS cash position (excluding joint ventures) for October-December 2024 minus average for October-December 2023.

[2] Measured with the standardised, external (Glint) survey. Average % employees positive over Q1-Q4 on Glint survey statement: 'I believe meaningful action will be taken as a result of this survey'.

23 Performance on 2022-2024 LTI objectives

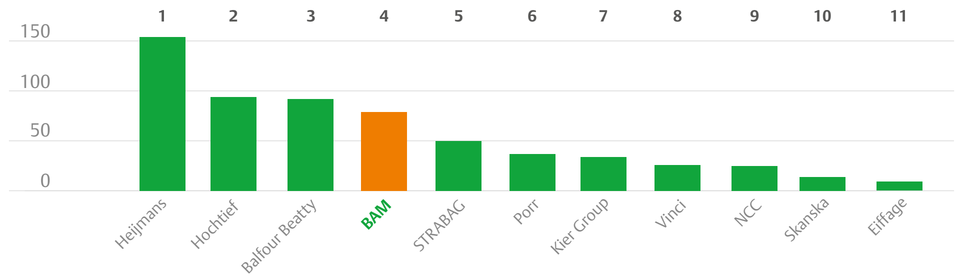
Objective	Weighting (%)	Achievement on performance objectives	Achievement	Achievement (% of target)	Vesting (% of award)
Relative TSR [1]	33.3	Position 4	See table 24 for the TSR peer group ranking. BAM's relative TSR performance ended up in 4th position and above the peer group median although the targeted 3rd position was not achieved.	75	25
Adjusted EBITDA *(in %)* [2]	33.3		BAM delivered an adjusted EBITDA of 4.7% excluding the effect of recycling of Invesis' hedge reserves. Limited discretion was applied to increase the achievement to threshold level, as explained in the introduction.	50 (discretion)	16.7
Sustainability					
- CDP Climate Ranking	11.1		BAM once again earned a spot on the prestigious CDP Climate A List, for the sixth consecutive year.	150	16.7
- Scope 1 and 2 CO_2 intensity reduction *(in %)*	11.1		The reduction of Scope 1 and 2 CO_2 intensity continued and was larger than anticipated.	150	16.7
- Construction and office waste intensity reduction *(in %)*	11.1		The reduction exceeded excellent level and was well in line with the long-term ambition to reduce with 75% in 2030 versus 2015.	150	16.7
Overall achievement					**91.7**

● Threshold ● Target ● Excellent ● Achievement

[1] BAM's relative position within a peer group of 11 companies. TSR is defined as the share price increase, including dividends, based on the three-month average share price before the start and the end of the three-year performance period.

[2] The adjusted EBITDA used for LTI excludes the direct and indirect effect of divestment (possible book gains, losses, transaction costs and the remaining operational EBITDA within the year).

24 TSR peer group ranking LTI plan 2022-2024



25 LTI plan

					Opening balance		During the year					Closing balance	
	LTI plan	Award date	Vesting date	End of lock-up period	Status of shares	No. of shares [1]	Shares awarded [1]	Dividend shares [1]	Shares forfeited [2]	Adjustment based on actual vesting	Withhold to cover	Status of shares	No. of shares [1]
R.J.M. Joosten	1-1-2024 - 31-12-2026	18-04-2024	18-04-2027	18-04-2029	-	-	218,900					conditional	218,900
	1-1-2023 - 31-12-2025	20-04-2023	20-04-2026	20-04-2028	conditional	347,201		17,607				conditional	364,808
	1-1-2022 - 31-12-2024	25-04-2022	25-04-2025	25-04-2027	conditional	272,354		13,811				conditional	286,165
	1-1-2021 - 31-12-2023	22-04-2021	22-04-2024	22-04-2026	conditional	237,681		12,053		77,668	(145,397)	unconditional	182,004
	1-1-2020 - 31-12-2022	01-09-2020	24-04-2023	23-04-2025	unconditional	170,091		8,781				unconditional	178,872
L.F. den Houter	1-1-2024 - 31-12-2026	18-04-2024	18-04-2027	18-04-2029	-		140,654		(85,955)			conditional	54,699
	1-1-2023 - 31-12-2025	20-04-2023	20-04-2026	20-04-2028	conditional	220,445		11,179	(64,340)			conditional	167,284
	1-1-2022 - 31-12-2024	25-04-2022	25-04-2025	25-04-2027	conditional	172,900		8,768				conditional	181,668
	1-1-2021 - 31-12-2023	22-04-2021	22-04-2024	22-04-2026	conditional	145,518		7,379		47,551	(96,654)	unconditional	103,795
	1-1-2020 - 31-12-2022	23-04-2020	24-04-2023	23-04-2025	unconditional	217,089		11,207				unconditional	228,296
	1-1-2019 - 31-12-2021	29-04-2019	29-04-2022	29-04-2024	unconditional	20,436		1,055				unconditional	21,491

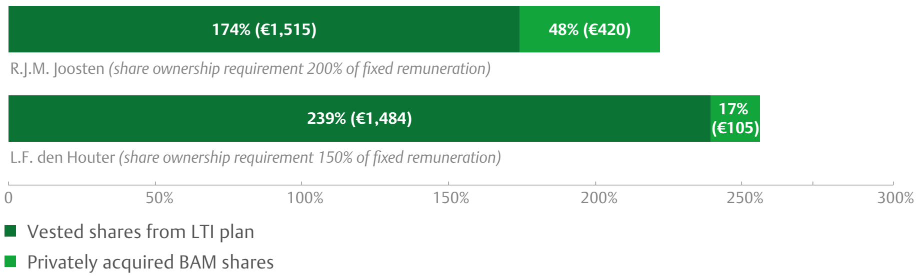
[1] For the conditional shares, this is the 'at-target' number of conditionally awarded performance shares including dividend shares. The number of performance shares that vest may vary between 0 (in the event of 'below threshold' performance) and 150% (in the event of 'excellent' or 'above excellent' performance) of the 'at-target' number of performance shares. For Mr Joosten, the shares awarded in 2020 have been decreased pro rata according to the number of months in which he provided management services during the relevant performance period. Since Mr Den Houter served as CEO on an interim basis until the appointment of Mr Joosten, the LTI award value for the 2020-2022 plan was based on an award value of 70% (CEO level instead of CFO level) of fixed remuneration including the CEO allowance.

[2] The prorated forfeiture of conditional performance shares in the LTI plans 2023-2025 and 2024-2026 for Mr Den Houter, since it was announced on 25 October 2024 that he would be leaving the Company per 1 March 2025.

Share ownership of the Executive Board members

The Company has rules relating to possessing and trading in BAM securities. These rules are published on the Company's website. The table below shows the shares held by Executive Board members on 31 December 2024.

26 Share ownership Executive Board members [1]
(x €1,000)



[1] Ratios based on the number of unconditional shares on 31 December 2024, multiplied by the closing share price of BAM at year-end 2024 (€4.20) divided by the fixed remuneration at year-end 2024.

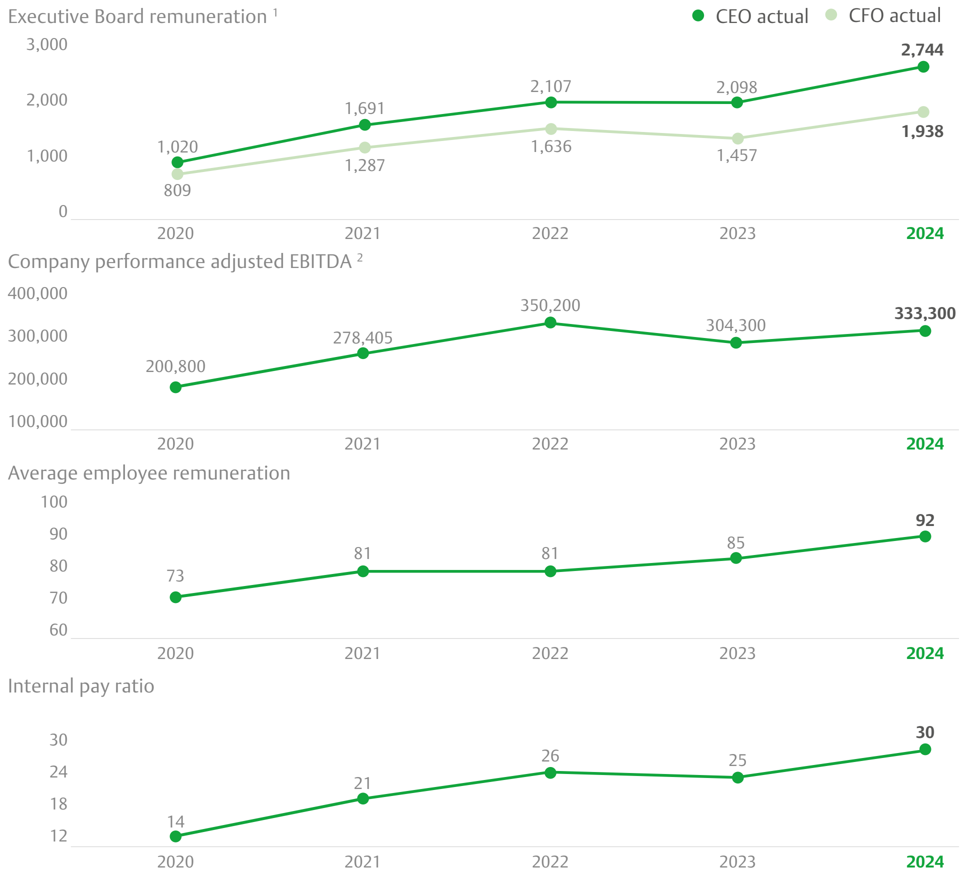
Internal pay ratio and five-year analysis

BAM's internal pay ratio in 2024 was 30 (2023: 25), meaning that its CEO's pay was 30 times the average pay within the organisation. The increase in the ratio is primarily caused by an increase of the CEO remuneration.

The internal pay ratio is calculated as the total annual CEO remuneration divided by the average employee remuneration (employee benefit expenses excluding restructuring costs and termination benefits divided by the average number of FTE).
Both the annual CEO remuneration and the average employee remuneration are derived from the financial statements (IFRS). External employees are not included in the calculation since BAM does not have sufficient information available.

A five-year analysis of Executive Board remuneration versus internal pay ratio, average employee remuneration and company performance can be found in table 27. It contains the performance measure adjusted EBITDA, which is believed to be a crucial reflection of the success of the Company.

27 Five-year analysis Executive Board remuneration and company performance
(x €1,000)



[1] The actual remuneration for the CEO in 2020 is based on the annualised remuneration of Mr Joosten, who was appointed per September 2020. The actual remuneration for the CFO in 2020 is exclusive of the CEO allowance and the retrospective payment in 2020 of pension contributions to the CFO from 1 August 2018 onwards has been allocated to the relevant years.

[2] The adjusted EBITDA used for STI payout and LTI vesting over this period can deviate from these numbers, due to a different calculation methodology. More information can be found in the relevant sections of the remuneration reports.

Remuneration of the Executive Board in 2025

Based on advice from the Remuneration Committee, Audit Committee and Health, Safety and Sustainability Committee, the Supervisory Board determined the performance objectives and their weighting for the 2025 short-term incentive and the 2025-2027 long-term incentive.

For the short-term incentive, the existing objectives will remain unchanged. The definition of the safety objective will however change from incident frequency (IF Total) to the number of field/project safety visits by Executive Committee members under a strict definition to ensure that these visits truly support and drive an improved safety culture in the company, with the added condition that any payout on the safety objective will be nullified in case of loss of life. For the long-term incentive, the existing objectives will also remain unchanged albeit some optimisations in the sustainability scorecard.

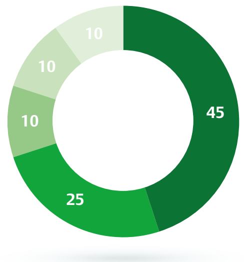
The Relative TSR peer group remains unchanged for the 2025-2027 LTI award (BAM Group, Balfour Beatty, CFE, Galliford Try Holdings, Heijmans, Hochtief, Kier Group, Morgan Sindall Group, NCC, Peab, Skanska, STRABAG).

Sustainability insight

HS2's main works civils contractor, EKFB (a joint venture including BAM Nuttall), has been awarded 'Platinum' status by the Supply Chain Sustainability School (SCSS), in recognition of EKFB's commitment to sustainable practices, which include the use of the Digital Earthworks programme and improvements to supply chain management.

28 Performance objectives and weighting
(in %)

STI
2025



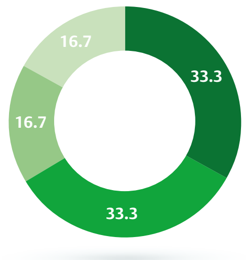
- Adjusted EBITDA (€)
- Total cash flow (€) [1]
- Employee engagement (action taking) [2]
- Safety [3]
- Scope 1 and 2 CO_2 intensity reduction (%)

[1] Average end-month IFRS cash position (excluding joint ventures) for October-December 2025 minus average for October-December 2024.

[2] Measured with the standardised, external (Glint) survey. Average % employees positive over 2025 on Glint survey statement: 'I believe meaningful action will be taken as a result of this survey'.

[3] Total number of field/project safety visits by Executive Committee members (either jointly or individually) of high-risk projects, together with a safety expert including preparation, on-site discussion of incidents with the project director and report out of agreed actions in Executive Committee meeting. Safety performance nullified in case of loss of life.

LTI
2025-2027

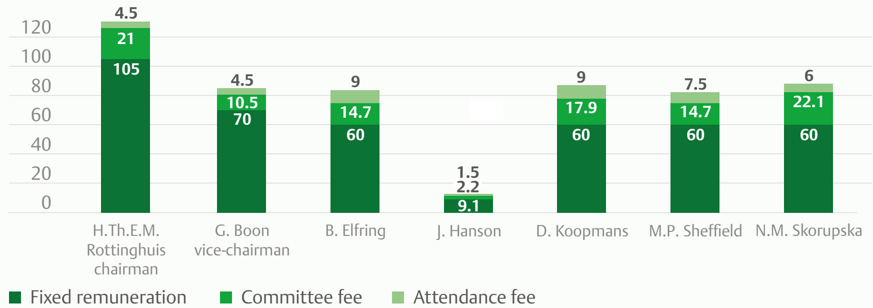


- Relative TSR
- Adjusted EBITDA (%) [1]
- Sustainability scorecard [2]
- Scope 1 and 2 CO_2 intensity reduction (%)

[1] Expressed as a percentage of revenue.

[2] Number from 6 scorecard targets achieved by the end of 2027 on circularity, climate adaptation, biodiversity, safety, health & inclusion, social value and decarbonisation.

Remuneration Supervisory Board in 2024 at a glance *(x €1,000)*



Labour market reference group (remaining unchanged for 2025)
Aalberts, Arcadis, Balfour Beatty, Corbion, Fugro, Heijmans, Keller Group, Kier Group, Koninklijke KPN, Morgan Sindall Group, PostNL, Renew Holdings, SBM Offshore, Signify

		Purpose and 2024 policy
Fixed remuneration	**Purpose:**	Provide compensation to attract and retain Supervisory Board members who contribute to the desired board composition regarding expertise, experience, diversity and independence.
	Policy:	Chairman €105,000 per annum Vice-chairman €70,000 per annum Member €60,000 per annum
Committee fee	**Purpose:**	Provide compensation for the support and advice that the Committee provides to the Supervisory Board on matters under its responsibility.
	Policy:	Chairman €10,500 per annum | Member €7,350 per annum
Other arrangements	**Purpose:**	Enable the Supervisory Board members to undertake their role.
	Policy:	Attendance fee of €1,500 per meeting outside country of residence. Reimbursement of actual incurred costs.

Remuneration of the Supervisory Board in 2024

The members of the Supervisory Board received remuneration in the past financial year in line with the remuneration policy as adopted by the Annual General Meeting on 10 April 2024. The remuneration policy for the Supervisory Board is available on BAM's website (see www.bam.com/en/about-bam/corporate-governance/articles-of-association-rules-and-codes).

The remuneration of the individual members of the Supervisory Board over the last five years can be found in the table below. No options or shares were awarded to members of the Supervisory Board, and no loans were issued to them.

29 Five-year overview of total Supervisory Board remuneration [1] *(x €1,000)*

	2024	2023	2022	2021	2020
H.Th.E.M. Rottinghuis, chairman	**131**	108	103	102	48
G. Boon, vice-chairman	**85**	71	70	67	59
B. Elfring	**84**	69	68	62	20
J. Hanson	**13**	-	-	-	-
D. Koopmans	**87**	74	68	65	23
M.P. Sheffield	**82**	67	65	59	164
N.M. Skorupska	**88**	66	65	42	-
H. Valentin, former member	-	-	-	16	59
H.L.J. Noy, former chairman	-	-	-	-	46
C.M.C. Mahieu, former member	-	-	-	-	54
Total	570	455	439	413	473

[1] Amounts for 2020 include the 20% Covid-19 reduction and the additional remuneration for Mr Sheffield as delegated Supervisory Board member.

Share ownership of the Supervisory Board members

The table below shows the shares held by Supervisory Board members on 31 December 2024.

30 Share ownership Supervisory Board members

	Type of shares	Number of shares
H.Th.E.M. Rottinghuis, chairman	Privately acquired BAM shares	100,000
G. Boon, vice-chairman	Privately acquired BAM shares	100,000
D. Koopmans	Privately acquired BAM shares	15,000

Dunfermline

Dunfermline Learning Campus brought two high schools and Fife College together on one site, accommodating up to 2,700 students, sharing state-of-the-art facilities. The new high school is built to Passivhaus standards.

Sustainability statement

These homes are designed with flexibility as a key principle. With a living area ranging from approximately 130 m² to 135 m², they offer space and comfort for families of all sizes. These sustainable and comfortable 2.5-story flat-roof houses will be assembled on-site—and all within a single day!

Cruquius (Amsterdam), BAM Wonen

6.1 Approach to sustainability reporting

BAM considers sustainability as a prime driver for BAM's future business and its ability to create long-term value. BAM aims to be a leader in the sector to create a socially and environmentally sustainable environment. Progress is measured continuously, through which BAM is encouraged to deliver sustainable solutions and actively engage with stakeholders to accelerate the sustainability goals.

BAM consistently fosters communication and dialogue with both internal and external stakeholders to learn about the perspectives and concerns of those parties impacted by BAM's activities and how they can impact BAM. Such interactions not only expand BAM's knowledge base but also enhance its capacity for sound decision-making and the effective prioritisation of actions.

BAM determined which sustainability-related matters are material to stakeholders and BAM. The matters identified through the double materiality assessment are used for strategic direction and control on material sustainability matters. The response to material sustainability matters is fully integrated in BAM's organisational processes. The material sustainability matters are subsequently used to determine the scope of BAM's sustainability reporting. The implementation of the double materiality approach and related sustainability reporting is not intended as a compliance exercise but to drive strategic embedding of sustainability in BAM's core activities, aiming to achieve sustainable change and a resilient company.

Double Materiality Assessment

BAM conducted a double materiality assessment in accordance with the European Sustainability Reporting Standards (ESRS). An extensive assessment performed in 2023 has been reviewed and updated in 2024. ESRS 2 defines the frequency of sustainability reporting under the ESRS as annual, given that the sustainability statement is part of the BAM's management report. Accordingly, BAM's continuous risk processes are aimed to monitor and update its material impacts, risks and opportunities and material information to be included in the sustainability statement.

BAM concluded in 2024 that the outcome of the prior reporting period's materiality assessment is still relevant at the reporting date. There have been no significant changes in BAM' s organisational and operational structure and that there have been no material changes in the external factors that could generate new or modify existing impacts, risks and opportunities (IROs) or that could impact the relevance of a specific disclosure. The Executive Committee and Supervisory Board evaluated the advice provided by the supporting committees on the approach to and outcomes of the assessment.

The tables on page 65 until 70 show BAM's material sustainability matters and the related impacts, risks and opportunities. The methodology and underlying assumptions of the double materiality assessment are included in the grey box on the next page.

Sustainability in BAM

Strategy

Sustainability is a key driver in BAM's business model and strategic decision making. In executing the strategy and driving the sustainability targets, BAM continues to support and encourage clients and the supply chain to accelerate their sustainability goals. In the coming years BAM will work with value chain partners and other stakeholders to fully leverage BAM's contribution to the integrated planet and people themes and continue the journey towards a positive impact on people and planet. This makes the information in chapter 2 essential to understand BAM's reporting on sustainability performance.

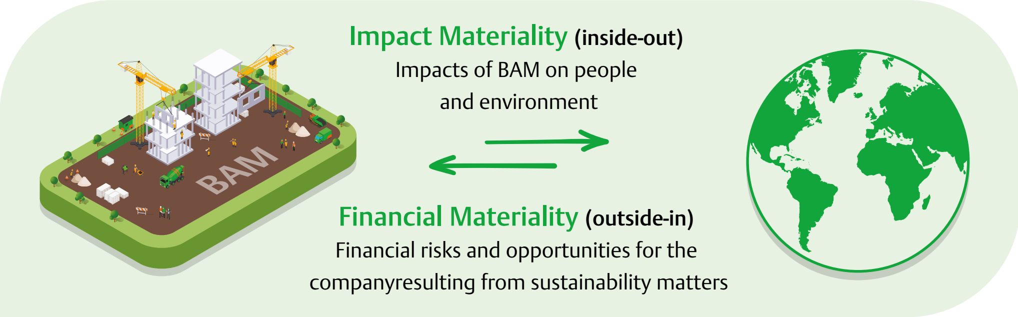
Sustainability reporting

The disclosure requirements BAM deems material for 2024 under the European Sustainability Reporting Standards (ESRS) are all included in BAM's sustainability statement. General information is included in chapter 6.1 and 6.2, environmental information is included in chapter 6.3 and chapter 6.6 (EU Taxonomy), social information in chapter 6.4 and business conduct disclosures in chapter 6.5. Some disclosure requirements are incorporated by reference to other parts of the management report.

The general disclosure addresses the basis for preparation of the sustainability statement.
Topical sustainability disclosures address:

- Governance disclosures (GOV);
- Strategic and business model-related disclosures (SBM), including a transition plan for climate change and biodiversity respectively;
- Material impacts, risks and opportunities (IRO), including disclosures on policies, actions and resources;
- Metrics and targets that BAM reports to monitor and manage those impacts, risks and opportunities.

BAM's material sustainability matters relate to E1 Climate change, E2 Pollution, E4 Biodiversity, E5 Resource use and circular economy, S1 Own workforce, S3 Affected communities and G1 Business conduct.



Double materiality has two dimensions, namely: impact materiality and financial materiality. Thus, the methodology used for this assessment is based on two processes. The first process involves the identification, assessment, and prioritisation of actual and potential impact made by BAM on people and the environment. The second process focuses on identification, assessment, and prioritisation of financial risks and opportunities for BAM associated with Environment, Social, and Governance (ESG) matters. Following the methodology of double materiality assessment, BAM actively solicited input and feedback from internal and external stakeholders to gain a comprehensive understanding of the most pressing concerns to stakeholders. This approach helps to establish evidence of actual or potential impact on both people and the environment associated with BAM's activities, particularly from the perspective of stakeholders who may be directly impacted.

Reporting principles and assumptions

Scope

The double materiality assessment encompasses the entire Royal BAM Group, including all activities, divisions, and businesses. This extends to BAM's upstream activities, own operations, and downstream activities, covering all associated geographical regions.

Impact Materiality

A sustainability matter is material from an impact perspective when it pertains to BAM's material actual or potential, positive or negative impact on people or the environment over short-, medium- and long-term time horizons.

BAM determined a quantitative threshold that was also made qualitative for the purpose of the survey and dialogue sessions. The materiality of an impact is based on the scale and scope of the impact, the irremediable character (in case of negative impacts) and likelihood of impact to occur. An impact is material if it is scored 'critical' or 'high'. The impact is not material it is scored 'medium', 'low', or 'negligible'.

Financial Materiality

A sustainability matter is material from a financial perspective if it triggers or may trigger material financial risks or opportunities for BAM. This is the case when it generates or may generate risks or opportunities that have a material influence (or are likely to have a material influence) on BAM's cash flows, performance, position, cost of capital or access to finance in short-, medium- and long-term time horizons.

The materiality of a financial risk or opportunity is based on the magnitude of the effect and likelihood of the risk or opportunity to occur. BAM determined a quantitative threshold that was also made qualitative for the purpose of the survey and dialogue sessions. A financial risk or opportunity is material if it is scored 'critical' or 'high'. The financial risk or opportunity is not material it is scored 'medium', 'low', or 'negligible'.

Thresholds positive and negative impact materiality

BAM has set a lower threshold for negative sustainability impacts. BAM aims to protect the company from risks, align with stakeholder expectations, and ensure long-term success. While positive impacts are valuable, the costs and consequences of negative sustainability outcomes can be far more severe and harder to reverse, warranting stricter thresholds.

Gross (inherent) or residual risks and opportunities

BAM identifies material impacts excluding the consideration of any mitigating measures. Compliant with ESRS, BAM discloses gross impacts and the (potential) actions taken to mitigate the (negative) impacts.
BAM identifies gross material financial risks and opportunities. In specific circumstances BAM considers mitigating activities in determining the financial effects for BAM. Risk mitigating activities could change the expectation of the effect of the risk on BAM or change the extent to which BAM's financial positions is affected. Therefore, risk mitigation activities could affect the expectation of whether and how a sustainability-related risk might affect BAM's financial position. A description of the mitigating measures considered in BAM's risk assessment is described below:

- Clients will be paying a premium for certain services or covering higher costs levels in the industry, for example due to carbon pricing consequences in BAM's supply chain.
- As common industry practice, BAM insures its construction projects for the material damage caused by extreme weather, which is in line with its peers.

Interactions with stakeholders

In 2024 the double materiality assessment update has been reviewed by the Risk and Control committee, Executive Committee and Supervisory Committees (Audit committee and Health, Safety and Sustainability committee). The input in this update was derived from the assessment performed in 2023:

Identification of matters
BAM performed a desktop review to gather a wide range of potential matters relevant to BAM. The desktop review included a media search related to the industry, review of internal documents, review of the previous materiality assessment, peer reviews, and a global standards review, including the list of topic, sub-topics and sub-sub-topics from ESRS 1 AR16. In this process BAM focused on for example specific activities, geographies that possibly gave rise to heightened risks or adverse impacts. BAM also explicitly identified impacts through its own operations or as a result of business relationships. BAM held several dialogue sessions with internal stakeholders to identify actual and potential impact and financial risks and opportunities based on the list of potential matters relevant to BAM. Stakeholders were invited to the dialogue sessions that fit their areas of expertise (within Environment, Social or Governance). These sessions were attended by employees across BAM's divisions and underlying businesses.

Assessment of impact materiality
A wider group of internal stakeholders, including the people involved in the identification of impacts, risks and opportunities, was invited to participate in a survey regarding impact. BAM requested the participants to assess the scale, scope, irremediable character (for negative impact) and likelihood (for potential impact) per impact, risk or opportunity.

Impacts, risks and opportunities are classified as material when the assessment outcome exceeds the pre-defined thresholds. The defined criteria, i.e., quantification of the assessment, are in line with BAM's Enterprise Risk Management (ERM) process. BAM facilitated pre-read material, Q&A sessions, and one-on-one meetings to ensure the participants were well-informed throughout the process.

Assessment of financial materiality
BAM aimed to harmonise this process as much as possible with the existing risk management process. Consequently, BAM's risk management experts played a role in consolidating the extensive list of potential financial risks and opportunities into a more manageable list of nineteen matters.

BAM has considered the connections of the BAM's impacts and dependencies with risk and opportunities that may arise from those impacts and dependencies during the identification and assessment phase of the process on financial materiality. During dialogue sessions with stakeholders, financial risks and opportunities related to the impacts and dependencies were identified. Stakeholders were also invited to identify any supplementary risks and opportunities for BAM in the survey.

Finance directors and experts were invited to participate in the financial materiality survey. Participants were requested to assess the size and likelihood for each identified financial risk or opportunity. Whether a risk or opportunity is classified as material in the outcome of the assessment is determined based on pre-defined thresholds in line with BAM's risk management process.

Analysis of results and prioritisation
The data derived from the survey results was collected and analysed, with particular attention to outliers, unexpected findings, and alignment with BAM's sustainability strategy. Regarding impact materiality, dialogue sessions on the outcomes were held with the experts involved in the 'identification of matters'. For financial materiality, a dialogue session was conducted involving BAM's financial leadership, including the CFO.

In validation sessions, the completeness of the financial material risks and opportunities was evaluated, leading to the addition of two material financial matters (Financial risk of climate change on BAM's land bank valuation and Opportunities related to energy efficiency). This addition was prompted by the anticipation that these potential financial risks and opportunities may evolve in the near future, for example due to changes in legislation or change in client demand.

BAM maintains an ongoing dialogue with external stakeholders, including those in BAM's value chain, to remain informed about their perspectives and expectations with respect to sustainability matters. The level of engagement with external stakeholders was increased during the development of the sustainability strategy. BAM's sustainability strategy, launched in the first quarter of 2023, includes the material matters discovered during that process. Throughout 2024, BAM continued to engage with external stakeholders through numerous discussions centred around various ESG topics, as summarised in figure 31.

These qualitative insights and context-specific perspectives helped shape the views of internal stakeholders on the identification and classification of material impacts, risks and opportunities. In the validation process, the stakeholder feedback helps to validate the prioritisation of matters as well.

31 External stakeholder overview

External stakeholder	Processes and communication	Matters discussed
Clients	Joint project and business development, strategic partnership, workshop, (social) media, in-person meeting, podcast recording	Collaboration on sustainability, circularity
Knowledge institutions	In-person meeting, workshop, online meeting	Circularity, water scarcity, decarbonisation
Local communities	In-person meeting, workshop, information market, guest lecture, open office hours, BouwApp, voluntary work community	Safety during construction works, noise pollution and other disturbances due to construction works
Suppliers and subcontractors	In-person meeting, online meeting, virtual event	Timber certification, circularity, sustainability strategy, supply chain, hydro-treated vegetable oil (HVO), petrol engine alternative products, hydrogen and innovation
Industry bodies	Virtual event, conference, workshop, round-the-table event, in-person meeting, online meeting	Decarbonisation, sustainability nature-based solutions, climate adaptation, biodiversity, nature positive initiatives, sustainability strategy, innovation, social value
Regulators	In-person meeting, online meeting	Sustainable mobility, regeneration, climate resilience, HVO adoption by the industry, combatting climate change, sustainability strategy, carbon reduction, biodiversity
Investors and analysts	In-person meeting, online meeting, round-the-table event	Biodiversity, working conditions in the value chain, natural capital, human rights, biodiversity, sustainability
NGOs and trade unions	In-person meeting, online meeting, (social) media	Decarbonisation, safety
Media	Conference, media content	Decarbonisation, energy transition

Material sustainability matters in 2024

The following tables list the sustainability-related impacts, risks and opportunities BAM has identified and assessed as material as a result of the double materiality assessment process. Each material ESRS topic is presented in the following tables, including sub-(sub)topics related to BAM's material impacts and risks, e.g. climate change mitigation and climate change adaptation.

In addition, BAM indicates in the tables whether the impacts, risks and opportunities are in BAM's own operations (OO) or value chain (VC). For the social material impacts BAM indicates whether it affects BAM's own employees (OE), own workforce (OW) or communities (COM).

Impacts are actual impacts, risks or opportunities unless stated that they are potential impacts. Brief descriptions of the material impacts, risks or opportunities are included in the tables. More information on how BAM responds to the effects of the impacts, risks and opportunities is included in the topical sections under 'Environment', 'Social', and 'Governance'.

E1 - Climate change

	Material impact, risk or opportunity	Description		Time horizon
Climate change mitigation				
Negative impact (OO)	GHG emissions: Scope 1 and 2	BAM has a negative impact on GHG emissions due to the use of (fossil) fuel in BAM's vehicle fleet, construction equipment and to operate construction sites and offices. GHG emissions have a significant impact on the environment, as it leads to global warming and climate change, extreme weather, rising sea levels.	Actual	S, M, L
Negative impact (VC upstream and downstream)	GHG emissions: Scope 3	The negative impact of GHG emissions in BAM's value chain are driven by, amongst others, the use of GHG emission intensive materials, transport and the use of sold products by clients and end users. The impact on the environment is considered significant, as it leads to global warming and climate change, extreme weather, rising sea levels.	Actual	S, M, L
Opportunity (VC downstream)	Energy efficiency opportunities	Prioritizing building energy efficient buildings results in a financial opportunity for BAM in terms of market share and premium prices for those energy efficient buildings.	Potential	S, M, L
Climate change adaptation				
Positive impact (OO)	Climate adaptive solutions	BAM's tender and project design activities have a positive impact on enhancing the climate adaptive design of development and construction projects helping adjusting the build environment to climate change.	Actual	S, M, L
Risk (OO)	Climate risk on land bank	Risk of impairment of land and building rights in BAM's portfolio, mainly in the Netherlands, due to future consequences of climate change (drought, heat, storm, floods), which has an adverse impact on costs of development.	Potential	L

(OO) Own operations
(VC) Value chain
(OE) Own employees
(OW) Own workforce
(COM) Communities
S, M, L Short, medium and/or Long term

Positive impact
Opportunity
Negative impact
Risk

E2 - Pollution

	Material impact, risk or opportunity	Description		Time horizon
Pollution - *entity-specific*				
Negative impact (VC upstream)	Pollution of air and soil	Air and soil pollution in BAM's supply chain for the key materials has severe impacts on both human health and the environment. It leads to diseases, and even premature death, as well as harm to crops, forests and bodies of water.	Actual	S, M, L

E4 - Biodiversity

	Material impact, risk or opportunity	Description		Time horizon
Biodiversity and ecosystem services				
Negative impact (OO)	Biodiversity loss through land use change	Land use change is negatively impacted by BAM's activities, such as infrastructure development. This type of land-use change can lead to the destruction of natural habitats, fragmentation of ecosystems, and displacement of native species, which can negatively impact biodiversity.	Actual	S, M, L
Positive impact (OO)	Ecosystem services	In dialogues with municipalities and value chain partners, BAM has a positive impact on ecosystem services by influencing the area design in BAM's property development business (both in residential development, as well as mixed-use)	Actual	S, M, L

E5 - Resource use and Circular economy

	Material impact, risk or opportunity	Description		Time horizon
Resource use				
Negative impact (VC upstream)	Depletion of raw materials	BAM has a negative impact on the environment by direct resource use (i.e., overuse of raw materials, natural resources, deforestation and habitat destruction); depending on how and where the resources are sourced, as well as how a company uses them.	Actual	S, M, L
Negative impact (OO)	Waste (hazardous and non-hazardous waste)	BAM's waste has negative impacts on the environment and human health, including pollution of air and water, greenhouse gas emissions, and the spread of disease. Improper disposal of hazardous waste can also lead to soil and water contamination and harm to wildlife.	Actual	S, M, L
Negative impact (OO)	Waste reuse and recycling	BAM's negative impact caused by waste can be reduced by recycling and reuse. It can reduce landfill waste and air/water pollution and helps to conserve natural resources needed for the production of BAM's key materials, like concrete, steel, timber and asphalt.	Actual	S, M, L
Circular economy				
Positive impact (OO)	Circular design	The positive impact BAM has on resource use by designing for disassembly at the products end-of-life. This contributes to a circular economy.	Actual	S, M, L

S1 - Own workforce

	Material impact, risk or opportunity	Description		Time horizon
Equal treatment and opportunities				
Positive impact (OE)	Diversity	Promoting gender diversity positively impacts the representation of female workers in the sector. It positively impacts employees by promoting fairness and reducing discrimination, leading to more motivated and satisfied workers. Non-discrimination practice in BAM has a positive impact on people, as it can ensure fair treatment and opportunities for all employees, regardless of their gender, race, age, or other characteristics.	Actual	S, M, L
Positive impact (OE)	Return on inclusion	BAM aims to have a positive impact on people working at BAM through its inclusive company culture. This positively impacts the individuals by providing them with employment opportunities and the ability to be independent and self-sufficient. This can also positively impact the community by promoting a more diverse and inclusive society.	Actual	S, M, L
Positive impact (OE)	Training and skills development	BAM positively impacts its own employees and contributes to a safe, equitable and just society by offering training and skills development opportunities for own employees. This can positively impact individuals by increasing their job satisfaction, earning potential, and employability. It can also have a positive impact on the natural environment by enabling employees to implement more sustainable practices in the workplace.	Actual	S, M, L
Occupational heath and safety				
Negative impact (OW)	Occupational health and safety	Working in the construction sector in general has a negative impact on occupational health and safety; evidenced by the existence of incidents, work-related injuries and lost lives for those working for BAM and work on locations managed by BAM (such as building sites).	Actual	S, M, L
Negative impact (OE)	Work related ill health long term effect	Working in the construction industry exposes workers to a variety of hazards that can cause long-term health effects.	Actual	L

S3 - Affected communities

	Material impact, risk or opportunity	Description		Time horizon
Social value - *entity-specific*				
Positive impact (COM)	Social value	BAM's incorporation of social value in the business has a positive impact on social mobility, improves local (foundational) economy and social inclusion (in NL also referred to as Social Return on Investment). The social value activities positively impact the quality of life of areas where BAM operates	Actual	S, M, L

G1 - Business conduct

	Material impact, risk or opportunity	Description		Time horizon
Business conduct				
Positive impact (OE)	Corporate culture	The positive impact BAM's corporate culture has included commitment to ethical and sustainable business practices, improves employee morale, and enhanced reputation.	Actual	S, M, L
Negative impact (OO)	Prevention and detection of corruption and bribery	Potential corruption and bribery incidents can have negative impacts on society, including damaging public trust, undermining fair competition and hindering economic growth. Bribes or kickbacks may lead to substandard materials or practices being used, which could result in risks for BAM's workforce, harm to the environment and human health in general.	Potential	S, M, L
Negative impact (OO)	Protection of data and respecting privacy	Potential data and privacy breaches could result in loss of trust from various stakeholders such as employees and suppliers. Data and privacy breaches possibly could escalate to negative financial implications resulting from phishing and identity theft, among others.	Potential	S, M, L

BAM recognises that the on-going due diligence and double materiality assessment process will be refined over time and possibly impacted by the sector-specific standards to be adopted; specifically noting that the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment. BAM also expects more robust outcomes through increased data insights and more clarity on the practical implementation of the guidelines and comparability across the industry in the coming years.

The assessment results identified a limited number of value chain-related topics and a number of topics close to the threshold. Anticipating greater insight and data accessibility, BAM expects additional value chain-related themes to emerge as material outcomes. For instance, the impact on biodiversity in the supply chain is identified as an area BAM is monitoring closely.
Also, specific impacts, risks and opportunities related to water consumption, withdrawals and discharges have been close to the threshold. The impacts, risks and opportunities are periodically examined by experts and discussed with Executive Board and in various committees.

Disclosure requirements
The outcomes of the double materiality assessment are fully integrated in BAM's risk management process. BAM derives forward looking guidance from this outcome and includes the relevant insights in strategy iteration and priority setting in business programmes, targets and reporting.

The relevant disclosures on material sustainability impacts, risks and opportunities are included in this report provided that the data and information are available and meet the necessary quality standards. The sustainability statement not only highlights BAM's commitment to transparency about sustainability performance to inform stakeholders, but also serves as a cornerstone for nurturing a responsible and resilient business approach. BAM is committed to transparency both in its knowledge and in areas where information may be lacking, striving to maintain openness in its reporting.

All disclosure requirements complied with following the outcome of this double materiality assessment are included in chapter 6.7.

Sustainability insight

BAM Infra Nederland introduced the on-site cold recycling technology of asphalt pavement, which is friendly to the environment and offers economic benefits. BAM first experimented with the technology on its own yard and has since delivered a project for the municipality of Moerdijk.

6.2 General information and sustainability reporting principles (ESRS 2)

BAM's aim to continuously improve reporting transparency on sustainability performance and progress with respect to the strategy, resulted in this sustainability statement as part of the management information provided in this report.

Basis of preparation

Reporting framework and specific regulation (BP-1)
The sustainability statement disclosed in this annual report has been prepared on a consolidated basis in accordance with the European Sustainability Reporting standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out to identify the information reported pursuant to the ESRS. The sustainability statement also complies with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), referred to in chapter 6.6 specifically.

The scope of the consolidation in the sustainability statement is the same as for the financial statements, including BAM's subsidiaries (refer to page 198 of the financial statements). The subsidiaries are exempted from individual or consolidated reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. In addition, BAM applies the ESRS to define the organisational boundary for reporting sustainability information.

- Own operations refers to the full range of activities and processes directly controlled by BAM. This includes all operational aspects where BAM has direct managerial control and decision-making authority. BAM defines own operations as parent plus subsidiaries. Acquisitions and divestments are disclosed in line with the inclusion in the financial statements.
- BAM additionally assesses the level of operational control for its joint arrangements. Operational control (over an entity, site, operation or asset) is defined as the situation where BAM has the ability to direct the operational activities and relationships of the entity, site, operation or asset. The reported GHG emissions should reflect the terms and conditions of the relevant agreements. In construction projects, control is typically reflected in the share of the involved parties according to their agreed-upon contributions and risk-sharing arrangements. Despite joint decision-making protocols in most of these arrangements, operational contribution is prearranged and assigned explicitely to the different parties (i.e., expertise), reflecting in for example appointing key personnel, and controlling day-to-day operations on specific phases of the project. Based on this practice, BAM's operational control is assumed equal to the equity share of BAM in the joint operation.
- Quantities of materials used in the production of BAM's products and services relate to own operations, but are based on materials procured in BAM's value chain. This part of sustainability information on BAM's own operation does not explicitly relate to value chain impact, however the impacts that arise from the upstream value chain are indirectly linked to this.
- The topic-specific definitions, methodology, reporting principles and assumptions are explained in the notes to the topical disclosures.

Further information on BAM's value chain is included in chapter 2.1 About BAM.

As this is the first year of application of ESRS, no specific comparison can be made with previous years in terms of scope and reporting boundaries. Comparative figures have been disclosed in line with current year reporting principles and assumptions, and any topic specific deviations are disclosed.

BAM anticipates that comparatives become progressively available after the first year of reporting which will make the sustainability information presented in the sustainability statement more useful.

Disclosures in relation to specific circumstances (BP-2)
Time horizons
In general, BAM assesses material impacts, risks and opportunities over the short, medium and long term. The short term refers to the reporting period of the financial statements. Since sustainability-related matters often materialise over time, the nature of these topics warrants more forward-looking reporting. In line with the strategic period (2024-2026) BAM defines:
- 2025 as short term;
- between 2026 and 2030 as medium term; and
- beyond 2030 as long term.

In the construction sector, project lifecycles can vary significantly. In general medium-term planning focuses on projects or goals within the span of current pipelines and contracted projects. However, in the initial effort to implement the double materiality process, BAM has opted to define a narrower timeline. This approach is intended to focus on short-term initiatives that can drive immediate improvements in sustainability performance.

BAM also recognises that the external pressures (e.g., customer expectations, regulations) prioritise a shorter time horizon for achieving certain medium term sustainability objectives. BAM aims to refine these terms going forward to demonstrate further alignment between sustainability planning, business strategy, and sector realities.

Estimations, sources of estimation, and outcome uncertainty
Making judgements, assumptions and estimates is a fundamental part of preparing sustainability-related disclosures. Useful contextual assumptions and those that can significantly impact measurements are explicitly disclosed in the sustainability statement to aid in the interpretation of sustainability information.

For specific metrics, BAM uses information from the value chain partners, i.e. Scope 1, 2 and 3 reporting, incident frequency (including hired workers, subcontractors), and waste (intensity). In these cases accounting principles disclosed clarify for which part of the data BAM relies on third party input, if applicable. Reporting based on third party data deals with measurement uncertainty, for example due to the quality or availability of data from value chain partners. BAM also used indirect sources such as industry-average emission factors, spend based approach and extrapolations, predominantly in the calculation of GHG emissions (Scope 3) associated with BAM's suppliers and customers and, also related to the Scope 3 GHG emission baseline for 2019 and the reporting of key materials (resource inflows). These metrics are subject to a high level of measurement uncertainty. See ▶ Scope 3 GHG emissions (E1-6) and ▶ Resource inflows (E5-4) for further details.

BAM acknowledges that data sources and estimates may be refined in future reporting periods when more relevant information becomes available. Also, information to assess industry benchmarks (for example used for estimated data with regard to resource inflows) may emerge as the number of reporters increases and reporting practices become more established.

Notwithstanding any uncertainties highlighted, the sustainability statement is prepared and presented in accordance with the requirements of the ESRS and applicable legislation.

Forward looking information
By nature, forward looking information, like plans and targets, involve risk and uncertainty because they relate to future events and circumstances. There are many factors that could cause actual results and developments to never occur or to differ materially from those expressed or implied.

Changes in preparation or presentation of sustainability information and reporting errors in prior periods
Changes in previously reported information can result from adjustments or restatements in the sustainability information for one or more periods.

- Restatements are as a result of errors. These errors may arise from misuse or failure to use reliable information that was available and BAM reasonably could have obtained and considered. Continuous strengthening of internal control practices related to sustainability reporting aims to mitigate the risk for errors in reported information.
- Adjustments are as a result of changes in estimates and differ from (corrections of) prior-period errors. A change in estimate results from new information or new developments.

BAM has a sustainability reporting restatement policy that describes the principles used in case of restatements and adjustments (including both errors and changes in estimates). BAM assesses on a case-by-case basis whether the restatement or adjustment is material for the sustainability statement, including both qualitative and quantitative factors. If considered material, the prior-period reported data will be restated or adjusted, unless it is impracticable to do so. The reason why information is revised will be disclosed alongside the topical disclosures.

No material restatements have been included in the sustainability statement. In BAM's sustainability statement 2024 one adjustment has been made compared to previously disclosed information.

IF BAM (incident frequency for own employees), included in ▶ chapter 6.4 as a entity-specific metric related to S1-14, has been adjusted including office personnel, in order to align with the definition of own employees that is consistently used in S1.

32 Incident frequency (safety) recalculation

	2024 reported	2023 recalculated	2023 original
IF BAM	**2.9**	2.8	3.4

Structure of the report
BAM has chosen to incorporate some of the strategy and corporate governance disclosures from the cross-cutting standard ESRS 2 in the other parts of the management report as this information is best read in close connection with the overview of BAM's activities. In the 'incorporated by reference' tables under each topical disclosure the relevant page numbers are linked to the disclosure requirements.

This information is an integral part of the sustainability statement and included in the assurance scope. Any other references included in the narrative consider further details or explanations in other parts of the management report, but are not part of the disclosure requirements in ESRS and hence not included in the assurance scope.

The Supervisory Board has appointed EY Accountants bv to provide independent assurance of the report to provide BAM's stakeholders with assurance about BAM's sustainability statement. BAM has obtained limited assurance for the sustainability statement reported in ▶ chapter 6 and the information incorporated by reference in ▶ chapter 2, chapter 4 and chapter 5.

Use of phase-in provisions in accordance with Appendix C of ESRS 1
BAM has disclosed in ▶ table 33 how it applied the transitional provisions and included specific references to material disclosure requirements that may or may not be omitted or that are not required in the first year(s) of preparation of the sustainability statement under the ESRS.

33 Transitional provisions

Disclosure requirement	Comment on phase-in
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	BAM omits the information prescribed by paragpraph 48(e) (anticipated financial effects) for the first year of preparation.
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Datapoints omitted for the first year of preparation of the sustainability statement, refer for short overview to paragraph below.
S1-13 Training and skils development	Datapoints omitted for the first year of preparation of the sustainability statement. Refer for short overview to paragraph below.
S1-14 Health and safety	Work-related ill-health: All datapoints omitted for the first year of preparation of the sustainability statement. Refer for short overview to paragraph below. Number of days lost to injuries, accidents, fatalities: Datapoints from the disclosure requirement have been disclosed in chapter 6.4 Social information.

For the impacts, risks and opportunities that are material, and are phased-in according to table 33, BAM briefly explains below how these topics relate to the business model, strategy and if and how BAM determined targets, has policies in relation to the matters and discloses any relevant actions and metrics applicable for 2024.

- Financial effects from material climate-related physical and transition risks (E1-9)
BAM intends to further define and report financial effects related to climate-related physical and transition risks in the coming years. For further disclosures on financial effects of climate-related risks, also refer to the financial statement on page 136. The financial effect of sustainability developments and business roadmaps is expected to be limited, because this is largely part of the generic replacement plans of for example equipment and cars. The most substantial decisions that were recently taken, related to direct investments and/or decisions that have direct impact on financial resources and planning, are the investment in electrification of equipment, launching the BAM Flow concept (timber-based prefab housing concept) and electrifying company vehicle fleet.

- Training and skills development (S1-13)
By offering training, BAM enhances the employability of workers, contributing to the socio-economic well-being of communities. Training also equips workers with the knowledge to implement safe and sustainable practices on-site (e.g., waste reduction, energy efficiency, carbon-neutral techniques). BAM also believes training and (skills) development positively impacts employee retention, accident rates, and project quality. BAM aligns training programmes with safety and sustainability goals, technological advancements, and regulatory requirements. BAM has no specific targets yet on training, but is aiming to report the number of training hours in 2025. BAM also values transparency around the performance of its workforce. A total of 90% of staff members had undergone a full performance review over 2024 per year-end. Non-employees are not part of the perform and develop cycle in BAM, with the exception of specific (safety) training on site.

- Work-related ill-health (S1-14)
Working in the construction industry exposes workers to a variety of hazards that can cause long-term health effects. BAM has not yet targets, policies or specific actions in this respect, except that it has the intention to include health and well-being from a more holistic perspective in the BAM safety programmes. Data capturing to measure the impact focuses around sickness absence reporting, acknowledging recording and reporting of certain data is limited by privacy restrictions or legal provisions preventing the disclosure.

Governance

Incorporated by reference:

Disclosure requirement	Reference to other chapters in the 2024 annual report
ESRS Standards: *General disclosure (ESRS 2)*	
GOV-1	Composition and diversity of the Executive Board and Supervisory Board on page 38 until 41. Roles and responsibilities of the Executive Board in exercising oversight of the process to manage material impacts, risks and opportunities in section Sustainability on page 36 in chapter 4.2 Corporate Governance. Roles and responsibilities of the Supervisory Board in exercising oversight of the process to manage material impacts, risks, and opportunities on page 44 in chapter 5.1 Report of the Supervisory Board.
GOV-2	Description of how the Executive Board and Supervisory Board are informed about sustainability matters on page 36 in chapter 4.2 Corporate Governance and page 48 in chapter 5.1 Report of the Supervisory Board.

Integration of sustainability-related performance in incentive schemes (GOV-3)
BAM has integrated sustainability -related performance in its incentives schemes already for a number of years. Sustainability targets on social as well as environmental performance are part of the Executive Board's and Executive Committee's long and short term schemes. A description of the key elements of the remuneration policy, the integration of sustainability-related performance therein,

and the proportion of the variable remuneration dependent on sustainability-related targets is included on page 51, 53 and 54 in chapter 5.2 Remuneration report. Similar short term incentives are part of the senior leadership group schemes, also including sustainability-related performance targets. Long term incentive plans are only applicable for a part of the senior leadership group and are the same to those of the Executive Committee.

Statement on due diligence (GOV-4)
BAM's due diligence process with regard to business and sustainability matters is guided by the main aspects and steps of the UN Guiding principles on Business and Human Rights and the OECD Guidelines. The core elements of BAM's due diligence process are closely related to a number of topical disclosure requirements, refer to table 34 for an overview.

34 Core elements of due diligence

Due diligence process	Reference to paragraphs in the sustainability statement
a. Embedding due diligence in governance, strategy and business model	chapter 6.1 and chapter 6.5 section *The role of the administrative, supervisory and management bodies (GOV-1).*
b. Engaging with affected stakeholders in all key steps of the due diligence	chapter 6.1 section *Interactions with stakeholders.*
c. Identifying and assessing adverse impacts	chapter 6.1 section *Material sustainability matters in 2024* and chapter 6.5 section *Business conduct policies and corporate culture (G1-1).*
d. Taking actions to address those adverse impacts	chapter 6.4 section *Policies related to own workforce (S1-1)* and *Action taking on material impacts on own workforce, approaches to managing material risks and effectiveness of those actions (S1-4)* and chapter 6.5 section *Business conduct policies and corporate culture (G1-1).*
e. Tracking the effectiveness of these efforts and communicating	chapter 6.4 section *Action taking on material impacts on own workforce, approaches to managing material risks and effectiveness of those actions (S1-4)* and chapter 6.6 section *Reporting principles and assumptions* confirming compliance with EU Taxonomy minimum safeguards.

Risk management and internal controls over sustainability reporting (GOV-5)
Sustainability and sustainability reporting are embedded in BAM's overall risk management and internal control processes and systems. Throughout 2024 BAM started operationalising the sustainability reporting-related controls as defined within an integrated Internal Control Framework for material data points, following the initial double materiality assessment.

The applied reporting processes and definitions are formalised in BAM's Sustainability Reporting manual, which provides guidance on how to collect, consolidate and report data. For further information on these processes and systems, on how findings of risk assessment and internal controls are integrated into relevant functions and processes, and on the periodic reporting of findings to the Executive Board and Supervisory Board, see chapter 4.1 Risk management.

Strategy

BAM's disclosures on strategy, business model and value chain are incorporated by reference:

Disclosure requirement	Reference to other chapters in the 2024 annual report
ESRS Standards: *General disclosure (ESRS 2)*	
SBM-1	Description of the key elements of BAM's strategy that relate to or impact sustainability matters, as well as a description of the key elements of BAM's business model and value chain on page 7 in chapter 2.1 About BAM and in chapter 2.2 Strategy.
SBM-2	Stakeholder engagement included on page 9 in chapter 2.1 About BAM,
SBM-3	Description of the key elements of BAM's strategy that relate to or impact sustainability matters, as well as a description of the key elements of BAM's business model and value chain on page 10 in chapter 2.1 About BAM. Resilience of BAM's strategy and business model regarding its capacity to address its impacts, risks and opportunities on page 11 in chapter 2.2 Strategy.

Material impacts, risks and opportunities as identified through BAM's double materiality assessment process are included in chapter 6.1. All material impacts, risks and opportunities are closely connected to BAM's strategy and business model. The defined strategy, policies and underlying actions and measures are designed to manage and inform management on the progress and results and are taken into account when adapting the business model.

Impact, risk and opportunity management

Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)
Disclosures related to IRO-1 Description of the process to identify and assess material impacts, risks and opportunities, referred to as BAM's double materiality assessment process, are included in chapter 6.1.

Disclosure requirements covered by the sustainability statement (IRO-2)

The material disclosure requirements are all included in BAM's sustainability statement in chapter 6, in the same sequence as described in ESRS, with the exception the disclosure for IRO-1, which is disclosed in chapter 6.1. For the reference table of all disclosure requirements, refer to chapter 6.7. For a list of all data points that derive from other EU legislation, see the List of data points that derive from other EU legislation to chapter 6.7.

The entity-specific metrics are associated with the following material impacts, risks and opportunities:

- Pollution (upstream); pollution impact has been calculated based on the relative Environmental Cost Indicator (ECI) of impact categories and also related to the metric on resource inflows (E5-4).
- Circular economy; Circularity assessments and material passports offered by BAM in tenders are measured to track BAM's actions in offering products that contribute to a circular economy.
- Occupational health and safety; IF BAM and IF Total are measured in line with industry practice based on accidents with lost time in addition to the measurement required by ESRS (S1-14).
- Return on inclusion; BAM's performance with regard to inclusion is audited and scored.
- Social value; BAM's social value activities are measured by the sum of social mobility, improve local economy and social inclusion value (SLEV) delivered as a percentage of revenue.
- Protection of data and respecting privacy; BAM is aiming to minimize the impact from potential data and privacy breaches by educating colleagues through e-learnings.
- In enhancing general business conduct BAM makes use of e-learnings, for example with regard to BAM's code of conduct. The coverage of mandatory e-learnings executed by employees is measured as an entity-specific metric.

Refer to chapter 6.3, 6.4 and 6.5 for methodology, assumptions and further details on those entity specific metrics.

Policies adopted to manage material sustainability matters (MDR-P)

An overview of the policies relating to BAM's material impacts, risks or opportunities is provided on the next page. All policies are part of the BAM policy framework. The BAM policy framework comprises a comprehensive set of policies, procedures, and guidelines that outline how BAM achieves its strategy to build a sustainable future. The framework establishes the governance structure, addresses key risk areas BAM, and ensures compliance with relevant laws and regulations. Specific BAM policies have been summarised into concise, one-page statements, available for download on BAM's website (BAM Policy Framework | Koninklijke BAM Groep / Royal BAM Group). The Executive Committee is ultimately responsible and accountable for sustainability at BAM. Focus areas are BAM's strategy, sustainability reporting and the sustainable business initiatives. Management of the divisions is accountable for implementation of the strategy, reporting, policies and business initiatives in the division. BAM requires management of the divisions to monitor sustainability requirements against pre-determined plans, standards and objectives and report in line with the reporting requirements as set out in the BAM sustainability reporting manual.

The scope of the policies is BAM's own operations and projects where BAM is responsible for the administration. In all other activities, for example related to joint arrangements, BAM encourages partners to demonstrate the commitments reflected in the policies. Divisions may produce instructions to meet local needs and expectations. Such instructions are consistent with, and not in conflict with, the BAM policy framework. The policies apply to all companies, employees, and any other representatives of BAM. The policies are available to all BAM employees via the intranet. Input from stakeholders on the policies is obtained during ongoing discussions with employees (directly or via the relevant works council), interactions with shareholders (directly or via shareholder representative organisations) and interactions with other relevant stakeholders. With regard to the works council, their input is not part of formal (statutory) advice or consent rights in accordance with the Dutch Works Council Act (Wet op de Ondernemingsraden).

Actions and resources in relation to material sustainability matters (MDR-A)

Actions and resources in relation to material sustainability matters are integrated in the topical sections of the sustainability statement, including further details related to BAM's transition plans on decarbonisation and biodiversity. If progress is in line with targets, no specific further actions have been disclosed, since BAM considers the current policies to be effective to mitigate the impacts, risks and opportunities.

Metrics in relation to material sustainability matters (MDR-M)

Disclosure of methodologies and significant assumptions behind the metrics defined by ESRS and BAM's entity-specific metrics, are included in the grey boxes in every sub chapter of the topical disclosures. No metrics have been validated by an external body, other than by the assurance provider.

Tracking effectiveness of policies and actions through targets (MDR-T)

BAM has integrated its sustainability targets in the strategy 'Building a sustainable tomorrow'. Targets in relation to the sustainability information included the sustainability statement have been derived from a thorough strategic process run during 2022 and published in 2023. Ongoing due diligence with internal and external stakeholders, as described in chapter 6.1 and chapter 2.1 has been part of the process to identify these targets. BAM's targets have not been based on scientific evidence, with the exceptions of the SBTi validated targets on decarbonisation. The targets are time-bound and outcome-oriented to monitor delivery of the strategy in line with these targets. The specific targets are included in the topical disclosures. Strategic targets are disclosed on page 13 in chapter 2.2 Strategy. In case there is no target related to a metric, BAM tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity by quarterly reporting to Executive Committee about the performance of sustainability metrics. Appropriate follow-up actions are undertaken as necessary to address any identified issues or opportunities for improvement. BAM reports the progress towards these targets and discloses that progress in the related topical disclosures.

	Topic		Related policies
Environment	Decarbonisation	CO_2 emissions	Sustainability policy*
		Energy and emissions	Sustainability policy*
		Pollution of air and soil upstream	
		Financial effect: energy efficiency opportunities**	
	Circularity	Waste reduction, recycling and reuse	Sustainability policy*
		Circularity assessment and material passports	Sustainability policy*; Tender assurance policy
		Depletion of raw materials (virgin materials)	Sustainability policy*
	Climate Adaptation	Climate adaptive measures	Sustainability policy*; Tender assurance policy
		Climate risk assessment	Sustainability policy*; Tender assurance policy
		Financial effect: climate risk on land bank**	
	Biodiversity	Biodiversity land use change	Sustainability policy*
		Ecosystem services	
Social	Diversity and Inclusion	Diversity	Sustainability policy*; Diversity and inclusion policy*; HR perform and develop policy; Human rights guidance*
		Return on inclusion	Sustainability policy*; Diversity and inclusion policy*; HR perform and develop policy; Human rights guidance*
		Training and skills development**	Sustainability policy*; Diversity and inclusion policy*; HR perform and develop policy; Human rights guidance*
	Occupational health and safety	Occupational health and safety	Sustainability policy*; Health and safety policy*; Human rights guidance*
		Work-related ill health**	Sustainability policy*; Health and safety policy*; Human rights guidance*
	Social value	Social value	Sustainability policy*; Social value policy; Human rights guidance*
Governance	Business conduct and corporate culture	Prevention and detection of corruption and bribery	Anti-bribery and corruption policy; Conflict of Interest Policy; Code of conduct
		Protection of data and respecting privacy	Privacy policy*; Information security governance policy*; Data retention policy; Code of conduct
		Corporate culture	Code of conduct

* Policy statement is published on the website ** Topics/sub-topics are phased-in and not (yet) part of the policies

Division policy Group policy

Sustainability policy
BAM commits to the United Nations Sustainable Development Goals framework. The policy applies to BAM's own operations and sets relevant criteria for the selection of suppliers. BAM encourages that subcontractors and suppliers have relevant sustainability policies in place and adhere to any prescriptive (project) sustainability requirements to meet compliance with BAM's policy or any client sustainability requirements and compliance with relevant environmental protection laws and regulations.

HR policies
BAM puts its employees at the forefront of the strategy, ensuring that everybody in BAM lives its values, that leadership drives BAM forward, that BAM fosters diversity and inclusion, that BAM's employees thrive and grow, and that BAM builds communities with a focus on safety and innovation.

Policies related to business conduct
BAM's code of conduct sets expectations and commitments to uphold BAM's values and responsibilities to do things right. The policy framework establishes the governance structure, addresses key risk areas, and ensures compliance with relevant laws and regulations.

6.3 Environmental information (ESRS E1-2-4-5)

Climate change (ESRS E1)

Climate change mitigation relates to BAM's impact and actions related to the general process of limiting the increase in the global average temperature to 1.5 degrees Celsius above pre-industrial levels in line with the Paris Agreement. This chapter covers disclosures related to Greenhouse gases (GHG), disclosure requirements on how BAM addresses its GHG emissions as well as the associated transition risks. The disclosure requirements related to energy cover the types of energy consumption that are relevant for BAM.

Climate change adaptation relates to BAM's processes of adjustment to actual and expected climate change and covers disclosure requirements regarding climate-related hazards that can lead to physical climate risks for BAM and the assets BAM builds, including the adaptation solutions to reduce these risks. It also covers physical and transition risks arising from the needed adaptation to climate-related hazards.

Disclosures are related to the following material impacts, risks and opportunities as identified through BAM's double materiality assessment process, refer to full details in chapter 6.1.

35 E1 Climate change

Material impact, risk or opportunity		
Climate change mitigation		
GHG emissions: Scope 1 and 2	(OO)	Negative impact
GHG emissions: Scope 3	(VC)	Negative impact
Energy efficiency opportunities	(VC)	Opportunity
Climate change adaptation		
Climate adaptive solutions	(OO)	Positive impact
Climate risk on land bank	(OO)	Risk

The disclosures in this section should be read in conjunction with the disclosures in chapter 6.2 on Governance, Strategy and Impact, risk and opportunity management. Further disclosure requirements incorporated by reference are:

Disclosure requirement	Reference to other chapters in the 2024 Annual report
ESRS Standards: *General disclosure (ESRS 2)*	
GOV-3	Integration of sustainability-related performance incentive schemes of Supervisory board and Executive board on page 51, 53 and 54 in chapter 5.2 Remuneration report

Transition plan for climate change mitigation (E1-1)

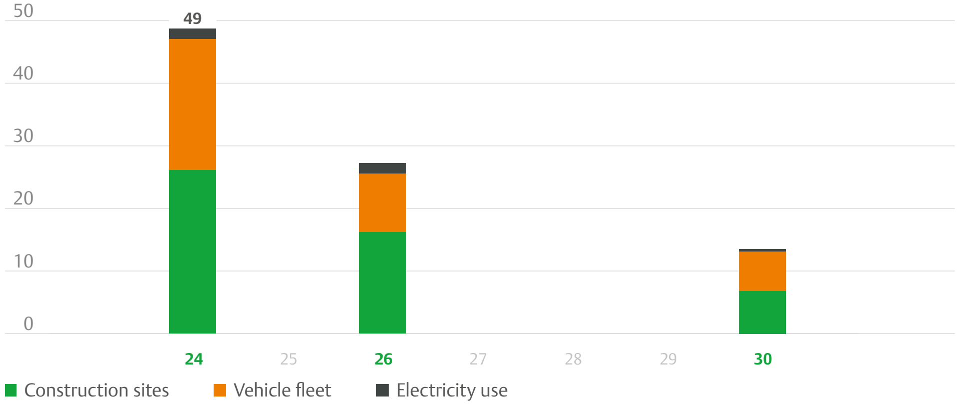
BAM has committed to reduce the GHG emission intensity of its operations. BAM has a 1.5 °C Science-Based Target, verified by SBTi, in place to ensure BAM is in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. In accordance with ESRS 2, Appendix B, and pursuant to the disclosure requirements under Regulation (EU) 2020/1818, which amends Regulation (EU) 2016/1011 (the Benchmark Regulation), BAM confirms that it is not subject to exclusion from an EU Paris-Aligned Benchmark (PAB). BAM's climate change mitigation transition plan is compatible with the transition to a sustainable economy and with the objective of achieving net-zero by 2050.

BAM's decarbonisation (Scope 1, 2 and 3) targets have been validated and approved by the SBTi. The most recent update of this approval is received in January 2025. These target approval has been renewed and improved compared to BAM's previous SBTi submissions and approvals in 2019 and 2021. BAM has included targets to measure the relevant climate change impacts on medium term (2026) and long term (2030 and 2050). Internally BAM has translated these targets into internal milestones in order to align the targets with BAM's strategic approach. The sustainability targets are fully supported by BAM's strategy 'Building a sustainable tomorrow'.

Climate change mitigation actions, decarbonisation levers and relevant changes to BAM's portfolio to support actions are the key driver to BAM's strategy 'Building a sustainable tomorrow.' The details of the transition plan are described in this section. Also BAM's progress on EU Taxonomy aligned-revenue, aligned capex and aligned opex is an important proof point for an increase of more sustainable business activities (refer to chapter 6.6 for BAM's disclosures in accordance with the Commission's Delegated Regulation (EU) 2021/2178 on the EU Taxonomy). BAM's Scope 1 and 2 GHG emissions are largely dependent on the project portfolio in execution and driven by the fact BAM ambition for emission free construction sites. Portfolio decisions in the tender phase are key to in the long run improve Scope 3 GHG emission. The most relevant locked-in GHG emissions mainly consists of Scope 1, 2 and 3 GHG emission in BAM's order book. In general the order book has only a few years of forward looking GHG emission impact, however there are a few exceptions of projects that are under construction until 2030 or beyond. These locked-in emissions could potentially jeopardise BAM's ability to meet its GHG reduction targets. BAM is mitigating this risk by continuously strengthening its tender process to enhance the assessment of environmental impact to reduce future GHG emissions.

BAM's transition plan is embedded in and aligned with the overall business strategy and financial planning. It has been part of BAM's yearly planning and quarterly reporting cycle already for a couple of years. Both performance measurement on the targets, as well as forward steering on business initiatives are part of this cycle. BAM has explicit roadmaps for Scope 1, 2 and 3 reduction. These roadmaps are developed continuously from a more qualitative approach towards more quantitative planning.

36 Reduction roadmap Scope 1 and 2
(in kilotonnes)



BAM's main focus areas for 2024 to further reduce direct GHG emissions are:

- Reducing diesel use on construction sites by establishing early-stage grid connections, electrify equipment and using alternative fuels (sustainably produced biofuels) where possible. The most important measure is the use of certified sustainable HVO on BAM's own projects which will carry on in 2025.
- Electrifying BAM's company car fleet and ensuring the used electricity is renewable. Due to existing lease arrangements it will take a few years before the company cars will be 100% electrified. For the company vans it will be a longer transition due to the market not having the appropriate EV's to replace the current fleet. In the meantime alternative fuels will be deployed further.
- Working towards the procurement of 100% renewable electricity in all offices and project sites.

The roadmap towards BAM's 2026 target and further reduction in 2030 (figure 36) shows that the majority of the GHG reduction is anticipated at the BAM construction sites, as a result of further electrification of equipment and deployment of HVO. The electrification of BAM's vehicle fleet is also expected to continue to substantially contribute to BAM's GHG emissions reduction in the coming years.

Significant operational expenditures (opex) and capital expenditures (capex) in 2024 required for implementation of action plan have been included in the financial statements. A total of € 55 million has been invested in electric equipment in 2024 (2023: € 38 million). This information is linked to note 14 and 15 on page 152 and 154 of the financial statements.

In general Scope 3 GHG emissions are the largest attributor to BAM's GHG inventory and are an important driver for BAM's transition risks and opportunities. For further disclosures on Scope 3, refer to page 84.

An important initiative to improve BAM's capability to reduce Scope 3 emissions is the improvement of quality of measurement of Scope 3 emissions, particularly the upstream emissions associated with purchased materials. Current measurement of upstream emissions is still 100% based on spend data, which does not support effective steering. BAM ambition is to replace a significant portion of spend data by activity data within the next years, focussing on key materials such as steel and concrete. This would allow to better assess the impact of BAM's reduction initiatives going forward.

In the meantime, BAM is also steering the following Scope 3 reduction drivers:

- Procuring (more) sustainable materials, such as concrete (GROENR) and recycled steel
- Proactively discuss the use of circular and/or biobased materials with clients and increase the amount of projects where alternative materials are applied.
- Provide low carbon solutions to clients to reduce the (downstream) energy use of assets delivered by BAM.

The Scope 3 reduction initiatives will help to bring BAM closer to its Scope 3 reduction targets, but there are also two substantial drivers to reduce BAM's Scope 3 footprint outside of BAM's control:

- Decarbonisation of industry: the lowering of the GHG emissions of construction materials by production process improvements. Lower GHG emissions of construction materials directly reduce the upstream Scope 3 emissions of BAM.
- Decarbonisation of energy grid: the grid in BAM's home markets is gradually decarbonising and expected to further decarbonise towards 2030. A lower grid GHG emission intensity directly reduces the GHG emissions associated with electricity use of assets delivered by BAM.

BAM closely monitors these trends and actively collaborates with its partners to steer these trends in a sustainable direction where possible.

Material impacts, risks, and opportunities and their interaction with strategy and business model (SBM-3)
BAM has identified one material climate-related risk as described below:

Climate-related risk		Type of risk
Climate risk on land bank (i.e. valuation of land- and building rights)	(OO)	Physical/transition risk

Decarbonisation initiatives as part of BAM's transition plan

Own operations

Construction sites
- Electrification of (heavy) equipment
- Use of certified HVO

Electricity
- Increase the level of renewable electricity procured towards 100%

Vehicle fleet
- Electrifying BAM's company car fleet (commercial vehicles and lease cars)
- Use of alternative fuel for company vans

Value Chain

Upstream embodied carbon initiatives
- Sustainable procurement; application of low carbon emitting concrete (GROENR beton) and steel
- Biobased or circular material use

Downstream sustainable solutions
- Construction of low energy assets, passive house construction

Decarbonisation drivers outside BAM's control
- Decarbonisation of electricity grid (downstream impact)
- Decarbonisation of (construction materials) industry depending on larger European trends

BAM holds a land bank comprising land and associated building rights (for valuation details as per 31 December 2024 refer to note 19 on page 159 of the financial statements). This portfolio is primarily utilised for residential development and commercial use, located across BAM's home markets, mainly in the Netherlands.

Long-term climate changes, including rising sea levels, soil degradation, and increasing average temperatures, might impact the land value. BAM has not yet identified which part of the land is identified as high-risk based on specific scenarios. Also increased policy and regulations, i.e. the introduction of stricter building codes and zoning requirements, particularly related to carbon reduction goals, could affect the developability of the land bank.

From a market perspective increasing demand for sustainable infrastructure may also enhance the valuation of land with potential for low-carbon developments while diminishing the value of non-compliant plots. Diversification of the portfolio to include land with lower physical and transition risk profiles is necessary going forward.

As part of the phased-in disclosure (refer to table 33 on page 74), BAM intends to disclose more information in future reporting periods on the anticipated financial effects of the climate-related physical and transition risk. For 2024 BAM did not consider specific climate scenario analysis in identifying the climate-related transition events.

Currently, BAM is actively implementing measures to further enhance climate resilience. In addition to implementing the science-based validated transition plan related to climate mitigation, BAM adopted climate-resilient infrastructure standards and actively organizes engagement with stakeholders to enhance adaptive capacity in vulnerable regions. BAM did not identify activities in its business model not compatible with a transition to a climate-neutral economy that could potentially jeopardise BAM's ability to execute its transition plan. Given the nature of the business, BAM is well able to adjust or adapt the strategy in the short-, medium- or long term based on change in context or progress. BAM's resilience analysis is not based on any critical assumptions or material areas of uncertainty.

Description of processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1)
BAM's strategy is also designed to address the climate resilience of the (downstream) projects and assets, through BAM's climate adaptation strategy. In that respect, BAM specifically assesses climate-related physical risks for each of its construction projects. BAM has developed a climate scan that is applied to key projects where physical climate related risks are relevant to either the construction process or the asset itself. This climate scan makes use of the 'klimaateffecten atlas'

(climate effects register) which is based on the fourteen climate scenarios of KNMI (Royal Netherlands Meteorological Institute) which are based on the climate scenarios of IPCC (Intergovernmental Panel on Climate Change). The most severe climate scenario used by KNMI and in BAM's climate scan is based on RCP 6.0 (Representative Concentration Pathway, global temperature rise of 3-4 °C by 2100). These assessments take into account the likelihood, magnitude and duration of the hazards as well as the geospatial coordinates.

This climate scan is applied in the early phase of a project (or tender) and based on the outcome, climate change adaptation measures are discussed with clients and in most cases implemented.

BAM's 2026 target is to have this type of climate risk scans effectively introduced to all the large (A, B and C category) tenders. BAM uses a classification system based on the size and risk profile of its projects, ranging from A (highest classification) to E. A, B, and C projects typically represent medium to large projects. BAM's progress towards this target in 2024 is shown in table 37.

The climate scans that BAM is executing for projects in division Netherlands are performed based on the classification of climate-related hazards included in the EU Regulation (EU) 2021/2139 (EU Taxonomy). Refer to more details on EU Taxonomy in chapter 6.6. The climate scans in the division United Kingdom and Ireland are covering the chronic and acute risks as well, however have not been checked to align with EU Taxonomy as such.

BAM also aims to reduce the damaging effect of climate change on its construction projects by delivering climate-adaptive solutions. BAM plans to offer climate-adaptive measures, enabling its clients to choose options that make their assets more climate-resilient.

37 Climate adaptation in tenders

	2023	2024	Target 2026
% A and B tenders with climate risk scans	*	100	100
% A and B tenders with climate adaptive measures	65	96	100
% A, B and C tenders with climate adaptive measures	*	*	100

* Data on C tenders not yet available for the 2024 and 2023 actual numbers.

Policies related to climate change mitigation and adaptation (E1-2)
A reference to the sustainability policy is made on page 77 in chapter 6.2 covering the sustainability practices in BAM. Further information is also available in the policy statement on the BAM website.

Actions and resources in relation to climate change policies (E1-3)
BAM has executed several initiatives in 2024 that reduce carbon emissions to limit global warming, both related to direct emission (Scope 1 and 2), as well as indirect emissions (Scope 3). Actions and initiatives in 2024 have resulted in progress towards BAM's short-, mid- and long-term targets to reduce emissions. An overview of the most relevant elements of BAM's action plan is provided in the visual on page 80.

In 2024, BAM has proven to further reduce the Scope 1 and 2 impact in absolute terms and for intensity as well. BAM's Scope 1 and 2 GHG emissions in 2024 are 48.7 (2023: 68.6 kilotonnes), resulting in an GHG emission intensity of 7.5, compared to 10.9 in 2023. BAM has reduced its Scope 1 and 2 GHG emissions with 70% compared to the baseline of 2015.

The use of HVO has increased to 54% of total fuel consumption on construction sites (27% at year-end 2023) and 69% of the company cars was electric at the end of 2024 (47% at year-end 2023). Direct emissions on a handful of large joint operation projects are currently a large contributor to the remaining emissions, around approximately 30% of the total Scope 1 and 2. Changes in project schedules impact the timing of carbon emission 'rich' activities, and hence could skew BAM's year on year performance. In total BAM aims for a Scope 1 and 2 reduction of 90% in 2030 versus 2015.

Share of EV in BAM's car fleet (commercial fleet and lease cars) has increased to 66% (40% at year-end 2023), resulting in a further reduction of Scope 1 and 2 emissions. Further details on BAM's energy use are disclosed in the section below.

In organisational terms, investments and changes have occurred in the governance of the sustainability function throughout the business. In 2024 investments in IT systems for sustainability reporting, internal training, and additional resources in the field of sustainability (reporting) have been made to reiterate BAM's focus on the topic and commitment to develop the right capabilities for this transformation.

Targets related to climate change mitigation and adaptation (E1-4)
BAM has committed to reduce the GHG emission intensity of its operations. BAM has further increased the ambition level and included a net-zero target in the most recent SBTi update, ensuring that BAM's targets are aligned with limiting global warming to 1.5° C in line with the Paris Agreement. These accelerated targets are an important driver of BAM's strategy and have already been communicated in 2023.

The target includes specific Scope 1 and 2 targets, which are derived using market-based GHG conversion factors. BAM's GHG reduction targets are:

- reduction of 80% Scope 1 and 2 GHG emission intensity by 2026 compared to 2015
- reduction of 90% Scope 1 and 2 absolute GHG emissions and reduction of 90% Scope 1 and 2 GHG emission intensity in 2030 compared to 2015 (SBTi validated)
- reduction of 50% Scope 3 absolute GHG emissions by 2030 compared to 2019 (SBTi validated)
- Net-zero Scope 1,2 and 3 (minimum 90% reduction compared to 2019) by 2050 (SBTi validated)

In achieving targets for 2026 and 2030, BAM does not include the offsetting of any carbon emissions nor does BAM allow any offsetting as part of meeting the Scope 1 and 2 GHG emissions reduction targets towards 2030. BAM also has an underlying Scope 1 and 2 target to purchase 100% certified green electricity by 2030. BAM has a SBTi-validated net zero target for 2050 on total GHG emissions (absolute Scope 1, 2 and 3). BAM continuously tracks the effectiveness of the BAM's actions by internal reporting on the targets and related metrics. BAM also has set a decarbonisation-related target to maintain a CDP Climate A List position. This performance is assessed on a yearly basis.

Reporting principles and assumptions GHG emissions Scope 1 and 2 and energy consumption

BAM's energy consumption and greenhouse gas inventory are based on the ESRS. When referring to emissions, it is important to distinguish between CO_2 (carbon dioxide) and CO_2eq (carbon dioxide equivalent). CO_2 refers specifically to emissions of carbon dioxide, a major greenhouse gas produced primarily from burning fossil fuels. However, many other greenhouse gases, such as methane (CH_4) and nitrous oxide (N_2O), also contribute to climate change. To simplify reporting and analysis, these other gases are converted into CO_2 equivalents (CO_2eq) based on their global warming potential (GWP). CO_2eq allows to express the impact of all greenhouse gases in a single, comparable metric. BAM applies CO_2 equivalent conversion factors. Throughout this document, when CO_2 emissions are mentioned, BAM reports its greenhouse gas emissions (GHG) as CO_2 equivalent, and refers to the total of GHG emissions, unless otherwise specified.

As BAM is operating in a high climate impact sector (as listed in NACE sections A to H and Sections L, as defined in Commission Delegated Regulation (EU) 2022/1288), BAM further disaggregates the total energy consumption from fossil sources in table 38. BAM has included the net revenue as presented in the financial statements on page 132 as a full to calculate energy intensity and GHG emission intensity.

The proportion of total electricity consumption that is generated from renewable energy sources, such as solar, wind, hydro, and geothermal indicates the extent to which electricity used is derived from environmentally sustainable and non-polluting sources. Electricity used is recorded in kWh. Fuel use of leased and company cars can be entered in liters or kilometers and is converted to MWh. Activity data is mostly based on meter readings, invoices and supplier data. In instances where complete and accurate data are unavailable, BAM employs calculations or estimations utilising reliable methods and input data by the judgement call of the division's experts.

The energy consumption (reported in MWh) and GHG emissions associated with BAM's energy consumption, are calculated using conversion factors from reputable and authoritative sources, i.e. government supplied factors. The applied conversion factors differ based on the calculation:

- Country-specific conversion factors are used for all resources, e.g. https://www.co2emissiefactoren.nl lijst-emissiefactoren/ for the Netherlands or https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023 for the United Kingdom.
- Tank-to-wheel emission factors are applied for Scope 1 emissions (well-to-tank is part of BAM's Scope 3 footprint)

BAM reports GHG emissions based on market-based conversion factors as well as location-based conversion factors. All conversion factors are reviewed annually and updated accordingly. To achieve consistent measurement throughout the year, BAM is updating the conversion factors in the first quarter of the year. This means that if the release date of specific conversion factors is later in the year, BAM is using prior year factors (i.e. 2023 factors). Fuel and electricity provided by BAM to subcontractors is currently included in Scope 1 and 2. If fuel and electricity is used by third parties on a BAM project that BAM has not procured, then it is part of Scope 3 to avoid double counting.

For specific information regarding BAM's operational control and BAM's value chain, refer to chapter 6.2
No changes in the reporting Scope have been triggered by aligning the Scope 1, 2 and 3 reporting definitions with those in ESRS. BAM's Scope 1 and 2 GHG emissions are all originating from the consolidated accounting group.

38 Energy consumption and mix

	2023	Share of total energy consumption *(in %)*	2024	Share of total energy consumption *(in %)*
Fuel consumption from coal and coal products (MWh)	-	-	**-**	-
Fuel consumption from crude oil and petroleum products (MWh)	232,331	67.9	**147,263**	43.5
Fuel consumption from natural gas (MWh)	13,197	3.9	**18,010**	5.3
Fuel consumption from other fossil sources (MWh)	3	0	**2**	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	17,323	5.2	**23,827**	7.0
Total fossil energy consumption (MWh)	**262,854**	**77.0**	**189,102**	**55.8**
Total consumption from nuclear sources (MWh)	**-**	**-**	**-**	**-**
Fuel consumption for renewable sources (e.g. biomass, hydrogen)	54,524	16.1	**106,975**	31.6
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	37,687	11.3	**41,833**	12.4
Consumption of self-generated non-fuel renewable energy (MWh)	699	0.2	**765**	0.2
Total renewable energy consumption (MWh)	**92,909**	**27.6**	**149,573**	**44.2**
Total energy consumption (MWh)	**355,762**	**100**	**338,675**	**100**
Energy intensity (total energy consumption per net revenue, kWh/€)	**0.06**		**0.05**	

Energy consumption and mix (E1-5)
As energy consumption is closely related to the impact BAM has on climate change, this disclosure requirement provides more insights into the total energy consumption in absolute value, and BAM's share of renewable energy in its overall energy mix. The current level of green electricity is at 64% (2023: 69%) of the total electricity use.

The use of purchased green energy and cleaner fuels contribute to a decrease in GHG emissions but does not tell anything about the energy efficiency of BAM. Using the absolute energy consumption, in combination with the GHG emissions, allows better insight in the development of BAM's energy use and efficiency.

All electricity in the Netherlands is purchased from the supplier 'Eneco', with bundled energy attribute certificates (EAC) for 100% Dutch wind power. BAM intends to further increase the percentage of green electricity in the Netherlands related to public and home EV charging through the purchase of unbundled EAC's for the coming years. Currently the percentage of green electricity related to these activities is based on grid average. The green electricity in Ireland is purchased from the supplier 'Energia', with bundled EAC's for 100% wind or solar energy. In the United Kingdom and Belgium the green electricity purchased varies from region to region and sometimes even from project to project. Green (low carbon) electricity is coming from different electricity suppliers and supported by renewable energy guarantees of origin in bundled or unbundled procurement. BAM currently does not procure green electricity backed by purchase power agreements.

Gross Scope 1 and 2 GHG emissions (E1-6)
BAM achieved a Scope 1 and 2 GHG emission reduction in 2024 compared to 2023. BAM has a reached a cumulative reduction of 70% compared to the baseline 2015. BAM's ongoing GHG emission reduction measures such as the use of sustainable biofuels and electrification of lease fleet, and transformation to renewable electricity and electric/hybrid equipment contributed to this reduction.

39 Absolute Scope 1 and 2 GHG emissions per division
(in kilotonnes)

	2015 baseline	2023	**2024**
Division Netherlands	42.8	29.6	**21.7**
Division United Kingdom and Ireland	49.5	38.3	**26.5**
Other*	92.7	0.7	**0.5**
Total Scope 1 and 2 GHG emissions	**185.0**	**68.6**	**48.7**

* Baseline for Scope 1 and 2 GHG emissions includes GHG emissions related to the divested businesses in Germany and Belgium.

The negative impact of GHG emissions of BAM on the environment is significant, as it leads to global warming and climate change, extreme weather, rising sea levels and changes in precipitation patterns, affecting agriculture, water resources, biodiversity, and infrastructure. BAM's reporting includes both direct GHG emissions (Scope 1 emissions originating from BAM's own sources and leased vehicles) and indirect GHG emissions resulting from the generation of purchased electricity used by BAM, calculated with market-based conversion factors (Scope 2 emissions), and Scope 3 emissions.

Location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations (e.g. Netherlands, UK, Ireland). Market based method quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which BAM contractually purchases electricity bundled with instruments, or unbundled instruments on their own. BAM's electricity is sourced through retail supply contracts with an electricity supplier (retail green electricity).

With regard to Scope 1 and 2, BAM tracks its progress compared to base year 2015. In the baseline 2015 BAM has included the comparative figures based on the financial consolidation in the reporting year 2015. This does include the business activities of BAM that have been divested in the year's after 2015. The targets are based on intensity, hence the relative impact of divestments is limited.

In 2025 BAM has reconfirmed accelerated Scope 1 and 2 GHG emission targets with SBTi and has not amended the baseline comparison in this renewal. BAM has added absolute targets for Scope 1 and 2 GHG emission which are based on the same baseline.

BAM relies on the use of (certified) sustainable hydrogenated vegetable oils (HVO) to reduce the GHG emissions from its energy intensive construction processes, such as groundworks. At the moment, the additional costs of HVO are limited and most clients of BAM are willing to pay the premium.

The demand for sustainable HVO is growing, while the supply is not expected to rapidly grow as it depends on the availability of by products. If other sectors, such as the aviation industry, also start to use HVO as a main measure to reduce fossil fuel use, this will have the potential to substantially increase the price of HVO. For BAM, this will either mean that short term CO_2 reduction targets will not be met or that additional costs will be made to cover for the price increase.

40 CO_2 emissions from biogenic carbon
(in kilotonnes)

	2023	**2024**
Biogenic carbon emissions	13,981	**27,401**
Fuel type		
HVO 100%	13,966	**27,401**
HVO 50%	2	**-**
HVO 20%	12	**-**

Gross Scope 3 and total GHG emissions (E1-6 continued)
Scope 3 GHG emissions (gross) are the main component of BAM's GHG inventory and are an important driver of BAM's transition risk. Total Scope 3 emissions in 2024 are estimated at 2,093 kilotonnes, a factor 43 larger than BAM's Scope 1 and 2 emissions. Most of BAM's Scope 3 emissions fall in categories (1) Purchased goods and services and in category (11) Use of sold products. By closely monitoring BAM's GHG emission targets, BAM continuously measures progress towards reducing GHG emissions in accordance with EU policy goals.

Despite BAM's efforts to improve Scope 3 measurement methodology, significant uncertainties still exist in relation to the reported Scope 3 GHG emissions (including the baseline number based on the 2019 year). Details on BAM's Scope 3 GHG emissions reporting principles and assumptions are included on pages 86 and 87.

41 GHG emissions

	2015** baseline	2019** baseline	2023	2024	Delta 2024-2023	Target 2026	Target 2030	Target 2050	Annual % target / base year
Scope 1 GHG emissions *(kt CO_2 eq)*									
Scope 1 GHG emissions	170	117	62	**41**	-34%	n.a	n.a	n.a	n.a
Scope 2 GHG emissions *(kt CO_2 eq)*									
Gross location based Scope 2 GHG emissions	33	25	16	**19**	13%	n.a	n.a	n.a	n.a
Gross market based Scope 2 GHG emissions	15	14	6	**8**	25%	n.a	n.a	n.a	n.a
Scope 1 and 2 GHG emissions *(kt CO_2 eq)*									
Scope 1 and 2 location based	203	142	79	**59**	-25%	n.a	n.a	n.a	n.a
Scope 1 and 2 market based	185	131	69	**49**	-29%	n.a	18.5	n.a	-6%
Scope 1 and 2 emission intensity *(in tonnes CO_2 eq per € million revenue)*									
Market based Scope 1 and 2 intensity	24.9	18.2	10.9	**7.5**	-31%	5.0	2.5	n.a	-6%
Significant Scope 3 GHG emissions *(kt CO_2 eq)*									
Total gross indirect (Scope 3) GHG emissions***	*	3,154	2,552	**2,093**	-18%	n.a	1,577	n.a	-5%
1. Purchased goods and services	*	1,466	1,416	**1,363**	-4%	n.a	n.a	n.a	n.a
2. Capital goods	*	117	119	**108**	-9%	n.a	n.a	n.a	n.a
3. Fuel and energy-related activities	*	33	19	**18**	-5%	n.a	n.a	n.a	n.a
5. Waste generated in operations	*	21	13	**15**	15%	n.a	n.a	n.a	n.a
6. Business travel	*	9	5	**6**	20%	n.a	n.a	n.a	n.a
7. Employee commuting	*	4	2	**2**	0%	n.a	n.a	n.a	n.a
11. Use of sold products	*	1,484	924	**535**	-42%	n.a	n.a	n.a	n.a
12. End-of-life treatment of sold products	*	19	54	**45**	-17%	n.a	n.a	n.a	n.a
15. Investments	*	-	-	**1**	-	n.a	n.a	n.a	n.a
Total GHG emissions *(kt CO_2 eq)*									
Total GHG emissions location based	*	3,296	2,631	**2,152**	-18%	n.a	n.a	n.a	n.a
Total GHG emissions market based	*	3,285	2,621	**2,142**	-18%	n.a	n.a	329	-3%
Total GHG emissions intensity location based *(in tonnes CO_2 eq per € million revenue)*	*	**457**	**420**	**333**	**-21%**	n.a	n.a	n.a	n.a
Total GHG emissions intensity market based *(in tonnes CO_2 eq per € million revenue)*	*	**456**	**418**	**332**	**-21%**	n.a	n.a	n.a	n.a

* Scope 3 GHG emission data unavailable for 2015 ** Baseline 2015 is applicable for Scope 1 and 2 intensity reduction; baseline 2019 is applicable for Scope 3 reduction and Net zero target on Scope 1, 2 and 3. For Scope 1 and 2 2019 is considered a comparative figure. *** Baselines for Scope 1 and 2 differ from Scope 3 GHG emission. See for more details on baselines section E1-6.

Reporting principles and assumptions GHG emissions Scope 3

BAM's Scope 3 inventory is based on ESRS. BAM reports its greenhouse gas emissions as CO_2 equivalent. BAM's Scope 3 estimation is based on several different data sources, methods, and assumptions. Five out of the fifteen categories are considered not applicable and/or not material for BAM, for the following reasons:

8. Upstream leased assets: BAM's leased assets consist of leased buildings (offices) and the lease fleet. Related emissions are already included in BAM's Scope 1 and 2 emissions.
9. Downstream transport: As a construction-services business, no product undergoes downstream transportation and distribution.
10. Processing of sold products: All products are sold in final form, with no further processing required.
13. Downstream leased assets: The assets that are leased to other entities are constructed by BAM itself. This means the downstream emissions are already included in category (11) Use of sold products. In some occasions, a business unit owns assets that are temporarily under BAM's management and leased to other entities. The related GHG emissions are considered not material and therefore not included in BAM's Scope 3 inventory.
14. Franchises: BAM does not operate a franchising business model.

The methodology, data sources and key assumption and limitations of the ten categories for which the Scope 3 emissions are estimated are listed below:

1. Purchased goods and services

This category is calculated using a spend-based method, meaning that the embodied impact of BAM's activities is calculated by collecting data on the economic value of goods and services purchased and multiplying these by relevant secondary emission factors (e.g., industry average emissions per monetary value of goods or service). Vendors are classified into BAM's procurement categories by the procurement team. BAM acknowledges a high uncertainty in this classification as a result of reliance on individual judgement and the limitation that vendors can only be classified as one procurement category. For the conversion from spend to GHG emissions, BAM uses Exiobase v3.8.2. The mapping of BAM's procurement categories to the corresponding categories in the Exiobase database has been carried out manually based on expert judgement. Any uncategorised spend is assigned to the Exiobase category 'construction works'. A dedicated tool has been developed by BAM to process the procurement data, apply the Exiobase conversion factors, and calculate the associated GHG emissions.

The category purchased goods and services includes all emissions from BAM's projects and a proxy for emissions from joint arrangements (joint operations and joint ventures). BAM reports the GHG emissions from joint operations on the basis of operational control (for more details on this approach in chapter 6.2).

Due to limited availability of joint operation data, BAM includes the full spend of joint operations where BAM is responsible for project administration and zero spend of joint operations where BAM is not responsible for project administration. BAM has evidence that this approach does not materially deviate from the actual spend share of BAM joint arrangements. The GHG emissions associated with the asphalt procured by BAM from the joint venture AsfaltNu are seen as relevant part of the value chain, hence included in category 1.

The GHG emissions related to third party deliveries of AsfaltNU are reported under category 15 based on the BAM-share in the joint venture.

2. Capital goods

GHG emissions from capital goods are derived from the GHG emissions from purchased goods and services. After processing in BAM's tool, the total spend based GHG emissions includes both purchased goods and services and capital goods. The following Exiobase categories are considered to comprise capital goods:

- Sale, maintenance, repair of motor vehicles and parts, motorcycles, motor cycles parts and accessories
- Motor vehicles, trailers and semi-trailers
- Machinery and equipment n.e.c. (not elsewhere classified)
- Office machinery and computers

The GHG emissions from these categories are deducted from the category purchased goods and services and reported under capital goods.

3. Fuels- and energy related activities

This category contains the following subthemes: Upstream emissions of purchased fuels, upstream emissions of purchased electricity, transmission and distribution (T&D) losses and generation of purchased electricity that is sold to end users.

The first three of these sub themes are relevant for BAM, as BAM does not sell energy to end-users. The upstream GHG emission of fuels- and energy related activities for the first two sub themes are derived from the same fuel and energy use which form the basis for BAM's Scope 1 and 2 emissions. The fuel and energy quantities are multiplied by country specific 'well to tank' emission factors to cover the upstream emissions that are not included in the Scope 1 and 2 calculation. For the third sub theme, the country specific loss rate is multiplied with Scope 2 impact data.

4. Upstream transport and distribution

GHG emissions associated with upstream transport and distribution are included in category (1) Purchased goods and services. It is not feasible for BAM to distinguish transport related emissions in the used Exiobase conversion factors.

5. Waste

GHG emissions associated with the disposal and treatment of waste are based on the waste figures that BAM also reports separately. Waste quantities are categorised by BAM's waste processors into different waste streams and conversion factors from the 'Emissions Factors Hub' are used to estimate associated GHG emissions. Excavation waste is not included in this estimation as excavation waste is most often reused on site or on a different site.

6. Business travel

GHG emissions related to business travel are captured following the same process as BAM's Scope 1 and 2 emissions. BAM captures data related to privately owned cars (refunded kilometres), air and train travel.

7. Employee commuting

GHG emissions associated with commuting by car are captured following the same process as BAM's Scope 1 and 2 GHG emissions. Using country specific statistics, HR data and conversion factors the emissions related to the other modes of transport are calculated. These emissions are added up to determine total employee commuting emissions.

11. Use of sold products

GHG emissions from the use of sold products are estimated by multiplying the energy use of BAM-delivered assets in 2024 by the asset's lifetime and country-specific carbon intensity of the energy grid. BAM acknowledges that emissions can fluctuate significantly year-to-year depending on the projects delivered. Different approaches are used per asset type:

- Residential buildings: the BENG2 value, average energy use per energy label or reference project combined with the actual or national average floor area for dwellings is used to estimate the expected energy use.GHG emissions are then calculated by multiplying the asset's lifetime by the annual energy intensity and the country-specific carbon intensity. A 75-year lifespan is assumed for new homes, and 25 years for renovations. As a conservative assumption BAM uses the GHG factor of electricity from an 'unknown source' or national average, as BAM currently cannot determine the energy carriers of estimated energy use.
- Offices: A project list of all delivered assets in 2024 is compiled. In the Netherlands, the BENG2 value and a conversion factor estimate energy use. In the UK and Ireland, the BER value and floor areas of delivered projects determine expected energy use. A lifetime of 50 years is assumed for new builds and 40 years for renovations.
- Civil engineering assets: for assets like roads, railways, and foundations, energy consumption during use is minimal. These typically include low-energy components, such as LED lighting and electronic traffic signs. Given the low impact, BAM estimates emissions for civil assets in 2024 based on the same share as in 2023, which is 5%.
- Fugitive emissions: Fugitive emissions are not included in BAM's Scope 3 emissions. BAM has made an initial estimation based on average European leakage rates and common refrigerants in the UK and the Netherlands. These emissions are excluded from total Scope 3 calculations due to uncertainty around the Scope of projects for which these estimations are applicable

12. End of life treatment of sold products

The GHG emissions associated with this category are calculated based on the properties and assets used to calculate Scope 3 category 11. First, the total floor area of the assets developed under category 11 is determined. This floor area, measured in square meters, is then multiplied by a BAM-specific average amount of demolition waste per square meter for each asset type.

The resulting waste mass is allocated to different end-of-life scenarios, with the distribution based on BAM's waste treatment activities in 2024. Finally, the mass in each end-of-life scenario is multiplied by the appropriate emission factors from the 'Emission Factors Hub', the same source used in category 5.

15. Investments

BAM has one relevant investment in AsfaltNu. Emissions associated with the asphalt from AsfaltNu procured by BAM are already reported under category 1 in line with the approach of BAM's joint venture partner. BAM has accounted for the BAM-share of GHG emissions of asphalt delivered by AsfaltNu to third parties, other than the joint venture partner, under category 15.

For 2024, the same methodology and assumptions were used as for 2023. Primary data was used to calculate 13.6% of the 2024 Scope 3 GHG emissions. BAM applied one reclassification related to the share of emissions of asphalt delivered by AsfaltNu to third parties under category 15 Investments instead of under category 1 Purchased goods and services.

In 2024, BAM recalculated its 2019 Scope 3 baseline based on the methodology in line with 2024. BAM reports this baseline in the sustainability statement for the first time in 2024 . The baseline was recalculated on a ‘like for like’ basis. Only the business activities that are part of BAM in 2024 are included, i.e., the parts of Belgium and all the Germany business activities divested between 2019 and 2023, are excluded from this baseline. BAM International is only included in the 2019 baseline for upstream activities. Emission data on projects delivered by BAM International in 2019 is not available.

The Scope 3 baseline was calculated by applying as much as possible the same methodology that was used for 2023 and 2024. Only for category 11. Use of sold products, the methodology significantly differs, due to the fact that a larger part was extrapolated in 2019 due to the unavailability of data for some business activities. As a result, 27% of the 2019 total Scope 3 footprint is estimated based on extrapolation, compared to 5% in 2024.

The largest category of BAM’s scope GHG emissions is category 1. Purchased goods and services. The observed differences between 2019, 2023 and 2024 are minimal, because the same applied spend-based methodology with the same conversion factors has been used for all reported years, and BAM’s total spend has remained relatively constant in this time period. BAM believes that in reality BAM’s impact in this category most likely went down, due to industry energy improvements and a reduction in BAM’s spend figures when corrected for inflation.

BAM decided to use consistent factors for all years because BAM acknowledges that spend based method is accompanied by large uncertainties in general, and adding assumptions does not do justice to the maturity of the measurement. BAM continues to work towards using activity data to replace spend based calculations.

The largest differences between the reported years can be observed for category 11. Use of sold products. The GHG emissions in these category can highly fluctuate on an annual basis, as they included the whole lifetime energy use of assets delivered in the reporting year.

The decrease in 2024 compared to 2023 is mainly the result of a different portfolio of delivered assets and a decreasing average energy use per metre squared. While these are probably also the main reasons for the difference with 2019, 2019 baseline is also based on significantly larger portion of extrapolation (27% versus 5% in 2024).

Pollution (ESRS E2 – entity-specific)

BAM’s negative impact caused by air and soil pollution is associated with the upstream value chain, including emissions and hazardous substances generated by BAM’s suppliers and upstream joint venture partners.

Disclosures are related to the following material impacts, risks and opportunities as identified through BAM’s double materiality assessment process, refer to full details in chapter 6.1.

42 E2 – Entity-specific Pollution

Material impact, risk or opportunity		
Pollution		
Pollution of air and soil	(VC upstream)	Negative impact

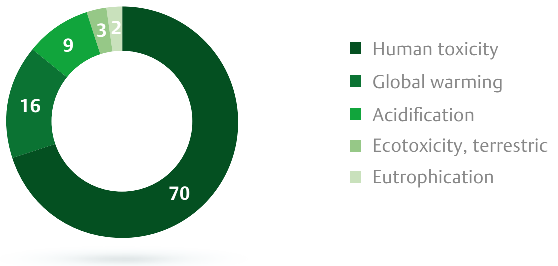
The disclosures in this section should be read in conjunction with the disclosures in chapter 6.2 on Impact, risk and opportunity management. The topic of pollution is closely connected to the other environmental sub-topics such as climate change and biodiversity. The seven greenhouse gases connected to air pollution are included in section Climate change (ESRS E1), pollution as a direct impact of biodiversity loss is addressed in section Biodiversity (ESRS E4). Upstream pollution in BAM’s value chain is identified as a material impact in BAM’s double materiality assessment. The related disclosure requirements in ESRS E2-4 until ESRS E2-6 are specific to own operations, which is not considered material to BAM. Refer to BAM’s double materiality assessment process in chapter 6.1.

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (IRO-1)

In 2024, BAM has screened its upstream business activities in order to identify its actual and potential impact. Based on internal consultations with subject matter experts, and consultations with key parties in BAM’s supply chain, the relevant upstream activities have been identified. BAM further discloses the assumptions and tools used in the impact assessment. The most impactful categories in relation to upstream pollution for BAM are global warming, human toxicity, ecotoxicity, acidification and eutrophication. The estimated relative impact of upstream pollution is enclosed in figure 43.

A significant part of the total BAM upstream pollution is human toxicity. Human toxicity refers to the adverse effects that pollutions have on human health. These impacts can arise from various sources of pollution and is the most impactful pollution for BAM. BAM’s upstream pollution also has a significant impact on acidification, eutrophication, and ecotoxicity (terrestic), and as described earlier on global warming.

43 Relative estimated impact of pollution in BAM's upstream value chain*
(in %)



* Pollution emission figures are calculated with estimations assumptions

With the impact on human toxicity in BAM's upstream operations, BAM will further investigate on the awareness about human toxicity impact and intents to reduce that impact going forward. In depth information about the global warming emissions in relation to the climate impact of BAM can be found in BAM's Scope 3 disclosures in section Scope 3 and total GHG emissions (E1-6) on page 84. Acidification, eutrophication and ecotoxicity have comparable percentages in relation to the total pollution, and a limited impact compared to the other two categories.

Reporting principles and assumptions pollution

BAM has used procurement data to gain insights in upstream pollution. Upstream pollution emissions from purchased goods and services are based on BAM's spend data. The spend data is converted into pollution emissions using public available conversion factors. BAM has selected Exiobase v3.8.2. as the emission factor database to convert spend data into pollution data and impact categories. The BAM procurement categories have been manually mapped against the categories in the Exiobase database based on expert judgement. BAM used the Environmental Cost Indicator (ECI) to compare impact categories with each other. BAM considers this calculation as the most effective method currently available for assessing upstream pollution. This approach highlights the category where BAM has the highest environmental impact. There is an expectation that over time, the methodology for measuring upstream pollution will improve, potentially involving updates of weighting factors and measurement methods. BAM does not yet disclose the absolute emissions related to the different pollution categories, because of estimation uncertainties of this level of detail.

BAM further investigated its upstream activities and the impact in pollution category 'Human toxicity', for specific information see text box on the next page. As a result of this analysis BAM was able to drill down on to activity type to check which activities are the most impactful. BAM determined that upstream pollution from the primary materials, asphalt, steel and concrete, but also from installation works have a significant negative impact in relation to upstream pollution and specifically with regards to human toxicity.

BAM's activity 'installation works' consists mainly of mechanical and electrical installations. In addition to installation works, category 'exterior and interior work' is significantly impacting human toxicity. This is attributable to its material use and related activities, such as aluminum and curtain walling, ceiling and partition wall systems, facade cladding metal (zinc, aluminum, copper, steel) and the use of stone product and brickwork. BAM recognises the need to address this negative impact on human toxicity in its upstream operations.

Policies related to pollution (E2-1)

While BAM's sustainability policy does not explicitly address pollution, the policy does provide guidance on material use. With the efficient use of materials and use of sustainable alternatives BAM intends to minimise the upstream pollution. BAM is doing research on how this should influence the procurement processes for the purchase of materials.

Actions and resources related to pollution (E2-2)

BAM intends to provide more detailed reports on upstream pollution in the coming years. The availability of more qualitative data from ongoing analysis, data improvements and the increasing knowledge regarding emissions will enhance the quality of these reports.

BAM considers the specific mitigation hierarchy to allocate actions and resources:
- Avoid pollution, including any phase out of materials or suppliers that have a significant impact
- Reduce pollution, for example meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution)

Asphalt production

Asphalt production is a critical component in BAM's construction operations, yet it is essential to acknowledge its environmental impact, particularly concerning upstream pollution. The production process involves a substantial impact on human toxicity due to the extraction and refinement of raw materials. The most impactful emissions are benzene and Polycyclic Aromatic Hydrocarbons (PAHs), which releases during the production of new asphalt mixtures with the use of recycled asphalt. BAM is committed to implement sustainable practices and explore innovative technologies to minimise these environmental impacts. BAM's asphalt supplier in the Netherlands is the joint venture AsfaltNu. In 2022 and in 2023, operational carbon filters were installed in various asphalt plants from AsfaltNu which ensure a significant reduction in emissions. In the meantime, the plants are working on smarter and more sustainable techniques for the longer term. AsfaltNu also will start building a new asphalt plant in 2025, where innovative techniques take care for a production that has a low pollution in emissions, fragrance free and is almost noise free.

Steel production

Steel production is from origin a fundamental material for construction work and is also associated with significant upstream pollution. The production of steel leads to high nitrogen emissions, which have a negative impact on the environment. The production of steel also leads to the emission of particulate matter, which has a negative impact on the human toxicity. The traceability of steel in the construction sector is complex due to the multifaceted nature of the supply chain. BAM will further investigate in their traceability to reduce the impact in pollution. BAM focuses on the reduction of the consumption of steel related to BAM's targets for the use of primary materials. BAM will use as much as possible recycled steel, currently at a level of 67% recycled steel use relative to the total steel consumption, refer to section Resource use and circular economy (ESRS E5) for further details.

Concrete production

Concrete production is also associated with considerable upstream pollution. This has severe impact on climate change and also affects human toxicity. BAM is not yet able to measure and report in detail about the exact emissions of concrete, due to various variables, such as regional production and the lack of activity data. Quantification of the specific amounts of concrete is considered a valuable insight, as the specific substance and the level of sustainable production per supplier varies. BAM aims to reduce the consumption of concrete and/or replace it by more sustainable concrete or other materials. For example, BAM's initiative 'GROENR BETON' allows BAM to use more sustainable concrete which reduces the pollution of the concrete production. Additionally, BAM aims to collaborate as much as possible with suppliers that have climate and sustainability-related certifications, such as ISO 14001 and CSC Certification.

Target related to pollution (E2-3)

Pollution is not included as a specific element in BAM's strategy. In BAM's research and discussion with experts, BAM has concluded that a separate target for upstream pollution is not suitable, and recognises the strong dependency on material use. Therefore, upstream pollution is incorporated in the (indirect) targets set for the reduction of non-biobased virgin materials: BAM aims to achieve a 50% reduction by 2030 compared to 2019. The focus is on reducing the consumption of primary materials such as concrete, steel and asphalt. Those materials have substantial environmental impact and result in air and/or soil pollution that occurs during the extraction and processing of the materials. Also, BAM tries to substitute these high-impact materials for a more sustainable materials and/or recycled materials. For further details on (targets related to) material use, refer to section Resource use and circular economy (ESRS E5) on ▶ page 97.

BAM does not disclose the amount of pollutants that are emitted through BAM's purchased materials in 2024. When the traceability of purchased materials improves, BAM will be able to report in the future on the amount of pollutants. If material to BAM, BAM includes the operating expenditures incurred in the reporting period in conjunction with major incidents, including any provisions for the environmental protection and remediation costs, e.g., for rehabilitating contaminated sites, removal of environmental contamination at sites and similar measures. No such material remedial (financial) actions have come to BAM's attention in 2024.

Sustainability insight

Net Zero schools: BAM's green future is here and now. Southam College is a 'Pathfinder' facility which allows BAM Design to use its in-house multi-disciplinary teams: Architecture, Structures, MEPH (Mechanical, Electrical, and Public Health), Sustainability and Interior Design.

Biodiversity and ecosystems (ESRS E4)

Biodiversity refers to the variety and variability of life forms on Earth, including the diversity of species, ecosystems, and genetic variations within those species. It encompasses everything from plants and animals to microorganisms, as well as the ecosystems they form, like forests, oceans, and grasslands. Essentially, biodiversity represents the richness of life in all its forms, and it's crucial for maintaining ecological balance, supporting human life, and providing ecosystem services like clean air, water, and food.

The construction sector is a major driver in the decline of biodiversity. BAM aims to help reduce the loss of biodiversity (specifically in its own operations) and protect ecosystem services, working towards a world where nature and human activities are in balance. BAM's strategic approach is focused on gaining insights in the biodiversity impacts on its project and propose and deliver biodiversity enhancing where possible.

Disclosures are related to the following material impacts, risks and opportunities as identified through BAM's double materiality assessment process, refer to full details in chapter 6.1.

44 E4 –Biodiversity

Material impact, risk or opportunity		
Biodiversity and ecosystem services		
Biodiversity loss through land use change	(OO)	Negative impact
Ecosystem services	(OO)	Positive impact

The disclosures in this section should be read in conjunction with the disclosures in chapter 6.2 on Governance, Strategy and Impact, risk and opportunity management. The topic of biodiversity is closely connected to the other environmental sub-topics such as climate change and pollution.

Transition plan for biodiversity (E4-1)

BAM has integrated biodiversity considerations into the broader strategy, to contribute towards a nature positive economy and align with global biodiversity goals, for example those of the Kunming-Montreal Global Biodiversity Framework (KMGBF). The KMGBF was adopted during COP 15 following a four year consultation and negotiation process. This framework, which supports the achievement of the Sustainable Development Goals and builds on the Convention's previous Strategic Plans, sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050.

BAM aims to have an aggregated positive impact on biodiversity by 2030 with focus on measuring BAM's impacts on biodiversity, offering biodiversity-enhancing solutions in tenders and, achieving a positive biodiversity impact. Here, 'biodiversity' can be used interchangeably with 'nature'. In the wider industry 'nature-positive' as a term did not receive an official definition. This is not preventing BAM from producing a robust biodiversity approach, but it does make it necessary to be transparent about the limitations.

The resilience of a BAM's business model with regards to biodiversity depends on the ability to adapt operations to minimise environmental impacts and align with biodiversity conservation goals. BAM's business model integrates sustainable practices, such as responsible sourcing, habitat restoration, and eco-friendly design, educing dependency on finite natural resources and mitigating regulatory and reputational risks.

BAM's strategic plan contributes directly to the KMGBF relevant goals and targets by:
- Reducing threats to biodiversity: minimizing construction-related impacts and restoring degraded ecosystems.
- Sustainable resource use: embedding sustainable material sourcing into the value chain.
- Engaging stakeholders: partnering with, clients, communities and experts to build capabilities.

BAM has used the 2019 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) report: 'The Global Assessment Report on Biodiversity and Ecosystem Services' to further concretise the goals from KMGBF for the context of BAM. This report was very significant and comprehensive. It attributed biodiversity loss to five primary drivers:
- Change of land use
- Direct exploitation of natural resources
- Climate change
- Pollution
- Invasive alien species

Addressing the themes highlighted in the IPBES report is highly relevant to the construction industry and in the built environment. Moreover, construction is in the world's top three sectors with dependency on natural resources for raw materials. Hence BAM is adhering to these five drivers when developing and monitoring the business transition towards minimizing the construction-related impacts and risks on biodiversity. To make these themes actionable BAM has developed their own Biodiversity approach: BAM Biodiversity+ (see page 27).

This is a combination between different industry best practices, including:
- ESRS E4 Biodiversity and Ecosystems
- The British Standard BS 8583 Biodiversity
- The Building Research Establishment Environmental Assessment Method (BREEAM) for Infrastructure
- The Chartered Institute of Ecology and Environmental Management (CIEEM) Biodiversity Net Gain: Good practice principles for development
- The Expedition Engineering's Embodied Biodiversity Impacts of Construction Materials research report
- GRI 101: Biodiversity 2024

There is an overlap with between biodiversity and other environmental topics such as climate change and pollution. BAM addresses further disclosures on climate change and pollution in the sustainability statement on page 78 and page 88 respectively.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
The activities of BAM potentially affect biodiversity on all sites that BAM owns or where BAM operates. BAM distinguishes between direct impact on sites where it has full operational control (BAM owns the land) and indirect impact on (construction) sites where BAM operates on behalf of its clients. BAM considers direct impact on biodiversity when a new construction footprint is causing land use change and loss of habitats as part of the property development activities of BAM. Indirect impacts, more focused on the construction design and build BAM is performing. For instance, shipping and transporting materials can introduce invasive species, which can damage ecosystems over time. In many cases, a single action can cause multiple types of impact; for example, developing a new road to a remote location causes impact through construction and often increases habitat degradation to adjacent areas due to improved access.

Reporting principles and assumptions biodiversity
BAM has defined what distance is considered 'near' biodiversity sensitive areas in the context of BAM's own operations. The relevant distance depends on local aspects, such as type of habitat and presence of species, and can substantially vary case by case. Although standardised buffer zones may not fully capture specific ecological sensitivities or species-specific impact ranges, which could either under- or overestimate the actual zone of influence for some biodiversity impacts, a practical approach was implemented.

BAM has considered the following thresholds for identifying the number of potential material sites: 5 km for International designated sites; 2 km for nationally designated sites. These thresholds are based on internal expert judgement related to the zone of Influence - the area over which a given ecological feature might be affected - for each designated site. To assess the potential impact of each operational site onto designated sites, BAM considered aspects such as likely presence of mobile species (eg. bats and birds); habitat fragmentation effects due to the size, location and nature of the operational site; hydrological impacts; light and noise impacts or increased recreational pressure. These aspects can generally be influenced from a distance up to several kilometres. BAM applied a larger threshold for international designated sites as there are more likely endangered species in these sites.

While all sites that fall within the thresholds above might have material biodiversity impacts, BAM has decided that sites within 500 metres of biodiversity sensitive areas pose the highest risk to negatively affect biodiversity. A distance of several hundred metres is recognised in environmental and planning practices as an appropriate buffer zone for assessing localised impacts, such as noise, dust, and light pollution, which tend to be most significant at this scale. Various regulatory frameworks, urban planning policies, and environmental impact studies have applied similar thresholds, demonstrating that 500 metres could effectively capture potential material impacts from localised activities while allowing for efficient screening across numerous sites.

ESRS prescribes to discloses impact of all sites owned, leased or managed. Managed sites are considered not relevant for BAM. BAM did not assess all of its leased assets, but BAM assumes that the potential negative biodiversity impact in leased assets is not material. The main reason is that material biodiversity impacts are mainly on sites that are actively being developed by BAM and BAM does not actively develop leased sites.

BAM has assessed owned sites to determine whether direct impacts are material, by mapping the location of its sites against the biodiversity sensitive areas as presented in table 46. BAM distinguishes between sites within or adjacent to biodiversity sensitive areas and sites near biodiversity sensitive areas. BAM assessed how many owned sites are within 5 kilometres of international statutory designations, within 2 kilometres of national statutory designations and within 500 metres of either international or national sites (see table 45). There can be overlap as some sites can be located both near a international and near a national site. BAM was not able to verify completeness of the assessed sites for all parts of the business, because the list of owned assets was partially manually compiled.

45 Number of sites near biodiversity sensitive areas

Country	Number of sites within 500 metres of international or national statutory designated sites	Number of sites between 500 m and 5 km of international statutory designated sites	Number of sites between 500m and 2 km of national statutory designated sites
Netherlands	13	20	22
Belgium	0	4	0
United Kingdom	2	4	5
Ireland	1	0	0

BAM has used a threshold of 500 meters to select the sites that are most material, and has disclosed further details of these sites in table 47. Out of these sites, BAM classifies the sites where developments are happening as material. The following reasoning has been applied:

- Sites with no activities. These are land positions, mostly farm land, owned by BAM (most often by the developer). Active development of these sites might be considered for the future but current impact of biodiversity is considered negligible.
- Offices/depots. BAM acknowledges that the activities on these sights, such as noise, lightning and pollution might have an impact on biodiversity, especially if the site is within or directly adjacent to a biodiversity sensitive area. However, the risk of this potential impact is considered much lower than the risk of the (potential) impact of sites that are actively being developed.
- Active development. Activities on these sights might include construction activities, which can directly lead to land use change. Combining this with the other (potential) impacts from construction works, such as pollution, noise and water use, BAM sees a much higher risk of substantial impact on biodiversity and ecosystems for these sites. The level of (potential) impact can strongly vary between sites as it depends on various local aspects, such as the type of nature sensitive area, the type of development and the method of construction.

Ten sites are owned sites near biodiversity sensitive areas that were actively developed in 2024. On these sites BAM has a material impact on biodiversity. The impact is mainly caused by land use change on the sites where new buildings are being developed and by pollution, lighting and noise from (construction) activities on these sites. BAM has not performed an individual biodiversity impact assessment for these sites.

Biodiversity in BAM's value chain is not directly identified as a material impact in BAM's double materiality assessment (see chapter 6.1). However, assessing the full scope of biodiversity impact is seen by BAM as best practice, and to work towards a biodiversity positive impact BAM needs to also account for the impacts in BAM's value chain. Downstream impact of sites and projects is included in the Biodiversity+ assessment. BAM has started to analyse the potential biodiversity impact of upstream activities (supply chain). In 2024, BAM carried out a value chain risk assessment in close collaboration with the experts Biodiversify. The key results of this assessment show that BAM's top scoring upstream biodiversity impacts are in the processes infrastructure builds and mining.

The key drivers for impact are greenhouse gas emissions, water use, terrestrial ecosystems use and sold waste. Key dependencies include forestry and water-related ecosystem services. The dependency on forestry is already evident in the sourcing of certified sustainable timber, which is an important building material in BAM's transition plan for climate change.

The recommendations of the value chain risk assessment are to focus on reducing primary material use, increase traceability and use certified materials where possible. Materials are prioritised as follows:

- Tier 1: Aggregates, asphalt and concrete
- Tier 2: Aluminium, food and steel
- Tier 3: Fuel, lithium and timber.

BAM is already targeting the reduction of primary asphalt, concrete and steel within the target of -50% non-biobased primary material use in 2030 vs. 2019 (see section Resource use and circular economy (ESRS 5)). The use of certified sustainable HVO is part of BAM's climate transition plan and the use of only certified sustainable timber is mandatory and monitored within BAM.

Description of the processes to identify and assess material biodiversity and ecosystem--related impacts, risks and opportunities (IRO-1)

As disclosed in chapter 6.1 (BAM's Double Materiality Assessment) and in the ESRS E4 SBM-3 analysis above, BAM has screened its business activities in order to identify its actual and potential impact. Based on internal consultations with subject matter experts, and consultations with key parties in BAM's supply chain, the relevant activities have been identified.

Policies related to biodiversity and ecosystems (E4-2)

While BAM's sustainability policy mentions biodiversity, it does not explicitly address the identification, assessment, management and/or remediation of the material biodiversity and ecosystems impacts, risks or dependencies. The policy does provide guidance on the traceability of timber, but not (yet) any other products. The policy does not explicitly address production sourcing or consumption from ecosystems (except for timber) or social consequences of biodiversity and ecosystems-related impacts. BAM will be subject to the EU Deforestation Regulation (EUDR) from 31 December 2025 onwards specifically for the division Netherlands, and has started to embed this in the procurement (due diligence) processes. This will address deforestation impact in BAM's supply chain directly.

Actions and resources in relation to biodiversity and ecosystems (E4-3)

BAM's actions to work towards a biodiversity positive future consist of gaining insight in BAM's biodiversity impact, applying mitigation measures on BAM's sites and projects and work towards a consistent and comprehensive approach to measure and report progress on biodiversity impacts. BAM implemented two specific measures in 2024 as part of this transition plan:

1. The addition of biodiversity criteria in BAM's tender baseline process. BAM added two criteria for large tenders, namely that "biodiversity enhancing alternatives need to be proposed to clients" and that "projects do not have a negative lasting impact on biodiversity".
2. Development and roll out of the Biodiversity+ approach, BAM's biodiversity assessment on projects. BAM finished the development of Biodiversity+, a qualitative biodiversity assessment addressing five key biodiversity impacts: land use change, overexploitation, climate change, pollution and invasive species. BAM sees opportunities to improve its impact on projects, namely by creating habitats that promote biodiversity, conserving natural resources, establishing biological carbon sinks, avoiding pollution, implementing biosecurity, promoting wellbeing, collaborating with communities and strengthening governance. BAM Biodiversity+ includes a library of biodiversity solutions, based on recognised national and international standards as well as a comprehensive tool to evaluate BAM's efforts against each of these opportunities. BAM started to assess its projects in the United Kingdom and Ireland and run a pilot on twelve projects in the Netherlands.

BAM's action plans are focused in improving insight in the its biodiversity impact, mitigating negative impacts and positively impact biodiversity on projects where that is possible. BAM is currently not considering to make use of biodiversity offsets.

BAM acknowledges there is not a one size fits all solution for biodiversity impact mitigation. To make sure BAM's efforts actually generate a positive result BAM heavily relies on local knowledge in the implementation of nature-based solutions for biodiversity related actions. This concretely means that through BAM's Biodiversity+ Assessment BAM collaborates with local NGOs, educational institutions, local inhabitants and local ecologists to propose nature inclusive solutions for BAM's projects.

Targets related to biodiversity and ecosystems (E4-4)

BAM has included biodiversity in its strategy and has set the following biodiversity targets:

- 2026: Biodiversity enhancing alternatives offered in all A,B,C tenders and developments with design in their scope
- 2026: Evidenced biodiversity balanced on all projects in the United Kingdom and Ireland
- 2030: Aggregated biodiversity positive

BAM has set these targets in line with KMGBF and hopes that by contributing to these targets BAM provide support for the transition towards a nature inclusive and biodiverse sector. BAM did not apply ecological thresholds when setting these targets. The targets were intended to be aligned with the UK biodiversity net gain regulation, but based on the recent iteration, Biodiversity+ is now assessing a wider scope of biodiversity. The target for 2026 to offer biodiversity enhancing alternatives is a concrete target, focused on reducing negative impacts of BAM's construction processes and look for opportunities to provide a positive biodiversity impact where possible. The target is allocated to avoidance and minimisation of negative biodiversity impacts.

The 2026 target on evidenced biodiversity balanced and the 2030 target are not yet very tangible and need further refinement. BAM anticipated to use the United Kingdom Biodiversity Net Gain (BNG) approach developed by the British Government to use as the metric report biodiversity impact and work towards a positive impact by 2030. However, in 2024 BAM concluded that this approach is not feasible as the methodology is only applicable to the United Kingdom and is very difficult to translate to BAM's other markets, and because BNG focuses on habitats and land use, but does not cover other important drivers for biodiversity, such as pollution and invasive species. Therefore, BAM is planning to update these biodiversity targets in 2025.

Impact metrics related to biodiversity and ecosystems (E4-5)

BAM has identified 16 material sites with potential negative impact on biodiversity (see table 47), out of which 9 sites are sites that are actively developed in 2024. On these 9 sites, BAM might directly contribute to land-use change. As BAM did not perform a biodiversity impact assessment on the individual sites, BAM can not provide an exact figure on its facilitated land use conversion.

The total area, and therefore maximum land use conversion, of these 9 sites is 200 hectares. BAM assumes that the real figure would be substantially lower, as on most of the larger projects BAM only develops part of the land. BAM has also included the offering of biodiversity enhancing alternatives as part of BAM's sustainability baseline, BAM is not yet able to report its performance across all tenders.

The main reason is that validation on whether alternatives are demonstrably biodiversity enhancing is still ongoing.

46 Summary of Biodiversity sensitive areas by zone of influence

Search areas from each BAM operational site (excluding construction sites)	Designated Sites	Zone of Influence
International Statutory Designations		
Up to 5 km	UNESCO World Heritage Sites	International importance
	UNESCO Man and the Biosphere Reserves	Includes core and transition zones
	Ramsar Sites	Protects internationally important wetlands
	Special Protection Areas (SPAs)	EU (and UK) - designated bird protection areas
	Special Areas of Conservation (SACs)	EU (and UK) - designated for habitat and species protection
	Natura 2000	EU – designated for birds and habitat protection
National Statutory Designations		
	Great Britain - Sites of Special Scientific Interest (SSSIs)	Nationally important scientific areas
	Northern Ireland - Areas of Special Scientific Interest (ASSIs) Republic of Ireland - Natural Heritage Areas (NHAs)	
Up to 2 km	UK - National Nature Reserves (NNRs)	Critical wildlife habitats and geological sites
	Republic of Ireland - Nature Reserves	
	UK - Marine Conservation Zones (MCZs)	Nationally important marine sites or species habitats
	Republic of Ireland - Refuges for Fauna and Flora	
	UK - Areas of Outstanding Natural Beauty (AONBs)	Scenic or ecologically valuable landscapes
	Republic of Ireland - High Amenity Zones (specific to some counties)	
	Natuur Netwerk Nederland	

47 Overview of sites owned by BAM within, adjacent to and near biodiversity-sensitive areas

			International designations		National designations		Identified activities
Site	**Location/Country**	**Size (m²)**	**Within/adjacent**	**Near < 500m**	**Within/adjacent**	**Near < 500m**	**Identified activities**
Ritchies Clevedon Depot only	Clevedon, England	3,500			Tickenham, Nailsea and Kenn Moors SSSI		Office/depot
Allbrook	Eastleigh, England	6,200			River Itchen SSSI		Office/depot
Cork Office	Cork, Ireland	2,000		Cork Harbour SPA			Office/depot
Vinkeveld 4	Rosmalen, the Netherlands	350				Natuurnetwerk Nederland	Office/depot
De Serpeling 120	Lelystad, the Netherlands	3,201				Natuurnetwerk Nederland	Office/depot
Stadionweg 23	Rotterdam, the Netherlands	2,190				Natuurnetwerk Nederland	Office/depot
Randweg 9	Roermond, the Netherlands	500				Natuurnetwerk Nederland	Office/depot
Amstelveen - Westwijk ZO	Amstelveen, the Netherlands	140				Natuurnetwerk Nederland	Active development
Haarlemmermeer - Wickevoort	Haarlemmermeer, the Netherlands	462,251				Natuurnetwerk Nederland	Active development
Helmond - BAC	Helmond, the Netherlands	31,697				Natuurnetwerk Nederland	Active development
Middelharnis - Hernesseroord	Middelharnis, the Netherlands	63,623				Natuurnetwerk Nederland	Active development
Purmerend - Kwadijkerpark	Purmerend, the Netherlands	148,785				Natuurnetwerk Nederland	Active development
Terneuzen - Othene-Zuid	Terneuzen, the Netherlands	269,055			Natuurnetwerk Nederland		Active development
Weesp - Bloemendalerpolder	Weesp, the Netherlands	759,643				Natuurnetwerk Nederland	Active development
Zaandam - Saendelft	Zaandam, the Netherlands	129,341		Polder Westzaan		Natuurnetwerk Nederland	Active development
Zierikzee - Noorderpolder CV	Zierikzee, the Netherlands	138,782				Natuurnetwerk Nederland	Active development

Resource use and circular economy (ESRS E5)

Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their lifecycle, including thought the application of the waste hierarchy. The goal is to maximise and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, and recycling.

BAM focuses on the reduction of non-biobased virgin materials. Specifically, the focus is on reducing the consumption of primary materials such as concrete, steel, and asphalt, known for their substantial environmental impact. BAM aims to minimise the reliance on primary non-biobased materials by substituting them with bio-based or secondary (reused and recycled) materials.

Reporting on the waste generation and waste management within BAM has been undertaken for many years. BAM categorises waste into four different categories: construction, office, excavation and demolition waste. BAM has direct influence on the construction and office waste. This waste arises from the materials BAM brings to its construction sites and products BAM brings into its offices. Currently, this is the focus of BAM's waste reduction target.

BAM also contributes to the circular economy by designing buildings and infrastructure in line with circular economy principles.

Disclosures are related to the following material impacts, risks and opportunities as identified through BAM's double materiality assessment process, refer to full details in chapter 6.1.

48 E5 Resource use and circular economy

Material impact, risk or opportunity		
Resource use		
Depletion of raw materials	(VC upstream)	Negative impact
Waste reduction (hazardous and non-hazardous waste)	(OO)	Negative impact
Waste re-use and recycling	(OO)	Positive impact
Resource use		
Circular design	(OO)	Positive impact

The disclosures in this section should be read in conjunction with the disclosures in chapter 6.2 on Impact, risk and opportunity management.

Description of the processes to identify and assess material resource use and circular economy--related impacts, risks and opportunities (IRO-1)

In 2024, BAM has screened its business activities in order to identify its actual and potential impact. Based on internal consultations with subject matter experts, and consultations with key parties in BAM's supply chain, the relevant activities have been identified. BAM further discloses the assumptions and tools used in the impact assessment.

Policies related to resource use and circular economy (E5-1)

BAM's ability to meet its sustainability ambition related to resource use and circular economy is driven by the organisation responsibilities described in the sustainability policy:

- Make efficient use of resources (such as energy and water).
- Optimize design to minimise the amount of materials used.
- Consider the use of sustainable alternatives to conventional building materials, such as biobased (timber) and recycled materials. And only procure 100% certified sustainable timber.
- Avoid waste of materials and separate remaining waste streams.
- Support the use of materials passports and circularity assessment on projects.

The policy addresses both the standards for BAM's own operations as well as relevant criteria for the selection of suppliers. It includes that BAM insist that subcontractors / suppliers have relevant sustainability policies in place and adhere to any prescriptive (project) sustainability requirements to meet compliance with this policy or any client sustainability requirements and ensures subcontractor and supplier compliance with relevant environmental protection laws and regulations.

Actions and resources related to resource use and circular economy (E5-2)

Application of circular business practices are evidenced by the development of BAM's wooden housing concept Flow. The BAM Wood concepts factory was opened in September 2024. Flow also showcases higher levels of resource efficiency in use of industrialisation and biological materials (timber). Another example that evidences BAM's contribution a circular economy is the development of cold-use asphalt in BAM's Dutch infrastructure business activities.

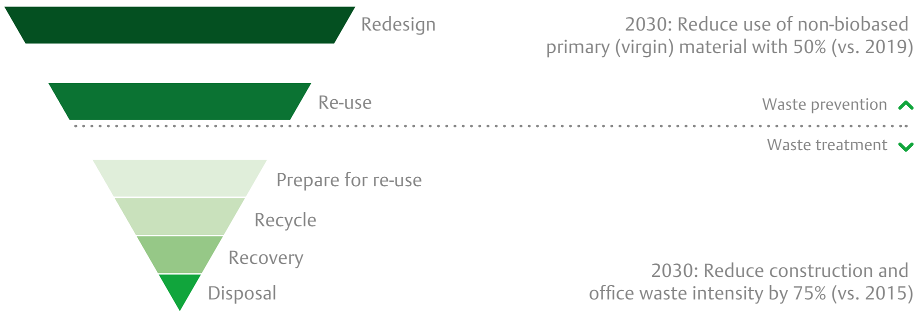
Initiatives in 2024 also focused on the improvement of insights in waste numbers, different recycling levels with waste partners and the improvement of waste reports in division United Kingdom and Ireland. For example, division Netherlands piloted a digital waste analysis platform providing insights to support waste reduction measures and increase of re-use/ recycling. However the pilot was finalised with unsatisfactory results, hence has been terminated.

Furthermore regarding material use BAM's aim was to establish a baseline and reduction path for the largest material categories in 2024. This initiative got delayed and will extend into 2025 due to resourcing challenges. In the Netherlands BAM developed a circular mechanical and electrical (M&E) services roadmap, focussed on reduction of M&E and passive construction. Also, minimum requirements have been defined for material passports and circularity assessments.

Targets related to resource use and circular economy (E5-3)
As part of BAM's long term strategy, the following targets are set linked to the increase of circular project design:
2030: A, B, C and industrialised projects with design in their scope to use the material passport
2030: A, B, C and industrialised projects with design in their scope to use the circularity assessment

In relation to the waste hierarchy, BAM's targets to the minimise primary raw materials and use renewable resources are:

49 Waste hierarchy

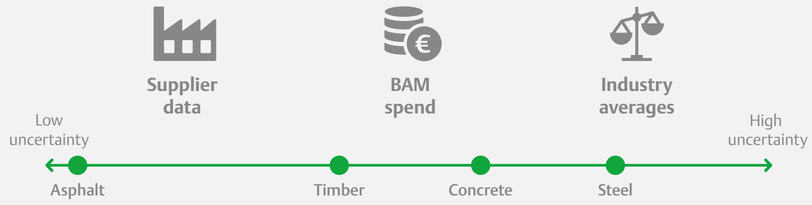


With regard to construction and office waste, BAM tracks its progress compared to base year 2015. In the baseline 2015 BAM has included the comparative figures based on the financial consolidation in the reporting year 2015. This does include the business activities of BAM that have been divested in the year's after 2015. The targets are based on intensity, hence the relative impact of divestments is limited. The targets presented are voluntary and not required by legislation. The reduced use of non-biobased primary material prompts the use of more biobased materials, for example timber and straw (insulation). BAM has considered how this may impact biodiversity loss, also in light of Biodiversity (ESRS E4) on page 91. Sustainable sourcing is an important element in BAM's strategic approach to (biobased) material use. In the paragraph below and in Biodiversity (ESRS E4) on page 91 BAM discloses the assessment and potential negative impacts of (biobased) material use.

Reporting principles and assumptions primary materials (resource inflows)
BAM uses multiple methods of collecting data for the usage of materials:
- measured data – based on suppliers' reports, specifications from invoices or any other method where the quantities of materials are being physically measured;
- calculated data – based on the cost of the materials and average price per unit of the material;
- estimated data – if measuring or calculation is not possible due to limited information, it is possible to estimate the quantities of materials by applying a specific ratio.

Material consumption is determined using supplier reports when available. This data is extrapolated to cover all suppliers. For the remainder of the material use a spend based approach is used, which results in high estimation uncertainty for this specific information. The results are verified against BAM's procurement data, and with BAM's internal and external experts. The recycled content was determined based on information provided by suppliers and industry averages.

50 Estimation uncertainty primary materials



Asphalt: High reliability: dashboarding with integration to supplier data (cumulative).
Timber: Medium reliability: supplier reports available, extrapolated based on spend.
Concrete: Limited reliability: partial supplier reports available, largely extrapolated based on spend.
Steel: Limited reliability: supplier reports currently unavailable, entirely based on spend and industry averages.

The basic reporting unit for timber and concrete is set to cubic meters. For asphalt and steel BAM reports in tonnes. Sustainable timber has been classified in several categories: FSC 100%, FSC mix, PEFC mix, other certificates and not certified.

Resource inflows (E5-4)
Resource depletion is the exhaustion of raw materials within a region. Resources are commonly divided between renewable resources and non-renewable resources. Use of either of these forms of resources beyond their rate of replacement is considered to be resource depletion. BAM has a negative impact by direct resource use on the environment and people; depending on how and where the resources are sourced, as well as how BAM uses them. For example, if BAM sources its materials unsustainably or in a way that causes pollution or habitat destruction, it can have a negative impact on the environment and local communities.

Assessing BAM's resource inflows, it concerns mainly materials used in BAM's own operations and along its upstream value chain. Key raw materials for BAM are (ready-mix) concrete, timber, asphalt and steel.

In table 51 BAM reports the amount of materials used and the recycled content of these materials used. Specifically for timber (biological material), the percentage of sustainable sourcing is disclosed.

51 Material consumption

	2023	2024
Ready mix concrete *(in m³)*	*	322,808
of which: recycled content	*	10,281
of which: % recycled content	*	3.2
Timber *(in m³)*	22,540	27,171
Certified sustainable timber		
Sustainable timber *(in % of total timber)*	95.8	99.2
Organisational coverage *(in %)*	93	93
Asphalt *(in tonnes)*	*	653,978
of which: recycled content	*	195,374
of which: % recycled content	*	29.9
Steel *(in tonnes)*	*	167,176
of which: recycled content	*	112,531
of which: % recycled content	*	67.3

* Comparative data for 2023 is unavailable on a like-for-like basis, as last year's reported data covered only part of the business.

Timber plays a crucial role in minimising the use of non-biobased materials. BAM has committed to using only certified sustainable timber for its projects, as part of its agreement with FSC Netherlands.

BAM achieved a certified sustainable timber use of 99.2% in 2024 (95.8% in 2023) for its projects in division Netherlands and United Kingdom.

The change in percentage sustainable timber caused by a one-off for division Netherlands in 2023 (93%) and was caused by a single purchase unintentionally done with a supplier that was not FSC-certified. This deviation from the BAM Sustainability Policy was further investigated and BAM concluded that although the chain of custody was formally broken, the timber in question was sourced sustainably by the supplier. The organisational coverage is 93%, as timber use in Ireland is not included. Market conditions continue to make it very challenging to procure sustainable certified timber in Ireland.

Resource outflows (E5-5)
BAM has identified two specific impacts from BAM's activities related to resource outflows: a positive impact on circular economy through BAM's design process, and negative impacts due to waste generation in BAM's activities.

BAM sees a material positive short term impact to make use of circular design principles which involves designing products, services, and systems that are sustainable throughout their life cycle, maximizing the use of renewable resources, and creating closed-loop systems for the continuous cycling of materials and resources, e.g., design for disassembly.

52 Circularity in tenders *(in %)*

	2023	2024	Target 2030
A and B tenders with circularity assessments	41	71	100
A, B and C tenders with circularity assessments	-	-	100
A and B tenders with material passports	30	63	100
A, B and C tenders with material passports	-	-	100

To design according to circular principles, BAM includes a circularity assessment (for example Building Circularity Index (BCI) in the Netherlands) and makes material passports in most of the project offers (e.g. tenders), also if those elements are not explicitly requested by the client. The circularity assessment can support decision-making about which circular design principles to implement in the design phase of a project and provides insight into the extent to which a building uses recycled materials and into the reusability and detachability of materials used. In the material passport the materials used in the end product are documented, enhancing repairability, disassembly, and planning for re-use and recycling at the end of the product lifecycle.

BAM identified a entity-specific metric for the offering of those circularity measures in new projects. In order to achieve BAM's 2030 target, progress is steered towards 50% of A and B tenders

Reporting principles and assumptions waste

The reporting scope of waste includes all waste leaving BAM's sites and offices. Reported waste is mainly based on waste tickets and data provided by suppliers. Reported waste is either measured, calculated or estimated using methods and input data based on BAM's experience in comparable works. Excavation waste and demolition waste have a total direct measurement of 97% and construction and office waste of 94%.

Construction and office waste consists of temporary and permanent construction and other materials and packaging brought on to sites which are to be discarded and subsequently leave offices, construction sites and/or BAM sites such as depots or premises. Waste is retrieved and processed by third-party waste processors. BAM relies on these processors to adhere to (local) legislations stating that the waste needs to be disposed of in a responsible way.

Data is retrieved from waste recycling reports from the waste facility, certificate of destruction, paper confidential shredding or waste transfer notes, type of waste permit / licence location sent states recycling facility (when removed off site) or demolition reports. Limited data is available for the category prepared for re-use, hence BAM uses a conservative approach in classification, i.e., if evidence is missing waste will be reported as recycled in stead of prepared for re-use. Waste will only be reported in a single category, to avoid double counting.

BAM also reports on the 'reuse' amount. This is not included as waste.

Waste reporting does not include subcontractors in 'own operations', with the exception of waste numbers for division United Kingdom and Ireland, as this is recognised legally (this implies specific legal rights and obligations).

with circularity assessments and material passports in 2024 for division Netherlands, and 50% of A and B tenders with circularity assessments and material passports in 2026 for division United Kingdom and Ireland. In 2024 BAM is already ahead of those targets in both divisions, refer to table 52, and continues to increase the level of circularity assessments in the project offering in the coming years.

BAM's waste has negative impacts on the environment and human health, including pollution of air and water, greenhouse gas emissions, and the spread of disease. Improper disposal of hazardous waste can also lead to soil and water contamination and harm to wildlife.

Waste reduction (hazardous and non-hazardous waste) is aiming at eliminating waste over the life-cycle of BAM's developments. Waste reduction refers to practices that minimise waste generation, decrease environmental impact, and conserve resources by reducing the amount of raw materials needed to produce goods and services (see resource inflow), and by reusing or recycling waste materials.

In the approach for waste reduction and waste reuse and recycling BAM makes a split between hazardous waste and non-hazardous waste. Specifically because actions like increasing recycling rates, reducing packaging waste, or promoting reuse initiatives are only applicable for non-hazardous waste. Hazardous waste according to ESRS is defined in line with the EU Directive on waste (Annex III of Directive 2008/98/EC).

In 2024 BAM generated a total amount of waste of 940 kilotonnes (908 kilotonnes in 2023). For a further breakdown between hazardous was and non-hazardous waste and a breakdown by recovery operation types and waste treatment types, see table 53. Total amount of hazardous waste in 2024 is 47.3 kilotonnes. For examples on materials present in the hazardous waste, refer to table 53.

BAM's construction and office waste intensity in 2024 was 8.1 tonnes per € million revenue (8.7 in 2023), 52.3 kilotonnes in absolute numbers (54.6 in 2023). Progress is in line with the long term trajectory to reduce 75% of construction and office waste by 2030 (63% reduction in 2024 versus 2015). Waste re-use repurposes discarded materials or products to reduce waste generation, while recycling converts waste materials into new products or materials, minimizing the environmental impact of waste disposal. BAM's positive impact caused by waste recycling can reduce landfill waste. Re-use is not included as part of BAM's waste (construction and office waste intensity).

The total percentage of non-recycled waste was 41% in 2024. Specific for construction and office waste the percentage was 22% in 2024. This information also supports the information needs with regard to the EU Taxonomy as reported in chapter 6.6. BAM's waste diverted from landfill in 2024 was 22%.

53 Waste *(in kilotonnes)*

	2019 base year	2023	2024	Composition of waste (examples)
Office waste	**4.9**	**3.3**	**2.6**	
of which: hazardous waste	-	-	-	
- prepared for reuse	-	-	-	
- recycled	-	-	-	
- incineration	-	-	-	
- landfill	-	-	-	
of which: non-hazardous waste	-	-	2.6	
- prepared for reuse	-	-	-	
- recycled	-	-	0.9	Paper, cardboard, metal, coffee grounds
- incineration	-	-	1.7	Food garbage, plastics, municipal waste
- landfill	-	-	-	
of which: reuse	-	-	-	
Construction waste	**122.6**	**51.3**	**49.7**	
of which: hazardous waste	-	-	0.2	
- prepared for reuse	-	-	-	
- recycled	-	-	0.1	Dead batteries, empty spray cans
- incineration	-	-	-	
- landfill	-	-	0.1	
- other disposal operations	-	-	-	
of which: non-hazardous waste	-	-	49.5	
- prepared for reuse	-	-	1.4	Glass wool insulation
- recycled	-	-	39.7	Concrete surplus, metals packaging skips
- incineration	-	-	6.1	
- landfill	-	-	2.2	
of which: reuse	-	-	-	Pallet, fence, construction materials

	2019 base year	2023	2024	Composition of waste (examples)
Excavation waste	**2,664.9**	**747.9**	**785.5**	
of which: hazardous waste	-	-	44.1	
- prepared for reuse	-	-	0.4	Contaminated soil
- recycled	-	-	19.4	
- incineration	-	-	1.2	Contaminated invasive plants
- landfill	-	-	23.1	Contaminated soils, bitumen with coal tar
of which: non-hazardous waste	-	-	741.4	
- prepared for reuse	-	-	153.2	Soil; excavation
- recycled	-	-	412.4	Concrete foundations and pipework
- incineration	-	-	1.5	
- landfill	-	-	174.3	Soils sent to landfill for capping
of which: reuse	-	-		
Demolition waste	**526.1**	**105.8**	**101.8**	
of which: hazardous waste	-	-	3.0	
- prepared for reuse	-	-	0.3	Impregnated window frame
- recycled	-	-	0.4	Bitumen with coal tar, TL lighting
- incineration	-	-	0.1	Impregnated timber
- landfill	-	-	0.6	Asbestos
- other disposal operations	-	-	1.6	
of which: non-hazardous waste	-	-	98.8	Doors, stored on depot or sold to broker
- prepared for reuse	-	-	6.0	Window glazing, concrete debris, timber
- recycled	-	-	83.5	
- incineration	-	-	0.9	
- landfill	-	-	8.4	Doors, furniture, carpet, flooring materials
of which: reuse	-	-	-	

	2019 base year	2023	2024	Target 2030
Total construction and office waste	127.5	54.6	52.3	-
Total construction and office waste intensity (in tonnes per € million)	17.7	8.7	8.1	4.4
Total excavation and demolition waste	3,191.0	853.7	887.3	-
Total waste	3,318.5	908.3	939.6	-

6.4 Social information

Own workforce (ESRS S1)

The launch of the BAM Experience (see chapter 2.2 Strategy) in 2024 placed renewed focus on putting employees at the forefront of BAM's mission to build a sustainable tomorrow. BAM aims to have a positive impact on all employees working at BAM through building an inclusive environment where everyone feels safe, welcome and respected, and ensuring equal opportunities for employees regardless of their sex and gender identity, age, ethnicity, disability or other characteristics.

This positively impacts employees by promoting fairness and reducing discrimination, leading to more engaged employees. Non-discrimination practice in BAM has a positive impact on employees, as it can ensure fair treatment and opportunities for every individual, regardless of identity. It also positively impacts the communities in which BAM operates by ensuring BAM's projects reflect the diverse needs and values of society. Focus on gender diversity positively impacts the representation of female leaders in the sector.

BAM positively impacts its own employees and contributes to a safe, sustainable and just society by offering every employee the opportunity to grow their skills with unparalleled learning opportunities. This positively impacts every individual by ensuring they can build sustainable careers through constructive performance evaluations and development opportunities. By levelling-up its employees, BAM stays at the forefront of innovation, sustainability and safety. This can have a positive impact on the natural environment by enabling employees to implement more sustainable practices where they live and work.

BAM's values (sustainable, inclusive, collaborative, reliable and ownership) form the basis of its corporate culture. The positive impact of BAM's corporate culture includes commitment to living these values in its daily practice, to ethical and sustainable business practices, and enhanced reputation.

Working in the construction sector in general has a negative impact on occupational health and safety; evidenced by the existence of work-related injuries resulting in death, days away from work, transfer to another job for those working for BAM and work on locations managed by BAM (such as building sites). Working in the construction industry can expose workers to a variety of hazards that can cause long-term health effects.

Disclosures are related to the following material impacts, risks and opportunities as identified through BAM's double materiality assessment process, refer to full details in chapter 6.1.

54 S1 Own workforce

Material impact, risk or opportunity		
Equal treatment and opportunities		
Diversity	(OE)	Positive impact
Return on inclusion	(OE)	Positive impact
Training and skills development	(OE)	Positive impact
Occupational health and safety		
Occupational health and safety	(OW)	Negative impact
Work related ill health long term effect	(OE)	Negative impact

The disclosures in this section should be read in conjunction with the disclosures in chapter 6.2 on Governance, Strategy and Impact, risk and opportunity management. Further disclosures incorporated by reference are:

Disclosure requirement	Reference to other chapters in the 2024 Annual report
ESRS Standards: *General disclosure (ESRS 2)*	
SBM-3	Description of the key elements of the strategy that relate to or impact sustainability matters, as well as a description of the key elements of the business model and value chain: BAM strategy on page 10 in chapter 2.1 About BAM. Resilience of BAM's strategy and business model regarding its capacity to address its impacts, risks and opportunities: BAM strategy on page 11 in chapter 2.2 Strategy.

Interests and views of stakeholders (SBM-2)

BAM's own workforce is a key group of affected stakeholders. BAM integrates the interests, views, and rights of its employees into its strategy and business model by maintaining structured employee engagement channels, regular surveys, and feedback sessions.

BAM actively involves its own employees in strategy setting and for example risks assessment processes. Through BAM's Works Councils, having representatives across the business, BAM involves its own employees in discussions about organisational changes and other employee-related matters.

Material impacts, risks and opportunities and the interaction with the strategy and business model (SBM-3)
All material impacts with regard to the own workforce (refer to table 58 and chapter 6.1) are closely connected to BAM's strategy and business model, for example the impacts related to occupational health and safety and training and skills development. The defined strategy, policies and underlying actions and measures are designed to manage and inform management on the progress and results are taken into account when adapting the business model.

Any impacts on BAM own workforce that arise from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations are not considered material, although there are opportunities arising from job creation and reskilling and upskilling, for example in further developing BAM's timber housing concept.

Policies related to own workforce (S1-1)
BAM's policies to manage its material impacts on BAM's own workforce are aiming to identify, assess, manage and/or remediate the negative impacts and contribute to increase the positive impacts.

BAM's diversity and inclusion policy states that it will create a truly inclusive culture which is mirrored throughout all aspects of its business, infrastructure, supply chain and technology. Inclusion refers to the organisation's ability to create a culture in which every employee feels valued and respected, ensuring equal opportunities for employees regardless of their identity and diversity traits. Diversity concerns all aspects and personal characteristics in which people may differ, including sex and gender identity, age, ethnicity, disability, and sexual orientation.
BAM is committed to putting its employees' health (including mental health) and wellbeing at the heart of its approach and creating a psychologically safe environment for its employees to do their best work. BAM measures the pay gap and removes any bias from its compensation and reward strategies. BAM will not tolerate discrimination, bullying and/or harassment and encourage employees to speak-up where this is witnessed, experienced or reported.

BAM's health and safety policy states that it regards the health, safety and welfare of its own workforce to be of the utmost importance, and essential to successful running of the company. BAM will do everything in its power to comply with all relevant legislation and provide adequate finances and time to develop the culture. Safety is also an important element in BAM's sustainability policy, where it is stated that unsafe behaviour needs to be addressed and unsafe working conditions to be reported to the compliance manager or (anonymously) via the speak-up process. All safety incidents shall be reported in line with instructions. Safety instructions are applicable for all BAM employees and all non-employees working on a site managed by BAM.

BAM is committed to ensure that its employees have the knowledge and skills to do their best work, and that its training provision is inclusive and accessible to all. BAM's HR Perform & Develop policy clarifies the process by which managers of BAM work together with employees to plan and review their performance and development and their overall contribution to BAM's success. The policy helps to identify individual talents and strengths and helps employees reach their full potential. BAM wants to ensure a fair and consistent approach to how employees are recognised and rewarded for their team and individual contribution. BAM recognises and develops the talents of all employees in the organisation. BAM wants to create a learning culture and growth mind set and provide opportunities for all employees to fully develop and apply their talents.

Human rights is treated as an overarching theme, covering all topics mentioned above. The policy specifically addresses safety, health and inclusion, and social value, outlining clear requirements. The code of conduct describes the way BAM respects human rights and what it expects from employees in that respect. In the diversity & inclusion policy BAM further outlines the norms and values on diversity and inclusion. Supported by these policies, BAM is protecting and upholding human rights to build strong and inclusive communities. BAM has strengthened the approach on this topic with a group wide human rights guidance.

In strengthening human rights' policies and procedures, BAM is guided by the standards established in the Universal Declaration of Human Rights; the Corporate Responsibility to Respect Human Rights under the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. BAM also recognises and respects the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Conventions in force and the ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy (MNE declaration). BAM complies with the Minimum Safeguards from the EU Taxonomy. BAM aligns with these standards and demonstrates it in its Code of Conduct, Vendor Code of Conduct, human rights guideline and other underlying policies, such as its sustainability policy and procurement policy. For Human Rights Due Diligence, BAM performed a deep dive risk analysis on potential Human Rights Risks to understand and mitigate the human rights risks within BAM's own workforce and vendors (suppliers and subcontractors).

In the approach BAM focuses on efforts and actions to mitigate human rights risks in the following areas:
- Continuous assessment of human rights risks;
- Performing third party risks due diligence;
- Training and engaging BAM employees and vendors;
- Industry engagement;
- Monitoring and incidents and complaints handling.

Human rights risk is part of the regulatory compliance area of BAM's risk management process. A risk assessment was conducted and further defined in the divisions with the aim to understand the human rights risks within BAM's own workforce and vendors (consisting of subcontractors and suppliers) and to determine necessary mitigating measures. The risk assessment confirmed existing insights and no new risks were identified. In 2024, human rights risk approach concentrated on identifying specific risks and implement corresponding controls. All controls have been deemed effective. This initiative marks the next step towards embedding human rights considerations into BAM's risk management process.

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)
Under the responsibility of the CHRO, BAM conducts a quarterly engagement survey amongst its own employees. Managers have access to the anonymised scores and feedback from their team, and are encouraged to discuss the results and take action with their team to address the concerns or opportunities that are raised. The results of the survey are reported to the Executive Committee on a quarterly basis. Scores are compared to previous surveys and to external benchmarks to measure effectiveness of the actions being taken. Informal interactions do take place between non-employees and project managers at sites, for example about occupational health and safety impacts.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
The Speak Up procedure of BAM describes how the workforce and other stakeholders can raise their concerns, and describes the process of how reports will be addressed. There is also and external Speak Up service, at www.speakupfeedback.eu/web/bam. This is available 24 hours a day, seven days a week. BAM has an official investigation procedure in place that describes if and how reported incidents will be investigated and followed up. Although BAM does not systematically assesses awareness and trust in these mechanisms, awareness about BAM's SpeakUp process is raised and people are invited to voice concerns.

The same procedure applies for specific negative impacts on for safety, in addition to the official safety incident registration procedure. BAM has standards across the business for reporting of incidents, investigation procedures and instructions, depending on the nature of the incident. For example, memberships of investigation teams are dependent on the severity of the incident, but consist of at the minimum a health and safety professional. Depending on the nature of the incident specialist assistance can be sought by the investigating team. This can be internal or external. Communication, corrective actions and prevention of recurrence of significant incidents are the responsibility of BAM's directors of Occupational Health and Safety.

BAM's code of conduct calls for BAM's workforce to never put health and safety aside to get the job done and to stop an activity that is unsafe or can result in an unsafe situation. Employees, non-employees and other (external) parties can report environmental, health, and safety issues to the line manager, or compliance officer, or via the speak-up process. Workers are protected against reprisals because reports can be made to the compliance officer outside the project team or anonymously (if desired) via the speak-up process. Following the code of conduct, retaliation – whether direct or indirect – against employees who raise a concern may result in disciplinary action up to and including dismissal.

Action taking on material impacts on own workforce, approaches to managing material risks and effectiveness of those actions (S1-4)
In 2024, BAM launched the BAM Experience (see chapter 2.2), aimed at offering all its employees an attractive employee experience that is tailored to their needs. Dedicated centers of excellence are working on a daily basis on delivering the BAM Experience. These centers of excellence cover the areas of talent acquisition, talent management and learning, diversity and inclusion and compensation and benefits.

Progress and actions taken in these areas in 2024 include, but are not limited to, implementation of strategic workforce planning, continued focus on inclusive recruitment, performance of pay gap analysis, reshape of BAM's Perform & Develop process and refinement of the engagement suvey set-up. The initiatives that will be focused on next year include, but are not limited to, continuing implementation of strategic workforce planning, stimulating internal mobility, managing attrition, driving conscious leadership and enhancing the embedding of values in the organisation.

The effectiveness of these initiatives is assessed and tracked via the quarterly employee engagement survey (see S1-2) and the strategic people metrics (see S1-5).

Targets related to managing material negative impacts and advancing positive impacts (S1-5)
BAM has defined strategic people metrics to manage its material impacts on BAM's own workforce. Several metrics, such as turnover, absenteeism and action taking, are tracked internally with no specific targets. These metrics are forecasted based on trends, to gain insight in the effectiveness of actions taken, and to ensure BAM remains within expected parameters and can identify when it goes out of the normal. These metrics are reported to the Executive Committee on a quarterly basis in the management report. The targeted metric is female representation in senior leadership (see also chapter 3.2). This target is adjusted on a yearly basis, based on the performance in the previous year. While BAM acknowledges the absence of a specific health and safety target, BAM's ambition remains to prevent all incidents and to further reduce the incident frequency rate. BAM also lacks a target on gender pay gap, as the 2024 focus was to establish a baseline value for this metric first.

Characteristics of the BAM's employees (S1-6)
Insights in the general characteristics of the employees in BAM's own workforce provides contextual information that aids an understanding of the information reporting in other disclosures in this

Reporting principles and assumptions - own workforce

BAM's own workforce is including both people who are in an employment relationship with the undertaking ('employees') and non-employees who are either people with contracts with BAM to supply labour and people provided by subcontractors primarily engaged in employment activities. The last category also includes all workers on BAM-led construction sites. The information disclosed with regard to non-employees is not affecting their status pursuant to applicable labour law. The disclosures do not cover other workers in the value chain.

Own employees are active BAM employees with an employment relationship. A BAM employment contract is defined as an employment agreement with a BAM subsidiary, for example:
- Regular employees (operative hourly, operative salaried, staff salaried, staff hourly)
- Trainees (including apprentices, graduates)
- Persons on Global Assignment to other BAM entities (home record)

Non-employees are personnel working for a BAM subsidiary or joint arrangement and directly supervised by BAM but not under a BAM employment contract, for example:
- Student (Internship)
- Contingent Workers, such as individuals leased from agencies (agency workers), self-employed persons (independent contractors)
- Subcontractors supervised by BAM

BAM has scoped its reporting boundaries related to the own workforce to the extent the subcontractors are working on a BAM managed site (directly supervised by BAM), subcontractors working for BAM's joint operation or joint venture partners are not taken into account for the reporting in own workforce.

Tier-N vendors and non-contracted individuals (i.e., site inspectors) are not part of BAM's own workforce. Members of the public, e.g. visitors, bystanders and other road users, are thirds and not included in the reported numbers, unless explicitely mentioned.

BAM uses a single cross-divisional core HR system that supports most HR processes and reports using standardised data. In addition, BAM has implemented a reporting solution that offers internationally used standard metrics and allows multiple data sources to be integrated for strategic HR reporting and people analytics. Concerning the information provided in this chapter, percentages are calculated based on headcount, and the absolute numbers given represent headcount unless explicitly stated otherwise. Numbers for employee-related disclosure requirements are derived from this system.

In BAM's definition of senior leadership group, non-employees in a management role in Belgium are included, despite the fact that these people are not having a employment contract as described above. The senior leadership group is defined as all employees in senior job grades, referred to as grade F, G and H in BAM's salary framework.

Numbers reported for non-employees are derived from the calculations used for reporting hours worked in relation to safety performance. This includes assumptions and estimates, refer to the accounting principles for safety worked hours on page 108 for further details.

chapter. It assists in providing insight into BAM's approach to employment, including the scope and nature of impacts arising from BAM's employment practices. BAM recognises the importance of extending its strategy to its workforce and knows that data optimisation is required to do so effectively. The data presented in this chapter is used to further steer on the social performance of BAM.

The total number of employees is 13,771 as per 31 December 2024. The geographic distribution of employees is included in table 55. Breakdown by genders is provided as part of BAM's diversity disclosures in table 59. The breakdown by contract type (i.e., permanent versus temporary employees is provided in table 57. The information reported in tables 55, 56 and 57 are correlated to the personnel expenses as reported in note 7 the financial statements on page 146.

55 Own employees *(in headcount, as per 31 December 2024)*

	2023	**2024**
Division Netherlands	6,848	**6,819**
Division United Kingdom and Ireland	6,742	**6,654**
Other	307	**298**
Total	13,897	**13,771**

56 Employee turnover

	2023	**2024**
Number of leavers	2,132	**2,123**
Turnover rate (%)	15.7	**15.5**

57 Contract types by gender
(in %)

	2024			
	Division Netherlands	Division United Kingdom and Ireland	Other*	Total
Permanent	**95**	**94**	**93**	**95**
Female	16	25	26	20
Non-female	79	69	67	74
Temporary	**5**	**1**	**7**	**3**
Female	1	0	4	1
Non-female	3	1	3	2
Non-guaranteed hours	**0**	**2**	**0**	**1**
Female	0	1	0	0
Non-female	0	1	0	0
Other	**1**	**3**	**0**	**2**
Female	0	1	0	0
Non-female	1	2	0	1
Totals	**100**	**100**	**100**	**100**

	2023			
Permanent	94	94	93	94
Female	15	24	26	20
Non-female	79	70	67	74
Temporary	4	1	7	3
Female	1	1	3	1
Non-female	3	1	5	2
Non-guaranteed hours	0	2	0	1
Female	0	1	0	0
Non-female	0	1	0	1
Other	2	3	0	2
Female	0	1	0	0
Non-female	2	2	0	2
Totals	100	100	100	100

Any column where the percentages seem not to add up to 100% is due to rounding of numbers.

Characteristics of BAM's non-employees (S1-7)
BAM relies for a large part of its construction activities on non-employees as part of the workforce. Subcontracted work (including material purchase) represents around 70% of BAM's cost base. Also refer to details in the financial statements on page 132.

As per 31 December 2024 BAM's own workforce consisted of 67% non-employees, being a total of 27,919.

58 Own workforce including non-employees
(in headcount, as per 31 December 2024)

	Employees	Non-employees	Own workforce
Division Netherlands	6,819	11,446	18,265
Division United Kingdom and Ireland	6,654	16,164	22,818
Other	298	309	607
Total	13,771	27,919	41,,690

Diversity metrics (S1-9)
BAM strongly believes that different backgrounds, cultures and experiences enhance the business, drive innovation and lead to sustainable growth. Gender diversity at all levels is one driver of this. In 2024, female representation grew to 22% across the Group. In the division Netherlands female representation was 17%, in the division United Kingdom and Ireland representation was 27%.

59 Distribution of employees
(in %)

	2023		2024	
	Female	Non-female	Female	Non-female
Division Netherlands	16	84	**17**	**83**
Division United Kingdom and Ireland	26	74	**27**	**73**
Other	28	72	**30**	**70**
Total	21	79	**22**	**78**

Gender categories were chosen as female and non-female, in line with BAM's ambitions for female representation in the workforce and to avoid the risk of singling out employees who are non-binary or do not have their gender recorded.

The representation of women on the Supervisory Board stands at 43%, the Executive Committee at 40% and the Senior Leadership Group at 16% (representing 23 female senior leaders). For the definition of the Senior Leadership Group, reference is made to page 20 in chapter 3.2.

60 Representation in management
(in %)

	2023		2024	
	Female	Non-female	**Female**	**Non-female**
Supervisory Board	33	67	**43**	**57**
Executive Committee	20	80	**40**	**60**
Senior Leadership Group	15	85	**16**	**84**

Initiatives taken to drive gender diversity at all levels include a continued focus on inclusive recruitment resulting in 3% more females joining BAM since 2021 and inclusive development resulting in 4% more females in manager positions. For gender representation to increase in senior leadership levels, BAM also continues to focus on initiatives to retain all talent – this is achieved through the BAM Experience and increasing BAM's inclusive culture. Now, and in the future, BAM anticipates this development to increase the number of women in succession planning and senior roles.

Occupational health and safety metrics (S1-14)
BAM is measuring safety performance by a combination of lagging and leading indicators, with increasing emphasis on monitoring, preventative actions and behaviours. Skills, training, leadership awareness and a proactive safety culture are key in ensuring greater engagement and safer worksites.

BAM measures and monitors safety performance through the incident frequency and the number of incidents with the intent of continuous improvement. Incident frequency denotes the number of occupational accidents resulting in lost time (absence from work ≥1 day) per million hours worked. BAM measures incident frequency for its own employees (IF BAM) and for its own workforce, i.e. own employees plus subcontractors (IF Total). These metrics are company specific and are based on industry practice to not included no lost time incidents in the calculation of IF. In addition BAM discloses the safety information as required by ESRS S1-14, refer to table 61.

BAM seeks to secure the highest standards of health and safety, irrespective of the standards imposed by any legal framework. All subsidiaries of BAM comply with the ISO 45001:2018 standard for occupational health and safety management systems. All employees and non-employees in BAM's own workforce are covered by the BAM's safety management system.

61 Incident reporting

	2023	**2024**
Company specific metrics - Incident Frequency (IF)		
IF BAM (own employees) *(x 1 million worked hours)*	2.8*	**2.9**
IF Total (own workforce, including non-employees) *(x 1 million worked hours)*	2.6	**2.9**
ESRS S1-14 metrics		
Number of lost lives as a result of work-related injuries (own workforce)	1	**2**
Number of recordable work-related accidents (own workforce) - *with lost time*	191	**215**
Number of recordable work-related accidents (own workforce) - *without lost time*	13	**11**
Rate of recordable work-related accidents (own workforce) - *with and without lost time* *(x 1 million worked hours)*	2.8	**3.1**
Number of days lost to work-related injuries and lost lives from work-related accidents (own employees)	2.366	**2.117**
Coverage health and safety management system *(in %)*	100	**100**

*2023 information on IF BAM has been adjusted to include office employees in the definition in line with ESRS S1-14.

Working in the construction industry can also expose workers to a variety of hazards that can cause long-term health effects. BAM characterises ill-health as mental and physical health issues that do not stem from an acute event, such as a work-related accident leading to injury. These health complaints typically manifest after a prolonged exposure to an agent or emerge over an extended period, as seen in diseases that may surface years after exposure.

Reporting principles and assumptions - safety

Safety performance at BAM is measured using the company specific incident frequency (IF) indicator. The IF indicator denotes the number of work-related injuries resulting in lost time (absence from work ≥ 1 day) per million hours worked, independent of the severity of the injury.
The overall incident frequency (IF) indicator comprises two categories:

- IF BAM: Incident frequency for BAM employees on BAM sites;
- IF Total: Incident frequency including non-employees, i.e. all people working on sites managed by BAM (BAM employees, self-employed people and subcontractors' employees).

In addition BAM is reporting on the S1-14 required metrics, which are metrics related to the number of recordable work-related accidents with lost time and without lost time. The latter is not part of the company specific calculations BAM uses for IF BAM and IF Total. The definitions in ESRS S1-14 result in the calculation of the rate of recordable work-related accidents (own workforce) including incidents with and without lost time. BAM also reports the number of days lost to work-related injuries and lost lives from work-related accidents for its own employees.

Reportable injuries are based on actual occurrences and are never extrapolated or estimated. Despite all measures and an open safety culture, there is an inherent risk of incomplete incident reporting. BAM is in this respect also dependent on information provided by subcontractors and the person involved in the incident. Work-related incidents and hazardous situations are reported via the incident reporting processes in the business, including high-potential near-misses and dangerous occurrences.

The worked hours used in the IF calculation are measured, calculated or estimated. Division United Kingdom and Ireland collects the hours of non-BAM employees in three ways: (1) data collected from pass used to enter and exit construction site, (2) hours indicated by the subcontractor, (3) headcount by e.g. project lead on project site. Where necessary, the assumption is made that a workday is 8 or 9 exposure hours. In division Netherlands own employees and hired individuals write their worked hours in BAM's systems. Some of the hours can be calculated based on spend, where a set fee is paid for e.g. machine with operator. Hours of other non-BAM employees working for division Netherlands are determined based on the amount that is transfered to the 'G-rekening' per estimated hour worked.

Worked hours relate to the calendar year 2024, with the exception that a part of the business uses the timeframe from 25 December 2023 until 24 December 2024.

This topic emerged as a potential material negative impact under the sustainability matter of occupational health and safety through BAM's materiality analysis. Information related to this metric is currently still unavailable. Present challenges in the reporting involve distinguishing between work-related injuries and ill-health, as well as differentiating between work-related and non-work-related ill health. Hence, the number of recordable work-related ill health cases are not reported on in 2024, with reference to the transitional provision under ESRS 1 Appendix C: List of phased-in Disclosure Requirements.

BAM omits the data points related to cases of work-related ill-health and on number of days lost due to ill-health for the first year of preparation of the sustainability statement. BAM intents to report these numbers in next year's report, subject to legal restriction on the collection of specific data.

Remuneration metrics (pay gap and total remuneration) (S1-16)
Driving diversity and inclusion is at the core of BAM's reward practices. BAM aims to enhance transparency of terms and conditions and address any pay gap that may exist for equal work type and level. BAM has calculated the adjusted pay gap between female and non-female employees for the first time in 2024. This pay gap is defined as the difference of average and median pay levels between female and non-female employees, expressed as percentage of the average pay level of non-female employees. Gender categories are female and non-female, in line with BAM's ambitions for female representation in the workforce and to avoid the risk of singling out employees who are non-binary or do not have their gender recorded.

62 Gender pay gap
(in %)

	2024
Based on *average* pay levels	19
Based on *median* pay levels	17

The average pay of female employees is 19% less than the average pay of non-female employees. Calculations using a median instead of average show a pay gap of 17%. Initial insights show that this gap is largely attributable to the distribution of female and non-female employees across the organisation. This is mainly due to the under representation of female employees in higher paid roles, as also reflected in the female representation in senior leadership (chapter 3.2).

BAM is working on a harmonised job grading framework to gain further insights. It is a key priority for BAM's talent management and acquisition to remedy any pay gap towards the future. In the meantime BAM is developing reward policies and practices to prepare for the requirements of the EU pay transparency directive that will be implemented in local law by the mid of 2026.

Reporting principles and assumptions - gender pay gap

BAM reports on the unadjusted average and median gender pay gap between female and non-female own employees. Own employees are active BAM employees with an employment agreement at a majority owned BAM entity on 5 April 2024.

For this calculation, pay is operationalised as the base salary and value of the company car benefit on 5 April 2024, plus any bonus (eg. STI, LTI, profit sharing, one-off bonus) received between June 2023 and May 2024, all recalculated to an hourly rate.

BAM has chosen this operationalisation of pay because it contains the main components of the remuneration received by employees. Other benefits that BAM offers, whether in cash or kind, are laid down in gender-neutral CLA or company policies. Such benefits are essentially equal for employee categories and adding them would have no material impact.

For base salary and the value of the company car benefit, BAM makes use of a reference date instead of using data for the full financial year. This enables timely reporting and has no material impact on the outcome. All data has been extracted from BAM's HR and payroll systems and the data of 98.5% of BAM employees is included in the calculation.

Return on inclusion (entity-specific)

BAM measures the impact of its diversity and inclusion initiatives by means of the Return on Inclusion audit related to 20 key focus areas, performed by an external independent party. BAM has set a target score of 71 (Gold) or higher by 2030 and is performing interim assessments to measure its progress towards achieving the target. Return on Investment with diversity and inclusion is expressed in an audit score and/or a current return in euro per euro invested in diversity and inclusion. The scores of the ROI audit can be categorised as follows: 1. Diamond (90+) - exemplar; 2. Platinum (81-90) - leader; 3. Gold (71-80) - champion; 4. Silver (51-70) - aspiring; 5. Bronze (0-50) - starting out.

The next assessment is taking place in 2026 and hence BAM has focused in 2024 on embedding the recommendations from the previous assessment in 2023 (score: 55). The recommendations that were adopted over the reporting period include further embedding diversity and inclusion in the organisation, spanning HR activities in recruitment, leadership development and training, and procurement and IT. BAM is further developing its inclusion networks and building a group-wide diversity and inclusion dashboard to better understand the trends in data which inform the diversity and inclusion strategy.

Social value (ESRS S3 - entity-specific)

Social value in the construction sector refers to the positive impact projects have on communities, the environment, and the economy beyond just the physical build. It includes job creation, skills development, sustainability, and community well-being. By prioritising local employment, fair labour practices, and eco-friendly construction, companies can enhance social equity and long-term societal benefits. Disclosures are related to the following material impacts, risks and opportunities as identified through BAM's double materiality assessment process, refer to full details in ▶ chapter 6.1.

63 S3 Affected communities

Material impact, risk or opportunity		
Social value		
Social value	(VC)	Positive impact

The disclosures in this section should be read in conjunction with the disclosures in ▶ chapter 6.2 on Governance, Strategy and Impact, risk and opportunity management.

Interests and views of stakeholders (SBM-2)

Affected communities are a key group of affected stakeholders. BAM addresses the interest and views of affected communities by its local community engagement on projects. Social value relates to the overall positive impacts BAM can have on affected communities. BAM's strategy setting on social value is informed by the perspectives of BAM's clients, in which interests and views of local communities are often incorporated.

Material impact, risks and opportunities and the interaction with the strategy and business model (SBM-3)

The material impact regarding social value is closely connected to BAM's strategy and business model. BAM's strategy encompasses the theme social value. The policies and underlying actions and measures are designed to manage and inform management on the progress and results are taken into account when adapting the business model.

Policies related to social value (S3-1)

Social value is one of the topics in BAM's sustainability strategy and is explicitly mentioned in BAM's Group Sustainability Policy. The following responsibilities are described:

- Commit to making a positive social contribution and acknowledge BAM's responsibility to engage with the communities in which it works (for example using local agencies, labour and workforce).
- Tackle social issues identified by clients, employees and local communities.

These responsibilities are in more detail described in BAM's social value policies for the UK and for NL, including more specific commitments to local aspects.

Processes for engaging with affected communities about impacts (S3-2)
BAM engages with affected communities on a project level through its general project approach that includes local community engagement. In most cases, the project manager or a dedicated social value manager is responsible for ensuring this engagement happens. Engagement with affected communities also often occurs by or in collaboration with the client. Social value addresses the positive impact BAM can have on affected communities and BAM's approach is informed by local obligations (see S3-5).

Taking action on material impacts on affected communities regarding social value (S3-4)
BAM takes various actions to positively impact the communities where it operates. These actions are carried out directly by BAM and in collaboration with supply chain partners, both ahead of and during the construction phase and in the legacy left by the completed projects. To achieve this, each division follows a social value approach, which is detailed under Metrics and Targets (S3-5). The specific approach is usually guided by a type of Local Needs Analysis and/or client requirements, identifying particular priorities of the affected community. Additionally, BAM is part of the Considerate Constructors Scheme (CCS) in the United Kingdom and its Dutch equivalent Bewuste Bouwers. In this scheme, construction sites implement the Code of Considerate Practice, which includes behaviours for respecting the community, caring for the environment and valuing the workforce. In the United Kingdom, 53 CCS projects were registered in 2024 (2023: 58) with an average audit score of 43.7 (2023: 43.7), above the industry average of 40.7. Under the scheme in the Netherlands 69 sites were registered (2023: 66) and the average audit score in 2024 was 7.4 (2023: 7.3), right at the industry average.

Targets related to advancing positive impacts (S3-5)
Social value has a strong legislative basis in public contracts with significant differences in methodology. Hence separate metrics and targets were set in BAM's strategy for division Netherlands and division United Kingdom and Ireland. Social value contributions through BAM's projects and other activities are currently not defined for the Belgium part of the business.

Division Netherlands
Dutch projects for public sector clients often contain an SROI (Social Return on Investment) obligation, with an emphasis on supporting people with a distance to the labour market to jobs. The exact obligations vary, but are commonly 2-5% of the contract sum to be invested on activities that contribute to this theme. Activities include jobs, education and training, procurement from social businesses, school visits, donations and volunteering. The attributed value for each activity varies as this is determined by the policies of the client. The aim for the division Netherlands is to deliver 5% social value on top of contractual obligations in 2026. In 2024 a divisional framework for social value (reporting) is being developed. Activities known to generate social value are currently all used to fulfil contractual SROI obligations in public sector contracts. BAM reports no additional social value on top of these contractual obligations in 2024 yet.

Division United Kingdom and Ireland
In the UK, social value is firmly embedded in legislation through the social value Act, PPN 06/20, the Procurement Reform Act (Scotland), and the Future Generation Act (Wales). Governments are actively encouraging public sector investments to maximise social impact by mandating social value reporting. The division United Kingdom and Ireland does this through reporting on Social and Local Economic Value (SLEV), calculated through the BAM TOMs, a framework based on the national TOMs (Themes, Outcomes, Measures) framework.

Social value is how BAM measures social sustainability activities, and is underpinned by three key strategic themes:
- Social Mobility: empowering individuals by providing inclusive and accessible pathways in education, employment, and training programmes.
- Foundational Economy: building community wealth through maximising opportunity for local procurement, invest in local charities and social businesses (VCSEs), and volunteering time, skills and expertise.
- Social Inclusion: fostering diversity, equity, and inclusion (EDI), actively engaging with the community, and creating lasting legacies that benefit the community long after construction is complete.

For each of these themes, a set of TOMs (Themes, Outcomes and Measures) further defines the activities delivered. Activities within this framework are logged at project level in the Social Sustainability Reporting Tool, accumulating to the total divisional SLEV performance.

BAM defined a social value target for division United Kingdom and Ireland based on the national TOMs framework. The target for 2026 is to deliver 35% social value (expressed as SLEV - Social and Local Economic Value) as a percentage of the reported revenue. A target value of 35% was selected as it was considered the right balance between ambition and feasibility by internal experts.

In 2024, the SLEV reported in division United Kingdom and Ireland was 15.6% and supported by data in 11 out of 13 BAM TOMs. For 2025 and onwards, BAM aims to report on all BAM TOMs for all projects. The 15.6% is well below the value of the 2026 target. By including the last two BAM TOMs BAM expects to move closer towards the target, but BAM also acknowledges that it has to step up its social value efforts to make sure the 2026 target will be met.

Reporting principles and assumptions social value

Division United Kingdom and Ireland

BAM has selected 13 core measures (NTs – National TOMs) from the national TOMs framework that best reflect BAM's social value delivery across the project portfolio. Underneath NT1 (local employment), there are 9 sub-measures covering additional characteristics of vulnerable employees (e.g. ex-offenders, long term unemployed, disabled, etc.).

These core measures and sub-measures were selected from the full list of national TOMs, to bring focus to BAM's social value delivery and reporting. These are the measures that are most commonly valued by clients and/or where BAM has specific skills and capacity. The proxy value attributed to each TOM is a national proxy value that is used across the division.

	Theme	NT	Description	Proxy Value (€)	Units
Social Mobility	Employment	NT01	Local employees hired or retained on contract – FTE (Full Time Equivalent)	36,975	No. people FTE
		NT11	Hours of 'support into work' assistance provided to unemployed people through career mentoring, including mock interviews, CV advice and careers guidance	125	No. hours * No. attendees
	Education	NT08	Staff hours spent on local school & college visits	20	No. staff hours
	Training	NT09	Weeks of training opportunities on the contract	376	No. weeks
		NT10	Weeks of apprenticeships or T-levels on the contract	298	No. weeks
		NT12	Weeks of meaningful work placements / pre-employment courses (1-6 weeks, unpaid)	230	No. weeks
		NT13	Weeks of meaningful work placements (6+ weeks, paid real living wage)	410	No. weeks

	Theme	NT	Description	Proxy Value (€)	Units
Foundational Economy	Investment in VCSEs	NT14	Total amount spent with Voluntary, Community & Social Enterprises (VCSEs) within supply chain	0.14	Spend (euro)
	Progressive procurement	NT18	Total amount spent in the local supply chain through the contract	0.89	Spend (euro)
	Volunteering	NT15	Provision of expert business advice to VCSEs & MSMEs (e.g. financial advice / legal advice / HR advice / HSE)	119	No. staff expert hours
		NT29	Hours of volunteering time provided to support local community projects	20	No. of staff volunteering hours

	Theme	NT	Description	Proxy Value (€)	Units
Social Inclusion	Community Engagement	NT28	Donations or in-kind contributions to local community projects	1	Spend (euro)
	Diversity & inclusion	NT21	Equality, diversity & inclusion training for staff & supply chain	119	No. hours (total session duration) * No. attendees

6.5 Governance information

Business conduct (ESRS G1)

Business conduct and business conduct matters relate to BAM's business ethics and the relationships BAM has with its stakeholders, especially own workforce (including subcontractors) and vendors (subcontractors and suppliers).

Disclosures are related to the following material impacts, risks and opportunities as identified through BAM's double materiality assessment process, refer to full details in chapter 6.1.

64 G1 Governance

Material impact, risk or opportunity		
Governance – business conduct		
Corporate culture	(OE)	Positive impact
Protection of data and respecting privacy	(OO)	Negative impact
Prevention and detection of corruption and bribery	(OO)	Negative impact

The disclosures on this sections should be read in conjunction with the disclosures in chapter 6.2 on Governance, Strategy and Impact, risk and opportunity management.

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)
BAM identifies material impacts, risks, and opportunities related to business conduct matters by evaluating criteria such as location, activity, sector, and the structure of transactions, with particular attention to local laws and regulations in the division Netherlands and the United Kingdom and Ireland. By considering these criteria, including compliance with local laws, BAM effectively manages risks and capitalizes on opportunities aligned with its strategic objectives.

The role of the administrative, supervisory and management bodies (GOV-1)
The Ethics and Compliance Committee supports the Executive Committee and the divisions with the compliance programme, actual compliance matters and remedial actions. It ensures consistency across the Group. Reported suspicions of misconduct are discussed on a quarterly basis with the Executive Committee and every six months with the Audit Committee of the Supervisory Board. On a yearly basis, the effectiveness of the management approach is assessed and improvement activities are captured in the operating plan. The procedures described in this paragraph apply to all of the themes relevant for the business conduct matters discussed in this chapter.

The administrative, management, and supervisory bodies are engaged with BAM for several years and possess expertise in business conduct matters, drawing from diverse backgrounds in human resources, operations, finance, and engineering.

Business conduct policies and corporate culture (G1-1)
The BAM Code of Conduct and underlying procedures describe the expected behaviours and it deals with varying subjects such as the BAM values, safety, human rights, preventing bribery & corruption, protection of data and respecting privacy. It applies to all BAM employees, including contract and temporary workers. Living the Code of Conduct contributes to a safe, ethical and sustainable culture and protects the future of BAM.

The Code emphasises acting with integrity and honesty, complying with legislation, regulations, and generally accepted social standards. The BAM Code of Conduct subjects are part of the risk management process (including a compliance risk assessment), training and awareness, monitoring and reporting. New employees must sign a statement in which they acknowledge to comply with this code as part of their employment contract. Further information on how BAM interacts with its employees is disclosed in table 34.

In BAM's anti-bribery and corruption policy is stated that BAM does not tolerate bribery and corruption in line with law, regulation and the BAM Code of Conduct. It includes the key anti-bribery and corruption principles that all employees and any other representatives of BAM need to adhere to, and that business must be conducted honestly. Engaging in bribery or corruption, even indirectly or through third parties, may lead to dismissal, end of a business relationship, and, in addition to substantial fines and even imprisonment.

BAM's key principles in the privacy policy, the information security governance policy and the data retention policy are related to the processing of personal data and the duty for employees and any other representatives to report any (suspected) personal data breaches, the proper protection and management of information to ensure confidentiality, integrity and availability of information.

BAM believes that communication and training are fundamental to making and keeping the Code of Conduct alive and to encourage open conversations. BAM adopted a targeted approach for the different working groups to achieve optimum understanding and adaptation. Therefore, an e-learning tool is used to train selected employees on all the topics in the code. The training, available in country-specific languages (e.g. Dutch and English), is mandatory for BAM employees, excluding the BAM site employees without access to online learning platforms. The mandatory group covers roughly 70% of the total number of employees.

Progress is closely monitored and reported to management. BAM targets a 95% completion score for its training, to allow for fluctuations due to new starters. BAM's site employees without access to online learning platforms, are trained through so-called toolbox meetings. Additionally, compliance officers provide target group specific training sessions to educate on specific compliance themes.

65 Training
(in %)

	Target	2024	2023
Coverage - Code of conduct e-learning	95	97	94
Coverage - Corruption and bribery e-learning*	95	96	*
Coverage - Data privacy and protection e-learning	95	98	96

* Data for 2023 is not reported because the training is only available in the current format from 2024 onwards.

In 2024, there were 148 suspicions of misconduct reported. The reported suspicions of misconduct have been assessed and, where needed, sanctions have been taken, up to and including dismissal. Reported cases dealt with issues such as inappropriate use of company assets, safe working environment and privacy breaches of which a limited number needed to be reported to the external local privacy authorities. There have not been any fines, penalties or compensation for damages regarding the suspicions of misconduct reported in 2024.

Fostering a speak up culture, in which employees feel empowered to talk about any issue without fear of negative consequences, is essential for BAM. The Speak Up procedure, which is also summarised in the Code of Conduct, encourages the reporting of possible breaches which can be done in independent and protected systems for employees and offers protection for those who speak up. These systems ensure confidentiality and impartial handling of complaints.

Furthermore, the procedure also includes the requirements of the (EU) Whistleblower Directive. The periodic employee pulse survey showed that the majority of employees feels free to express concerns without fear of negative consequences.

Work to promote awareness of the Speak Up option is a key theme in the compliance programme. Those who wish to report a concern or incident can report directly to a line manager, confidential advisor or compliance officer. People wishing to remain anonymous can use the Speak Up Line, which is operated by a third party and open to employees and external stakeholders alike 24/7. Cases that are identified as higher risk are reported to the Ethics and Compliance Committee.

BAM is involved in many stages of the construction value chain, from development, engineering and construction to maintenance and operation. Vendors are essential in all this, as their knowledge, people and other resources provide more than 70% of BAM's revenue.

Vendors are subject to BAM's general purchasing terms and conditions and BAM's Vendor Code of Conduct, which cover commitments to safety, human rights, sanctions and trade restrictions and the environment.

Procurement secures continuous alignment on selected categories, systems, reporting and knowledge exchange. In 2024 the divisions improved their vendor onboarding processes and are further enhancing safety and sustainability in their vendor onboarding and selection processes. Sustainable sourcing and safety in the supply chain remain key topics in the coming years to contribute to the BAM strategy.

BAM focuses on key and preferred vendors to strengthen and monitor quality and compliance in the chain of subcontractors and suppliers. BAM uses onboarding for vendors. They are assessed on their compliance with BAM requirements. Depending on the specific nature of provided services by potential higher risk vendors, additional risk mitigating measures have been taken, such as specific certifications, which are audited by external parties. Additionally in 2024, there were two potential new vendors located in a higher-risk area for which a site review was conducted with regard to human rights.

Prevention and detection of corruption and bribery (G1-3)

Undetected corruption and bribery can cause serious damage to society, including damaging public trust and causing injustice through advantaging some at the expense of others. Compliance risk assessments are conducted as part of BAM's risk management process. Overarching, BAM obtains its main revenue in countries with a low or very low risk of corruption based on the Corruption Perception Index (CPI) from Transparency International. This index focuses on the strict application of the United Nations Convention Against Corruption (UNCAC). Furthermore, there are quarterly risk assessments on compliance risk developments and the assessment of its measures to ensure a match with the very low risk appetite for corruption and bribery risks. The results are reported to the Executive Committee and other stakeholders on a quarterly basis. In case of an investigation the investigators or investigating committee is separate from the chain of management involved in the matter.

Certain functions are more vulnerable to corruption and bribery risks, such as (commercial) management, project management, finance and procurement related functions and includes the members of the Executive Committee. This specific targeted group for the corruption and bribery e-learning covers around 40% of the total number of employees. BAM adopted a specific, in-depth e-learning on prevention of corruption and bribery for all these functions. This training includes components like legal frameworks, risk management, ethical decision-making, third-party management, reporting and whistleblowing. BAM has a formal learning platform where these mandatory trainings are pushed through, linked to BAM's HR data platform.

BAM's percentage of targeted employees that completed training regarding corruption and bribery has been in line with the target, refer to table 65. The topic corruption and bribery is also part of the Code of Conduct and underlying policies and it is being monitored by BAM's compliance officers.

Incidents of corruption or bribery (G1-4)
In December 2024, the Dutch Public Prosecutions Office (DPPO, Openbaar Ministerie) closed its pending investigation into BAM International from 2022 and dismissed their suspicions. BAM conducted its own internal review in connection with the DPPO's investigation and identified certain potentially irregular payments in connection with an unrelated completed project in Africa.

BAM self-reported these potentially irregular payments to the DPPO. The DPPO concluded that not all of these payments were properly recorded in BAM International's administration and imposed a fine of €30,000 on BAM International through a penalty order. BAM will not appeal the penalty order.

66 Incidents related to corruption or bribery

	2024	2023
Number of convictions	0*	0
Amount of fines for violation of anti-corruption and anti-bribery laws	€ 30.000	0

* BAM asessed whether the penalty order qualifies as a conviction and concluded that a penalty order does not constitute a conviction as there was no court decision

There have not been any other fines, penalties or compensation for damages related to corruption and bribery in 2024. This includes the incidents involving actors in BAM's value chain, where BAM or its employees are directly involved.

Protection of data and respecting privacy (entity-specific)
Implementing robust data protection measures safeguards the personal data of employees and clients. Protection of data and respecting privacy is a core element of the BAM Code of Conduct and is part of underlying, specific policies on data privacy, information and cyber security.

BAM has dedicated Privacy and Security functions who collaboratively work together with management to implement 'privacy and security by design' within the organisation, at selected projects and in contracts with new third parties.

BAM has relevant certifications in place, such as ISO 27001 Information Security and Cyber Essentials. Furthermore, there is a coordinated training and awareness programme to keep management and employees up-to-date on new developments and required behaviour. The training is mandatory for BAM employees, including the members of the Executive Committee, excluding the BAM site employees without access to online learning platforms. The mandatory group covers roughly 70% of the total number of employees. The objective is to reach around 95% completeness on an ongoing basis. Performance for 2024 has been in line with the target, refer to table 65. In addition, there are specified privacy, information security and cyber security controls included in the BAM Requirements Framework, which are being assessed on the effectiveness of its risk mitigation. A limited number of privacy breaches needed to be reported to the external local privacy authorities. There have not been any fines, penalties or compensation for damages during the reporting period.

67 Incidents related to data protection and privacy

	2024	2023
Number of convictions	0	0
Amount of fines for data breaches	0	0

Sustainability insight

Schiphol and BAM have started a large-scale replacement of the climate control systems at Pier E on the way towards a gas-free airport. BAM will install new climate control systems in order to sustainably heat and cool the pier using an advanced air system.

BAM’s housing concepts Flow

‘With advanced digital techniques and modular components, Flow makes sustainable, fast, and affordable customisation possible on any plot, with any desired appearance.’

6.6 EU taxonomy

The EU taxonomy for sustainable activities, i.e. 'green taxonomy', is a classification system to clarify which economic activities are environmentally sustainable, in the context of the European Green Deal, a set of policy initiatives by the European Commission supporting the ambition of the EU to be climate-neutral by 2050. The EU taxonomy was adopted by the European Union with Regulation 2020/852, and requires BAM to assess and disclose the percentage of environmentally sustainable economic activities for the proportion of revenue, capital expenditures and operational expenditures.

The EU taxonomy comprises six environmental objectives to identify sustainable economic activities: climate change mitigation (CCM), climate change adaptation (CCA), the sustainable use and protection of water and marine resources (WTR), the transition to a circular economy (CE), pollution prevention and control (PPC), and the protection and restoration of biodiversity and ecosystems (BIO). An economic activity is defined as environmentally sustainable if it meets the technical screening criteria.

BAM has completed an eligibility assessment of its activities and for the eligible activities BAM assessed alignment with the EU taxonomy.

Sustainability insight

BAM delivered De HER, formerly known as Upcycle Mall, to the municipality of Rotterdam. De HER is a unique project, realised with reused materials and focused on reuse, upcycling, refurbishment and repair. It marks a milestone in delivering the circular and sustainable ambitions of both BAM and the municipality of Rotterdam.

The assessment process has been executed under the supervision of the Executive Committee, and led by the Sustainability Reporting team with the support of the relevant functions, such as sustainability and finance.

The assessment covers all countries in which BAM operates, and is executed using the five steps described in figure 68.

BAM has classified all the economic activities across its portfolio in the following three categories: eligible-aligned, eligible-not aligned, and not-eligible (figure 69).

The current EU taxonomy assessment is based on BAM's interpretation of EU taxonomy guidelines, including the latest published Environmental Delegated Act. BAM recognized that the regulation is continuously being developed, hence some elements are open to interpretation by the industry and other parties. This will potentially affect BAM's interpretation of the criteria going forward, and therefore the outcomes of taxonomy eligibility and alignment.

68 Five steps of the EU taxonomy assessment

1 - Identification of eligible economic activities

2 - Analysis of substantial contribution

3 - Assessment of Do No Significant Harm (DNSH) to other environmental objectives

4 - Verification of minimum safeguards

5 - Calculation of financial metrics

Reporting principles and assumptions - EU taxonomy

The EU taxonomy requires companies to examine whether an economic activity is included in the Delegated Regulation 2020/852 by the European Commission (eligibility) and whether or not these eligible economic activities are environmentally sustainable (alignment).

BAM classifies its activities in the following three categories: eligible-aligned, eligible-not aligned, and not-eligible.

Eligible-aligned: this refers to an economic activity that simultaneously meets the following three conditions:

- it is explicitly included in the EU taxonomy regulation for its substantial contribution to one of the six objectives of the EU taxonomy;
- it meets the substantial contribution criteria in the EU taxonomy regulation for this specific environmental objective;
- it meets all DNSH criteria;
- BAM complies with the minimum safeguards.

Eligible-not aligned: this refers to an economic activity that:

- is explicitly included in the EU taxonomy regulations for its substantial contribution to one of the six objectives of the EU taxonomy; but
- it does not meet the specific criteria in the EU taxonomy regulation for these specific environmental objectives; or
- at least one of the DNSH conditions is not met; and/or
- BAM does not comply with the minimum safeguards.

Not eligible: this refers to an economic activity that has not (yet) been identified by the EU taxonomy as a substantial contributor to one of the six objectives of the EU taxonomy.

Definition of KPIs

The basis for the calculation of the EU taxonomy eligibility and alignment metrics for respectively revenue, capital expenditure and operational expenditure are based on the following definitions:

Revenue: revenues accounted for in the consolidated financial statement as further defined in note 6 of the financial statements. Intercompany revenue is eliminated and is not taken into account for the assessment of eligibility. Full reconciliation of the project list used for the eligibility and alignment calculation is performed to ensure accuracy and completeness of the numbers included and prevent the risk of double counting.

Capital expenditure (capex): additions to tangible and intangible assets accounted for in the consolidated financial statements under IFRS during the financial year, considered before depreciation, amortisation and any re-measurements, excluding goodwill (included in note 14 and 15 in the Financial Statements). The capex cover the costs accounted for in accordance with IAS 16 (Property, Plant and Equipment, IAS 38 (Intangible assets) and IFRS 16 (Leases). Any leases that do not result in the recognition of a right of use asset are not accounted for as capex.

Operational expenditure (opex): direct non-capitalised costs recorded in the consolidated income statement under IFRS that relate to research and development, building renovation measures, short-term lease, maintenance and repair (excluding expenses reported as raw materials and consumables used), and any other direct expenditure relating to the day-to-day servicing of assets or Property, Plant and Equipment (PP&E). Because the definition under the Delegated Act is taken into account to calculated total opex, the numbers differ from the figures presented under the heading 'operating expenses' in the financial statements.

The calculation of the financial metrics associated with each economic activity was performed relying on a centralised process, where sustainability information is mapped to financial information in a single database. The financial information was collected from the Group' reporting system. Sustainability information is obtained from the CRM system and enriched with management information on the environmental performance of the economic activities. Procedures and assumptions were documented, including details, examples and substantive evidence of the assessment, in order to complete a reliable estimate of the eligibility and alignment assessment.
In order to arrive at the EU taxonomy KPIs, BAM mapped its financial performance to the relevant EU taxonomy eligible and aligned economic activities.

Minimum social safeguard requirements

BAM has verified that the eligible economic activities are carried out in compliance with the minimum social safeguards, including the human right due diligence process and risk assessment.

Revenue - eligibility methodology

The revenue KPI is calculated based on the proportion of net revenue generated from projects. Revenue of joint ventures (as reported in note 17 of the Financial statements) is not included in the scope of the assessment.
The analysis with regard to taxonomy eligibility was carried out on data per project. The EU taxonomy provides descriptions of eligible economic activities that belong to one of the six objectives of the EU taxonomy.

The activities of BAM that are eligible under the EU taxonomy are all eligible under activities within the objectives climate change mitigation, climate change adaptation, and/or the transition to a circular economy.

Revenue - alignment methodology
For the purpose of the taxonomy-alignment assessment, BAM clustered projects based on the nature of the activity and similarity in operational and technical criteria to assess compliance with the technical screening criteria in the EU taxonomy. Based on the BAM's strategic focus, preliminary screening and internal identification of potential 'green' revenue with different stakeholder groups, BAM selected multiple clusters for which the alignment assessment was performed. Dependent on the granularity of the criteria, the assessments were performed on a country, business or project level.

BAM's alignment assessment includes the analysis of all substantial contribution criteria and DNSH criteria for the relevant objectives. In the assessment BAM:
1. Describes the context and application in BAM's context;
2. Substantiates and provides available documentation to support the claim on whether an activity meets the criteria, either on a project, or on an activity level, dependent on the nature of the criteria;
3. Reaches a conclusion on the alignment based on the available substantiation;
4. Evidences adherence to the minimum safeguards on a Group-wide level.

Capex - eligibility and alignment methodology
The eligibility scan for capital expenditures in 2024 (capex additions) was performed in line with the eligibility scan for revenue. For all expenditures, BAM determined if there was a specific allocation possible to an economic activity. Most capex, such as (electric) equipment or cars, tower cranes, surveying equipment or cabins is associated with multiple economic activities. Eligibility for these additions is determined based on the proportion of the capital expenditure associated with taxonomy-eligible activities on a business level. Capital expenditure by joint ventures (as reported in note 17 of the Financial statements) is not included in the scope of the assessment.

The capex alignment assessment is based on three possible alignment scenarios:
- Capex is related to assets or processes that are associated with taxonomy-aligned economic activities;
- Capex is part of a Capex-plan as defined in the regulation to expand taxonomy-eligible economic activities to become taxonomy-aligned (subject to conditions);
- Capex is related to the purchase of output of aligned activities.

The aligned capex related to the first scenario has been calculated based on a pro-rata basis related to the revenue of the aligned economic activities per business. For the assessment and disclosures in 2024, BAM has allocated the capex to the economic activities mapped to the revenue KPI. Hence, alignment criteria applied to capex are equal to the criteria applied for the related economic activity. For example, with respect to investments in electric cars, BAM has assessed the alignment of capex in the context of the revenue generating activity it was allocated to. BAM has not included specific capex plans for the capex alignment assessment of 2024, because the plans for improvements do not (yet) constitute a plan to reach alignment fully.

Part of the aligned capex is based on the third category where BAM proved alignment on the capex investment itself and reported the invested amount as aligned capex.

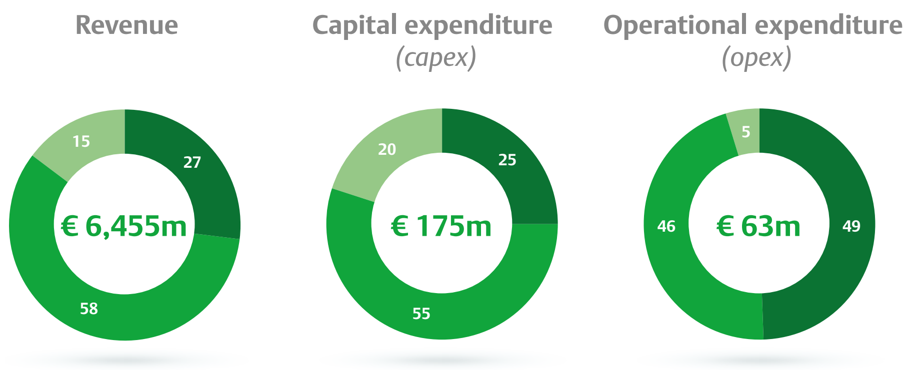
Opex - eligibility and alignment methodology
The expense accounts identified to determine operational expenditures according to the EU taxonomy definition are the following:
- Repairs and maintenance;
- Short-term leases (< 12 months);
- R&D expenses.

For repairs and maintenance, eligibility is determined on the basis of the activity description in the general ledgers. For the annual rent expenses related to short-term leases and R&D expenses, eligibility is calculated on a pro-rata basis related to the revenue eligibility of the activities per business.

Conclusion of the assessment

Aligned revenue in 2024 (27%) has increased compared to last year (2023: 21%). Mainly caused by shifts in portfolio and improved availability of evidence. Key insights from the assessment of the technical screening criteria have been shared within the business to further enhance BAM's knowledge on building sustainably.

69 Revenue, capital expenditure (capex) and operational expenditure (opex) *(in %)*



■ Eligible-aligned ■ Eligible-not aligned ■ Not-eligible

Revenue - eligibility outcome
In 2024, 85% of BAM's revenue is eligible under the EU taxonomy, compared to 86% in 2023. There are no big differences compared to last year. Details per activity are disclosed in table 72.

Project revenues reported as not-eligible include economic activities related to electrical installations (including fibre cables for homes), data networks, airport infrastructure, earthworks, drill and blast projects, and oil- and gas-related projects, including energy plants and gas grid transmission and distribution networks. In line with last year, BAM reported activities such as the ground investigation works for planned wind farms and the construction of cement bases of wind farms as not-eligible.

In 2024, BAM took further steps to improve the accuracy of data on EU taxonomy eligibility. This didn't lead to big shifts in eligible revenue per EU taxonomy activity.

Revenue - alignment outcome
In its alignment assessment, BAM obtained substantial evidence for meeting the relevant criteria. In 2024, BAM has aligned revenue, related to specific projects or businesses, in the following activity categories:

- Infrastructure for rail transport (Netherlands and United Kingdom) - CCM 6.14;
- Infrastructure enabling low carbon water transport (Netherlands) - CCM 6.16;
- Infrastructure for water transport (United Kingdom) - CCA 6.16;
- Construction of new buildings (Netherlands), including both residential and non-residential buildings - CCM 7.1;
- Renovation of existing residential buildings (Netherlands) - CCM 7.2;
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (Netherlands) - CCM 7.4;
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (Netherlands) - CCM 7.5.

The largest part of BAM's aligned revenue in 2024 is coming from the projects related to the infrastructure for rail transport (EU taxonomy CCM 6.14) in the Netherlands and United Kingdom. This outcome is similar to last year.

In EU taxonomy activities CCM 7.1 and CCM 7.2 BAM concluded that there are more aligned projects in BAM Residential with the EU taxonomy compared to previous year, due to an increased number of projects that has been assessed in 2024. BAM collects evidence of the technical screening criteria within these categories on a project- by- project level. BAM sees the increase in the number of assessed projects in 2024 as a positive development in order to report more sustainable revenue, although BAM cannot yet conclude that projects are structurally more sustainably designed and executed based on this improvement. However, BAM started to change some procedures to have more projects aligned on EU taxonomy, which will lead to more aligned projects in the future.

In addition to the residential projects, the assessment also resulted in aligned non-residential revenue in CCM 7.1 and CCM 7.2. The assessment results show that while many non-residential projects do meet the requirements of the contribution criteria and most of the DNSH criteria, most do not meet the requirements of the DNSH criteria for the sustainable use and protection of water and pollution prevention and control. The assessment clarifies which decisions are needed to be made to meet these technical screening criteria for these type of projects. This knowledge will be taken into account for future decision making and therefore will support the construction of more sustainable buildings.

BAM has aligned revenue on the activity in EU taxonomy article CCM 6.16, these are the projects that are installing the infrastructure to provide vessels at berth with shore-side electrical power.
BAM has alignment on one project where BAM contributes to the climate objective climate change adaptation. The project is aligned on activity CCA 6.16. This is a flood defence project in the UK with a high focus on ecology mitigation.

The aligned revenue in CCM 7.4 and CCM 7.5 is mainly related to activities where BAM installs charging stations for electric vehicles and smart meters in buildings.

On other activities, for example BAM's water infrastructure and road transport activities, the alignment criteria could not be fulfilled for most projects. Revenues in these areas are reported as eligible-not aligned.

The substantial contribution criteria, as well as the DNSH criteria related to the sustainable use and protection of water could not be aligned with the requirements. In order to make a substantial contribution to climate change adaptation, BAM is required to perform a climate risk and vulnerability assessment and to substantiate the implementation of adaptation solutions in the project that:
- Do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets or of other economic activities;
- Favour nature-based solutions or rely on blue or green infrastructure to the extent possible;
- Are consistent with local, sectoral, regional or national adaptation plans and strategies;
- Are monitored and measured against pre-defined indicators and whereby remedial action is considered where those indicators are not met.

Currently BAM does not have the relevant insights and documentation for all relevant projects regarding the implementation of adaptation solutions. As mentioned earlier, BAM has now one project that is aligned on the criteria for climate change adaptation, which is a step forward to contribute to this climate objective.

Capex - eligibility and alignment outcome
The proportion of capital expenditure (capex) in 2024 that is eligible-aligned is 25% (2023: 21%), 55% was eligible for, but not aligned with the EU taxonomy, and 20% of BAM's capex in 2024 was determined to be not eligible. Investments in 2024 that classify as aligned under the EU taxonomy include investments in equipment regarding the construction of BAM's aligned activities under climate change mitigation, mainly related to the rail infrastructure activities. BAM used a pro rata allocation to the economic activities for most capex investments, to determine eligibility and alignment for the year 2024.

The investments related to the residential houses and the sustainable timber housing are considered to be fully aligned under the EU taxonomy, on the basis that revenue related to these residences can be aligned. Also the amount of investments for BAM's own buildings are not pro rata allocated to the economic activities, but reported on CCM 7.7 Acquisition and ownerships of buildings.
BAM assessed the investments in their own buildings on alignment. These investments are eligible under CCM 7.7, and mostly also aligned on this EU taxonomy activity.

Opex - eligibility and alignment outcome
The proportion of operational expenditure (opex) in 2024 that is eligible-aligned is 49% (2023: 40%), 46% was eligible for, but not aligned with the EU taxonomy, and 5% of BAM's opex in 2024 was determined to be not eligible.

As the opex definition in the EU taxonomy is very narrow, this KPI is less significant in the light of BAM's business model. The percentages are estimated based on a pro-rata basis related to the revenue of the aligned economic activities in order to determine eligibility and alignment for the operational expenditures in 2024.

Operational expenditure in 2024 that classifies as eligible-aligned with the EU taxonomy, include for example the short term lease expenses, pro rata, of BAM's rail business.

Verification of compliance with minimum social safeguards
BAM has verified that the eligible economic activities are carried out in compliance with the minimum social safeguards, including the human right due diligence process and risk assessment for BAM. The following topics have been identified:
- Human right policies;
- Human right impacts;
- Human right communications;
- Grievance mechanisms;
- Consumer interests;
- Bribery and corruption;
- Fair competition;
- Taxation.

BAM assessed the steps of the due diligence process described in the minimum social safeguard requirements.

- Embed responsible business conduct into policies and management systems;
- Identify and assess adverse impacts in operations, supply chains and business relationships;
- Cease, prevent or mitigate adverse impacts;
- Track implementation and results;
- Communicate how the topics and related measures are addressed.

Further details on human rights due diligence processes are included in chapter 6.4.

Eligible and aligned activities per objective and disclosure of specific activities

In table 70 it shows that most of the aligned revenue of BAM is contributing to the EU taxonomy objective of climate change mitigation. BAM's revenue is eligible on the objectives climate change mitigation, climate change adaptation and the transition to a circular economy. The table also shows the proportion of capex and opex that is aligned and eligible per objective.

70 Proportion of revenue, capex and opex per objective *(in %)*

	Proportion of revenue		Proportion of capex		Proportion of opex	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	27	68	25	54	49	73
CCA	0	85	0	80	1	95
WTR	0	0	0	0	0	0
CE	0	45	0	27	0	7
PPC	0	0	0	0	0	0
BIO	0	0	0	0	0	0

BAM is also required to disclose specifically on nuclear energy and fossil gas related activities, refer to table 71. BAM currently carries out one project that is related to nuclear energy activities. No further details are disclosed as these activities account for less than 0.8% of the total revenue.

71 Nuclear and fossil gas related activities

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

72 Proportion of revenue associated with EU taxonomy-aligned economic activities – disclosure covering 2024

				Substantial contribution to						Do no significant harm to									
Economic activities	Code	Revenue	Proportion of revenue 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) revenue, year 2023	Category enabling activity	Category transitional activity
		€/mln.	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 - Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for water transport	CCA 6.16	9	0.1%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Infrastructure for rail transport	CCM 6.14	1,091	16.9%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	14.7%	E	
Infrastructure enabling low carbon water transport	CCM 6.16	14	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Construction of new buildings	CCM 7.1	438	6.8%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	4.5%		
Renovation of existing buildings	CCM 7.2	149	2.3%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	1.0%		T
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	28	0.4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	4	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,733**	**26.8%**	26.7%	0.1%	0.0%	0.0%	0.0%	0.0%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**20.9%**		
	Of which Enabling	1,137	17.6%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	15.3%	E	
	Of which Transitional	149	2.3%	2.3%						Y	Y	Y	Y	Y	Y	Y	1.0%		T
A.2 - Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Infrastructure enabling road transport and public transport	**CCA 6.15**/CE3.4	208	3.2%	N/EL	EL	N/EL	N/EL	EL	N/EL							Y	0.0%		
Infrastructure enabling road transport and public transport	CCA 6.15	590	9.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							Y	13.7%		
Infrastructure for water transport	CCA 6.16	262	4.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							Y	4.6%		
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	255	3.9%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	3.0%		
Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	**CCM 4.27**/CCA4.27	52	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.5%		
Renewal of waste water collection and treatment	**CCM 5.4**/CCA 5.4	48	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.3%		
Infrastructure for rail transport	**CCM 6.14**/CCA 6.14	67	1.0%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	1.0%		
Construction of new buildings	**CCM 7.1**/CCA 7.1/CE3.1	1,616	25.0%	EL	EL	N/EL	N/EL	EL	N/EL							Y	29.9%		
Renovation of existing buildings	**CCM 7.2**/CCA 7.2/CE3.2	465	7.2%	EL	EL	N/EL	N/EL	EL	N/EL							Y	9.4%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	135	2.1%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	1.6%		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/CCA 7.6	13	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.4%		
Others (<10 mln)*		25	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.3%		
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3,737**	**57.9%**	41.5%	57.9%	0.0%	0.0%	35.5%	0.0%							**Y**	**65.0%**		
A. Revenue of Taxonomy eligible activities (A.1+A.2)		**5,470**	**84.7%**	68.2%	58.0%	0.0%	0.0%	35.5%	0.0%							**Y**	**85.8%**		
B. Taxonomy-non-eligible activities																			
Revenue of taxonomy not-eligible activities (B)		**985**	**15.3%**																
Total		**6,455**	**100.0%**																

*The category other contains the activities CCM 4.3, CCM 4.12, CCM 4.15, CCM 5.1, CCM 5.2, CCM 5.3, CCM 6.13, CCM 6.16 and WTR 2.1. On these activities is less then 10 mln euro revenue eligible.

73 Proportion of capex associated with EU taxonomy-aligned economic activities – disclosure covering 2024

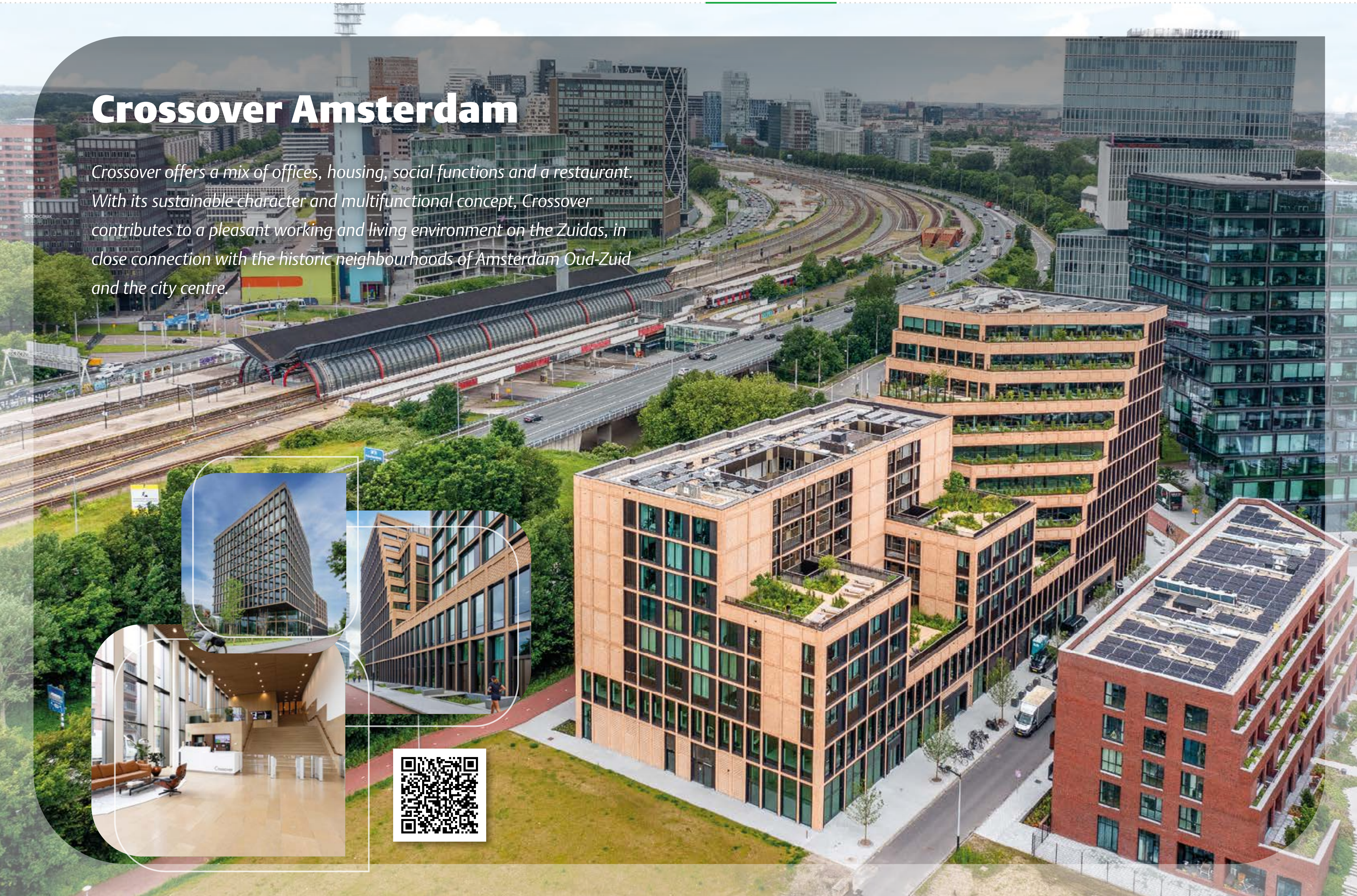
Economic activities	Code	Capex	Proportion of Capex 2024	Substantial contribution to: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Do no significant harm to: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
		€/mln.	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 - Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for water transport	CCA 6.16	0	0.1%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Infrastructure for rail transport	CCM 6.14	32	18.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	13.5%	E	
Infrastructure enabling low carbon water transport	CCM 6.16	1	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Construction of new buildings	CCM 7.1	4	2.6%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	6.7%		
Renovation of existing buildings	CCM 7.2	1	0.7%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%		T
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	2	1.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Acquisition and ownership of buildings	CCM 7.7	4	2.3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**45**	**25.4%**	25.3%	0.1%	0.0%	0.0%	0.0%	0.0%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**20.8%**		
Of which Enabling		38	19.8%	19.8%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	13.6%	E	
Of which Transitional		1	0.7%	0.7%						Y	Y	Y	Y	Y	Y	Y	0.5%		T
A.2 - Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Infrastructure enabling road transport and public transport	**CCA 6.15**/CE3.4	13	7.6%	N/EL	EL	N/EL	N/EL	EL	N/EL							Y	0.0%		
Infrastructure enabling road transport and public transport	CCA 6.15	24	13.7%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							Y	19.8%		
Infrastructure for water transport	CCA 6.16	9	5.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							Y	5.3%		
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	9	5.4%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	4.6%		
Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	**CCM 4.27**/CCA4.27	1	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.0%		
Renewal of waste water collection and treatment	**CCM 5.4**/CCA 5.4	1	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.0%		
Infrastructure for rail transport	**CCM 6.14**/CCA 6.14	1	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.6%		
Construction of new buildings	**CCM 7.1**/CCA 7.1/CE 3.1	22	12.7%	EL	EL	N/EL	N/EL	EL	N/EL							Y	17.0%		
Renovation of existing buildings	**CCM 7.2**/CCA 7.2/CE3.2	6	3.5%	EL	EL	N/EL	N/EL	EL	N/EL							Y	4.2%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	8	4.3%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	3.1%		
Others (<10 mln)*		1	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	1.9%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**96**	**55.0%**	28.6%	55.0%	0.0%	0.0%	23.8%	0.0%							**Y**	**56.5%**		
A. Capex of Taxonomy eligible activities (A.1+A.2)		**141**	**80.4%**	53.9%	55.1%	0.0%	0.0%	23.8%	0.0%							**Y**	**77.3%**		
B. Taxonomy-non-eligible activities																			
Capex of taxonomy not-eligible activities (B)		**34**	**19.6%**																
Total		**175**	**100.0%**																

*The category other contains the activities where less then 1 million eur capex is eligible.

74 Proportion of opex associated with EU taxonomy-aligned economic activities – disclosure covering 2024

Economic activities	Code	Opex	Proportion of Opex 2024	Substantial contribution to						Do no significant harm to									
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		€/mln.	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 - Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure for water transport	CCA 6.16	0	0.5%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Infrastructure for rail transport	CCM 6.14	30	48.6%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	38.6%	E	
Construction of new buildings	CCM 7.1	0	0.3%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	1.2%		
Renovation of existing buildings	CCM 7.2	0	0.1%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%		T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**31**	**49.6%**	49.0%	0.5%	0.0%	0.0%	0.0%	0.0%	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**39.9%**		
Of which Enabling		30	48.6%	48.6%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	38.6%	E	
Of which Transitional		0	0.1%	0.1%						Y	Y	Y	Y	Y	Y	Y	0.2%		T
A.2 - Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Infrastructure enabling road transport and public transport	CCA 6.15	8	12.4%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							Y	19.5%		
Infrastructure for water transport	CCA 6.16	6	10.2%	N/EL	EL	N/EL	N/EL	N/EL	N/EL							Y	10,9%		
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	2	3.8%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	3.6%		
Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	**CCM 4.27**/CCA4.27	2	3.0%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	1.7%		
Renewal of waste water collection and treatment	**CCM 5.4**/CCA 5.4	2	2.7%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0,0%		
Infrastructure for rail transport	**CCM 6.14**/CCA 6.14	2	3.9%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	3.4%		
Construction of new buildings	**CCM 7.1**/CCA 7.1/CE 3.1	4	6.9%	EL	EL	N/EL	N/EL	EL	N/EL							Y	11.8%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	1	2.0%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.0%		
Others (<10 mln)*		1	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL							Y	0.0%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**29**	**45.7%**	23.2%	45.7%	0.0%	0.0%	6.9%	0.0%							**Y**	**53.1%**		
A. Opex of Taxonomy eligible activities (A.1+A.2)		**60**	**95.3%**	72.2%	46.3%	0.0%	0.0%	6.9%	0.0%							**Y**	**92.9%**		
B. Taxonomy-non-eligible activities																			
Opex of taxonomy not-eligible activities (B)		3	4.7%																
Total		63	100.0%																

*The category other contains the activities where less then 1 million euro capex is eligible.



Crossover Amsterdam

Crossover offers a mix of offices, housing, social functions and a restaurant. With its sustainable character and multifunctional concept, Crossover contributes to a pleasant working and living environment on the Zuidas, in close connection with the historic neighbourhoods of Amsterdam Oud-Zuid and the city centre.

6.7 Sustainability statement annex

Reference table

The sustainability statement complies with all aspects of ESRS.

Disclosure number	Disclosure requirement	Section reference
Pollution (ESRS E2)		
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	pages 88 - 89
E2-1	Policies related to pollution	page 89
E2-2	Actions and resources related to pollution	page 89
E2-3	Target related to pollution	page 90
Biodiversity (ESRS E4)		
E4-1	Transition plan for biodiversity	pages 91 - 92
ESRS 2 SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	pages 92 - 93
ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	page 93
E4-2	Policies related to biodiversity and ecosystems	page 94
E4-3	Actions and resources in relation to biodiversity and ecosystem	page 94
E4-4	Targets related to biodiversity and ecosystems	page 94
E4-5	Impact metrics related to biodiversity and ecosystems	page 94
Resource use and Circular economy (ESRS E5)		
ESRS 2 SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model impacts, risks and opportunities	page 97
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy--related impacts, risks and opportunities	page 97
E5-1	Policies related to resource use and circular economy	page 97
E5-2	Actions and resources related to resource use and circular economy	pages 97 - 98
E5-3	Targets related to resource use and circular economy	page 98
E5-4	Resource inflows	page 99
E5-5	Resource outflows	pages 99 - 100
Own workforce (ESRS S1)		
ESRS 2 SBM-2	Interests and views of stakeholders	page 102
ESRS 2 SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	page 103
S1-1	Policies related to own workforce	pages 103 - 104
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	page 104
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	page 104

Disclosure number	Disclosure requirement	Section reference
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of actions	page 104
S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	page 104
S1-6	Characteristics of the undertaking's employees	pages 104 - 106
S1-7	Characteristics of non-employee workers in BAM's own workforce	page 106
S1-9	Diversity metrics	pages 106 - 107
S1-13	Training and skills development metrics	page 74
S1-14	Health and safety metrics	pages 74, 107 - 108
S1-16	Remuneration metrics (pay gap and total remuneration)	page 108
S1- entity-specific	Return on inclusion	page 109
Affected communities (ESRS S3)		
ESRS 2 SBM-2	Interests and views of stakeholders	page 109
ESRS 2 SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	page 109
S3-1	Policies related to affected communities	page 109
S3-2	Processes for engaging with affected communities about impacts	page 110
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (Taking action on social value)	page 110
S3-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	page 110
S3- entity-specific	Social value	pages 109 - 111
Business conduct (ESRS G1)		
ESRS 2 GOV-1	Business conduct policies and corporate culture	page 112
ESRS 2 IRO-1	Material impact, risk or opportunity	page 112
G1-1	Business conduct policies and corporate culture	pages 112 - 113
G1-3	Prevention and detection of corruption and bribery	pages 113 - 114
G1-4	incidents of corruption or bribery	page 114
G1- entity-specific	Protection of data and respecting privacy	page 114

List of data points that derive from other EU legislation

ESRS standard	Data point that derives from other EU legislation		Reference to Sustainability statement
General disclosures			
General disclosures (ESRS 2)	GOV-1	Board's gender diversity	page 107
	GOV-1	Percentage of board members who are independent	page 112
	GOV-4	Statement of due diligence	page 75
Environmental disclosures			
Climate change (E1)	E1-1	Transition plan to reach carbon neutrality by 2050	pages 78 - 79
	E1-1	Undertakings excluded from Paris-aligned Benchmarks	page 78
	E1-4	GHG emission reduction targets	pages 81 - 82
	E1-5	Energy consumption and mix	page 83
	E1-6	Gross scope 1, 2, 3 and total GHG emissions	pages 84 - 85
	E1-6	Gross GHG emissions intensity	page 85
Social disclosures			
Own workforce (S1)	S1-1	Human rights policy commitments	page 103
	S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	page 103
	S1-14	Number of fatalities and number and rate of work-related accidents	pages 107 - 108
	S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	pages 74, 107 - 108
	S1-16	Unadjusted gender pay gap	page 108
Governance disclosures			
Business conduct (G1)	G1-1	United Nations Convention against Corruption	page 113
	G1-4	Fines for violation of anti-corruption and anti-bribery laws	page 114

Other data points listed in ESRS 2 Appendix B, which are not included in the table above, are considered either not material or not relevant.

Financial statements

CityGate I - Marchandises is an important milestone in the transformation of a former industrial site into a mixed, sustainable new district. The project comprises 97 subsidised homes, a crèche for 56 children, an underground parking for 130 cars and 276 bicycles, as well as a multifunctional building of approximately 4,000 m².

Anderlecht, Brussels, Kairos and BAM Interbuild (in joint venture)

Contents

Consolidated income statement

(x €1,000)

	Notes	2024	2023
Continued operations			
Revenue	6	**6,454,951**	6,270,474
Materials and third party services		**(4,698,352)**	(4,567,485)
Personnel expenses	7	**(1,228,767)**	(1,153,823)
Depreciation and amortisation		**(127,769)**	(121,293)
Impairments	9	**(4,433)**	(3,559)
Exchange rate differences		**(3,058)**	(12,700)
Other operating expenses		**(276,802)**	(277,594)
Other income	8	**673**	5,881
Share in result of joint ventures and associates	17	**(57,651)**	30,828
Operating result		**58,792**	170,729
Finance income	10	**23,400**	23,262
Finance expense	10	**(14,862)**	(10,423)
Result before tax		**67,330**	183,568
Income tax	11	**(5,164)**	(8,614)
Result from continued operations		**62,166**	174,954
Discontinued operations			
Result from discontinued operations	12	**20,069**	-
Net result		**82,235**	174,954
Attributable to:			
Shareholders of the Company		**82,248**	174,991
Non-controlling interests		**(13)**	(37)
Earnings per share *(x €1)*			
Basic earnings per share	13	**0.31**	0.65
Diluted earnings per share	13	**0.30**	0.64
Earnings per share from continued operations *(x €1)*			
Basic earnings per share	13	**0.23**	0.65
Diluted earnings per share	13	**0.23**	0.64

Consolidated statement of comprehensive income

(x €1,000)

	Notes	2024	2023
Net result		**82,235**	174,954
Items that may be reclassified to the income statement			
Fair value movement of cash flow hedges		**-**	(366)
Tax on fair value of cash flow hedges		**-**	95
Cash flow hedge (net)		**-**	(271)
Fair value movement of cash flow hedge in joint ventures (net)	17	**3,448**	(7,865)
Reclassification of hedging reserve to income statement		**(29,793)**	-
Reclassification of translation reserve to income statement		**(1,500)**	-
Exchange rate differences		**22,017**	18,442
Items that will not be reclassified to the income statement			
Remeasurements of post-employment benefit obligations		**(17,012)**	(43,733)
Tax on remeasurements of post-employment benefit obligations		**4,277**	7,965
Remeasurements of post-employment benefit obligations (net)	25	**(12,735)**	(35,768)
Other comprehensive income		**(18,563)**	(25,462)
Total comprehensive income		**63,672**	149,492
Attributable to:			
Shareholders of the Company		**63,674**	149,531
Non-controlling interests		**(2)**	(39)

Consolidated statement of financial position

(x €1,000)

	Notes	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	14	**244,476**	236,411
Right-of-use assets	15	**241,214**	217,433
Intangible assets	16	**348,155**	327,854
PPP receivables		**14,272**	13,675
Investments in joint ventures and associates	17	**177,014**	333,652
Other financial assets	18	**108,153**	92,759
Employee benefits	25	**46,123**	51,894
Deferred tax assets	11	**111,875**	82,446
		1,291,282	1,356,124
Current assets			
Inventories	19	**464,589**	463,076
Trade and other receivables	20	**1,260,883**	1,326,208
Income tax receivable		**20,288**	23,645
Cash and cash equivalents	21	**763,420**	757,333
		2,509,180	2,570,262
Assets classified as held for sale	22	**90,544**	5,634
		2,599,724	2,575,896
Total assets		**3,891,006**	3,932,020

	Notes	31 December 2024	31 December 2023
Equity			
Equity attributable to owners of the Company		**895,513**	920,495
Non-controlling interests		**26**	324
Group equity	23	**895,539**	920,819
Non-current liabilities			
Borrowings	24	**59,838**	54,513
Lease liabilities	15	**178,100**	160,902
Employee benefits	25	**27,248**	32,041
Provisions	26	**64,646**	82,217
Deferred tax liabilities	11	**6,919**	14,848
		336,751	344,521
Current liabilities			
Borrowings	24	**7,012**	7,061
Lease liabilities	15	**78,263**	73,313
Trade and other payables	27	**2,433,603**	2,447,781
Provisions	26	**116,155**	114,677
Income tax payable		**23,683**	23,848
		2,658,716	2,666,680
Liabilities classified as held for sale		**-**	-
		2,658,716	2,666,680
Total equity and liabilities		**3,891,006**	3,932,020

Consolidated statement of changes in equity

(x €1,000)

		Attributable to the shareholders of the Company						
	Notes	Share capital and premium	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
As at 1 January 2023		839,311	(105,167)	34,505	41,941	810,590	(2,106)	808,484
Cash flow hedges		-	-	(271)	-	(271)	-	(271)
Cash flow hedges in joint ventures		-	-	(7,865)	-	(7,865)	-	(7,865)
Remeasurements of post-employment benefit obligations	25	-	-	-	(35,768)	(35,768)	-	(35,768)
Exchange rate differences		-	18,444	-	-	18,444	(2)	18,442
Other comprehensive income, net of tax		-	18,444	(8,136)	(35,768)	(25,460)	(2)	(25,462)
Net result		-	-	-	174,991	174,991	(37)	174,954
Total comprehensive income		-	18,444	(8,136)	139,223	149,531	(39)	149,492
Repurchase of ordinary shares	23	-	-	-	(19,835)	(19,835)	-	(19,835)
Dividend	23	-	-	-	(21,998)	(21,998)	-	(21,998)
Change in ownership		-	-	-	(2,650)	(2,650)	2,469	(181)
Share-based payments	29	-	-	-	4,857	4,857	-	4,857
Total transactions with owners		-	-	-	(39,626)	(39,626)	2,469	(37,157)
As at 31 December 2023		839,311	(86,723)	26,369	141,538	920,495	324	920,819
Cash flow hedges		-	-	-	-	-	-	-
Cash flow hedges in joint ventures		-	-	3,448	-	3,448	-	3,448
Reclassification of reserves to income statement	22	-	(1,500)	(29,793)	-	(31,293)	-	(31,293)
Remeasurements of post-employment benefit obligations	25	-	-	-	(12,735)	(12,735)	-	(12,735)
Exchange rate differences		-	22,006	-	-	22,006	11	22,017
Other comprehensive income, net of tax		-	20,506	(26,345)	(12,735)	(18,574)	11	(18,563)
Net result		-	-	-	82,248	82,248	(13)	82,235
Total comprehensive income		-	20,506	(26,345)	69,513	63,674	(2)	63,672
Repurchase of ordinary shares	23	-	-	-	(65,525)	(65,525)	-	(65,525)
Dividend	23	-	-	-	(25,840)	(25,840)	(296)	(26,136)
Share-based payments	29	-	-	-	2,709	2,709	-	2,709
Total transactions with owners		-	-	-	(88,656)	(88,656)	(296)	(88,952)
As at 31 December 2024		839,311	(66,217)	24	122,395	895,513	26	895,539

Consolidated statement of cash flows

(x €1,000)

	Notes	2024	2023
Net result from continued operations		82,235	174,954
Adjustments for:			
• Income tax	11	5,164	8,614
• Depreciation, amortisation and impairments		132,202	124,852
• Share in result of joint ventures and associates	17	57,651	(30,828)
• Result on sale of property, plant and equipment and intangible fixed assets	8	(673)	(1,531)
• Gain on sale of subsidiaries, joint ventures and associates	8	-	(1,785)
• Share based payments	29	2,709	4,857
• Finance income	10	(23,400)	(23,262)
• Finance expense	10	14,862	10,423
Net proceeds from PPP receivables		(643)	(388)
Interest received		22,767	23,974
Interest paid		(18,461)	(15,008)
Income tax paid		(15,466)	(22,299)
Dividends received from joint ventures and associates	17	25,066	23,773
Cash flow from operations		284,013	276,346
Changes in provisions and pensions		(30,247)	(71,178)
Decrease/(increase) in inventories		15,612	20,269
Decrease/(increase) in trade and other receivables		26,341	(97,004)
Increase/(decrease) in trade and other payables		(39,032)	(22,726)
Net cash flow from operating activities		256,687	105,707

	Notes	2024	2023
Net cash flow from operating activities *(continued)*		256,687	105,707
Investments in property, plant and equipment	14	(72,999)	(80,005)
Investments in intangible fixed assets	16	(12,323)	(4,312)
Investments in non-current receivables and other financial assets	17/18	(46,924)	(24,789)
Repayments of non-current receivables and other financial assets	17/18	19,756	9,160
Proceeds from sale of property, plant and equipment and intangible fixed assets	8	4,899	6,483
Net proceeds from sale of subsidiaries and associates	8	-	2,017
Net cash flow from investing activities		(107,591)	(91,446)
Proceeds from borrowings	24	12,549	25,154
Repayments of borrowings	24	(7,273)	(15,770)
Repayments of principal portion of lease liabilities	15	(86,008)	(76,062)
Payment of dividend	23	(26,135)	(21,998)
Repurchase of ordinary shares	23	(65,525)	(19,835)
Net cash flow from financing activities		(172,392)	(108,511)
Total cash flow		(23,296)	(94,250)
Cash and cash equivalents on 1 January	21	757,333	841,246
Exchange rate differences on cash and cash equivalents		29,383	10,337
Cash and cash equivalents on 31 December	21	763,420	757,333

Notes to the consolidated financial statements

1. General information

Royal BAM Group nv ('the Company' or 'BAM') and its subsidiaries (together, 'the Group') design, build and maintain sustainable buildings, homes, and infrastructure for public and private clients. The Group has operations in the Netherlands, the United Kingdom, Ireland and Belgium. In earlier years, the Group also had operations in Germany and in niche markets worldwide.

The Company is a public limited company listed on the Euronext Amsterdam and has its registered seat and head office in Bunnik, the Netherlands. The address is Runnenburg 9, 3981 AZ, Bunnik, the Netherlands. The Company is registered at the Chamber of Commerce under number 30058019.

The Executive Board and the Supervisory Board authorised the financial statements for issue on 19 February 2025.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The financial statements have been prepared on a going concern basis and, unless otherwise stated, under the historical cost convention. The material accounting policies applied in the preparation of these consolidated financial statements have been consistently applied, unless otherwise stated.

The preparation of financial statements requires management to use certain critical accounting estimates and to make judgements and use assumptions that affect the amounts of assets and liabilities, income and expense. Areas involving a higher degree of judgments or complexity, or areas with signifciant assumptions and estimates are disclosed in note 4.

2.1.1 Climate-related matters

The Group continuously takes steps to reduce footprint and create sustainable environments. The Group's strategy focuses amongst others on the themes of decarbonisation, circularity and climate adaptation and is working towards the following targets:

- an 80% relative reduction (versus 2015) of Scope 1 and 2 CO_2 intensity by 2026.
- a 50% relative reduction (versus 2019) of Scope 3 CO_2 emissions in 2030.
- a 75% reduction (versus 2015) of construction and office waste intensity by 2030.

On a long term basis, the Group's ambition is to have a net positive impact on climate and resources by 2050. The following table summarises the financial impact of these targets:

Target	Financial impact
Reduction of Scope 1 and 2 CO_2 intensity	The target is planned to be achieved by amongst others the use of renewable energy in all offices, the replacement of use of diesel on project sites by biofuels or establishing early grid-connections in combination with the use of electrical equipment. Most of these initiatives predominantly require a change to ways of working rather than significant investments, but some may also result in higher costs, for example the use of biofuel instead of diesel. The Group is differentiating from competitors with the use of biofuel to reduce CO_2 and generally compensated the higher cost levels by increased revenue and higher margins. Part of the reduction of CO_2 emissions is expected to be achieved by increasing the use of electrical equipment and by electrification of the car fleet. The financial impact of this is assessed as limited, as this is mostly achieved through generic replacements investments.
Reduction of Scope 3 CO_2 emissions	The vast majority of the Group's Scope 3 CO_2 emissions are related to purchased goods and services (mainly concrete, steel and asphalt) and the energy use of assets that the has constructed. The target is planned to be achieved by offering alternative products (e.g. based on timber), low carbon product alternatives (e.g. low carbon asphalt and concrete) and recycled materials (e.g. steel) and by optimising the energy performance of assets that the Group has constructed. The Group is differentiating from competitors through these initiatives and is generally able to compensate higher costs, if any, by increased revenue and higher margins.
Reduction of construction and office waste	The target is planned to be achieved by supply chain collaboration and product innovation as part of the Group's ongoing activities, i.e. it is not expeced to result in a material increase in costs or investments.

In its double materiality assessment, the Group identified the impact of climate change to the valuation of land and building rights as a potential financial risk for the long term. In 2024, the Group's land and building rights were assessed for their net realisable values and no significant impairments were recorded. This assessment took into consideration all relevant facts and circumstances with respect to planned developments, including current and/or expected effects of climate change.

Taking the above into consideration, the Group assessed that climate related matters do not have a significant adverse financial impact on the Group's financial statements.

2.2 Changes in accounting policies

Several amendments and interpretations apply for the first time as of 1 January 2024, but these do not have a material effect on the financial statements of the Group.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Group except for IFRS 18 Presentation and Disclosure in Financial Statements. This standard will replace IAS 1 and is expected to be effective on 1 January 2027. The standard intends to respond to investors' demand for better information about companies' finanical performance. It includes updated and/or new requirements for presentation of the income statement, guidance on aggregation and disaggregation of information and disclosure of management-defined performance measures. The Group is currently assessing the impact of this new standard.

2.3 Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred, exclusive of acquisition related costs, which are expensed as incurred. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the income statement. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the income statement.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

When the Group ceases to have control in a business, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that business are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss or to retained earnings.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'euro' (€), which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within 'exchange rate differences'.

The results and financial position of the group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates; and
- all resulting exchange rate differences are recognised in equity in 'other comprehensive income'.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange rate differences arising from the translation of these items are recognised in 'other comprehensive income'.

The following exchange rates of the euro against the pound sterling (£) have been used in the preparation of these financial statements:
- closing exchange rate: 0.829 (2023: 0.869)
- average exchange rate: 0.846 (2023: 0.870)

2.5 Derivative financial instruments and hedging

Derivatives are used for economic hedging purposes and not as speculative investments and are recognised at fair value. The recognition of subsequent gains or losses depends on whether the derivative is designated as a hedging instrument and if so, the nature of the hedged item. The Group designates the derivatives as hedges of a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or the foreign currency risk of an unrecognised commitment.

At inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:
- there is 'an economic relationship' between the hedged item and the hedging instrument;
- the effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The fair value of a hedging derivative is classified as a non-current when the remaining hedged item is more than twelve months and as a current when it is less than twelve months. The effective portion of changes in the fair value of cash flow hedges is recognised in other comprehensive income, the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps is recognised within 'finance income/expense' and the gain or loss relating to the effective portion of forward foreign exchange contracts is recognised within 'exchange rate differences'. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecasted transaction is ultimately recognised in the income statement. When a forecasted transaction is no longer highly probable, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement. When a disposal group is classified as held for sale, the Group concludes that any forecast transactions subject to hedge accounting are no longer highly probable. Hedge accounting is then discontinued and the cumulative gain or loss in equity is reclassified to the income statement.

2.6 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash flows in foreign exchange currencies are converted using the average exchange rate. Exchange rate differences on the net cash position are separately presented in the statement of cash flows. Payments in connection with interest and income tax are included in the cash flow from operations. Cash flows in connection with PPP receivables are also included in the cash flow from operations since these projects are part of regular construction and maintenance activities. Paid dividend is included in cash flow from financing activities.

The purchase price paid for acquisitions of subsidiaries is included in the cash flow from investing activities, net of cash and cash equivalents acquired. In the statement of cash flows the interest paid related to leases is presented as part of the cash flow from operating activities, while the repayments are presented as part of the cash flows from financing activities.

Non-cash transactions are not included in the statement of cash flows.

3. Critical accounting judgements and key sources of estimation uncertainties

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reported amounts are based on factors which inherently are associated with uncertainties and actual results may therefore differ materially. The most significant judgments and estimates are summarised below.

3.1 Revenue recognition

The Group's revenue recognition policies require management to make judgments and estimates, particularly for revenue that is recognised over time. Such revenue is generally recognised using the cost-to-cost method (i.e. an input method), which requires a forecast to be made of the profit margin on the performance obligation upon its completion and the costs yet to incur. The stage of completion is then determined by comparing actual costs incurred to date to total costs to complete the performance obligation. The Group has coordinated systems for cost estimations, forecasting and revenue and costs reporting.

Making forecasts of the profit margin upon completion of the performance obligation involves judgments and estimates on costs as well as revenue. On the cost side, estimates are to be made for costs to be incurred to complete the performance obligation as well as costs for maintenance and defect liabilities. On the revenue side estimates are to be made with respect to the amount of variable consideration and judgments are required to determine whether such variable consideration should be constraint. Variable consideration includes fees for changes in scope of work ('variation orders'), variation orders for which the related fee is under discussion ("unapproved variation orders") or under a legal procedure ("claims") well as performance bonusses and/or penalties ('liquidated damages'). Estimates of variable consideration are to be constraint to an amount that is not highly probable of a significant reversal. The Group quantifies highly probable as a probability of 75% or more.

Variable consideration is generally included in total revenue (i.e. not constraint) when:
- the amount is already covered by a client payment;
- the Group has a formal approval from the client on the respective amount or fee proposed by the Group;
- the Group has a written instruction or approval on a change in the scope of work from the client and the related amounts of compensation are contractually agreed based on specific contract rates or based on costs or plus a normal profit margin;
- the additional amounts are covered by a written settlement offers from the client.

In exceptional circumstances, variable consideration may also be included in total revenue when none of the above criteria are met and/or when there is a dispute with the client. In such circumstances, the highly probable criterion is generally substantiated by an advice or opinion of a lawyer.

3.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement and estimates are required in determining the provision for income taxes, particularly in determining the carrying amount of deferred tax assets and the amount of liabilities for (potential) uncertain tax positions. The Group decreases its tax assets or increases its liabilities for anticipated tax audit issues based on estimates of whether less tax will be received respectively additional taxes will be due. Such decrease or increase is based on the technical merits of the underlying position.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made. Deferred tax assets are recognised for tax losses carry-forwards, temporary differences and tax credits, to the extent that realisation of the related tax benefit through future taxable profits is probable. This requires an estimation of the amount of future taxable profits, for which a forecast window of five years is generally applied, and judgments to assess the probability of actually achieving the forecasted levels.

3.3 Impairment of goodwill

Goodwill is tested for impairment annually. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations are determined using discounted cash flow projections and require estimates in connection with the future development of revenues, profit before tax margins and the determination of appropriate discount rates. An impairment loss is recognised if the carrying amount of an asset of CGU exceeds its recoverable amount. Sensitivity analyses in respect of key assumptions are disclosed in note 16.

3.4 Impairment of land and building rights

Land and building rights are generally acquired at a premium on their value in current condition. The premium is paid as future intentions (i.e. development) represent a considerable value increase. The ultimate value of land and building rights upon development depends on a number of factors such as the number of buildings and their expected sales prices. In case the Group is not able to proceed development, e.g. upon adverse decision of a governmental body, the respective land and building rights is generally subject to an impairment.

The valuation of land and building rights, to test their respective carrying amount for impairments, is based on a net realiseable value model. The net realiseable value model is generally supported by a valuation of an external valuator (by rotation) to benchmark.

3.5 Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate, expected salary growth rates and expected indexation of pensions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds (AA) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions are based on current market conditions and envisaged developments. Sensitivity analyses in respect of these assumptions is disclosed in note 25.

4. Financial risk management

4.1 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's aim is for a financing structure that ensures continuing operations and minimises cost of equity. For this, flexibility and access to the financial markets are important conditions. As usual within the industry, the Group monitors its financing structure through its liquidity (see note 4.2.3) and throught is capital ratio. Capital ratio is calculated as the capital base divided by total assets. The Group's capital base consists of equity attributable to shareholders of the Company and, up to 2021, the carrying amount of subordinated convertible bonds. The Group's target capital ratio is above 20%. On 31 December 2024, the capital ratio was 23.0% (2023: 23.4%).

4.2 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management system is designed to identify and manage risks and opportunities. Effective risk management enables the Group to capitalise on opportunities in a carefully controlled environment. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to limit potential adverse effects on the Group's financial performance. Financial risk management is carried out by the treasury function under policies approved by the Executive Board. These policies provide written principles for overall risk management and for specific aspects, such as foreign exchange risk, interest rate risk, credit risk and the use of (non-)derivative financial instruments. The treasury function identifies, evaluates and, when necessary, hedges financial risks.

4.2.1 Market risk

(a) Foreign exchange risk

A substantial part of the Group's activities takes place in the United Kingdom (in pound sterling) and, to a limited extent, in other non-euro countries. The Group's results and equity are therefore affected by fluctuations in foreign exchange rates. Generally, the Group is active in these non-euro countries through local subsidiaries, limiting the exchange risk as both income and expense are denominated largely in the same currency. The associated translation risk to the group (arising from translation of the local currency into euro) is not hedged. Due to changes in the exchange rate of the euro to pound sterling, revenue, results, equity and order book from the United Kingdom slightly increased in 2024. At year end 2024, a 10% change in the exchange rate, will impact the Group's equity by circa €45 million (2023: circa €44 million)

A limited part of the group's activities involves projects in a different currency than the functional currency of the respective entity. Group policy is that costs and revenue for these projects are in the same currency, thus limiting foreign exchange risks. The Group may hedge the residual exchange risk using forward exchange contracts. This involves hedging, using cash flow hedge accounting, of unconditional project related exchange risks in excess of €1 million as soon as these occur.
Any exchange risks in the tender stage and arising from contractual amendments are assessed on a case by case basis. Procedures have been established for proper recording of hedge transactions. Systems are in place to ensure regular assessments of the hedge effectiveness measurements.

(b) Interest rate risk

The Group's is exposed to interest rate risk on interest-bearing receivables and cash and cash equivalents on the one hand and interest-bearing borrowings, on the other. If the interest rate is variable, the Group is exposed to a cash flow risk, i.e. future interest payments vary with (changes in) the interest rate. If the interest rate is fixed, the group is exposed to a fair value risk. For interest-bearing borrowings the Group may manage cash flow risks. Interest rates on borrowings are generally variable and are hedged to fixed rates on a case-by-case basis with reference to the asset or operation that is funded.

Interest rates on cash and cash equivalents is variable. The overall analysis of interest rate risk profile takes into account cash and cash equivalents, the debt position and the usual fluctuations in the Group's working capital requirements.

The composition of borrowings by interest rate is as follows:

	Up to 1 year	1 to 5 years	Over 5 years	Total
31 December 2024				
Total borrowings	7,012	55,011	4,827	66,850
Fixed interest rates	(3,109)	(7,733)	(139)	(10,981)
Variable interest rates	**3,903**	**47,278**	**4,688**	**55,869**
31 December 2023				
Total borrowings	7,061	49,080	5,433	61,574
Fixed interest rates	(2,370)	(5,424)	(156)	(7,950)
Variable interest rates	4,691	43,656	5,277	53,624

If variable interest rates had been 100 basis points higher, the Group's result before tax would have been €3.3 million higher (2023: €4.3 million higher). If the variable interest rates had been 100 basis points lower, the Group's result before tax would have been €3.3 million lower (2023: €4.3 million lower).

4.2.2 Credit risk

The Group's exposure to credit risks on financial assets is as follows:

	Notes	2024	2023
Non-current assets			
PPP receivables		**14,272**	13,675
Non-current receivables	18	**106,126**	91,647
Current assets			
Trade receivables	20	**451,771**	525,083
Contract assets	20	**600,016**	554,840
Amounts due from related parties	20	**21,786**	18,465
Other receivables	20	**91,964**	86,057
PPP receivables		**690**	644
Derivative financial instruments	20	**700**	121
Cash and cash equivalents	21	**763,420**	757,333
		2,050,745	2,047,865

PPP receivables and a substantial part of trade receivables and contract assets are due from governments or government bodies in the Netherlands, the United Kingdom and Ireland. Considering these countries have a strong credit rating, the credit risk related to these assets is therefore inherently assessed as very low. Furthermore, a significant part of trade receivables is based on contracts involving advance payments or payments proportionate to progress of the work, which limits the credit risks, in principle, to the overall balances outstanding. Credit risk on trade and other receivables and contract assets is monitored continuously. Clients' creditworthiness is analysed before entering into a contract and then monitored during performance of the project. This involves taking account of the client's financial position, previous collaborations and other factors. Group policy is designed to mitigate credit risks which can for example be achieved by retaining ownership of assets until payment has been received, obtaining prepayments and the use of bank guarantees.

Non-current receivables predominantly concern loans granted to property joint ventures. Credit losses are identified based on the financial position and forecasts of these joint ventures, which also include the value of the underlying property development positions. For a part of these loans, the underlying property developments is held as security, but generally subordinated to the providers of the external financing.

Cash and cash equivalents are held in various banks. The Group limits the credit risk by working with respectable banks and financial institutions. This involves that cash and cash equivalents in excess of €10 million is held at banks and financial institutions with a minimum credit rating of 'A'.

The Group assessed the credit risk for these assets and concluded that no significant expected credit loss provisions are required. In addition, the Group is also exposed to credit risk on parental guarantees (note 32) and financial guarantees. A provision for financial guarantees of €3.0 million has been recognised (2023: €3.5 million), see note 26.

4.2.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to satisfy its financial liabilities. It is the Group's policy to ensure that, at all times, sufficient liquidity is available to satisfy its liabilities when due. To monitor liquidity requirements, the group maintains a rolling cash-flow forecast for the next twelve months. The forecast takes into account the amount of cash and cash equivalents, available credit facilities and expected working capital requirements which, given the large size of individual transactions is subject to relatively large fluctuations.

The main instruments to ensure that sufficient liquidity is available are the group's cash pools and its credit facilities. The cash pools provide the flexibility to optimise the use of cash that is available in the group while the Group's committed syndicated credit facility of €330 million and other credit facilities (see note 24), allow to draw loans when required. As of 31 December 2024 and 2023 no loans were drawn from these facilities. The expected contractual cash flows as of 31 December 2024 and 2023 is as follows:

	Carrying amount	Contractual cash flows	< 1 year	1 – 5 years	> 5 years
2024					
Syndicated credit facility	-	-	-	-	-
Non-recourse PPP loans	8,069	9,170	930	3,142	5,098
Non-recourse property financing	36,852	42,402	4,705	37,697	-
Other non-recourse financing	7,550	8,150	2,575	5,575	-
Recourse property financing	12,160	13,548	1,210	12,160	178
Other recourse financing	2,219	2,254	833	1,421	-
Lease liabilities	256,363	267,868	88,881	119,001	59,986
Provisions[1]	3,000	3,000	3,000	-	-
Trade and other payables	1,220,923	1,220,923	1,220,923	-	-
	1,547,136	**1,567,315**	**1,323,057**	**178,996**	**65,262**
2023					
Syndicated credit facility	-	-	-	-	-
Non-recourse PPP loans	8,509	9,782	855	3,347	5,580
Non-recourse property financing	32,464	39,447	5,464	33,983	-
Other non-recourse financing	3,557	3,766	1,539	2,227	-
Recourse property financing	13,874	16,323	1,629	14,485	209
Other recourse financing	3,170	3,240	985	2,255	-
Lease liabilities	234,215	241,652	72,450	138,203	30,999
Provisions[1]	3,500	3,500	3,500	-	-
Trade and other payables	1,364,088	1,364,088	1,364,088	-	-
	1,663,377	1,681,798	1,450,510	194,500	36,788

[1] Consisting of financial guarantees relating to the sale of BAM Deutschland as disclosed in note 25.

4.3 Financial instruments and their fair values

The fair value of financial instruments can be determined in various manners. The fair value hierarchy is defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data. The valuation takes into consideration (changes in) the credit risks of the Group and the counter party.

The following overview indicates the carrying amounts of each category of financial instrument per balance sheet account, their level in the fair value hierarchy and/or their estimated fair value.

	Includes financial instruments at				Estimated
	Amortised cost	Fair value	L[1]	Total	fair value
2024					
PPP receivables	-	14,272	3	14,272	8,594
Other financial assets	45,760	60,366	3	106,126	99,164
Trade and other receivables	681,669	700	2	682,369	682,369[2]
Cash and cash equivalents	763,420	-	-	763,420	763,420
Borrowings	66,850	-	-	66,850	59,416
Provisions[3]	-	3,000	3	3,000	3,000
Trade and other payables	1,220,923	-	-	1,220,923	1,220,923[2]
2023					
PPP receivables	-	13,675	3	13,675	7,909
Other financial assets	27,106	64,541	3	91,647	86,361
Trade and other receivables	743,164	121	2	743,285	743,285[2]
Cash and cash equivalents	757,333	-	-	757,333	757,333
Borrowings	61,574	-	-	61,574	52,724
Provisions[3]	-	3,500	3	3,500	3,500
Trade and other payables	1,364,088	1,318	2	1,365,406	1,356,406[2]

[1] Fair value level applied in fair value measurement of the respective financial asset / liability.

[2] Due to the short-term nature of the trade and other receivables and payables, their carrying amounts are considered to be a reasonable approximation of their fair values.

[3] Consisting of financial guarantees relating to the sale of BAM Deutschland as disclosed in note 25.

Level 3 fair value measurements are generally based on a discounted cash flow model. The Group discounts expected future contractual cash flows of the respective finanical instrument at an appropriate discount rate. As at 31 December 2024, the Group applies a discount rate in the range of 4.0% to 7.0% for financial assets and 4.0% to 4.5% for financial liabilities.

The estimated fair values of financial instruments accounted at amortised costs has been determined by discounting expected future cash flows (level 3) as described above. The estimated fair values are not necessarily indicative of the amounts that will be realized upon maturity or disposal . Changes in assumptions and/or estimation methods may have a material effect on the estimated fair values.

5. Segment information

The Group's activities are grouped in two divisions, one dedicated to the Netherlands, which also includes the Group's activities in Denmark, and the other to the United Kingdom and Ireland. The Group allocates resources and analyses performance and identified three reportable segments: Division Netherlands ('division NL'), division United Kingdom and Ireland ('division UK&I') and Invesis. Belgium, Germany and International are considered individual operating segments that are not individually reportable, and thus combined. The performance of the segments division NL, division UK&I and Invesis are separately reported to and reviewed by the Executive Board. The Executive Board is considered the Chief Operating Decision Maker.

Revenue and results	Division NL	Division UK&I	Invesis[2]	Belgium, Germany and International	Other including eliminations	Total
2024						
Revenue	3,230,707	3,112,407	-	112,562	(725)	6,454,951
Adjusted EBITDA[1]	160,803	114,068	29,806	6,405	2,198	313,280
Adjusted items	(5,796)	(6,440)	-	-	-	(12,236)
EBITDA	155,007	107,628	29,806	6,405	2,198	301,044
Depreciation and amortisation	(82,668)	(42,351)	-	(2,027)	(723)	(127,769)
Impairments	(4,433)	-	-	-	-	(4,433)
Impairments in joint ventures and associates	(3,056)	-	(106,994)	-	-	(110,050)
Finance income and expense	(6,148)	19,500	-	5,264	(10,078)	8,538
Result before tax	58,702	84,777	(77,188)	9,642	(8,603)	67,330
Balance sheet						
Assets	1,520,741	1,797,700	80,389	241,148	74,018	3,713,996
Equity-accounted investees	134,569	32,922	-	8,953	570	177,014
Total assets	1,655,310	1,830,622	80,389	250,101	74,588	3,891,010
Liabilities	1,603,748	1,373,418		112,337	(94,032)	2,995,471
Group equity	51,562	457,204	80,389	137,764	168,620	895,539
Equity and liabilities	1,655,310	1,830,622	80,389	250,101	74,588	3,891,010

Revenue and results	Division NL	Division UK&I	Invesis	Belgium, Germany and International	Other including eliminations	Total
2023						
Revenue	3,007,334	3,138,843	-	125,336	(1,039)	6,270,474
Adjusted EBITDA[1]	178,999	121,463	2,594	11,434	(10,174)	304,316
Adjusted items	(7,458)	(2,815)	-	620	-	(9,653)
EBITDA	171,541	118,648	2,594	12,054	(10,174)	294,663
Depreciation and amortisation	(75,241)	(42,715)	-	(2,264)	(1,073)	(121,293)
Impairments	(3,559)	-	-	-	-	(3,559)
Impairments in joint ventures and associates	917					917
Finance income and expense	(520)	19,898	-	3,485	(10,024)	12,839
Result before tax	93,138	95,831	2,594	13,275	(21,271)	183,567
Balance sheet						
Assets	1,594,614	1,774,641	-	267,458	(38,345)	3,598,368
Equity-accounted investees	122,384	25,498	176,200	9,000	570	333,652
Total assets	1,716,998	1,800,139	176,200	276,458	(37,775)	3,932,020
Liabilities	1,605,576	1,364,793	-	133,240	(92,408)	3,011,201
Group equity	111,422	435,346	176,200	143,218	54,633	920,819
Equity and liabilities	1,716,998	1,800,139	176,200	276,458	(37,775)	3,932,020

[1] Adjusted EBITDA is the main segment performance measure. Refer to 9.3 Glossary for definition and reconciliation.

[2] A breakdown of Invesis' result is included in note 22. Adjusted EBITDA includes Invesis' operational result up to held-for-sale classification of negative €1.5 million and reclassification of reserves of €31.3 million.

Other disclosures	Division NL	Division UK&I	Belgium, Germany and International	Other including eliminations	Total
2024					
Additions to property, plant and equipment, right-of-use assets and intangible assets	116,132	68,210	2,525	672	187,539
Share in result of joint ventures and associates	20,064	(680)	153	-	19,537
Average number of FTE	6,606	6,254	211	101	13,172
Number of FTE at year-end	6,560	6,229	213	101	13,103
2023					
Additions to property, plant and equipment, right-of-use assets and intangible assets	122,904	64,634	2,226	1,960	191,724
Share in result of joint ventures and associates	27,545	(229)	918	-	28,234
Average number of FTE	6,655	6,368	223	97	13,343
Number of FTE at year-end	6,681	6,273	212	97	13,263

6. Revenue and projects

The Group recognises revenue when it transfers control over a product or service to its customer, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. The Group's revenue is generally related to construction contracts, property development, maintenance and service contracts and service concession arrangements.

Revenue recognition is subject to judgments and uncertainties as described in note 4. A provision is recognised when contracts for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. This assessment is for the full contract, which is not necessarily the same as if evaluated on project level, because a contract may include multiple performance obligations. In determining the amount of variable considerations as part of the economic benefits expected to be received under the contract, the policies below apply.

Construction contracts
Construction contracts are contracts that are specifically negotiated for the construction of an asset for a client. The construction of an asset is generally one performance obligation and the transaction price generally consists of a fixed part and several variable parts. Variable parts include (but are not limited to) contractual options to a customer to make changes to the design or construction of the asset, inflation reimbursement clauses, performance incentives and liquidated damages. Variable revenue may also include changes to the design or construction of the asset for which the respective price has not been agreed.

Variable revenue is generally constraint and recognised only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. It is common practice for a contract to be subject to variation orders. These variation orders generally do not result in additional distinct goods and services and do not have a distinct price. Therefore they are accounted for as cumulative catch-up adjustment.

In general, the Group is building on the land of the customer or improving an asset of the customer, which results in creating an asset that the customer controls as the asset is created. As a result, revenue for construction contracts is recognised over time, generally using the cost-to-cost method (i.e. an input method). Costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract. Estimated total costs of the contract may include cost contingencies to take account of the specific risks that have been identified during the early stages of the contract. The cost contingencies are reviewed on a regular basis throughout the contract life and are adjusted where appropriate.

Property development
The Group also develops and constructs property development at its own risk and rewards. Developed properties may be sold during the construction process or upon completion. When the property is sold during the construction process, the property changes into a construction contract and it follows the accounting policies described earlier. When the property is sold upon completion, revenue is recognised at a point in time. This happens generally when ownership of the asset is transferred and the Group has a legal right to receive payment. Sale of completed property generally occurs for a fixed price.

Maintenance and service contracts
The Group also operates maintenance and service contracts. These services can be sold as separate contracts (e.g. facilities management) but also as part of a larger contract with other promised goods or services (e.g. maintenance of an highway that was also constructed). When part of a larger contract, the maintenance and service component generally represents a separate service and the transaction price is allocated to performance obligations based on the relative stand-alone selling price. Revenue from maintenance and service contracts is recognised over time.

Progress for these contracts may be measured in different ways, depending on the nature of the service. The Group applies the progress measure that best depicts the way the customer receives and consumes the benefits. E.g. for a facilities management contract, progress may be measured based on time; the number of months or years that the service has been provided as compared to the number of months of years that the service was contracted.
Measuring progress based on time is generally not appropriate for highway maintenance contracts as the amount of service (and costs) fluctuate significantly during the contract period. For these contracts, progress is measured based on the cost-to-cost method.

Service concession arrangements
The Group's service concession arrangements generally comprise construction as well as operating and maintenance activities. Revenue for these activities is recognised in conformity with the respective policies described above and the consideration (concession payments) is allocated to the activities using the relative stand-alone selling prices of the individual performance obligations. PPP receivables are financial assets in the form of concession payments to be received from the client. These concession payments are unconditional and contain a significant financing component and therefore are discounted at a market interest rate.

6.1 Revenue disaggregation

Revenue is further disaggregated to the underlying businesses as follows:

	Division NL	Division UK&I
2024		
Construction and property	2,255,096	904,531
Ventures	-	310,173
Civil engineering	1,005,373	1,572,943
BAM Ireland	-	426,838
Other including eliminations	(29,762)	(102,078)
	3,230,707	**3,112,407**
2023		
Construction and property	2,072,409	1,045,861
Ventures	-	323,307
Civil engineering	963,987	1,363,364
BAM Ireland	-	463,027
Other including eliminations	(29,062)	(56,716)
	3,007,334	3,138,843

Revenue of Belgium, Germany and International comprises Belgium of €112 million (2023: €118 million), Germany of nil (2023: nil) and International of nil (2023: €8 million).

Revenue is further disaggregated by nature as follows:

	Division NL	Division UK&I	Belgium, Germany and International	Eliminations	Total
2024					
Construction and maintenance	2,776,458	2,955,432	71,527	(725)	5,802,692
Property development	439,586	-	19,455	-	459,041
Service concessions arrangements and other	14,663	156,975	21,580	-	193,218
	3,230,707	**3,112,407**	**112,562**	**(725)**	**6,454,951**
2023					
Construction and maintenance	2,535,975	2,940,028	59,662	(1,039)	5,534,626
Property development	423,108	74,565	47,644	-	545,317
Service concession arrangements and other	48,251	124,250	18,030	-	190,531
	3,007,334	3,138,843	125,336	(1,039)	6,270,474

Performance obligations could be satisfied once construction is completed and control has been transferred to the client. It is common to finalise the last discussions about variable consideration (including claims) after control has been transferred. Revenue recognised in 2024 from performance obligations satisfied in previous periods amounts to nil (2023: €6 million).

As at 31 December 2024, the Group considered in its revenues an aggregate amount of €436 million for claims due from customers and unapproved variation orders (2023: €44 million). The Group considers the amount as highly probable, however, inherent estimation uncertainty exists. Included are:

- Claims amounting to €143 million for a construction project in division UK&I. This amount was awarded by an independent mediator in accordance with contractual terms and conditions and a part is due to the project's suppy chain. The client paid the amount to the Group but continues to challenge the award.
- Unapproved variation orders amounting to €84 million for a civil engineering project in division UK&I. The project faced increased costs for which the Group and the client are negotiating a settlement via an agreed methodology. In the meantime, the client made a significant advance

payment. The Group considers additional revenue up to the amount of additional costs as highly probable.
- Unapproved variation orders amounting to €193 million for a civil engineering project in division NL. The Group is contractually entitled to compensation of costs plus a reasonable margin and is negotiating the respective amounts with the client. In the absence of an agreement, the Group considers additional revenue up to the amount of additional costs as highly probable.

The ultimate outcome of negotiations and settlements can differ and could impact the Group's results.

6.2 Projects

An overview of the balance sheet items attributable to construction contracts and property development is stated below:

	Construction contracts	Property development	Total
2024			
Land and building rights	-	269,143	269,143
Property development	-	179,905	179,905
Amounts due from customers	378,220	6,923	385,143
Project assets	378,220	455,971	834,191
Non-recourse property financing	-	(36,852)	(36,852)
Recourse property financing	-	(12,160)	(12,160)
Amounts due to customers	(735,275)	(88,204)	(823,479)
Provision for onerous contracts	(125,526)	-	(125,526)
Project liabilities	(860,801)	(137,216)	(998,017)
2023			
Land and building rights	-	236,777	236,777
Property development	-	205,689	205,689
Amounts due from customers	314,306	16,474	330,780
Project assets	314,306	458,940	773,246
Non-recourse property financing	-	(32,464)	(32,464)
Recourse property financing	-	(13,874)	(13,874)
Amounts due to customers	(639,111)	(87,300)	(726,411)
Provision for onerous contracts	(148,071)	-	(148,071)
Project liabilities	(787,182)	(133,638)	(920,820)
As at 31 December 2023	(472,876)	325,302	(147,574)

Amounts due to customers at the beginning of the year have been fully recognised as revenue in the year. Advance payments from customers do not result in significant pre-financing longer than a year.

6.3 Order book

The revenue related to unsatisfied performance obligations is as follows. The Group has not used the practical expedient to exclude performance obligations with an expected duration of one year or less.

(x € million)	**2024**	2023
Up to 1 year	**5,771**	4,936
2 to 5 years	**7,237**	4,873
	13,008	9,809
Over 5 years	**1,247**	1,330
Total	**14,255**	11,139

The impact of the recent nitrogen verdict by the Dutch Council of State of 18 December 2024 on the Group's activities is currently being assessed . It is expected that ongoing projects in the Netherlands will continue as planned and that the diversified order book accommodates flexibility to adapt when needed, albeit the execution of some projects might be delayed. The impact on the order book is not clear yet and the Group is currently in close contact with its clients for projects that may be impacted by the verdict to assess how these challenges can be addressed.

7. Personnel expenses

	Note	**2024**	2023
Wages and salaries		**976,815**	942,815
Social security costs		**135,050**	118,366
Share-based payment expense	29	**2,709**	4,857
Pension costs - defined contribution plans		**103,646**	86,927
Pension costs - defined benefit plans	25	**1,548**	(481)
Other post-employment benefits		**8,999**	1,339
		1,228,767	1,153,823

Personnel expenses include restructuring costs and other termination benefits of €12 million (2023: €10 million). At year-end 2024, the Group employed 13,103 FTE (2023: 13,263). The average number of FTE in 2024 was 13,172 (2023: 13,343), of which 6,465 in other countries than the Netherlands (2023: 6,591).

8. Other income

Other income consists of income that is not related to the Group's core activities such as gains on the sale of property, plant and equipment and intangible fixed assets, gains on the sale of subsidiaries, joint ventures or associates and other non-recurring income.

Other income can be specified as follows:

	2024	2023
Gain on sale of associates	-	1,785
Gain on sale of PP&E and intangible fixed assets	673	1,531
Other	-	2,565
	673	5,881

9. Impairments

Non-financial assets that have an indefinite useful life and intangible assets that are not ready to use are not subject to depreciation or amortisation but are tested annually for impairment. Non-financial assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

	Notes	2024	2023
Property, plant and equipment	14	5,140	-
ROU assets	15	1,487	-
Inventories	19	(2,194)	3,559
Impairments		4,433	3,559

10. Finance income and expense

Finance income is recognised using the effective interest method. Finance income on impaired loan and receivables is recognised using the original effective interest rate.

Finance expenses comprise interest expenses on borrowings, deposits, cash positions, lease liabilities, finance lease expenses, gains and losses relating to hedging instruments and other financial expenses. Interest expenses on borrowings and lease liabilities are recognised in the income statement using the effective interest method.

	2024	2023
Finance income		
Interest income	23,400	23,262
Finance expense		
Interest expense on lease liabilities	10,043	7,988
Interest expense on other financial liabilities	8,601	7,313
Less: capitalised interest on property development projects	(3,782)	(4,878)
	14,862	10,423
Net finance result	8,538	12,839

The average interest rate for capitalised interest on property development projects for 2024 is 5.5% (2023: 6.1%).

11. Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income respectively directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It adjusts and/or establishes tax assets and tax liabilities where appropriate on the basis of amounts expected to be paid to or received from tax authorities. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

11.1 Income tax expense

	2024	2023
Current tax	38,666	30,093
Deferred tax	(33,502)	(21,479)
	5,164	8,614

The weighted average tax rate applicable was 20.5% (2023: 23.7%). Income tax on the Group's result before tax differs from the theoretical amount that would arise using BAM's weighted average tax rate, caused by the main items:

- Reassessment of the utilisation potential for available tax losses have resulted in recognition of previously unrecognised tax losses, mainly in the Netherlands, decreased the effective tax rate. This includes the effect of the envisaged wind down of foreign operations and subsequent liquidation of legal entities, which results in additional future tax deductions in the Netherlands.
- The Group's share in results of joint ventures and associates is subject to the participation exemption. This increases the effective tax rate.
- For operational losses in several countries, no deferred tax assets have been recognized as no or insufficient future taxable profits are expected, increasing the effective tax rate.
- Non-refundable financing to wound down operations are not deductible for tax purposes in the current year. As a result non-deductible expenses increased the effective tax rate. On the other hand these expenses will be deductible in the future actual year of liquidation. Therefore, additional deferred tax assets have been recognized for these expenses.

This can be further specified as follows

	2024	2023
Result before tax (including discontinued operations)	87,400	183,568
Tax calculated at Dutch tax rate of 25.8%;	22,549	47,361
Tax effects of:		
• Tax rates in other countries	(4,665)	(3,770)
• Non deductible expenses	18,576	2,270
• Adjustments from filing tax returns	(8,566)	(846)
• Previously unrecognised tax losses	(48,488)	(44,717)
• Tax losses no(t) (longer) recognised	5,031	14,458
• Results of investments and other participations	18,171	(4,796)
• Change in uncertain tax provisions	2,556	(804)
• Other including expenses not deductible for tax purposes	-	(542)
Tax charge/(gain)	5,164	8,614
Effective tax rate	5.9%	4.7%

In December 2023, the Council of the European Union unanimously adopted the Directive implementing Pillar Two global minimum tax rules. This directive aims to ensure a global minimum level of taxation of 15% in all countries in which multinationals are present. The Group completed an assessment of the impact of the new rules based on initiatives presented by governments in countries in which the Group is active. Based on this assessment the Group expects to meet the transitional safe harbour requirements in almost all jurisdictions. In jurisdictions where transitional safe harbour requirements are not met, the

Pillar Two charge is assessed to be immaterial. The adoption of the Pillar Two Model rules by the jurisdictions in which the Group operates, is expected to have no material impact.

In all relevant jurisdictions the applicable tax rate is around 25%, well above the minimum rate of 15%. The only exception is Ireland, where the corporate income tax rate is 12.5% for trading income and 25% for non-trading income. At the current mix of income, the Group expects an effective tax rate in Ireland of circa 15% and thus no material additional Pillar Two charge is expected. The Group applies the mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

11.2 Deferred income tax

	2024	2023
Deferred tax assets	111,875	82,446
Deferred tax liabilities	(6,919)	(14,848)
Deferred tax assets (net)	104,956	67,598

Deferred tax assets in a country are recognised only to the extent that it is probable that future taxable profits in that country are available against which the deductible temporary differences, available tax credits and available tax losses carry-forwards can be utilised. The assessment as to whether an entity will have sufficient taxable profits in the future is a matter requiring careful judgement based on the facts and circumstances available. Although the profit forecast shows that sufficient profit should be available in coming years to recognise a deferred tax asset for compensating losses, the Group performed further analysis of all positive and negative evidence to substantiate the position. The nature of the convincing evidence did not change significantly compared to 31 December 2023, except for the forecasted future taxable profits.

The increase in deferred taxes is mainly driven by the reassessment of the Group's forecasted taxable profits for the years 2025 – 2029, which resulted in the recognition of additional deferred tax assets relating to available tax losses mainly in the Netherlands. Furthermore, the envisaged wind down of foreign operations and subsequent liquidation of legal entities resulted in additional future tax deductions (reflected as intangible assets and financial assets in the deferred tax movement schedule below) in the Netherlands. On balance deferred tax assets increased by €37 million.

The breakdown of deferred income tax assets and liabilities is as follows:

	Deferred tax assets		Deferred tax liabilities		Net deferred tax	
	2024	2023	2024	2023	2024	2023
Intangible and financial assets	36,975	24,680	-	-	36,975	24,680
Tangible assets	2,300	3,881	44,420	39,617	(42,120)	(35,736)
Trade and other receivables	1,115	1,115	-	-	1,115	1,115
Loans and borrowings	42,349	38,517	265	2,032	42,084	36,485
Derivatives	-	340	181	31	(181)	309
Employee benefits provision	25	18	10,954	12,880	(10,929)	(12,862)
Other provisions	8,229	5,251	-	-	8,229	5,251
Current liabilities	-	-	-	1,091	-	(1,091)
Tax loss and tax credits	69,783	49,447	-	-	69,783	49,447
Subtotal	160,776	123,249	55,820	55,651	104,956	67,598
Netting	(48,901)	(40,803)	(48,901)	(40,803)	-	-
Total reported	111,875	82,446	6,919	14,848	104,956	67,598

Tax loss and tax credits as of 31 December 2024 can be further specified by country as follows:

	Total available income tax	of which recognised	Tax rate	Deferred tax asset
Netherlands	392,913	251,500	25.8%	64,887
United Kingdom	-	-	25.0%	-
Ireland	19,589	2,563	12.5%	328
Belgium	28,905	18,270	25.0%	4,568
Germany	607,509	-	30.0%	-
Total	1,048,916	272,333		69,783

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	As at 1 January 2024	(Charged)/ credited to the income statement	(Charged)/ credited to other comprehensive income	Changes in enacted tax rates	Disposal of subsidiary	Exchange rate differences	Other	As at 31 December 2024
Intangible and financial assets	24,680	12,295	-	-	-	-	-	36,975
Tangible assets	(35,735)	(3,171)	-	-	-	(183)	(3,031)	(42,120)
Trade and other receivables	1,115	-	-	-	-	-	-	1,115
Loans and borrowings	36,485	2,573	-	-	-	-	3,026	42,084
Derivatives	309	(490)	-	-	-	-	-	(181)
Employee benefits provision	(12,861)	(2,178)	4,277	-	-	(549)	382	(10,929)
Other provisions	5,249	2,695	-	-	-	285	-	8,229
Current liabilities	(1,092)	1,092	-	-	-	-	-	-
Tax loss and tax credits	49,447	20,686	-	-	-	-	(350)	69,783
Total	**67,597**	**33,502**	**4,277**	**-**	**-**	**(447)**	**27**	**104,956**

	As at 1 January 2023	(Charged)/ credited to the income statement	(Charged)/ credited to other comprehensive income	Changes in enacted tax rates	Disposal of subsidiary	Exchange rate differences	Other	As at 31 December 2023
Intangible and financial assets	3,751	20,929	-	-	-	-	-	24,680
Tangible assets	(28,661)	(8,683)	-	-	10	29	1,570	(35,735)
Trade and other receivables	19	1,096	-	-	-	-	-	1,115
Loans and borrowings	32,137	5,850	-	-	-	-	(1,502)	36,485
Derivatives	(135)	349	95	-	-	-	-	309
Employee benefits provision	(17,952)	(2,662)	7,965	-	-	(293)	81	(12,861)
Other provisions	3,218	1,998	-	-	(9)	43	(1)	5,249
Current liabilities	(1,834)	804	-	-	-	-	(62)	(1,092)
Tax loss and tax credits	48,374	1,201	-	-	(128)	-	-	49,447
Total	38,917	20,882	8,060	-	(127)	(221)	86	67,597

Netherlands
Tax losses available to the fiscal unity in the Netherlands at 31 December 2024 amount to approximately €393 million (2023: €442 million). These available tax losses relate to the years 2013 - 2017 and result to a large extent from identifiable causes, including significant impairments on properties and significant restructuring costs which are both unlikely to recur. Available tax losses can be carried forward to be offset against future profits indefinitely and can be utilised up to 50% for a taxable profit exceeding €1 million. Based on estimates and timing of future taxable profits within the fiscal unity in the Netherlands for the upcoming five years, approximately €252 million of these losses are recognised (2023: €173 million). Management estimates of forecasted taxable profits in the Netherlands are based on financial budgets approved by management, extrapolated using growth rates for revenue and profit before tax margins that take into account external market data and benchmark information and taking into account past performance. Growth rates for revenue and profit before tax margins are in line with the Group's mid- and long-term expectations. Subsequently these forecasts have been reduced to meet the recognition criteria for deferred tax assets. No specific tax planning opportunities have been taken into account. Furthermore, envisaged wind down of foreign operations and subsequent liquidation of legal entities resulted in additional future tax deductions in the Netherlands, resulting in a deferred tax assets of €32 million relating to intangible assets.

Ireland
In Ireland the Group has several legal entities that have available tax losses. These entities do not form a tax group and available tax losses can only be settled by the legal entity that has incurred the losses. At 31 December 2024 the total amount of tax losses available are €20 million, of which €3 million is recognised (2023: €23 million of which nil recognised). The legal term within which these losses may be offset against future profits is indefinite.

Belgium
In Belgium the Group has several legal entities that have available tax losses. These entities do not form a tax group and available tax losses can only be settled by the legal entity that has incurred the losses. At 31 December 2024 the total amount of tax losses available are €29 million, of which €18 million is recognised (2023: €33 million of which €20 million recognised). The legal term within which these losses may be offset against future profits is indefinite.

Germany
Although the group has sold its German activities, a number of German legal entities remain present in the Group's legal structure. These entities have tax losses available for future settlement of in total approximately €607 million, for which no deferred tax asset has been recognized (2023: €610 million of which nil recognised). The legal term within which these losses may be offset against future profits is indefinite.

12. Discontinued operations

A discontinued operation is a component of the Group that has been disposed or is classified as held for sale, and represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations. The results of discontinued operations are excluded from the results of continued operations and are presented separately as a single amount in the income statement. When applicable, the results of prior periods are represented.

In December 2020, the Group sold 50% of the shares of BAM PPP (currently known as Invesis), until then a wholly owned subsidiary, to PGGM Infrastructure Fund ("PGGM"). Consequently, the consolidated results of BAM PPP were reported as results from discontinued operations. As part of the sale, the Group and PGGM agreed on a contingent consideration of up to €25 million, becoming payable when secured equity commitments in the period 2021 - 2025 exceed a certain threshold. At the time of the sale, the fair value of the contingent consideration was estimated at €2 million.

In 2024, Invesis significantly increased its secured equity commitments. Upon Invesis' transfer to held for sale the Group reassessed the fair value of the contingent consideration. The reassessment was based on the performance in 2024 and the business plan for 2025. The fair value was estimated at €22.1 million, representing a gain of €20.1 million. The gain not subject to income tax and is reported as a result from discontinued operations as BAM PPP classified as a discontinued operation upon the partial divestment to PGGM in 2020. The contingent consideration will be settled upon the divestment of Invesis as further described in note 17.

13. Earnings per share

Basic EPS is the profit or loss attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the year. Diluted EPS adjusts both the profit or loss attributable to ordinary shareholders of the Company and the weighed average number of ordinary shares for the effect of dilution. Basic EPS and diluted EPS from continued operations solely include the profit or loss from continued operations.

	2024	2023
Weighted average number of ordinary shares in issue (x 1,000)	**268,969**	269,966
Net result attributable to shareholders	**82,248**	174,991
Basic earnings per share (*in €*)	**0.31**	0.65
Net result from continued operations attributable to shareholders	**62,179**	174,991
Basic earnings per share from continued operations (*in €*)	**0.23**	0.65
Net result from discontinued operations attributable to shareholders	**20,069**	-
Basic earnings per share from discontinued operations (*in €*)	**0.07**	-
Diluted weighted average number of ordinary shares in issue (x 1,000)	**270,597**	274,336
Diluted earnings per share (*in €*)	**0.30**	0.64
Diluted earnings per share from continued operations (*in €*)	**0.23**	0.64
Diluted earnings per share from discontinued operations (*in €*)	**0.07**	-

The dilution effect to the number of ordinary shares is 1.6 million shares (2023: 4.4 million) and relates to share-based payment plans. It represents the number of shares that would vest at the balance sheet date if that would be the end of the vesting period. There is no dilution effect on the Group's result.

14. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other costs are charged to the income statement when incurred.

Land is not depreciated. Depreciation on other assets is determined using the straight-line method to allocate their cost to their residual values over their estimated useful lifes. The useful life of buildings is between 10 and 50 years, the useful life of other assets is between 4 and 10 years.

At the end of the reporting period, the assets' residual values and useful lives are reviewed and adjusted if appropriate. Also the carrying amounts of assets are reviewed to assess whether there is an indication of impairment. If such an indication exists, the asset's recoverable amount is determined. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds of the disposal to the carrying amount of the asset. A gain is recognised in other income, a loss is recognised as an impairment.

	Land and buildings	Plant and equipment	Construction in progress	Other assets	Total
As at 1 January 2023					
Cost	125,599	287,653	16,814	86,555	516,621
Accumulated depreciation and impairments	(63,577)	(191,237)	-	(62,262)	(317,076)
	62,022	96,416	16,814	24,293	199,545
Additions	3,834	43,515	21,155	11,501	80,005
Disposals	(204)	(2,970)	(837)	(941)	(4,952)
Reclassifications	205	4,561	(3,000)	(1,294)	472
Depreciation charges	(6,548)	(22,343)	-	(10,410)	(39,301)
Exchange rate differences	54	484	17	87	642
	59,363	119,663	34,149	23,236	236,411
As at 31 December 2023					
Cost	129,669	318,723	34,149	96,710	579,251
Accumulated depreciation and impairments	(70,306)	(199,060)	-	(73,474)	(342,840)
	59,363	119,663	34,149	23,236	236,411

	Land and buildings	Plant and equipment	Construction in progress	Other assets	Total
As at 1 January 2024	59,363	119,663	34,149	23,236	236,411
Additions	10,997	38,077	12,720	11,205	72,999
Disposals	(248)	(927)	(2,774)	(172)	(4,121)
Reclassifications	10,184	8,084	(24,340)	788	(5,284)
Transfer to assets held for sale	-	(10,155)	-	-	(10,155)
Impairment charges	(1,502)	(3,638)	-	-	(5,140)
Depreciation charges	(7,031)	(22,936)	-	(11,940)	(41,907)
Exchange rate differences	321	880	278	194	1,673
	72,084	129,048	20,033	23,311	244,476
As at 31 December 2024					
Cost	146,913	300,907	20,033	106,816	574,669
Accumulated depreciation and impairments	(74,829)	(171,859)	-	(83,505)	(330,193)
	72,084	129,048	20,033	23,311	244,476

15. Leases

The group is lessee for a range of assets that are used in the ordinary course of business. At inception of a contract, the Group assesses whether it is or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and it applies the lease of low-value assets recognition exemption that are considered of low value (i.e., below €5,000). Payments for short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairments and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. At the end of each reporting period the carrying amounts of right-of-use assets are reviewed to assess whether there is an indication of impairment. If such an indication exists, the asset's recoverable amount is determined. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful life of the majority of right-of-use assets are as follows:

Land and buildings	5 to 25 years
Cars	1 to 6 years
Equipment and installation	1 to 11 years
IT equipment	1 to 6 years
Other	1 to 10 years

The Group recognises lease liabilities at the present value of lease payments. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The lease term comprises the non-cancellable term of the lease plus any periods covered by an option to extend the lease if it is reasonably certain to be exercised and any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. For several leases, the Group has renewal and/or extension options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Usually, the Group is able to be reasonably certain if an option is exercised around two years before the lease term ends. The renewal options for car leases are generally not exercised. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, non-lease components related to the leased asset, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the profit and loss.

After the commencement date, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from a change in an index. The lease liability is then remeasured by discounting the revised lease payments by using the initial discount rate;
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option. In this case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease. In this case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

15.1 Right of use assets

	Land and buildings	Equipment and installation	IT equipment	Cars	Other	Total
As at 1 January 2023	77,962	9,885	86	82,652	152	170,737
Additions	16,968	19,920	268	70,121	129	107,406
Disposals	(464)	(34)	-	(402)	-	(900)
Depreciation charges	(17,810)	(13,974)	(194)	(43,848)	(1,892)	(77,718)
Remeasurements	(1,536)	10,883	-	2,179	5,779	17,305
Reclassifications	(108)	(399)	-	451	-	(56)
Exchange rate differences	337	81	-	236	5	659
	(2,613)	16,477	74	28,737	4,021	46,696
As at 31 December 2023	75,349	26,362	160	111,389	4,173	217,433
Additions	4,691	29,634	52	67,721	120	102,218
Disposals	(109)	-	-	-	-	(109)
Depreciation charges	(15,509)	(14,998)	(163)	(50,426)	(874)	(81,970)
Impairment	(1,487)	-	-	-	-	(1,487)
Remeasurements	7,178	(5,400)	-	300	(28)	2,050
Exchange rate differences	658	1,207	4	1,160	50	3,079
	(4,578)	10,443	(107)	18,755	(732)	23,781
As at 31 December 2024	**70,771**	**36,805**	**53**	**130,144**	**3,441**	**241,214**

15.2 Lease liabilities

Set out below are the movements in lease liabilities during the period:

	2024	2023
As at 1 January	**234,215**	174,677
Additions	**103,885**	119,641
Accretion of interest	**10,043**	7,611
Payments	**(97,036)**	(83,673)
Remeasurements	**2,103**	16,384
Reclassifications	**-**	(1,144)
Exchange rate difference	**3,153**	719
As at 31 December	**256,363**	234,215
Current	**78,263**	73,313
Non-current	**178,100**	160,902

Refer to note 4.2.3 for further details on the maturities of the Group's lease liabilities.

15.3 Other lease disclosures

The following are the amounts recognised in profit or loss and statement of cash flows

	2024	2023
Profit or loss		
Depreciation expense of right-of-use assets	**81,970**	77,718
Interest expense on lease liabilities	**10,043**	7,611
Impairment of right-of-use assets	**1,487**	-
Rent expenses – short term leases	**58,681**	52,863
Total	**152,181**	138,192
Statement of cash flows		
Repayments of principal portion of lease liabilities	**86,993**	76,062
Rent expenses	**58,681**	52,863
Interest	**10,043**	7,611
Total	**155,717**	136,536

Commitments for short-term leases as at 31 December 2024 is €61 million (2023: €53 million). Given the applied practical expedient, these leases are not included in the lease liabilities. The Group has several lease contracts that include extension options. As of 31 December 2024, the undiscounted potential future rental payments relating to extension options, which are not included in the lease liabilities are €37.8 million (2023: €53.8 million).

15.4 Lease commitments

The Group has various lease contracts that have not yet commenced as at 31 December 2024. The undiscounted future lease payments for these contracts are €4.6 million within one year, €18.2 million within one to five years and nil thereafter (2023: €4.5 million within one year, €21.5 million within one to five years and €1.2 million thereafter).

16. Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the amount of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in business combinations is allocated, at acquisition date, to the cash- generating units (CGUs) or groups of CGUs expected to benefit from that business combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually in the fourth quarter or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Software

Software is stated at cost less accumulated amortisation and impairment losses. The cost of software includes direct labour and any other costs directly attributable to developing the software for its intended use. Amortisation for software is determined using the straight-line method to allocate their cost to their residual values over their estimated useful lives (between four and ten years). The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

(c) Other

Other intangible assets relate to market positions (including brand names) are stated at cost less accumulated amortisation and impairment losses. Amortisation on other intangible assets is calculated over their estimated useful lives (generally between two and ten years). The assets' useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

	Goodwill	Software	Other	Total
As at 1 January 2023				
Cost	684,284	42,011	11,127	737,422
Accumulated amortisation and impairments	(367,823)	(35,657)	(8,426)	(411,906)
	316,461	6,354	2,701	325,516
Additions	-	4,312	-	4,312
Amortisation	-	(3,488)	(786)	(4,274)
Exchange rate differences	2,299	1	-	2,300
	318,760	7,179	1,915	327,854
As at 31 December 2023				
Cost	686,757	38,088	11,232	736,077
Accumulated amortisation and impairments	(367,997)	(30,909)	(9,317)	(408,223)
	318,760	7,179	1,915	327,854

	Goodwill	Software	Other	Total
As at 1 January 2024	**318,760**	**7,179**	**1,915**	**327,854**
Additions	-	12,323	-	12,323
Amortisation	-	(3,109)	(782)	(3,891)
Reclassifications	-	5,222	-	5,222
Exchange rate differences	6,491	156	-	6,647
	325,251	21,771	1,133	348,155
As at 31 December 2024				
Cost	693,743	55,970	11,228	760,941
Accumulated amortisation and impairments	(368,492)	(34,199)	(10,095)	(412,786)
	325,251	**21,771**	**1,133**	**348,155**

16.1 Goodwill

Goodwill related to BAM Nuttall and BAM Construct UK are assessed as significant balances. The carrying amounts of goodwill for these CGUs are as follows:

	2024	2023
BAM Nuttall	**69,592**	66,418
BAM Construct UK	**63,708**	60,802
Other CGUs (with non-significant goodwill balance)	**191,951**	191,539
As at 31 December	**325,251**	318,759

The recoverable amount of each CGU was determined based on value-in-use calculations. Value-in-use was determined using discounted cash flow projections that cover an explicit period of five years based on financial plans approved by management and a terminal value. Key assumptions applied in determining the value-in-use are the discount rate (WACC), revenue growth rate and profit before tax margin. If and when these assumptions would change in the future, this could have significant impact on the CGU's value in use, which might give rise to an impairment. The discount rate has been determined consistent with the other parameters of the impairment test.

The (pre-tax) WACC used to determine the value in use of each CGU is 7.9% (2023: 9.6%) subject to country specific adjustments. The key assumptions used in the value-in-use calculations for CGUs with significant allocated goodwill are as specified in the following table.

	Discount rate (pre-tax)		Revenue growth in forecast period		Revenue growth beyond forecast period		Profit margin in forecast period		Profit margin after forecast period	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
BAM Construct UK	**8.8%**	10.3%	**3.4%**	1.5%	**2.0%**	3.0%	**3.3%**	3.1%	**3.6%**	3.6%
BAM Nuttall	**8.6%**	10.3%	**0.9%**	3.6%	**2.0%**	3.0%	**3.6%**	3.0%	**3.7%**	3.4%

Revenue growth rates are based on the average annual growth rate from past performance and management's expectations of market development referenced to external sources of information. The profit margin is the profit before tax margin as a percentage of revenue and is based on past performance and the development to a realistic normalised margin in the respective CGU.

The impairment tests in 2024 did not result in impairments (2023: no impairments). The recoverable amounts of all CGUs exceed their carrying amounts with sufficient headroom.

17. Investments in joint ventures and associates

Investments in joint arrangements are classified as either joint ventures or joint operations, depending on the contractual rights and obligations. Joint ventures are joint arrangements whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the joint venture. The parties to the arrangement contractually agreed that control is shared and decisions regarding relevant activities require unanimous consent of the parties that have joint control. Joint ventures are accounted for using the equity method. Joint operations are joint arrangements whereby the Group and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the joint operation. The Group recognises its share in the joint operations' individual revenues and expenses, assets and liabilities and recognises it on a line-by-line basis in the Group's financial statements (see note 30).

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or based on the representation on the board of directors. Investments in associates are accounted for using the equity method.

Under the equity method, an investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The carrying amount of the investment includes goodwill. The Group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses equal or exceed the net investment including any unsecured loans, the Group does not recognise further losses, unless it has incurred legal or constructive obligations for made payments on behalf of the investment. Unrealised gains and losses on transactions between the Group and its investments are eliminated to the extent of the Group's interest in the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment is impaired. If this is the case, the Group recognises an impairment in profit or loss equal to the difference between the carrying amount of the investment and its recoverable amount.

The Group's investment in joint ventures and associates and its share in their results can be specified as follows. Invesis was a material joint venture, all other joint ventures and associates are individually immaterial.

	2024			2023		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
Invesis Group bv	-	-	-	176,200	-	176,200
Property development	130,555	7,627	138,182	116,576	5,420	121,996
Other	28,644	10,188	38,832	25,711	9,745	35,456
As at 31 December	**159,199**	**17,815**	**177,014**	318,487	15,165	333,652
Share in result	(63,540)	5,889	(57,651)	24,972	5,856	30,828
of which impairments	(110,050)	-	(110,050)	917	-	917

On 16 December 2024, the Group reached an agreement on the sale of its remaining 50%-share in Invesis to PGGM Infrastructure Fund. The carrying amount of Invesis of €187.4 million was therefore classified as held for sale as described in note 22.

Certain individually immaterial joint ventures have a carrying amount below nil. Depending on the funding structure of these joint ventures and the Group's contractual commitments to them, any further losses are reflected in an allowance for loans receivable or a provision for joint ventures. As at 31 December 2024, the Group recognised a provision for joint ventures amounting to €1 million (2023: €2 million) and an allowance for non-recoverable loans amounting to €14 million (2023: €7 million) within other financial assets.

17.1 Property development joint ventures and associates

The summarised financial information of the Group's share in property development joint ventures and associates is as follows:

	2024			2023		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
Current assets	323,328	12,541	335,869	370,432	10,116	380,548
Non-current assets	5,087	6,561	11,648	175	6,796	6,971
Current liabilities	(153,211)	(4,114)	(157,325)	(202,053)	(4,117)	(206,170)
Non-current liabilities	(60,360)	(7,361)	(67,721)	(61,165)	(7,361)	(68,526)
Net assets	**114,844**	**7,627**	**122,471**	107,389	5,434	112,824
Profit or loss	6,686	3,942	10,628	14,818	3,574	18,392
Other comprehensive income	260	-	260	105	-	105
Total comprehensive income	**6,946**	**3,942**	**10,888**	14,923	3,574	18,497

Dividends received from property development joint ventures and associates amounts to €20 million in 2024 (2023: €14 million).

17.2 Other joint ventures and associates

The summarised financial information of the Group's interest in other joint ventures and associates is as follows:

	2024			2023		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
Profit or loss	6,962	1,947	8,909	7,560	2,282	9,842
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**6,962**	**1,947**	**8,909**	7,560	2,282	9,842

Dividends received from other joint ventures and associates amount to €6 million in 2024 (2023: €4 million).

18. Other financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired or issued. In principle, the financial assets are held in a business model whose objective is to collect contractual cash flows over the lifetime of the instrument. Financial assets that do not meet Solely Payments of Principal and Interest (SPPI) criterion (for which the test is performed at instrument level) are classified as other financial assets at fair value through profit or loss.

Financial assets at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period which are classified as non-current assets.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

If the credit risk on a financial asset has not increased significantly since initial recognition, the loss allowance for that financial instrument is the 12-month expected credit loss (ECL). If the credit risk on a financial asset has significantly changed since initial recognition the loss allowance equals the lifetime expected credit losses. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Indications of increase in credit risk for financial assets include debtors experiencing significant financial difficulty or being in default or delinquency in interest or principal payments. The amount of lifetime credit losses is measured as the difference between the financial asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate, taking into account the value of collateral, if any. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets are derecognised when the right to receive cash flows has expired or has been transferred and the Group has transferred substantially all risks and rewards of ownership.

	Receivables at fair value through profit or loss	Receivables at amortised cost	Other	Total
As at 1 January 2023	63,235	13,214	1,142	77,591
Additions	-	-	(30)	(30)
Loans granted	9,394	14,785	-	24,179
Loan repayments	(7,697)	(1,463)	-	(9,160)
Transfer to current	(391)	364		(27)
Exchange rate differences	-	206	-	206
As at 31 December 2023	64,541	27,106	1,112	92,759
Investments	-	-	915	915
Loans granted	18,139	20,941	474	39,554
Loan repayments	(22,314)	(2,956)	(474)	(25,744)
Transfer to current	-	-	-	-
Exchange rate differences	-	670	-	670
As at 31 December 2024	**60,366**	**45,761**	**2,027**	**108,154**

Receivables at fair value through profit or loss mainly comprise loans to project development joint ventures and are classified as level 3 valuation method; their fair value is determined using a discounted cash flow model of the expected contractual cash flows of the respective instrument. These expected cash flows are discounted using a discount rate in the range of 2.7% to 4.5%.

19. Inventories

Land, building rights and property developments are recorded at the lower of cost and net realisable value. The Group capitalises interest expenses on loans and borrowings that fund these assets to facilitate the development. Interest costs are capitalised once development commences and until practical completion, based on the total actual finance cost incurred on the borrowings during the period. When properties are acquired for future redevelopment, interest on borrowings is recognised in the income statement until redevelopment commences.

Raw materials and finished goods are stated at the lower of cost and net realisable value. Cost is determined using the ‘first-in, first-out (FIFO) method’. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

	2024	2023
Land and building rights	**269,143**	236,777
Property development	**179,905**	205,689
	449,048	442,466
Raw materials	**9,650**	12,340
Work in progress and semi-manufactures	**4,783**	4,001
Finished products	**1,108**	4,269
	464,589	463,076

Land and building rights are presented as current assets in the ordinary course of business, however by its nature, the realisation of the majority of these assets will be past one year. The main part of the carrying amount of property development is expected to be sold within one year.

Impairments relating to land and building rights and property developments are as follows:

	Note	2024	2023
Impairment charges		**3,212**	4,444
Reversal of impairment charges		**(5,406)**	(885)
	9	**(2,194)**	3,559

Property development includes the following completed and unsold property:

	2024		2023	
Completed and unsold property	Number/m²	Carrying amount	Number/m²	Carrying amount
Houses	8	4,148	-	-
Commercial property - rented	2,073	1,918	2,073	2,810
Commercial property - unrented	6,002	6,894	1,938	1,793
		12,960		4,603

Other inventories were not subject to impairments in 2024 or 2023.

20. Trade and other receivables

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

A contract asset is recognised when the Group has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. It is recognised as the revenue recognised minus the invoiced amount.

When the invoiced amount exceeds the amount of revenue recognised, the balance is classified as amount due to customer.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

	2024	2023
Trade receivables	**454,260**	531,508
Less: Provision for impairment of receivables	**(2,489)**	(6,425)
Trade receivables - net	**451,771**	525,083
Amounts due from customers	**385,143**	330,780
Amounts to be invoiced	**113,582**	111,673
Retentions	**101,291**	112,387
Contract assets	**600,016**	554,840
Amounts due from related parties	**21,786**	18,465
PPP receivables	**690**	644
Other financial assets	**1,875**	1,242
Derivative financial instruments	**700**	121
Other receivables	**91,964**	86,057
Prepayments	**92,081**	139,756
	1,260,883	1,326,208

The concentration of credit risk with respect to trade receivables is limited, as the Group's customer base is large and geographically spread. As at 31 December 2024 a part of the trade receivables amounting to €30 million (2023: €20 million) is past due over one year but partly impaired. These overdue receivables relate to a number of customers and remain outstanding mainly due to ongoing discussions about claims and/or variation orders.

Retentions relate to amounts retained by customers on progress billings. In the United Kingdom and Ireland in particular, it is common practice to retain a percentage of invoiced amounts until completion of the project. Amounts due from related parties mainly comprise receivables from joint ventures and associates. Other receivables include €13.6 million for the Group's entitlement to old receivables of BAM Deutschland AG (2023: €13.6 million).

The ageing analysis of trade receivables and related provisioning is as follows:

	2024		2023	
	Trade receivables	**Provision for impairment**	Trade receivables	Provision for impairment
Not past due	333,443	(11)	430,130	(260)
Up to 3 months	47,285	(79)	53,330	(10)
3 to 6 months	26,410	(155)	8,361	(104)
6 to 12 months	17,431	(907)	19,821	(1,794)
1 to 2 years	21,815	(643)	9,480	(2,803)
Over 2 years	7,876	(694)	10,386	(1,454)
	454,260	**(2,489)**	531,508	(6,425)

Movements in the provision for impairment of trade receivables are as follows:

	2024	2023
As at 1 January	**6,425**	9,963
Additions to provision for impairment	**1,641**	2,428
Release	**(285)**	(1,327)
Receivables written off during the year as uncollectable	**(5,332)**	(4,577)
Reclassifications	**-**	(81)
Exchange rate differences	**40**	19
As at 31 December	**2,489**	6,425

Provision for impairment of receivables in 2024 and 2023 is mainly related to disputed balances and final negotiations on these balances with the customers. No significant credit losses were incurred. Additions to and releases of provisions for impaired receivables are included in other operating expenses in the income statement.

21. Cash and cash equivalents

Cash and cash equivalents include the Group's share in cash of joint operations of €197.9 million (2023: €237.6 million). Cash in joint operations is subject to project specific (funding) agreements and is not at the Group's free disposal. From the remaining balance, an amount of €23.2 million (2023: €25.4 million) is also not at the Group's free disposal as it is intended for specific VAT and wage tax payments.

22. Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale rather than through continuing use. For this to be the case the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the asset's carrying amount and the fair value less costs to sell. Depreciation or amortisation of an asset and equity accounting for joint ventures and associates ceases when it is classified as held for sale.

The breakdown of assets held for sale is as follows:

	2024	2023
Investment in joint venture Invesis	**80,389**	-
Other	**10,155**	5,634
	90,544	5,634

On 16 December 2024, the Group reached an agreement on the sale of its remaining 50%-share in Invesis to PGGM Infrastructure Fund. The consideration for the sale is €107.5 million in cash, including the settlement of the contingent consideration agreed in the previous transaction in 2020. Half of the consideration will be received in June 2025 and the remainder in December 2025. On a discounted basis, the fair value of the consideration is €104.4 million. Closing of the transaction is subject to various conditions, including required regulatory approvals, and is expected in the first quarter of 2025.

The carrying amount of Invesis of €187.4 million, previously included in investments in joint ventures and associates, was transferred to assets held for sale. Upon the transfer to held for sale, the Group:
- reassessed the fair value of the contingent consideration that was agreed in partial sale of Invesis to PGGM in 2020, resulting in an increase from €2 million to €22 million. The related gain qualifies as a result from discontinued operations as further disclosed in note 12;
- recognised an impairment of €107.0 million on the carrying amount of the joint venture; and
- discontinued hedge accounting and therefore reclassified Invesis' reserves of €31.3 million to the income statement.

The impairment of the carrying amount of the joint venture is specified as follows:

	2024
Fair value of consideration	104,389
Settlement contingent consideration related to sale in 2020 and other items	(23,000)
	81,389
Cost to sell	(1,000)
Carrying amount of joint venture	(187,383)
Impairment	(106,994)

Invesis' result for 2024 can be summarised as follows:

	2024
Share in result joint venture before transfer to held for sale	(1,484)
Reclassification of reserves	31,290
Impairment	(106,994)
Share in result of joint venture	(77,188)

Other assets held for sale include equipment of BAM Infra Funderingstechnieken. The Group reached a sale agreement with a third party and the assets transferred in February 2025.

23. Group equity

The Company's share capital is classified as equity. It consists of the Company's ordinary shares and preference shares. The surplus paid by shareholders above the nominal value of shares is recognised as share premium. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Repurchases of own shares are deducted from retained earnings on a cost basis.

The cost represents the market price paid on the acquisition date. When repurchased shares are sold or re-issued subsequently, any amount received is recognised as an increase in retained earnings, and the resulting surplus or deficit on the transaction remains in retained earnings.

Dividend is recognised as a liability in the period in which it is approved by the Annual General Meeting.

At year-end 2024, the authorised capital of the Group was 400 million ordinary shares (2023: 400 million) and 600 million preference shares (2023: 600 million), all with a nominal value of €0.10 per share (2023: €0.10 per share). All issued shares have been paid in full (only ordinary shares).

23.1 Outstanding shares

	Number of ordinary shares	Number of treasury shares	Number of ordinary shares in issue
As at 1 January 2023	279,407,449	11,287,880	268,119,569
Shares issued	4,630,427	4,630,427	-
Repurchase of ordinary shares	-	10,275,655	(10,275,655)
Awarded LTI shares	-	(1,888,153)	1,888,153
Dividends	-	(9,246,187)	9,246,187
As at 31 December 2023	284,037,876	15,059,622	268,978,254
Repurchase of ordinary shares	-	16,449,195	(16,449,195)
Awarded LTI shares	-	(3,778,374)	3,778,374
Dividends	-	(7,216,389)	7,216,389
As at 31 December 2024	**284,037,876**	**20,514,054**	**263,523,822**

On 17 May 1993, the Company granted Stichting Aandelenbeheer BAM Groep ('the Foundation') a call option to acquire class B cumulative preference shares in the Company's share capital. This option was granted up to such an amount as the Foundation might require, subject to a maximum of a nominal amount that would result in the total nominal amount of class B cumulative preference shares in issue and not held by the Company equalling no more than 99.9% of the nominal amount of the issued share capital in the form of shares other than class B cumulative preference shares and not held by the Company at the time of exercising of the right referred to above.

The board of directors of the Foundation has the exclusive right to determine whether or not to exercise this right to acquire class B cumulative preference shares.

23.2 Translation reserve

The exchange rate differences for 2023 of €18.4 million include the reclassification of translation differences to profit or loss related to the wind down of BAM International for € 9.8 million. The related loss is included in exchange rate differences in the income statement.

23.3 Dividend

On 10 April 2024, the annual general meeting approved a cash dividend of €0.20 per ordinary share with a scrip alternative. On 8 May 2024, the Group paid €25.8 million in cash and distributed 7.2 million shares to shareholders that opted for stock dividend (2023: €22.0 million in cash and distributed 9.2 million shares to shareholders that opted for stock dividend).

23.4 Treasury shares

During 2024, the Group repurchased 16.4 million own shares for a total consideration of €65.5 million (2023: €19.8 million), comprising of:

- the repurchase programme to offset the dilution effect of stock dividend and the €30 million share buyback (14.6 million shares); and
- repurchases from employees (1.8 million shares) of a part of the shares that vested under long term incentive plans to settle their wage tax and social security premiums.

23.5 Dividend proposal

The Company proposes to declare a cash dividend of €0.25 per ordinary share over 2024.

24. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition borrowings are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. The effective interest rate amortisation is included as finance costs in the income statement (unless the costs are capitalised). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

		Changes from financing cash flows		Other changes		
	As at 1 January 2024	Proceeds from borrowings	Repayments of borrowings	Effective interest method	Other	**As at 31 December 2024**
Non-recourse PPP loans	8,509	287	(727)	-	-	8,069
Non-recourse property financing	32,464	5,903	(1,515)	-	-	36,852
Recourse property financing	13,874	500	(2,214)	-	-	12,160
Other non-recourse financing	3,557	5,859	(1,866)	-	-	7,550
Other recourse financing	3,170	-	(951)	-	-	2,219
Bank overdrafts	-	-	-	-	-	-
	61,574	**12,549**	**(7,273)**	**-**	**-**	**66,850**

	As at 1 January 2023	Proceeds from borrowings	Repayments of borrowings	Effective interest method	Other	As at 31 December 2023
Non-recourse PPP loans	8,538	615	(644)	-	-	8,509
Non-recourse property financing	20,525	17,218	(5,279)	-	-	32,464
Recourse property financing	15,972	5,061	(7,159)	-	-	13,874
Other non-recourse financing	3,458	2,260	(1,722)	-	(439)	3,557
Other recourse financing	4,136	-	(966)	-	-	3,170
Bank overdrafts	-	-	-	-	-	-
	52,629	25,154	(15,770)	-	(439)	61,574

24.1 Non-recourse PPP loans

Non-recourse PPP loans are directly related to the associated receivables from government bodies. Of the non-current part, €4.7million has a term to maturity of more than five years (2023: €5.3 million). The average term to maturity of these loans is 12 years (2023: 12 years). The average interest rate is 2.2% (2023: 2.1%).

24.2 Non-recourse property financing

Non-recourse property loans finance land positions acquired for property development and ongoing property development projects. The average term of non-recourse property financing is 2.8 years (2023: 3.3 years). Interest on these loans is generally based on Euribor plus a margin. The margin is generally fixed during the term of the loan. The terms of property loans are relatively short, therefore interest margins are generally in line with the market.

The carrying amount of the assets financed with these loans is €129 million at year-end 2024 (2023: €119 million). The assets are pledged as a security for lenders. These loans will be payable on demand if the agreed qualitative and quantitative conditions relating to interest and capital repayments, among other things, are not met.

24.3 Recourse property financing

Recourse property loans finance land and building rights and property development. The average term of these loans is 2.3 years (2023: 3.0 years). Interest on these loans is generally based on Euribor plus a margin. The margin is generally fixed during the term of the loan. For loans amounting to €1 million, the interest is (partially) fixed (2023: €1 million). The carrying amount of the assets financed with these loans is €98 million at year-end 2024 (2023: approximately €90 million). These assets constitute a security for lenders and additional securities exist in the form of a guarantee provided by the Group, in some cases supplemented by a bank guarantee. These loans will be repayable on demand if the agreed qualitative and quantitative conditions relating to interest and capital repayments, among other things, are not met.

24.4 Committed syndicated credit facility

On 30 November 2022, the Group entered into a revolving credit facility agreement that provides a facility of maximum €330 million which can be used for general corporate purposes, including working capital financing. The facility had a term of four years (until 30 November 2026) plus two one-year extension options. In 2024, the second extension option was exercised and the maturity is extended to 30 November 2028.

Loans obtained under the facility are subject to variable market interest rates (EURIBOR) plus a margin in the range of 1.75% - 3.00% depending on the Group's recourse leverage ratio. On an annual basis, the margin is adjusted based on the Group's performance on four ESG KPIs. The maximum margin adjustment is plus/minus 0.05%, depending on the number of ESG KPI's meeting their respective target. The RCF is subject to financial covenants (see note 23.6) and to market conform commitment and utilisation fees. The facility has not been used in 2023 and 2024.

24.5 Bank overdrafts

Besides the committed syndicated credit facility, the Group holds €153 million (2023: €153 million) in bilateral credit facilities.

24.6 Covenants

Terms and conditions, including covenants, for project specific financing, being non-recourse PPP loans and (non-) recourse property financing loans, are directly linked to the respective projects. A relevant ratio in non-recourse property financing is the loan to value ratio, i.e. the ratio between the value of the loan and the carrying amount of the assets of the project. In PPP loans and recourse property financing the debt service cover ratio is generally applicable. This is a ratio of the interest and repayment obligations to the operational cash flows of the respective project. A breach of covenants may require immediate repayment of the respective outstanding loan. During 2024, no early payments were made as a result of not adhering to the financing conditions of project related financing (2023: nil).

The Group's revolving credit facility is subject to a number of financial covenants. Non-compliance with the covenants could qualify as an event of default based on which the lenders may require immediate repayment of outstanding loans and cancel their commitments. Terms and conditions for the committed syndicated credit facility are based on the Group as a whole, excluding non-recourse elements. The ratios for this financing arrangement (all recourse) are the leverage ratio, the interest cover ratio, the solvency ratio and the guarantor cover.

The capital base in the financial covenants, as part of the solvency ratio, is adjusted for, among other things, the hedging reserve and remeasurements of post-employments benefits. The requirements and realisation of the financial covenants is as follows:

	Calculation	Requirement	**2024**	2023
Leverage ratio	Net borrowings/EBITDA	≤ 2.50[1]	**(4.3)**	(3.9)
Interest cover ratio	EBITDA/net interest expense	≥ 4.00	**N/A**	N/A
Solvency ratio	Capital base[2]/total assets	≥ 15%	**31.6%**	30.9%
Guarantor covers	EBITDA share of guarantors	≥ 70%	**103.2%**	110.8%
	Assets share of guarantors	≥ 70%	**100.5%**	99.9%

[1] An increased recourse leverage ratio of 2.75 is permitted for each second and third quarter of the year.
[2] The capital base in the financial covenant is adjusted for the hedging reserve and remeasurements of post-employment benefits, among other things

The Group reported a net recourse interest income instead of an expense for 2023 and 2024, making the recourse interest cover ratio not applicable.

25. Employee benefits

(a) Pension obligations
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. When the plan assets exceed the defined benefit obligation, the Group recognises a pension asset, which is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available when it can be realised during the life of the plan, or upon settlement of the plan's liabilities.
Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Current service costs of defined benefit plans are recognised immediately in the income statement, as part of 'employee benefit expenses', and reflect the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past-service costs are recognised immediately in the income statement. Interest expenses are included in the 'employee benefit expenses'.

For defined contribution plans, the Group pays contributions to administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other employment obligations
Other employment obligations comprise jubilee benefits, retirement gifts, temporary leaves and similar arrangements and have a non-current nature. These obligations are discounted to their present value. Remeasurements are recognised- in profit or loss.

	2024	2023
Defined benefit asset	**46,123**	51,894
Defined benefit liability	**14,474**	19,190
Other employee benefits obligations	**12,774**	12,851
	27,248	32,041

The Group operates defined contribution plans in the Netherlands, United Kingdom, Belgium, Germany and Ireland under broadly similar regulatory frameworks. All pension plans that are accounted as defined benefit arrangement are closed for new entrants. Defined benefit plans in the United Kingdom and Ireland are in a net asset position; there is no asset ceiling on these plans as the Group is entitled to a return of surplus at the end of the plans' lives. A further description of the post-employment benefit plans per country is as follows:

Netherlands
In the Netherlands, the Group makes contributions to defined benefit schemes as well as defined contribution schemes. The pension schemes in the Netherlands are subject to the regulations as stipulated in the Pension Act. Due to the Pension Act the pension plans need to be fully funded and need to be operated outside the Company through a separate legal entity. Several multi- employer funds and insurers operate the various pension plans. The Group has no additional responsibilities for the governance of these schemes.

The basic pension for every employee is covered by multi-employer funds in which also other companies participate based on legal requirements. These funds have an indexed average salary scheme and are therefore defined benefit schemes. Specifically, these are the industry pension funds for construction, metal & technology and railways. As these funds are not equipped to provide the required information on the Group's proportionate share of pension liabilities and plan assets, the defined benefit plans are accounted for as defined contribution plans. The Group is obliged to pay the predetermined premium for these plans. The Group may not reclaim any excess payment and is not obliged to make up any deficit, except by way of the adjustment of future premiums.
The build-up of future pension entitlements for employees is covered by the multi-employer funds or external insurance companies. Defined benefit schemes are closed for future accumulation and indexation is mainly linked to the industry pension fund for construction. Pensions for salaries exceeding the basic pension amount (top-up part) are not covered by multi-employer funds and are carried out under separate contracts and qualify as defined contribution schemes.
The Group has established an accountability committee, with representation from the Central Works Council (CWC) and the Socio-Economic Committee of the BAM pensioners association (SEC).

At year-end 2024, the (twelve-month average) coverage rate of the industry pension fund for construction is 126% (2023: 125%). The industry pension fund for metal and technical sectors has a (twelve-month average) coverage rate of 113% at year-end 2024 (2023: 110%). The (twelve-month average) coverage rate of the industry pension fund for railways is 132% (2023: 133%).

United Kingdom
In the United Kingdom, the Group makes contributions to defined benefit plans as well as defined contribution plans. The Group is responsible for making supplementary contributions to recover the historical financing deficits. The plan for supplementary contributions was last revised after the most recent actuarial valuations of the funds in April 2023 and led to supplementary contributions of €6 million in 2024 (2023: €6 million). The Group replaced the closed defined benefit pension schemes with defined contribution schemes, which are executed by an independent insurance company. Following the closure of future accumulation in defined benefit pension schemes in 2010, employees who participated in these schemes were invited to participate in the defined contribution schemes.

During 2023, the High Court in the United Kingdom concluded in a case between Virgin Media and NTL Pension Trustees II that a salary-related contracted-out scheme cannot be changed unless the actuary confirmed in writing (through a so-called section 37 confirmation) that the scheme would continue to satisfy the legal norms. If such confirmation would not exist, the High Court concluded that the change would automatically void. In 2024, an appeal of the case in the Court of Appeal was dismissed and the ruling upheld. The case has the potential to cause significant issues in the United Kingdom pensions industry. An initial assessment of the historic scheme amendments has identified that the majority of amendments do not require further action at this stage. For some amendments, turther investigation is required to identify as to whether the appropriate written actuarial confirmation was in place at the date of the amendment. Until the exercise is completed, it is impossible to estimate the potential impact, if any, on the Group's schemes.

In addition, several defined benefit schemes are accounted for as defined contribution schemes as the external parties administering the funds are not able to provide the required information. These schemes have a limited number of members. The Group is obliged to pay the predetermined premium for these plans. The Group may not reclaim any excess payment and is not obliged to make up any deficit, except by way of the adjustment of future premiums. The Group did not make material contributions in 2024 and 2023.

Ireland
In Ireland, the Group has a defined benefit scheme and a multi-employer pension scheme, which was fully converted from a defined benefit scheme to a defined contribution scheme with effect from 1 January 2006 for new entrants. The Group is responsible for making supplementary contributions to recover the historical financing deficits. The plan for supplementary contributions was last revised after the most recent actuarial valuations of the funds in 2017 and led to supplementary contributions of €4 million in 2024 (2023: €4 million).

Other
Includes pension plans in Belgium and Germany. In Belgium, the Group makes contributions to a relatively small defined benefit scheme that is executed by an external insurance company. The Group has also made arrangements for employees to participate in a defined contribution scheme. The defined contribution plans are subject to the law of 28 April 2003 on occupational pensions and due to changes in the law in December 2015 defined contribution plans are classified and accounted for as defined benefit plans.

In Germany, the Group operates one remaining small defined benefit pension scheme financed by the employer, which is closed to new participants.

The significant actuarial assumptions per country were as follows:

	Netherlands	United Kingdom	Ireland	Other
2024				
Discount rate	3.3%	5.5% - 5.6%	3.8%	3.2% - 3.6%
Salary growth rate	-	-	-	2.0% - 2.3%
Pension growth rate	0% - 3.5%	2.1% - 3.2%	0% - 2.1%	2.0% - 2.3%
2023				
Discount rate	3.1%	4.6% - 4.8%	3.6%	3.6% - 3.8%
Salary growth rate	-	-	-	2.1% - 2.5%
Pension growth rate	0% - 6.1%	2.7% - 3.2%	0% - 2.4%	2.1% - 2.5%

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each country.

Movements in the defined benefit pension plans over the year are as follows:

	Netherlands	United Kingdom	Ireland	Other	Total
As at 31 December 2024					
Defined benefit liability	(5,793)	-	-	(8,681)	(14,474)
Defined benefit asset	-	41,530	4,593	-	46,123
	(5,793)	**41,530**	**4,593**	**(8,681)**	**31,649**
Present value of obligation					
As at 1 January 2024	277,423	588,648	68,838	22,256	957,165
Service cost	-	73	1,002	198	1,273
Interest expense	8,345	27,734	2,429	787	39,295
Remeasurements	(8,689)	(54,022)	(494)	(645)	(63,850)
Plan participants contributions	-	-	237	121	358
Benefit payments	(16,433)	(28,468)	(2,979)	(1,350)	(49,230)
Settlements	-	-	-	-	-
Transfer to held for sale	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange rate differences	-	26,960	-	-	26,960
As at 31 December 2024	**260,646**	**560,925**	**69,033**	**21,367**	**911,971**
Fair value of plan assets					
As at 1 January 2024	267,116	639,689	69,691	13,373	989,869
Interest income	8,077	30,222	2,540	483	41,322
Remeasurements	(7,267)	(72,488)	(326)	(782)	(80,863)
Employer contributions	3,539	6,459	4,463	850	15,311
Plan participants contributions	-	-	237	120	357
Benefit payments	(16,433)	(28,468)	(2,979)	(1,350)	(49,230)
Administration cost	(179)	(2,114)	-	(8)	(2,301)
Settlements	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer to held for sale	-	-	-	-	-
Exchange rate differences	-	29,155	-	-	29,155
As at 31 December 2024	**254,853**	**602,455**	**73,626**	**12,686**	**943,620**

	Netherlands	United Kingdom	Ireland	Other	Total
Amounts recognised in the income statement					
Service cost	-	73	1,002	198	1,273
Net interest expense	268	(2,488)	(111)	304	(2,027)
Changes and plan amendments and settlements	-	-	-	-	-
Administration cost	179	2,114		8	2,301
	447	**(301)**	**891**	**510**	**1,547**
Amounts recognised in other comprehensive income					
Remeasurements:					
• Return on plan assets, excluding interest income	7,267	72,488	326	782	80,863
• (Gain)/loss from change in demographic assumptions	(731)	2,475	2,146	-	3,890
• (Gain)/loss from change in financial assumptions	(7,958)	(58,398)	(3,186)	(21)	(69,563)
• Experience (gains)/losses	-	1,901	546	(625)	1,822
	(1,422)	18,466	(168)	136	17,012
Income tax	366	(4,615)	22	(50)	(4,277)
Remeasurement net of tax	**(1,056)**	**13,851**	**(146)**	**86**	**12,735**

	Netherlands	United Kingdom	Ireland	Other	Total
As at 31 December 2023					
Defined benefit liability	(10,307)	-	-	(8,883)	(19,190)
Defined benefit asset	-	51,041	853	-	51,894
	(10,307)	51,041	853	(8,883)	32,704
Present value of obligation					
As at 1 January 2023	265,334	552,531	61,939	22,321	902,125
Service cost	-	47	696	213	956
Interest expense	9,036	27,080	2,540	788	39,444
Remeasurements	17,433	27,074	6,601	55	51,163
Plan participants contributions	-	-	261	120	381
Benefit payments	(14,380)	(27,609)	(3,199)	(1,241)	(46,429)
Settlements	-	-	-	-	-
Transfer to held for sale	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange rate differences	-	9,525	-	-	9,525
As at 31 December 2023	277,423	588,648	68,838	22,256	957,165
Fair value of plan assets					
As at 1 January 2023	242,192	623,355	63,567	12,978	942,092
Interest income	8,697	30,783	2,710	459	42,649
Remeasurements	8,717	(2,315)	1,913	(885)	7,430
Employer contributions	22,069	6,360	4,439	1,950	34,818
Plan participants contributions	-	-	261	120	381
Benefit payments	(14,380)	(27,609)	(3,199)	(1,241)	(46,429)
Administration cost	(179)	(1,582)	-	(8)	(1,769)
Settlements	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer to held for sale	-	-	-	-	-
Exchange rate differences	-	10,697	-	-	10,697
As at 31 December 2023	267,116	639,689	69,691	13,373	989,869

	Netherlands	United Kingdom	Ireland	Other	Total
Amounts recognised in the income statement					
Service cost	-	47	696	213	956
Net interest expense	339	(3,704)	(170)	329	(3,206)
Changes and plan amendments and settlements	-	-	-	-	-
Administration cost	179	1,582	-	8	1,769
	518	(2,075)	526	550	(481)
Amounts recognised in other comprehensive income					
Remeasurements:					
• Return on plan assets, excluding interest income	(8,717)	2,315	(1,913)	885	(7,430)
• (Gain)/loss from change in demographic assumptions	-	(2,826)	-	570	(2,256)
• (Gain)/loss from change in financial assumptions	14,381	26,066	5,770	(582)	45,635
• Experience (gains)/losses	3,052	3,834	831	67	7,784
	8,716	29,389	4,688	940	43,733
Income tax	-	(7,344)	(585)	(36)	(7,965)
Remeasurement net of tax	8,716	22,045	4,103	904	35,768

The average duration of the defined benefit obligations per country were as follows:

	Netherlands	United Kingdom	Ireland	Other
Average duration (in years) - 2024	11	13	17	10
Average duration (in years) - 2023	11	14	17	10

Plan assets are comprised as follows:

	Netherlands	United Kingdom	Ireland	Other	Total
2024					
Equity instruments	-	71,288	5,291	-	76,579
Debt instruments	-	511,159	64,009	-	575,168
Property	-	3,899	3,086	-	6,985
Qualifying insurance policies	254,853	339	-	12,686	267,878
Cash and cash equivalents	-	15,770	1,240	-	17,010
	254,853	**602,455**	**73,626**	**12,686**	**943,620**
2023					
Equity instruments	-	55,739	23,183	-	78,922
Debt instruments	-	559,616	41,260	-	600,876
Property	-	9,106	3,128	-	12,234
Qualifying insurance policies	267,116	390	-	13,373	280,879
Cash and cash equivalents	-	14,838	2,120	-	16,958
	267,116	639,689	69,691	13,373	989,869

Plan assets do not include the Company's ordinary shares. Assets with a value of €360 million are unquoted (2023: €381 million).

The impact to the defined benefit obligation to changes in weighted principal assumptions is as follows:

	2024		2023	
	Increase by 0,5%	Decrease by 0,5%	Increase by 0,5%	Decrease by 0,5%
Discount rate	(€52 million)	€58 million	(€59 million)	€65 million
Indexation	€29 million	(€27 million)	€33 million	(€29 million)
Salary increase	€0 million	(€0 million)	€0 million	(€0 million)

If the life expectancy increases or decreases by one year, the pension liability will increase or decrease by approximately €34 million (2023: increase or decrease by €35 million). The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur as changes in assumptions are correlated. The sensitivity analyses are based on the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) as when calculating the pension liability recognised within the statement of financial position.

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Risk	**Impact**
Asset volatility	Plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
Bond yields	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Salary growth	Plan liabilities are calculated based on future salaries of the plan participants, so increases in future salaries will result in an increase in the plan liabilities.
Pension growth	The majority of the plan liabilities are calculated based on future pension increases, so these increases will result in an increase in the plan liabilities.
Life expectancy	The majority of the plan liabilities are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities.

For funded plans, the Group ensures that the investment positions are managed within an asset-liability matching ('ALM') framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. The Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Employer contributions to post-employment benefit plans for 2025 are expected to decrease from €15 million in 2024 to €12 million. The contributions in 2024 included extra amounts for indexation.

26. Provisions

Provisions for warranties, restructuring costs, claims/legal obligations, associates and joint ventures and onerous contracts are recognised when: (a) the Group has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Restructuring provisions are recognised when a detailed formal plan has been approved, and the restructuring has either commenced or has been announced publicly. Restructuring provisions comprise lease termination penalties and employee termination payments. Future operating losses are not recognised. If the Group's share in losses exceeds the carrying amount of the investment (including separately presented goodwill and other uninsured receivables), further losses will not be recognised, unless the Group has provided securities to the associate or joint venture, committed to liabilities or payment on behalf of the associate and joint venture. In that case, the excess will be provided for.

Provisions are classified in the balance sheet as follows:

	2024	2023
Non-current	**64,646**	82,217
Current	**116,155**	114,677
	180,801	196,894

The non-current part of provisions is discounted at a rate in the range of 0% to 6% (2023: 0% to 6%).

The provision for onerous contracts is based on judgments and uncertainties as described in note 4. Approximately 65% of the provision is current in nature (2023: 60%).

The provision for warranty concerns the best estimate of the expenditure required to settle complaints and deficiencies that became apparent after the delivery of projects and that fall within the warranty period. In reaching its best estimate, the Group takes into account the risks and uncertainties that surround the underlying events which are assessed periodically. Approximately 55% of the provision is current in nature (2023: 50%).

	Warranty	Restructuring	Claims and legal obligations	Joint ventures	Onerous contracts	Other	Total
As at 1 January 2023	30,923	5,162	500	10,578	171,677	21,288	240,128
Charged/(credited) to the income statement:							
- Additional provisions	24,797	10,273	-	-	82,632	86	117,788
- Release	(9,345)	(620)	(500)	-	(10,265)	(1,200)	(21,930)
Used during the year	(15,418)	(7,698)	-	(8,244)	(96,666)	(11,774)	(139,800)
Exchange rate differences	-	-	-	-	693	15	708
As at 31 December 2023	30,957	7,117	-	2,334	148,071	8,415	196,894
Charged/(credited) to the income statement:							
- Additional provisions	15,960	12,236	6,796	651	133,734	1,072	170,449
- Release	(3,307)	-	-	-	(3,880)	(1,499)	(8,686)
Used during the year	(6,798)	(15,559)	-	(1,584)	(153,471)	(1,691)	(179,103)
Exchange rate differences	-	-	139	-	1,073	35	1,247
As at 31 December 2024	**36,812**	**3,794**	**6,935**	**1,401**	**125,527**	**6,332**	**180,801**

As at 31 December 2024, other provisions includes €3.0 million for the remaining exposure on financial guarantees related to the sale of BAM Deutschland AG (2023: €3.5 million).

27. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A contract liability is recognised when the Group has an obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

	Notes	2024	2023
Trade payables		**499,685**	507,305
Amounts due to customers (contract liabilities)	6	**823,479**	726,411
Amounts due to related parties	27	**47,171**	90,192
Social security and other taxes		**181,157**	167,766
Pension premiums		**8,126**	8,475
Amounts due for work completed		**86,713**	90,777
Amounts due for work in progress		**548,114**	611,014
Derivative financial instruments		**-**	1,318
Other liabilities		**39,240**	64,517
Accrued expenses and deferred income		**199,918**	180,006
		2,433,603	2,447,781

Amounts due to related parties mainly comprises payables to joint ventures and associates.
The amounts due for work completed and for work in progress relate to suppliers of the Group for contract work performed.

28. Related parties

The Group identifies subsidiaries, associates, joint ventures, third parties executing the Group's defined benefit pension plans and key management as related parties. Transactions with related parties are conducted at arm's length, i.e. on terms comparable to transactions with third parties.

28.1 Key management compensation

Key management includes members of the Executive Board and the Supervisory Board. The compensation paid or payable to members of the Executive Board is as follows:

(in € thousand)	**2024**					
	Fixed remuneration	Short-term incentive	Long-term incentive	Other benefits[1]	Post-employment benefits	Total
R.J.M. Joosten	854	706	974	22	188	2,744
L.F. den Houter	610	504	668	22	134	1,938
	1,464	1,210	1,642	44	322	4,682

	2023					
	Fixed remuneration	Short-term incentive	Long-term incentive	Other benefits[1]	Post-employment benefits	Total
R.J.M. Joosten	801	554	545	22	176	2,098
L.F. den Houter	572	395	342	22	126	1,457
	1,373	949	887	44	302	3,555

[1] The amount shown under Other benefits consists of the car allowance.

The short-term incentive ('STI') is part of the remuneration package of the Executive Board and is based on financial objectives (70%) and non-financial objectives (30%). Further information about STI is specified in the remuneration report. For 2024, the Supervisory Board determined that payout over 2024 results is 81% of fixed remuneration (2023: 68%).

Post-employment benefits to members of the Executive Board are an age-independent gross allowance of 22% of their fixed remuneration from which they need to finance their own retirement savings, including a surviving dependent's pension.

The long-term incentive ("LTI") relates to the Performance Share Plan. Additional information is included in the remuneration report and in note 29. No loans or advances have been granted to the members of the Executive Board. On 31 December 2024, Mr Joosten held 100,000 privately acquired BAM shares and Mr Den Houter 25,000.

The supervisory board remuneration only comprises fixed remuneration, as further explained in the remuneration report, and is as follows:

(in € thousand)	**2024**	2023
H.Th.E.M. Rottinghuis, Chairman	**131**	108
G. Boon, Vice-Chairman	**85**	71
B. Elfring	**84**	69
J. Hanson	**13**	-
D. Koopmans	**87**	74
M.P. Sheffield	**82**	67
N.M. Skorupska	**88**	66
	570	455

No share options, loans or advances have been provided to the members of the Supervisory Board. On 31 December 2024, Mr Boon, Mrs Koopmans and Mr Rottinghuis respectively held 100,000, 15,000 and 100,000 privately acquired BAM shares.

28.2 Sales and purchase of goods and services

A major part of the Group's activities is carried out in joint ventures. These activities include the assignment and/or financing of land as well as carrying out construction contracts. In 2024, the Group carried out transactions with associates and joint ventures related to the sale of goods and services for €84 million (2023: €81 million) and related to the purchase of goods and services for €48 million (2023: €58 million). Short term receivables from joint ventures and associates amount to €22 million (2023: €18 million) and short term liabilities amount to €47 million (2023: €90 million).

28.3 Loans to related parties

At year-end 2024, the Group had outstanding loans to joint ventures and associates for the amount of €93 million (2023: €79 million). These loans were provided on normal commercial terms and conditions, except that a number of loans does not have a fixed repayment date. Interest rates for these loans are at arm's length. Loans to related parties are included in 'Other financial assets' in the statement of financial position.

29. Share-based payments

The Group operates equity-settled share-based plans. The fair value of the employee services received in exchange for the grant of the shares is recognised as cost with a corresponding credit entry of equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including a market performance condition based on the Company's share price;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement within 'personnel expenses', with a corresponding adjustment to equity.
In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The Group operates a Performance Share Plan for members of the Executive Board and for a limited group of senior management positions below the Executive Board. Under the Performance Share Plan, each year performance shares are conditionally awarded subject to performance over a vesting period of three years and, for members of the Executive Board, followed by a lock-up period of two years. Further information about the Performance Share Plan is included in the remuneration report.

In principle, conditionally awarded shares are forfeited if the participant is no longer employed by the company, however upon termination of employment due to retirement, disability or death the participant (or his or her heirs) reserves the right on the pro rata number of conditionally awarded shares to become unconditionally pursuant to the same vesting conditions as described above (pro rata means the number of full months that the participant was engaged by the Group during the performance period divided by 36 months). For the performance shares, the most recent expected results of the group were included to calculate the expected vesting of performance shares.

Conditional shares in the Performance Share Plan include a dividend right like ordinary shares, however these dividends will be paid out in shares at the vesting date. Therefore the dividend yield on the conditional shares equals nil. Conditional shares in the Special Incentive Plan do not include a dividend right like ordinary shares.

In 2021, the Group introduced a Special Incentive Plan ("SIP"), under which the Company awarded conditional performance shares to a limited group of senior management positions below the Executive Board to motivate them to deliver on the objectives for the strategic period 2021-2023. SIP measured performance on adjusted EBITDA for the full company and home countries in 2022 and 2023. The plan vested in 2024.

In 2024, an amount of €2.7 million was charged (2023: €4.9 million) to the income statement arising from the share plans.

The movement of the Performance Share Plan (in number of conditionally awarded shares) during 2024 for the members of the Executive Board and for other participants is as follows:

	As at 1 January 2024	Awarded	Dividend rights	Vested (including dividend)	Forfeited	As at 31 December 2024
R.J.M. Joosten	857,235	218,900	31,418	(237,681)	-	869,872
L.F. den Houter	538,863	140,654	16,841	(145,518)	(147,189)	403,651
Other participants	3,810,788	948,256	56,535	(2,232,494)	(535,057)	2,048,028
	5,206,886	**1,307,810**	**104,794**	**(2,615,693)**	**(682,246)**	**3,321,551**

The movements per plan for 2024 are as follows:

	As at 1 January 2024	Awarded	Dividend rights	Vested (including dividend)	Forfeited	As at 31 December 2024
2021-2023	2,615,693	-	-	(2,615,693)	-	-
2022-2024	1,115,228	-	46,369	-	(200,838)	960,759
2023-2025	1,475,965	-	58,425	-	(282,134)	1,252,256
2024-2026	-	1,307,810	-	-	(199,274)	1,108,536
	5,206,886	**1,307,810**	**104,794**	**(2,615,693)**	**(682,246)**	**3,321,551**

In 2024, the Performance Share Plan 2021-2023 and the Special Incentive Plan vested at 131% and 146% respectively. Employees were therefore granted 3.8 million shares.

The fair value per share of the 2024 award in connection with the TSR performance part amounted to €4.81 per share and is determined using a Monte Carlo simulation model. For the other (non) financial performance measures, the fair value equals the share price at the grant date. The key assumptions used in the valuations of the fair values were as follows:

	2024
Share price at grant date (in €)	**3.82**
Risk-free interest rate (in %)	**2.73**
Volatility (in %)	**36.5**

Expected volatility has been determined based on historical volatilities for a period of five years.

30. Joint operations

A part of the Group's activities is carried out in joint arrangements and classified as joint operations. These arrangements remain in place until a project is finished. In practice, the duration of the majority of the joint operations is generally limited to a period of one to four years, with the exception of joint operations in connection with land and building rights held for strategic purposes. Based on an assessment of balance sheet total, revenue and result, none of the joint operations is individually material to the Group. The Group's share in revenue of joint operations amounts to €717 million in 2024 (2023: €713 million), representing 11% of the Group's revenue (2023: 11%).

The Group's share in the balance sheets of joint operations is indicated below:

(in € million)	**2024**			
	Division NL	Division UK&I	Belgium, Germany and International	Total
Assets				
Non-current assets	2.1	14.0	-	16.1
Current assets	79.5	201.9	25.6	307.0
	81.6	215.9	25.6	323.1
Liabilities				
Non-current liabilities	9.1	9.1	-	18.2
Current liabilities	50.1	177.0	25.3	252.4
	59.2	186.1	25.3	270.6
Net assets	**22.4**	**29.8**	**0.3**	**52.5**

(in € million)	2023			
	Division NL	Division UK&I	Belgium, Germany and International	Total
Assets				
Non-current assets	2.8	-	-	2.8
Current assets	54.4	192.2	23.3	269.9
	57.2	192.2	23.3	272.7
Liabilities				
Non-current liabilities	9.4	-	-	9.4
Current liabilities	44.7	165.7	23.0	233.4
	54.1	165.7	23.0	242.8
Net assets	3.1	26.5	0.3	29.9

As of 31 December 2024, the Group has capital commitments for joint operations amounting to nil (2023: nil). Guarantees issued by banks and surety companies amount to nil (2023: €0.2 million).

31. Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred and conditional contractual obligations to purchase land for property development activities is as follows:

	2024	2023
Property, plant and equipment	**1,647**	908
Land	**134,304**	129,047
	135,951	129,955

The conditional nature of the contractual obligations to purchase land relate to, among other items, the amendment of development plans, the acquirement of planning permissions and the actual completion of property development projects.

31.1 Acquisition of WL Winet

On 1 November, the Group has reached an agreement on the acquisition of 100% of the shares of WL Winet bv ("WL Winet"). WL Winet is based in Eindhoven and has an annual revenue of circa €15 million and a workforce of approximately hundred employees. It is specialised in technical installations of mobile networks for telecom, industry and infrastructure in the Netherlands. WL Winet's versatile range of activities in the field of mobile networks is a valuable addition to the services provided by BAM Telecom (part of Construction and Property in division NL). The acquisition enables BAM Telecom to offer clients integrated services for the construction, management and maintenance of fixed and mobile telecom networks.

The transaction closed on 7 January 2025 and the purchase price, net of cash acquired, is €14.4 million. The purchase price will be allocated to WL Winet's identifiable assets and liabilities, but the allocation process has only recently commenced and has not yet been completed.

32. Contingencies

32.1 Claims and legal proceedings

In the normal course of business the Group is exposed to claims from (sub)contractors and client that generally arise from a dispute about the quality of work and the amount of compensation. Additionally, the Group is exposed to certain risks following guarantees and indemnities provided in divestments of (former) subsidiaries. The Group recognises provisions for claims and/or exposures when a cash outflow is probable. When not resolved or settled, claims may subsequently involve legal proceeding which, if decided or settled adversely, may have a material impact on the Group's financial position, operational result or cash flows.

In April 2023, the building safety act 2022 in the United Kingdom came into force covering multi high rise residential buildings. The regulations seek to improve fire safety on these buildings and may impact developers and construction companies as there is uncertainty to where liability would fall between the developer, constructor and owner if unsafe conditions would be identified. It is currently not possible to estimate the potential impact.

Ethical misconduct or non-compliance with applicable laws and regulations (such as competition, bribery and corruption) could expose BAM to liabilities or have a negative impact on its business and reputation. BAM may be subject to administrative, civil or criminal liabilities including significant fines and penalties, as well as suspension or debarment from government or non-government contracts for some period of time.

32.2 Guarantees

Bonds and guarantees are provided in the ordinary course of business to clients, either by the Company (parental guarantees), by banks (bank guarantees), or by surety companies (surety bonds), to secure due performance of the Group's contractual obligations. These securities can only be called by the client in case of (proven) default. It is not expected that any material risks will arise from these securities. The parent company guarantees issued amount to €111 million (2023: €109 million). Guarantees issued by banks and surety companies amount to €1.3 billion (2023: €1.0 billion). Guarantee facilities amount to €2.1 billion (2023: €1.9 billion).

33. Investigation

In December 2024, the Dutch Public Prosecutions Office (DPPO, Openbaar Ministerie) closed its pending investigation into BAM International from 2022 and dismissed their suspicions. The Group conducted its own internal review in connection with the DPPO's investigation and identified certain potentially irregular payments in connection with an unrelated completed project in Africa. The Group self-reported these potentially irregular payments to the DPPO. The DPPO concluded that not all of these payments were properly recorded in BAM International's administration and imposed a fine of €30,000.- on BAM International through a penalty order. The Group will not appeal the penalty order.

34. Audit fees

The fees stated below for the audit of the financial statements are based on the total fees for the audit of the financial statements, regardless of whether the procedures were already performed in the financial year. Expenses for services provided by the Company's current independent auditor, EY Accountants BV ('EY') and its foreign member firms to the Group are specified as follows:

	2024			2023		
€ thousands	EY	EY foreign member firms	Total	EY	EY foreign member firms	Total
Audit fees	3,471	2,991	6,462	3,789	2,420	6,209
Audit-related fees	803	18	821	415	22	437
Other non-audit fees	-	-	-	-	-	-
	4,274	**3,009**	**7,283**	4,204	2,442	6,646

Audit-related fees include the provision of limited assurance on the Group's sustainability statement.

35. Events after the reporting period

No material events after the reporting period have occurred.

Company statement of financial position

(before appropriation of result, x €1,000)

	Notes	31 December 2024	31 December 2023
Non-current assets			
Intangible assets	2	320,792	314,536
Tangible fixed assets		1,395	1,263
Financial assets	3	801,084	936,965
Deferred tax assets	4	80,723	44,897
		1,203,994	1,297,661
Current assets			
Receivables	5	78,410	57,612
Cash and cash equivalents	6	239,777	247,215
		318,187	304,827
Total assets		1,522,181	1,602,488
Equity attributable to shareholders of the Company			
Issued and paid capital	7	28,404	28,404
Share premium	7	810,907	810,907
Legal reserves	7	(19,886)	79,488
Retained earnings	7	(6,160)	(173,295)
Net result	7	82,248	174,991
		895,513	920,495
Provisions	8	6,013	10,470
Non-current liabilities			
Lease liabilities		968	825
		968	825
Current liabilities			
Lease liabilities		481	476
Other liabilities	9	619,206	670,222
		619,687	670,698
Total equity and liabilities		1,522,181	1,602,488

Company income statement

(x €1,000)

	Notes	2024	2023
Internal charges	10	39,753	33,534
Other income	11	20,069	-
External charges		-	(2,385)
Personnel expenses	12	(22,665)	(19,890)
Depreciation and amortisation charges		(722)	(1,073)
Impairment charges		-	-
Other operating expenses		(14,890)	(21,433)
Operating result		21,545	(11,247)
Finance income		20,402	19,817
Finance expense		(30,480)	(29,841)
		(10,078)	(10,024)
Result before tax		11,467	(21,271)
Income tax	13	57,505	25,938
Share in result of subsidiaries, joint ventures and associates		13,276	170,324
Net result		82,248	174,991

Notes to the company financial statements

1. Summary of the accounting policies

1.1 Basis of preparation

The company financial statements of Royal BAM Group nv ('the Company' or 'BAM') have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these company financial statements are the same as those applied in the consolidated financial statements.

The expected credit losses on receivables from subsidiaries have not been included in the company financial statements, since these have been eliminated within the book value of the receivables.

1.2 Investments in subsidiaries

Investments in subsidiaries are measured at net asset value. The net asset value is determined using the accounting policies, as described in the consolidated financial statements. The net asset value of subsidiaries comprises the cost, excluding goodwill, of BAM's share in the net assets of the subsidiary plus BAM's share in income or losses since acquisition, less dividends received.

1.3 Income tax

Corporate income tax is charged and/or allocated to the subsidiaries forming part of the fiscal unity, as if they were independent taxable entities. Tax receivables and payables to the respective subsidiaries are included in current receivables and current other liabilities.

2. Intangible assets

	Goodwill	Non-integrated software	Other	Total
As at 1 January 2023				
Cost	515,158	3,565	883	519,606
Accumulated amortisation and impairments	(203,488)	(3,058)	(596)	(207,142)
	311,670	507	287	312,464
Additions	-	290	-	290
Amortisation	-	(426)	(88)	(514)
Exchange rate differences	2,296	-	-	2,296
	2,296	(136)	(88)	2,072
As at 31 December 2023				
Cost	517,454	3,855	883	522,192
Accumulated amortisation and impairments	(203,488)	(3,484)	(684)	(207,656)
	313,966	371	199	314,536
Additions	-	-	-	-
Amortisation	-	(148)	(89)	(237)
Exchange rate differences	6,493	-	-	6,493
	6,493	(148)	(89)	6,256
As at 31 December 2024				
Cost	524,441	3,855	883	529,179
Accumulated amortisation and impairments	(203,982)	(3,632)	(773)	(208,387)
	320,459	**223**	**110**	**320,792**

3. Financial assets

	Shares in subsidiaries	Receivables from subsidiaries	Other participating interests	Total
As at 1 January 2023	573,725	164,958	186,906	925,589
Net result for the year	167,730	-	2,594	170,324
Dividends	(93,816)	-	(4,975)	(98,791)
Changes to legal structure	(2,287)	-	-	(2,287)
Loan repayments	-	(38,784)	(90)	(38,874)
Hedging reserve	(271)	-	(7,865)	(8,136)
Remeasurements of post-employment benefit obligations	(27,049)	-	-	(27,049)
Exchange rate differences	15,940	-	249	16,189
As at 31 December 2023	633,972	126,174	176,819	936,965
Net result for the year	90,464	-	(77,188)	13,276
Dividends	(135,748)	-	-	(135,748)
Investments	135	4,014	8,405	12,554
Movements in hedge reserves	-	-	(26,345)	(26,345)
Remeasurements of post-employment benefit obligations	(13,791)	-	-	(13,791)
Exchange rate differences	14,856	-	(683)	14,173
As at 31 December 2024	**589,888**	**130,188**	**81,008**	**801,084**

Changes to legal structure in 2023 are related to the acquisition of a non-controlling interest of a subsidiary in Ireland.

Net result for the year in 2024 for other participating interests is related to Invesis. Note 22 of the consolidated financial statements includes a further breakdown of the components of Invesis' result.

A list of principal subsidiaries is disclosed in chapter 8.4 of this annual report.

4. Deferred tax assets

	2024	2023
Deferred tax assets	**80,723**	44,897
	80,723	44,897

The Company carries the full balance of deferred tax assets on carry forward losses of the fiscal unity.

5. Receivables

	2024	2023
Amounts due from subsidiaries	**37,196**	40,412
Other receivables	**28,086**	7,872
Prepaid expenses	**13,128**	9,328
	78,410	57,612

Receivables are due within one year. Other receivables includes the contingent consideration due from PGGM related to the divestment of 50% of the shares of BAM PPP to PGGM Infrastructure Fund ("PGGM") in December 2020, as disclosed in note 12 to the consolidated financial statements.

6. Cash and cash equivalents

	2024	2023
Cash at bank and in hand	**239,777**	247,215
	239,777	247,215

Cash and cash equivalents are at the free disposal of the Company.

7. Equity attributable to shareholders of the Company

At year-end 2024, the authorised capital of the Group was 400 million ordinary shares (2023: 400 million) and 600 million preference shares (2023: 600 million), all with a nominal value of €0.10 per share (2023: €0.10 per share). All issued shares have been paid in full.

Movements in shareholders' equity are as follows:	Attributable to the shareholders of the Company					
	Issued and paid capital	Share premium	Legal reserves	Retained earnings	Net result	Total
As at 1 January 2023	27,941	811,370	62,382	(270,747)	179,644	810,590
Net result for the year	-	-	-	-	174,991	174,991
Appropriation of result	-	-	-	179,644	(179,644)	-
Issue of share capital	463	(463)	-	-	-	-
Dividend payment	-	-		(21,998)	-	(21,998)
Remeasurements of post-employment benefit obligations	-	-	-	(35,768)	-	(35,768)
Cash flow hedges	-	-	(8,136)	-	-	(8,136)
Repurchase of ordinary shares	-	-	-	(19,835)	-	(19,835)
Share-based payments	-	-	-	4,857	-	4,857
Exchange rate differences	-	-	18,444	-	-	18,444
Acquisition non-controlling interest	-	-	-	(2,650)	-	(2,650)
Transfers	-	-	6,798	(6,798)	-	-
As at 31 December 2023	28,404	810,907	79,488	(173,295)	174,991	920,495
Net result for the year	-	-	-	-	82,248	82,248
Appropriation of result	-	-	-	174,991	(174,991)	-
Dividend payment	-	-		(25,840)	-	(25,840)
Remeasurements of post-employment benefit obligations	-	-	-	(12,735)	-	(12,735)
Movements in cash flow hedges	-	-	(26,345)	-	-	(26,345)
Repurchase of ordinary shares	-	-	-	(65,525)	-	(65,525)
Share-based payments	-	-	-	2,709	-	2,709
Exchange rate differences	-	-	20,506	-	-	20,506
Transfers	-	-	(93,535)	93,535		
As at 31 December 2024	**28,404**	**810,907**	**(19,886)**	**(6,160)**	**82,248**	**895,513**

On 10 April 2024, the annual general meeting approved a cash dividend of €0.20 per ordinary share with a scrip alternative (2023: €0.15 per ordinary share). On 8 May 2024, the Group paid €25.8 million in cash and distributed 7.2 million shares to shareholders that opted for stock dividend (2023: €22.0 million in cash and distributed 9.2 million shares to shareholders that opted for stock dividend)

During 2024, the Group repurchased 16.4 million own shares for a total consideration of €65.5 million (2023: €19.8 million). This comprises the repurchase programme to offset the dilution effect of stock dividend and the €30 million share buyback (14.6 million shares) and the repurchase from employees (1.8 million shares) of a part of the shares that vested under the performance share plan and special incentive plan to settle their wage tax and social security premiums.

7.1 Share premium, legal reserves, retained earnings and net result

Legal reserves comprise the reserves for (cash flow) hedging, translation differences and the Group's non-distributable reserve relating to undistributed profits accumulated in joint ventures and associates. These legal reserves are required by Dutch law and are not distributable.

The hedging reserve amounts to nil (2023: €26.4 million) and the translation reserve amounts to €66 million negative (2023: €87 million negative). The Group's non-distributable reserve relating to undistributed profits accumulated in joint ventures and associates amounts to €46.3 million (2023: €140 million). The sum of share premium, retained earnings and net result are in principle distributable except for an amount of €66 million, which is to cover the negative translation reserve.

7.2 Dividends per share

The net result for 2024 amounting to €82 million has been attributed to shareholders' equity. The Company proposes to declare a cash dividend over 2024 of €0.25 per ordinary share.

8. Provisions

	2024	2023
Employee benefits	6,013	10,470
	6,013	10,470

Employee benefits provision mainly relates to the defined benefit liability of the Dutch pension plan as disclosed in note 25 of the consolidated financial statements.

9. Other liabilities

	2024	2023
Amounts due to subsidiaries	598,785	641,417
Income tax payable	10,375	10,824
Other liabilities	10,046	17,981
	619,206	670,222

Amounts due to subsidiaries is related to intercompany financing and the Group's cash pool structure. The amounts are payable on demand and are subject to an interest rate equal to one month EURIBOR or SONIA. Other liabilities mainly consist of trade and other payables.

10. Internal charges

Internal charges represent revenue from services that have been charged to subsidiaries in respect of management activities and responsibilities. The company charges these to its subsidiaries on a cost-plus basis.

11. Other income

Other income includes the gain on the contingent consideration related to the divestment of 50% of the shares of BAM PPP to PGGM Infrastructure Fund ("PGGM") in December 2020, as disclosed in note 12 to the consolidated financial statements.

12. Employee benefit expenses

	2024	2023
Wages and salaries	18,244	15,347
Social security costs	1,514	1,192
Share-based payment expense	1,303	1,884
Pension costs - defined contribution plans	1,589	1,442
Pension costs - defined benefit plans	15	25
	22,665	19,890

At year-end 2024, the Company employed 101 FTE (2023: 97). The average number of FTE in 2024 was 101 (2023: 97). There are no employees in other countries than the Netherlands.

13. Income tax expense

The Company's effective tax rate is -501% (2023: 122%) and differs from the applicable nominal tax rate of 25.8%. The difference in both 2024 and 2023 is mainly attributable to the recognition of additional deferred tax assets relating to tax losses. This is based on the Group's forecast of taxable profits for the next five years.

14. Related parties

The Company has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements and were conducted at market prices.

15. Commitments and contingencies

14.1 Guarantees

At 31 December 2024, the Company has issued parent company guarantees amounting to €111 million (2023: €109 million).

14.2 Third-party liability

The Company is jointly and severally liable for the debts of the subsidiaries based in the Netherlands pursuant to section 403, Book 2 of the Dutch Civil Code.

The Company, together with other participants, has a joint and several liability for deficits in the Group's cash pool as a whole.

The Company forms a fiscal unity with BAM's major Dutch and certain other subsidiaries for income tax and VAT purposes and, for that reason, it is jointly and severally liable for the Dutch income tax and Dutch VAT liabilities of the whole fiscal unity.

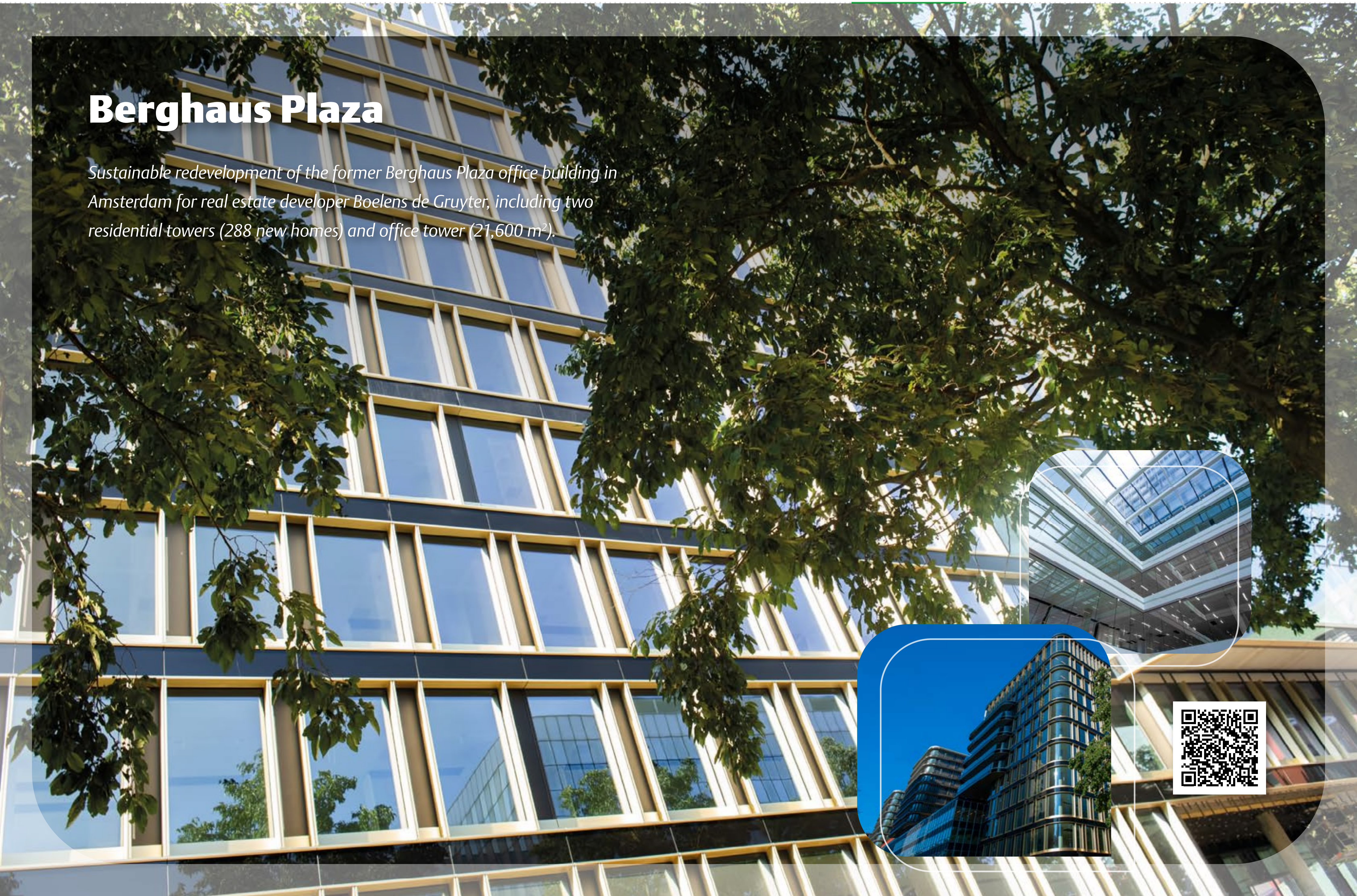
Bunnik, the Netherlands, 19 February 2025

Supervisory Board:
H.Th.E.M. Rottinghuis
G. Boon
B. Elfring
J. Hanson
D. Koopmans
N.M. Skorupska
M.P. Sheffield

Executive Board:
R.J.M. Joosten
L.F. den Houter

Berghaus Plaza

Sustainable redevelopment of the former Berghaus Plaza office building in Amsterdam for real estate developer Boelens de Gruyter, including two residential towers (288 new homes) and office tower (21,600 m²).



Other information

Mid-2024, BAM has opened a new office in Kilsyth, creating a hub in Scotland for the company's work decarbonising the UK's energy network as well as delivering major public buildings and infrastructure projects.

Kilsyth, North Lanarkshire, division United Kingdom and Ireland

8.1 Independent auditor's report and limited assurance report on sustainability information

Independent auditor's report

To: the shareholders and Supervisory Board of Koninklijke BAM Groep N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements 2024 of Koninklijke BAM Groep N.V. (hereinafter: the Company or Royal BAM Group nv) based in Bunnik, the Netherlands. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:
- The consolidated financial statements give a true and fair view of the financial position of Royal BAM Group nv as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The company financial statements give a true and fair view of the financial position of Royal BAM Group nv as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:
- The consolidated statement of financial position as at 31 December 2024
- The following statements for 2024: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:
- The company statement of financial position as at 31 December 2024
- The company income statement for 2024
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Royal BAM Group nv in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Royal BAM Group nv, through its operating companies, offers its clients products and services in the sectors Construction and Property, Civil Engineering and Public Private Partnerships. Revenues from construction contracts, is considered an area requiring significant judgments and a key source of estimation uncertainty. Land and building rights involved in property development, at the company's own risks and rewards, requires recoverability testing based on the net realizable value. The Company is structured in divisions and is mainly active in the Netherlands, the United Kingdom, Ireland and Belgium, and we tailored our group audit approach accordingly. Royal BAM Group nv decided in 2020 to cease all operations of BAM International in other countries. We paid specific attention in our audit to a number of areas driven by the operations of the Company and our risk assessment.

Materiality

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	€ 45 million (2023: € 30 million)
Benchmark applied	0.75% of revenue from continued operations for 2024 (2023: 0.50% of revenue)
Explanation	Based on our analyses of the common information needs of users of the financial statements, we presume result before tax would be an appropriate benchmark to determine materiality. However, result before tax has been volatile and consequently we considered revenues to be a more appropriate benchmark to determine materiality. 2024 is the first year of Royal BAM Group nv's 2024-2026 strategy that focuses inter alia on protecting profitability to remain predictable, profitable and sustainable. As a result, we determined that 0.75% is an appropriate percentage of revenue to use for 2024.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 2.25 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Royal BAM Group nv is at the head of a group of entities. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the entities or business units within the group (components) at which to perform audit work.

For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group. We communicated the audit work to be performed and identified risks through instructions for component auditors as well as requesting component auditors to communicate matters related to the financial information of the component that is relevant to identifying and assessing risks.

This resulted in a coverage of 71% of revenue and 87% of total assets. For other components, we performed analytical procedures to corroborate that our risk assessment and scoping remained appropriate throughout the audit.

For the foreign components of Royal BAM Group nv, we involved EY component auditors, who are familiar with local laws and regulations. We involved non-EY component as well as EY component auditors for projects with external partners in which Royal BAM Group nv does not have a majority share. In order to bear the responsibility as Group auditor we performed site visits to meet with local management and component teams, observe the component operations, we have had several (virtual) meetings during each phase of the audit to discuss the group risk assessment and the risks of material misstatements and ultimately we discussed the outcome of audit procedures with all component auditors and attended closing meetings with local management.

In addition we visited our component auditors in the United Kingdom, Ireland and Denmark and reviewed and evaluated the adequacy of the deliverables and their electronic audit files to address the risks of material misstatement. We have performed audit procedures ourselves for entities within the Group located in the Netherlands, thereby focusing on the key risk areas. We also have performed several audit procedures centrally.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the real estate and construction industry. We included specialists in the areas of IT audit, corporate finance, income tax, pensions, construction projects, land and building rights, share based payments, legal and forensics.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO_2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO_2 footprint.

The Executive Board summarised the Royal BAM Group nv's commitments and obligations, and reported in sections 2.2 "Strategy" and 3.3 "Environmental performance" of the annual report and note 2.1.1 "Climate-related matters" in the financial statements how the Company is addressing climate-related and environmental risks also taking into account related regulatory and supervisory guidance and ecommendations.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the Company's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions, especially in the area of the valuation of land and building rights as well as in the design of relevant internal control measures. Furthermore, we read the annual report and considered whether there is any material inconsistency between the sustainability information in Section 2.2 "Strategy" and 3.3 "Environmental performance" and the financial statements, including note 2.1.1 Climate-related matters.

We describe the audit procedures responsive to the potential impact of climate change on the valuation of land and building rights in the description of our audit approach for the key audit matter 'Valuation of land and building rights'.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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 control.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and the Executive Board's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to chapter 4 of the annual report for the Executive Board's (fraud) risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic and legal specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organisations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in note 3 to the consolidated financial statements.

We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

We identified the following specific fraud risks during our audit.

Presumed risks of fraud in revenue recognition

Fraud risk We presumed that there are risks of fraud in revenue recognition. We evaluated that revenues from construction contracts and property development give rise to these risks, including the related valuation of work in progress, due to an intentional over-estimation and/or under-estimation of the project results and required contract provisions. The risk relates to projects that are considered key (“key projects”) due to, amongst others, their relative size and complexity and may take the form of:

- Incorrect valuation of variable considerations (i.e. variation orders, claims, penalties and bonuses); and
- Incorrect estimation of costs to complete (including an increased estimation uncertainty due to supply chain pressure and inflationary aspects).

Our audit approach We describe the audit procedures responsive to this fraud risk in the description of our audit approach for the key audit matter *Valuation of key projects and revenue recognition*.

Risk related to non-compliance with anti-fraud laws and regulations, including bribery and corruption

Fraud risk

We identified the risk that the Company does not comply with anti-fraud and bribery laws and regulations, both as a result of active transactions and/or passive transactions in which it is involved. As a result, the Company may be subject to administrative, civil or criminal liabilities including fines and penalties, as well as suspension or debarment from government or non-government contracts for some period of time.

The risk with regard to active transactions concerns the risk that the Company makes illegal payments (bribery) to induce the recipient to act or refrain from acting. The risk particularly relates to the tender process for (larger) projects.
Due to the size of the company, Royal BAM Group nv is a large customer for its suppliers and subcontractors. Therefore, suppliers and subcontractors have an incentive to become a preferred supplier or subcontractor for work on specific projects or in general. This leads to the risk that the Company or its employees accept(s) payments (bribery) from suppliers or subcontractors (passive transactions).

We also refer to chapter 4.1 Risk Management of the annual report.

Our audit approach

We obtained an understanding of the entity level controls and the legal and regulatory framework of the Company and executed procedures to confirm that they have been properly implemented.

On a periodic basis, we enquired with the Executive Board, internal audit department, risk and compliance department and legal department to understand and assess existing and potentially non-compliance matters and new constructive and legal obligations. We inspected legal and compliance management reports. We read the minutes of meetings of the Executive Board and Supervisory Board.

For the specific risks identified, we involved forensic specialists to design a tailored work programme to address these risks and we performed among others the following procedures:
- inquiry with the Executive Board, compliance officer and tender desk manager;
- review of minutes of meetings of local management;
- performing analytical procedures, including data analytics;
- performing substantive test of details regarding the tender costs and costs related to agents incurred in 2024;
- performing substantive test of details regarding significant contracts with suppliers in 2024;
- review of correspondence with relevant authorities (e.g. relating to compliance with anti-bribery and anti-competition laws and regulations in jurisdictions where the Company does business);
- evaluation of (potential) lawsuits identified or suspected by the Company.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, tender desk, local management and the Supervisory Board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in section Basis of preparation in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the Executive Board made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the Executive Board exercising professional judgment and maintaining professional skepticism. We considered whether the Executive Board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 a company to cease to continue as a going concern.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of goodwill is not considered a key audit matter for 2024 as the performance of the related cash generating units reduced the risks of material misstatement. In comparison with previous year, there were no relevant changes to our other key audit matters.

Valuation of projects and revenue recognition

Risk	Our audit approach	Key observations
Royal BAM Group nv is involved in large and complex construction projects on which the Company recognises revenue based on the cost-to-cost method. The valuation of key projects and revenue recognition are significant to the financial statements based on the quantitative materiality and the degree of management judgment required to apply the cost-to-cost method for complex construction projects. As disclosed in notes 3.1 and 6 to the consolidated financial statements, under the cost-to-cost method, costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract. The amount of project revenue, profit recognised as well as provisions for onerous contracts in a year is dependent, inter alia, on the actual costs incurred, the assessment of the measure of progress of (long-term) contracts and the forecasted contract revenue and costs to complete of each project. Furthermore, the amount of revenue and result are influenced by the valuation of variation orders and claims. This often involves a high degree of judgment due to the complexity of projects, uncertainty about costs to complete and uncertainty about the outcome of discussions with clients on variation orders and claims. We presumed that there are risks of fraud in revenue recognition, in particular related to revenues from construction contracts and property development. We therefore considered this to be a key audit matter. The risk relates to projects that are considered key (“key projects”) due to, amongst others, their relative size and complexity.	Our audit procedures included obtaining an understanding of the internal control environment of Royal BAM Group nv, evaluating implementation of relevant controls, performing physical and digital site visits (using webcams), vouching project valuations and challenging the Executive Board’s position for key projects based on supporting documentation and Royal BAM Group nv’s accounting policy. In connection with our component teams and based on our understanding of Royal BAM Group, inquiries with management and other procedures, we have selected projects which we deem “key projects” for our audit procedures. For long-term contracts, we also compared the position that Royal BAM Group nv is currently taking to the positions taken in previous year, to ensure consistency in the valuation and to perform back testing on this estimate. During our procedures we had an increased focus on the impact of challenging market conditions from economic volatility, global political uncertainties due to international conflicts, inflationary aspects and supply chain pressure. In cases where a high amount of judgment is involved, we gained additional comfort by comparing the Executive Board’s positions to opinions from external parties such as lawyers or surveyors. For specifically complex projects we involved our own construction experts to determine the reasonableness of the Executive Board’s estimations of variable considerations and costs to complete.	Overall, in our view revenues are recognised and projects have been valued in accordance with EU-IFRSs.

Investigation by the Dutch authorities

Risk	Our audit approach	Key observations
As disclosed under 'Key risk areas' in section Risk management and governance of the annual report and in Note 33 to the consolidated financial statements, BAM International was previously subject to an investigation by the Dutch Public Prosecution Office (Openbaar Ministerie) into potential fraud and corruption at some completed projects of BAM International. The Dutch Public Prosecution Office closed the investigation and dismissed these suspicions in December 2024. BAM had conducted its own internal review and BAM self-reported potentially irregular payments. The Dutch Public Prosecution Office imposed a fine of €30.000 for these not properly recorded payments.	We tailored our risk analysis and designed our audit approach taking into account expert advice from our in-house forensic specialists as well as our external counsel. During 2024 we performed the following audit procedures: • During the investigation, we evaluated steps taken by the Executive Board which included amongst others an internal review • During the investigation, we have inquired with the Company's internal and external counsel regarding the status of the ongoing investigation • To corroborate the result of our inquiries we vouched information received with objective evidence, our external counsel and we reviewed related documentation • We obtained information regarding the suspicions, including the official reports of findings of the Dutch Public Prosecution Office and discussed these suspicions with the Executive Board, Audit Committee and the chairman of the Supervisory Board • We furthermore tested manual journal entries and other transactions with unusual characteristics using amongst other data-analytics tools • Subsequent to the closing of the investigation and dismissal of the suspicions, we inspected the communication by the Dutch Public Prosecutions Office related to the dismissal of the suspicions • We obtained the penalty order imposed by the Dutch Public Prosecution Office in relation to payments which were not properly recorded in BAM International's administration • We have evaluated the disclosures in the annual report related to the investigation.	We concluded that the disclosures in the financial statements appropriately reflects the outcome and (financial) impact of the closed investigation.

Valuation of land and building rights

Risk	Our audit approach	Key observations
As per 31 December 2024, Royal BAM Group nv recognised land and building rights (€ 269 million). Land and building rights are generally acquired at a premium on their value in current condition. As disclosed in Note 3.4 to the consolidated financial statements, the estimates supporting the value of land and building rights relate to the future development of prices of residential housing for terms that vary from one year to more than thirty years, inherently creating significant estimation uncertainty. External parties, appraisers and institutions are involved to support the positions of the Executive Board. Additionally, in Note 2.1.1 to the consolidated financial statements, Royal BAM Group nv identified the impact on climate change to the valuation of land and building risks as a potential financial risk for the long term. We therefore considered this to be a key audit matter.	Our audit procedures included obtaining an understanding of the methods and models used by Royal BAM Group nv in determining the net realizable value of land and building rights, including the identification of relevant controls. We involved our own valuation specialists to determine the reasonableness of the assumptions and models used by Royal BAM Group nv to support the value of land and building rights. We have assessed the calculations of the net realizable values of the land and building rights and challenged the reasonableness and consistency of the assumptions used by the Executive Board. We also determined consistency with prior years and external appraisals and public information, such as plans and decisions of government bodies. We also evaluated the Executive Board's assumptions concerning the future development of prices of residential housing with independent expectations of external parties, appraisers and institutions.	In our view the valuation applied by Royal BAM Group nv is in accordance with EU-IFRSs.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The Executive Board and the Supervisory Board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the shareholders meeting as auditor of Royal BAM Group nv on 22 April 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

Royal BAM Group nv has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Royal BAM Group nv, complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:
- Obtaining an understanding of the Company's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee of the Supervisory Board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Utrecht, 19 February 2025

EY Accountants B.V.

Signed by J.H.A. de Jong

Limited assurance report of the independent auditor on the sustainability statement

To: the shareholders and supervisory board of Koninklijke BAM Groep N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement for 2024 of Koninklijke BAM Groep N.V. based in Bunnik, the Netherlands (hereinafter: the company or Royal BAM Group nv) in chapter 6 Sustainability statement of the accompanying management report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Royal BAM Group nv in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

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

Emphasis of matter

The sustainability statement has been prepared in a context of new sustainability reporting standards, requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasise the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts
We draw attention to paragraph "Estimations, sources of estimation, and outcome uncertainty" in chapter 6.2 General information and sustainability reporting principles of the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS. The significant uncertainties relate to reliance on third party data, resource inflows and scope 3 GHG emissions (including the baseline number based on the 2019 year). The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process
We draw attention to chapter 6.1 Approach to sustainability reporting in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders.

Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires the company to make key judgments and use thresholds and may also be impacted in time by sector-specific standards to be adopted. Therefore, the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Limitation to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the executive board describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that it reflects the actual plans or decisions made by the company (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. We do not provide assurance on the achievability of forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of the executive board the supervisory board for the sustainability statement

The executive board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the executive board is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).The executive board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the executive board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the executive board appears consistent with the process carried out by the company
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the executive board's estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability

statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented

- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Utrecht, 19 February 2025

EY Accountants B.V.

Signed by J.H.A. de Jong

8.2 Articles of Association provisions governing the distribution of profit

(Summary of Article 31 of the Articles of Association)
From the profit achieved in any financial year, an amount will first be distributed, where possible, on the class B cumulative preference shares, calculated by applying the percentage stated below to the mandatory amount paid up on those shares as at the start of the financial year for which the distribution is made. The percentage referred to above will be equal to the average of the Euribor rates for money market loans with a maturity of twelve months – weighted according to the number of days for which these rates prevailed – during the financial year for which the distribution is made, plus one percentage point. Euribor refers to the Euro Interbank Offered Rate as determined and published by the European Central Bank.

Subsequently, if possible, a dividend will be distributed on each financing preference share of a certain series, with due consideration of the provisions of this article, equal to an amount calculated by applying a percentage to the nominal amount of the financing preference share concerned at the start of that financial year, plus the amount of share premium paid in on the financing preference share issued in the series concerned at the time of initial issue of the financing preference shares of that series, less the amount paid out on each financing preference share concerned and charged to the share premium reserve formed at the time of issue of the financing preference shares of that series prior to that financial year.

If and to the extent that a distribution has been made on the financing preference shares concerned in the course of the year and charged to the share premium reserve formed at the time of issue of the financing preference shares of the series concerned, or partial repayment has been made on such shares, the amount of the distribution will be reduced pro rata over the period concerned according to the amount of the distribution charged to the share premium reserve and/or the repayment with regard to the amount referred to in the preceding sentence.

The calculation of the dividend percentage for the financing preference shares of a certain series will be made for each of the series of financing preference shares referred to below, in the manner set forth for the series concerned.

Series FP1 to FP4
The dividend percentage will be calculated by taking the arithmetic mean of the yield to maturity on euro government loans issued by the Kingdom of the Netherlands with a remaining term matching as closely as possible the term of the series concerned, as published in the Euronext Prices Lists, plus two percentage points.

Series FP5 to FP8
The dividend percentage will be equal to the average of the Euribor rates for money market loans with a maturity of twelve months – weighted according to the number of days for which these rates prevailed – during the financial year for which the distribution is made, plus two percentage points.

The above percentages may be increased or reduced by an amount of no more than 300 basis points.

The above percentages apply for the following periods: series FP1 and FP5: five years; series FP2 and FP6: six years; series FP3 and FP7: seven years and series FP4 and FP8: eight years. After a period expires, the percentage will be modified in accordance with the rules laid down in Article 31 paragraph 6(c) of the Articles of Association.

The Supervisory Board shall determine, based on a proposal by the Executive Board, what part of the profit remaining after application of the above provisions will be added to the reserves. The part of the profit that remains thereafter is at the disposal of the General Meeting, subject to the provision that no further dividends will be distributed on the preference shares and with due consideration of the other provisions of Article 31 of the Articles of Association.

Sustainability insight

BAM Bouw en Techniek has signed a letter of intent with other construction and real estate companies to build exclusively with low-carbon concrete in the future.

8.3 Anti-takeover measures

Royal BAM Group nv has taken the following measures to protect itself against any undesired developments that might have an impact on the independence, continuity and/or identity of the Company and the group of companies associated with the Company.

Pursuant to a resolution passed by the General Meeting held on 12 June 1972, the Articles of Association include the possibility of issuing preference shares. Stichting Aandelenbeheer BAM Groep (hereafter referred to as 'the Foundation') was founded with a view to this possibility in 1978. The objective of the Foundation is to look after the interests of the Group. Specifically, the Foundation seeks to ensure that the interests of the Company, the Group and all their stakeholders are safeguarded as much as possible, and that influences which could undermine the independence and/or continuity and/or identity of the Group and which conflict with those interests are averted to the best of the Foundation's ability. The Foundation attempts to achieve this objective by acquiring and holding class B cumulative preference shares in the Company's capital, by exercising the rights connected with those shares, and/ or by using its right of enquiry.

As announced at the General Meeting held on 4 June 1992 and considered at the General Meeting on 8 June 1993, the Company granted the Foundation an option to acquire class B cumulative preference shares in the Company's capital on 17 May 1993. This option was granted up to such an amount as the Foundation might require, subject to a maximum of a nominal amount that would result in the total nominal amount of class B cumulative preference shares in issue and not held by the Company equalling no more than ninety-nine point nine per cent (99.9%) of the nominal amount of the issued share capital in the form of shares other than class B cumulative preference shares and not held by the Company at the time of exercising the right referred to above. The board of the Foundation has the exclusive right to determine whether or not to exercise this right to acquire class B cumulative preference shares. No class B cumulative preference shares have been issued at this time. On 6 October 2008, the Company granted the Foundation the right, under Article 2:346(c) of the Dutch Civil Code, to submit a petition as referred to in Article 2:345 of the Dutch Civil Code (right of enquiry).

The Supervisory Board and the Executive Board reserve the right, in the interests of the Company and its associated companies, to resolve to take alternative measures in order to protect the Group against influences that might be regarded by the Supervisory Board and the Executive Board, after balancing the interests of the Company and all of the stakeholders in the Group, as being potentially damaging to the independence, continuity and/or identity of the Group.

The Foundation's board consists of three members who are appointed by the Foundation's board, after notification to the Executive Board. The Foundation is supported by its own legal and communication advisors.

The composition of the board at the end of 2024 was:
J.J. Nooitgedagt, chairman;
F.K. Buijn;
P. van Riel.

The chairman of the Foundation's board receives an annual fee of €12,000 from the Foundation. The Foundation pays an annual fee of €10,000 to each of the other members of its board.

The particulars of the board members at the end of 2024 were as follows:

J.J. (Jan) Nooitgedagt (1953)
Mr Nooitgedagt has served on the Foundation's board since 2017 and was appointed chairman in that same year. He is a Dutch national. A former member of the Executive Board and chief financial officer of Aegon, Mr Nooitgedagt is chairman of the Supervisory Board of PostNL N.V., chairman of the Supervisory Board of Invest-NL and chairman of the Board of Stichting Beschermingspreferente aandelen Fugro.

F.K. (Frederik) Buijn (1950)
Mr Buijn has been a member of the Foundation's board since 2012. He is a Dutch national. Due to his long-term experience as a qualified civil-law notary Mr Buijn is well versed in corporate law. Mr Buijn is a member of the Board of Stichting Preferente Aandelen Arcadis N.V. He is involved in various family companies as chairman or as a member of foundation trust offices.

P. (Paul) van Riel (1956)
Mr Van Riel has been a member of the Foundation's board since 2019. He is a Dutch national. He is a former CEO and chairman of the Board of Management of Fugro N.V. He is chairman of the Supervisory Board of NV HVC and chairman of the Board of Stichting Preferente Aandelen Arcadis N.V.

8.4 List of principal subsidiaries, joint arrangements and associates

Subsidiaries	%
BAM Groep Nederland bv*, Bunnik (Netherlands)	100
BAM Nederland bv*, Bunnik (Netherlands)	100
BAM Bouw en Techniek bv*, Bunnik (Netherlands)	100
BAM Residential bv*, Bunnik (Netherlands)	100
uniting the activities of:	
BAM Wonen bv*, Bunnik	100
Homestudios bv*, Bunnik	100
AM bv*, Utrecht	100
BAM Specials bv*, Bunnik (Netherlands)	100
uniting the activities of:	
BAM Energie & Water bv*, Nieuwleusen	100
BAM Telecom bv*, Zwammerdam	100
BAM Infra Nederland bv*, Gouda (Netherlands)	100
uniting the activities of:	
BAM Infra bv*, Gouda	100
BAM Infra Rail bv*, Bunnik	100
BAM Infraconsult bv*, Bunnik	100
BAM Belgium bv, Berchem, Antwerp (Belgium)	100
uniting the activities of:	
BAM Interbuild bv, Berchem, Antwerp	100
Kairos nv, Antwerp	100
BAM Construct & Ventures UK Ltd, Hemel Hempstead (United Kingdom)	100
Uniting the activities of:	
BAM Construction Ltd, Hemel Hempstead	100
BAM FM Ltd, Glasgow, Strathclyde	10
BAM Nuttall Ltd, Camberley, Surrey (United Kingdom)	100

Joint arrangements	%
Invesis bv, Bunnik (Netherlands)	50.0

A list of associates as referred to in Sections 379 and 414, Book 2, of the Netherlands Civil Code has been deposited at the Office of the Trade Register in Utrecht.

* In respect of these subsidiaries, Royal BAM Group nv has deposited a declaration of joint and several liability pursuant to Section 403, Part 9, Book 2 of the Netherlands Civil Code.

Sustainability insight

As partner of AmplifyHER, BAM was represented by CEO Ruud Joosten, CHRO Sabine van Hooijdonk, and thirty colleagues during the 2024 AmplifyHER event in Amsterdam, focusing on creating inclusive workplaces and inspiring future (female) leaders.

Cockett Wick seawall

As a key part of the Essex and South Suffolk shoreline management plan, the Cockett Wick seawall provides long-term flood resilience, supporting aspirations for further growth and regeneration of seaside towns.

Appendices

Construction of a new 6 storey Hampton by Hilton Hotel, including associated MEP and external works, as part of Nuneaton town centre's Abbey Street development.

Nuneaton,
Warwickshire,
BAM Construct UK

9.1 Royal BAM Group nv shares

BAM has been listed on Euronext Amsterdam since 1959 (symbol: BAMNB; ISIN code: NL0000337319). The share is included in the AScX index, and options are traded by Liffe, the Euronext derivatives exchange. The market capitalisation at year-end 2024 was €1.1 billion (year-end 2023: €651 million).

Share price and trading in 2024

BAM's share price at year-end 2024 was €4.20, which was 74% above the closing price at year-end 2023 (€2.42). The AScX index ended the year up 7%. BAM's share price has increased by 56% over the last five years. By way of comparison, the AEX and the AScX indexes rose by 44% and 20% respectively in the same period. Graph 75 shows the history of the BAM ordinary share price over the past five years.

The average daily trade in BAM shares was 829 thousand shares (2023: 1.8 million). In 2024, the average daily trade in BAM shares amounted to €3.2 million million (2023: €3.9 million).

Dividend policy

BAM has a dividend policy to distribute a dividend reflecting between 30 and 50% of the net result for the year. When deciding upon the dividend, the Company considers the balance sheet structure supporting the strategic agenda. The proposal is to distribute a dividend of €0.25 over 2024 (dividend 2023: €0.20).

Shareholders

BAM closely monitors developments in its shareholder base through market information and a yearly shareholder identification report. Under the Dutch Financial Supervision Act, shareholders must disclose to the Dutch Authority for the Financial Markets (AFM) when they hold 3% or more of shares and when they transfer to a different threshold level.
At year-end 2024, the aggregate holdings of funds controlled by Acadian Asset Management, Ahlström Invest bv, Dimensional Fund Advisors, Moneta Asset Management and The Vanguard Group each surpassed 3% in BAM's share capital. BAM holds 20.5 million treasury shares, of which 3.9 million shares are allocated for the long-term incentive plan.

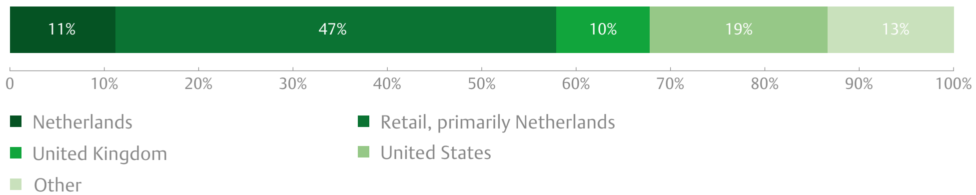
Investor relations policy

The purpose of the Group's investor relations policy is to provide accurate, transparent and consistent information in a timely manner to stakeholders, which includes existing and potential shareholders, financial institutions, brokers and the media. BAM intends to ensure there is a clear understanding of its strategy, performance and decisions to create awareness and confidence. Information is made available through the annual report, quarterly financial and other information, press releases and presentations to investors, which are all available on the Company's website. BAM discloses price-sensitive information without delay through a press release and on its website.

BAM has embedded a closed period in its reporting calender. In this period, the Company does not engage with investors, analysts or the press about general business matters. This closed period starts six weeks prior to the publication of each annual report and half-year report and three weeks prior to the publication of the first and third quarter trading updates.

75 Ordinary share price movement
(in €)

76 Geographical distribution of shareholders on 31 December 2024



77 Information per share *(in € per share, unless otherwise indicated)*

	2024	2023	2022	2021	2020
Number of ordinary shares ranking for dividend	**263,523,822**	268,978,254	268,119,569	273,296,017	273,296,017
Average number of ordinary shares	**268,969,034**	269,966,098	271,783,810	273,296,017	273,296,017
Net result ranking for dividend	**0.31**	0.65	0.67	0.07	(0.45)
Equity attributable to shareholders	**3.40**	3.42	3.02	2.39	2.13
Dividend [1]	**0.25**	0.20	0.15	-	-
Pay-out *(in %)*	**81**	30.7	22.3	-	-
Dividend yield *(in %)* [2]	**6.0**	8.3	6.9	-	-
Highest closing price	**4.71**	2.68	3.44	3.03	2.68
Lowest closing price	**2.41**	1.76	1.97	1.61	1.03
Price on 31 December	**4.20**	2.42	2.17	2.69	1.71
Average daily trade *(in number of shares)*	**829,000**	1,785,000	2,151,000	2,021,000	3,331,000
Market capitalisation at year-end *(x €1,000)* [3]	**1,106,800**	650,927	581,819	735,166	465,970

[1] Dividend proposal 2024. [2] Based on share price at year-end. [3] Based on total number of ordinary shares in issue.

Number of outstanding ordinary shares

BAM has a policy of buying back shares to meet its obligations under various long-term incentive plans and to avoid dilution. During 2024, the number of shares qualifying for dividends decreased by 5.5 million as a result of buy backs.

Key financial dates

2025	
8 May	Annual general meeting of shareholders
8 May	Trading update first quarter 2025
24 July	Publication of half-year results 2025
6 November	Trading update first nine months 2025

2026	
19 February	Publication of annual results 2025
7 May	Annual general meeting of shareholders
7 May	Trading update first quarter 2026
30 July	Publication of half-year results 2026
5 November	Trading update first nine months 2026

9.2 Ten-year overview [1]

(x € million, unless otherwise stated)	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue	**6,455.7**	6,270.5	6,618.2	7,315.3	6,768.2	7,209.1	7,207.8	6,603.7	6,976.1	7,422.9
Adjusted EBITDA [2]	**333.3**	304.3	350.2	278.4	200.8	235.4	213.7	113.1	159.8	137.1
Adjusted EBITDA margin *(in %)* [2]	**5.2**	4.9	5.3	3.8	2.9	3.3	3.0	1.7	2.3	1.8
Operating result	**58.8**	170.7	213.4	78.1	(221.3)	52.3	105.2	28.6	32.9	(10.7)
Result before tax	**67.3**	183.6	215.7	65.8	(236.9)	50.6	114.5	58.3	60.1	13.3
Net result	**82.2**	175.0	177.7	17.0	(122.4)	12.0	24.4	13.4	49.2	11.0
• from continuing operations	**62.2**	175.0	177.7	17.0	(272.0)	12.0	24.4	13.4	49.2	11.0
• from discontinued operations	**20.0**	-	-	-	149.7	-	-	-	-	-
• attributable to the shareholders of the Company	**82.2**	175.0	179.6	18.1	(122.2)	11.8	23.8	12.5	46.8	10.2
Basic earnings per share *(in €1)*	**0.31**	0.65	0.66	0.07	(0.45)	0.04	0.09	0.05	0.17	0.04
Diluted earnings per share *(in €1)*	**0.30**	0.64	0.65	0.07	(0.45)	0.04	0.09	0.05	0.17	0.04
Dividend per ordinary share *(in €1)* [3]	**0.25**	0.20	0.15	-	-	-	0.14	0.10	0.09	0.02
Equity attributable to the shareholders of the Company	**895.5**	920.5	810.6	653.6	583.4	628.4	729.0	852.2	834.3	902.1
Subordinated convertible bonds	**-**	-	-	-	118.7	120.5	117.6	115.0	112.5	124.3
Capital base	**895.5**	920.5	810.6	653.6	702.1	748.9	846.7	967.2	946.7	1,026.5
Total assets	**3,891.0**	3,932.0	3,819.4	4,495.9	5,244.5	4,540.2	4,578.0	4,571.2	4,812.0	4,852.2
Capital ratio *(in %)*	**23.0**	23.4	21.2	14.5	13.4	16.5	18.5	21.2	19.7	21.2
Capital employed	**1,317.6**	1,345.7	1,194.3	1,272.6	1,957.3	1,536.1	1,388.7	1,520.1	1,657.3	1,804.7
Return on capital employed *(in %)*	**5.8**	13.7	16.8	5.6	(4.2)	3.4	7.5	2.8	2.9	0.2
Additions to property, plant and equipment	**72.9**	80.0	92.9	64.9	58.7	82.3	83.1	82.4	61.9	64.6
Additions to right-of-use assets	**102.2**	107.4	43.7	51.3	78.4	118.1	-	-	-	-
Depreciation property, plant and equipment	**41.9**	39.3	39.6	51.4	54.0	54.0	63.8	55.0	60.3	66.5
Depreciation right-of-use assets	**82.0**	77.7	68.5	85.6	99.2	99.7		-	-	-
Amortisation intangible assets	**3.9**	4.3	8.6	8.4	6.0	5.9	6.0	4.1	4.1	4.1
Impairments (including from joint ventures and associates)	**114.5**	2.6	15.0	48.5	74.7	18.5	23.8	4.8	50.7	39.1
Order book	**13,008**	9,809	10,038	13,243	13,760	12,659	12,692	11,609	10,193	11,480
Average number of employees *(in FTE)*	**13,172**	13,344	14,608	17,001	18,731	19,433	20,194	19,720	20,370	21,916

[1] All amounts are as reported in the respective year.
[2] From continued and discontinued operations.
[3] For 2023 dividend proposal.

9.3 Glossary

Some measures included in this annual report are not IFRS measures and are generally referred to as non-IFRS measures. The Group uses these as internal measures of performance to compare against budget, prior year and/or latest internal forecasts. The non-IFRS measures are reported in this annual report, as the Group believes they will support stakeholders to understand the Group's financial position and results of operations. Included below are reconciliations of the respective non-IFRS measure to the closest financial measure under IFRS for stakeholders to appropriately understand their nature. Amounts are in thousands of euro, unless stated otherwise.

Adjusted EBITDA Result before tax, impairment charges, interest, depreciation and amortisation and excluding restructuring costs and pension one-off results. Adjusted EBITDA is determined as follows:

	2024	2023
Result before tax	67,330	183,567
Result from discontinued operations	20,069	-
Finance result	(8,538)	(12,839)
Operating result ("EBIT")	78,861	170,728
Impairments	4,433	3,559
Share in impairment charges of associates and joint ventures	110,050	(917)
Depreciation and amortisation	127,769	121,293
EBITDA	321,113	294,663
Restructuring costs	12,236	9,653
Pension one-off	-	-
Adjusted EBITDA	333,349	304,316

Capital base Equity attributable to the shareholders of the Company plus subordinated convertible bond. Capital base is determined as follows:

	2024	2023
Equity attributable to the shareholders of the Company	895,513	920,495
Subordinated convertible bond	-	-
Capital base	895,513	920,495

Capital employed Non-current assets plus net working capital plus cash and cash equivalents. Capital employed is determined as follows:

	2024	2023
Non-current assets	1,291,283	1,356,124
Plus: net working capital	(737,241)	(767,741)
Plus: cash and cash equivalents	763,421	757,333
Capital employed	1,317,463	1,345,716

Capital ratio Capital base divided by total assets. Capital ratio is determined as follows:

	2024	2023
Capital base	895,513	920,495
Total assets	3,891,008	3,932,020
Capital ratio	23.0%	23.4%

Cash flow from working capital The sum of decrease/(increase) in inventories, decrease/(increase) in trade and other receivables and increase/(decrease) in trade and other payables as presented in the consolidated statement of cash flows. Cash flow from working capital is determined as follows:

	2024	2023
Decrease/(increase) in inventories	15,612	20,269
Decrease/(increase) in trade and other receivables	26,314	(97,004)
Increase/(decrease) in trade and other payables	(39,032)	(22,726)
Cash flow from working capital	2,921	(99,461)

EBIT Earnings before interest and tax. The amount is the equivalent of operating result as specified in the reconciliation of adjusted EBITDA.

General Meeting Annual general meeting of shareholders.

Liquidity position The amount of cash and cash equivalents.

Net (debt) / cash Cash and cash equivalents minus (non-current and current) borrowings minus (non-current and current) lease liabilities. Net (debt) / cash is determined as follows:

	2024	2023
Cash and cash equivalents	763,421	757,333
Minus: non-current borrowings	(59,838)	(54,513)
Minus: current borrowings	(7,012)	(7,061)
Minus: non-current lease liabilities	(178,100)	(160,902)
Minus: current lease liabilities	(78,263)	(73,313)
Net (debt) / cash	440,208	461,544

Net (debt) / cash before lease liabilities Net (debt) / cash plus (non-current and current) lease liabilities. Net (debt) / cash before lease liabilities is determined as follows:

	2024	2023
Net (debt) / cash	440,208	461,544
Plus: current lease liabilities	78,263	73,313
Plus: non-current lease liabilities	178,100	160,902
Net (debt) / cash before lease liabilities	696,571	695,759

Net working capital Current assets (excluding cash and cash equivalents) minus current liabilities (excluding current borrowings and current lease liabilities). Net working capital is determined as follows:

	2024	2023
Current assets	2,599,725	2,575,896
Minus: cash and cash equivalents	(763,421)	(757,333)
Minus: current liabilities	(2,658,716)	(2,666,680)
Plus: current borrowings	7,012	7,061
Plus: current lease liabilities	78,263	73,313
Net working capital	(737,137)	(767,743)

Order book The amount of expected revenue from contracts with customers, for the next five years, that has been secured but has not yet been recognised as revenue as the respective performance obligation has not yet been satisfied. Order book is further specified in note 6.3 of the consolidated financial statements.

Return on capital employed (ROCE) EBIT (on a rolling year basis) divided by the average four-quarter capital employed. Return on capital employed is determined as follows:

	2024	2023
EBIT	78,861	170,728
Average four-quarter capital employed	1,357,384	1,244,433
ROCE	5.8%	13.7%

Solvency Equity attributable to shareholders of the Company, divided by total assets:

	2024	2023
Equity attributable to the shareholders of the Company	895,513	920,495
Total assets	3,891,010	3,932,020
Solvency	23.0%	23.4%

Trade working capital Net working capital minus land and building rights, property development, non-trade receivables and payables (PPP receivables, other financial assets, other receivables, taxes, derivative financial instruments, provisions, other liabilities and assets and liabilities held for sale). Trade working capital is determined as follows:

	2024	2023
Net working capital	(737,137)	(767,743)
Minus: land and building rights	(269,143)	(236,777)
Minus: property development	(179,905)	(205,689)
Minus: non-trade receivables	(227,847)	(135,810)
Plus: non-trade payables	476,175	524,169
Trade working capital	(937,857)	(821,846)

Trade working capital efficiency The average four-quarters' trade working capital divided by revenue (on a rolling year basis). TWC efficiency is determined as follows:

	2024	2023
Average four-quarters' trade working capital	(753,070)	(824,778)
Revenue	6,454,951	6,270,474
TWC efficiency	(11.7%)	(13.2%)

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