

# SUSTAINABILITY REPORT 2024



**TOGETHER WE BUILD**

TRUSTED PARTNERS – CLOSE PROXIMITY  
LEADING SCALE – SUSTAINABLY COMMITTED





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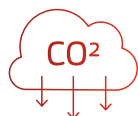
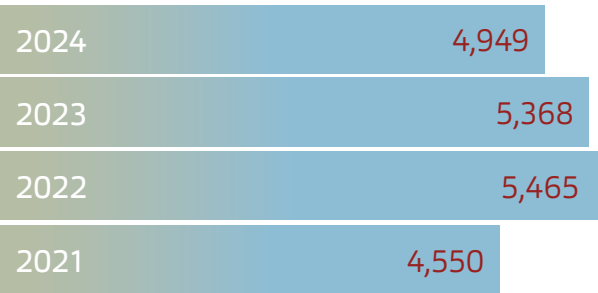


# BME'S 2024 SUSTAINABILITY HIGHLIGHTS



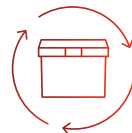
## REVENUE € MILLION

↓ 7.8%



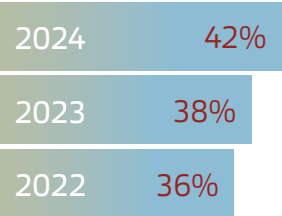
## CARBON EMISSIONS M KG CO<sub>2</sub>e

↓ 11%



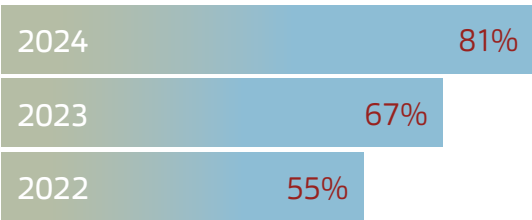
## SALES OF SUSTAINABLE PRODUCTS AT BMN

↑ 3.7 PERCENTAGE  
POINTS



## SPEND COVERED BY SUPPLIER CODE OF CONDUCT

↑ 17 PERCENTAGE  
POINTS



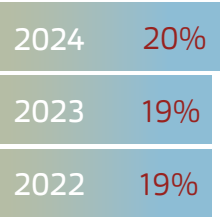
## EMPLOYEE ENGAGEMENT

↑ 1%



## WOMEN IN LEADERSHIP

↑ 1 PERCENTAGE  
POINT



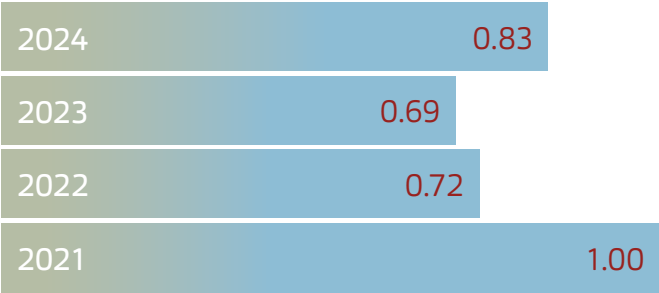
## INCLUSION SCORE

↑ 4%



## ACCIDENT FREQUENCY RATIO

↑ 20%



# DEAR STAKEHOLDER,

Together We Build. And building together means building for a more sustainable future. That's why I am proud to present our 2024 Sustainability Report – sharing our ambitions, our progress, and the road ahead.

Looking back, 2024 was a challenging year for BME. High interest rates and low investor and consumer confidence led to difficult market conditions in the cyclical building materials industry, putting significant pressure on the activity level. Despite these challenges, BME's performance resulted in nearly €5 billion in revenues and an adjusted EBITDA of €242 million.

We made meaningful strides to reduce our carbon footprint, strengthen our network of responsible suppliers, and expand our sustainable solutions. You can read more about all these results and how we achieved them throughout this report.

The good news is that the market is projected to grow from a low base that we have witnessed in 2024. Europe's housing stock is in vital need of both expansion and renovation, due to a structural housing supply shortage across Western Europe and an aging housing stock requiring substantial investments in energy efficiency. We are uniquely positioned to meet this rising demand for building materials with more sustainable building materials in particular, because consumers are increasingly prioritizing sustainable living.

## Offering sustainable products

BME's main impact on society has not changed: it's about making our portfolio of sustainable products accessible and available. Such products can not only create environmental, social and economic benefits – they can also help protect public health and the environment throughout their lifecycle.

In 2024, BMN once again increased its sales of Greenworks products – and our priority for the years ahead is to offer these in all the countries in which we operate. We truly believe that promotion of sustainable products is the most effective way for us to minimize negative impacts: whether on biodiversity and ecosystems, water and resource use, or pollution and waste caused by industry. Our most recent double materiality assessment also demonstrated that BME's stakeholders are keen to collaborate with us to develop and promote sustainable products and services.

## Taking responsibility across the value chain

We continue to take on supply chain responsibility by making sure our suppliers adhere to ethical business practices and values. We expect our suppliers to sign our Supplier Code of Conduct, including guidelines on human and labor rights, the environment, anti-corruption and bribery.

I am pleased to share that in 2024, 81% of supplier spend was covered by a signed Supplier Code of Conduct. Taking on this role as a distributor of building materials pushes higher standards across the industry, among both suppliers and competitors. We remain committed to this path and maintain a zero-tolerance policy for violations of our ethical and sustainability standards.

*"BME's main impact on society has not changed: it's about making our portfolio of sustainable products accessible and available."*

In addition to the major impact we can make in our value chain, we want to set a good example. Our own operations are also a part of that value chain, and we aim to minimize our more modest negative environmental impact. In 2024, we reduced our carbon emissions further – by 11 percentage points compared with the previous year. BME stays on course to mitigate its climate impact.

## Reporting transparently on our ESG data

Our customers are increasingly interested in the environmental impact of BME's products and operations. Transparent reporting is therefore crucial. We invest in our data collection process to ensure that what we report is as complete and accurate as possible. Excellent data flow in all material ESG domains also enables us to work towards compliance with the evolving EU legislation. At Europe's pace, BME will be fully compliant with the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive when these come into force.

## Promoting a health & safety culture

Our success is driven – first and foremost – by the hard work, expertise and dedication of our employees. The reporting year was marked by a worsening accident frequency ratio, mainly due to more accidents in our warehouses, particularly with rolling material. That's why in 2025, BME is taking more proactive steps to strengthen its safety culture across the Group.

We want to honor our commitment to the health, safety and well-being of our employees. They are the heart of the company and remain the key to a thriving BME.

In a year of tough market conditions, our teams stayed focused – driving real progress toward our ambition to lead on sustainability in our industry. It's a journey that requires commitment, long-term vision, and strong partnerships. This report reflects the dedication of our 13,000 colleagues across eight countries in Europe. I am grateful for their ongoing effort and commitment. I would also like to thank our suppliers and customers, who share our mission to build a more sustainable future together.


**Remco Teulings**  
Group CEO





# BME AT A GLANCE 2024

  
**+ 242 +**  
Adjusted EBITDA  
(€ million)

  
**+ 4,949 +**  
Revenue  
(€ million)

  
**+ >13,000 +**  
Employees  
(Year-end headcount)


  
**+ 8 +**  
Countries

  
**+ Sustainable products +**

  
**+ >940 +**  
Locations

  
**+ >275,000 +**  
Customers

  
**+ >1,000,000 +**  
Products

  
**+ >18,000 +**  
Suppliers

## TOGETHER WE BUILD

TRUSTED PARTNERS – CLOSE PROXIMITY – LEADING SCALE – SUSTAINABLY COMMITTED

**THE NETHERLANDS**  
BMN, Galvano,  
Tegelgroep Nederland  
BME Bouwmaten  
(Bouwmaat\*)

**GERMANY**  
BAUKING, SHK – Paulsen,  
Bergmann & Franz, Detering,  
hagebaumarkt\*

**SWITZERLAND**  
BMS – Richner, Gétaz.  
Baubedarf, Regusci Reco,  
Miauton

**FRANCE**  
BME France –  
Raboni, Busca

**AUSTRIA**  
Quester

**SPAIN**  
BME Spain –  
Isolana, La Especialista

**BELGIUM**  
BMB, STG

**PORTUGAL**  
Maxmat



\*Franchisee



# About BME

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TOGETHER  
WE BUILD  
SUSTAINABLY





# THE WAY WE DO BUSINESS

As a leading B2B distributor in Europe, BME connects over 18,000 building product suppliers with a broad and diverse base of more than 275,000 customers. Operating in a fragmented market, we provide an essential link – ensuring efficient access to building materials across the region.

## Our core values

Our shared values guide everything we do, shaping our culture and reinforcing our commitment to being a trusted, reliable, and flexible partner for our customers and suppliers. We work together to become preferred partners and to deliver genuine added value. To achieve this, we embrace five fundamental values that form the foundation for our actions and behaviors:

- 1. Dare:** We consciously challenge the way things are. We approach work with an open mind. We actively look for (business) opportunities and take calculated risks. We drive change with a positive approach.
- 2. Care:** We respect and take care of people. We notice and act on signals given by colleagues, the organization, our communities, and the environment. We build lasting relationships and keep each other safe.
- 3. Do it:** We drive towards top (business) performance with high integrity. We act now, push ourselves to beat goals and over-achieve. We look beyond the obvious. We love what we do and show our engagement.
- 4. Be real:** We do what we commit to. We are honest and forthright. We take our fair share of the workload. We take responsibility for our own mistakes. We maintain a reputation of authenticity, fairness and reliability.
- 5. Win together:** We engage with others to create partnerships. We do not “give in” but compromise appropriately for results. We trust and build on each other’s talents. We embrace diversity and champion inclusive communication.

## Combining scale and sustainability with our knowledge and network

Our success is built on specialist industry knowledge and a commitment to long-term value creation for both suppliers and customers. We empower our teams to make informed decisions that drive long-term growth and foster strong partnerships.

With extensive market presence, BME leverages its size and geographic reach to maintain leadership in key European markets. Our scale enables us to optimize procurement, attract top talent, and invest in digital innovation – enhancing efficiency and service quality.

Sustainability is at the core of our strategy. We are expanding our range of eco-friendly products, offering training and guidance on sustainable practices, and providing waste recycling solutions. These efforts encourage innovation among suppliers and support customers in adopting greener choices.

Our robust infrastructure and extensive network, spanning over 940 locations, ensures reliable distribution and accessibility. Supported by advanced digital systems, we optimize procurement, pricing and inventory management, enabling us to meet customer needs with speed and efficiency.

## Fragmented supplier and customer base

BME’s supplier base is fragmented and relies on distributors to reach an equally fragmented customer base with diverse and complex purchasing behavior. Customers expect consistent and immediate availability of a broad range of products.

### Supplier needs:

- Close proximity/access to customers
- Reliable logistics
- Stockholding
- Varying volumes, from small to large
- Short, secure payment terms
- Process and back-office support
- Sales and marketing capabilities
- End-consumer insights

### Customer needs:

- Consistent product range
- Immediate availability
- Close proximity
- Reliable logistics
- Sales and marketing capabilities
- End-consumer insights

### BME’s offering:

- Dense coverage
- Just-in-time delivery to customer site
- Inventory management
- Volumes guarantee
- Accelerated payments and adoption of credit risks
- Automated back-office processes
- On-the-ground sales team supported by digital tools
- Market intelligence on customer buying behavior

### BME’s offering:

- Custom-made proposals
- Dense coverage
- Just-in-time delivery to customer site
- Automated back-office processes
- On-the-ground sales team supported by digital tools



**Delivering value-added services**

> 18,000 suppliers

> 275,000 customers

## Essential link between suppliers and customers

BME is a vital intermediary in the fragmented building materials market, providing its suppliers with efficient access to its large and diverse customer base – and vice versa.







### Our business strategy: Together We Build

To deliver operational and commercial excellence across BME Group's operating companies, we have defined our business strategy: Together We Build. This strategy is underpinned by six pillars and supported by four enablers, which drive our commitment to responsible and continuous growth.

#### Pillars:

- 1. Commercial excellence:** We strive to implement best practices that enhance revenue and competitive positioning, focusing on areas such as pricing, sales effectiveness, format and e-commerce.
- 2. Procurement:** We leverage our scale to optimize sourcing of product-related and other spend – mainly relating to supplier concentration and assortment harmonization. Our procurement teams lead the creation of our sustainable value chain thanks to their close relationships with our suppliers.
- 3. Supply chain:** We improve the efficiency and effectiveness of our logistics, through continuous improvements in transportation and warehousing, optimizing inventory levels, and developing service-centric solutions. Beyond cost efficiencies and better customer service, these initiatives also reduce carbon emissions from our operations.
- 4. Footprint & real estate:** We aim to adapt our physical presence to evolving customer needs by continuously optimizing our existing branch network and real estate, while looking to make it more sustainable.
- 5. Organizational efficiency:** We streamline and optimize our organization for greater agility, supported by digital tools.
- 6. Focused growth:** We aim to expand our market presence through opening new branches and making selective acquisitions, which complement and strengthen our existing market position and businesses. We consider both our current geographies and attractive new geographies.

#### Enablers:

- 1. Finance** plays a pivotal role in supporting our operating companies and key functional areas to achieve strategic objectives. This includes providing industry-standard financial reporting, insightful management information, and forecasts. We also offer comprehensive support to our businesses in tax, treasury, legal, risk management, insurance and internal audit, while ensuring strict compliance with regulations.
- 2. People** initiatives focus on cultivating a high-performance culture that prioritizes exceptional experiences for our customers, suppliers, and employees. We are committed to nurturing and recruiting top talent to foster enhanced performance and growth across the organization.
- 3. Digital and IT** initiatives focus on harnessing advanced technology to enhance experiences for customers, suppliers and employees, while boosting operational efficiency. This includes modernizing enterprise resource planning (ERP) systems, providing an integrated online shopping and digital showroom experience, and implementing a Track & Trace system for precise delivery tracking.
- 4. ESG** priorities guide us towards becoming a sustainability leader in our sector, emphasizing carbon and waste reduction, diversity, health & safety, and integrity within our operations.



# BUILDING IN A CHANGING WORLD

Europe’s housing stock is in vital need of expansion and renovation. Population growth, a shortage of land for housing development, stricter building regulations, regulated rental markets, and shrinking households are leading to a structural housing supply shortage in Western Europe.

In addition, much of Europe’s housing stock is old and energy inefficient. This calls for the construction of new homes, while renovating existing homes to make them more energy efficient. The construction market in Western Europe is projected to grow, and a rising demand for building materials is expected.

### Focusing on market developments

The building sector operates in a cyclical market. The building materials distribution market is highly fragmented – generally leading over time to a higher level of consolidation. Due to the nature of the sector, scale is perceived as a key differentiating factor. Sharing know-how internally, making efficient usage of assets, and increasing investments to improve operations and products all drive more sustainable, profitable growth.

In recent years, high inflation, increasing prices, and decreasing consumer confidence has stalled this movement. Uncertainty in politics and declining construction volumes has led to a reset of the market. To maintain cost-effective offerings for customers, distributors are managing price increases from their suppliers.

We recognize the tension between the current pressure on profitability and the expectation of a growing market due to aging buildings and the housing shortage. However, the need for the expansion and renovation of Europe’s housing stock cannot be ignored. Geopolitical stability and governmental incentives would facilitate a catch-up in the market.

### Contributing to the climate transition

A major trend is the transition to a climate-neutral economy: the construction sector is pivotal to reducing greenhouse gas emissions. Energy efficiency plays a crucial role in emissions reduction, and results in significant cost savings. Consumers are increasingly focusing on sustainable housing, and the European Green Deal is stimulating investments to support sustainable building practices.

The building sector is responding to climate challenges by prioritizing greener, low-carbon materials and energy-efficient

designs with longer lifespans. Circular buildings also contribute to the transition to a climate-neutral economy. Materials are re-used to shrink waste and to minimize the ecological footprint. Distributors will see a rise in demand for recycled and sustainable building products and solutions.

### Prioritizing efficiency

Efficiency is key in dealing with the tension between pressure on profitability and a growing market. It’s also fundamental in moving towards sustainable building practices. A quest for efficiency led to a surge in prefabricated and modular buildings – generating a shift in demand for materials suitable for off-site production. Distributors need to alter their product portfolio and collaborate closely with suppliers to facilitate just-in-time delivery of components. Prefabricated buildings also facilitate conscious, sustainable choices of materials and an accelerated solution to the housing shortage. Distributors will need to adjust their model to continue to play an important role in this segment of the market.

Innovations and technological advancements are important enablers for efficiency gains. Digitalizing logistics and inventory management is key to maintaining a competitive advantage. Global supply chain continuity aids efficient inventory management and is of crucial importance to the building materials industry.

### Meeting workforce challenges

A continued war on talent creates a global workforce shortage – also implicating the building materials sector. It remains challenging to attract and retain qualified and talented people. Distributors of building materials could meet this challenge by offering products that are easy to install, or by accelerating the building process with turnkey systems.

The construction market is challenging – but it’s also one that offers many opportunities. BME continuously strives to transform its business in response to these changes. As a leading driver of sustainability, we take responsibility throughout the value chain.



# INTERESTS AND VIEWS OF STAKEHOLDERS

Our stakeholders are at the heart of our operations, actively engaging with us to generate and share value. Through ongoing dialogue, we gain insight into their interests, concerns, and expectations – informing our due diligence processes and double materiality assessment to determine our sustainability priorities.

We recognize six key stakeholder groups:

**Employees**  
Our team drives our success, championing sustainability and business initiatives, and fostering industry-wide value creation. We offer a flexible, secure working environment focused on engagement, diversity & inclusion, health & safety, well-being, ethics, and compliance.

**Customers**  
Customer satisfaction is a top priority. Our widespread network ensures accessibility, offering excellent service and a growing range of sustainable products to promote more sustainable practices. This benefits not only direct customers, including contractors and installation specialists, but also indirect customers, such as property developers, architects, and real estate investors.

**Suppliers**  
We build strong, lasting relationships with our 18,000 suppliers, many of whom uphold significant environmental, social and governance (ESG) policies and reporting standards. Through our Supplier Code of Conduct, we maintain high ethical standards, fostering open dialogue and promoting sustainable progress across the building industry.

**Investors**  
We work closely with shareholders and lenders to drive financial growth while maintaining transparency on ESG information, aligning our sustainability goals with their interests.

**Legislators**  
We ensure compliance with European regulations, including the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Taxonomy, actively managing the disclosure of sustainability matters ahead of their implementation.

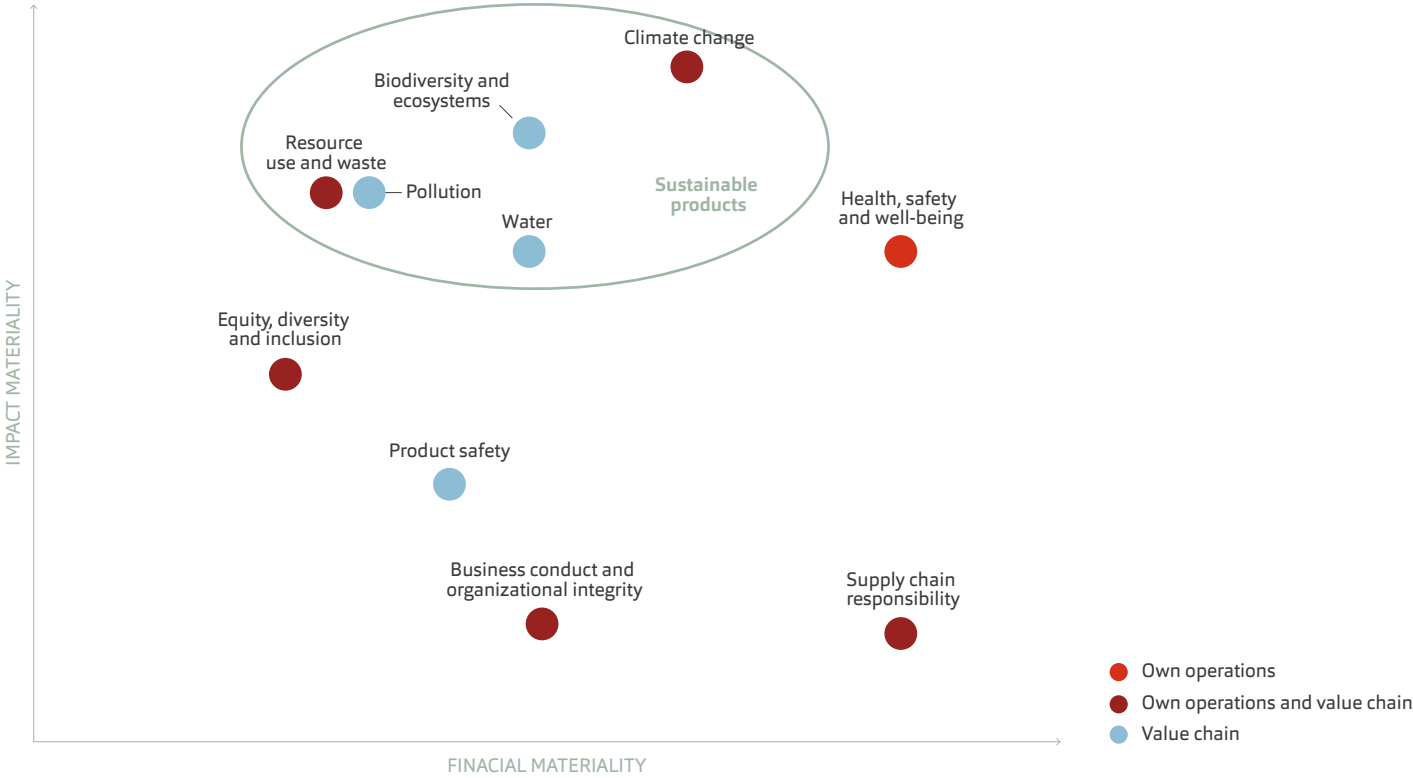
**Communities**  
Leveraging our extensive network and position in the supply chain, we contribute to community development by making sustainable construction practices more accessible and cost-effective, supporting wider progress in society.

**Double materiality assessment**  
BME is part of the bigger picture – our entire value chain. It is crucial that BME’s sustainability strategy aligns with the interests of its key stakeholders. Both internal and external stakeholders were therefore consulted in the process of drawing up our double materiality assessment.

We identified and assessed our impacts on the environment and society (impact materiality) as well as the sustainability-related financial risks to which we’re exposed and the opportunities we leverage (financial materiality). We considered both activities in our own operations and those in our value chain. The double materiality matrix on the right illustrates the results of the assessment. Our own operations have an impact on certain sustainability topics, while our value chain has a more significant impact on other topics (although there is crossover in some cases).

As part of the building materials sector, BME identified two topics as particularly material to both our own operations and our value chain: climate change, and health, safety & well-being.

BME'S DOUBLE MATERIALITY MATRIX



**Climate change**  
We take an active role in reducing our greenhouse gas (GHG) emissions in our operations. While our own footprint is modest, we have an important role to play in our value chain. As a distributor connecting many suppliers with many customers, we continue to promote the development and use of sustainable products.

**Health, safety & well-being**  
Our employees’ health & safety are paramount, and a healthy organization is key to the success of our business. We prioritize creating a safe and healthy working environment in our own operations, ensuring both physical and mental well-being.

**Other material focus areas**  
For biodiversity and ecosystems, pollution, water, and resource use and waste, BME has a modest impact via its own operations. We have no production sites and therefore limited influence on land use, resource consumption, and water usage. For these topics, BME’s focus is on playing a role in minimizing negative impact in the upstream and downstream value chain. As a distributor, BME wants to be a key enabler by ensuring customers are increasingly using **sustainable products** that have a lower environmental footprint.

Specifically for resource use and waste, BME’s main efforts are focused on the waste generated in the post-manufacturing, post-installation, and post-use stages to transition towards

more sustainable products. Though the impact of our own operations is more limited, we determined this topic to be material in our own operations and are working on packaging alternatives and circular building materials in the portfolio.

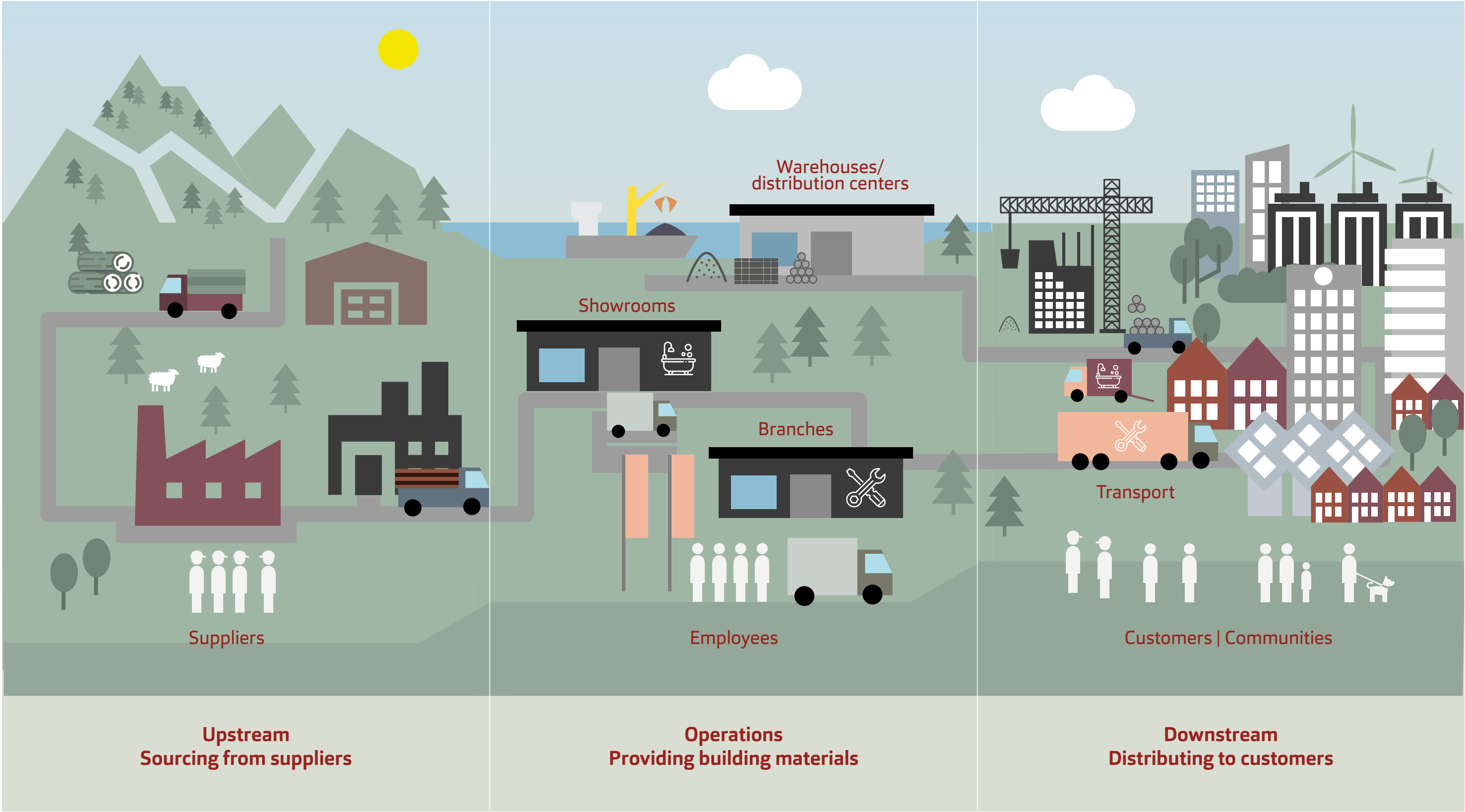
Lastly, **supply chain responsibility** is vital to our financial continuity. BME plays an actively preventative role by making sure suppliers adhere to ethical business practices and values, reinforcing transparency and sustainability across the value chain.

BME concluded that the following topics are not material to its business: equity, diversity & inclusion; product safety; business conduct & organizational integrity.

Our double materiality assessment is guiding our scope for transparent reporting. But first and foremost, it has confirmed our sustainability focus areas and bolstered our commitment to sustainable business practices. Taking into account our place in the value chain, it is clear where we can increase our positive impact and where we need to reduce our negative impact. In our own operations, we focus on reducing our greenhouse gas emissions and ensuring the safety and well-being of our people. In our value chain – both upstream and downstream – we form a unique link between the suppliers and consumers of sustainable products, delivered by and to responsible partners that share our sustainability ambitions.



# WE ARE PART OF OUR **VALUE CHAIN**



# OUR SUSTAINABILITY STRATEGY

As a leading distributor in the European building materials market, BME is uniquely positioned to drive sustainable and responsible practices across our value chain. Sustainability is embedded within our strategic foundations and operational approach, ensuring long-term value creation for all stakeholders.

Aiming to position ourselves at the forefront of sustainability in the building materials industry, our sustainability strategy is built around three key focus areas:

## Growing responsibly

BME aims to be a catalyst in driving the building materials industry towards more sustainable business practices. Our intermediary link between suppliers and customers allows us to play a pivotal role in promoting sustainable products. We're proud to take this responsibility by actively advising and motivating our stakeholders. To expand our potential impact throughout the value chain, BME aims to grow responsibly – also by reducing our own footprint.

## Enabling a sustainable value chain

Our commitment to creating more affordable, comfortable, and environmentally friendly housing is achieved by sharing our expertise on sustainable building practices and products. We actively support the transition to a greener building sector by working with suppliers and customers to promote the use of sustainable building materials; and by working with suppliers who share the same values as us.

## Maintaining a great, flexible and safe place to work

We are a people's business, and we're dedicated to providing our 13,000 employees with an inspiring and secure workplace. Our people are the core of our company: driving our efforts to position BME as a frontrunner in sustainability and in business. We have the utmost respect for our employees and want to take care of them in the best possible way.

## Commitment to the UN Global Compact

In November 2024, BME joined the United Nations Global Compact – reaffirming our commitment to responsible business practices and the Sustainable Development Goals (SDGs). As part of the world's largest corporate sustainability initiative, we align our strategies and operations with ten universally accepted principles in human rights, labor, environment, and anti-corruption, and we commit to acting in support of the SDGs. Joining this initiative is a milestone in our journey toward creating a more sustainable future by collaborating with like-minded organizations to drive positive change. This partnership underscores our dedication to reducing carbon emissions, promoting ethical business practices, and fostering collaboration across our value chain to support sustainable development.

## Our value creation model

Our value creation model overleaf aligns our sustainability priorities with the SDGs. For our three key areas of value creation, we've outlined a strategic roadmap detailing short-, medium- and long-term targets. This roadmap is crucial for maintaining momentum toward our ambitious goals, providing clear direction on the specific initiatives required to achieve them. Our ESG-focused roadmap is dynamic and continuously evolving, integrating new projects that have been tested and proven effective through local market trials. By leveraging insights gained from these initiatives, we scale up best practices across our operations, ensuring cohesive and sustained progress.





OUR ASSETS

OUR PEOPLE

- 13,000+ employees
- Our well-trained and experienced staff, providing expert advice

OUR PRESENCE

- Long history with strong brands and local entrepreneurship
- Serving customers nearby through a network of 940+ branches
- Long-lasting, personal relationships with 18,000+ suppliers and 275,000+ customers

OUR SERVICES

- One-stop-shop
- Sustainable products and services
- Private label offering
- Omnichannel digital capabilities
- Modern distribution centers secure optimized delivery

OUR FINANCIAL POSITION

- Solid financial basis
- Diversified portfolio across eight countries
- Well invested assets

TOGETHER WE BUILD

OUR STRATEGY

We strive to offer added value and innovative solutions to our customers, whilst delivering our proposition in a more consistent and superior way, compared to our competitors.



EMPLOYEES



LEGISLATORS



CUSTOMERS



INVESTORS



SUPPLIERS



COMMUNITIES

TOGETHER, WE DELIVER THE BEST EXPERIENCE FOR OUR CUSTOMERS, OUR SUPPLIERS, AND OUR PEOPLE

OUR VALUES



THE VALUE WE CREATE

RESPONSIBLE GROWTH

Our scale allows us to grow profitably and to drive sustainability in our company. We focus on reducing our environmental footprint by eliminating the carbon emissions and waste in our controlled operations.

HOW DO WE TRACK PROGRESS?

- Percentage of sales growth
- EBITDA margins
- Carbon emissions from own controlled operations

ENABLING A SUSTAINABLE VALUE CHAIN

Our scale also allows us to work towards a sustainable transition in the building sector value chain, from suppliers to end-users, by:

- Steering collaboration with suppliers who share the same values and increasingly provide sustainable products;
- Advising customers and suppliers by providing transparency on the environmental footprint of our products;
- Offering a relevant and broad range of sustainable products that help customers renovate and build more sustainably.

HOW DO WE TRACK PROGRESS?

- SNPS score
- NPS score
- Product LCA scores
- Percentage of product portfolio that is sustainable

SECURING A GREAT AND SAFE PLACE TO WORK

We strive to offer our employees a safe and great place to work where they can develop and be themselves, working with passion. This leads to our goal to:

- Become an industry leader in terms of employee engagement;
- Foster a diverse and inclusive workplace;
- Have a healthy and safe work environment with zero accidents.

HOW DO WE TRACK PROGRESS?

- Employee engagement score
- Inclusion & Well-being score
- Number and severity of accidents

THE IMPACT WE MAKE



Accelerated sustainability and responsible business practices in our sector and value chain



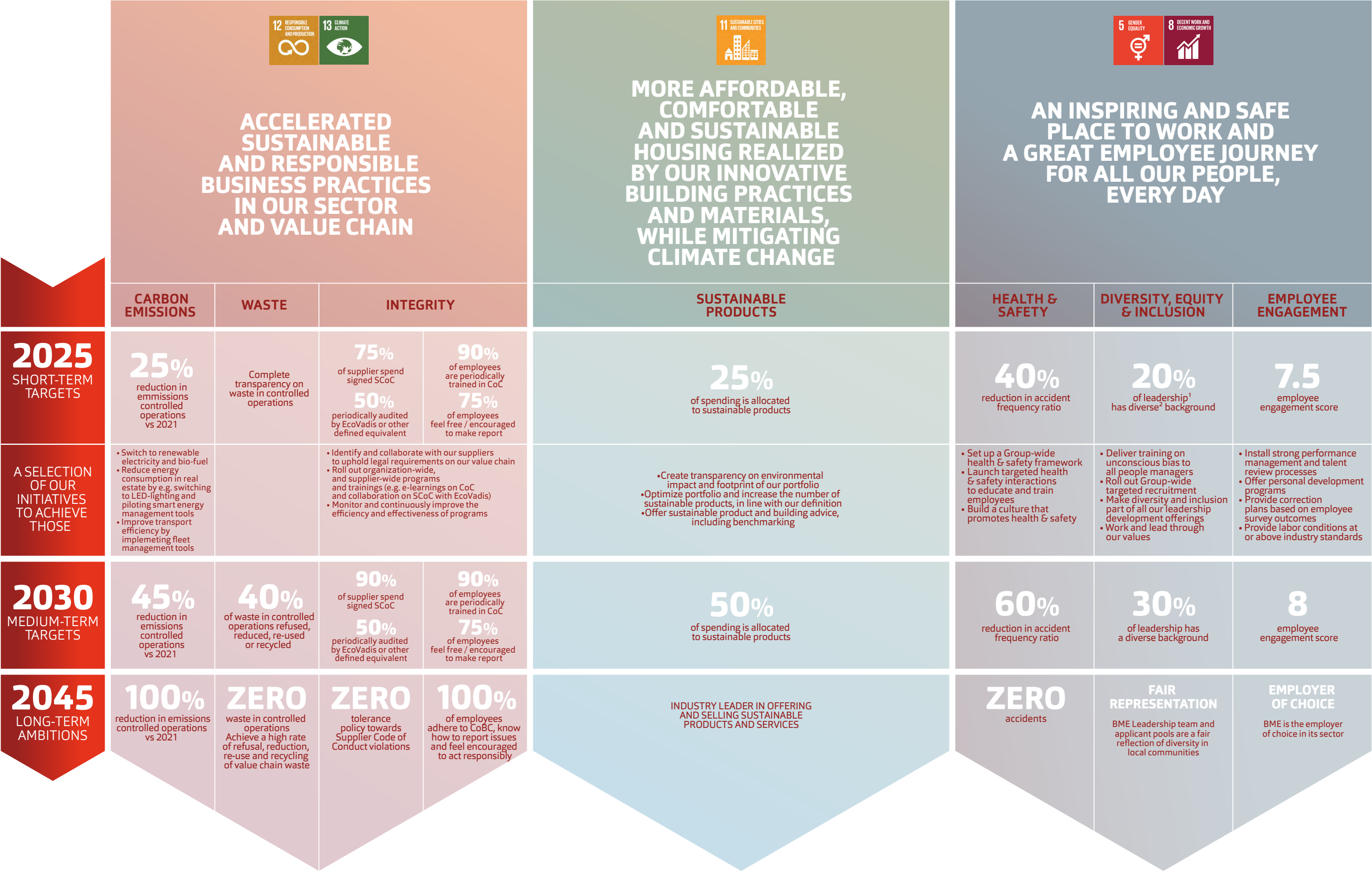
More affordable, comfortable and sustainable housing realized by our innovative building practices and sustainable materials, while mitigating climate change



An inspiring and safe place to work and a great employee journey for all our people, every day

MEGA TRENDS	CONSOLIDATION OF THE MARKET	BACKLOG IN RENOVATION	INCREASING AND ONGOING HOUSING SHORTAGE	DEMAND FOR MORE SUSTAINABLE BUILDING SOLUTIONS (MODULAR AND PREFAB)	TRANSITION TO A CLIMATE NEUTRAL ECONOMY
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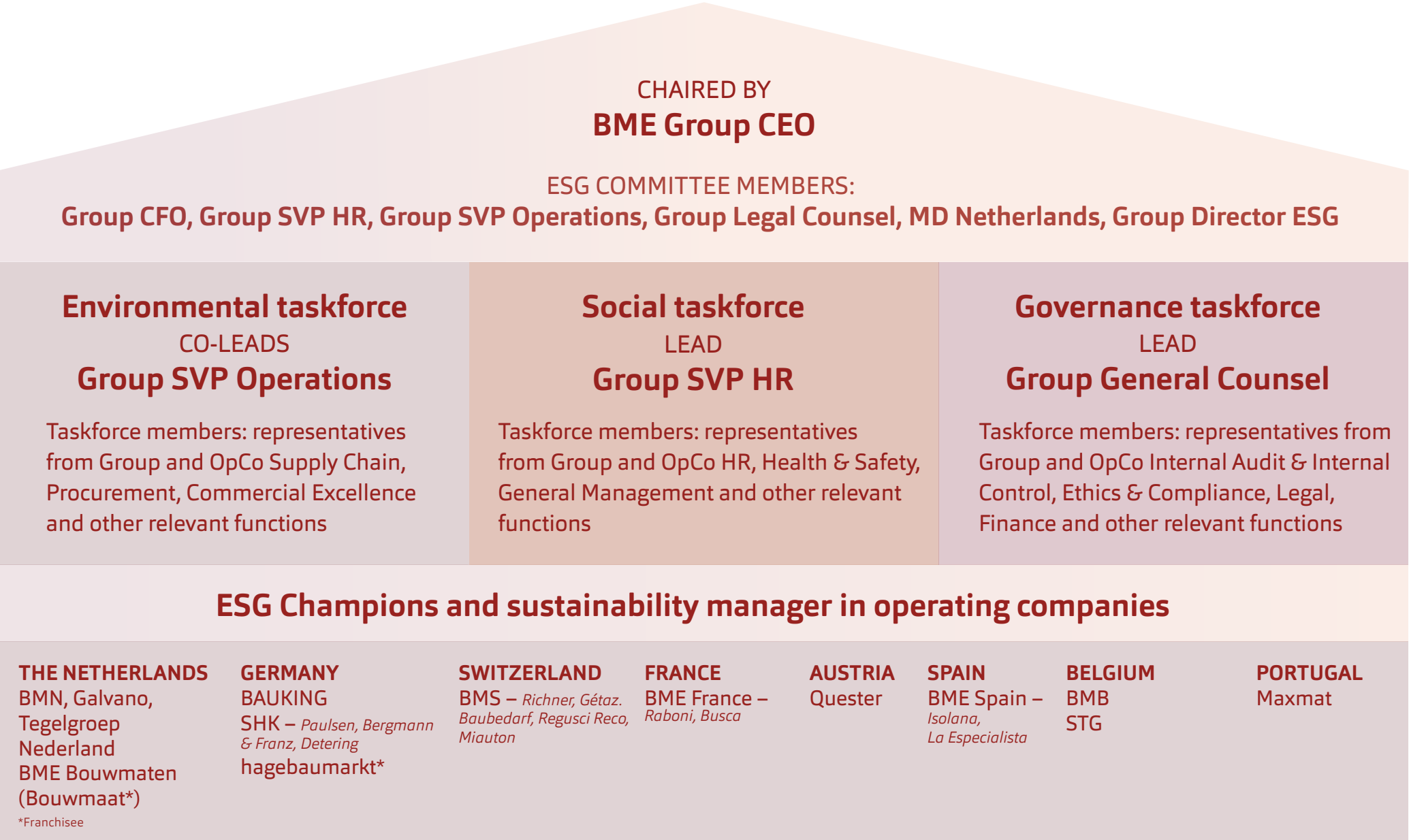






# SUSTAINABILITY GOVERNANCE

BME’s sustainability governance structure ensures the effective integration of ESG across the organization. It consists of an ESG Committee and dedicated taskforces responsible for environmental, social, and governance & compliance themes.



**ESG Committee and Taskforces**

Chaired by the CEO, the ESG Committee holds overall responsibility for BME’s sustainability strategy and policies, while delegating their implementation to the three taskforces. The ESG Committee meets quarterly, with additional meetings as needed.

- The committee’s key roles are to:
- Define the company’s ESG strategy, ambition, Group-level roadmap, short- and medium-term targets and budget;
  - Review progress and data from across the business;
  - Report findings and recommendations to the Supervisory Board.

Three taskforces, led by senior executives, oversee the strategy’s implementation and engage with Group functions and operating companies. They meet every six weeks and serve as the primary point of contact for all Group functions and operating companies on ESG reporting.

**Local implementation and reporting**  
Operating companies’ management teams and functional leads are responsible for implementing BME’s ESG policy locally. Each operating company submits an ESG roadmap aligned with Group priorities as part of the broader Together We Build (TWB) strategy, which is reviewed during the annual budget process. ESG progress is reported monthly as part of TWB, while ESG data submission – aligned with key performance indicators (KPIs) – occurs quarterly or annually, depending on the theme or KPI. The internal ESG reporting manual outlines ownership of ESG themes, data management, and reporting procedures.





**ESG Taskforce: committed to making progress**

BME's ESG strategy is guided by three Taskforce Leads, who identify opportunities, tackle challenges, and set future priorities for BME in their respective sustainability field. Each Taskforce Lead focuses on a key pillar of ESG: **Désiré Jansen**, Group SVP Human Resources, is shaping a flexible and inclusive workplace; **John Tros**, Group SVP Operations, is building a more sustainable value chain and product portfolio; and **Dorus Landweer**, Group General Counsel, is ensuring responsible corporate governance. Together, they're driving BME towards a more sustainable future, even in the face of complex challenges.

**Navigating evolving regulations**

With ESG standards continuing to evolve, 2024 marked a significant shift in reporting requirements. The European Commission announced plans to streamline existing and upcoming ESG reporting requirements into a single regulation,

reducing administrative burden for businesses. While this consolidation simplifies compliance, BME remains proactive in integrating sustainability into its operations.

"Our corporate governance is committed to sustainable and ethical practices, ensuring transparency and accountability," says Dorus. "We firmly believe that adherence to international legal standards reduces compliance and business risks. Despite regulatory complexities, we continue to make progress, and I'm proud of the commitment at senior management level to drive ethical business practices proactively."

**Overcoming supply chain complexity**

Building a sustainable value chain and product portfolio presents its own set of challenges, particularly given the ever-changing regulatory landscape across Europe. "Legislation is complex and varies significantly – not only between countries but sometimes even within them," explains John.

"For example, we're developing a database to track the environmental footprint of every product in our portfolio. Given the different standards per country, and varying requirements between small and large companies, this is an enormous challenge."

**Strengthening employee engagement and inclusion**

Despite challenging market conditions leading to a significant restructuring across most of our operating companies, BME increased its overall employee engagement score by one point in 2024, showing that ongoing efforts are making a difference. Initiatives such as "Great Conversations" training have equipped managers to better engage with their teams, fostering a more open and communicative culture.

At the same time, BME recognizes the need for greater diversity in leadership. "The building sector is still male dominated, but we know that diversity makes us stronger, more innova-

tive, and ultimately more successful and profitable," says Désiré. "While we're making progress on inclusion, female leadership representation varies across our operating companies and requires a strong push." To address this, BME is launching inclusion & diversity training and leadership development programs in 2025.

**A shared commitment to progress**

As BME navigates unpredictable markets and evolving regulations, one thing remains clear: commitment is key. Sustainability is no longer an isolated initiative – it's becoming an integral part of corporate governance. At BME, we embed ESG principles into our overall strategy, ensuring that sustainability, social responsibility, and ethical leadership drive long-term value creation. We will continue to work closely with our customers, suppliers, and partners to drive change. "We're not just adapting to new standards," John concludes; "we're setting them."





# IN THE SPOTLIGHT: AMALIA ROCA PINTADO ESG CHAMPION

To help translate BME's strategy into practice, each operating company has its own ESG champion. At BME Spain, that's Amalia Roca Pintado, Sustainability and Quality Director. She talks about how BME Spain engages its employees on sustainability, and which initiatives have worked well so far.

## What does it mean to be an ESG Champion?

For me, being an ESG champion means working every day to make BME Spain more sustainable – not just in terms of environmental responsibility but also by integrating social and ethical aspects into how we behave, both internally and externally. As an Environmental Sciences graduate, I feel fortunate to develop my career in this field and see first-hand how our initiatives go beyond economic profit, helping BME Spain to care for its employees, the environment, and the community.

## How do you work together with the ESG taskforce?

Collaboration with the ESG taskforce is essential to effectively design and implement our initiatives. We hold monthly meetings to track progress on the roadmap we established at the beginning of the year, review KPIs, and ensure we're on course to meet our targets. The ESG Taskforce includes our Managing Director, Operations Director, and Procurement and Marketing Director. I also work closely with our HR team on social initiatives, employee-focused programs, and diversity, equity & inclusion efforts. I'm grateful to the entire team, because without their collaboration, none of our sustainability progress would be possible.

## How do you translate ESG policies from BME into concrete action in Spain?

The roadmap I mentioned before provides clear directions on which initiatives to prioritize and how to track success. The ESG team discusses each initiative, then department heads communicate them to their teams for execution. Once an initiative is launched, we monitor its progress closely, making adjustments as needed.

It's also important that all employees are aware of what we're doing. In our company-wide quarterly video calls, we dedicate time to ESG updates. Our purpose – "Helping to build a more comfortable and sustainable world" – reflects how deeply sustainability is embedded in our DNA.

To give a concrete example in terms of waste management: in 2024, we successfully reused or recycled 62% of the waste generated, which represents more than double the improvement compared with the previous year. And we did that mainly through optimizing the way we separate waste streams in both our offices and warehouses.

## How do you engage employees in sustainability, and why is this so important?

ESG initiatives often require a shift in mindset, and changing long-standing habits can be challenging. Some employees may initially see these efforts as extra work, but when they understand the benefits, engagement improves significantly. People need to feel involved in our ESG efforts – if they're not well-informed and able to take the right steps, we won't meet our targets. That's why clear communication is key.

We've found that gamification – like contests with rewards – helps boost participation. Making sustainability fun and engaging encourages people to adopt new practices and fosters camaraderie among teams. For instance, in 2024 we ran a competition for employees encouraging them to commute to work more sustainably, and we planted a tree on behalf of each employee as part of our carbon offset program (see the case study on page 44).

*"Employees need to feel involved in our ESG efforts – if they're not well-informed and able to follow the right steps, we won't meet our targets. That's why clear communication is key."*

AMALIA ROCA PINTADO | BME SPAIN



## What achievements are you most proud of?

I'm deeply proud of what we've achieved across all areas of ESG as a team. These are just a few highlights:

- **Environmental:** Despite our growth, by the end of 2024 we'd cut carbon emissions by 2% compared with 2023. And I've already mentioned our success in waste management!
- **Social:** In 2024, we tripled the number of training hours on health & safety in comparison with the previous year, and we integrated 100% of our workforce into the Performance Management program, marking a significant advancement in talent management and professional development.
- **Governance:** In 2024, we introduced a requirement for our key suppliers to be audited by EcoVadis or hold an equivalent sustainability certification. By the end of the year, we reached 32% and we aim to exceed 50% by the end of 2025.

## What are your goals for the future?

Looking ahead, our focus is on reducing our carbon footprint by adopting more sustainable logistics technologies and promoting sustainable products while minimizing packaging waste. We also see a big role for ourselves to promote the use of more sustainable products and systems in the construction industry. Just as importantly, we're committed to working closely with our suppliers and partners to ensure they share our values and vision for sustainability and social responsibility. Achieving these goals won't be easy, but with the dedication and collaboration of our entire team, I'm confident we'll make a lasting impact.



# Our performance in 2024

Growing responsibly .....	36
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Maintaining a great, flexible and safe place to work .....	66

TOGETHER  
WE BUILD  
SUSTAINABLY



# GROWING RESPONSIBLY

BME aims to be a catalyst in driving the building materials industry towards more sustainable business practices. Our intermediary link between suppliers and customers allows us to play a pivotal role in promoting sustainable products. We’re proud to take this responsibility by actively advising and motivating our stakeholders. To expand our potential impact throughout the value chain, BME aims to grow responsibly – also by reducing our own footprint.

**We lead by example through:**

- 1. Growing continuously to drive sustainability across the sector;
- 2. Reducing carbon emissions and waste in operations under our control;
- 3. Acting in a responsible and ethical manner.

**This contributes to the UN Sustainable Development Goals**

- 12. Responsible consumption and production;
- 13. Climate action.





# GROWING CONTINUOUSLY

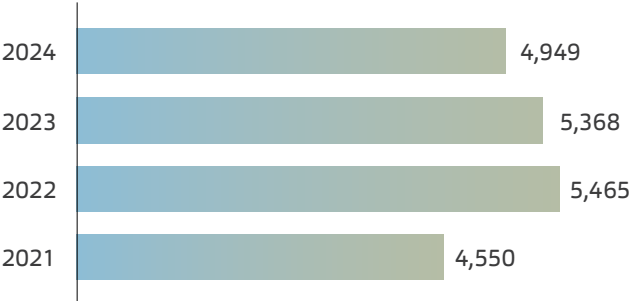
Our ambition

BME aims to continue its strategic expansion in Europe. Scale allows us to share know-how internally, to make efficient use of assets, and to increase investments to improve operations and products. More transport centralization, fleet electrification, and optimized routing translate into a reduction in our carbon footprint as well as superior customer service. These investments drive environmental benefits in our own operations and promote sustainability initiatives in companies we’ve acquired. Better negotiating power towards suppliers enables us to steer towards more sustainable practices in our value chain. For BME, growing continuously means taking on increasing responsibility for sustainable business practices in the industry.

Our progress

In 2024, BME revenue amounted to €4.9 billion, a decline of 7.8% from €5.4 billion in 2023. This is the result of shrinking market volume and price deflation driven by continued reduction in building activity in Northern European markets. The Southern European markets (Spain and Portugal) remained positive. In addition, high cost inflation impacted operating costs, putting more pressure on our financial results.

BME’S REVENUE 2021-2024 (€ MILLION)



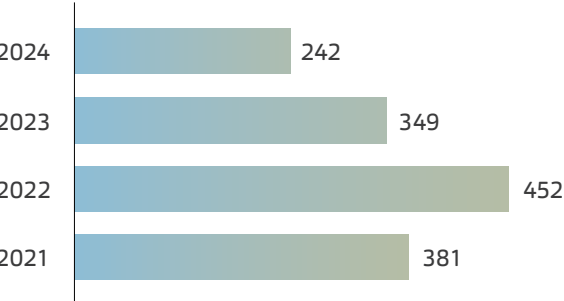
Our adjusted EBITDA was €242 million in 2024, a decrease from €305 million in 2023. A continued drive for operational efficiency and disciplined cost management mitigated the negative market impact on our EBITDA.

An ongoing tough market coupled with an uncertain market outlook also stalled BME’s acquisition ambitions. That said, seven acquisitions contributed €48 million in revenues in 2024. This included Heimö in Germany, Dycten in Spain, Hémistyle and Espace Matériaux in France, along with Sanidel, Paepens and Mattheeussen in Belgium. These acquisitions enable us to develop a more close-knit network of locations, where we can better serve our customers and improve our operational efficiency.

Our road ahead

BME is constantly looking to expand, because more scale improves our operations and allows for better service to our customers. Continuous growth for BME, however, means sensible, sustainable growth. When considering new acquisitions, BME uses ESG roadmaps to screen companies, and makes the necessary investments to stay on track to meet our sustainability ambitions.

BME’S ADJUSTED EBITDA 2021-2024 (€ MILLION)



TIMELINE ACQUISITIONS

2021		2022		2023		2024	
Acquisition	Country	Acquisition	Country	Acquisition	Country	Acquisition	Country
Mahler	Germany	Heinrichs Fliesenmarkt	Germany	Gebhardt Bauzentrum	Germany	Heimö	Germany
Grupo BMV	Spain	Mager	France	Bäthge Baustoffe	Germany	Dycten	Spain
Saint-Gobain Distribution Netherlands	Netherlands	UMHS	France	Bouwgroep	Belgium	Hémistyle	France
Planasdis	Spain	Villar MC	Spain	Decoplack	Spain	Espace Matériaux	France
Maxmat	Portugal	Bouwcenter Nelemans	Netherlands	Huijskens-Boevink	Netherlands	Sanidel	Belgium
Silix	France	Rollwitzer	Germany	Van Engeland	Netherlands	Paepens	Belgium
De Jong & Roos	Netherlands	Induscabel	Belgium			Mattheeussen	Belgium
Baucentrum Cronrath	Germany	Home Carrelage	France				
Yesyforma	Spain	GBI Jacob Bakker	Netherlands				
Bridts	Germany	Bouwpunt Van der Gucht	Belgium				
		BVP-Socca	France				

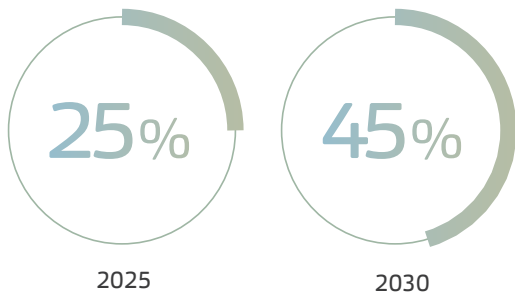


# REDUCING CARBON EMISSIONS

Our ambition

The building materials industry contributes to climate change; BME therefore wants to take the opportunity to minimize this negative impact. Our main area of influence is our value chain, where we take responsibility by promoting the development and use of sustainable products (see “Working with suppliers and customers to promote sustainable construction” on page 56). The footprint of our own operations is more modest, but reducing carbon emissions remains a key component of our sustainability strategy. Roadmaps across our operating companies include initiatives such as the reduction of electricity, gas and fuel consumption, as well as efforts to reduce our impact through business travel and commuting. To track progress on our environmental stewardship in our own operations, we have set a target to reduce carbon emissions by 25% by 2025 and 45% by 2030 (against a 2021 baseline).

CARBON EMISSIONS TARGET REDUCTION VS 2021 BASELINE



Our progress

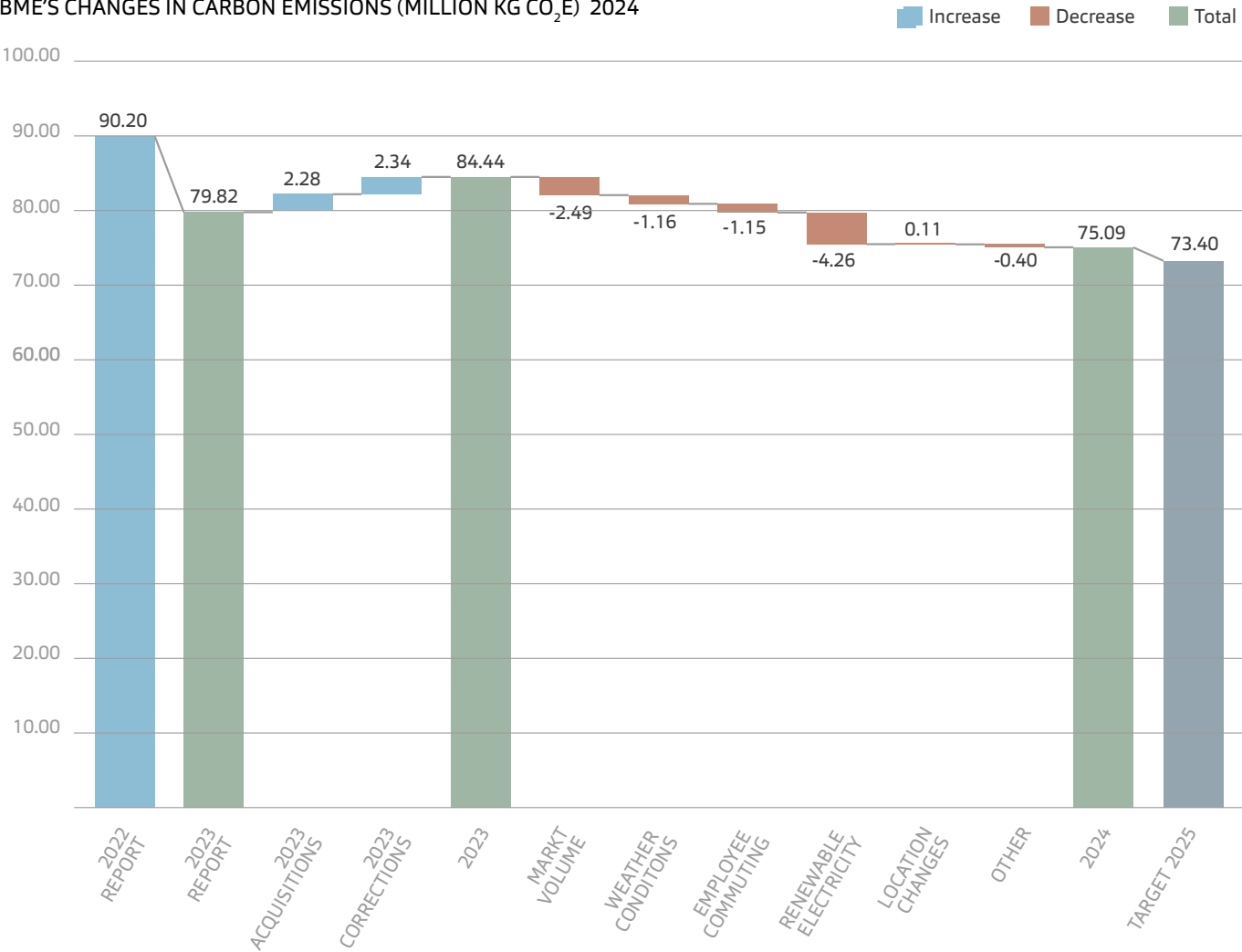
In 2024, our CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions totaled 75.09 million kg, representing a reduction of 9.35 million kg, or 11% compared with the total emissions of 84.44 million kg in 2023<sup>1</sup>. This improvement in the reporting year ensures that BME is in line with its targeted ambition of 73.4 million kg CO<sub>2</sub>e by 2025 – meaning a reduction of 25% compared with 2021.

There are several factors that impact BME’s carbon emissions:

- **Market volume:** Shrinking activity in the building sector due to high inflation led to a substantial decline in market volume, resulting in a reduction of 2.49 million kg CO<sub>2</sub>e.
- **Weather conditions:** Local climate and temperature variations influenced heating and cooling needs at BME locations. The “degree days” assessment revealed that a reduction of 1.16 million kg CO<sub>2</sub>e could be allocated to temperature variations.
- **Employee commuting:** BME continues to transition its lease car fleet from fossil fuel to electric vehicles, while encouraging the use of public transport for employee commuting. In addition, the total workforce in 2024 decreased due to tougher market conditions. This led to a reduction of 1.15 million kg CO<sub>2</sub>e.
- **Procurement of renewable electricity:** A decrease of 4.26 million kg CO<sub>2</sub>e can be attributed to the purchase of green electricity by BAUKING and SHK operating companies, and the installation of more solar panels. In 2024, 80% of our total electricity consumption came from renewable sources.
- **Branch network:** Variations at our locations increased our footprint by 0.1 million kg CO<sub>2</sub>e. Acquired companies are required to commit to our ESG roadmap with clear improvement targets and initiatives.

<sup>1</sup> Note that the total CO<sub>2</sub>e emissions in 2023 has been restated.

BME’S CHANGES IN CARBON EMISSIONS (MILLION KG CO<sub>2</sub>E) 2024



CARBON EMISSIONS (MILLION KG CO <sub>2</sub> E)	2022	2023	2024	%
Scope 1	40.11	36.09	35.40	-2%
Scope 2 – market-based	9.31	7.24	1.88	-74%
Scope 2 – location-based		13.2	13.4	2%
Scope 3 – operational control	40.79	41.11	37.81	-8%
Total carbon emissions	90.20	84.44	75.09	-11%

Our road ahead

Our stakeholders deem climate change to be one of BME’s most material sustainability topics. We are well on track to reach our 2025 target, but we’re stepping up our efforts to reach our goal of net-zero emissions. Our focus in our own operations is still to reduce energy consumption, both fossil fuels and electricity.

We will continue to invest in a more sustainable truck fleet, using both electric and hydrogen trucks. At the same time, we will increasingly fuel our trucks with biodiesel, as described

in the case study on page 42: “Leading the way in sustainable logistics”. Moreover, we’re optimizing our transport efficiency with eTrans – see case study on page 46. In short, BME is aiming for fewer truck rides, while using more sustainable fuel. In addition to our trucks, we continue to transition to electric vehicles for our employee lease cars.

Our shift towards renewable electricity is intensifying. We will further reduce heating in our locations by setting a heating policy and by installing smart meters. We’re also gradually switching to electric heating to lower gas consumption.







# LEADING THE WAY IN SUSTAINABLE LOGISTICS

Logistics accounts for around 55% of BMN's total carbon footprint, making transport a key area for emissions reduction. BMN is pioneering the use of hydrogen and electric trucks, while also transitioning its regular fleet to renewable biodiesel (HVO100). These initiatives are positioning BMN at the forefront of sustainable logistics in the building materials industry.

## Hydrogen versus electric trucks: a comparative test

BMN was the first construction-related company in the Netherlands to introduce a hydrogen-powered truck. This move was part of a broader effort to prepare for upcoming legislation on zero-emission zones and nitrogen-sensitive areas. The hydrogen truck, which converts stored hydrogen into electricity to power an electric motor, offers a longer driving range and faster refueling times – taking just 15-20 minutes to refuel. BMN has also introduced an electric truck, which recharges overnight.

In 2025, the company will be running four zero-emission trucks. By testing both hydrogen and electric trucks, BMN aims to determine the most effective and cost-efficient long-term solution for sustainable transport.

## Transition to renewable biodiesel

In addition to its zero-emission truck trials, BMN has made a significant shift toward renewable biodiesel. The operating company partnered with Shell to transition its own truck fleet to HVO100, a biodiesel that reduces carbon emissions by 90% compared with traditional diesel. This transition was first tested at BMN's Vriezenveen location, where its on-site fuel station was stocked with biodiesel. The success of the trial led to expansion to other locations in the Netherlands.

## Impact and industry influence

BMN's commitment to sustainable transport is already yielding results. For most of 2024, 20 of its own 130 trucks were running on biodiesel, but this was scaled up in October of the reporting year – meaning the full-scale impact

will be seen in 2025. BMN's efforts have also drawn interest from neighboring countries, with operating companies in Belgium and Germany exploring similar biodiesel transitions. As a market leader, BMN is closely watched by competitors – and it aims to set the industry standard on sustainable logistics.

While the investment costs for hydrogen trucks remain high, the company plans to expand its fleet of electric trucks in the near future while continuing to scale up biodiesel adoption. By using a mix of biodiesel and zero-emission vehicles, BMN is ensuring that it remains at the forefront of sustainable logistics. The lessons learned from these initiatives will guide BMN's future investments in cleaner transport solutions, ultimately benefiting both its customers and the wider construction industry.



## CASE STUDY

# BME SPAIN ENGAGES EMPLOYEES IN REDUCING CARBON EMISSIONS



Through two innovative and engaging sustainability initiatives, BME Spain has demonstrated how small behavioral changes and targeted environmental actions can add up to real, measurable impact – both for the company and the planet.

### Encouraging sustainable commuting

Employee commuting is a significant but often overlooked source of emissions. At BME Spain, 11% of total emissions come from how employees travel to work – making it the third-largest contributor after logistics and business travel. While commuting habits are personal choices, BME Spain saw an opportunity to raise awareness and encourage more sustainable transport options through a fun and engaging initiative: the “Zero Emissions to Work” competition.

BME Spain’s Sustainability and Quality Director, Amalia Roca Pintado, explains more: “In 2024, we challenged our employees to walk, cycle, or run to reduce their individual carbon footprints. Participants logged their commutes on a platform, tracking progress in real-time. Weekly updates highlighted leaders in the cycling and walking/running

categories, keeping the competition exciting. Part of the competition was about communication – so even employees who weren’t participating were made aware of the total distance covered and the positive impact on carbon footprint reduction.”

At the end of the challenge, the top three performers in each category won sports equipment gift cards. Over the course of three months, employees collectively covered 2,961 kilometers, reducing BME Spain’s carbon footprint by approximately 503 kilograms of CO<sub>2</sub>e.

### Offsetting emissions through reforestation

In addition to encouraging sustainable commuting, BME Spain took direct action to offset emissions by investing in carbon credits. Through the Tree-Nation platform, the company participated in the “Plant to Stop Poverty” pro-

ject in Tanzania. In 2024, BME Spain planted 3,177 trees, offsetting 476,400 kilograms of CO<sub>2</sub>e, while also supporting local communities. Amalia explains: “Reforestation not only absorbs carbon dioxide, but also creates jobs, promotes the sustainable use of natural resources, and strengthens the local economy, improving the quality of life for many families. The seeds from these trees also have medicinal uses, enhancing food security and healthcare within the community.”

To further engage employees, BME Spain turned this initiative into a personal experience. As a Christmas gift, all 676 employees received a virtual tree that they could digitally plant and name. Through an online platform, employees could track their tree’s growth and learn about the community maintaining the forest. This initiative reinforced sustainability as a core value and

strengthened employees’ connection to BME Spain’s environmental impact.

For more information about BME Spain’s forest, visit: [tree-nation.com/profile/cia-espanola-de-aislamiento-sa](https://tree-nation.com/profile/cia-espanola-de-aislamiento-sa)

### Achieving net-zero commuting emissions

The combination of the Zero Emissions to Work competition and the tree-planting project resulted in a major milestone: BME Spain fully offset all employee commuting emissions for 2024, achieving net-zero commuting emissions for the year. These efforts also contributed to an overall 2% emissions reduction compared with 2023.



## REFORESTATION CERTIFICATE

Presented to  
**BME Spain**

for planting  
**3177 trees**

for offsetting  
**476.45 tonnes of CO<sub>2</sub>**

Reforestation projects involved  
[Plant to Stop Poverty, Tanzania](https://tree-nation.com/profile/cia-espanola-de-aislamiento-sa)

Date  
18/12/2024

*Carbon offsets and trees planted are recorded under Tree-Nation's own methodology. The purpose of our reforestation programs is to restore ecosystems, improve the livelihoods of local communities and help tackle climate change.*

Tree planting and Carbon offsets figures can be tracked at the following address:

<https://tree-nation.com/profile/impact/cia-espanola-de-aislamiento-sa>

  
**Maxime Renaudin**  
Executive Director of Tree-Nation





# OPTIMIZING TRANSPORT EFFICIENCY WITH ETRANS

Transportation plays a crucial role in BME Group’s operations, while contributing significantly to overall carbon emissions. To drive efficiency and reduce our carbon footprint, an advanced transport management system known as eTrans is being implemented.

## A centralized approach to transport logistics

We aim to digitalize our processes to enhance transparency in our supply structure, ensuring that both sales teams and end customers are always informed about the status of their consignments. By optimizing routes and centralizing dispatch, eTrans is set to improve logistics performance while cutting down on unnecessary mileage and emissions.

Jens Bracke, Transport Manager at BAUKING, explains: “The eTrans system will enable real-time tracking and planning of deliveries across BAUKING’s branches. While BME’s other operating companies are already using eTrans for visualization purposes, BAUKING is using it as a planning tool to centralize route planning. In addition to transport centralization (that’s already taken place), eTrans will digitalize all of this – enabling us to dispatch goods from the location that’s closest to the customer. This should minimize empty runs and maximize load efficiency, ultimately reducing fuel consumption and carbon emissions.”

## Real-time data for greater transparency

One of eTrans’ key benefits is the level of detail it provides. The transport management system will track the live status of deliveries, including congestion points, estimated arrival times, and loading status. This visibility will allow dispatchers to proactively adjust routes and manage schedules to avoid delays.

The system is also designed to support improved communication. Jens continues: “Customers can see the status of their consignment, sales teams can see whether their order has been delivered correctly, and logistics managers can check performance and potentially improve it.”

At BAUKING, where the system is being implemented initially, eTrans will provide detailed dashboards that offer full visibility into transport performance. These dashboards display key metrics, such as vehicle locations, route efficiency and driver behavior, helping logistics teams make data-driven decisions to improve performance.

## Enhancing driver safety and efficiency

Beyond efficiency gains, eTrans has a strong focus on health & safety. Every driver is required to conduct a digital pre-departure vehicle check via their tablet before beginning a shift. This ensures that any technical issues are flagged and addressed before the vehicle goes on the road. The tablet system also records driver behavior, such as braking patterns and fuel consumption, enabling dispatchers to provide feedback and encourage safer, more efficient driving habits.

## Scaling up for impact

While eTrans is still in the early stages of implementation, initial results are promising. Centralized dispatching has already helped optimize route planning, and full-scale digitalization is expected to further increase efficiency.

“To put it simply,” concludes Jens, “shorter distances = more customers served = lower costs = lower carbon emissions. The transport management system provides us with the necessary framework in terms of structure, organization, and transparency. For BAUKING, digitalization and centralization are essential – and inseparable – building blocks for economic success and a smarter, greener transport network.” As the rollout continues, eTrans will play a key role in improving logistical performance while contributing to a lower-carbon future.



# REDUCING WASTE

## Our ambition

BME links suppliers and customers in the construction industry by distributing building materials. Packaging waste is one of the biggest challenges we see in this sector. To play a vital role in the transition towards a circular economy, we aim to reduce the natural resources we consume. We ensure that any materials taken from nature are re-used as much as possible, and we aim to reduce to a minimum any waste that can't be re-used or recycled.

We believe that our main area of influence is our value chain, where we take responsibility by promoting the development and use of sustainable products (see “Working with suppliers and customers to promote sustainable construction” on page 56). Though the impact of our own operations is more limited, BME determined resource use and waste to be material here as well. Our target is to reach zero waste in operations that are under our control by 2045: all waste will either need to be refused, reduced, re-used or recycled.

## Our progress

In the building materials sector, waste can be divided into three main categories:

1. **Upstream:** Waste from the process of manufacturing building materials;
2. **Own operations:** Waste from the distribution process;
3. **Downstream:** Waste in the building process.

For our upstream and downstream waste, we work closely with our suppliers and customers towards sustainable products with a lower environmental footprint. Our direct sphere of influence lies in our own operations with the waste from the distribution process, where we have identified two key sources of waste:

- **Packaging waste:** We receive packaging such as straps, plastic wraps and pallets from our suppliers. We procure and add packaging such as wraps, cardboard boxes and pallets, and we use packaging for transportation between locations. We continue to work towards zero-waste operations by reducing the use and purchase of packaging, and switching to 100% recycled packaging.

- **Obsolete building products:** During transportation or at our locations, some goods get damaged and other goods become obsolete due to portfolio changes. We continue to work towards zero-waste operations by repairing damaged goods where possible, by collaborating with suppliers to facilitate re-use, by donating leftover goods to charity, and by reducing overstock/obsolete goods altogether.

In 2024, BME Spain expanded its return policy for pallets and blocks throughout the operating company. Close to 12,000 blocks and pallets have been returned to Isopractic for re-use – resulting in savings of more than €16,000.

## Our road ahead

BME fully supports the transition to a circular economy in which the value of products, materials, and other resources is maintained for as long as possible. To ensure that we reach our zero-waste target, we're improving our data collection process for waste management. Better data will increase our transparency on resource outflows – mainly consisting of plastic packaging. Throughout our operating companies, we're increasingly switching to a single waste handler, which will facilitate data collection. In addition to greater transparency, BME continues to shift towards 100% recycled packaging, and to re-use pallets more often.

Mapping out our resource inflows is a crucial element in our identification of sustainable products. As we take on the responsibility to drive change throughout our value chain, we will continue to work with our customers and suppliers on the use of more circular products in the building materials industry.

*“We ensure that any materials taken from nature are re-used as much as possible, and we aim to reduce waste to a minimum.”*





# ACTING RESPONSIBLY AND ETHICALLY

## Our ambition

Together we build! At BME, we care deeply that we build responsibly and ethically. The success of our company and the responsibility we take throughout our value chain is based on our behavior and business conduct. In line with UN Global Compact Principles and Organisation for Economic Co-operation and Development (OECD) Guidelines, BME has a Code of Business Conduct (CoBC) to guide all employees in maintaining ethical standards. The code's ten principles encompass respect for human and labor rights, health & safety, ethical business practices, and environmental stewardship. We expect all our employees, suppliers, business partners, and other stakeholders to adhere to it.

To ensure that BME's CoBC is embedded in our employees' behavior, we provide regular training sessions. We set a target that >90% of BME employees with digital access complete the CoBC training and confirm that they understand it and will abide by its terms. In addition, it's imperative that our employees feel free and encouraged to report any potential breaches of our CoBC. To maintain a psychologically safe atmosphere in which potential incidents can be reported, we track the degree to which employees feel free/encouraged to make a report. Our ambition is that >75% of all employees indicate they feel free to report potential incidents by 2025 and >85% by 2030.

## Our progress

In 2024, our priority was to familiarize new colleagues with our CoBC as part of the onboarding process. Both colleagues from recent acquisitions and new employees joining the BME Group completed close to 400 e-learning modules. Due to changes in leadership in the reporting year, no regular training

on the CoBC was assigned to BME's entire workforce. In 2023, 88% of employees in the target group completed the training, almost reaching our target of >90%.

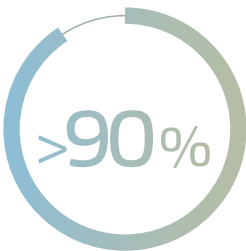
A core element of doing business ethically and responsibly is that employees who see or experience a breach feel they can speak up and that action is taken on their complaint. In 2024, 76% of employees felt empowered to report breaches of the CoBC via their manager or the Whistleblower Hotline – meeting our target of >75%. This is an increase compared with 66% in 2023, demonstrating that we are improving on the creation of a psychologically safe atmosphere.

## Our road ahead

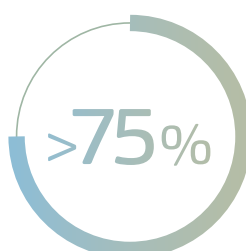
Business ethics and corporate culture remain very important to BME. Building on our progress in creating a psychologically safe atmosphere, in 2025 we will launch a new whistleblower procedure via a company-wide communications campaign and new training modules. The whistleblower platform will be available via mobile app to ensure broad accessibility among employees and stakeholders.

BME also prioritizes the detection of incidents – seeing them as opportunities to strengthen our safety culture – from both our employees and any other stakeholders. To ensure professionalism and impartiality, the reception of incident reports is managed by an external specialist, with support in all local languages. These reports are then recorded in an incident management system that maintains strict access controls, limited solely to BME's Legal & Compliance team. The responsibility for overseeing the process and maintaining the confidentiality of reports is entrusted to BME's Ethics & Compliance team, who coordinate any follow-up actions required.

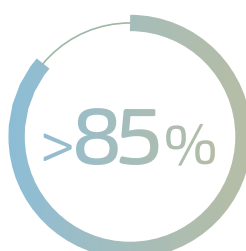
TARGET FOR PERCENTAGE OF  
EMPLOYEES TRAINED ON COBC



TARGET FOR PERCENTAGE OF EMPLOYEES  
WHO FEEL FREE/ENCOURAGED TO MAKE A REPORT



2025



2030





## CASE STUDY



# STANDING TOGETHER: BME SPAIN'S RESPONSE TO THE VALENCIA FLOODS

In October 2024, severe flooding caused by Storm Dana devastated eastern Spain, leaving thousands of residents displaced and causing significant damage to homes, businesses, and infrastructure. Among those affected was BME Spain's Decoplack Paiporta branch, which suffered extensive damage and was forced to close temporarily. Despite the challenges, the resilience and solidarity shown by BME Spain's employees proved that, in times of crisis, we stand together to support each other and our communities.

### Prioritizing employee safety

BME Spain acted swiftly to ensure the well-being of its employees, closely monitoring the situation and providing clear communication about safety measures. Flexible work arrangements were introduced, and employees in affected areas received immediate assistance, including temporary housing, rental vehicles, and emergency supplies. The company's priority was to safeguard employees' well-being while ensuring they had the necessary resources to recover from the disaster.

### Supporting colleagues in need

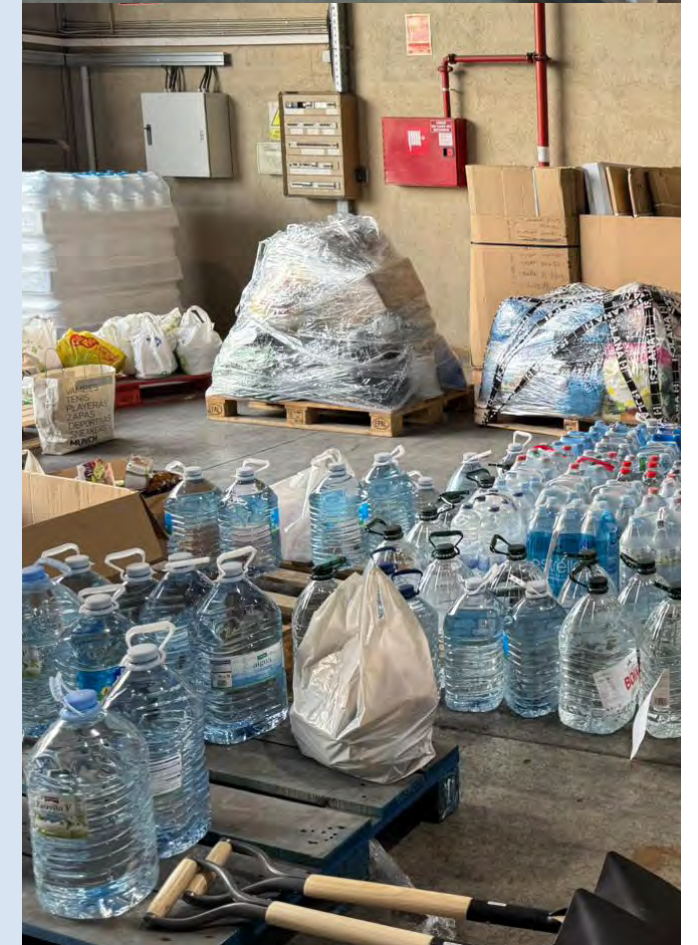
The flooding left several employees in difficult situations, with three colleagues from the Decoplack Paiporta branch losing everything. In response, BME Spain launched the "Juntos por Nuestr@s Compañer@s" campaign, a crowdfunding initiative that raised vital funds for affected employees. In an act of solidarity, some branches canceled their Christmas dinners and redirected the funds to help their colleagues. Additional fundraising activities at the company's headquarters further contributed to the cause, raising approximately €3,000 in total.

### Helping the wider community

Beyond supporting its employees, BME Spain also took action to assist the wider Valencia community. A company-wide collection drive was launched, gathering 20 pallets of food and essential goods in just three days, thanks to the dedication of our branches and more than 15 volunteer colleagues who helped with sorting and packing. In addition, a €2 voluntary donation was incorporated into the company's Christmas Lottery, raising further funds for "Mensajeros de la Paz", an organization aiding families affected by the floods.

### Rebuilding and looking ahead

Thanks to the hard work and dedication of the Decoplack Paiporta team, the branch was successfully reopened within just three weeks, an impressive achievement given the extent of the damage. The experience reinforced BME Spain's commitment to acting responsibly, demonstrating that even in the face of adversity, teamwork and compassion can make a real difference.





# ENABLING A SUSTAINABLE VALUE CHAIN

Our commitment to creating more affordable, comfortable, and environmentally friendly housing is achieved by sharing our expertise on sustainable building practices and products.

**We actively support the transition to a greener building sector by:**

1. Working with suppliers and customers to promote the use of sustainable building materials;
2. Working with suppliers who share the same values.

**This contributes to the UN Sustainable Development Goal:**

11. Sustainable cities and communities.





# WORKING WITH SUPPLIERS AND CUSTOMERS TO PROMOTE SUSTAINABLE CONSTRUCTION

## Our ambition

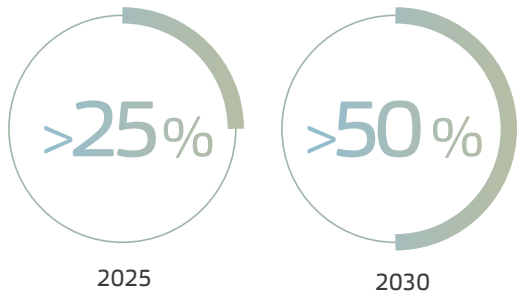
BME aspires to be a sustainability leader in the building materials industry. We form an essential link between a range of building product suppliers and many small- and medium-sized building contractors. We therefore take the opportunity to actively inform customers about the sustainability of our product portfolio. Sustainable cities – built using more sustainable products – are BME's core contribution to a greener society. This is where we can make a difference and create positive impact.

BME promotes products that provide environmental, social, and economic benefits, while protecting public health and the environment throughout the product lifecycle – from the extraction of raw materials through to final disposal. We define the sustainability of building products by considering their environmental footprint during the entire lifecycle. This means that BME relies on Environmental Product Declarations (EPDs) and Life Cycle Analyses (LCAs) to establish a relative scoring system for building products within the same application area or product category. We base this assessment on the European norm EN15804 – allowing for an objective and comprehensive scoring of the footprint of a building product on the environment throughout its lifecycle. This approach can be applied in all countries in which we operate.

EPDs and LCAs are based on a wide range of environmental footprint indicators throughout each stage of a product's lifecycle, including renewable energy usage, total energy consumption, hazardous waste disposal, toxicity levels, freshwater usage, global warming potential and more. The scores for the separate indicators are summarized into a single environmental footprint of a building product. Products identified as sustainable receive the Greenworks label.

BME's target is to increase spend from sustainable products as a percentage of the entire product portfolio to >25% by 2025 and >50% by 2030.

TARGET FOR SPEND FROM SUSTAINABLE PRODUCTS IN BME'S COMPLETE PRODUCT PORTFOLIO



## Our progress

In 2024, the share of Greenworks products sold by BMN amounted to 41.7% – an increase from 38% in 2023 and 36% in 2022 – highlighting the increasing adoption of sustainable materials. The steady rise in sales of Greenworks products is also the result of the complementary advice for selections and tenders provided by Greenworks to larger contractors. The team offers tailored advice and training for development projects and clients, covering topics such as circular or bio-based construction, the reduction of waste on construction sites, and efficient construction logistics.

In addition, BME's Greenworks Academy remains the knowledge center for the construction and installation industry to build in more sustainable ways. The Academy is based in Amsterdam, Apeldoorn and Breda in the Netherlands, but also continues to go "on tour" to reach more builders. The Academy provides information about sustainable materials and production properties of construction and installation products, while offering builders training on regulations, trends and developments. Themes include circular and bio-based solutions, energy-neutral renovation, prefab and smart logistics solutions.



Conducted in 2023 and 2024, our double materiality assessment also demonstrated that BME's customers are looking to collaborate with us to develop and promote sustainable products and services. Their interest in transparency about the environmental impact of BME's products and materials is rising – confirming that we are on the right path.

## Our road ahead

Given the mandate from our stakeholders in the most recent double materiality assessment, our conviction is even stronger: BME's biggest potential impact on society comes from offering and promoting sustainable products to the market. When customers build using sustainable products – entailing a lower environmental footprint – we can create a positive

impact by building decent homes while avoiding the negative impacts of construction. Given our link between suppliers and customers, we take on a value chain responsibility by promoting sustainable construction.

We're aiming to increase our transparency regarding the environmental footprint of our sustainable products. On the one hand, we're looking to scale up our approach to defining sustainable products and collecting EPDs and LCAs from suppliers. On the other, we're progressively making this information available to both customers and suppliers. Lastly, we're working to expand our service offering on sustainable building, extending our advice to customers and providing benchmarks for our suppliers.





# ENHANCING SUPPLY CHAIN TRANSPARENCY WITH TRACERA

As the demand for sustainability in the building industry grows, companies need accurate data to measure and reduce their environmental impact. To address this, in 2024 BME's environmental taskforce, in collaboration with Tracera, started developing an innovative ESG and supplier platform designed to track and manage sustainability data.

## What is Tracera?

Tracera is an end-to-end sustainability management tool that enables BME and its operating companies to collect, store, and analyze ESG data. It connects both internal and external data sources, offering a centralized system to track carbon emissions and other sustainability metrics. Suppliers will be able to use the platform to upload key environmental documents, including Environmental Product Declarations (EPDs) and sustainability ratings, making it easier to assess the environmental footprint of building products.

## Why does this matter?

With the introduction of the Corporate Sustainability Reporting Directive (CSRD), building companies must transparently report on their carbon emissions. Tracera will release this data to the product information management systems of our operating companies; from here, information can be made available to the customer. Tracera will provide transparency by giving internal teams access to up-to-date sustainability data at product level. It will also help category managers to invite suppliers to upload relevant certifications and carbon emissions data, ensuring compliance while offering valuable insights into product sustainability.

## Creating value for customers and suppliers

Tracera doesn't just help with compliance – it also adds value across the supply chain. Suppliers who invest in sustainability certifications like EPDs will be able to leverage Tracera to showcase their commitment and create market value for their products. The platform will capture data across 19 environmental impact categories – information which can be used for project advice and specific requests for tenders. Many suppliers have made significant investments in obtaining EPDs and want to maximize their value. BME connects suppliers with Tracera and allows them to share this data (through our operating companies) efficiently with customers who require precise sustainability metrics for procurement decisions and compliance reporting.

As regulations tighten and demand for green building materials increases, BME positions its suppliers at the forefront of sustainable construction. By streamlining environmental reporting and integrating supply chain transparency, Tracera will help BME and its customers comply with new regulations while making more informed, responsible decisions.



# WOONCONCEPT: A DIGITAL TOOL FOR SMARTER, GREENER BUILDING

In 2024, BMN developed Woonconcept: a groundbreaking digital tool that allows contractors to design houses and select all the necessary building materials in one seamless platform.

## Addressing industry challenges

With increasing regulatory complexity and mounting pressure to build homes more efficiently, many smaller contractors are struggling to keep up. Woonconcept was designed to relieve this burden by offering a complete 3D Building Information Modeling (BIM) solution. Contractors can configure homes with their client – selecting architectural style, bricks, solar panels, roof tiles, and even interior elements like bathrooms and kitchens – and receive support with the permit application, calculations and construction drawings. By simplifying project planning and execution, Woonconcept enables smaller contractors to build more homes more efficiently, and to gain a better competitive position in the market.

## Seamless integration of sustainable choices

Gerhard Hospers, ESG/Greenworks Manager, explains: “One of Woonconcept’s key innovations is its integration of Greenworks materials, making it easier for contractors to adopt sustainable products. Many building components within the tool are Greenworks-certified, and where sustainable alternatives are not yet available, BMN actively collaborates with suppliers to develop them. This ensures a growing portfolio of environmentally friendly options – particularly beneficial for small- and medium-sized contractors, who often lack the resources and expertise to integrate sustainable materials and prefab building concepts into their projects.”

BMN is not only supporting sustainable construction but also reinforcing the Dutch government’s initiative to increase the use of bio-based building materials. In line with this, Woonconcept will make a fully bio-based variant available.

## Early success and market adoption

Although Woonconcept is still in its early stages, market interest has been strong. A 2024 survey of contractors building 5-25 homes annually revealed high enthusiasm for the tool. As a result, 15 contractors have been selected to actively begin using the platform. Full implementation is expected in 2025, with a projected six-month lead time from tool usage to home construction.

The added value is clear: Woonconcept ensures that smaller contractors have access to the same advanced technology and sustainable options as larger firms, bridging a

gap in the building industry. This provides a solution to the shortage of professional builders and reduces preparation and construction time.

## Key partner in sustainable construction

BMN is positioning itself as more than just a building materials supplier – it is becoming a key partner in sustainable construction. Although the building work will always be done by the contractors themselves, BMN’s involvement starts right from the beginning of a project. By developing digital tools like Woonconcept, BMN is not only simplifying complex building processes but also driving measurable change in sustainability practices.

*“One of Woonconcept’s key innovations is its integration of Greenworks materials, making it easier for contractors to adopt sustainable products.”*



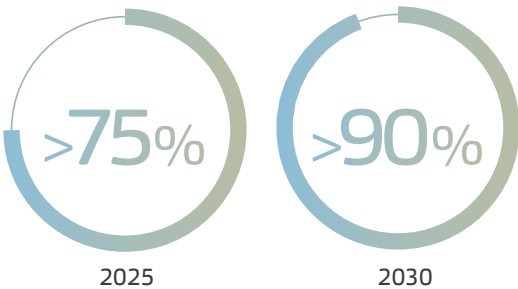
# WORKING WITH SUPPLIERS WHO SHARE THE SAME VALUES

## Our ambition

BME's goal is to create a greener society by promoting sustainable products and practices. To deliver on this, it's essential that we partner with suppliers who support us in this mission. We expect our suppliers to uphold both UN Global Compact Principles and Organisation for Economic Co-operation and Development (OECD) Guidelines. These principles are part of our Supplier Code of Conduct (SCoC), including topics such as human and labor rights, the environment, anti-corruption, and bribery.

We have set a target that >75% of our supplier spend is from suppliers that commit to complying with our SCoC by 2025 and >90% by 2030. In addition, our ambition is for >50% of our supplier spend to be covered by an accepted EcoVadis assessment by 2025.

## TARGET FOR SUPPLIER SPEND COVERED BY SIGNED SCOC



## TARGET FOR SUPPLIER SPEND WITH ACCEPTED ECOVADIS ASSESSMENT



<sup>2</sup> If suppliers wish to apply their own Code of Conduct to our contractual agreements, BME ensures Group Legal reviews and compares the supplier's Code of Conduct with our own to confirm equivalence. If this is not the case, BME still requires suppliers to commit to our SCoC.

<sup>3</sup> This includes the rolling expiration of scorecards, meaning that it includes the EcoVadis assessments of suppliers who are in the four-month waiting period for a new rating.

## Our progress

At BME Group, we're committed to responsible sourcing and ensuring that our 18,000 suppliers meet strict environmental, social, and governance (ESG) criteria. To achieve this, we have implemented a three-step supplier compliance policy, ensuring that all partners align with our ethical standards.

- 1. Supplier Code of Conduct** – All suppliers with an annual spend of over €10,000 at Group level must sign our SCoC, which outlines clear ESG requirements. In 2024, 81% of supplier spend was covered by a signed SCoC<sup>2</sup> – representing an increase from 64% in 2023 and 57% in 2022.
- 2. Independent audits** – Suppliers with an annual spend of over €1 million must undergo assessments by independent rating agencies, such as EcoVadis, to verify their compliance. In 2024, 47.5% of supplier spend was covered by an accepted EcoVadis assessment<sup>3</sup> – representing an increase compared with 37% in 2023 and 24% in 2022.

- 3. High-risk supplier audits** – Suppliers from high-risk regions, particularly in the Far East, must comply with Amfori Business Social Compliance Initiative (BSCI) principles. Tested by a third party, Amfori BSCI audits assess 13 key performance areas to help us identify, prevent, mitigate, account for, and resolve issues relating to labor rights and ethical practices.

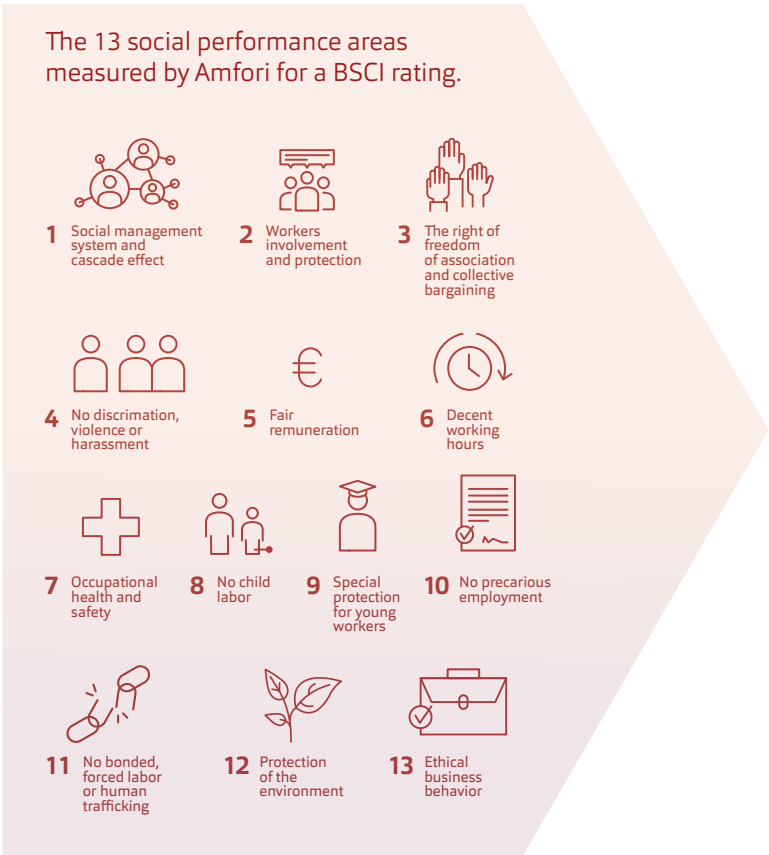
To uphold these high standards, in 2024 BME Group held several deep dives with suppliers on their ESG performance because either they didn't meet the expected independent rating and/or we noticed a worsening performance. We had to take some bold decisions by replacing seven suppliers that failed to meet the required ESG criteria and the minimum requirements that we set across our value chain. Falling below our threshold meant that we decided to replace them with other suppliers that met the requirements. This decision underscores BME's commitment to upholding human and labor rights, protection of the environment, and ethical business practices.

BME aims to continuously strengthen its performance in every aspect of the value chain. Building on the SCoC, in 2024 we worked on additional policies relating to the environment, zero-deforestation, and human rights. These policies will be published in 2025.

## COMMITMENT FROM SUPPLIERS TO COMPLY WITH NORMS AND REGULATIONS



SOURCE: BSCI – AMFORI



## Our road ahead

BME is one of the few companies in the building materials industry with a structured and enforced supply chain compliance program. By upholding and continuously strengthening our policies, we're pushing higher standards across the industry – not only within our own supply chain but also by encouraging other companies to follow suit.

Our three-step approach provides the structure and tools to engage in constructive conversations with suppliers, ensuring alignment on standards and regulations. We fundamentally believe that these conversations have a trickle-down effect, incentivizing compliance on critical issues – such as human and labor rights, the environment, anti-corruption and bribery – further downstream in the value chain. While we believe in collaboration, we also uphold a zero-tolerance policy for violations of our ethical and sustainability standards.

Given that we almost reached our target for accepted EcoVadis assessments in 2024, and based on our findings that many suppliers hold positive ratings other than EcoVadis, we will take these additional ratings into account in 2025. In addition to requiring suppliers to sign our Supplier Code of Conduct and to share their EcoVadis ratings, we're integrating more ESG rating frameworks, including MSCI, Sustainalytics, B Corp, and CDP. These will help us better assess supplier performance and drive further transparency and accountability across the sector.

## The challenge of raising standards

While supplier compliance is essential, it also presents challenges. Smaller European suppliers often struggle to understand the need for such stringent requirements, especially as compliance burdens increase due to evolving EU regulations such as the Corporate Sustainability Due Diligence Directive (CSDDD), EU Deforestation Regulation (EUDR) and/or Corporate Sustainability Reporting Directive (CSRD). These directives primarily target large companies, but large companies can't meet these directives if they don't implement them in the supply chain, and so they need cooperation from smaller companies to meet the required standards. As such compliance pressures extend across the entire supply chain, they place additional administrative and financial burdens on all suppliers and clients.

Despite these challenges, BME remains committed to leading the industry in ethical supply chain management. SVP Operations John Tros comments: "By enforcing strict compliance standards, we're ensuring that our entire value chain operates responsibly and that we steer that value chain toward more sustainable products. BME is setting a precedent within the building materials sector by making sure that all suppliers adhere to globally recognized standards."



# BME FRANCE EARNES ECOVADIS GOLD RATING: A MILESTONE IN SUSTAINABILITY

In 2024, BME France stepped up its commitment to sustainability by undergoing an EcoVadis assessment. The result? A gold rating, placing BME France among the top 5% of companies in the industry.

**What is EcoVadis and why does it matter?**

As a globally recognized standard, EcoVadis assesses companies based on four key pillars: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Each category is rigorously evaluated using verified documentary evidence, with companies receiving a score out of 100. Based on these scores, businesses are awarded either a basic certification or bronze, silver, gold, or platinum ratings.

BME France achieved a global score of 77, compared with a construction industry average of 52 (based on 2022 figures published on EcoVadis’s website). That global score is an aggregate of the 70 scored on Environment, 80 on Labor & Human Rights, 80 on Ethics, and 80 on Sustainable Procurement – putting BME France in gold position.

Benoit Lescarret, Procurement Director and ESG champion at BME France, comments: “Achieving a gold rating is particularly rare for a company undergoing assessment for the first time. This recognition validates our efforts in structuring our sustainability strategy, setting measurable targets, and embedding ESG procedures across our operations.”

**Strengthening supplier sustainability**

BME France’s success is also a reflection of its supply chain. As part of the EcoVadis process, the company had to demonstrate its ability to monitor and manage ESG risks among suppliers. The vast majority (around 90%) of BME France’s suppliers provided sustainability documentation, including by signing BME’s Supplier Code of Conduct and providing their own sustainability reports. This high level of engagement ensures that BME France works with responsible partners, reinforces compliance, manages risks, and drives continuous improvement throughout the supply chain.

**A competitive advantage with customers**

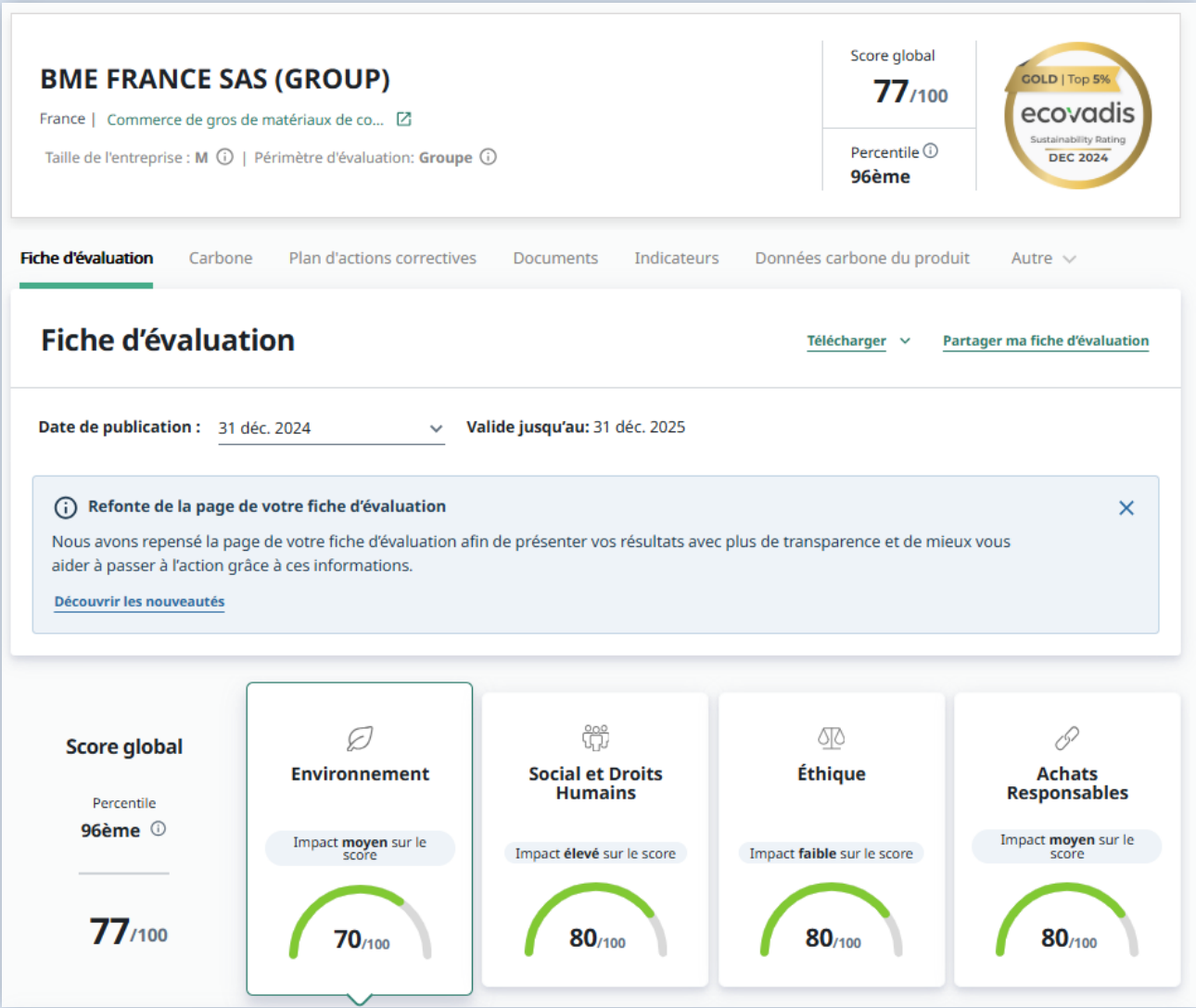
Many of BME France’s largest customers require suppliers to be EcoVadis-certified as part of their procurement criteria. Having a gold rating sets BME France apart from competitors, making it a more attractive partner for companies prioritizing sustainability.

Benoit explains: “We’re proud to be able to communicate this certification to our customers – it offers a real opportunity to make the difference. But it’s still early days: we only received the results of the 2024 EcoVadis assessment in January 2025, so we’re not yet able to measure the full benefits of the certification. But of course, we hope it’ll strengthen our reputation as a responsible partner to key customers.”

**Looking ahead: continuous improvement**

Achieving gold is just the beginning. The EcoVadis certification process is designed to promote continuous improvement, requiring companies to demonstrate ongoing progress each year. While BME France scored highly in several areas, such as efficient documentation, there’s still room for improvement – such as by obtaining various ISO certifications or by using a third party to approve carbon footprint measurements.

The next step is to build on this success by working on those areas for improvement and preparing for the 2025 EcoVadis assessment. By maintaining a strong focus on ESG performance, BME France aims to retain its gold rating and continue leading the way in sustainable building materials.





# MAINTAINING A GREAT, FLEXIBLE AND SAFE PLACE TO WORK

We are a people’s business, and we’re dedicated to providing our 13,000 employees with an inspiring and secure workplace. Our people are the core of our company: driving our efforts to position BME as a frontrunner in sustainability and in business. We have the utmost respect for our employees and want to take care of them in the best possible way.

**Our commitment is underpinned by three key focus areas:**

- 1. Becoming an industry leader in employee engagement;
- 2. Fostering a diverse and inclusive workplace;
- 3. Working in a healthy and safe environment.

**This contributes to the UN Sustainable Development Goals:**

- 5. Gender equality;
- 8. Decent work and economic growth.





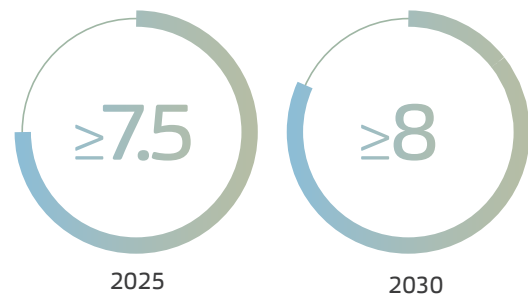
# BECOMING AN INDUSTRY LEADER IN EMPLOYEE ENGAGEMENT

## Our ambition

BME aims to provide a workplace where people can thrive, make the most of their talents, and feel valued and supported. To establish this, BME launched a focused people strategy in 2022, comprising an employee journey, a leadership development program and an employee engagement survey. Our people strategy is engrained with the company's core values: Dare, Care, Do it, Be real, and Win together (for more information, see "The way we do business" on page 12).

We aim to be recognized as an employer of choice in our industry. We therefore keep track of our progress via an employee engagement score, for which we have set a target of  $\geq 7.5$  by 2025 and  $\geq 8$  by 2030 (out of 10).

## EMPLOYEE ENGAGEMENT TARGET



## Our progress

In 2024, we continued our efforts across the three areas of BME's people strategy:

**1. Employee journey:** We actively drive progress in the full human resources cycle in all our operating companies. Our recruitment process includes a warm and welcoming onboarding program. Learning opportunities lead to the creation of the right teams in the right place. Team leaders have developed individual development plans with personal goals for employees, while succession planning has been refined. We ensure competitive compensation based on performance.

**2. Leadership development program:** We're convinced that personal engagement from leaders and sincere interest in their teams increases employees' job satisfaction. To emphasize this, in 2024, we intensified our "Great Conversations" training. Together with their peers and facilitated by actors, leaders were trained in how to have successful conversations with their team of managers. New leadership team members in all operating companies were introduced to the different training modules in this program. New modules specifically for women in leadership were also introduced in the reporting year.

**3. Engagement survey:** Our employee engagement survey remains a crucial element in our strategy and is deployed in all our operating companies. The survey is complemented by multiple pulse checks per year. Questions include: Does work give you energy? Do you enjoy your work? Do you feel that you fit in at the organization? We actively build on the feedback received by creating action plans focused on the improvement areas identified at local and Group level.

In 2024, BME's employee engagement score was 7.3, showing an incremental gain from 7.2 in 2023. After a decline since 2019, we are moving back in the direction of BME's target of a 7.5 score in 2025. In today's difficult market conditions, we're pleased that our score is stabilizing. It demonstrates that BME is not losing sight of its people.

The company's employee Net Promoter Score (eNPS) was +13 in 2024, representing a decrease from +22 in 2023 and an increase from +5 in 2021. As the eNPS varies between -100 and +100, our score shows that more BME employees would recommend the company as an employer than would not.

## Our road ahead

BME is striving to be an employer of choice. Our commitment to creating a great workplace is strong, and we are magnifying our efforts in 2025. Our focus remains on leadership engagement, and we're rolling out our Great Conversations training across all our operating companies. We continue to invest in our people and offer development opportunities.





# EMPLOYEE ENGAGEMENT AT STG: LISTENING, LEARNING, IMPROVING



In 2024, STG achieved an employee Net Promoter Score (eNPS) of 29, a significant improvement from 17 in 2023. This increase reflects the Belgian operating company's continued commitment to listening to employees and acting on their feedback.

## Providing strategic direction and clarity

Through a combination of biennial engagement surveys and annual pulse surveys, STG has gained valuable insights into employee sentiment and identified key areas for improvement. One of the most important takeaways from the 2023 engagement survey was that employees wanted more strategic direction and clarity. Orfee Dejonghe, Strategy & Transformation Director, explains: "People were asking for clear answers to fundamental questions about STG's purpose and how the company differentiates for its customers. Feedback also indicated that STG's communications were sometimes too positive – employees wanted a more honest and transparent approach, acknowledging both successes and challenges."

In response, STG updated its strategy in 2024, ensuring it provides a long-term vision for the company. The leadership team took ownership for communicating the strategy effectively, using structured narratives to ensure employees understand and engage with the company's direction.

## Improving communication and feedback loops

While communication has improved, it remains a key area for development. Roadshows have been relaunched, ensuring that important messages reach employees at all levels. STG's HR Director Patrick Van Den Bosch adds: "MT Connect, a group of 40 employees just below the Management Team, has been actively

involved in identifying what employees really want to know on a more concrete level. We also started bringing leadership teams together in half-day working sessions throughout the year, to make sure everyone is on board with the strategic plan."

To make business performance easier to understand, STG introduced a one-page KPI overview, which managers can use to discuss progress, successes, and areas for improvement with their teams each month. At the same time, a new email-based form for employee suggestions ensures that ideas for improvement are reviewed by a dedicated group, with clear feedback provided on whether they will be implemented.

## Leadership and feedback culture

To strengthen leadership, feedback training for people managers was introduced in 2024, featuring roleplay exercises with professional trainers. This was followed by

HR-led sessions, offering additional guidance on effective feedback delivery. In 2025, STG will take this further with resilience workshops, equipping managers to recognize and address employee concerns. "What's more," adds Orfee, "leadership meetings now include dedicated Q&A sessions, ensuring a two-way dialogue between employees and management."

## Next steps: strengthening engagement across BME

At Group level, BME is rethinking how engagement survey outcomes are handled. This includes better guidance on communication, encouraging employee participation, and training managers to work with survey outcomes. Patrick concludes: "This BME-wide initiative is definitely something STG can use to make sure that employees' voices are heard – and that real change follows."



# FOSTERING A DIVERSE AND INCLUSIVE WORKFORCE

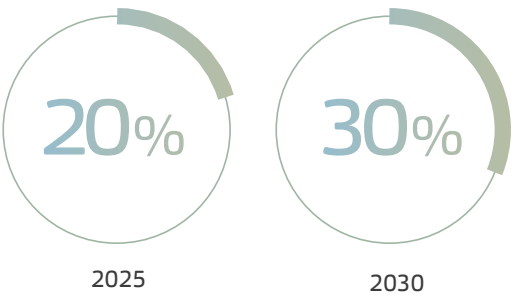
Our ambition

BME is committed to fostering a diverse and inclusive workforce, because we believe it will help maintain our market leadership. Different perspectives from people with different backgrounds enrich the analysis of both market developments and sustainability challenges, which leads to better decision-making. A diverse workforce reflects societal demographics and BME’s customer base, providing the opportunity to enhance our building solutions through creativity and innovation. To achieve success, an inclusive environment is a prerequisite. It fosters a sense of belonging, conditional for job satisfaction, commitment, and employee well-being.

BME is operating in an industry that is not a frontrunner in diversity: it has traditionally had a lower representation of women compared with other sectors. Gender diversity is therefore BME’s main priority in its diversity strategy.

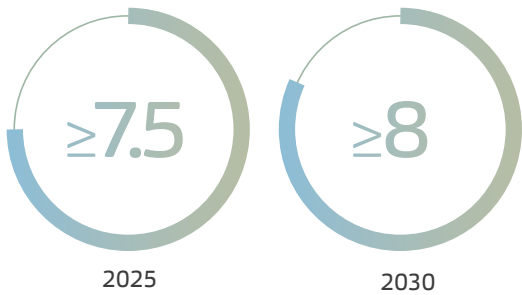
To achieve a better balance, we have defined ambitious goals. BME has set a target of 20% women in leadership by 2025 and 30% by 2030. BME’s leadership includes the Extended Executive Management Team and the local leadership teams in our operating companies.

LEADERSHIP DIVERSITY TARGET



Firmly believing in the added value of integrating different perspectives, BME is looking to attract employees with diverse backgrounds. To reap the benefits of a diverse workforce, we aim to create a culture of acceptance and inclusion. BME does not discriminate based on gender, age, ethnicity, disability, or any other factor. It is imperative that all our employees feel comfortable in the workplace and that everyone is always treated with dignity and respect. To measure our progress, we have developed an inclusion score whereby employees indicate how inclusive they rate the company culture. BME has set a target of ≥7.5 by 2025 and ≥8 by 2030 (out of 10).

INCLUSION SCORE TARGET



Our progress

In 2024, BME reached 20% women in leadership, compared with 19% in 2023 and 2022. We’re pleased with this improvement, especially as we reached our 2025 target a year early. To continue moving in this direction, we still aim to hire a female candidate when a leadership team member leaves the company, while always ensuring we recruit the best candidate for the job.

In the reporting year, BME’s Supervisory Board went from six members to five – of which one is female and four are male.



In 2024, we achieved an inclusion score of 7.7 – increasing from 7.4 in 2023 and 7.1 in 2022. The steady rise in this score suggests that BME’s efforts to foster a culture of acceptance and inclusion are paying off. Attracting people with diverse backgrounds is a focal point of our recruitment strategy. For example, BME France actively sought to recruit candidates with a disability, as part of the “untapped talent” initiative, in collaboration with the Blackstone Career Pathways Program.

At the same time, BME has an increasingly diverse and inclusive workforce, with more and more nationalities represented. We strive for employees to feel part of a trusted environment: in our operating companies in Germany, Switzerland and Austria, for example, “trusted persons” have been appointed. Employees can contact them if they don’t feel safe or are look-

ing for guidance in situations that may occur in the workplace. Any incidents reported to these trusted persons are always followed up.

Our road ahead

Our path towards a diverse and inclusive workforce is one of continuous endeavors. BME’s leaders aim to lead by example, with a genuine interest in people, respect for different perspectives, and the creation of a safe environment. In 2025, BME is also rolling out unconscious bias training for people managers in all operating companies to raise awareness among leaders and to ensure diversity. In future, we aim to measure more diversity parameters, such as age, nationality, and educational background.





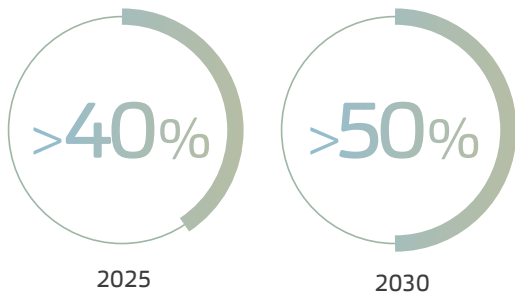
# WORKING IN A HEALTHY AND SAFE ENVIRONMENT

Our ambition

Our employees’ health & safety are paramount to BME. “Health, safety and well-being” is one of the topics identified as material to our stakeholders, and we prioritize the creation of a safe and healthy working environment across all our operations. Together, we’re committed to fostering a culture in which everyone feels valued, protected, and empowered to contribute.

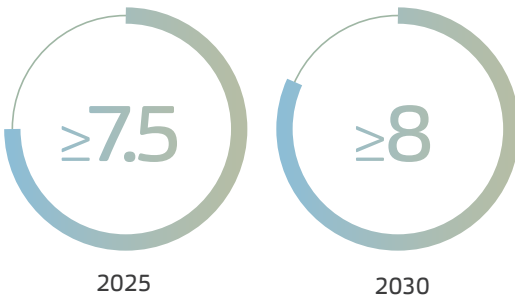
Our ambition is to create a zero-accident environment. We plan to achieve that through intensified efforts and focus on our Health & Safety Compass program: “Think first, behave safe”. We aim to reduce the accident frequency ratio by >40% in 2025 and by >50% in 2030, compared with our 2021 baseline.

ACCIDENT FREQUENCY RATIO REDUCTION TARGET



Through a well-being score in the employee survey, BME tracks the well-being of its employees. They are asked to rate their work-life balance and how well their manager cares for their well-being. We aim to reach an average score of ≥7.5 by 2025 and of ≥8 by 2030.

WELL-BEING TARGET



Our progress

BME’s well-being score in 2024 was 7.2, which is a significant improvement compared with previous years (6.7 in 2023 and 6.8 in 2021 and 2022). Employees awarded a high score when asked how well they feel cared for by their manager. Work-life balance scored lower, which is understandable given the tougher market conditions in 2024. The overall increase in the score demonstrates that BME cares for the well-being of its employees.

BME reached an accident frequency ratio of 0.83 in 2024, which is a rise compared with the decline in recent years (scoring 0.69 in 2023 and 0.72 in 2022). This increase was largely attributable to a higher number of incidents in our warehouses, particularly with rolling material. Following standard procedure, BME carries out immediate in-depth analysis of incidents to learn and strengthen its safety approaches. Following the incidents with rolling material in 2024, BME launched the “Buckle Up for Safety” campaign to work toward our zero-accident environment (for more information, see the case study on page 76).

BME’s health & safety strategy is activated through the Health & Safety Compass program: “Think first, behave safe”. The program has five focus areas:

- 1. Employee safety:** All employees are informed and trained in BME’s safety guidelines, both during their onboarding and on an ongoing basis.
- 2. Cleanliness and tidiness:** All working areas must be clean and organized to ensure efficient working, reduce stress, achieve a higher quality of work, and reduce the risk of injuries and accidents.
- 3. Site safety:** All contractors, customers, visitors, and suppliers at our locations must comply with our health & safety guidelines. It is our duty to inform or train them properly.
- 4. Workplace safety:** Relevant guidelines must be available and clearly communicated in all work areas and/or workstations. A safe entry to the work area must be ensured at all times.
- 5. Health:** We are dedicated to addressing ergonomic and mental health risk factors in the workplace.



BME’s Health & Safety Compass program is supported by an online platform and mobile app, where practical roadmaps, health & safety policies, and behavioral guidelines are housed for daily consultation and continuous training. Our health & safety policy is prominently displayed at our physical locations. Employees can report any unsafe situation via the platform or app, enabling BME to quickly identify risks and areas for improvement.

Our road ahead

Responding to the decline in our health & safety performance in 2024, we’re intensifying our efforts to create a zero-accident environment through five targeted priorities for 2025:

- 1. Strengthening the health & safety culture:** Improve the safety mindset through intensified leadership interaction and embedding stronger routines.
- 2. Site traffic plans:** Define and implement clear traffic plans for mid- and high-risk sites.

- 3. Mobile material handling equipment (MHE):** Reduce MHE accidents through stronger enforcement of existing guidelines.
- 4. Racking safety:** Ensure a safe working environment through clear and continuous inspection routines.
- 5. Safety inspections:** Conduct regular safety audits to ensure correct implementation of all health & safety policies.

To reach our ambition for a zero-accident workplace, we need to ingrain stronger routines in employee behavior through leadership and training, especially in the warehouses and other sites. Ongoing refresher training for employees and setting the right example by team leaders are part of our implementation plan. Every day, at all sites, we intend to start each shift by paying attention to safety and working together to make safety part of our shared culture.

BME will continue to prioritize its people’s well-being, enabled through the Health & Safety Compass program. Based on the needs of employees, we will continue to offer sessions on work-life balance and make referrals to coaches, for instance.





# HEALTH & SAFETY: A COMMITMENT TO CARE AT BME

At BME, one of our core values is Care – ensuring that our employees and customers return home safely every day is at the heart of what we do. Working in the building materials industry, safety is of paramount importance: at our warehouses and distribution centers, for our truck drivers on the road, and in our offices. Going beyond compliance, we aim to drive a behavior-based safety culture.

### Health & Safety Competition: empowering employees

As part of our ongoing efforts to enhance workplace safety, in April 2024 we ran a Health & Safety Competition for the second year, inviting our employees to come up with ideas for health & safety improvements. With 29 ideas submitted (at least one from every operating company), we were inspired by the creativity and dedication of our teams. Two ideas tied for first place: BAUKING's clever route planning for diesel trucks, and BME France's emergency call bracelet for forklift operators.

The latter was particularly relevant to our forklift safety focus, given the incident that occurred later in the year (see below). The French team's emergency call bracelet allows forklift drivers to immediately signal for help in the event of an emergency, either to their colleagues or to the emergency services – ensuring faster response times and minimizing risk to workers.

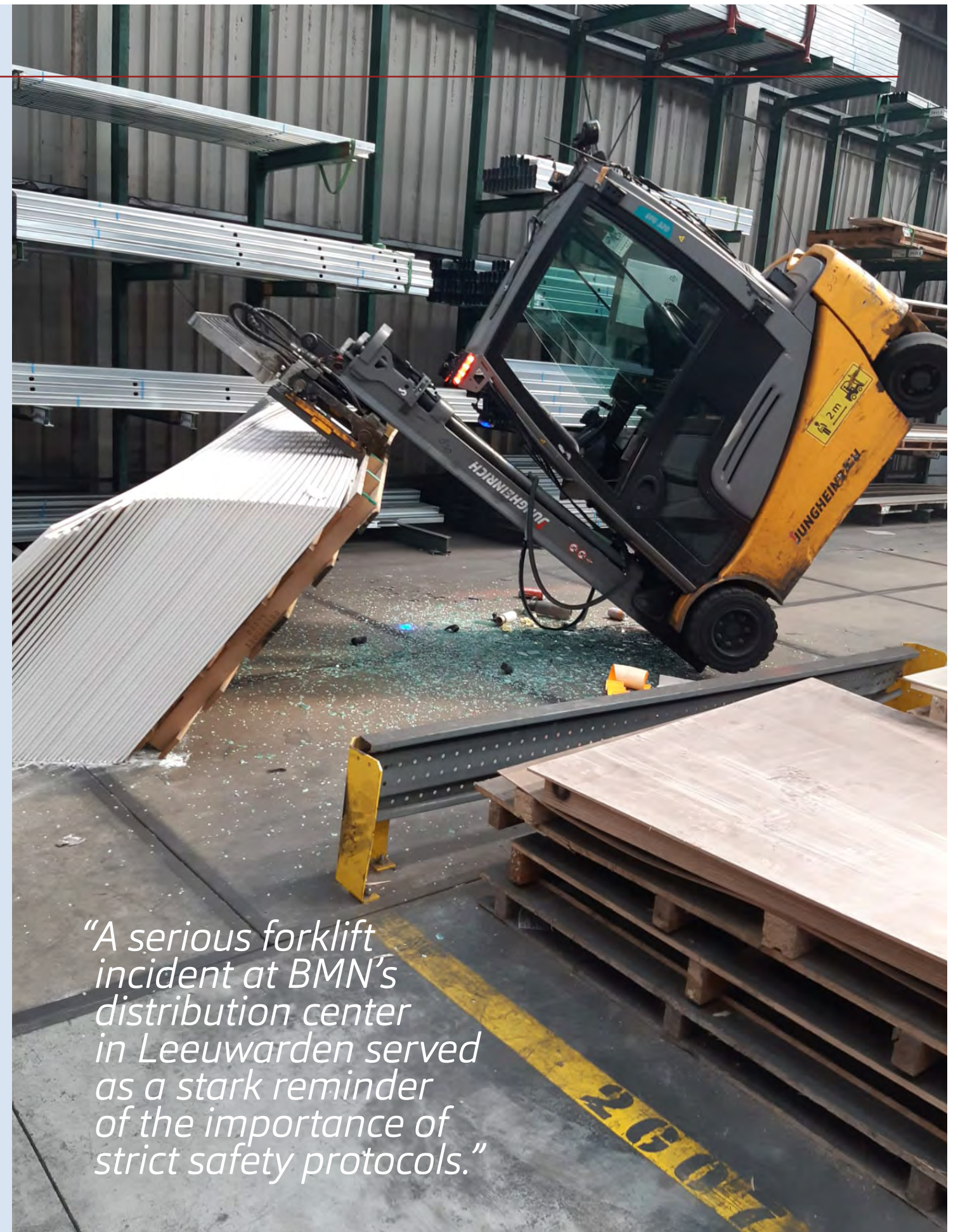
This initiative, alongside many others submitted during the competition, showcases how we can work together to create safer workplaces. Marc Hexspoor, Group Health & Safety Director, comments: "Even if they weren't the winners, several of these ideas have already been implemented in the workplace, and we're already seeing noticeable improvements."

### Addressing workplace accidents: forklift safety

In May 2024, a serious forklift accident at BMN's distribution center in Leeuwarden served as a stark reminder of the importance of strict safety protocols. The incident occurred when the forklift tipped over due to a heavy load on the elevated forks, causing the forklift driver to be injured by shattered glass from the front window. Thankfully, the employee was able to return to work quickly, as the incident could have been much worse.

A root cause analysis revealed several factors, including pressure on the employee due to understaffing and a lack of awareness of the forklift's load capacity. Crucially, the employee was not wearing the forklift's seatbelt – an important safety feature that was not a legal requirement but is essential in preventing further injury.

In response to the incident, we took immediate action, launching a company-wide "Buckle Up for Safety" campaign. We provided operating companies with a comprehensive toolkit that included communication materials and presentations. These resources helped branch managers deliver safety sessions to their teams, reinforcing the importance of wearing seatbelts and maintaining safe practices on forklifts and other site vehicles. Today, seatbelt usage on forklifts has significantly increased, ensuring that our employees stay safer on the job.



*"A serious forklift incident at BMN's distribution center in Leeuwarden served as a stark reminder of the importance of strict safety protocols."*



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TOGETHER  
WE BUILD  
SUSTAINABLY





# ABOUT THIS REPORT

Goal of the report

This sustainability report is published voluntarily on May 27, 2025. Its goal is to provide BME’s stakeholders with a comprehensive overview of sustainable development, governance, and results of the overall organization. The report follows the GRI guidelines and best practices, and takes into consideration the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Scope and data

In line with BME’s financial reporting, this report covers BME’s 2024 financial year unless otherwise stated. The report has been prepared at Group level, consolidating our operating companies.

Acquisitions of companies that are under the Group’s operational control are included in the scope as soon as data is available, and not later than 12 months after the completion of the acquisition. For some acquisitions, data for individual key performance indicators (KPIs) may be available sooner than for others and will therefore be included earlier. Divestments are removed from the data from the date of the divestment. New locations and asset deals are included, and closed locations are removed upon opening and closing date, i.e. on an organic basis.

BME Group has set a target to reduce the carbon footprint of its controlled operations by >25% in 2025 and by 45% in 2030, against a 2021 baseline of BME Group’s organic performance. Each year, BME Group will evaluate the impact of acquisitions on its carbon footprint and its trajectory towards reducing emissions from controlled operations.

The report includes both qualitative and quantitative data. Our aim is to base our information as much as possible on primary data. Where we lack information from suppliers, estimates and assumptions or the extrapolation of data that covers less than the entire scope may be required. The company keeps an overview of the amount of primary data and the assumptions made. BME is in the process of aligning its data collection with the CSRD requirements and is on track towards 100% verifiable data by external assurance.

Calculation methodologies for KPIs

The KPIs used in this report have been calculated as follows:

Emissions reduction

- **CO<sub>2</sub>e emissions (Scope 1, 2, 3)**  
Greenhouse gas emissions are reported in line with the GHG Protocol.

The organizational boundaries of BME’s carbon emissions reporting are in line with its operational control approach. The emissions are categorized according to three different Scopes:

- **Scope 1:** direct emissions from fossil fuel sources that are owned or controlled by the company. At BME, these sources include heating of our premises, vehicle fuel use for owned and leased freight logistics, as well as fugitive emissions in air conditioning systems, buildings, trucks, and machines.
- **Scope 2:** indirect emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the operating company. At BME, this refers to the consumption of purchased electricity, district heating, and biofuel.
- **Scope 3:** indirect emissions that are a consequence of the company’s activities but are not from sources owned or controlled by the company (value chain emissions). BME reports on Scope 3 emissions from outsourced logistics, business travel, and employee commuting. We are continuously improving our data collection in line with CSRD requirements.

Our data collection and reporting system applies appropriate emission factors to calculate the Group’s carbon emissions in kilograms of carbon dioxide equivalent (kg CO<sub>2</sub>e). To calculate Scope 2 emissions, we use the market-based approach, unless stated otherwise, which relies on supplier-specific emission factors and applies it to electricity consumption.

- **Share of renewable energy**  
The share of renewable energy is calculated as the energy consumed from renewable sources divided by the Group’s total energy consumption. Energy includes electricity, fuel, and heating. In line with EU legislation, electricity is considered to be renewable if sourced from solar, hydro, wind, geothermal, or biomass. Sustainable alternatives for fossil fuels include biomass, biodiesel, or hydrogen. Renewable sources of heating include geothermal heating and district heating. The respective consumption numbers for these three categories are converted into gigajoule (GJ) from their particular units to calculate the overall share of renewable energy.

Sustainable products

- **Sales of Greenworks products**  
This KPI is calculated as the revenue from products with a Greenworks label as a percentage of BMN’s total revenues from the sale of building products. Created in collaboration with the Dutch government and calculation tools GPR Gebouw and BREEAM-NL, Greenworks is the sustainability label for construction and installation materials. Its mission is to be the reference in sustainable construction by supplying the most sustainable range of building materials. The label is based on scoring construction and installation materials across 11 criteria, established via the life-cycle assessments of each product. Specifically, products are scored on: renewable and recycled raw materials; raw material origin; renewable energy sources; recycling of manufacturing waste; product origin; maintenance during use; biodegradability; repairability; reusability; recyclability; and environmental gains. The higher the score, the more sustainable the product. Only sustainable products are given a Greenworks label.

Employee engagement

- **Employee Net Promoter Score (eNPS)**  
The eNPS assesses employees’ job satisfaction by measuring their readiness to recommend their company to others.

Equity, diversity & inclusion

- **Diversity of leadership**  
We define the leadership group as the extended Executive Management Team and their local management/leadership teams. The diversity of leadership is considered in terms of gender.
- **Inclusion score**  
The average inclusion score is measured through the employee survey. Inclusion is represented by various survey questions about how people feel treated and how diversity is perceived. The responses to each question range from 1 (low) to 10 (high). The inclusion score is calculated as the average score across these dimensions and among respondents.

Health & safety

- **Employee well-being score**  
The employee well-being score is measured through the employee survey. Employee well-being is represented by various survey questions about how well and able people feel to do their jobs. The responses to each question range

from 1 (low) to 10 (high). The employee well-being score is calculated as the average score across these dimensions and among respondents.

- **Accident frequency ratio**  
The frequency of accidents is measured as a ratio: the number of accidents that occurred across all BME sites per 100,000 working hours.

Employee engagement

- **Employee engagement score**  
The employee engagement score is measured through the employee survey. Employee engagement is represented by various survey questions about how people perceive their work, its contribution to the operating company’s trajectory, and the feedback they receive. The responses to each question range from 1 (low) to 10 (high). The employee engagement score is calculated as the average score across these dimensions and among respondents.

Integrity

- **Completion of Code of Business Conduct training**  
This KPI is calculated as the number of employees who have completed BME’s Code of Business Conduct training and confirmed their adherence to it.
- **Percentage of supplier spend covered by signed Supplier Code of Conduct**  
This KPI is calculated as the spend on goods and services from suppliers that have signed BME’s Supplier Code of Conduct, divided by the total spend on suppliers (Cost of Goods Sold – CoGS). Note that this percentage includes a small number of suppliers that are exempt from signing the Supplier Code of Conduct, in consultation with BME Group Legal, and after providing sufficient proof of compliance with our ethical business practices and standards, including respect for human rights, health & safety, and environmental stewardship.
- **Percentage of supplier spend with accepted EcoVadis rating**  
This KPI is calculated as the spend on goods and services from suppliers that have an accepted EcoVadis assessment, divided by the total number of suppliers that are required to have such a rating by BME standards. BME determines the requirement for an EcoVadis rating via standardized criteria that include the size of the supplier and its risk status.





# DOUBLE MATERIALITY ASSESSMENT

In 2023 and 2024, BME conducted a double materiality assessment according to the criteria defined in the Corporate Sustainability Reporting Directive (CSRD) and implementation guidance from the European Financial Reporting Advisory Group (EFRAG). We identified and assessed our impacts on the environment and society (impact materiality) as well as the sustainability-related financial risks to which we are exposed and the opportunities we leverage (financial materiality). We considered the activities in our own operations and in our value chain. Both internal and external stakeholders were consulted and prioritized material topics for BME. This double materiality assessment determined the focus of BME's sustainability strategy.

## Phase 1: Identification of relevant topic's

We identified relevant topics through desk research, peer analysis, and stakeholder engagement. We took into account activities within our own operations and in our value chain, both upstream and downstream.

BME considered all the sub-sub-topics listed in ESRS 1 and reviewed topics from sector-specific standards, such as the GRI G4 Construction and Real Estate Disclosures as well as the SASB sector standards for Engineering and Construction Services, Road Transportation, and Building Products & Furnishings. A peer analysis, media scan, and analysis of sector trends complemented this exercise and resulted in a longlist of potentially relevant topics.

The longlist was then whittled down, primarily based on the relevance of each topic to BME's own operations and value chain. Certain topics were bundled into clusters, while sustainability topics were aligned with ESRS topics. This resulted in a shortlist of topics for which materiality was assessed.

## Phase 2: Defining the impacts, risks and opportunities, and assessing materiality

Impact definitions were drafted based on BME's 2022 reporting and external sources. Risk factors and opportunities were linked to the impact definitions. This list of sustainability topics was then scored using a materiality scoring tool.

For impact materiality, the following ESRS parameters were included: where in the value chain; impact direction; potential or actual; scale; scope; irremediability; and likelihood. For financial materiality, magnitude and likelihood were included as parameters. The scoring was aligned with BME's enterprise risk management (ERM) scoring methodology. This enabled us to plot the material topics on a matrix, covering both impact and financial materiality.

To gain in-depth insight into the impact of our activities on society and the environment, BME set up a stakeholder consultation process:

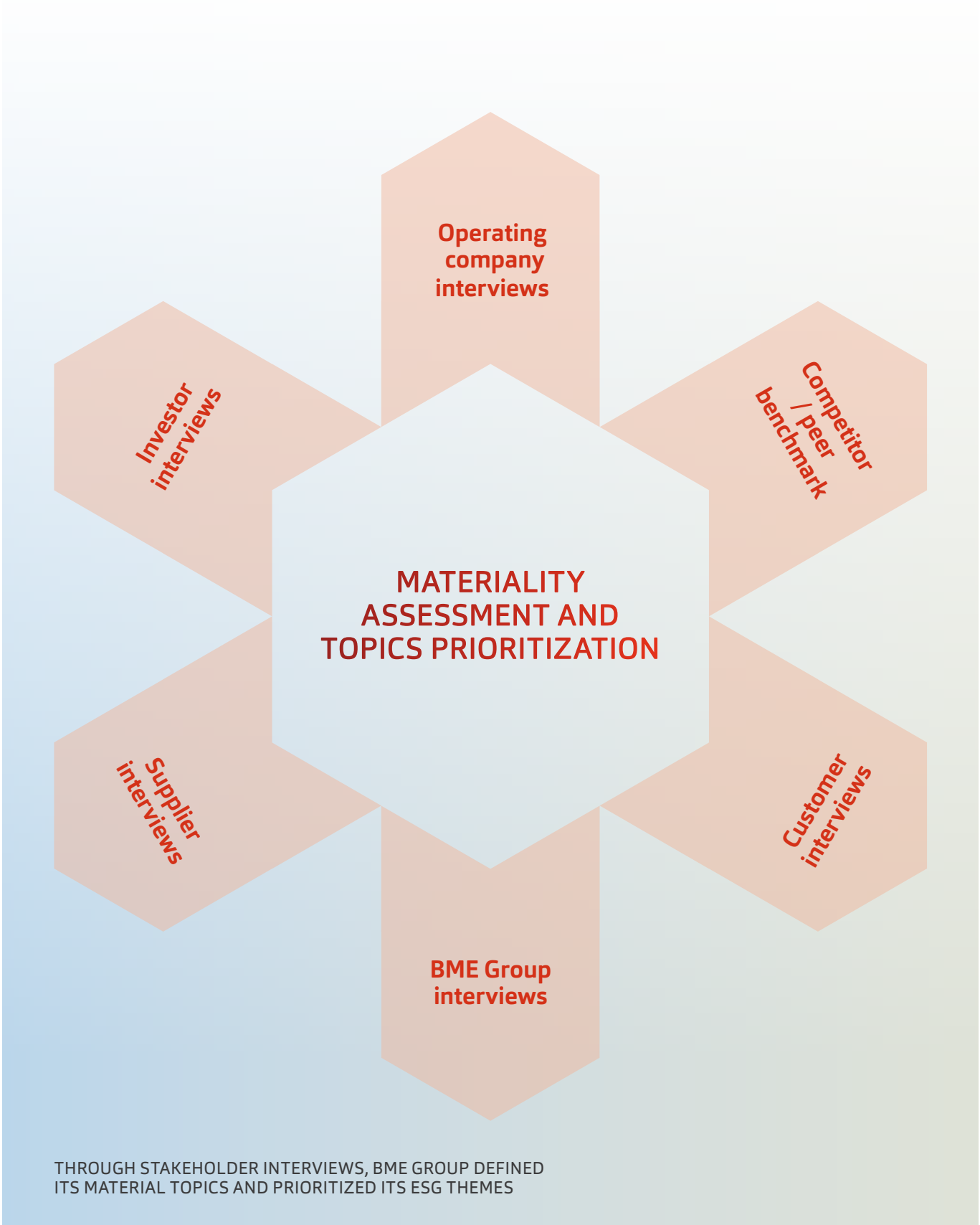
- **Employee survey:** a survey was sent out to BME employees in all countries;
- **Supplier and customer interviews:** a series of interviews were held.

Stakeholders were asked to prioritize the set of pre-defined topics on which BME has actual or potential impact through its operations and value chain. They also helped identify sustainability risks and opportunities that may affect BME's long-term value creation and business performance. Furthermore, employees, suppliers, and customers described the role BME can play in these sustainability issues. The stakeholder consultation confirmed the prioritization of impacts, risks, and opportunities in the materiality assessment.

## Phase 3: Validating outcomes and confirming our strategy

The outcome of the double materiality assessment was discussed in internal workshops involving a broad representation of experts and functions. It was reviewed and approved by the ESG Steering Committee and validated by BME's Management Board.

Using the double materiality assessment to guide our ESG roadmap, we defined our role on each of the material topics, distinguishing between positive and negative impact, where to be proactive, reactive vs actively preventative, and what BME's relative potential impact is. The double materiality assessment has confirmed the focus areas of our sustainability strategy.





# CORPORATE GOVERNANCE

BME’s corporate governance is based on the relevant provisions of Dutch law in effect on the publication date of this report, the Articles of Association, the Management Board rules, and the Supervisory Board rules.

### Management structure

BME has a two-tier board structure consisting of the Management Board and the Supervisory Board. The provisions of Dutch law that are commonly referred to as the “large company regime” do not apply to BME, as it is exempt from this regime pursuant to the international holding exemption. This exemption applies to BME as the activities of the company are limited to the management and financing of Group companies, and the majority of the Group’s employees work outside the Netherlands.

### Management Board

The Management Board is responsible for the management of BME’s operations under the supervision of the Supervisory Board. The Management Board’s responsibilities include determining the company’s strategy and day-to-day management of its operations. The Management Board as a whole is authorized to represent BME. The two Managing Directors – acting jointly – have the authority to represent the company.

### Composition, appointment and removal

The Articles of Association provide that the General Meeting determines the number of Managing Directors. As of the publication date of this report, the Management Board consists of two Managing Directors, appointed by the General Meeting upon proposal by the Supervisory Board. Pursuant to the Articles of Association, Managing Directors may be suspended or dismissed by the General Meeting, upon proposal by the Supervisory Board. The Supervisory Board may suspend the Managing Directors at any time. A suspension by the Supervisory Board may be discontinued by either the Supervisory Board or the General Meeting at any time.

### Managing Directors

As of the publication date of this report, the Management Board is composed of two Managing Directors: a Chief Executive Officer and a Chief Financial Officer (the latter of whom changed during the reporting year).

Name	Position	Member since	Term
<b>Remco Teulings</b> September 29, 1970	CEO	October 31, 2019	Unlimited
<b>Mark Tonkens</b> March 25, 1962	CFO	June 1, 2023 – August 28, 2024	Unlimited
<b>Patrick Sturkenboom</b> June 26, 1975	CFO	August 28, 2024 – April 1, 2025	Interim
<b>Lucas Faase</b> December 21, 1967	CFO	April 1, 2025	Unlimited

### Executive Management Team and Ethics & Compliance Committee

The Management Board is supported by an Executive Management Team consisting of senior functional leaders and managing directors of the larger operating companies. The Executive Management Team plays an advisory role to the Management Board and meets regularly to discuss day-to-day management of the company. The Management Board is ultimately responsible for all decision-making.

The Management Board is further supported by an Ethics & Compliance Committee consisting of the Group Chief Financial Officer, Group SVP Human Resources, Group General Counsel and Group Director Audit & Risk. The Ethics & Compliance Committee meets regularly and assists and advises the Management Board in identifying and managing ethical and compliance risks through coordination with senior stakeholders.

### Supervisory Board

The Supervisory Board supervises the conduct and policies of the Management Board and the general course of affairs at BME and its operating companies. The Supervisory Board provides advice to the Management Board. In performing their duties, the Supervisory Board members are required to be guided by the interests of the company, considering the interests of the Group’s stakeholders (which include its customers, suppliers, employees, and shareholders). The Supervisory Board also considers the social and environmental issues that are relevant to the Group.

Pursuant to the Articles of Association, the General Meeting appoints the Supervisory Board members and determines the remuneration of each member. Also pursuant to the Articles of Association, the Supervisory Board appoints one of its members as chair. As of the publication date of this report, the Supervisory Board consists of five members. Supervisory Board members may be suspended or dismissed by the General Meeting.

### Supervisory Board members

BME’s Supervisory Board is composed of the following five members:

Name	Position	Member since	Term
<b>Jean-Jacques Lafont</b> August 4, 1959	Chair	October 31, 2019	Unlimited
<b>Lionel Yves Assant</b> May 22, 1972	Member	October 31, 2019	Unlimited
<b>Juergen Pinker</b> August 7, 1976	Member	October 31, 2019	Unlimited
<b>Marianne Culver</b> December 1, 1956	Member	November 15, 2021	Unlimited
<b>Jad El Ajaltouni</b> March 13, 1992	Member	February 29, 2024	Unlimited

### Supervisory Board committees

The Supervisory Board has an Audit Committee and a Remuneration Committee. Both committees play a preparatory and/or advisory role to the Supervisory Board. Each committee has a charter on its role, responsibilities, and functioning. The committees consist of Supervisory Board members who are appointed to each committee by the Supervisory Board. The committees report their actions, reviews, proposals, and findings to the Supervisory Board. The Supervisory Board is ultimately responsible for all decision-making.

### Conflicts of interest

Mr. Assant, Mr. El Ajaltouni and Mr. Pinker were nominated as members of the Supervisory Board by the sole shareholder of the company, meaning they are both representatives of

the shareholder. The Supervisory Board does not expect this to cause a conflict of interest regarding their duties towards the company. BME is not aware of any (potential) conflicts between the personal interests of Managing Directors and Supervisory Board members on the one hand, and the interests of the company on the other. There is no family relationship between any Managing Director and any Supervisory Board member.

The Articles of Association include arrangements to ensure that the Supervisory Board handles and decides on any (potential) conflict of interest in each relevant situation. A Supervisory Board member shall not participate in the deliberation and decision-making process if he or she has a conflict of interest. During the last five years, none of the Managing Directors or Supervisory Board members has: (i) been convicted of fraudulent offenses; (ii) served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

### Ethics & Compliance

Ethics & Compliance laws, rules and standards come from various sources and often embrace broader standards of integrity and ethical conduct. Within BME Group, we define Ethics & Compliance risk as the exposure to legal penalties, lack of trust, financial loss, limited business opportunities, or reputational damage if we fail to act in accordance with laws and regulations as well as our internal policies and procedures.

BME is strongly committed to maintaining the integrity and reputation of the Group and its operating companies for professional and ethical conduct everywhere we do business. The Management Board safeguards the Group’s integrity and reputation by ensuring that operating companies adhere strictly to applicable laws, regulations and standards in all the markets and jurisdictions in which BME Group (including its operating companies) operates, as well as adhering to BME Group’s compliance policies and core values. The Management Board is advised and, where necessary, supported by BME’s Group General Counsel and Group Director Audit & Risk.

BME has defined its position regarding these applicable laws, regulations and standards in its Code of Business Conduct, which provides all employees with the foundation for doing good business. BME also recognizes the importance of maintaining these standards throughout the supply chain, which is why BME has a Supplier Code of Conduct that sets out requirements for business partners as well.





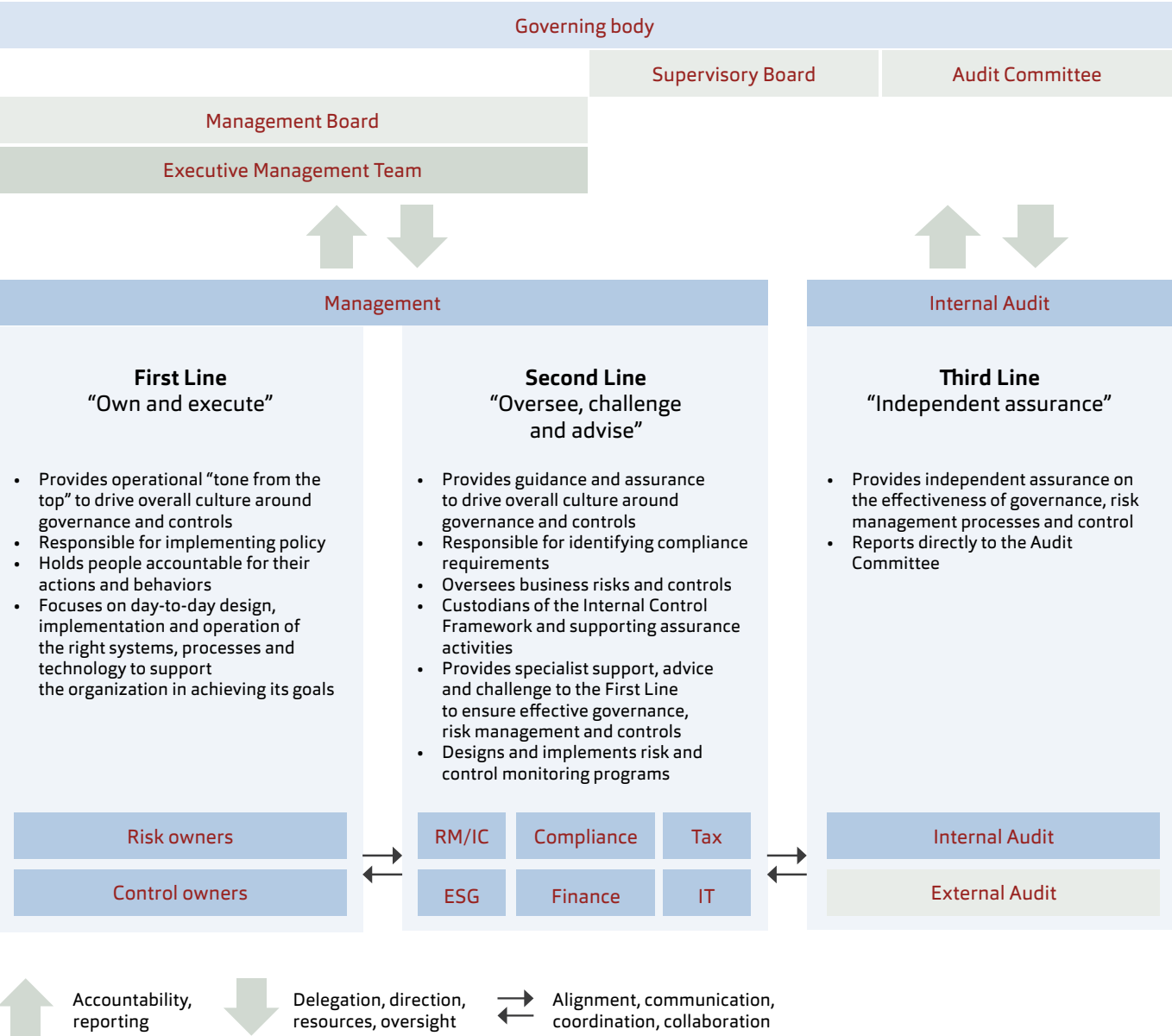
Risk management

The governance and underlying roles and responsibilities regarding identifying, assessing, responding, monitoring, and reporting on risks is based on BME’s “Three Lines of Defense Model” (see diagram). This model captures the combination of functions within an organization that performs risk management-related activities in support of the “in control position” of the organization and its risk landscape. The model helps to delegate and coordinate essential risk management duties and enhance communications.

BME’s governance structure is organized in such a way that it enables accountability (Governing body), risk management (Management – first and second lines) and independent assurance (Internal Audit – third line). A full description of the overall roles and responsibilities within the model is available in BME Group’s risk policy.

**Enterprise Risk Management (ERM) roles and responsibilities**

In order for the Three Lines of Defense Model to work properly, responsibilities are assigned to various official bodies, such as the Supervisory Board, Audit Committee, Management Board, Operating Company Management Teams, Internal Audit, etc. ERM is driven by the Risk & Control function (second line), which is responsible for the design and coordination of the ERM process. We distinguish two second line Risk & Control functions within BME: one at a centralized level and one at an operating company level. The centralized Risk & Control activities are performed by the Group Director Audit & Risk. The decentralized Risk & Control activities are performed by the Risk Management and Internal Control coordinator within each operating company, under the responsibility of the operating company’s management.



# RESTATEMENTS

- Over the course of 2024, a number of restatements were made on BME Group’s ESG performance KPIs. Below is an overview of the type and nature of these restatements:
- **BME Group carbon emissions in 2023:** The 79.82 million kg CO<sub>2</sub>e reported in the 2023 sustainability report was restated to 84.44 million kg CO<sub>2</sub>e in this 2024 sustainability report. Carbon emissions were updated retroactively for a selection of operating companies based on final invoices from suppliers on annual electricity and gas consumption, and on outsourced freight logistics and acquisitions in 2023.
  - **Signing of Supplier Code of Conduct in 2023:** The supplier spend covered by a signed Supplier Code of Conduct reported in the 2023 sustainability report was streamlined to 64% in 2023 and 57% in 2022.
  - **Supervisory Board members:** Jad El Ajaltouni has been a member of the Supervisory Board since February 29, 2024, not March 13, 2024, as stated in the 2023 report.





#### Contact information

We welcome feedback and comments on our sustainability reporting.

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#### Colophon

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