



04



Risk management and governance

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4.1 Risk management

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

Risk management framework

In line with the requirements of the Dutch Corporate Governance Code, BAM's risk management framework is based on the Enterprise Risk Management - Integrated Framework (updated in 2017) of the Committee of Sponsoring Organisations of the Treadway Commission ('COSO ERM framework'). It provides a standardised framework for identifying risks, mitigating actions and implementing controls. BAM's risk management framework is reinforced by the integration of internationally recognised standards, which are embedded across its operations to support proactive identification, assessment and mitigation of strategic, operational, financial and compliance risks. Among others, these include several ISO standards (e.g. ISO 45001 Occupational health and safety; ISO 14001 Environmental management systems; and ISO 27001 / NIST Cybersecurity frameworks). The risk management framework facilitates that BAM's activities are managed in a controlled manner and in accordance with the strategy and related risk appetite.

BAM recognises that while Artificial Intelligence (AI) offers opportunities for efficiency and innovation, it also poses risks. These include ethical and compliance challenges, data privacy concerns, operational reliability and regulatory uncertainty. AI risks are integrated into BAM's enterprise risk management framework and BAM policy framework in alignment with regulatory requirements (e.g. EU AI Act).

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

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

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

Key risk areas and risk appetite

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

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

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

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

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

BAM's risk framework addresses the key risk areas. The key risk areas, their risk trend, risk appetite and mitigating measures are summarised in paragraph [Key risk areas](#). Overall, risks indicate a slight downward trend, supported by ongoing mitigation efforts.

Internal controls

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

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

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

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

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

BAM strives to continuously improve its risk management activities. In 2025, this resulted in a next step in the maturity of adhering to control requirements. This was evidenced by higher effectiveness scores versus 2024 and the years before. The management of the divisions and Belgium have confirmed and signed the internal in-control statement 2025, which supports the Executive Board in its assessment of the effectiveness of the design and operation of the internal control and risk management systems.

Executive Board statement

In accordance with the 2025 Dutch corporate governance code and the Financial Supervision Act ('Wet op het financieel toezicht'), the Executive Board confirms that, to the best of its knowledge:

- The Executive Board report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems of Royal BAM Group;
- The aforementioned systems provide reasonable assurance that the financial statements do not contain any material inaccuracies;
- The aforementioned systems provide limited assurance that the sustainability statements do not contain any material inaccuracies;
- The aforementioned systems provide, considering the risk appetite and inherent limitations, sufficient comfort that the identified operational and compliance risks are effectively managed at the balance sheet date;
- Based on the current state of affairs, it is justified that the financial statements are prepared on a going-concern basis;
- There are no material risks or uncertainties that could reasonably be expected to have a material adverse impact on the Group's continuity for the period of 12 months after the preparation of the financial statements.

Sufficient comfort on operational and compliance risks means that the Executive Board has obtained adequate evidence, through controls, audits and oversight mechanisms, to reasonably conclude that the risk management framework of BAM is functioning as intended.

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

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

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

Key risk areas

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

Risk appetite level

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Very low
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Low
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Medium
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	High
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Very high

What does it mean

BAM has (almost) no appetite for the materialisation of these risks.
BAM accepts that these risks may materialise at a low likelihood and/or impact.
BAM accepts that these risks may materialise with a medium likelihood and/or impact.
BAM is risk taking and accepts that these risks may materialise with a high likelihood and/or impact.
BAM is very risk taking and accepts that these risks may materialise with a very high likelihood and/or impact.

Trend level

- ^ Increased (residual) risk
- = Neutral risk trend
- v Decreased (residual) risk

Risk area	Description	Management measures
Strategic risks		
Market risk		
Appetite <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend = =	BAM operates in highly competitive markets and is exposed to market volatility. Fierce competition may have an adverse impact on a project's margin, its risk profile and financing structure, or may lead to a lack of projects.	<ul style="list-style-type: none"> A strategy is in place that focuses on product-market-combinations (PMCs) that are attractive from a financial and sustainability perspective. The tender procedure verifies that a tender complies with this strategy. BAM has implemented a focus on key clients to mutually benefit from a long-term relationship and to reduce the impact of short-term market volatility. BAM's tender process verifies that a project's margin, risk profile and financing structure comply with the requirements set by the Executive Board.
Acquisitions and divestments		
Appetite <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend = =	BAM selectively pursues acquisitions that strengthen its position in core activities or enhance performance within existing PMCs. The Group also considers divestments where these strengthen the strategic focus on activities that contribute to a predictable, profitable and resilient business profile.	<ul style="list-style-type: none"> A strategy policy is in place, outlining the requirements and decision criteria for corporate development activities, including mergers, acquisitions, divestments and strategic partnerships. There are procedures in place which define the full lifecycle process, ensuring consistent, structured and effective management of corporate development initiatives. This includes the mandatory involvement of the Strategy function throughout key stages of assessment, evaluation and execution. BAM reviews and decides on potential targets and opportunities, safeguarding strategic alignment and disciplined capital allocation. Corporate development projects exceeding €30 million require approval from the Supervisory Board.

Risk area	Description	Management measures
Strategic risks		
Transformation and innovation		
<p><i>Appetite</i></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>BAM's strategy involves a transformation that focuses on differentiation from the competition on product, and process leadership through prioritisation of innovation and sustainability. Missing out on transformation and innovation opportunities has an adverse impact on BAM's competitive position and financial and sustainability performance.</p>	<ul style="list-style-type: none"> • A strategic transformation agenda is in place to provide focus for transformation initiatives. The Executive Board allocates appropriate resources and budgets to the respective initiatives and monitors progress. • Together with supply chain partners and through close collaboration with clients, BAM continuously drives product innovation with sustainability as a core priority. Examples include: <ul style="list-style-type: none"> - a strategic investment in Droneview; - a partnership with New Electric to electrify asphalt paving equipment; - transitioning to low-carbon concrete alternatives (Groenr Beton), developed by BAM - partnership with PreZero to reduce waste on site and in our offices in division Netherlands; and - continuously advancing the replacement of carbon-intensive materials with sustainable alternatives through a pilot project that substitutes cement with calcined clay, lowering carbon emissions and embedding circular economy practices in division United Kingdom and Ireland. • BAM may also leverage its size and market leadership to invest in promising and attractive innovations through investments or mergers and acquisitions.
Operational risks		
Safety		
<p><i>Appetite</i></p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>The nature of BAM's business can pose occupational health and safety risks. The wellbeing, safety and work-related ill health effects (long term) of its workforce are of vital importance to the Company.</p>	<ul style="list-style-type: none"> • BAM implemented a safety management system covering its workforce (employees and subcontractors). The safety system complies with the ISO 45001:2018 standard for occupational health and safety management systems. • Safety and wellbeing are a top priority in BAM's code of conduct. • BAM published a safety policy statement, including the life savings rules, describing the key activities and framework in place to ensure that every colleague returns home safe and well every day. • BAM has appointed a safety and wellbeing director at the Group to work alongside the directors in the divisions to facilitate compliance with safety requirements and monitor the safety performance. • Safety activities during the year include toolbox meetings, risk assessments, investigation of incidents, safety (culture) audits, trainings and an annual safety day. Also, safety specialists and senior leaders perform project safety visits. Further details about policies and performance on health and safety are described in chapter 6.4.

Risk area	Description	Management measures
Operational risks		
Property development		
<p><i>Appetite</i></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>Property development projects may be postponed or completed at higher costs or lower income than expected. Furthermore, the realisable value of land bank and property development positions may be lower than the book value.</p>	<ul style="list-style-type: none"> • A property policy is in place that specifies conditions and requirements for investment opportunities. • BAM implemented a property procurement process covering all property development investments. The process requires various approvals by senior managers to verify compliance with the property policy to ensure a development's risk profile is in line with the Group's risk appetite. • Start of construction of a property is also subject to an approval process to manage financial risks involved in construction. Generally, construction does not commence unless at least 70% of the project has been sold. • A yearly review process is implemented to compare the book value of land bank and property developments to their realisable value.
Project tendering		
<p><i>Appetite</i></p> <p><input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>Selecting the right projects against balanced contractual conditions and climate, environmental and social impact is crucial. Failure to deliver on this may impact project execution and lead to fluctuations in the financial and non-financial results.</p>	<ul style="list-style-type: none"> • A tender policy is in place that defines requirements for tender proposals. The policy does not allow tendering on single-stage, lump-sum projects above €150 million. • A tender assurance process is in place that involves various approvals by senior managers to verify compliance with contractual and commercial requirements to ensure a project's risk profile is in line with the Group's risk appetite.
Project execution		
<p><i>Appetite</i></p> <p><input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> ▾</p>	<p>The Group is constantly active in thousands of projects, which exposes it to a wide variety of risks in a sector known for its asymmetrical risk profile.</p>	<ul style="list-style-type: none"> • Projects are executed by BAM's skilled and qualified employees under the leadership of a project manager and/or project management team. The project manager or project management team is facilitated in their oversight by project monitoring tools and dashboards. • A comprehensive risk and opportunities management process is in place to identify, evaluate (and mitigate) risks and opportunities in the execution of projects. • The operational, financial and sustainability performance of projects is reported to and evaluated by the management team of business units. The performance for 'key projects' is reported to the Executive Board on a monthly basis. Key projects are projects with a high risk profile or substantial contribution to the Group's results or cash-flows.

Risk area	Description	Management measures
Operational risks		
Supply chain		
Appetite <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend ^	<p>BAM purchases approximately 70% of its revenue from suppliers and subcontractors. Poor quality of services or materials and/or volatility in purchase prices may negatively affect the Group's financial and sustainability performance.</p>	<ul style="list-style-type: none"> • A procurement policy is in place that focuses on long-term relationships with several key suppliers to avoid dependency on one supplier and to secure appropriate volumes of key materials. The policy also requires the use of standard contracts, the vendor code of conduct, and terms and conditions. • Procurement of materials and subcontractors is managed by the procurement specialists to facilitate compliance with the procurement policy. • The project tender process includes procedures to assess supply chain risks, including subcontractor continuity and price volatility. Exposure to price volatility is generally limited through price indexation reimbursement clauses in contract with customers.
Human resources		
Appetite <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend =	<p>Attracting, retaining, developing and engaging diverse talent is crucial as it enables the Company to deliver its strategy and to build on an inclusive culture that is resilient to market changes. This attractive employee experience, labelled 'The BAM Experience', is essential to remain a preferred employer in a competitive market.</p>	<ul style="list-style-type: none"> • Employees are guided by BAM's five values, sustainable, inclusive, reliable, ownership and collaborative, and united by BAM's culture. The values are also reflected in the ten competencies in the BAM leadership framework. • Employee engagement is actively supported and measured through periodic engagement surveys. Insights from these surveys are analysed, and management takes appropriate actions to address identified areas for improvement. • A comprehensive performance and development process is implemented to pursue sustainable career development for all employees. BAM's development activities include a traineeship programme as well as tailor-made programmes for project managers and (future) senior leaders. • Strategic workforce planning is conducted across the organisation, which has led to ongoing intervention and action to strengthen our capabilities and capacity across the organisation. • BAM offers fair rewards at a competitive level, encouraging personal growth while safeguarding personal wellbeing. • BAM has an attractive employer branding campaign and has a team of recruiters to increase the inflow of diverse talent. BAM fosters an internal mobility culture to enhance career perspectives for employees. <p>For further details, refer to chapter 6.4.</p>
Information technology and security		
Appetite <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend =	<p>Digitalisation, data, communication and connectivity are essential for BAM. However, these elements also present cyber-security challenges, necessitating the Company's continuous adaptability.</p>	<ul style="list-style-type: none"> • BAM has a dedicated information security function led by the Director Security. • Information security processes are based on the NIST cybersecurity frameworks and comply with ISO27001 standards. • An independent party conducts a maturity assessment of the information security function at least once every three years to ensure effectiveness and continuous improvement. • The responsible use of AI is safeguarded by the secure development procedure, training and awareness, a data processing register, data protection and the monitoring of AI systems and incident management. • There is a framework of policies in place (such as the information security governance policy, privacy policy and data policy) to protect and manage confidentiality, integrity and the availability of information. <p>For further details, refer to chapter 6.5.</p>

Risk area	Description	Management measures
Operational risks		
Business continuity		
Appetite <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend =	<p>Crisis and business continuity disruptions can have a material effect on the Company's operations due to risks such as natural disasters, influenza and pandemics.</p>	<ul style="list-style-type: none"> BAM has a crisis management and business continuity policy to address significant disruptions. This policy includes a description of the organisation, processes and responsibilities. This is further elaborated in underlying procedures and instructions such as disaster and business recovery procedures. A crisis management team has been implemented at Group and in both divisions to manage and supervise the business continuity system, and to ensure continuity in a safe and healthy manner on project sites, in offices and at home.
Sustainability - climate change		
Appetite <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend =	<p>Climate change risks relate to climate mitigation and climate adaptation. Climate mitigation involves risks of operating in a CO2 intensive industry, while climate adaptation risks relate to the effects of global warming, causing extreme weather conditions such as storms, heat waves and flooding.</p>	<ul style="list-style-type: none"> BAM's strategy of Building a sustainable tomorrow aims to contribute to creating a sustainable future for clients, employees, society and future generations. BAM has implemented a sustainability strategy and related policies. Specific targets are monitored to assess sustainability performance and sustainability-related risks, such as direct and indirect carbon emission reduction. More details: <ul style="list-style-type: none"> BAM is committed to an 80% reduction of its Scope 1 and 2 CO₂ intensity by 2026 (versus 2015) and a 50% reduction in Scope 3 CO₂ emissions by 2030 (versus 2019); and BAM is committed to integrating climate adaptive measures in all projects by 2030. <p>For further details, refer to chapter 2.5 and 6.</p>
Sustainability - environmental impact		
Appetite <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Trend =	<p>The construction industry has a negative impact on the environment due to high levels of use of natural resources, pollution in the supply chain and negative effects on biodiversity through land use change. The nitrogen crisis in the Netherlands has a potential negative financial effect due to the possible cancellation of permits.</p>	<ul style="list-style-type: none"> BAM's strategy of Building a sustainable tomorrow aims to contribute to creating a sustainable future for clients, employees, society and future generations. BAM has implemented a sustainability strategy and related policies. Specific targets are monitored to assess sustainability performance and sustainability-related risks, for example waste management targets. More details: <ul style="list-style-type: none"> BAM is committed to a 50% reduction of non-biobased virgin materials by 2030 (versus 2019) and a 75% reduction of construction and office waste intensity by 2030 (versus 2015); and BAM is committed to the use of material passports and circularity assessments on projects with certain characteristics by 2030. We pro-actively assess nitrogen risks in tenders to avoid exposure to cancellations. <p>For further details, refer to chapter 2.5 and 6.</p>

Risk area	Description	Management measures
Financial risks		
Financial and sustainability reporting		
<p><i>Appetite</i></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>Providing insightful, fair and accurate representation of the Group's financial and sustainability performance is essential for trust in BAM. Material misstatements in reports may lead to a loss of confidence of internal and external stakeholders.</p>	<ul style="list-style-type: none"> BAM has a financial reporting manual and sustainability reporting manual to ensure all subsidiaries apply the same reporting principles. The financial reporting manual complies with IFRS accounting policies and the sustainability reporting manual complies with CSRD and taxonomy reporting policies. The central finance function and sustainability reporting function monitor compliance with the reporting manuals. Both functions coordinate, support and approve (the interpretation of) complex reporting matters. Periodic reviews by management, finance, sustainability and risk functions underpin the insightful, fair and accurate representation of performance and economic results, and aim to prevent any material misstatements due to fraud or errors.
Financial Resilience		
<p><i>Appetite</i></p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>The attractiveness of BAM as a trusted partner to collaborate with or to invest in is strongly influenced by its financial position and its ability to manage financial risks. Failure to achieve the status of trusted partner may prevent BAM from working with preferred parties and lead to restrictions on access to financial markets.</p>	<ul style="list-style-type: none"> BAM's financing strategy is based on long-term relationships with reputable financial institutions and a well-spread debt maturity schedule. A strong centralised focus on cash and working capital, including financing by clients and suppliers, limits the need for extra capital. Other specific financial risk management measures, including those in the area of interest rate risk, foreign exchange risk, credit risk and liquidity risk are disclosed in note 4 in the consolidated financial statements.
Compliance risks		
Regulatory and reputation		
<p><i>Appetite</i></p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><i>Trend</i> =</p>	<p>Regulatory compliance and the trust of clients, shareholders, lenders, construction partners and employees in BAM is vital to ensure the continuity of the Company. Non-compliance may result in administrative, civil or criminal liabilities including fines and penalties and suspension or debarment from government or non- government contracts.</p>	<ul style="list-style-type: none"> BAM uses the expertise of different internal functions as subject matter experts to manage different compliance regulations and certifications (such as ISO) to ensure that BAM works in line with all required laws and regulations. Examples of subject matter expertise functions are the Compliance, Tax, Finance, Legal, Sustainability, Safety, and Quality expert functions. BAM's code of conduct and related policies (e.g. conflict of interest, compliance, insider dealing, competition, privacy, anti-bribery, corruption and fraud, IT security) align with generally accepted standards and values and local legal and other rules and regulations. All employees are required to confirm compliance with the code of conduct. Communication and training of employees in the code of conduct and related policies is carefully arranged through target group specific training sessions and e-learning. For further details, refer to chapter 6.5. BAM has a robust speak-up procedure (including an anonymous external reporting line) for (suspected) breaches of the code of conduct and policies. The compliance function investigates matters reported in the speak-up procedures, monitors compliance with laws and regulations and advises on integrity issues. The Ethics and Compliance Committee supports the Executive Committee and the divisions with the compliance programme, actual compliance matters and remedial actions.



Story

Sophie Kuijpers

product developer

“I work as a product developer for Sustainable Renovation and as a project manager at BAM Wonen. We make existing rental homes, owned by housing associations and real estate investors, more comfortable and energy efficient. My work takes place both at the drawing board and on the construction site. I translate our sustainability strategy into choices that are feasible for our execution teams and add value for our clients and their tenants. For us, sustainability and execution are not separate worlds. I bridge the gap between vision and practice, helping to create a future-proof living environment.

The common thread in my work is CO₂ impact. Together with colleagues, I developed a practical tool that compares the CO₂ emissions of each renovation measure with an alternative that offers lower emissions. This makes choices transparent, speeds up decision-making and ensures that low-impact materials become the norm rather than the exception. I find it a great development that, together with our clients, we are increasingly opting for materials with lower CO₂ emissions.

In addition, I work – both internally and externally – on implementing more circular and biobased solutions. I guide the supply chain, together with our subcontractors and their suppliers, in high-quality reuse and the application of natural materials. A good example is the prefab roof element insulated with certified straw: locally produced, healthy and demonstrably lower in CO₂ impact. Innovations like these show that biobased renovation is already possible today, provided you work together across the entire supply chain.



“I bridge the gap between vision and practice”

Our values

- Sustainable
- Inclusive
- Reliable
- Ownership
- Collaborative

For me, working at BAM means contributing every day to the major challenges facing the Dutch construction sector: reducing CO₂ emissions, accelerating the energy transition and enhancing a future-proof living environment. In my role, I can make a real impact – from gas-free renovation projects to the use of circular and biobased materials that help address these challenges. The fact that we make homes not only more energy efficient but also healthier and more future-proof for residents makes me proud to work at BAM.”



Sustainable

4.2 Corporate governance and capital information

Dutch corporate governance code

In 2025, an updated version of the Dutch Corporate Governance Code ('the Code') entered into effect. The Code is based on the comply-or-explain principle and applies as from the financial year 2017.

The application of the Code by BAM, as described in this chapter, is part of the company's corporate governance statement as specified in article 2a of the Decree on the contents of the Executive Board report. The other information which completes this statement is specified in the [Corporate Governance Statement table](#).

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

The BAM corporate governance compliance overview was last updated on 18 February 2026.

Corporate Governance Statement

Requirement	Addressed in
Corporate governance structure and compliance with principles and best practices of the Code	This chapter; a full compliance overview is available on the company's website .
Principal characteristics of the Company's management and control system for its financial reporting process	See chapter 4.1
Functioning of the General Meeting of Shareholders and the rights of shareholders	This chapter and further information is available on the company's website .
Composition and functioning of the Executive Board and the Supervisory Board (including its committees)	See chapters 4.3 and 5.1
Policy and report on gender diversity in the Supervisory Board, Executive committee and sub-top	See chapter 3.2
Capital information in accordance with the Decree on Article 10 of the EU Takeover Directive	See chapter 4.2

Diversity and inclusion

The Code stipulates that the diversity and inclusion policy, related targets, the plan to achieve the targets and the results regarding the company's Supervisory Board, Executive Committee and sub-top should be explained in the Executive Board report. BAM has defined the sub-top as its senior leadership group (SLG). The reporting requirement is addressed in [chapter 3.2](#).

Sustainability

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

BAM's strategy is built on sustainability and takes into consideration the company's effects on people and the environment. Further information is provided in [chapter 2](#). To ensure the interests of the relevant company stakeholders are considered when the sustainability aspects of the strategy are updated, BAM has formulated an outline policy for effective dialogue with those stakeholders. This is published on the company's website.

Capital information

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

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

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

The company operates an equity-settled long term incentive plan (LTIP) as disclosed in [note 29](#) of the financial statements.

Shareholders' agreements

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

Appointment and dismissal of members of the Supervisory Board and members of the Executive Board and amendment of the Articles of Association.

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

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

Powers of the Executive Board

The Executive Board's powers are those arising from legislation and regulations. A more detailed description of the Executive Board's duties can be found in the rules of the Executive Board and the Executive Committee, available on the company's website. In the general meeting on 8 May 2025, the Executive Board was authorised, subject to the approval of the Supervisory board, to (i) issue ordinary shares and Class F preference shares and to grant options to acquire these shares, and (ii), to have the company acquire ordinary shares in the company's capital.

This authorisation is limited in duration to 18 months. It is also limited in scope to 10% of the issued capital. In principle, the General Meeting is asked to grant these authorisations every year. Resolutions to amend the Articles of Association, or to dissolve the company, may only be passed by the General Meeting based on a proposal put forward by the Executive Board and approved by the Supervisory Board.

Change of control provisions in important agreements

BAM differentiates the following categories of agreements as referred to in the Decree on Article 10 of the EU Takeover Directive:

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

Rights per class of shares

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



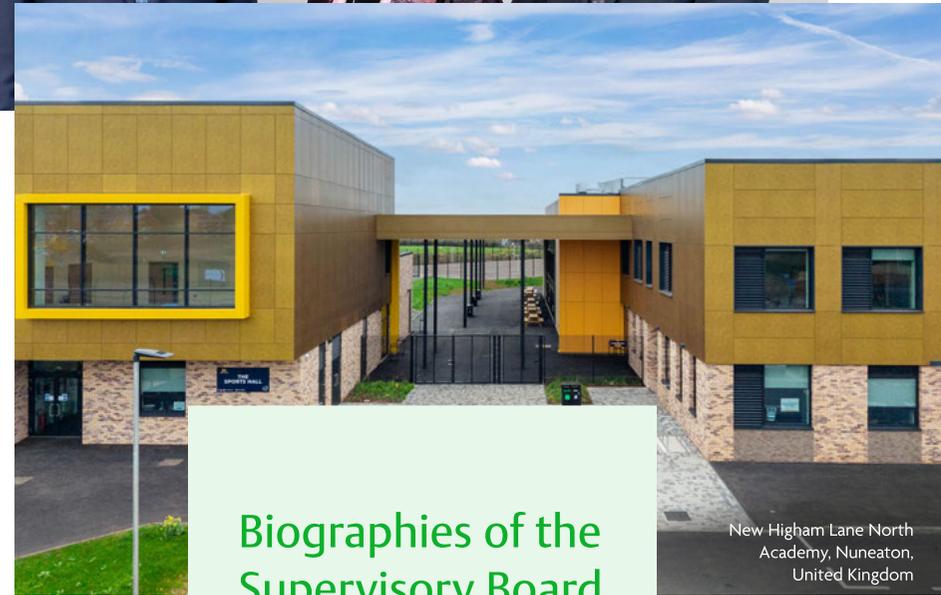
4.3 Supervisory Board and Executive Board

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

Retirement schedule for the Supervisory Board

Member	Date of initial appointment	Year of reappointment	End of current term
H.Th.E.M. Rottinghuis ¹	15-04-2020	2024	2028
B. Elfring	24-08-2020	2024	2028
J.C. Hanson	05-11-2024	-	2028
D. Koopmans ¹	24-08-2020	2024	2028
M.P. Sheffield	24-08-2017	2025	2026
N.M. Skorupska	14-04-2021	2025	2029

¹ Right of recommendation of Central Works Council.



Biographies of the Supervisory Board members



New Higham Lane North Academy, Nuneaton, United Kingdom

Biographies of the Supervisory Board members



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

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

Mr Rottinghuis is a Dutch national.

Other offices: Chair of the Supervisory Board of Chane Terminals (until 1 January 2026) and member of the Supervisory Board of Damen Shipyards Group.



B. (Bob) Elfring
(1959)

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

Mr Elfring is a Dutch national.

Other offices: Chair of the Supervisory Board of Vuyk Holding and member of the Supervisory Board of ASR Nederland.



J.C. (Jane) Hanson CBE
(1967)

Mrs Hanson graduated with a BA (Hons) Music degree from the University of York. She was a professional musician for two years until qualifying as a Chartered Accountant at KPMG. She continued her career at Aviva PLC, where she held executive roles including Head of Audit and Risk & Governance Director. After Aviva, Mrs Hanson built her own consulting company, delivering governance-related services to the boards of regulated and other significant-sized entities. She gained further non-executive director experience on private, listed, public sector and charity boards, including holding chair and Audit & Risk Committee chair roles across a wide range of industries such as financial services, entertainment and the not-for-profit sector. Her experience includes managing complex change, improving business performance and managing succession. Mrs Hanson was awarded a CBE in 2022 for her contributions to charity and public service.

Mrs Hanson is a British national.

Other offices: Chair of the Board of Welsh Water, Chair of the Board of John Lewis Finance and non-executive director of HM Treasury.



D. (Denise) Koopmans
(1962)

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

Mrs Koopmans is a Dutch national.

Other offices: non-executive director at Swiss Post AG and Cicor Group, Vice-Chair of the Supervisory Board of Norma Group, and independent member of the board of governors of Grant Thornton International.



M.P. (Paul) Sheffield CBE
(1961)

Mr Sheffield studied civil engineering at the University of Surrey. He is a Chartered Engineer and Fellow of the British Institution of Civil Engineers. From 1983 to 2014, he was employed by the Kier Group, a large British construction and property development group, listed on the London Stock Exchange, where he held a number of management positions. Mr Sheffield spent the first 17 years of his career working on significant infrastructure and construction projects around the world. He was appointed as Chief Executive Officer in 2010. In 2014, Mr Sheffield left the Kier Group for Laing O'Rourke, the largest private construction company in the United Kingdom, where he was a member of the Executive Committee until 2017 and responsible for their activities in Europe and the Middle East. Until 2024, Mr Sheffield served for nine years as a non-executive director for Southern Water Services, and became a special advisor to the Board of Manchester Airport Group, overseeing their capital expansion works at Manchester airport. He also served as President of the Institution of Civil Engineers (UK) in 2019/2020. He was awarded a CBE in 2015 for his contribution to the construction industry and for charitable fund-raising.

Mr Sheffield is a British national.

Other offices: none.



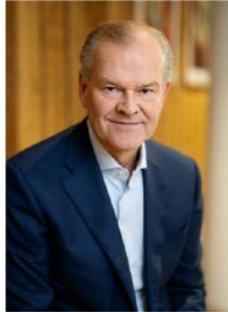
N.M. (Nina) Skorupska CBE
(1961)

Dr Skorupska obtained a doctorate degree in Chemistry, Engineering and Geology at the University of Newcastle upon Tyne, where she subsequently went on to carry out post-graduate research. She began her professional career in multiple research and management roles at, successively, IEA Coal Research and National Power plc. In 2001, National Power was acquired by RWE, where she continued her career, holding various senior management and executive positions until 2012, most recently as Chief Technology Officer at Essent in 's-Hertogenbosch, where she was responsible for Essent's power plants (including construction projects). From 2013 to mid-2024, Dr Skorupska was Chief Executive of REA, the Association for Renewable Energy and Clean Technology. Dr Skorupska was awarded a CBE in 2016 for her contributions to renewable energy and services in promoting equality in energy and engineering.

Dr Skorupska is a British national.

Other offices: non-executive director of Great British Energy, Chair of the Independent Stakeholder Group of UK's National Energy System Operator (NESO), and member of the Independent Advisory Committee of National Grid Electricity Distribution.

Biographies of the Executive Board members



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

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

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

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



H. (Henri) de Pater
(1966) CFO

CFO Mr de Pater studied at Business School Netherlands and earned an MBA in Business Economics, after which he studied at TIAS School for Business and Society, where he earned a master's in Management and Organisation as well as a Master in Finance. In addition, Mr de Pater is a qualified chartered member of RICS. Mr de Pater started his career in 1986 as an assistant accountant, after which he held various positions within the auditing practice. He joined BAM in 1996 and held various management positions, including Director of Finance at BAM Wonen, Director of Area and Property Developer AM at BAM, Director of Finance at BAM Construction and Property Netherlands, and Director of Business Control Construction and Property at Royal BAM Group. Prior to being appointed CFO and a member of the Executive Board, Mr de Pater was Executive Director of Finance for United Kingdom and Ireland division.

Mr de Pater is a Dutch national and has been a member of the Executive Board (CFO) of Royal BAM Group since May 2025.

Other offices: none

Retirement schedule for the Executive Board

Name	Date of initial appointment	Year of reappointment	End of current term
R.J.M. Joosten	24/08/2020	10/04/2024	2028
H. de Pater	08/05/2025	-	2029

Shareholding position

Information about the shareholding position of the Supervisory and Executive Board members is in [chapter 5.2](#).

4.4 Executive Committee

Biographies of the Executive Committee

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

Since 2019, BAM has worked with an Executive Committee to ensure an optimal governance structure for sustainable long-term value creation, and to realise the company's strategy. Information about the role and responsibilities of the Executive Committee is included in the Executive Board and Executive Committee rules of procedure. The relationship and contact with the Supervisory Board is explained in the Supervisory Board rules of procedure (see www.bam.com), with Supervisory Board meetings generally being attended by all members of the Executive Committee.



From the left: J.D. (John) Wilkinson, S.B. (Sabine) van Hooijdonk-Verboom, R.J.M. (Ruud) Joosten, C. (Carla) Rodenburg-Verschuur, H. (Henri) de Pater.





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

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

Mrs van Hooijdonk-Verboom is a Dutch national.

Other offices: none



C. (Carla) Rodenburg-Verschuur
(1972)

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

Mrs Rodenburg-Verschuur is a Dutch national.

Other offices: member of the Advisory Board of Deltares.



J.D. (John) Wilkinson
(1968)

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

Mr Wilkinson is a British national.

Other offices: none