September 2025

Ballast Nedam CSR Policy 2024-2026

Targets and activities to advance Ballast Nedam's CSR ambitions

Ballast Nedam

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1 Introduction

International agreements such as the Paris Climate Agreement and the EU Green Deal have given a strong boost to sustainability. In a world where ecological, social, and governance (ESG) trends are becoming increasingly important, Ballast Nedam remains committed to a sustainable living environment. We continue to develop our strategy and policies to deliver sustainable results for our clients and future generations. We believe that every project offers us the opportunity to make a positive contribution to both today's and tomorrow's world.

Due to the increasing relevance of ESG legislation, such as the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, we have proactively renewed our CSR policy for 2022–2024. The new policy for 2024–2026 aligns with European guidelines and provides a framework through which everyone within our organisation can contribute to sustainability. We regularly monitor and evaluate our progress and intensify our efforts where necessary to make a tangible impact.

The themes in this policy are based on a comprehensive analysis of our impact, including conversations with various stakeholders. We examined both how our activities affect the environment (inside-out) and how external ESG developments influence our work (outside-in). These insights help us to improve our policies and strengthen our organisation. For each theme, we describe the context, vision, goals, and corresponding measures. An overview of all short- and medium-term goals is included at the end of this document.

Since January 2024, Rönesans Endustri Tesisleri A.S. (RET) has been part of Ballast Nedam. As a result, our international business line continues to grow. However, the sustainability context of international projects differs from that in the Netherlands, for example due to differences in the availability of sustainable energy. Therefore, the policy has been adjusted to take into account varying CSR processes, ambitions, and actions. For some topics, separate objectives have been formulated for the Dutch and international business lines.

On behalf of the Board of Management, I would like to thank everyone for the steps already taken and call for a joint effort to realise our ambitions.

Atilla Kemal Sağlam,
CEO Ballast Nedam

2 Our vision on ESG

With an imminent urgency to reduce our global footprint and preserve our planet, we need to take responsibility as a business to protect and improve our living environment. Building a sustainable living environment is our ultimate goal and it is what we literally do every day. We offer solutions to everyday societal and environmental needs: we work on building a better sustainable energy system by contributing to the energy transition, we improve wellbeing for living and working by offering urban development and construction projects, we contribute to better water supply and water resilience with our water protection and purification solutions, we participate in industrial transitions to gradually change towards industrial renewals, and we enhance mobility and logistics with our infrastructure solutions. We do that, alongside running a financially healthy and stable company. With this reiteration and update of our CSR policy, we are confident that we can further advance our performance on Environmental, Social and Governance topics, whilst increasing and securing our compliance with relevant guidelines and legislations.

Ballast Nedam continues to endorse many certifications, standards and code of conducts.

Environment	Social	Governance
CO_2-performance ladder	Social Culture Ladder	ISO 37001[1]
Groene Koers	NEN-ISO 14001	
Emissieloos Network Infra	NEN-ISO 26001	
BREEAM	Governance Code Veiligheid in de Bouw (GCVB)	
LEED	Bewuste Bouwers	

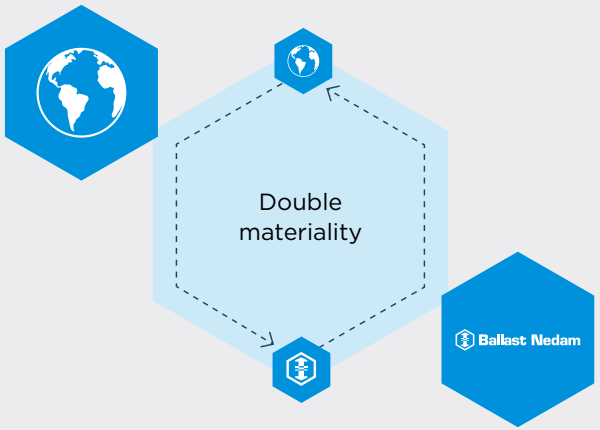
[1] Applicable to Ballast Nedam Infra Wind & Marine en International Projects BV.

3 Stakeholder- & Materiality analysis

Introduction

To deliver sustainable outcomes we need to understand thoroughly how our activities interact with the context we are working in. We have an impact on our environment (inside-out), but the changing environment will influence our activities as well (outside-in). Together with relevant experts and our internal and external stakeholders we have analysed a broad range of ESG-topics and viewed them from both perspectives. This 'double materiality analysis' Is based on requirements set forth by the EU directive CSRD and forms the starting point of our renewed CSR policy. In this chapter we will briefly describe our process and the outcomes of this analysis.

Figure 1: Outside-in and inside-out



Process

The double materiality analysis, including the stakeholder dialogue, was done in four steps. The start was setting up a broad list of topics. After interviews and workshops with internal and external stakeholders, a selection of the most important themes was made from this broad list. The outcome is our ambitions, targets, approach and governance for all selected topics. ESG developments and the ever-changing operating context of our company demands a continuous process of stakeholder engagement and context analysis. It will allow us to update and strengthen our approach and maintain our lean and resilient business attitude.

Figure 2: Double materiality process

1. Longlist of topics

- Analysis of sustainable context and peers.
- Internal discussion with Business Units and staff.
- Comparing outcomes with what is discussed in the media.

2. Stakeholder dialogue

- Internal interviews and workshops with general foremen, project directors, new hires, staff, management and directors.
- External interviews with clients, investors, banks, assurance companies, NGO's, branch organizations and JV partners.

3. Final list of topics

- Analysis of outcomes of all interviews.
- Selection of material topics by Board of Management, Director CSR, Head of Reporting.

4. Analysis & action plan

- Impact, Risk & Opportunity analysis (IRO).
- Setting ambitions, objectives, targets, KPI's and approach & governance.

Outcomes

Scoring selected topics

The 14 selected topics were first scored and then plotted by the scale, scope and irremediability of their impact on the relevant external stakeholders. Thereafter they were categorized by their score on impact and financial materiality score and plotted in each of the four categories: Informative, Financial, Impact and Double (Figure 3).

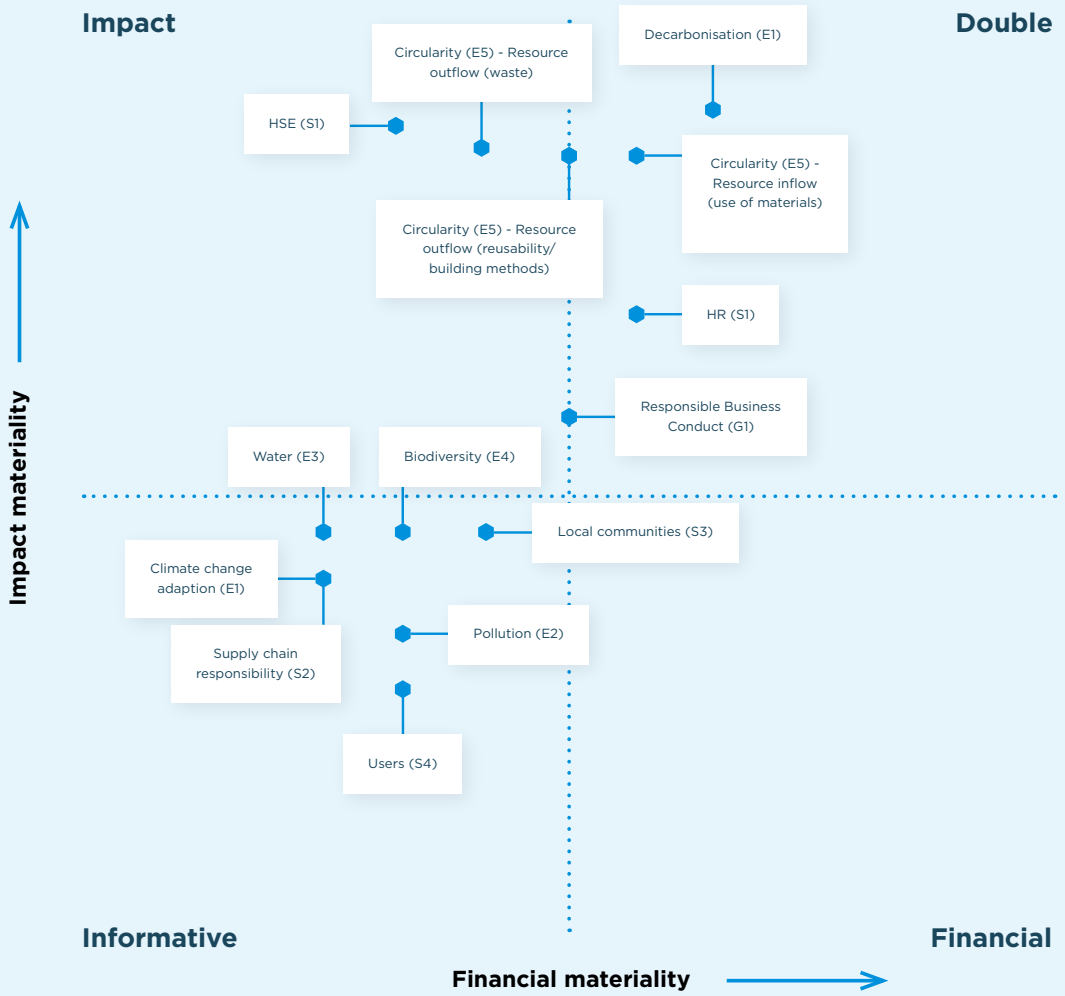
Selected topics

The material topics in the 'Impact' and 'Double' quadrant demand extra focus and form the start of this CSR policy.

Extra topics

We have added a few topics to this CSR policy, like Quality assurance & quality control (QA/QC) and Digital Transformation & Innovation (DTI). They are not material on itself, but they provide the necessary conditions for other topics to be successful and are therefore relevant for this policy. Further we added Biodiversity, because this topic is becoming more and more important for our sector. We will keep this on our agenda to stay involved and take actions at an early stage.

Figure 3: Double materiality impact



Topics outside the CSR scope

During the stakeholder dialogue, other theme's were mentioned, like Financial Stability and Project management & Control. These topics are already being covered at the relevant departments outside of the CSR scope. Therefore, they are not covered in this document.

Contributing to SDG's and IFC

We contribute to several Sustainable Development Goals (SDG's) and International Finance Corporation performance standards (IFC). With our projects we are building resilient and sustainable infrastructure and housing, promote inclusive and sustainable industrialisation and foster innovation (SDG 9 and 11)

Environmental

Decarbonisation relates to SDG 7 and 13: taking action to combat climate change and ensuring access to affordable, reliable, sustainable and modern energy for all, to IFC criteria on Resource Efficiency and Pollution Prevention (performance standard 3) and ESRS E1 from the CSRD.

Circularity relates to SDG 12: ensuring sustainable consumption and production patterns, to IFC criteria on Resource Efficiency and Pollution Prevention (performance standard 3) and ESRS E5 from the CSRD.

Biodiversity relates to SDG 15: protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managed forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss, to IFC criteria on Resource Efficiency and Pollution Prevention (performance standard 3) and ESRS E4 from the CSRD.

Social

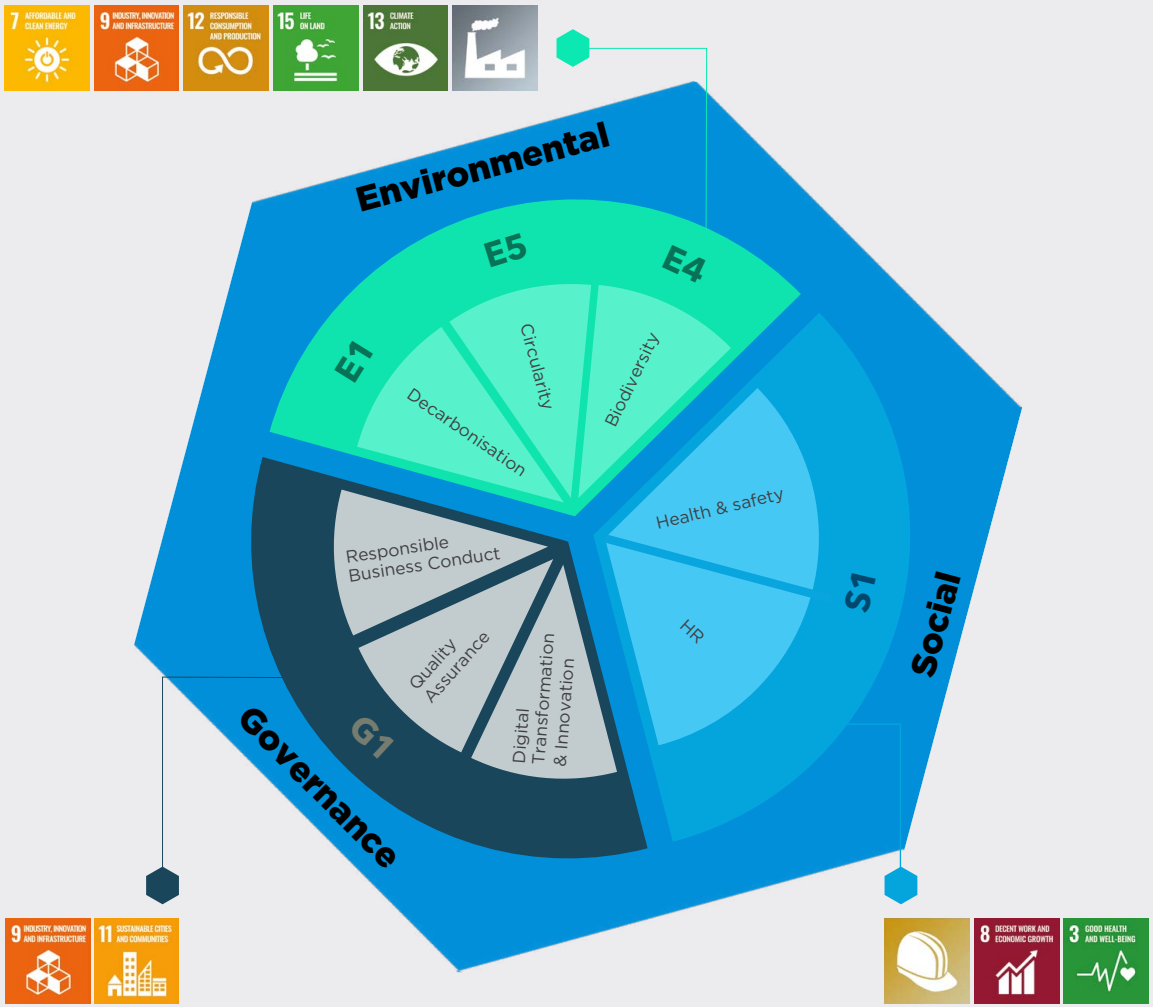
Health & Safety, relates to SGD 8: promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, to IFC criteria on Labour and Working conditions (performance standard 2) and ESRS S1 from the CSRD.

Human Resources, relates to SDG 8: employee recruitment, career planning, engagement and retention, to the IFC criteria on Labour and Working conditions and ESRS S1 from the CSRD.

Governance

Governance encompasses Responsible Business Conduct, Quality Assurance, and DTI, all of which acts as an enabler for all selected SDG's and is directly related to ESRS G1 from the CSRD.

Figure 4: Overview of ESG-topics and contribution to SDG's and IFC



4 Environment

4.1 Decarbonisation

Introduction

Climate change presents us with short-, medium and long-term effects. Through the Paris Climate Agreement many countries committed themselves to keep the projected global temperature rise below 2 degrees and preferably below 1.5 degrees Celsius[2]. The European Union turned this agreement into regulation via the Green Deal, which sets the goals of reducing our carbon emissions with 55% in 2030 (fit for 55) and becoming climate neutral in 2050[3].

At Ballast Nedam we are committed to limiting the expected global warming to 1.5 degrees Celsius. This means that we are working on CO_2 reduction, which we started years ago in the Netherlands. That is why this chapter regularly distinguishes between the business lines in the Netherlands and the business line International when it comes to objectives and measures taken. We are committed to learning from each other and thus accelerating CO_2 reduction in both Dutch and international activities. In the CSRD this topic is addressed in ESRS E1.

The whole construction industry needs to contribute to these objectives and reduce its CO_2 emissions. A potent example of this is that more and more cities are requiring to keep emission-intense, heavy equipment, outside city limits. Additionally, there is an increasing ask by clients to use more sustainable materials and last, but not least, there is an ever-growing demand for (Near) Zero Emission Buildings. CO_2 emissions are defined by three scopes. Scope 1 emissions are our direct emissions caused by the consumption of natural gas, diesel and other fossil fuels. Scope 2 emissions are our indirect emissions caused by the use of electricity and district heating. Scope 3 emissions are emissions in our up- and downstream value chains.

The CO_2 emissions caused by business travel and fuel production (well-to-tank) fall under Scope 3 emissions, but we reported them in scope 1, 2 until 2024. Therefore, we have recalculated the scope 1,2 base year 2019. With this, we report in line with the CSRD. From 2026, these changes will also be implemented in the business reports.

[2] www.un.org/en/climatechange/paris-agreement

[3] www.commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

Vision and ambition

Current developments are pushing us to speed up the conversion to more emission-free equipment, use less carbon intensive (primary) construction materials and look for new and improved ways of reducing the use of fossil fuels whilst generating as much renewable electricity as we can through the deployment of solar panels and wind turbines.

CO_2 reduction

Ballast Nedam has been reporting its own direct and indirect CO_2 emissions since 2008, and has been certified according to the CO_2 Performance Ladder in 2012, making a distinction in four categories: Offices, Construction sites, Production locations and Mobility, supplemented by 'business travel' (Figure 5). In all four categories we have set out a vision and strategy that leads to net zero CO_2 emissions in 2030 for both scope 1 and 2 for all Dutch activities of Ballast Nedam. There where it is not possible to reach zero emissions, we will offset the remaining CO_2 emissions from 2030 onwards. In the last two years we have significantly expanded the activities in our business line International and unfortunately it is not possible to work on a zero emission or energy neutral strategy in all countries where we are active. In the places where we are active, there is often no (green) electricity available on our construction site, or far too little and not stable. For this reason, we have set separated objectives for Ballast Nedam as a whole and our Dutch business lines.

Energy use and production

Furthermore, Ballast Nedam has the ambition to generate more and more sustainable energy itself and to be energy neutral for the Dutch business lines by 2040.This means that we generate all the energy we need ourselves through our own solar panels and wind turbines. In this way we contribute substantially to the transition to a more sustainable energy system with less CO_2 emissions.

In 2022 we set up a Virtual Power Plant (VPP). In our VPP we generate renewable energy that we allocate on a quarterly hour basis to our own energy use. As a result, we truly generate our own power in a sustainable way and we are less dependent on the energy market because less volume of electricity has to be bought and sold.

Scope 3 ambition

In addition, we have developed a separate vision on our scope 3 activities, both up- and downstream. In 2025 we will establish a well-substantiated baseline and will reduce our impact by focussing on emissions of purchased goods for the upstream and energy consumption of our sold products for the downstream. It is our ambition to reduce our scope 3 emissions in 2030 with 25% compared to base year 2025.

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Did you know...?

On 1 January 2023 we started supplying the excess power from our solar roofs in Leerdam and Almere to Ballast Nedam's head office in Nieuwegein and the laboratory of DIBEC in Leerdam.

KPI's and targets

We have set two main goals aimed towards alignment with the Paris Climate Agreement scenario of halting the increase in the global average temperature well below 1.5°C above pre-industrial levels:

1. We will reduce our CO_2 intensity in scopes 1 and 2 for all our Dutch activities with 100% net by 2030. On the way to this, the target for 2025 is a CO_2 intensity of 7.4 ton CO_2eq/€million. For the international business line, we aim to apply reduction activities that fit the local business context. For Ballast Nedam as a whole, we aim for a CO_2 intensity of 16.9 ton CO_2eq/€million in 2030, a reduction of 45% compared to the base year 2019.
2. We will reduce our absolute total scope 1, 2 and 3 emissions by 25% by 2030 compared to a base year of 2025.

In addition, we have set a target of 32.3 MWh/€million for our energy intensity in 2030 and we aim to be completely energy neutral for our Dutch activities in 2040 by generating our own electricity needs sustainably.

We are ambitious with these objectives. For this, it is crucial that low emission equipment becomes available and the electricity network will be able to cope with the extra power use. At the moment, our targets are generally comparable to those of our sector peers and we see ourselves as middle ground (average rate) in terms of reducing CO_2 emissions.

However, our ambition is to challenge ourselves constantly to become a more and more sustainable company that is fit for the future. With the KPI's, a big step is taken in this direction and in the coming years we will look at where adjustment is necessary or desired.

Table 1: Decarbonisation targets

Target	ESRS code	Result 2023	2024	2025	2026	2030
CO_2 emission scope 1, 2 and 3 ($tonneCO_2eq$)	E1-6	-	-	-	-	-25%
CO_2 intensity scope 1 and 2 (Total) ($tonneCO_2eq$ / €mln revenue)	E1-6	30.7*	30.2	27.9	25.8	16.9
CO2 intensity scope 1 and 2 (NL) (tonne CO2eq / €mln revenue)	E1-6	9.6	8.8	7.4	6.1	0
Energy intensity scope 1 and 2 (MWh / €mln revenue)	E1-5	54.2	46.7	44.3	41.5	32.3
Consumption of self-generated non-fuel renewable energy (electricity) (NL) (% of total power use NL)	E1-5	11.8%	15%	25%	30%	40%

* calculated result based on extrapolation

Actions Scope 1 & 2 – Dutch activities

Ballast Nedam has already taken major steps regarding CO_2 reduction at the Dutch business lines. Compared to 2019, we have achieved a CO_2 reduction (up till 2024) of more than 50% following a myriad of actions. We will share these experiences with our international colleagues to accelerate the implementation of these actions.

Our fleet (mobility) and energy usage on the construction sites form the largest part of the remaining CO_2 emissions. Together, these two are responsible for more than 90% of Ballast Nedam's Scope 1 and 2 CO_2 emissions. For reducing the direct and indirect CO_2 emissions we take the following actions in our four categories.

Figure 5:
Decarbonization plan Ballast Nedam

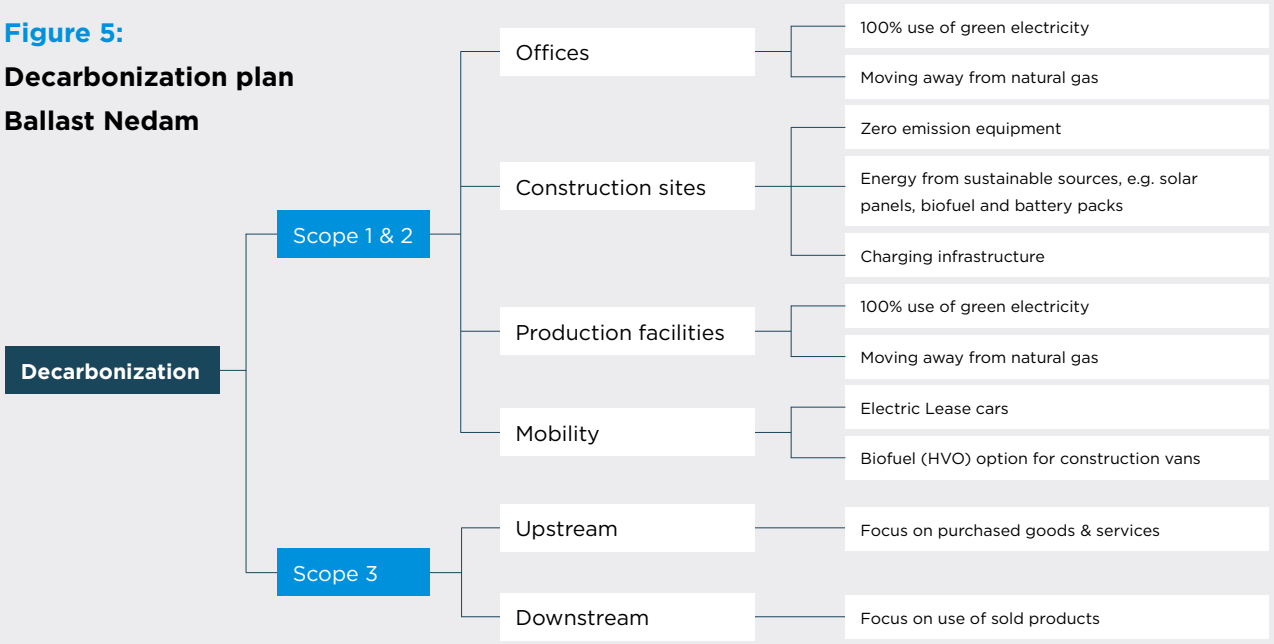
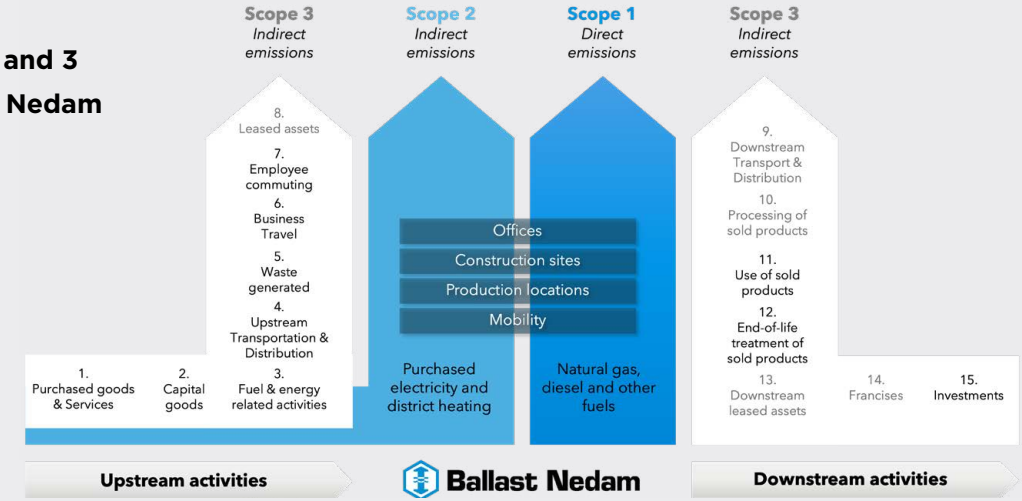


Figure 6:
Scope 1, 2 and 3 for Ballast Nedam



Offices

In 2020, Ballast Nedam signed the Paris Proof commitment and has been reporting on it annually since then. We have made the commitment that all our own office buildings as well as the office buildings under our control will be Paris Proof by 2040. All offices are currently already supplied with green electricity and from 1 January 2024 the offices will be largely supplied with their own generated electricity through directly connected solar panels or through the VPP. In addition, our aim is for offices to be off gas by 2030 at the latest and connected to district heating or provide some form of electric heating.

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Did you know...?

For a Paris-proof aligned sustainable energy supply, an office building will be allowed to use only 50 kWh per square meter per year in 2040. This means that buildings need to reduce their energy demand with two thirds of the current average. And the final one third we still use, must be sustainable generated energy, for example from solar and wind energy.

Construction sites

We aim for fully CO_2 neutral construction sites in 2030. Therefore we take actions in three fields:

1. Zero emission equipment.
   This implies continuing our steps in electrification of our current diesel powered equipment. For all investments in equipment, the electrical options are explicitly taken into account in the final investment decision. With regard to further electrification, Ballast Nedam has set at least the following ambition unless there are valid reasons that this is not possible in practice:
   - Small equipment (up to 56 kW) emission-free from 2025
   - Medium heavy equipment (56-130 kW) emission-free from 2028
   - Heavy equipment (130-560 kW) emission-free from 2030
   - Very heavy equipment (>560 kW) emission-free from 2035

   Where investments in emission-free equipment are not possible we encourage the use of HVO fuels and CO_2 emissions will be compensated from 2030 onwards.

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Did you know...?

The following types of equipment are examples per category:

- **Small:** mobile excavators up to 9 tons, shovels, small loaders, compactors, hand tools.
- **Medium-Heavy:** cranes and mobile excavators from 9 up to 25 tons, asphalt rollers, asphalt spreading machines, demolition hammers.
- **Heavy:** crawler cranes, trucks, mobile excavators from 25 to 50 tons.
- **Very heavy:** heavy duty foundation equipment (piling rigs), crane ships, powerpacks.

2. Sustainable Energy
   All Dutch construction sites are off gas and from 2025 only a heat pump or other form of electric heating will be used for heating. All Dutch construction sites are already supplied with green electricity. In the coming years, we will investigate the possibilities for expanding the VPP with connections to construction sites. As such we will meet our own electricity needs as much as possible.

3. Charging infrastructure
   With the electrification of our mobility and machines, charging will become more and more important. At the same time there is net congestion in the Netherlands, so new grid connections are not always easy to get. We will start as early as possible to get a new grid connection at every construction site. When this is not possible we will try to connect to an existing connection nearby. The final solution can be a portable renewable solution, like hydrogen generators.

Production locations

The production locations will largely meet their own power needs in 2030 or will be provided by the VPP. With regard to gas consumption the focus is to reduce the usage of gas firstly and secondly to examine the possibilities of mixing with hydrogen. After which a complete switch to hydrogen appears to be a realistic option in the long term.

Mobility

By 2030, our company car fleet will be emission-free. From 2024 only electric variants of passenger lease cars will be ordered, resulting already in a 44% electric car fleet. Our goal is to increase this percentage to 65% in 2025 and 85% in 2026 and we will have a fully electric fleet by 2028 at the latest.
With regards to our commercial vehicle fleet, we have the ambition to phase out diesel vans. However, we are still facing technical limitations. Where electrification is not yet possible, we encourage the use of HVO fuel and monitor this at the quarterly meetings.

Measures scope 1 and 2 for our business line international

Over the past two years, we have significantly expanded the activities of our international business line. Due to the different dynamics, levels of maturity in the energy transition and the available resources in each country, it is not possible to work on the same net-zero emission strategy for these activities. We look at the possibilities for CO_2 reduction per project, for example by using alternative fuels.

Actions Scope 3

Together with our supply chain partners, we aim to set an ambitious but well-informed target for scope 3 CO_2 reduction by 2030. However, to formulate this reduction target, we will first need to establish an accurate baseline in 2025. For reducing the CO_2 emissions caused by the activities we carry out and organize (scope 3) we take the following actions.

Upstream

Upstream emissions arise from activities earlier in the value chain and are categorized in 8 categories. (Figure 6) We will focus on the emissions of our purchased goods from both suppliers and subcontractors (category 1) and calculate it using the expense-based method. In addition, we collect the embodied carbon data via the legally mandatory MPG-calculation (ECI; Environmental Cost Indicators) for all housing and building-related projects. For the Infra projects we will measure the scope 3 emissions of purchased goods via the MKI-calculation (Milieu Kosten Indicator) which is already requested by our clients.

We also take into account the purchase of capital goods, like equipment, the production of used fuels and the necessary transports to and from the construction site (category 2, 3 en 4). In addition, we already have data for categories 5 (Waste production) 6 (Business transport) and 7 (Commuting). Only category 8, leased assets, is not relevant for Ballast Nedam and is therefore disregarded.

Downstream

Downstream emissions arise mostly from the energy consumption of our sold products (category 11). For the housing and building-related projects, we will collect all NZEB (Nearly Zero Energy Buildings = BENG) calculations, in order to achieve a measurable average. All land-based developed homes will have a primary fossil energy consumption of ≤0 kwh/m²/year (NZEB/BENG 2 = 0). For the infrastructure projects, we will limit ourselves to measuring the energy consumption of tunnels and locks delivered by us and where the energy consumption can be clearly linked to our design choices. Besides we will collect the energy consumption of our PPP (DBFMO) projects where we are responsible for the operation for several years. We fully include this energy consumption in the year that we delivered the project. In addition, we calculate the emissions that arise from the processing of sold products at the end of their lifespan (category 12) and the emissions of companies in which we have invested (category 15).

4.2 Circularity

Introduction

The built environment has a significant impact on our planet's natural resources. Construction materials and products represent about 50% of all raw materials extracted from the earth's crust. Furthermore, construction and demolition activities represent 35% of all waste generated in Europe[4].

The transition towards a circular economy is visible through increased legislation and initiatives. Like new EU legislation, various national circularity initiatives with sector peers and the Dutch Circular Economy 2050 programme[5]. This movement was given shape in the construction industry through the sector-wide group "Transitieagenda Circulaire Economie" to define circular construction. The increasingly turbulent prices of virgin raw materials further stimulate the transition towards circularity. In the CSRD this topic is addressed in ESRS E5.

Vision and ambition

We have a direct impact on the advancement of circularity through the sourcing of materials and the way in which we manage our waste streams. Ballast Nedam actively participates in sector groups to develop the advancement of circular solutions within our construction projects. In 2023, we started to map our risks and opportunities regarding resource inflows and resource outflows to support the protection of our natural environment.

Resource inflows

We need many materials for the construction of infrastructure, housing and building related projects (resource inflows). We believe that working in a circular way helps to tackle further depletion of the earth, specifically by developing and realising projects in such a way that all materials and raw materials are reusable and waste generation is prevented.

Circularity centres on the principle that today's products are tomorrow's raw materials, and that there is no such thing as waste. In the coming period, Ballast Nedam will gain insight in the material inflow (in percentage and weight of biobased, secondary reused or recycled components) on a number of representative new construction projects in order to be able to determine a reference situation. We carried out pilots on several projects in 2023 to determine the circularity index and the testing of various tools, like Madaster and the Building Circularity Index. The inclusion of circular alternatives in client specifications has been gradually increasing.[6] Ballast Nedam responds to this by proactively engaging stakeholders across the sector, e.g., clients, architects, and design engineers, and pushing for circular alternatives whenever these are possible.

Did you know...?

Resource Inflow Is a term for curbing the amount of materials supplied to, and used in, our construction projects.

For all applied products in our construction projects, we have to indicate the total weight and the percentage of primary, recycled, reused and bio-based materials that have been used.

[4] European Circular Economy Stakeholder Platform (2022). "What role do secondary materials play in new constructions and in buildings renovation?".

[5] Such as the Dutch Green Building Council working groups on Circularity.

[6] ING N.V. (2023): think.ing.com/downloads/pdf/article/sinking-circular-foundations-in-construction-industry

Our vision and ambition are based on this, focusing on four themes:

1. Dismantlement and adaptation: Designing and constructing to make dismantlement and adaptation possible so that materials can be reused to a high standard.
2. Reused and recycled materials: Harvesting and using reusable and recycled materials in buildings and infrastructure to reduce the use of new raw materials.
3. Bio-based materials: Using bio-based materials that are derived from raw material sources that can grow back without depleting the ecosystem in question, to increase circularity.
4. Non-toxic materials: Making the reuse of materials possible by not using materials that are toxic, contaminated, mixed with other materials in an unfavourable way, or 'soiled' when previously used.

When we broaden our view and look to other sectors to cooperate, our opportunities increase. We will be able to use outflows of other industries as inflow for our projects. At the same time, it will be possible to utilize synergy benefits, such as using rest heat or reducing energy use.

Resource outflows

Attention for, and reduction of, the resource outflow starts by thinking about the final phase of the life cycle of structures right at the start of a project. We consider waste to be a result of design, purchasing and implementation choices. In the coming period, Ballast Nedam will welcome its supply chain partners to jointly meet these challenges, by entering into dialogue with the waste processing partners on all projects and jointly drawing up a waste management plan for the project.

The aim of the waste management plan is to initially collect as many residual materials as possible separately and return them to the supplier and, where this is not possible, to have the waste disposed of separately as much as possible. We report on the waste separation per project in several categories. At a minimum, a distinction is made between hazardous and non-hazardous waste and the percentage of separation for reuse and recycling. In addition, we will ask our waste processors to report how the waste has been processed and disposed.

Did you know...?

Resource outflow is used to monitor the process of curbing the amounts of (construction level) waste, and stimulate re-use and recycling of materials.

We measure our resource outflows by applying working closely with waste management partners.

KPI's and targets

Our two main goals are:

1. our construction activities will be 50% circular in 2030, either at production (inflow) or at end of life (outflow)[7].
2. in 2030 there will be almost no non-recyclable waste on our construction sites due to better waste separation and waste reduction.

[7] Reported in weight and/or percentage on circularity indices

Circular materials

Our primary approach in measuring the proportion of circular materials is through the Dutch environmental cost indicators (MPG and MKI), which determines material-related environmental impact, and through the Building Circularity index.

To achieve our 2030 target for the use of circular materials, we will focus on different material choices and gain better insight into relevant data by:

- Reporting the environmental costs (MPG/MKI) of all significant Dutch construction and in-house development projects and thus determine a reference value for future objectives.
- Having all Dutch business units determine the reference value for the circularity index through one or more of their chosen representative projects, as a pilot for future target development.
- Reducing the use of toxic and polluting materials in accordance with applicable (EU) standards and directives.
- For our foreign activities, we determine a vision and strategy per country or per project that we will incorporate/include in the waste management plan.

Biobased materials

Next to recycled and reused materials we aim to work with biobased materials when suitable and financially attainable. Biobased materials are derived from raw material sources that can grow back without depleting the ecosystem in question. Therefore we see biobased materials as part of circularity. It is important that these materials are sourced from sustainably managed sources and do not harm the local nature or biodiversity. By using the BCI calculation (Building Circularity Index), we will provide insight into the percentage of biobased materials in the projects.

Waste separation and reduction

To achieve our goal of reducing waste at our construction site we have set targets for waste separation and waste intensity. For 2030 we aim for a waste intensity of 5 ton/€million with the separation rate remaining at 75% (100% minus mixed construction and commercial waste).

For over a decade, Ballast Nedam has been actively monitoring and reporting the amount of waste generated and the degree of separation of our waste for all our locations. Particularly for our construction sites, the percentage of construction and demolition waste (mixed construction waste) is separately reported. Each project defines a target separation percentage at the start, keeping the overall corporate target in mind. The percentage depends on the scope of work, the materials used, and the available space on the construction site for waste separation. In addition, we look at waste intensity to ensure that the amount of waste per million euros in turnover decreases.

In 2023, the waste separation percentage was 76%, but with the integration of RET within Ballast Nedam, the percentage has dropped to 59%. With extra attention to waste separation, we want to achieve our target of 75% waste separation again.

Table 2: Circularity targets						
Target	**ESRS code**	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Waste intensity (total) (tonne / €mln revenue)	E5-3	-	20.8	TBD	TBD	TBD
Waste intensity (NL)* (ton / €mln revenue)	E5-3	25.1	20.7	19.6	16.4	5.0
Waste separation rate construction site (%)**	E5-3	75%	75%	75%	75%	75%
Report the material-related environmental costs (MPG/MKI) of all significant construction and in-house development projects and thus determine a reference value for future objectives	-	-	-	Average MPG/MKI	-	-
Determine the reference value for the circularity index in 2025	-	-	-	Average MPG/MKI	-	-

* Base year is average of 2021-2023
** All waste minus mixed construction waste and commercial waste

Actions

Resource inflows

We will measure our material use by implementing the BCI tool. This tool is related to the MPG-calculations and with it we can calculate the weight of all material used for our projects. We started in 2024 with monitoring our resource inflows and determine the reference value for the circularity index.

Resource outflows

For resource outflows, we look at the reusability of materials used and the waste produced. The KPI's for 2024 and 2025 are a reduction in the amount of waste per € million turnover of minus 5% and minus 10% respectively, compared to the average over the last three years, with an unchanged separation rate of 75%. We intend to achieve this target by entering into a dialogue with suppliers and subcontractors about taking back residual materials, separation at source and the reduction of single-use packaging materials. This leads, for example, to agreements with suppliers about recovering, reducing, or changing packaging materials.

4.3 Biodiversity

Introduction

Biodiversity has been a matter of concern for years. Following the Conference of the Parties (COP15) to the Convention on Biological Diversity in 2022 and the second part of COP 15 in 2023, the following priorities for biodiversity are clear[8]:

- Adopting a fair and comprehensive framework with adequate resources for implementation.
- Setting clear targets to address threats such as overexploitation, pollution, fragmentation, and unsustainable agriculture.
- Safeguarding the rights and roles of indigenous peoples as custodians of nature.
- Financing biodiversity and aligning financial flows with nature to promote sustainable investments and discourage harmful ones.

These priorities cascade down into both the EU and Dutch contexts. This means that the conservation, protection and/or restoration of biodiversity is starting to take centre stage in both the EU as well as The Netherlands (e.g., through the EU's Biodiversity Strategy or the Dutch Environmental Planning Act). In the CSRD this topic is addressed at ESRS E4.

Vision and ambition

At Ballast Nedam, we understand that our actions directly and indirectly impact ecosystems, communities, and future generations.

- Through our project development activities, we have a direct impact on biodiversity with land-use change from agricultural to residential being the most pertinent area of impact.
- Through our other project activities (e.g., the construction of new buildings/houses/infrastructure/windfarms) the impact Ballast Nedam has on biodiversity is of an indirect nature. In our international projects the context and therefore the impact on biodiversity differs. Here we will have to develop an appropriate approach for each project.

Ballast Nedam realises that biodiversity is not just a buzzword and we have incorporated biodiversity into our corporate social responsibility policy for a long time. Our ambition is to work towards a world in which every area development or individual project strengthens the local biological diversity, with the ultimate goal of halting the decline in biodiversity.

We aim to directly address biodiversity through the incorporation of biodiversity enhancing measures (such as bird boxes, wadi's etc.) in our development activities and to indirectly address it through the effective management of our Scope 3 decarbonisation ambitions and activities related to advancing the circular economy. Both of these will ultimately lead to more efficient supply chains, less (virgin) material use and, by extension, a curbing of biodiversity loss (less raw material extraction, means less harm to landscapes).

[8] UN Environment Program (n.d.), UN Biodiversity Conference (COP 15), (unep.org)

KPI's and targets

We motivate ourself and our customers by presenting nature-inclusive measures for our projects. We monitor the amount of measures that we eventually apply per project and set ourself as a target to apply multiple measures on every project on average.

Table 3: Biodiversity targets

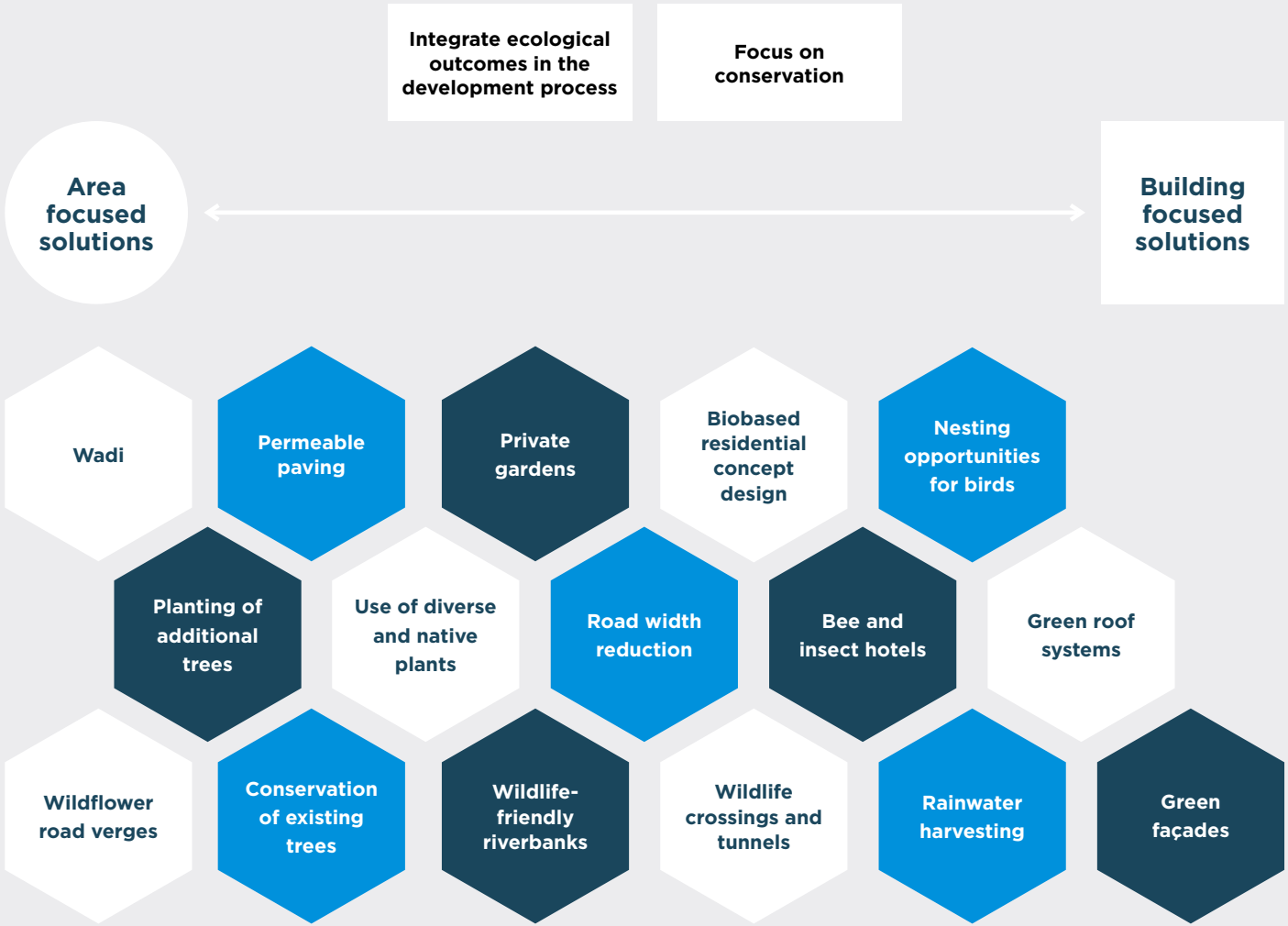
Target	Result 2023	2024	2025	2026	2030
Average number of applied nature-inclusive measures per project (#)	E5-4	-	3	3	3

Actions

When working on area developments, we use nature-inclusive design principles (Figure 8) as much as possible and we seek to cooperate with nature and environmental federations and/or the Dutch bird protection society (Vogelbescherming).

We are looking into realising pollinator strips and insect hotels as well as integrating bricks for birds and bats into the façades of homes. Two to three nesting boxes per house for species that are strongly associated with human habitation, such as bats, common swifts, and house sparrows, seem feasible. It is also important that the vegetation in public areas is adapted to create an optimal living environment for these animals. In recent years, we have gained experience with this and in the coming year we will monitor the number of nature-inclusive measures applied per project.

Figure 7: Nature inclusive measures



5 Social

5.1 Health & Safety

Introduction

It is crucial for us that everyone who works for and with Ballast Nedam returns home healthy after work. Every day. Achieving this is an important, but not an easy task. We see that the number of severe and fatal incidents are increasing across the construction sector in the Netherlands after a period of decline. At the same time, general acceptance of HSE risks is decreasing, understanding for (severe) incidents is wavering and there is more focus on our mental health next to physical safety.

Legislation in the field of Health and Safety is becoming stronger. The Dutch government aims for zero work-related deaths by 2040 with the help of fines and rewards and requires construction companies to increase their HSE performance. Dutch Labour Authority's investigations are now performed by Ballast Nedam itself and an overall Build Environment Safety Coordinator will be active on our projects. In the near future EU legislation (CSRD) brings more transparency, reporting requirements and focus. In the CSRD this topic is addressed in ESRS S1.

Together, this strengthens our commitment to create a strong safety culture and to further expand our investigations and reporting on these aspects.

Vision & ambition

Safety is our promise. A promise to everyone who works for and with Ballast Nedam that we guarantee their safety at all times working at Ballast Nedam. Safety is also a promise to their family and loved ones to get them home safely at the end of the day. It is our obligation to challenge and improve ourselves every day in achieving higher safety standards. After all, people are the most important part of our organisation and it is our main priority to keep them safe and engaged, allowing them to play their crucial part in securing future revenues, and ensuring business continuity.

In 2020 Ballast Nedam decided to radically change its approach on Health and Safety. A shift was made to focus primarily on our Health and Safety culture, supported by a structured management system: our Take Care program. This program is a continuous learning and improvement process that continuously create a safer, more open and healthier working environment. We have created support for this program by involving our colleagues in the development of new initiatives, inspiring them, giving them insight and making them part of our safety movement. We encourage everyone in the broadest sense to be alert, to take action, and to address each other about

safe and unsafe situations. We strongly believe in the power of good exemplary behaviour and “personal leadership in safety”. This will get and keep this safety movement going. We continue to develop the Take Care program, for example by making short videos to bring our principles and agreements more to life. It is our ambition that everyone has an intrinsic safety attitude, also when no one is looking. That employees are not only concerned with their own safety but take care of their colleagues the same way they would for their families, with a real, effective practical approach. Work safely; return home safe and sound. Always. Everywhere. Everyone.

The Take Care program originated in the Netherlands, but is now increasingly being applied in international projects. In the coming period, however, we will still have to take steps to coordinate our efforts between different countries. For example, the definition of a lost-time incident (LTI) differs between the Dutch and international context. In the Dutch context every incident that leads to time off from work, or loss of productive work (absenteeism) is seen as a LTI. For our international activities an incident is only recorded as an LTI after a doctor’s statement. That is why we currently still work with different objectives. We continue to learn from each other and will increasingly use similar definitions in the long term.

KPI's and targets

Through our efforts, we have been able to substantially decrease the number of accidents as well as the number of restricted working hours related to them. But we will continue to improve by setting realistic targets and monitoring our performance. Achievable yet challenging targets, to stimulate us to improve instead of under-reporting their incidents. Besides the KPI's stated below, we are preparing to measure KPI's for work-related ill health as part of our mental health & wellbeing program.

Table 4: Health & Safety targets

Target	ESRS code	Result 2023	2024	2025	2026	2030
Fatal incidents (#)	S1-14	0	0	0	0	0
Lifechanging incidents injuries, trauma, and occupational diseases (#)	-	0	0	0	0	0
Injury Frequency* (IF) International NL	S1-14	 4.4 3.2	 3.1 3.1	 1.7 2.6	 -	 1.0 2.0
Total Recordable Incidents Frequency Rate** (TRIFR) International NL	S1-4	1.9 1.3	1.3 1.3	0.8 1.1	-	0.4 0.8
Total number of the (re)trained persons*** (#)	-	-	150	200	200	200
Safety Walk & Talk each senior leader (#/year)	-	-	4	4	4	4
Workplace Mantal Health & Wellbeing Assessment	-	-	Early adopter BU'S	First mover BU's	Followers BU's	Followers BU's

*IF is incidents number of lost-time accidents per 1,000,000 hours worked (VCA) incl. subcontractors.
**TRIFR is all accidents resulting in absenteeism, medical treatment and accidents resulting in replacement work per 200.000 worked hours (OSHA) incl. subcontractors (Total Recordable Incident Frequency Rate).
*** 'Brain Based' Safety-trainingen of the Take Care-program

Actions

Ballast Nedam will take a more active approach in onboarding our employees, partners and subcontractors and train all workers. An important part of this is growing towards a 'Culture of Care' and thereby realising a change in behaviour with regard to recognising and correctly assessing (in particular not underestimating) risks. We put extra focus on our main risks: lifting of building components and materials, collision hazards, hazardous substances, falls from heights, the dangers of electricity and entering and leaving the workplace. We will also perform an extensive check on compliance with laws and regulations and incorporate the findings into renewed processes.

We draw continuously attention to health and safety during our annual safety day, our Take Care quarterly themes, safety alerts, toolboxes and by developing this skill through various working methods. We measure this by means of the number of safety observations made with the CARE app.

Incident Review Panel (IRP)

IRP was set up in 2021 to discuss serious (near) accidents and learn within and between the Business Units. The IRP is led by the Board of Management representative to further increase its involvement. We will continue to follow up on high potential and lost-time incidents by an IRP and share the lessons learned through Safety Alerts. We have trained our HSE colleagues in the basics of incident investigation with a special focus on good preparation of an investigation and supporting IRP meetings effectively. We have further professionalised the HSE community in supporting management in leading the IRP sessions by organising a follow-up moment in 2024 to reflect and learn from each other's experiences. Ambition for 2025-2026 is to further professionalize our incident investigation approach and skills by selecting a standard investigation method. We conduct all accident investigations with the premise that we want to understand what made certain choices logical for the people involved at the time, instead of focusing on the choices made themselves and condemning them.

Update RI&E

We will continue to update the RI&Es. RI&E (Risk Inventory and Evaluation) is a process to identify and assess workplace risks, with the aim of ensuring the safety and health of employees. In recent years, the activities within Ballast Nedam have changed. We do other types of projects, but also work with different (electrical) equipment. This also creates other risks, such as electrocution. That is why we are going to re-map risks and make a plan to address the workplace risks.

CARE app and the central incident registration system

The CARE app improves communication and follow-up of safety observations with own employees and subcontractors. With our central incident registration system we can follow-up actions and generate detailed and accurate reports at different aggregation levels. In the near future, the incident database will allow us to report in more detail and to perform trend analyses, with a number of 'leading indicators' alongside the 'lagging indicators'. The CARE app also contains some additional functionalities, including a link to a database with information about working safely with hazardous substances (Toxic), a digital version of our HSE pocket booklet, and the last-minute risk assessment. We are also developing a new HSE dashboard to have real time insight into our HSE performance.

Phasing out CMR substances

HSE is not only about preventing incidents with direct injury, but also about long-term health. That is why we are phasing out CMR substances. CMR substances can cause cancer (carcinogenic), cause genetic mutations (mutagenic), or be harmful to reproduction (reproductive toxic). Of the 700 substances we work with, approximately ten percent are proven CMR substances. We are actively looking for alternative substances and methods that are less harmful to our employees and the environment.

Construction sector collaboration

To ensure broad improvements to the safety culture, Ballast Nedam joined forces with a number of leading construction companies, clients and consultancy firms. Under the Safety in Construction Governance Code (GCVB) we work together and help each other to continuously improve. The Safety Culture Ladder (SCL) is a tool introduced by the GCVB to measure and improve the safety culture, awareness, attitudes and behaviour in companies and its suppliers. In the upcoming years more Business Units will follow to achieve level 4 of the SCL.

We continue to share experiences and best practices in ENCORD (European Network of Construction Companies for Research & Development) council meetings and working group meetings. It is also discussed how to successfully apply artificial intelligence in the construction industry for safety aspects.

Safety in Procurement (ViA)

We include safety awareness as an obligation for our subcontractors. This joint agreement from the CGCVB is called Safety in Procurement (ViA). Certification is required for contractors, and clients to create a common and unambiguous approach for the entire value chain. Our evaluation of all Dutch contracts for 2022 showed an overall 42% of contracts that met this requirement, about the average of companies that signed the GCVB. In the upcoming years we will raise the minimal level from step 2 to step 3 on the Safety Culture Ladder and have more certified supply chain partners.

Take care Safety Training

We rolled out trainings in safety awareness for operational line managers, in particular how to manage the teams on the construction site, provide feedback and how the human brain works in making safe or unsafe decisions. Next to this we created eight other Take Care - Brain Based Safety training courses for different target groups including colleagues in the design and work preparation phase and partners/ subcontractors. From 2024 and these trainings are increasingly further rolled out.

The Take Care leadership training is a permanent part of the Take Care program. New employees can be trained and follow-up sessions (as a refresher) can be planned for new employees. More and more effort is being made in the preparation of projects to prevent incidents during implementation and during management and maintenance (Asset Management). Our goal is to intrinsically implement safety aspects in the chosen working methods from the beginning. The training courses teach us to supervise a safe environment in which employees want to, and are able to, adopt a critical attitude and speak up about risks and opportunities.

Take care Safety walk & talk

In 2024 the Take care – Safety walk & talk is introduced. This safety behaviour audit is a

safety round at the workplace/project in which managers observe how employees perform their work and have an open conversation about it. The Take Care Safety Walk & Talk promotes the dialogue about safety in practice and offers managers the perfect opportunity to show their involvement and hear ideas from employees about what is going well and what can be improved. Via a train the trainer session HSE colleagues can introduce the Take Care safety walk & talk and train the managers within their business unit themselves. After a period of implementation, a trend analysis will be made to identify structural improvements.

Mental health & wellbeing

A positive work experience is correlated with Health and Safety. To enhance employee satisfaction, improve productivity and prevent employee burnout, we will take a holistic approach towards our employees mental health and wellbeing, creating a work environment where everyone feels safe to speak up, address concerns, and learn from successes and failures. In 2024 we have organised workshops and performed 'Mental health & wellbeing assessments' with and for our employees to gain insights in the mental well-being of our employees. The outcome of the assessments will be discussed with the board of management, HR, works counsil and BU representatives. Actions will follow from this that will further improve the mental health and wellbeing of our employees. We will monitor the effects of these actions.

5.2 Human Resources

Introduction: people first

Our success as a company is built on our people. It is through their expertise, teamwork and drive to learn and grow that we succeed time and again in what we do for our clients and the people we build for. In order to continue to do what we do best, we need people with an entrepreneurial mindset, a can do mentality and who are eager to take on a new challenge.

Attracting and retaining talented and skilled people therefore remains crucial for our current business and our future growth demands. This requires us to get and stay connected with our people, know what drives them and facilitate them to achieve business and personal goals, now and in the future. In this digital and remote era we have a responsibility to ensure our people are staying connected. Connected with each other and connected with the company. We want to know how our people are really doing and to understand what drives them and if they are fit and employable for the long term.

Our people are our main asset. We put our people first in all we do to be able to run a successful business. In the CSRD this topic is addressed in ESRS S1.

Vision & ambition

It is Ballast Nedam's ambition to build a sustainable living environment characterised by health and well-being. In order to reach this ambition we encourage our people to perform to their best abilities every day, to stay connected to their teams and clients and to be open to learn and grow together. We believe these are the foundations of success that people want to be part of. In return we're offering a place to work that is inviting, where there's room for development, that values a healthy work – life balance and where everyone acknowledges we always work as one team; regardless of people's backgrounds and professions. We cherish the diversity in our organization because it brings in new views and perspectives and helps us adapt and grow every day. We treat everyone as equal and give everyone the same opportunities. We put people first.

We have set ourselves three main goals: to ensure that Ballast Nedam has sufficient qualified workforce, that our people are, and will remain, productive and employable and that we foster a healthy and welcoming work environment. These are the conditions in order to be a winning team, for now and in the future. Human resources aims for supporting our people in their development, grow and learning journey to be able to add value to the teams we work in. As well it is the task to support managers of Ballast Nedam to create the conditions for an attractive, safe and motivating working environment, set up a clear organisation, design state of art processes and systems and to deliver high quality service with a personal touch to all our colleagues whenever they're faced with an HR related matter or question.

We want our business and our people to grow. We are investing in fostering and growing our existing workforce. In addition, we always have a strong focus on attracting new talent. With our knowledge about our people's skills, development needs and career ambitions, we create internal opportunities for personal and professional growth and above all; a feeling of (job)security for our people. It is important to emphasize that we do not only focus on vertical (upwards) growth, but are also stimulating

lateral career moves. Facilitating a tailor made career path in our company that works well for our people, is our main tool to contribute to employee development, engagement and a happier and healthier organization.

KPI's and targets

Fortunately, we have a great qualified workforce with motivated people that are doing their best every day. We prefer to set ourselves targets that support and are focused on continuously improving our organizational culture and the working environment that we offer to our people.

Table 5: HR targets

Target	ESRS code	Result 2023	2024	2025	2026	2030
Employee Net Promotor Score (NL) (eNPS)	-	-	-	Setting baseline	Above baseline	+10%
Percentage of internships that lead to employement (%)*	-	10%	TBD	TBD	TBD	TBD
Diversity M/F ratio in management (%)*	S1-9	12%	TBD	TBD	TBD	TBD
Sick leave rate (NL) (%)	-	4.5%				
- Total			≤4.0%	≤3.7%	≤3.5%	≤3.0%
- UTA			≤2.5%	≤2.7%	≤2.5%	≤2.5%
- CAO			≤5.0%	≤6.5%	≤6.0%	≤5.0%

* Due to the integration of RET, the objectives are being redefined.

Actions

Employee Value Proposition

Our Employee Value Proposition (EVP) is aimed at catching the attention of potential candidates and connect with them and fostering the engagement of our people. Our EVP helps us to understand what we stand for and what we offer. We tell about what it is like to be a real “BN’er” (Ballast Nedam Employee). In 2024 we launched the EVP ‘Our challenge, your playing field’ tailored to the diversity of our businesses.

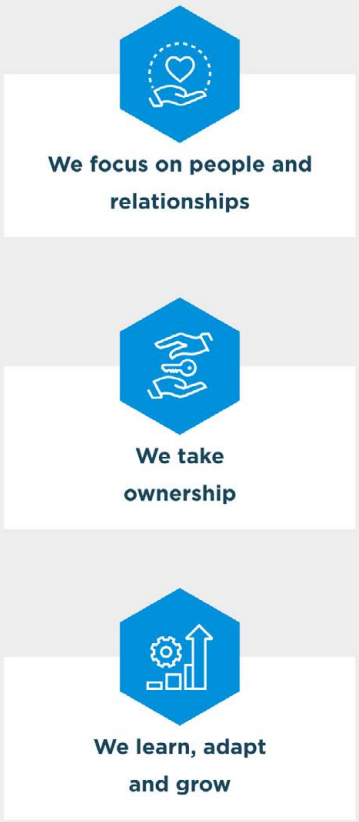
We need new talent to join us and at the same time nourish and retain our existing colleagues. In order to understand how we can better tailor the working environment and conditions in such a way that they meet our people’s needs we will start by measuring our employee Net Promotor Score (eNPS) amongst additional engagement related matters. Once we have established a solid baseline score we will focus on a year over year positive engagement score. Assuming we have established an environment for our people where they feel safe to speak up, voicing ideas and providing us with valuable feedback is our main aim at the beginning. We then actively work to use the results in our improvement processes.

Performance Culture

Our organisational values are focused on people and relationships, taking ownership and learning, adapting and growing as a team and as individuals. These values are guiding us in our day to day interactions with our customers and our people.

At Ballast Nedam we believe in the power of good exemplary behaviour in which everyone acts according to these core values. Not only from our leaders in our organisation, but from every single person working with us. It is only through this mindset that we can create an environment where people flourish and feel well. We want people to be inspired and motivated to get the best out of themselves and each other. Therefore open, respectful and transparent communication and feedback practices are crucial. Leadership is key to guiding and developing our people. Yet, we firmly believe it is not just up to management to give feedback and recognition. We are actively inviting our people to challenge us as an organization as well so we can improve together. We challenge to improve.

Figure 8: Our organisational values



Performance is measured and recorded in a system that supports the performance conversations between employees and their managers. Performance also has a close link with recognition. We will continue to collect best practices, team and individual achievements so we can share these stories in order to inspire others. Besides storytelling we will also continue to formally recognize our people when appropriate. We stimulate recognition events, whether big (like our annual Ballast Nedam Excellence Awards) or small (complimenting someone in a sunrise meeting at a jobsite). Good performance is telling us that our people are capable and engaged.

Conditions to learn and grow

Through our daily management interactions and appraisal model we have created a solid understanding of the drivers and ambitions of our people. In the upcoming years we will document it in a structured way so it will help us to refine our strategic workforce planning. We actively promote internal mobility and support both personal and professional growth by empowering our employees to take on lateral or vertical career moves. Also we continue focussing on creating opportunities for interns at all levels, and will activity measure how successful we are in retaining them.

We believe diversity in leadership is meaningful as it brings in different views and perspectives and helps us adapt and grow every day. We target to boost female leadership figures, by showcasing a variety of examples to attract more women to work for us and become leaders for the future.

We want our people to have access to learning opportunities and training materials at all times. This so everyone can initiate learning by themselves. Also we want to offer more pro-active learning opportunities to help accelerate professional growth and team effectiveness in our organization, in line with our strategic workforce planning. With the implementation of a Learning Management System (LMS) we have the right technology in place to help us achieve this goal. Dedicated Learning & Development resources in our company will drive this initiative forward and will use it to monitor and manage the use of trainings by our employees.

Employee wellbeing

Measuring our employee Net Promotor Score (eNPS) and other engagement related matters will help us focus on the right topics that drive overall wellbeing in our organisation. It is our role and responsibility to help our people from starting their career up to reaching their retirement age in good spirit and a healthy and safe manner. An employment at Ballast Nedam means a partnership; we are in this journey together and each party has their own contributions to make in order to make this partnership work.

We closely monitor the wellbeing of our people by means of sick leave assessment, PAGO/DIA and PMO and by understanding individual needs and ambitions through management attention. We have implemented a new Occupational Healthcare Provider in 2024 so we're better equipped to address health related absenteeism through a more personal approach. This, in combination with training activities and awareness campaigns, should help us to drive our current illness rates down to the set targets. Also Human Resources will partner with our HSE organisation in order to jointly create awareness

and improve conditions around mental health and wellbeing in our organisation.

With up to 5 different generations working at our company our own people form a great source of inspiration and learning. Not only for us but also for each other. By creating more awareness on the generational differences in our working environment we want to actively connect people from different generations and stimulate cross – generational learning and innovation. Young BN is an internal employee organization founded and run by a couple dedicated young Ballast Nedam employees aged <35 yrs. We will engage with Young BN in order to generate ideas and ultimately an action plan on how we can effectively address this topic in our organization.

General

Due to the diverse nature of our business activities, Ballast Nedam is ensuring we stay fully compliant with the 4 different Collective Agreements that are in place in the sectors we operate in. We stimulate an open dialogue and solid relationship with the various Workers Councils and employee representative bodies within our company as their input is key and valuable for us in decision making and policy development.

We have created and implemented our own code of conduct. This set of rules outline how we deal with each other and our environment. It outlines what we accept and what not when it comes to behaviours and integrity. We've set high standards for ourselves, people and everyone we work with and we expect them to act in accordance with this Code of Conduct. Failure to comply can lead to sanctions. Our internal Compliance Officer is there to help and protect our people in case they encounter a situation that is not in line with Code of Conduct.

6 Governance

6.1 Responsible Business Conduct

Introduction

The release of a wide range of ESG legislations and associated directives over the past years, introduced increased and specific requirements related to an organisations business conduct. As a result, the spotlight is increasingly on safeguarding social sustainability[9] and deploying due diligence[10] activities to analyse, identify and mitigate risks in relation to:

- Human- and Worker rights
- Bribery & Anti-Corruption
- Taxation
- Fair Competition

At projects in the construction and infrastructure sector suppliers, employees and subcontractors are often only engaged and present for a part of the project's duration. Main contractors are in this situation subject to specific laws and regulations. Their scope is expanded and the burden of proof is shifted to downstream supply chain actors such as Ballast Nedam and its sector peers. As guidance on how to interpret the new requirements is currently limited, Ballast Nedam, together with its sector peers, is in the process of clarifying how to secure compliance. As a result, our ambitions and target setting are currently geared towards analysing our operating context from a social perspective, and identifying associated (due diligence) risks and actions. We feel this is crucial and will enable us to formulate specific policy interventions dedicated to safeguarding social sustainability and further improving business conduct. In the CSRD this topic is addressed in ESRS G1.

Vision and ambition

At Ballast Nedam, we are committed to being a responsible corporate citizen, ensuring that our business operations contribute positively to society and the environment. Our vision is to lead by example in sustainable and ethical practices, fostering long-term value for our stakeholders and the communities in which we operate.

Control, transparency and consistency are fundamental to business processes across all sections of the Ballast Nedam organization. These also form the basis of our Code of Conduct and its various sub codes. The goal is to ensure that no incidents of corruption or bribery occur at any level of the organization. Should such incidents arise, we will take appropriate action, apply the lessons learned, and communicate openly about them.

KPI's, targets and related actions

Before entering into a contract with (new) suppliers or contractors, Ballast Nedam conducts a third-party due diligence. This gives us insight into who we are entering into

[9] Through Minimum Social Safeguard criteria included in the EU Taxonomy Regulation

[10] Through specific due diligence requirements included in the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD)

a contract with, whether a company is sanctioned, has adverse media, country risks (slavery or forced labour) or other non-compliance issues (corruption, bribery, or money laundering). Furthermore we will take several measures in the four following topics. Measures in this section do not contain a specific timeline. The exact requirements with regards to responsible business conduct are still in development[11] and the construction sector is still discussing the implications.

Human- and Worker rights

- Stakeholder engagement session with (internal and/or external) subject matter experts on human- and labour rights with the aim of identifying areas of risk.
- Assess alignment with OECD[12] and UNGP[13] requirements (Human- and Worker rights).*
- Assess risks and identify policy interventions to mitigate risks and secure compliance.
- Implement policy interventions required[14] to secure compliance.
- Update Code of Conduct and Internal (QA/QC) Audit plans to reflect policy interventions needed for compliance.

Bribery and Anti-Corruption

- Secure ISO 37001 certification[15] for Anti-Bribery Management Systems.
- Perform an assessment of alignment with OECD and UNGP requirements related to Bribery and Anti-Corruption.*
- Ensure that the Whistleblower/speak up-tool is available for externals.*
- Create further awareness through additional and enhanced trainings and/or e-learnings.
- Update Code of Conduct and Internal (QA/QC) Audit plans to reflect policy interventions needed.

Taxation

- Assessment of alignment with OECD and UNGP requirements related to Taxation.*[16]

Fair Competition

- Stakeholder engagement session with (internal and/or external) representatives from relevant (in terms of equipment and materials sourced) suppliers with the aim of identifying areas of risk.
- Investigate the possibility of using supplier controversy screening by ESG rating agencies with the aim of identifying areas of risk.
- Analyse whether any financial or in-kind political contributions are taking place within Ballast Nedam (this is a recurring activity).
- Perform an assessment of alignment with OECD and UNGP requirements related to Fair Competition.*
- Update Code of Conduct and Internal (QA/QC) Audit plans to reflect policy interventions needed.

* These goals were already achieved in 2024.

[11] Such as the Corporate Sustainability Due Diligence Directive or CSDDD

[12] Organization for Economic Cooperation and Development

[13] United Nations Guiding Principles

[14] Our approach to policy interventions is that these need to be compliance driven so that we do not overburden the organization

[15] For the BU's Ballast Nedam Infra Wind & Marine en International Projects BV

[16] Most likely, Taxation is not a relevant topic for the BN operating context

6.2 Quality assurance & quality control

Introduction

The quality of our work is crucial and tells us much about how well we are “in control” of our projects. Managing projects with even more reliable metrics can provide valuable insights in potential savings. Not just in terms of direct costs but also in terms of reputation. A number of relevant developments influence the way we do business and approach quality. These are among others:

1. Quality Assurance Act - In the Netherlands, assessment of quality is shifting from the municipality to the independent quality assurance officer with more focus for quality inspections on construction sites. The liability of the contractor is expanded meaning the contractor remains liable even if defects are not discovered upon delivery. The contractor has an information obligation and must keep files (demonstrability) during all phases of the project.
2. Failure costs of rework activities - Gained insights following market studies (ABN Amro/Nyenrode) indicates that possible failure costs are substantial. As a result it is important that more insights on failure costs become available throughout the organization. However, the definition setting, registrations in various systems, data quality and traceability of rework invoicing, creates challenges.
3. WTTA - The new law on the admission of workers (WTTA) requires us to keep better track of who is working on our construction sites on our Dutch projects and whether everyone has the right permits and certificates. We are implementing a digital system for this.
4. Certification - More needs from Business Units for company certificates (for example: Cybersecurity, Anti-bribery) to demonstrate compliance with requirements.
5. Dashboarding - Management review and quarterly report info generated by PowerBi provides valuable insights and allow for data driven interventions.

Vision and ambition

Working with many stakeholders on often complex projects requires special collaboration and teamwork skills. The foundation is to build trust. That’s why we earn the trust of our

customers (internally and externally) by being honest, consistent and doing what we promise the best way possible. When we deliver projects, we want to create the best value for our clients. To do this, we need to optimise what we do, at minimum meet the demands of our clients and in general perform better than our competition.

This means raising our performance to the highest level. By applying standardization and repetition in building methods (in line with the corporate strategy) we aim to deliver the best value for our clients while limiting the costs of failure. We strive to do the right things right the first time and to be able to do it again and again. We facilitate and strengthen our value by being a learning organization to continuously improve our working method.

It is our ambition to have (actual) insight in failure costs and to use this information to reduce it in collaboration with our Business Partners.

KPI's and targets

We closely monitor the rework activities/quality performance at our projects to improve our way of working and quality of our products and services to get the best value for our clients. Our related targets are:

Actions

Step 1

Creating insight and reliable information: To create this insight we need to monitor and increase registration of rework activities. In this first stage this should be monitored with a minimum amount of registrations in relation to revenue. To increase the reliability the registrations should include information such as type of activity, root cause, causing party and (standardized) costs.

Step 2

Increasing efficiency, reducing direct failure costs: by analysing rework activities and determining corrective actions to reduce the risks of re-occurrence. Also, by working together with Business partners (suppliers and subcontractors), implementing lessons learned and making sure these are combined with knowledge sharing through training/webinars and solid product understanding. Finally, it is important to set targets for improvement. One way would be to incorporate percentage for reducing direct failure costs in business plans.

Table 6: Quality assurance & quality control targets

Target	2024	2025	2026
Client impression (survey score)	≥ 7.5	≥ 7.5	≥ 7.5
Client complaints (#)	0	0	0
Average handover points (# per new constructed home)	≤ 5	≤ 4	≤ 3
Average handover points (# per 1.000 m2utility construction)	Monitor to collect data	11.7	10.5
Warehouse **School** **Retail** **Other**		9.0 11 7.0 5.1	8.1 9.9 6.3 4.6
Amount of guarantee complaints	Being monitored		
Average handling time guarantee complaints (#days)	42	35	28
Direct costs for solving guarantee complaints	Being monitored		
Percentage of non-conformances with registration of direct costs (>€100,-)	75%	100%	100%

6.3 Digital Transformation & Innovation

Introduction

The construction industry is undergoing a (digital) transformation towards a more efficient and sustainable industry. Partly due to the emergence of new technologies such as Artificial Intelligence (AI), this transformation has accelerated in the past year.

Vision & ambition

We are committed to creating a safe and sustainable living and working environment by embracing the power of digitization and innovation. This vision goes beyond simply increasing efficiency; it is about creating a future in which we can respond flexibly to changes in the market and inspire and connect our colleagues and customers.
Accelerating digitization in the construction industry opens the door to numerous opportunities. It enables us to streamline processes, combine and analyse company-wide information storms, better utilize resources, spot new business opportunities and anticipate future needs.

We believe this is just the beginning of our digital transformation. Innovation is an ongoing process in which we strive to keep evolving. Our ambition is to deeply integrate digitization into all our business processes, both for our primary business processes and secondary business processes. We are determined to create a digital, sustainable and inspiring future in the construction industry.

KPI's and targets

We will focus on the following components that will contribute to more digitized construction sites, more efficient work processes and increase learning capability within Ballast Nedam.

- **Common Data Environment (CDE)** - The common data environment has been set up and more and more data streams are being merged. In the coming period much attention will be paid to the further linking of data streams from the various Business Units and projects, which will enable the convenient use of dashboards with, for example, PowerBI.
- **Artificial Intelligence (AI)** - Partly due to the emergence of new technologies such as Artificial Intelligence (AI), digital transformation has gained momentum over the past year. However, some caution is warranted when it comes to the hype surrounding AI. Balancing humans and machines, understanding technology and leaving routine tasks to machines are key to optimally implementing AI within our organization. Since we are at the beginning of the AI era, standardization is a key focus. The more predictable and consistent our data, the better AI can perform and predict future results. We will focus on successfully implementing various AI use cases within our own secure environments in conjunction with the Common Data Environment (CDE).
- **BIM (Building Information Modelling)**

- **4D/5D** - Development in BIM 4D (planning) and 5D (costs) allows us to compare the forecast with the actual realized planning and costs related to a specific activity. The use of software programs such as Dalux and Autodesk Construction Cloud, among others, contributes to the fact that the BIM models are becoming more and more the centre of our projects and it is integrated into our daily working method in the office and on the construction site. In 2023, a BIM Objects library has been established that allows for the rapid sharing of already existing models.
- **Project management tools** - Project management tools are essential for effective execution of our projects. In recent times, these tools are increasingly evolving into communication platforms between different aspects within the project. These tools improve communication, facilitate collaboration between team members and departments resulting in better risk management. They also provide structured documentation and analysis capabilities for project progress. In the coming period, we will be delving further into the project management tools and supporting the organization in their implementation. We therefore see the project management tools as crucial to the growth of our organization.
- **Robotic Process Automation (RPA)** - Many of our daily tasks are administrative and repetitive. With RPA, we can automate these tasks, reducing the administrative burden on our employees. It also allows employees to focus on more interesting or motivating tasks and allows us to reduce operational costs. In 2023, we focused on getting the first RPA processes operational for the CFD department and the primary construction process. Several RPA processes are now operational and we are busy rolling out new optimizations at various Business Units.
- **Equipment management with sensor technology** - There is increasing demand for data from our equipment. For example, emissions, running hours, locations, etc. Monitoring this data with sensors creates various opportunities for improving efficiency, (maintenance) planning and safety. Together with the Top Sector Logistics, we have started equipping dozens of mobile equipment, whose data is available live in our systems via an API. We expect a further rollout of this system in the coming years.

Table 7: Digital transformation & innovation targets					
Target	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Implement AI within operations (#)	-	3	5	-	-
Implement RPA within BUs and/or staff departments (#)	-	4	4	-	-
Digital transformations pilots (#)	-	6	6	-	-
Digital transformation business cases with different BU's (#)	-	5	4	-	-
AI training for employees	-	>300	>600	-	-
Collaborations/partnerships external organizations (#)	-	3	3	-	-
Collaborations University/college (#)	-	2	2	-	-
Internal innovation events (#)	-	2	2	-	-
Newsletters (#)	-	6	4	-	-

Actions

Our goal is to support our organization to deliver safe, sustainable, high-quality projects and services that uphold our core values through a holistic approach with technology as the driving force. We strive to share innovations and knowledge and experiences, connect business units and bring new ideas and technologies from the market. Here we focus on four different themes: Advanced Construction Methods, Automation & Robotics, Data, Digitization & Analysis and Sustainability & Products. In this way, we can conduct structured pilots and collaborations with stakeholders and continue to use the latest technologies to strengthen our operations.

By end of 2023, we already made great strides in using technological innovations. We have deployed both software-based (e.g., Autodesk Construction Cloud & Dalux) and hardware-based solutions (e.g., the masonry robot). Moreover, we have conducted pilots with new technologies, e.g. asset monitoring for tracking our tools where location, consumption, running hours and emissions were monitored. We are also increasingly applying modular construction, where digital preparation is crucial.

We see robotisation in construction as a strategic choice to work both more efficiently and sustainably. Collecting data using sensors, among other things, is central to our future plans, with the Common Data Environment and data science an integral part of our approach.

We are determined to keep up with this technological shift and continue to inspire our projects and clients.

7 Annex: Summary Table KPI's

Table 1: Decarbonisation targets						
Target	**ESRS code**	**Result 2023**	**2024**	**2025**	**2026**	**2030**
CO_2 emission scope 1, 2 and 3 ($tonneCO_2eq$)	E1-6	-	-	-	-	-25%
CO_2 intensity scope 1 and 2 (Total) ($tonneCO_2eq$ / €mln revenue)	E1-6	30.7*	30.2	27.9	25.8	16.9
CO2 intensity scope 1 and 2 (NL) (tonne CO2eq / €mln revenue)	E1-6	9.6	8.8	7.4	6.1	0
Energy intensity scope 1 and 2 (MWh / €mln revenue)	E1-5	54.2	46.7	44.3	41.5	32.3
Consumption of self-generated non-fuel renewable energy (electricity) (NL) (% of total power use NL)	E1-5	11.8%	15%	25%	30%	40%

* calculated result based on extrapolation

Table 2: Circularity targets						
Target	**ESRS code**	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Waste intensity (total) (tonne / €mln revenue)	E5-3	-	20.8	TBD	TBD	TBD
Waste intensity (NL)* (ton / €mln revenue)	E5-3	25.1	20.7	19.6	16.4	5.0
Waste separation rate construction site (%)**	E5-3	75%	75%	75%	75%	75%
Report the material-related environmental costs (MPG/MKI) of all significant construction and in-house development projects and thus determine a reference value for future objectives	-	-	-	Average MPG/MKI	-	-
Determine the reference value for the circularity index in 2025	-	-	-	Average MPG/MKI	-	-

Table 3: Biodiversity targets					
Target	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Average number of applied nature-inclusive measures per project (#)	E5-4 -	3	3	3	

* Base year is average of 2021-2023
** All waste minus mixed construction waste and commercial waste

Table 4: Health & Safety targets						
Target	**ESRS code**	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Fatal incidents (#)	S1-14	0	0	0	0	0
Lifechanging incidents injuries, trauma, and occupational diseases (#)	-	0	0	0	0	0
Injury Frequency* (IF) International NL	S1-14	4.4 3.2	3.1 3.1	1.7 2.6	-	1.0 2.0
Total Recordable Incidents Frequency Rate** (TRIFR) International NL	S1-4	1.9 1.3	1.3 1.3	0.8 1.1	-	0.4 0.8
Total number of the (re)trained persons (#)	-	-	150	200	200	200
Safety Walk & Talk each senior leader (#/year)	-	-	4	4	4	4
Workplace Mantal Health & Wellbeing Assessment	-	-	Early adopter BU'S	First mover BU's	Followers BU's	Followers BU's

*IF is incidents number of lost-time accidents per 1,000,000 hours worked (VCA) incl. subcontractors.
**TRIFR is all accidents resulting in absenteeism, medical treatment and accidents resulting in replacement work per 200.000 worked hours (OSHA) incl. subcontractors (Total Recordable Incident Frequency Rate).

Table 5: HR targets						
Target	**ESRS code**	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Employee Net Promotor Score (NL) (eNPS)	-	-	-	Setting baseline	Above baseline	+10%
Percentage of internships that lead to employement (%)*	-	10%	TBD	TBD	TBD	TBD
Diversity M/F ratio in management (%)*	S1-9	12%	TBD	TBD	TBD	TBD
Sick leave rate (NL) (%)	-	4.5%				
- Total			≤4.0%	≤3.7%	≤3.5%	≤3.0%
- UTA			≤2.5%	≤2.7%	≤2.5%	≤2.5%
- CAO			≤5.0%	≤6.5%	≤6.0%	≤5.0%

* Due to the integration of RET, the objectives are being redefined.

Table 6: Quality assurance & quality control targets				
Target	**2024**	**2025**	**2026**	**2030**
Client impression (survey score)	≥ 7.5	≥ 7.5	≥ 7.5	**-**
Client complaints (#)	0	0	0	**-**
Average handover points (# per new constructed home)	≤ 5	≤ 4	≤ 3	**-**
Average handover points (# per 1.000 m2utility construction)	Monitor to collect data	11.7	10.5	**-**
Amount of guarantee complaints	Being monitored	-	-	**-**
Average handling time guarantee complaints (#days)	42	35	28	**-**
Direct costs for solving guarantee complaints	Being monitored	-	-	**-**
Percentage of non-conformances with registration of direct costs (>€100,-)	75%	100%	100%	**-**

Table 7: Digital transformation & innovation targets					
Target	**Result 2023**	**2024**	**2025**	**2026**	**2030**
Implement AI within operations (#)	-	3	5	-	-
Implement RPA within BUs and/or staff departments (#)	-	4	4	-	-
Digital transformations pilots (#)	-	6	6	-	-
Digital transformation business cases with different BU's (#)	-	5	4	-	-
AI training for employees	-	>300	>600	-	-
Collaborations/partnerships external organizations (#)	-	3	3	-	-
Collaborations University/college (#)	-	2	2	-	-
Internal innovation events (#)	-	2	2	-	-
Newsletters (#)	-	6	4	-	-

8 Glossary

Defined term	Definition
Accidents	An incident that results in injury or ill health is often referred to as an 'accident'
Adaptation	Adjustment of the design to be able to adapt in the future to environmental challenges (e.g. in the case of circular economy, the ability to adapt the building for a different use rather than demolish the building)
Bio-based Materials	Also known a 'renewable' resources, materials that are derived from resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these, and other linked resources are not endangered and remain available for the next generation.
Carbon (CO_2) intensity	Intensity targets are formulated as ratios of GHG emissions relative to a unit of physical activity or economic output (such as sales).
Circularity	Practices, principles, and actions in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy.
Climate Neutral	Undertaking's targets, actions, and resources such as reducing its GHG emissions with regard to the objective of limiting global warming to 1.5°C.

Defined term	Definition
CSRD	This term stands for Corporate Sustainability Reporting Directive (EU 2022/2464), in which disclosure requirements of non-financial information were strengthened to include more environmental, social and governance disclosures. Guidance to these disclosures is recorded in the ESRS requirements (EU 2023/2772).
Dismantlement	Disassembly to support recirculation of materials, components and products in practice after first use.
Embodied carbon	Embodied carbon—also known as embodied greenhouse gas (GHG) emissions—refers to the amount of GHG emissions associated with upstream—extraction, production, transport, and manufacturing—stages of a product's life.
Environmental Cost Indicator (ECI)	The Environmental Cost Indicator (ECI) unites relevant environmental impacts into a single score of environmental costs. In the Netherlands expressed in the MPG or 'Milieu Prestatie Gebouwen'.
EU Taxonomy	The EU Taxonomy is a classification system that helps companies and investors identify "environmentally sustainable" economic activities to make sustainable investment decisions. Environmentally sustainable economic activities are described as those which "make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum safeguards."
Natural resources	Natural assets (raw materials) occurring in nature that can be used for economic production or consumption.

Defined term	Definition
Near Zero Emission Building	It means that all new buildings – as of 2020 - must have a high energy performance and very low-energy needs, covered largely by onsite and nearby renewable energy sources.
Paris Climate Agreement	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016. Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."
Paris Proof Aligned	Targets, measures, or actions in line with the Paris Agreement of limiting of global warming to 1.5°C.
Raw materials (virgin & secondary)	Primary or secondary material that is used to produce a product. Virgin material or primary material comes from mining, and secondary materials are from materials are reprocessed into products, materials, or substances whether for the original or other purposes.
Renewable electricity	Electricity generated from renewable non-fossil sources, primarily wind, solar (solar thermal and solar photovoltaic).
Renewable energy	Energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas. This energy can be turned into electricity or otherwise used.

Defined term	Definition
Resource inflows	Resource that enters the undertaking's facilities.
Resource outflows	Resource that leaves the undertaking's facilities.
Safeguarding	Prevention that activity involves negative impacts on human rights including labour rights, corrupt practices, or are linked to non-compliance with letter or spirit of tax laws or anti-competitive practices.
Upstream and downstream value chain (scope 3)	Value chain includes actors upstream and downstream from the undertaking. Actors upstream from the undertaking (e.g., suppliers) provide products or services that are used in the development of the undertaking's products or services. Entities downstream from the undertaking (e.g., distributors, customers) receive products or services from the undertaking.
Waste (hazardous & non-hazardous)	'waste' means any substance or object which the holder discards or intends or is required to discard;
Waste intensity	A metric providing the relationship between tonnes of waste and a unit of activity (products, sales, etc.) created.
Waste separation (rate)	Waste is separately collected if technically, environmentally and economically practicable, before undergoing recovery operations, as a means to facilitating or improving its recovery potential to deliver the best overall environmental outcome.