SUSTAINABILITY REPORT 2025

BME

BME SUSTAINABILITY REPORT 2025

Management review

SUSTAINABILITY HIGHLIGHTS

ENABLING A SUSTAINABLE VALUE CHAIN

Value chain

SOLID FOUNDATION TO OFFER RESPONSIBLE BUILDING SOLUTIONS

22% Product spend with Environmental Product Declarations available

80% Supplier spend signed Supplier Code of Conduct

FSC PEFC

CERTIFIED cradletocradle

92% Wood spend FSC/PEFC certified

31% Tile spend Cradle to Cradle certified

ecovadis

53% External ESG validated suppliers (EcoVadis or other defined equivalent)

RESPONSIBLE GROWTH

Own operations

38.40 KT CO$_2$e Scope 1 carbon emissions

84% Purchased electricity from renewable sources

4.45 KT CO$_2$e Scope 2 carbon emissions - market based

14% Fuel consumption from biofuel

86% Identified employees completed Code of Business Conduct training

SECURING A GREAT AND SAFE PLACE TO WORK

Own operations

0.86 Accident frequency rate

7.3 Employee engagement score

18.13 Accident severity rate

19% Leadership with diverse backgrounds

CSRD - Working towards full compliance with the Corporate Sustainability Reporting Directive

MESSAGE FROM OUR CEO

Dear stakeholder,

As we present BME Group's 2025 Sustainability Report, I am proud to reflect on a year defined by resilience, dedication, and continued progress. The reporting year has been marked by a sluggish demand across most of our markets, with construction activity falling short of expectations. This has put pressure both on our own performance and on our partners along most of the value chain.

Yet, our resilience continues to stand out: we maintained focus on our operational excellence strategy, kept on investing in our own people and serving our customers, while maintaining our sustainability ambitions. In a rapidly changing world shaped by climate challenges, shifting regulations, and evolving stakeholder expectations, we remain steadfast in our commitment to deliver long-term value creation.

Our people
Our people remain our greatest asset. Their dedication, expertise, and integrity enable us to navigate complexity and deliver exceptional service to our customers. The health and safety of our employees is our top priority: every colleague must return home safely from work, every day.

We have further strengthened our health and safety culture through targeted initiatives, enhanced training programs, and visible leadership engagement across all levels of our organization.

At the same time, we invest in improving our employee engagement because we care deeply about the well-being of our people. Our ambition is clear: to become the employer of choice in our sector. This means offering development and growth opportunities, fostering open dialogue, and ensuring that our culture reflects our values. I would like to sincerely thank every person working with BME for their commitment, professionalism, and contribution during another very demanding year.

"Our Responsible Building Solutions framework focuses on two key dimensions: improving a building's performance, and demonstrating a lower environmental footprint. By combining product expertise, advisory services, and transparent data, we will enable our customers to make more informed and sustainable choices."

Responsible Building Solutions

We recognize that our most significant environmental footprint lies within our sector's value chain – in the manufacture of building materials as well as the construction and renovation of buildings. Addressing the impacts of these processes requires deep collaboration and accountability.

I am therefore proud to announce that we have established a solid foundation to offer Responsible Building Solutions to our customers going forward. Our Responsible Building Solutions framework focuses on two key dimensions:

improving a building's performance, and demonstrating a lower environmental footprint. By combining product expertise, advisory services, and transparent data, we will enable our customers to make more informed and sustainable choices.

In parallel, we continue to prioritize supply chain accountability to enable a more sustainable value chain. Environmental, social, and governance (ESG) criteria remain an integral part of our supplier selection and evaluation processes. We actively engage with suppliers to improve transparency, reduce environmental impact, and uphold high social and governance standards.

Our own operational footprint

Besides addressing negative impacts across our value chain, we take responsibility for our own footprint – mainly continuing to transition away from the use of fossil fuels in our logistics and buildings. We are improving the energy efficiency of our buildings, increasing our renewable electricity procurement, boosting the electrification of our fleet, and further optimizing our route planning.

Packaging is another important focus area. We aim to reduce our packaging footprint at the source, increase reuse, and expand recycling solutions. At the same time, we are continuously improving our data quality to ensure that our progress is measurable, transparent, and actionable.

CSRD guidance

This year's report is also a significant milestone: it is our first sustainability report prepared in line with the Corporate Sustainability Reporting Directive (CSRD) – amended 2025 European Sustainability Reporting Standards (ESRS). We welcome the transparency and standardization that this regulation brings, enabling investors and other stakeholders to compare companies' sustainability impacts, risks, and opportunities more consistently.

For 2025, we are not yet subject to the CSRD, but we are proactively preparing to meet the simplified requirements in full. This remains a work in progress, and we are investing substantially in improving our data quality so that we can refine our disclosures in future reports.

Looking ahead

While we are encouraged by the progress made, we remain realistic about the scale of the challenges ahead. That is why collaboration across the value chain remains central to our approach. By working closely with employees, customers, suppliers, and other stakeholders, we aim to drive systemic change throughout the construction sector.

Remco Teulings
Group CEO

OUR BUSINESS

Our business model

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

Our building materials and solutions

BME Group is one of Europe's major multi-specialist distributors of building materials. We source, sell, and distribute general heavy-side, light-side, and specialist building materials. Our broad product portfolio offers over one million stock-keeping units (SKUs) across various categories, including: structural materials, such as bricks, roof tiles, and wood; lightweight materials, such as plasterboard and insulation; and interior finishes, such as kitchen tiles, heating, and bathrooms[1] – making us a one-stop shop for any builder in the construction industry. In addition to our building materials, we share our extensive expertise by offering project advice to contractors looking for responsible building solutions.

1 There were no significant changes in the product assortment in 2025, and no banned products in any of the markets in which we are present.
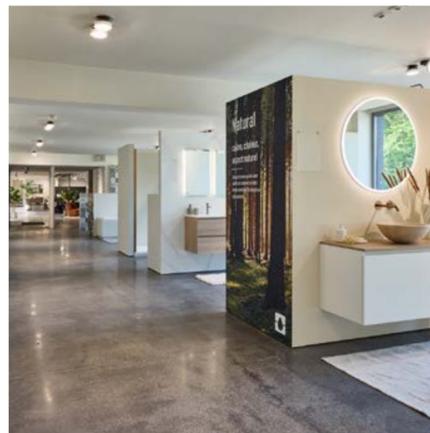
Our customers

We sell our wide assortment of building materials to installers, plumbers, contractors, and end-consumers – the latter particularly in our Do It Yourself (DIY) business. Our largest group of customers are small- and medium-sized enterprises (SMEs), particularly active in the residential and renovation end-markets.

Our sectors

At least 75% of BME's revenue comes from construction for the residential market. We estimate that over 60% of our revenue comes from renovation (repair, maintenance, and improvements – RMI), with the remaining 40% generated by the new-build segment.[2]

2   Part of BME's revenue is derived from intercompany transactions. As we refine our reporting, we will disclose more details going forward.

Market

■ Residential   ■ Non-residential

Market detail

■ New build
■ Renovation (RMI)

Our markets

Today, BME operates in more than 920 locations and has a presence in seven countries: Belgium, France, Germany, the Netherlands, Portugal, Spain, and Switzerland. In the first half of 2025, BME also operated in Austria, but this business has since been divested. We hold leading national and regional market positions, including number one or two positions in the Netherlands, Belgium (Flanders), Switzerland, Germany (North), France (Île-de-France), Portugal, and Spain.
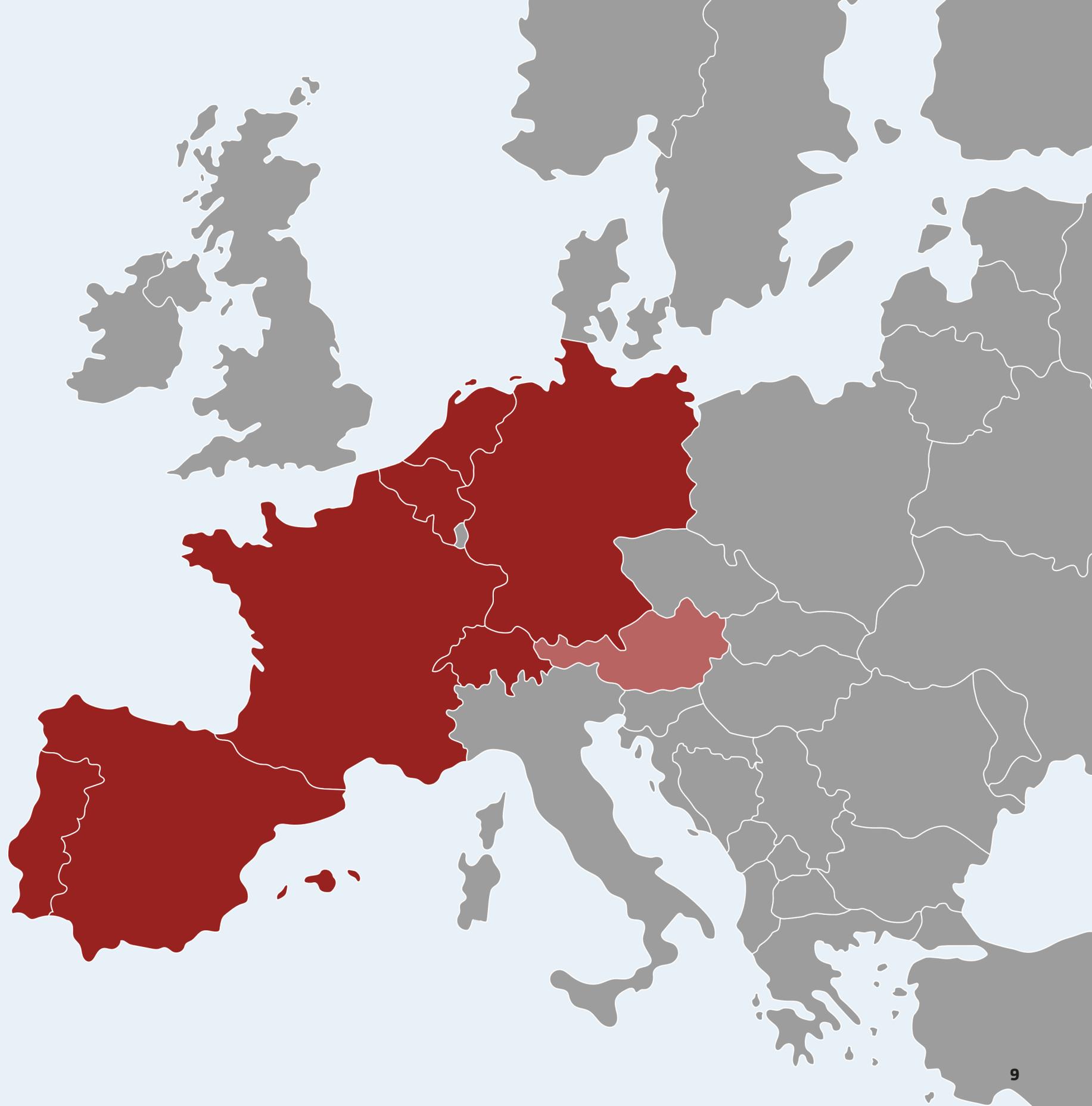
Our brands

Our place in the value chain

BME is a leading B2B distributor of building materials across Europe. We are a vital intermediary in the fragmented building materials distribution market, providing over 18,000 suppliers with efficient access to over 275,000 customers. Our position in the value chain enables us to offer the materials manufactured in our upstream value chain to customers using these materials in our downstream value chain.

Our scale, customer reach, and logistical capabilities have enabled us to develop strong relationships with our **suppliers**. BME's supplier base is fragmented among small and large players. They need close proximity to customers, and they rely on our end-consumer insights and local market intelligence. Our upstream partners are attracted by our sales and marketing capabilities through our branch networks and local brand reputation. They count on BME for sound logistics and reliable stockholding of the varying volumes they require. Short, secure payment terms and back-office support facilitate cost-efficient distribution of their materials to a significant and diverse customer base.

By offering a broad product portfolio of over one million SKUs across multiple categories, BME delivers an attractive "one-stop shop" value proposition to its large and diverse **customer** base. Our downstream partners are equally fragmented, with diverse and complex purchasing behavior. They are looking for a consistent product range, with immediate availability located nearby. They count on BME's

understanding of their needs, as well as dependable sales capabilities – all supported by technical advice, digital tools, and, above all, availability and reliable logistics.

BME's operations include an extensive **distribution network** of over 920 locations. More than 675 branches and pick-up locations enable our customers to collect materials directly, or to have them delivered from over 40 distribution centers at as little as three hours' notice. BME has more than 100 showrooms featuring a shopping area where sales representatives provide advice, technical support, and other value-added services to customers. Homeowners can buy our building materials directly from over 80 DIY stores located in Germany and Portugal.

Our **scale** provides customers and suppliers with a distinctive service proposition in comparison with local or regional small- and medium-sized competitors. That scale enables the aggregation of procurement spend, attracting talent, and professional expertise – as well as investments in digital tools, enhancing visibility, and data access across our operations. Driven by a strategic approach to acquisitions, footprint optimization tools ensure the right proximity to customers; procurement and pricing tools secure fair pricing and margin management; inventory management guides product availability and cash management; and transportation management allows for swift and accurate deliveries and cost control.

Value chain
Essential link between suppliers and customers
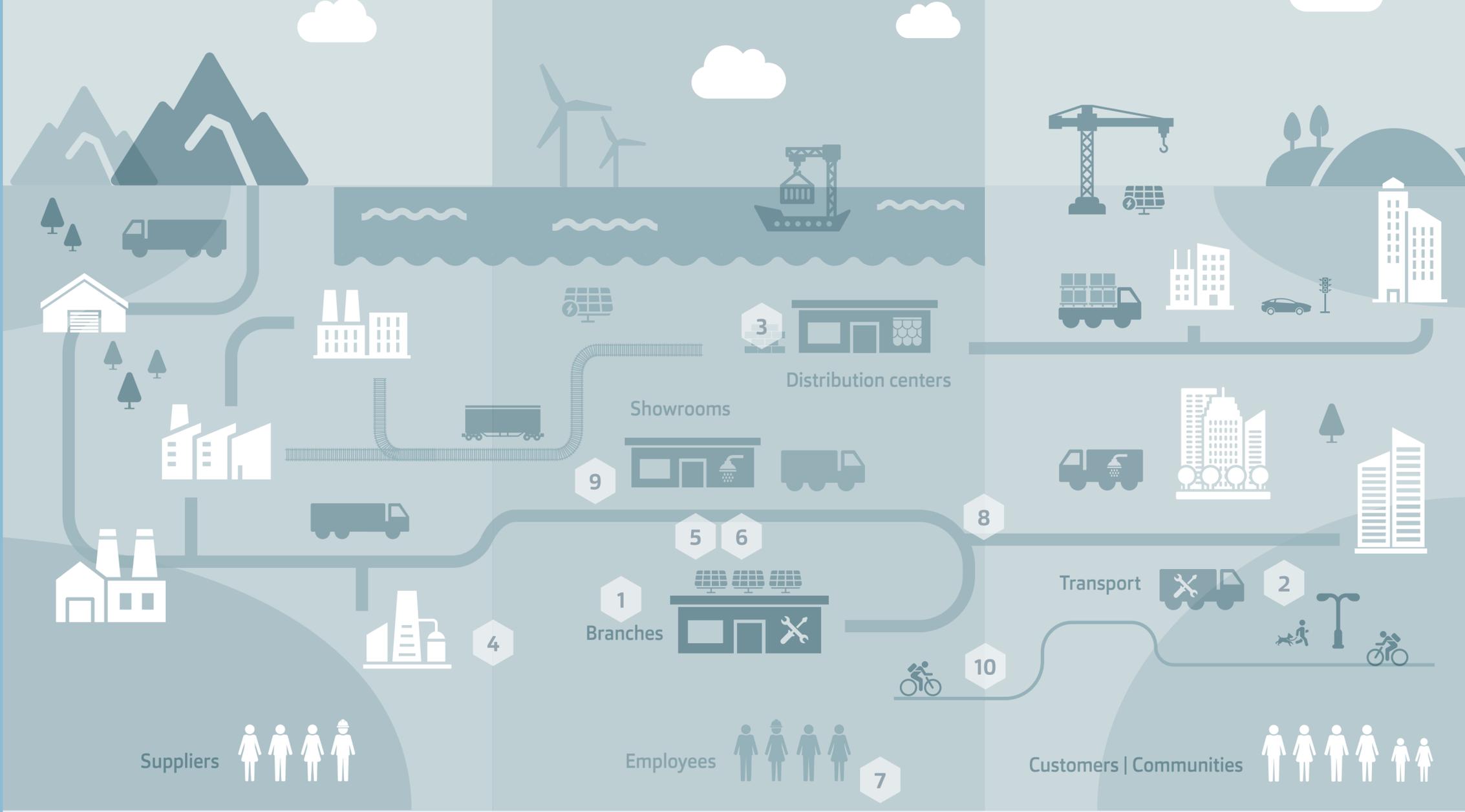
Distribution centers

Showrooms

Branches

Transport

Suppliers

Employees

Customers | Communities

Upstream
Sourcing from suppliers

Operations
Selling building materials

Downstream
Distributing to customers

BME's offering for suppliers:
1. Dense coverage
2. Just-in-time delivery to customer site
3. Inventory management
4. Volumes guarantee
5. Accelerated payments and adoption of credit risks
6. Automated back-office processes
7. On-the-ground sales team supported by digital tools
8. Market intelligence on customer buying behavior

BME's offering for customers:
1. Dense coverage
2. Just-in-time delivery to customer site
6. Automated back-office processes
7. On-the-ground sales team supported by digital tools
9. Consistent product range
10. Custom-made proposals

Our sustainable business strategy: Together We Build

BME serves a large total relevant market with an estimated value of €115 billion[3] in its geographical segments, providing SMEs with essential building materials primarily for the growing and resilient residential and renovation end-markets. These markets benefit from a significant backlog in renovation and energy efficiency, a structural deficit of living space, and consolidation in the market. Even though the construction market has experienced a decline in volume in recent years, we are confident in a positive medium-term outlook, given the persistent shortage in housing, an ageing housing stock, a push for energy-efficient renovation, and various other macro-economic and climate-related opportunities.

BME has been active for more than 50 years and has a long history of developing and operating distribution businesses. Our strategy is to grow and to provide a best-in-class experience for customers along their purchasing journey, through which we offer relevant and innovative value-added solutions. We are looking to grow organically, driven by our operational excellence strategy – **"Together We Build"** – as well as via targeted acquisitions.

Our strategy is underpinned by five pillars and supported by four enablers – driving our commitment to continuous, responsible growth.

3   This is an estimate based on an internal study by Roland Berger in 2021.
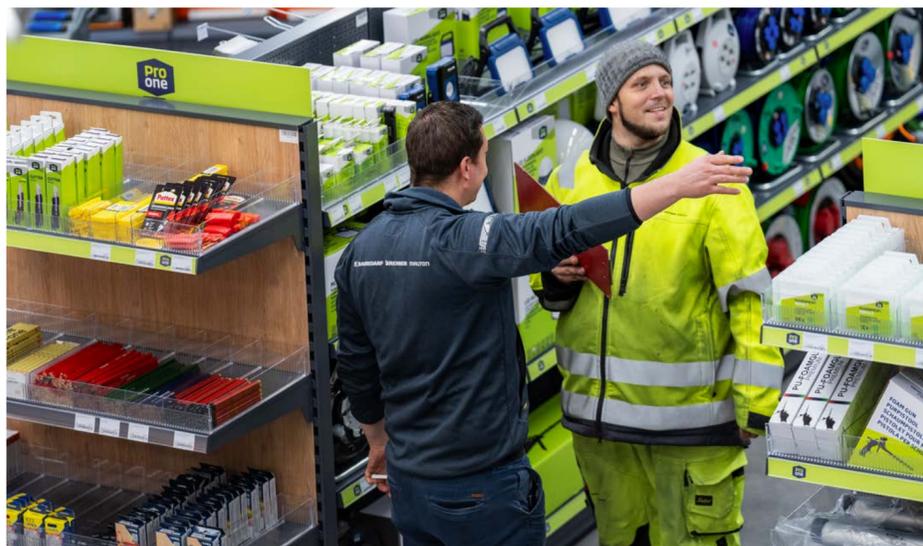
Pillars:

1. **Commercial excellence:** We strive to implement best practices that enhance revenue and competitive positioning, focusing on areas such as pricing, sales force effectiveness, private label, store format, and e-commerce.
2. **Procurement:** We leverage our scale to optimize sourcing of product-related and other spend – mainly relating to supplier concentration and assortment harmonization. Our procurement teams lead the creation of our sustainable value chain by engaging suppliers to provide transparency on the environmental impact and footprint of our portfolio.
3. **Supply chain:** We improve the efficiency and effectiveness of our logistics, through continuous improvements in transportation and warehousing, optimizing inventory levels, and developing service-

centric solutions. Beyond cost efficiencies and better customer service, these initiatives also reduce carbon emissions from our operations, enabling us to grow responsibly.

4. **Organizational efficiency:** We streamline and optimize our organization for greater agility, supported by an increasing usage of digital tools.
5. **Focused growth:** We intend to grow mainly through our Responsible Building Solutions, in order to enable a sustainable value chain. We aim to expand our market presence through opening new branches and making selective acquisitions, which complement and strengthen our existing market position and businesses. We primarily consider expansion within our current geographies, though also selectively in attractive new geographies.

Enablers:

1. **Finance** plays a pivotal role in supporting our operating companies and key functional areas to achieve strategic objectives. This includes providing industry-standard financial reporting, insightful management information, and forecasts. We also offer comprehensive support to our businesses in tax, treasury, legal, risk management, insurance, and internal audit, while ensuring strict compliance with regulations.
2. **People** initiatives focus on cultivating a high-performance culture that prioritizes exceptional experiences for our customers, suppliers, and employees. We are committed to nurturing and recruiting top talent to foster enhanced performance and growth across the organization.
3. **Digital** initiatives focus on harnessing advanced technology to enhance experiences for customers, suppliers, and employees, while boosting operational efficiency. These include: modernizing enterprise resource planning (ERP) systems; providing an integrated online shopping and digital showroom experience, e-commerce, AI-driven pricing, and quotation management; and implementing a transport management system to Track & Trace deliveries and optimize routes.
4. **ESG** priorities guide us towards becoming a sustainability leader in our sector. We believe that working on climate mitigation, optimizing energy and resource use, and empowering our people by providing a safe, healthy, and inclusive working environment, will afford us the resilience needed to thrive over the long term.

OUR GOVERNANCE

Governance structure

BME has a two-tier board structure consisting of the Supervisory Board and the Management Board. The provisions of Dutch law that are commonly referred to as the *structuurregime* (large company regime) do not apply to BME, as the activities of the company are limited to the management and financing of Group companies, and the majority of the Group's employees work outside the Netherlands.

Supervisory Board

The Supervisory Board supervises the general strategic direction of BME and its operating companies. The Supervisory Board's members are mandated to:

- Approve the long-term corporate strategy, including the sustainability strategy as an integral part of the overall strategy;
- Approve BME's risk appetite and key strategic risks and opportunities, which include reviewing climate- and ESG-related risks;
- Oversee the double materiality assessment's outcomes and ESG targets, as well as KPIs;

```
                    ┌─────────────────────┐
                    │  Supervisory Board  │
                    └─────────────────────┘
┌──────────────────┐                        ┌──────────────────┐
│ Audit Committee  │                        │  Remuneration    │
│                  │                        │   Committee      │
└──────────────────┘                        └──────────────────┘
                    ┌─────────────────────┐
                    │  Management Board   │
                    └─────────────────────┘
                    ┌─────────────────────┐
                    │ Executive Management│
                    │        Team         │
                    └─────────────────────┘
┌──────────────────┐                        ┌──────────────────┐
│ Ethics & Compliance                       │  ESG Committee   │
│   Committee      │                        │                  │
└──────────────────┘                        └──────────────────┘
```
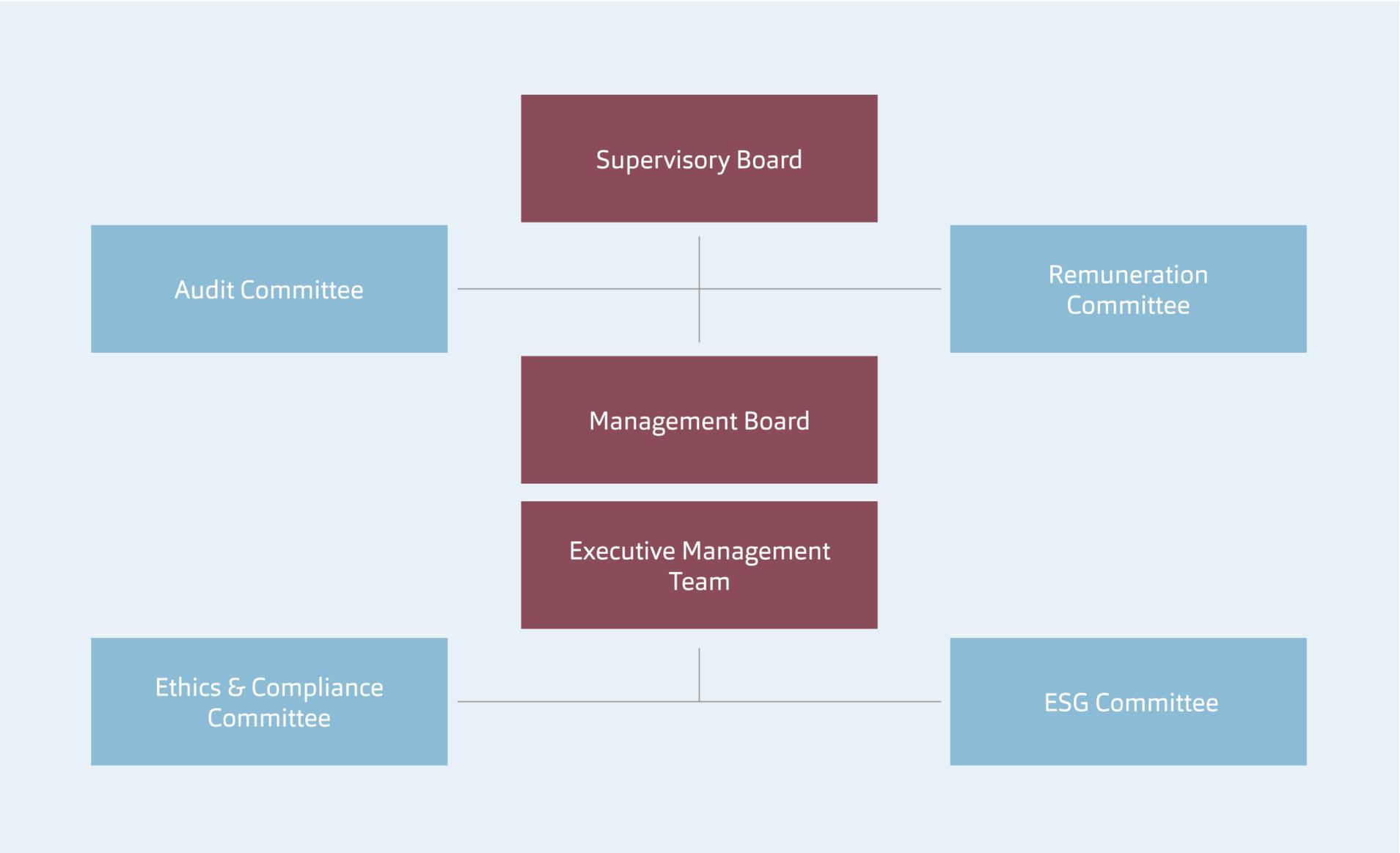
- Approve the Group's annual budget and capital allocation decisions, ensuring that ESG and business investments lead to successful execution of the strategy.

The Supervisory Board challenges the members of the Management Board on the resilience of the corporate strategy. Meeting on a monthly basis, the Supervisory Board's members provide advice and suggestions regarding Management Board proposals. In performing their duties, Supervisory Board members are required to be guided by the interests of the company.

Pursuant to the Articles of Association, the General Meeting appoints the Supervisory Board members and determines the remuneration of each member. Supervisory Board members may be suspended or dismissed by the General Meeting. The Supervisory Board appoints one of its members as Chair, responsible for setting the agenda for regular meetings.

As of the publication date of this report, the Supervisory Board consists of five members: Jean-Jacques Lafont (Chair), Lionel Yves Assant, Marianne Culver, Kenneth Christopher Dolan, and Jad El Ajaltouni. Jürgen Pinker was a member of the Supervisory Board until December 19, 2025, and was replaced by Kenneth Christopher Dolan as of that date.

Three members of the Supervisory Board – Lionel Yves Assant, Kenneth Christopher Dolan, and Jad El Ajaltouni – were nominated by the sole shareholder of the company, meaning they are representatives of the shareholder. The Supervisory Board does not expect this to cause a conflict of interest regarding their duties towards the company.

BME is not aware of any (potential) conflicts between the personal interests of Management Board members and Supervisory Board members on the one hand, and the interests of the company on the other. There is no family relationship between any Management Board member and any Supervisory Board member.

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

acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

The table below reflects the composition of the Supervisory Board. Their biographies give a detailed overview of their management and ESG-related skills and expertise.

ESRS 2 – GOV-1
Composition of the Supervisory Board

Number of women	1
Percentage of female representation	20%
Number of men	4
Percentage of male representation	80%
Number of independent board members	2
Percentage of independent board members	40%

Supervisory Board members

Jean-Jacques Lafont

Chair of Supervisory Board
Member of Remuneration Committee

- Born in 1959
- Belgian
- Male
- Board member since
  October 31, 2019
- Independent

Experience
Extensive international experience at executive and board levels in industrial and distribution-driven businesses. Jean-Jacques Lafont was CEO of Alliance Automotive Group, a leading European B2B distributor of automotive parts and services, and is currently board member at both Genuine Parts Company, a Fortune 200 global distributor of automotive and industrial parts and services, and Huws Gray Ltd, a B2B distributor of building materials in the UK.

Education
Master's degrees in Electricity and Mechanics from the University of Brussels and in Business Administration from the University of Chicago.

Management competences
General · Financial · Risk · Project · Stakeholder interaction · B2B distribution · M&A

ESG competences
People management · Diversity, equity & inclusion · Health & safety · Business conduct

Lionel Yves Assant

Member of Supervisory Board

- Born in 1972
- French
- Male
- Board member since
  October 31, 2019
- Not independent

Experience
Senior investment professional with a strong track record in private equity. Lionel Yves Assant is Global Co-Chief Investment Officer at Blackstone, where he provides firm-level investment oversight across Blackstone's private equity complex. He also serves as director of Clarion Events, CIRSA, Bourne Leisure, VFS, and Adevinta. Previously, he was executive director at Goldman Sachs in the Mergers & Acquisitions, Asset Management, and Private Equity divisions.

Education
Master's degree in Economics from the École Polytechnique in France.

Management competences
General · Financial · Risk · Stakeholder interaction · Capital allocation · Investment · Private equity

ESG competences
People management · Diversity, equity & inclusion · Health & safety · Business conduct

Supervisory Board members

Marianne Culver

Member of Supervisory Board
Chair of Remuneration Committee

- Born in 1956
- British
- Female
- Board member since
  November 15, 2021
- Independent

Experience
Industry professional in global industrial distribution and logistics. Marianne Culver is a non-executive director of Travis Perkins plc and has previously served on the boards of Rexel SA and other international organizations. She brings strong P&L and transformational leadership experience across global electronics distribution and logistics sectors.

Education
Master of Arts from the University of St Andrews in Scotland.

Management competences
General · Strategy · P&L · Digital · Business transformation · Supply chain · Logistics

ESG competences
People leadership · Diversity, equity & inclusion · Health & safety

Kenneth Christopher Dolan

Member of Supervisory Board

- Born in 1980
- American
- Male
- Board member since
  December 19, 2025
- Not independent

Experience
Experienced executive with a strong background in operations. Kenneth Christopher Dolan is a Managing Director on the Blackstone Operating Team, and leads Tactical Opportunities in Europe. Previously, he served as Chief Development Officer at Lycamobile, held various senior roles at Liberty Global, and began his career in investment banking at JPMorgan and Goldman Sachs.

Education
Bachelor's degree in Finance from Villanova University in Pennsylvania, USA.

Management competences
General · Financial · Risk · Stakeholder interaction · Investment banking · Telecoms

ESG competences
People management · Business conduct

Supervisory Board members

Jad El Ajaltouni

**Member of Supervisory Board
Chair of Audit Committee
Member of Remuneration Committee**

- Born in 1992
- Lebanese and British
- Male
- Board member since February 29, 2024
- Not independent

Experience
Investment professional with deep experience in European private equity. Jad El Ajaltouni is a Managing Director at Blackstone, where he has spent over a decade investing in industrials and the energy transition. He serves on the boards of Huws Gray and Desotec, and began his career at Lazard's M&A and Restructuring Group in New York.

Education
Bachelor's degree in Economics from Harvard University in Massachusetts, USA, and CFA certificate.

Management competences
General · Financial · Risk · Stakeholder interaction · Capital allocation · Investment · Private equity · Energy transition

ESG competences
Decarbonization · Business conduct · People management

Jürgen Pinker

Member of Supervisory Board

- Born in 1976
- German
- Male
- Board member from October 31, 2019 until December 19, 2025
- Not independent

Experience
Senior leader with strong experience in corporate solutions, acquisitions, and energy transition investments. Jürgen Pinker is Senior Managing Director and Head of Germany for Blackstone Credit and Insurance (BXCI), focusing on large-scale corporate solutions across Europe. Previously, he headed up European acquisitions for Blackstone Capital Partners, private equity in Germany, and Blackstone's investment activities in the European energy transition sector.

Education
Master's degree in Economics and Business from WHU-Otto Beisheim School of Management in Germany.

Management competences
General · Financial · Project · Energy transition · Investment banking

ESG competences
People management

Supervisory Board committees

The Supervisory Board is supported by two committees: the Audit Committee and the Remuneration Committee. Both committees play a preparatory and/or advisory role, and have a charter on their responsibilities and operations. The committees report their actions, reviews, proposals, and findings to the Supervisory Board.

Ensuring BME's financial health and integrity, the Supervisory Board relies on the support of the **Audit Committee** to assess strategic risks and opportunities. The Audit Committee oversees the Group's financial reporting, internal control systems, risk management systems, nomination of external and internal auditors, and ethics and compliance. The committee members approve the financial statements as well as the annual external and internal audit plans.

The Audit Committee meets quarterly, and is currently chaired by Supervisory Board member Jad El Ajaltouni. Management Board members Remco Teulings and Lucas Faase, the Group Director Audit & Risk, the Group Director Accounting & Reporting, and our external auditors are invited as required.

The **Remuneration Committee** ensures that executive remuneration policies and practices support the company's strategic objectives and long-term value creation. The policies should comply with EU governance standards and ensure no excessive remuneration risk. The committee proposes the remuneration of the members of the Executive Management Team, as well as the rules pertaining to both the short-term and long-term incentive plans, including ESG KPIs, rewards, and terminations under these plans.

The Remuneration Committee meets three times per year, and is currently chaired by Supervisory Board member Marianne Culver, with Jean-Jacques Lafont and Jad El Ajaltouni as additional members. Remco Teulings (Group CEO), Désiré Jansen (Group Senior Vice President Human Resources (SVP HR)) and David Thomas (Group Director Total Rewards & HR Information Systems) are also invited to committee meetings.

Management Board and Executive Management Team

The Management Board and the Executive Management Team are responsible for the execution of the corporate strategy. The Management Board – made up of the CEO and CFO, acting jointly – has the authority to represent BME.

To ensure the validity of BME's strategy, members of the Management Board and Executive Management Team are mandated to:

- Present a proposal of the strategy for the Supervisory Board to advise on and approve;
- Assess market trends and evaluate strategic options, taking into account enterprise risk management and sustainability constraints;
- Translate the strategy into operational plans, including growth pathways, innovation, ESG targets, and action plans;
- Allocate budgets and make resources available to implement these long-term plans;
- Take responsibility for day-to-day management of BME's operations.

Pursuant to the Articles of Association, the Management Board may grant power of attorney to persons – employed or not by the company – to represent BME on an ongoing basis or to authorize in a different manner one or more persons to represent the company.

The Articles of Association provide that the Supervisory Board determines the number of Management Board members. According to the Management Board rules, the number of Management Board members is determined after consultation with the Supervisory Board. As of the publication date of this report, the Management Board consists of two members, appointed by the General Meeting on a binding nomination by the Supervisory Board. Pursuant to the Articles of Association, Management Board members may be suspended or dismissed by the General Meeting, upon proposal by the Supervisory Board. The Supervisory Board may suspend the members of the Management Board at any time. Unless proposed by the Supervisory Board, a resolution of the General Meeting to suspend or dismiss a Management Board member may only be adopted by a two-thirds majority of the votes cast,

representing more than half of the issued share capital. A suspension by the Supervisory Board may be discontinued by either the Supervisory Board or by the General Meeting at any time.

The Executive Management Team consists of the two members of the Management Board, four senior functional leaders, and six managing directors of the larger operating companies. The Management Board and Executive Management Team meet monthly to discuss day-to-day management of the company. The Management Board is ultimately responsible for all decision-making on strategic planning, capital allocation, and financial integrity. The Executive Management Team supports the Management Board.

The table below reflects the composition of BME's leadership. Their biographies give a detailed overview of their management and ESG-related skills and expertise.

ESRS 2 – GOV-1

Composition of the Management Board and Executive Management Team

Number of women	1
Percentage of female representation	8%
Number of men	11
Percentage of male representation	92%

Management Board members

Remco Teulings

**Group Chief Executive Officer
Member of Management Board
Member of Ethics & Compliance Committee and
ESG Committee**

- Born in 1970
- Dutch
- Male
- Board member since October 31, 2019

Experience
Senior international executive with broad leadership experience across industrial and consumer-focused businesses. Remco Teulings was President EMEA at Tarkett Group, leading operations across Europe, the Middle East, and Africa. Previously, he held senior leadership roles at Knauf and built his career in marketing, sales, and procurement at Danone Group (Numico) and Ansell.

Education
Master's degree in Sociology from the University of Amsterdam in the Netherlands, Executive MBA from the Asian Institute of Technology in Thailand, and Bachelor's degree in Economics from HEAO in the Netherlands.

Management competences
General · Financial · Commercial · Stakeholder management · Building materials · Consumer goods · Medical devices

ESG competences
Decarbonization · Circularity · People management · Diversity, equity & inclusion · Health & safety · Business conduct

Lucas Faase

**Group Chief Financial Officer[4]
Member of Management Board
Member of Ethics & Compliance Committee and
ESG Committee**

- Born in 1967
- Dutch
- Male
- Board member since April 1, 2025

Experience
Experienced finance leader with a strong track record in complex commercial and corporate environments. Lucas Faase has held senior financial roles at JDE Peet's, FrieslandCampina, and CH Robinson. He brings deep expertise in controlling, financial planning, performance management, accounting & reporting, tax, treasury, finance operations, restructuring, and M&A.

Education
Master's degree in Business Economics from the University of Amsterdam in the Netherlands.

Management competences
General · Financial · Risk · Project · Building materials · Logistics · Consumer goods

ESG competences
ESG governance and reporting · Circularity · People management · Diversity, equity & inclusion · Health & safety · Business conduct

4   Patrick Sturkenboom acted as interim Group CFO from August 22, 2024 until March 31, 2025.

Committees to the Management Board and Executive Management Team

The Management Board and Executive Management Team are supported by two committees: the Ethics & Compliance Committee and the ESG Committee.

The **Ethics & Compliance Committee** ensures that our corporate values, strategy, and ethical standards remain aligned. The committee guards against risks of fraud, corruption, financial misconduct, and anti-competitive behavior, as well as violations of data protection, human rights, and business ethics. The committee monitors our Code of Business Conduct and addresses any incidents reported through our whistleblower hotline. Reported incidents of fraud, bribery, or discrimination relating to higher management are escalated to the Audit Committee of the Supervisory Board. The Ethics & Compliance Committee oversees compliance risk assessment and monitors BME's policies to ensure compliance with applicable legislation in the markets in which we operate.

The Ethics & Compliance Committee meets regularly (upon request) and comprises the Group CFO, Group SVP HR, Group General Counsel, and Group Director Audit & Risk.

The **ESG Committee** supports the Management Board and Executive Management Team in BME's sustainability strategy, performance, and reporting. The committee aligns ESG goals and targets with our corporate strategy, and translates ESG priorities into action plans with clear KPIs and methodologies. These action plans are based on the committee's identification of material impacts, risks, and opportunities derived from our double materiality assessment. The committee presents our annual sustainability statements, in alignment with the amended versions of the European Sustainability Reporting Standards (ESRS), and coordinates BME's external assurance with clear data owners across functions.

The ESG Committee meets quarterly and is chaired by the Group CEO. Additional members comprise the Group CFO, Group SVP HR, Group SVP Operations, Group General Counsel, Managing Director Netherlands, and Group Director ESG.

Operating companies' management teams and functional leads are responsible for implementing BME's sustainability strategy locally. As part of the broader "Together We Build" strategy, each operating company presents its annual ESG roadmap and targets, aligned with Group priorities, as part of the annual budget process. In every operating company, an ESG Champion ensures BME's sustainability strategy is integrated and progress is reported. Progress against ESG targets and action plans is partially monitored by the Environmental Taskforce, the Human Resources Leadership Team, and the Ethics & Compliance Committee.

↗ On our website, you'll find an interview with ESG Champion Gerhard Hospers about how our Dutch operating company BMN is transforming ESG compliance into genuine customer value.

Risk management

Risk governance

The Management Board has ultimate responsibility for drawing up BME's risk management strategy and setting up the internal control framework – including the Group's risk management policy. BME's operating companies are responsible for implementing the strategy, achieving results, identifying underlying opportunities and risks, and ensuring effective operations. They act in accordance with the policies and standards set by the Management Board. Compliance with these policies and standards is discussed with, and reviewed by, management at Group level.

In our risk appetite, we define which risks we are willing to accept, while still allowing us to achieve our strategic objectives. Our risk management and internal control activities make a significant contribution to the prompt identification and adequate management of strategic, compliance, operational, and financial risks.

At Group level, we are actively involved in identifying, managing, and controlling the risks associated with our distribution business across our operating companies. For this, BME relies on the "Three Lines of Defense" model – illustrated overleaf.
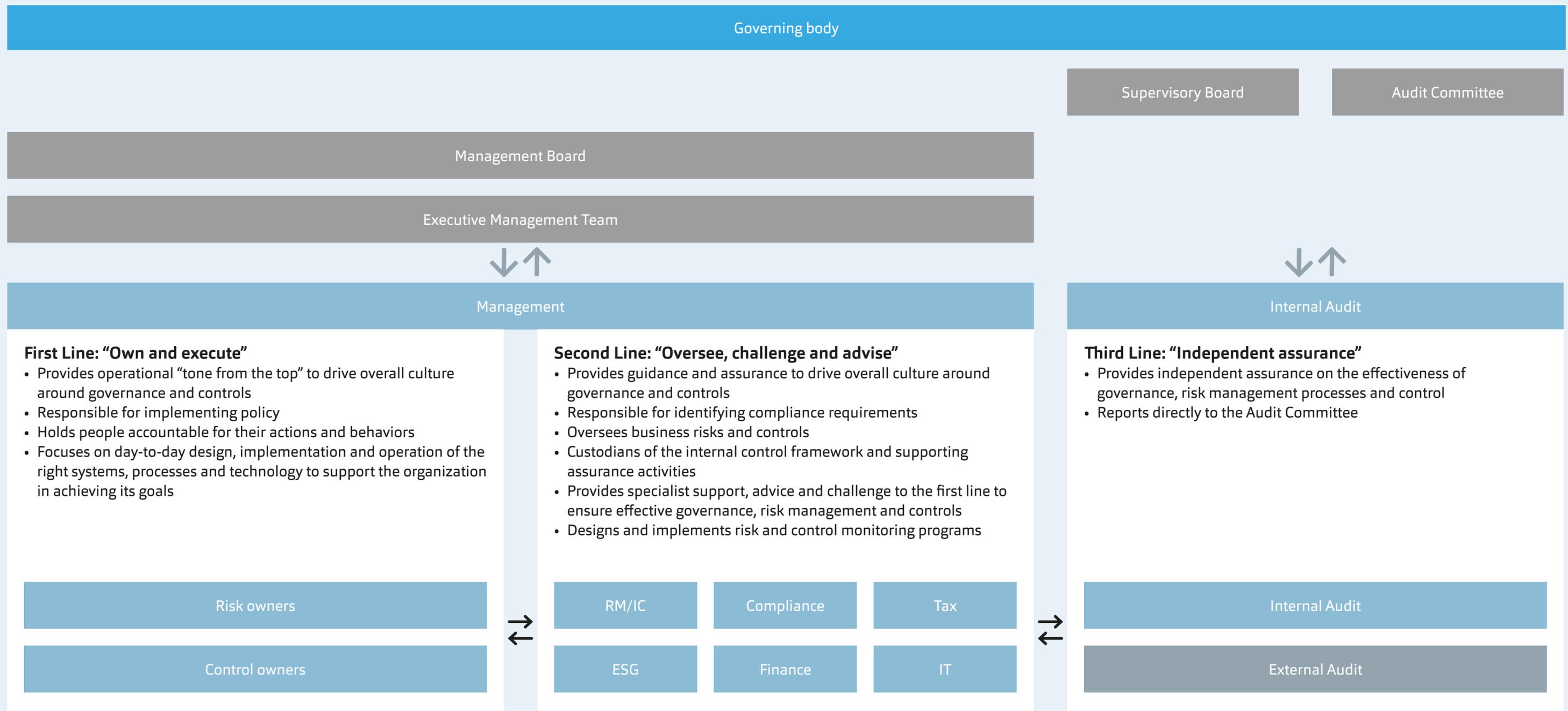
Governing body

Supervisory Board

Audit Committee

Management Board

Executive Management Team

Management

Internal Audit

First Line: "Own and execute"
- Provides operational "tone from the top" to drive overall culture around governance and controls
- Responsible for implementing policy
- Holds people accountable for their actions and behaviors
- Focuses on day-to-day design, implementation and operation of the right systems, processes and technology to support the organization in achieving its goals

Second Line: "Oversee, challenge and advise"
- Provides guidance and assurance to drive overall culture around governance and controls
- Responsible for identifying compliance requirements
- Oversees business risks and controls
- Custodians of the internal control framework and supporting assurance activities
- Provides specialist support, advice and challenge to the first line to ensure effective governance, risk management and controls
- Designs and implements risk and control monitoring programs

Third Line: "Independent assurance"
- Provides independent assurance on the effectiveness of governance, risk management processes and control
- Reports directly to the Audit Committee

Risk owners

Control owners

RM/IC

Compliance

Tax

ESG

Finance

IT

Internal Audit

External Audit

↑ Accountability, reporting   ↓ Delegation, direction, resources, oversight   ⇄ Alignment, communication, coordination, collaboration

Operational management in the operating companies forms the **first line of defense**. They provide day-to-day risk management and control, and are responsible for implementing measures to address process and control deficiencies.

The **second line of defense** is responsible for independently overseeing and challenging the risk management of the business. This is organized per operating company via designated managers responsible for business control, financial and sustainability reporting, internal control, and store auditing. In addition to the local second line of defense, Group-level compliance, internal control, and risk management roles have been established to provide advice, share best practices, and monitor activities across the operating companies. This second line of defense supports the first line by defining and monitoring compliance with standards and limits needed for the business to stay within the Group's overall risk appetite.

The **third line of defense** is centrally organized by the Internal Audit team, conducting audits at both operating company and Group level, to ensure the effectiveness of BME's control systems. These audits are in accordance with a risk-based audit plan, covering financial, operational, strategic, and compliance risks. The Group's Internal Control and Risk Management roles perform risk assessments of all operating companies to further identify and (re)assess key systemic risks across the business.

Overview of BME's key risks
This overview clarifies BME's key business risks, but our strategy also takes into account our sustainability-related risks. To avoid duplication in this report, we have outlined the latter in the double materiality assessment chapter under "Material impacts, risks and opportunities, and disclosure requirements included in the sustainability statement".

Strategic risks
The level of new-build activities and, to a lesser extent, renovation activities, tends to be subject to cyclical fluctuations in the markets in which we operate. These fluctuations are influenced by global and national economic and political circumstances, as well as governments' ability to fund infrastructure projects, particularly in our core markets in the Netherlands, Belgium, Germany, and Switzerland.

Impact
A deterioration in global or regional economic conditions, adverse market trends, or prolonged uncertainty may negatively affect the profitability and financial stability of our customers. This could have a material adverse impact on BME's business, results of operations, financial conditions, and prospects. An unexpected downturn in economic circumstances, weaker consumer sentiment, or unusual weather conditions may lead to a slowdown in our sales, higher-than-foreseen inventory levels, or margin erosion. Uncertain macro-economic developments could

also diminish our acquisition pipeline or cause failure to integrate new acquisitions successfully. The building materials sector remains a strongly competitive landscape.

Mitigation
BME mitigates risks caused by adverse national economic circumstances and weather-related impacts by maintaining a diversified portfolio of brands and products, spread across seven countries. Competitive risk is mitigated by striving for number one or number two positions in each of the local markets or regions in which we operate. The renovation, maintenance, and improvement (RMI) market generally demonstrates more stability than the new-build market, further mitigating our market risk. BME is confident in a positive medium-term outlook, given the persistent shortage in housing, ageing housing stock, push for energy-efficient renovation, decreasing interest rates, and various other macro-economic and climate-related opportunities.

Technology risks
Technology is fundamental to BME's ability to operate and deliver value to customers, partners, and stakeholders. As a result, our dependency on technology brings inherent risks.

Impact
Disruptions caused by technical failures, cybersecurity vulnerabilities, human error, or data breaches could have material impacts on business continuity. Cyberthreats might target individual assets or disrupt multiple functions simultaneously, leading to loss of system access, degraded

customer service, or reputational harm. Such incidents may compromise the confidentiality, integrity, and availability of information assets: three pillars that underpin sustainable operations. Without robust measures, we risk not only operational disruption but also wider impacts on social responsibility (customer trust and employee well-being) and economic sustainability.

Mitigation
BME treats information security as an essential enabler of sustainable business performance, and as such our cybersecurity strategy is embedded in our wider risk governance framework. Our cybersecurity program integrates leading practices with external expertise, including partnerships with a reputable Managed Security Service Provider (MSSP). Each operating company has appointed security champions – acting as local custodians of our cybersecurity approach – ensuring rapid detection, reporting, and containment of threats.

Four information security strategic objectives guide our approach: we implement a Group-wide governance and operating model for long-term resilience; we identify and neutralize unacceptable risks in a timely manner, avoiding preventable incidents; we enhance maturity of key controls and integrate them seamlessly into core operations; and we promote a security-first mindset across the organization to reinforce compliance and proactive prevention.

Our commitment extends to a culture of security awareness, with regular training and awareness programs for all system users across the Group. By embedding this proficiency into our culture, we ensure that every employee understands the role they play in safeguarding digital assets. Management's commitment to cybersecurity reinforces our position that safeguarding information assets is not just a technical measure, but a critical component of governance, risk management, and stakeholder protection, both now and in the future.

Operational risks
BME's operations depend on the continuous availability of products through its distribution network and supplier base. Disruptions to distribution channels may adversely affect our ability to serve customers. We maintain a low operational risk appetite and aim to limit supply chain disruptions to minimal, controlled levels.

Impact
Some of BME's branches and warehouses operate under leased real estate arrangements. Failure to renew these leases, or to maintain them on commercially acceptable terms, could reduce our physical presence in key markets and impair customer access.

Our supply chain is also exposed to external events beyond our control, including geopolitical conflicts, trade restrictions, natural disasters, and extreme weather events. Such events may disrupt supplier operations,

logistics routes, or the availability of raw materials, resulting in product shortages. These shortages could lead to a temporary reduction in product assortment, delayed deliveries to key customers, and potential loss of market share.

In addition, BME's strategic focus on responsible and sustainable building solutions further increases its dependence on supplier transparency regarding the environmental impact and footprint of supplied materials. Delays or insufficient disclosure of sustainability data by suppliers could limit our ability to offer compliant products, meet customer and regulatory expectations, and execute our Responsible Building Solutions framework.

Mitigation
To mitigate supply chain risks, BME collaborates with reliable and financially stable third-party suppliers, and maintains close, long-term relationships to enhance supply continuity and responsiveness.

Residual supply chain risks are managed through robust supply risk, procurement and contracting practices, including service-level agreements (SLAs), diversification of sourcing where feasible, structured supplier selection – including Tier 1, 2 and 3 analysis – and monitoring processes overseen by the procurement function. BME's product availability during the pandemic and Russia-Ukraine war showed that our diversified sourcing practices

and proactive risk assessment ensure a consistent product offering for our customers.

As a core element of our sustainability strategy, we prioritize sourcing from responsible suppliers. Our suppliers are required to adhere to our Supplier Code of Conduct (SCoC) and undergo ESG validation, reinforcing accountability across the supply chain. These measures support transparency, compliance, and resilience in the supply base.

Further details on BME's approach to supply chain risks can be found in the sustainability statements in the chapters, "Responsible Building Solutions" and "Business conduct".

Labor market risks
BME operates in a tight and increasingly competitive labor market. High-performing, engaged, and accountable employees are essential to our long-term success, as our people remain our most important asset.

Impact
We strive to avoid regrettable staff turnover, and we want to be able to hire top-tier qualified candidates. Finding suitable candidates is crucial, as any mismatches in critical and performance-driving roles may lead to reduced employee engagement, higher costs, and operational disruption. If we are unable to consistently attract, develop, and retain high-performing people and leaders with diverse perspectives, this could impair the execution of our strategy,

negatively impact productivity, and result in reduced operational stability.

Mitigation
To mitigate labor market risks, BME is continuously working to become the employer of choice in its sector. Our annual employee engagement survey measures engagement and results in concrete action plans to boost morale and engagement. Performance management, talent management, and enhancing team resilience are daily practices throughout our operations.

Furthermore, we are strengthening our employer branding and harmonizing recruitment campaigns across the Group. We are promoting internal mobility and succession planning to ensure a robust talent pipeline. We are building optimized Target Operating Models with clear roles and responsibilities. We are enhancing flexibility through hybrid working policies and leveraging international hubs for key functions. We are investing in our workforce by delivering relevant training programs to develop our employees and the organization as a whole. We are focusing on candidate experience, employee referral programs, and clear KPIs for both business and talent acquisition teams. We are investing in management trainee programs to nurture future leaders and retain high-potential talent.

These initiatives are supported by ongoing collaboration between the Group and its operating companies, ensuring that our mitigation strategies are both locally relevant

and aligned with Group objectives. More details on how we mitigate labor market risks can be found in the sustainability statements in the chapter, "Own workforce".

Financial risks
Financial risks that are relevant to BME's operations include fluctuations in prices and interest rates, inflation on cost of goods and operating expenses, and currency exposure. BME has a limited financial risk appetite and is only prepared to take minimal risks in a controlled manner.

Impact
Fluctuations in the price of raw materials – such as steel, cement, wood, and gypsum – may have an adverse effect on our cost of sales. Higher interest rates could affect our future cash flow, while cost inflation increases the risk of insolvent debtors – especially in the current volatile macro-economic environment in which we operate. Low cash flow could affect BME's ability to meet its payment obligations and may lead to a revision of our credit rating, potentially resulting in reduced credit insurance limits from suppliers. The main foreign currency exposure relates to the translation of net investments in subsidiaries denominated in functional currencies other than euros – in our case, Swiss francs.

Mitigation
BME mitigates cost of goods inflation and higher interest rates by increasing product prices. We mitigate operating cost inflation primarily through operational measures,

including digitalization, automation, and adjustments to our operating model. We do not use financial instruments to hedge cost inflation risk.

Exposure to interest rate risk arising from variable-rate financing is managed separately. To reduce exposure to variability in expected future cash outflows, BME has entered into interest rate risk management arrangements, including deferred premium interest rate caps and floored interest rate swaps. These instruments are used for risk management purposes and are not applied to hedge cost inflation.

Credit risk is managed by limiting the aggregate amount and duration of exposure to any single counterparty. Customer credit quality is assessed in line with strict credit rating criteria and potential credit limits, and is mitigated through credit insurance when appropriate. BME manages its own liquidity risk by maintaining a healthy level of cash and cash equivalents, appropriate to its expected cash flow. BME's corporate treasury function ensures that sufficient resources are available to provide lending through a combination of cash and cash equivalents and committed bank facilities, as well as by freeing up cash from the sale or mortgage of owned real estate. The exposure to the risk of fluctuations in foreign exchange rates is very limited, and we therefore do not hedge this exposure.

Financial risk mitigation is mainly conducted via BME's business and financial control processes, which include

procedures for budgeting, cost control, cash flow control, financial planning and analysis, and financial reporting controls. These procedures and controls are continuously updated and implemented throughout our operating companies. Management is also aware of the risk of misstatement relating to estimates and assumptions used.

Ethics and compliance risks
We define ethics and compliance risk as the exposure to legal penalties, lack of trust, financial loss, limited business opportunities, or reputational damage if we fail to act in accordance with laws and regulations, as well as our internal policies and procedures.
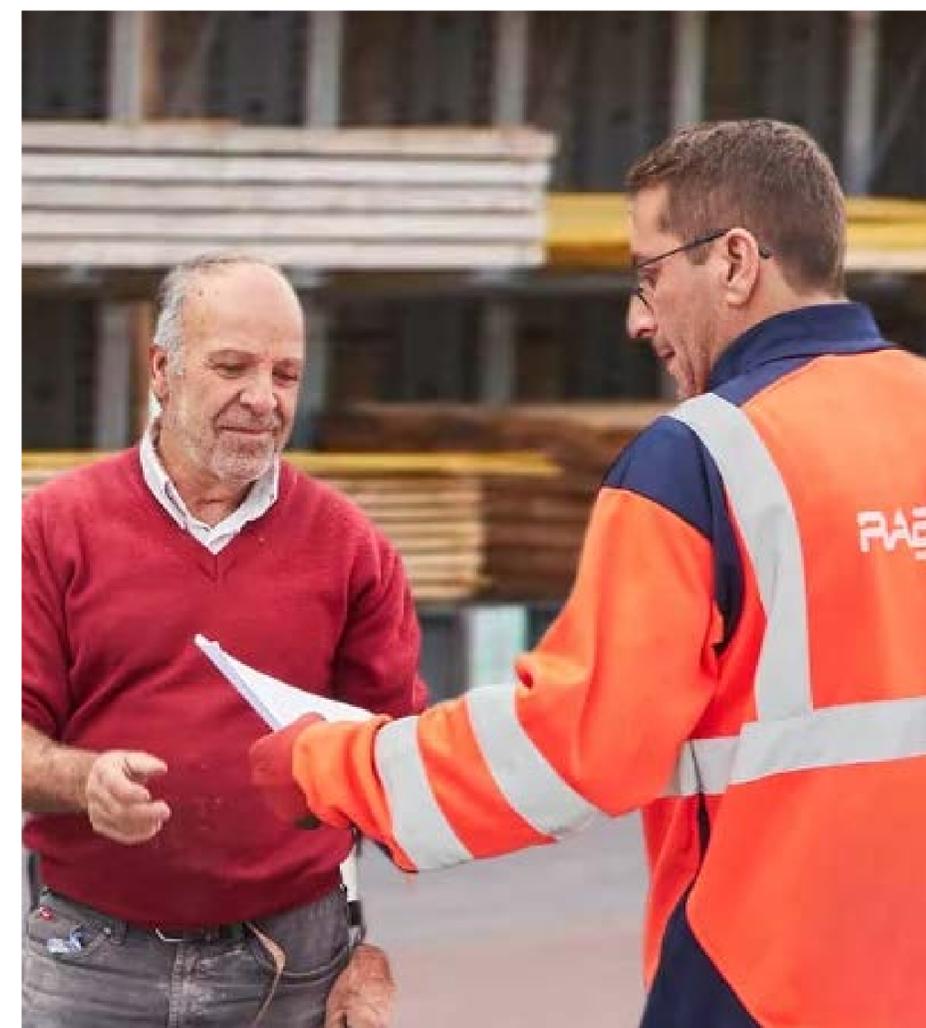
Impact
Non-compliance with the integrity, expertise, and professionalism requirements of applicable laws, regulations, codes of conduct, good management practices, and internal policies could have a detrimental effect on BME's performance and reputation. We operate in seven countries, and failing to comply with changing legislation could adversely impact our financial position, as well as leading to fines or penalties.

Mitigation
BME's legal department continuously monitors legislation changes in order to reduce compliance risks. If warranted by the situation, we engage external professional experts to help identify and mitigate regulatory risks. As a result, we implement compliance frameworks and train staff on

new or revised regulations. Furthermore, BME requires all stakeholders to respect its global Code of Conduct, consisting of a Code of Business Conduct, an anti-fraud/theft policy, an anti-bribery policy, and a Supplier Code of Conduct. We have also implemented a whistleblower hotline in each of the countries in which we operate, as well as a privacy toolkit.

Sustainability statements

OUR SUSTAINABILITY STRATEGY

ESRS-2, SBM-1 and SBM-3
Our value chain

Upstream
Sourcing from suppliers

Operations
Selling building materials

Downstream
Distributing to customers

Opportunity
Through our Responsible Building Solutions (RBS), we seize the opportunity to make a shift in the construction industry by tackling our upstream and downstream negative impacts.

Material negative impacts

UPSTREAM

1	RBS	Carbon emissions from the manufacturing of building materials
2	RBS	Air, water, and soil pollution generated at manufacturing sites
3	RBS	Water consumption during production processes at supplier facilities
4	RBS	Land-use change driven by resource extraction for building materials
5	RBS	Resource extraction and depletion caused by raw material sourcing

DOWNSTREAM

6	RBS	Carbon emissions from product use in buildings and during end-of-life disposal
7	RBS	Pollution at construction sites where our products are applied
8	RBS	Water consumption by contractors and builders during installation
9	RBS	Land-use change resulting from new construction
10	RBS	Resource use throughout the product lifecycle, including waste generation

OWN OPERATIONS

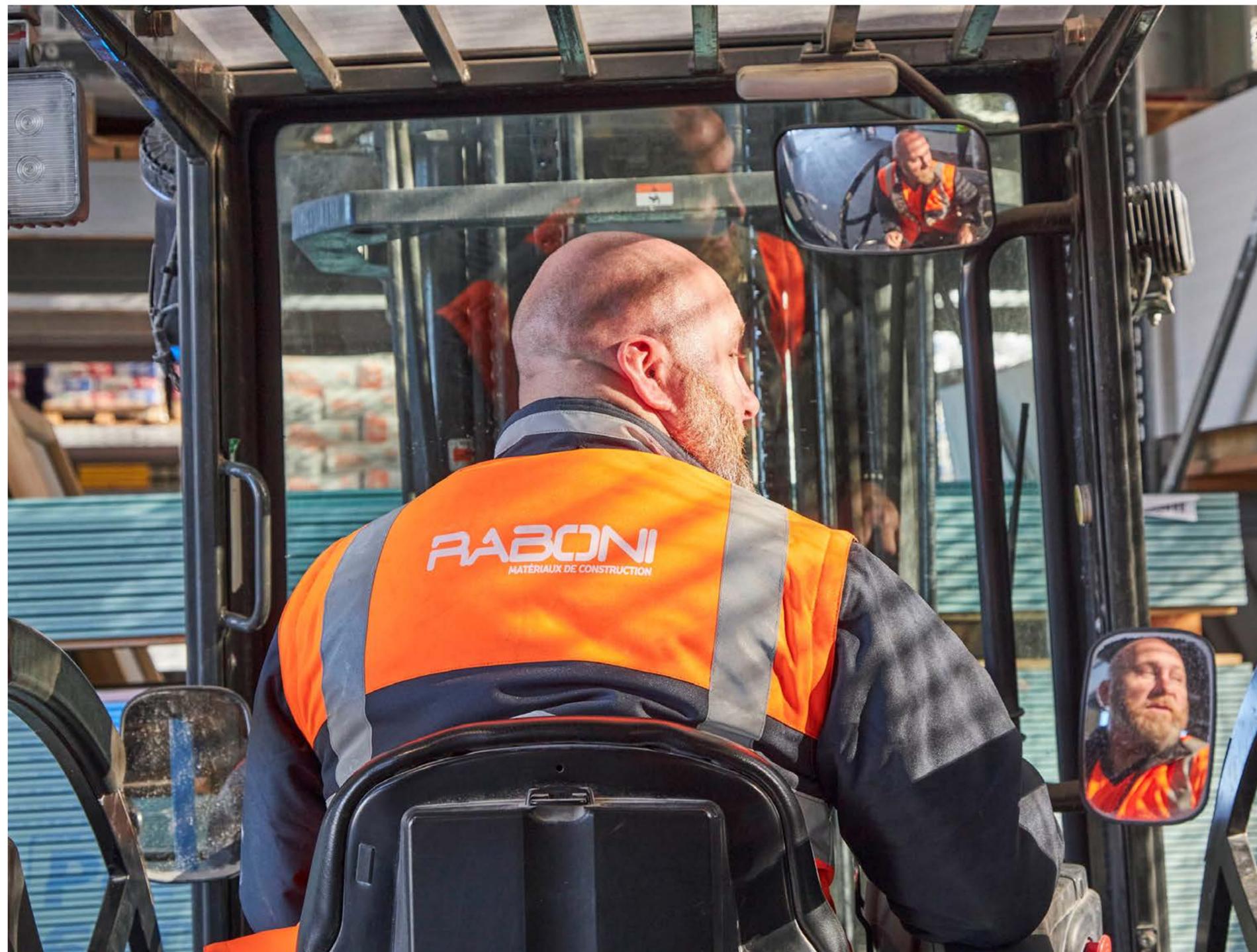|		
11	E1	Carbon emissions from energy consumption in our distribution centers and branches
12	E1	Carbon emissions from fuel consumption for transportation of goods
13	E5	Packaging bought to protect our materials during transportation
14	S1	Potential accidents in our operations
15	G1	Negative ESG impacts from our suppliers

ESRS-2, SBM-1 and SBM-3

Our sustainability impacts and strategic priorities

Environmental, social and governance (ESG) are at the core of our business model and strategy. The chapter, "Our business", provides details of the products and services we sell, as well as which customer groups we serve in which markets.

We have identified material impacts, risks and opportunities, both in our value chain and in our own operations, which we address through three strategic sustainability priorities. As a building materials distributor, our environmental impacts occur predominantly across our upstream and downstream value chain. Our business model positions us at a critical junction in the construction industry's environmental footprint. To address these value chain impacts, we have developed a two-pronged approach – prioritizing supply chain accountability and Responsible Building Solutions – **enabling a sustainable value chain**. To address our negative impacts in our own operations, we focus on **responsible growth** and s**ecuring a great and safe place to work**.

ENABLING A SUSTAINABLE VALUE CHAIN	RESPONSIBLE GROWTH	SECURING A GREAT AND SAFE PLACE TO WORK
Value chain	Own operations	Own operations

OUR MAIN SUSTAINABILITY IMPACTS

Upstream impacts (suppliers and manufacturers)
- Carbon emissions from the manufacturing of building materials we distribute
- Water consumption during production processes at supplier facilities
- Air, water, and soil pollution generated at manufacturing sites
- Resource extraction and depletion caused by raw material sourcing
- Microplastics released from product packaging throughout our supply chain
- Land-use change driven by resource extraction for building materials

Downstream impacts (customers and end-users)
- Carbon emissions from product use in buildings and during end-of-life disposal
- Water consumption by contractors and builders during installation
- Resource use throughout the product lifecycle, including waste generation
- Pollution at construction sites where our products are applied
- Land-use change resulting from new construction

Climate change
- Carbon emissions from energy consumption in our distribution centers and branches
- Carbon emissions from fuel consumption for transportation of goods

Circular economy and resource use
- Packaging bought to protect our materials during transportation are resource inflows to the value chain

Health and safety
- Our industrial workplaces carry a greater risk of accidents involving forklifts in distribution centers, and involving trucks on the road

OUR RESPONSE THROUGH STRATEGIC SUSTAINABILITY PRIORITIES

Supply chain accountability
- We leverage our position in the value chain to drive positive environmental impact by partnering exclusively with suppliers who demonstrate adherence to our ESG standards through:
  - Signing our Supplier Code of Conduct, or
  - Undergoing independent ESG assessment by qualified third-party auditors

Responsible Building Solutions
- **Enabling solutions:** We prioritize distributing products that deliver positive environmental impact during their use phase, such as energy-efficient insulation, water-saving fixtures, and renewable materials
- **Product leadership solutions:** We actively source and promote products demonstrating measurably lower environmental footprints across manufacturing, use, and end-of-life phases

Climate change
- Development of a climate transition plan
- Route optimization for transportation of goods
- Transition away from fossil fuels
- Electrification of vehicle fleet
- Energy-efficiency improvements to our buildings
- Renewable energy sourcing for our buildings

Circular economy and resource use
- Reduction of packaging
- Increase in percentage of recyclable and recycled content in purchased packaging

Corporate culture
- Ensuring stakeholders adhere to our Code of Business Conduct
- Strong whistleblower platform: SpeakUp

Health and safety
- Health & Safety Compass program to guide employees in working safely and maintaining their health
- Continuous rollout of safety campaigns throughout our operating companies
- Cultivating a culture of safety feedback

Employee engagement
- Support for managers to connect with their teams
- Annual employee engagement survey to gain insights into employee morale and satisfaction

Diversity, equity and inclusion
- Initiatives and training to raise awareness and foster an inclusive culture

GENERAL DISCLOSURES

Double materiality assessment

IRO-1

Description of the process to identify and assess material impacts, risks and opportunities, and material information to be reported

In 2023 and 2024, we conducted a double materiality assessment (DMA) – guiding our scope for disclosures in our sustainability statements. The assessment followed the criteria defined in the Corporate Sustainability Reporting Directive (CSRD) and implementation guidance from the European Financial Reporting Advisory Group (EFRAG).

In 2026, we will review and update our DMA.

Scope

The DMA covered the entire BME Group. We considered activities within our own operations across Europe, and across our value chain both in Europe and globally. Our assessment of the value chain was based on what we know internally, and mainly focused on our first-tier suppliers. Upstream, we focused on the environmental impacts of manufacturing building materials. Downstream, we looked at the impacts in the installation, use, and end-of-life phases of these materials.

In our impact assessment, we considered both positive and negative impacts – as well as actual and potential impacts – related to sustainability issues applicable to our activities over the short, medium, and long terms. In our financial assessment, we reviewed potential sustainability-related risks to which we are exposed, as well as opportunities that could create value for our business.

Process

Phase 1: Identification of relevant topics

We identified relevant topics through desk research, sector benchmark analysis, and stakeholder engagement. During the desk research, we considered all the sub-topics listed in ESRS 1 and reviewed topics from sector-specific standards, such as the GRI G4 Construction and Real Estate Disclosures as well as the SASB sector standards for Engineering and Construction Services, Road Transportation, and Building Products & Furnishings. The sector benchmark analysis included competitors, suppliers, and investors that are closely aligned with our work.

To ensure completeness, a media scan was conducted and resulted in a longlist of potentially relevant topics. The longlist was then whittled down, primarily based on the relevance of each topic to our own operations and value chain. Certain topics were bundled into clusters, while sustainability topics were aligned with ESRS topics. This resulted in a shortlist of topics for which materiality was assessed. This shortlist was validated by the ESG Committee.

Stakeholder engagement

Stakeholders who are affected by BME's operations were consulted on this shortlist of sustainability topics, as detailed in the overview table in the section, "Interests and views of stakeholders". A survey was sent to BME employees in all countries, and a series of interviews were held with BME management, suppliers, and customers. Stakeholders were asked to prioritize the set of pre-defined topics on which BME has actual or potential impact through its operations and value chain. They helped identify sustainability-related risks and opportunities that may affect BME's long-term value creation and business performance, and described the role BME can play in these sustainability issues. The consultation with stakeholders confirmed our prioritization.

Phase 2: Identifying the impacts, risks, and opportunities

Impact definitions were drafted based on BME's 2022 reporting and external sources. Risk factors and opportunities were linked to the impact definitions. If no risks or opportunities were identified, possible risk factors were formulated. The list of sustainability topics was then scored using a materiality scoring tool, including all parameters as described in ESRS 1 and the guidance from EFRAG.

Impact materiality

For each impact, we identified where in the value chain it falls, whether the impact is positive or negative, and whether the impact is actual or potential. We then assessed the severity of these impacts based on the combination of scale, scope, irremediability, and likelihood:

- **Scale:** We scored the gravity of the negative impact, or the benefit of the positive impact, from "non-existent" to "absolute".
- **Scope:** We scored how widespread the negative or positive impact is in terms of the number of people affected, from "none" to "global population".
- **Irremediability:** We scored the extent to which the negative impact could be remediated, from "very easy to remedy" to "irreversible".
- **Likelihood:** We scored how likely it is that the impact will occur, from "rare" (less than 5% chance) to "almost certain" (more than 80% chance). This criterion was only assessed for potential impacts.

Financial materiality

We then assessed the potential financial effects of the individual risks and opportunities. The scoring was aligned with our enterprise risk management (ERM) scoring methodology, considering the magnitude and likelihood of the risks and opportunities:

- **Magnitude:** We scored the significance of the risk or opportunity from "negligible" to "severe", based on a monetary threshold (undisclosed).
- **Likelihood:** We scored how likely it is that the risk or opportunity will occur, from "rare" (less than 5% chance) to "almost certain" (more than 80% chance).

Phase 3: Validating outcomes and confirming our strategy
The outcome of the DMA was discussed in internal workshops involving a broad representation of experts and functions. It was reviewed and approved by the ESG Committee and validated by BME's Management Board and Executive Management Team.

Using the DMA to guide our ESG roadmap, we defined BME's role and potential impact on each of the material topics, distinguishing between positive and negative impact, as well as when to be proactive, reactive, or actively preventative.

The DMA enabled us to define the topics that are material to our business – illustrated in our double materiality overleaf – and further detailed in the table in the following section. It determined the disclosures in our sustainability statements, and confirmed the focus areas of our sustainability strategy.
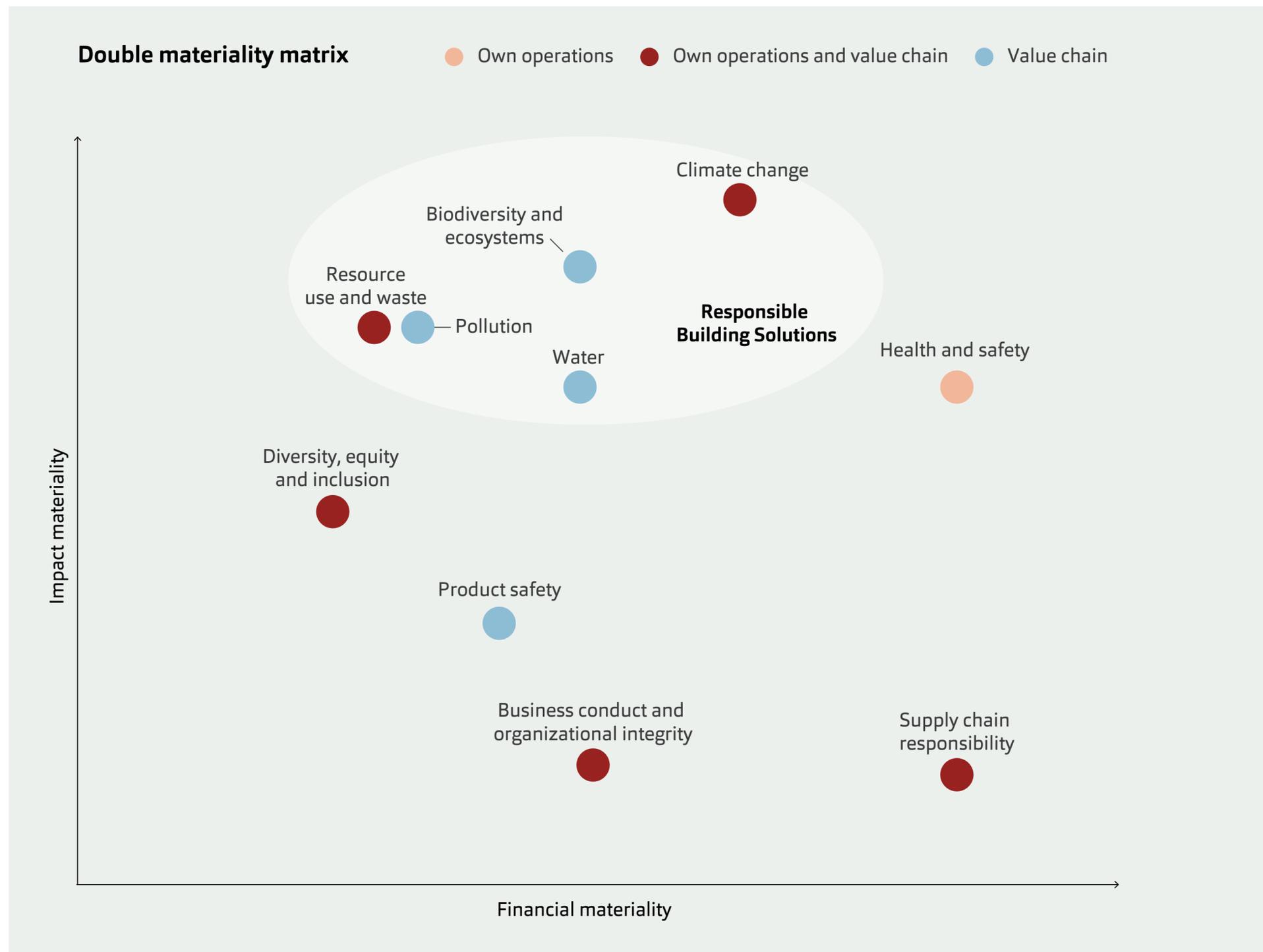
Double materiality matrix

Legend:
- Own operations
- Own operations and value chain
- Value chain

Y-axis: Impact materiality
X-axis: Financial materiality

Topics plotted:
- Climate change
- Biodiversity and ecosystems
- Resource use and waste
- Pollution
- Water
- Responsible Building Solutions
- Health and safety
- Diversity, equity and inclusion
- Product safety
- Business conduct and organizational integrity
- Supply chain responsibility

IRO-2

Material impacts, risks and opportunities, and disclosure requirements included in the sustainability statement

The results of our DMA are illustrated in the overview overleaf, including the parameters assessed. The negative environmental impacts in our value chain are described individually, but are aggregated in our response by leveraging the opportunity of offering Responsible Building Solutions.

Based on our DMA, none of the topics covered under S2 "Workers in the value chain," S3 "Affected communities," or S4 "Consumers and end-users" were deemed material for BME. No significant impacts, risks, or opportunities were identified that call for detailed disclosure, so no information related to S2, S3, or S4 is disclosed in this report.

With all the measures we have in place in the value chain, and with all our operations located in Western Europe, we are confident that there is no forced, compulsory, or child labor in our own operations and value chain. We continue to monitor these risks throughout our entire value chain. We conducted this DMA in 2023 and 2024, assessing the sub-topics from the initial ESRS guidelines. In this report, we use the simplified ESRS guidelines, which means our DMA matrix lists a mix of sub-topics from both sets of guidelines.

In 2026, we plan to conduct an update to our double materiality assessment.

	Topics	Sub-topics	IRO description	Material or not	Where in value chain	Impact direction	Potential or actual	IRO	Reference
Responsible Building Solutions			Through our Responsible Building Solutions framework, we aim to reduce negative environmental impact throughout our value chain by enabling responsible building practices. "Enabling solutions" include energy savings, emissions reduction, water saving, biodiversity enhancement, circularity and resource efficiency as potential impact domains. "Product leadership solutions" also take into account global warming potential, abiotic resource depletion, water depletion, toxicity levels, and pollution through microplastics.	Material	Upstream and downstream	Positive	Potential	Opportunity	
	Climate change	• Climate change adaptation • Climate change mitigation • Energy	The carbon footprint of the construction sector is significant, mostly due to carbon emissions from manufacturing and the use and post-use of building materials.	Material	Upstream and downstream	Negative	Actual	Impact	Entity-specific
	Pollution	• Pollution of air, water, soil • Microplastics	Pollution of air, water, and soil is primarily associated with the manufacturing of building materials and construction site activities. Products and materials may also contain pollutants - such as hazardous chemicals or microplastics - that seep into the environment during or after use.	Material	Upstream and downstream	Negative	Actual	Impact	
	Water	• Water consumption • Water storage	Water is a key resource in both manufacturing and construction. The majority of consumption occurs upstream, in the extraction of raw materials and manufacturing of building materials, and downstream, during construction activities.	Material	Upstream and downstream	Negative	Actual	Impact	
	Biodiversity and ecosystems	• Land-use change • Direct exploitation	The construction industry is highly dependent on natural resources for raw materials, the extraction of which causes negative impacts on biodiversity and ecosystems. These impacts are largely driven by land use associated with new construction.	Material	Upstream and downstream	Negative	Actual	Impact	
	Resource use and circular economy	• Resource inflows, including resource use • Resource outflows related to products and services • Resource outflows (waste)	Resource use is one of the biggest challenges in the construction industry, with impacts on climate, air quality, biodiversity, and ecosystems. Waste is generated across the value chain, from supplier manufacturing to installation and end-of-life processing. Resource use is closely linked to climate and biodiversity impact: greater material longevity and circular design reduce both the over-exploitation of natural resources and carbon emissions.	Material	Upstream and downstream	Negative	Actual	Impact	
Environment			In addition to our commitment to make a difference in our value chain, we take responsibility for our own operations. In our sustainability strategy, we focus on energy efficiency and the transition away from fossil fuels in our logistics and buildings, in order to reduce carbon emissions. To reduce packaging, we aim to reuse packaging where possible and to increase the recycled content and recyclability of our purchased packaging.	Material	Own operations	Negative	Actual	Impact	
	Climate change	• Climate change adaptation • Climate change mitigation • Energy	As a distributor, the primary drivers of our direct carbon emissions are energy consumption in our distribution centers and branches where we store our products, and fuel consumption by the vehicles used to deliver our products.	Material	Own operations	Negative	Actual	Impact	E1
	Resource use and circular economy	• Resources inflows, including resource use	While we aim to reuse packaging from our suppliers, our main resource inflows come from the packaging we buy to protect our products during transportation.	Material	Own operations	Negative	Actual	Impact	E5
	Pollution	• Pollution of air, water, soil • Microplastics	We assessed the same sub-topics as in the value chain, but did not deem this material to our own operations because the footprint of our locations is relatively small. Our main impact lies in our value chain, not in our core activity of distributing building materials.	Not material	n/a	n/a	n/a	n/a	n/a
	Water	• Water consumption • Water storage	We assessed the same sub-topics as in the value chain, but did not deem this material to our own operations because the footprint of our locations is relatively small. Our main impact lies in our value chain, not in our core activity of distributing building materials.	Not material	n/a	n/a	n/a	n/a	n/a

Topics	Sub-topics	IRO description	Material or not	Where in value chain	Impact direction	Potential or actual	IRO	Reference
Biodiversity and ecosystems	• Land-use change • Direct exploitation	We assessed the same sub-topics as in the value chain, but did not deem this material to our own operations because the footprint of our locations is relatively small. Our main impact lies in our value chain, not in our core activity of distributing building materials.	Not material	n/a	n/a	n/a	n/a	n/a
Social	Our people are our greatest asset, which is why we focus on our own workforce in our own operations. As we are active in the construction industry, securing a safe place to work is our main priority.		Material	Own operations	Negative	Actual	Impact	
Own workforce	• Health and safety	As an employer, we create value for our employees by securing a great and safe place to work. Operating in the construction industry, our workplaces are industrial – meaning they are more prone to accidents with forklifts or trucks, in comparison with office-based workplaces.	Material	Own operations	Negative	Actual	Impact	S1
	• Gender equality and equal pay for work of equal value • Training and skills development • Employment and inclusion of persons with disabilities • Measures against violence and harassment in the workplace • Diversity • Employee engagement	As a Western European company operating under robust EU regulatory frameworks and national labor legislation, we have established comprehensive policies, procedures, and governance mechanisms addressing each of these sub-topics. Our existing practices already meet or exceed regulatory requirements, and these areas do not present significant risks or opportunities that would trigger materiality thresholds under CSRD's impact, risk, and opportunity assessment. Our policies in these areas are embedded in our standard employment practices, collective agreements, and human resources management systems. Regular monitoring and compliance mechanisms ensure ongoing adherence to legal obligations and internal standards. For more details, read the chapter, "Our workforce".	Not material	n/a	n/a	n/a	n/a	S1
Workers in the value chain		As a building materials distributor working primarily with established suppliers in Western Europe, our value chain partners are subject to robust EU labor legislation and social protection frameworks. Our Supplier Code of Conduct and independent third-party ESG assessments already address working conditions, human rights, and labor standards within our supply chain. Our business model involves distribution of manufactured products rather than direct involvement in high-risk manufacturing processes or operations in regions with significant labor rights concerns. Our supplier engagement mechanisms provide adequate oversight without requiring separate material topic disclosure under S2. The primary leverage point for social impact in our value chain relates to the environmental performance of suppliers, which is already addressed through our supply chain accountability approach detailed under environmental topics.	Not material	n/a	n/a	n/a	n/a	n/a
Affected communities		Our operations as a distributor – consisting primarily of warehousing and logistics activities – do not generate significant impacts on local communities. We operate in established industrial and commercial zones with appropriate infrastructure and regulatory oversight. We do not engage in activities that typically affect communities, such as large-scale land acquisition, resource extraction, significant pollution, or operations in sensitive geographic areas. Our facilities comply with local planning regulations and environmental permits, and we maintain constructive relationships with neighboring communities through standard business practices. Given the nature and scale of our operations, we have not identified material actual or potential negative impacts on affected communities that would trigger disclosure requirements under S3.	Not material	n/a	n/a	n/a	n/a	n/a
Consumers and end-users	• Personal safety of consumers and/or end-users	As a distributor of building materials, the impact of our products on the health and safety of customers/users is important. However, the primary leverage point to address this impact lies in the value chain, with the manufacturers and installers of our products. In our core distribution activity, our impact is limited and this topic was therefore deemed not material - not requiring separate material topic disclosure under S4.	Not material	n/a	n/a	n/a	n/a	n/a

	Topics	Sub-topics	IRO description	Material or not	Where in value chain	Impact direction	Potential or actual	IRO	Reference
Governance			Supply chain accountability is a crucial part of our business strategy. Facilitating a sustainable value chain enables us to reduce potential negative impacts from our suppliers. In our own operations, we aim for the highest integrity in our corporate culture in order to work towards responsible growth.	Material	Upstream and own operations	Negative	Potential	Impact	
	Business conduct	• Management of relationships with suppliers, including payment practices	We collaborate with more than 18,000 suppliers. Working with suppliers who do not respect environmental and social standards can potentially cause negative impacts. We therefore choose suppliers that share our values, as an integral part of our business strategy.	Material	Upstream	Negative	Potential	Impact	G1
		• Corporate culture (including anti-corruption and bribery, protection of whistleblowers) • Political influence and lobbying activities	**Anti-corruption, bribery and whistleblower protection** Our Code of Business Conduct (CoBC) provides a comprehensive framework addressing corruption, bribery, and ethical business practices. All employees in functions at risk receive mandatory annual CoBC training, ensuring continuous awareness and compliance across our organization. We have established a robust whistleblower system that ensures confidential reporting channels and strong protection mechanisms for individuals raising concerns in good faith. These systems are fully operational and regularly monitored for effectiveness. Given the maturity of our governance systems, comprehensive training coverage, and absence of material incidents or risks, these topics do not meet the materiality thresholds requiring detailed CSRD disclosure. **Political influence and lobbying** BME does not engage in lobbying or other activities to exert political influence. This is not part of our business model nor our strategic approach, and therefore presents no material impact, risk, or opportunity requiring disclosure under CSRD. **Further information** Detailed information on our existing governance policies, procedures, and implementation mechanisms for these topics is provided in the chapter, "Our Governance," demonstrating our commitment to ethical business conduct despite their non-materiality classification under CSRD.	Not material	n/a	n/a	n/a	n/a	G1

SBM-2
Interests and views of stakeholders

Through ongoing and structured dialogue, BME gains insight into the positions, concerns, and expectations of its internal and external stakeholders. These perspectives provide essential input for the development of our sustainable business strategy, and serve as ongoing guidance for its implementation across the organization and value chain.

The Executive Management Team is closely involved in the DMA, and is therefore informed about the views and interests of key stakeholders impacted. Regular meetings with management enable ongoing communication of stakeholder perspectives on sustainability-related impacts, risks and opportunities, ensuring that these considerations are embedded in strategic decision-making and governance processes.

The table overleaf summarizes BME's key interactions with its main stakeholder groups. It describes how stakeholder engagement is organized, outlines the principal interests and expectations of each stakeholder group, and explains how the outcomes of this engagement inform and strengthen BME's strategy and business model.

Stakeholder groups have been identified based on their proximity to BME's value chain and their influence on business continuity, with the scope limited to stakeholders linked to material impacts, risks, and opportunities.

Engagement is prioritized according to stakeholder relevance, with continuous engagement maintained for employees, customers, and suppliers, as well as reactive or ad hoc engagement with affected communities and public authorities.

In line with the simplified ESRS requirements for 2025, no separate stakeholder materiality assessment is performed at site level, forward-looking commitments are limited to strategies already approved by management, and small- and medium-sized enterprises in the supply chain are assessed using proportional measures.

Stakeholder group	Description and relevance to business model	Key interests and concerns	Main impacts, risks, and opportunities (IROs)	Engagement methods	Frequency	How outcomes influence BME strategy and decisions
Employees and workers' representatives	Warehouse staff, drivers, sales, procurement, HQ employees across EU operations	Health and safety, fair wages, training, job security, diversity, equity and inclusion	Impacts: workplace accidents, working conditions Risks: labor shortages, absenteeism Opportunities: productivity, retention, well-being	Employee surveys and workshops, toolbox talks, active involvement in DMA, Works Councils, whistleblower hotline	Continuous/annual	Safety investments, training programs, HR policies
Customers	Mainly B2B, limited B2C Construction companies, contractors, retailers	Product quality, availability, consistency of product range, price stability, ESG performance of products, responsible building solutions	Impacts: downstream environmental footprint Risks: loss of contracts due to ESG requirements Opportunities: low-carbon product offerings	Account meetings, satisfaction surveys, active involvement in DMA, whistleblower hotline	Continuous	Product portfolio selection, supplier requirements
Suppliers: manufacturers of building materials	Producers of cement, timber, insulation, steel	Long-term relationships, payment terms, reliable logistics, stockholding and process support, ESG alignment	Impacts: upstream emissions, labor practices (human rights) Risks: supply disruption, non-compliance Opportunities: sustainable sourcing	Supplier assessments, annual supplier event, audits, contracts, active involvement in DMA, whistleblower hotline	Continuous/annual	Responsible sourcing procedure (SCoC and EcoVadis or equivalent), preferred supplier lists
Suppliers: transport and logistics partners	External warehouse and logistics providers	Safety, efficiency, contract stability	Impacts: emissions (carbon and particulate matter), road safety Risks: accidents, emissions costs (carbon tax) Opportunities: low-emission transport	Contract reviews, KPIs, whistleblower hotline	Continuous/annual	Fleet requirements, decarbonization roadmap
Affected communities	Local communities around warehouses, depots, transport routes	Noise, traffic, air quality, employment	Impacts: disturbance, emissions (carbon and particulate matter) Risks: social license to operate Opportunities: local employment	Community dialogue, whistleblower hotline	Ad hoc	Site management measures, logistics planning
Regulators and authorities	EU, national and local authorities of countries in which BME operates	Legal compliance, safety, environmental protection	Risks: fines, permit delays Opportunities: incentives, public projects	Engagement through industry associations, roundtables, white papers, formal reporting, inspections	As required	Compliance systems, CAPEX planning
Investors and lenders	Banks, shareholders, insurers	Financial performance, risk management, ESG transparency	Risks: cost of capital Opportunities: access to sustainable finance	ESG reporting, meetings, active involvement in DMA	Lenders: quarterly Investors: monthly	Capital allocation, ESG targets

Sustainability governance

GOV-1

The role of the administrative, management, and supervisory bodies in relation to sustainability

The roles and responsibilities of the administrative, management, and supervisory bodies concerning material impacts, risks, and opportunities are outlined in the chapter, "Our governance". This describes how our governance bodies oversee ESG targets and take material impacts, risks, and opportunities into account in our corporate strategy. In the Supervisory and Management Board members' biographies, you can read details of their management and ESG expertise.

GOV-2

Integration of sustainability-related performance in incentive schemes

BME's remuneration policy is linked to the company's Together We Build strategy, including the sustainability strategy. ESG performance is assessed against specific sustainability-related targets, which are set in relation to Responsible Building Solutions, supply chain accountability, responsible growth, and securing a great and safe place to work. More details on each of these targets can be found in the specific chapters of the sustainability statements.

At the time of reporting, ESG performance represents 5% of variable remuneration. A potential ESG bonus is calculated based on the average performance score against all sustainability-related targets.

GOV-3

Statement on due diligence

Core elements of due diligence	Sections in the sustainability statements
Embedding due diligence in governance, strategy, and business model	Our business Our governance Sustainability highlights Sustainability governance
Engaging with affected stakeholders	Interests and views of our stakeholders IRO-1
Identifying and assessing negative impacts on people and the environment	Double materiality assessment IRO-1 IRO-2
Taking action to address negative impacts on people and the environment	Sustainability highlights Respective material topic sections
Tracking the effectiveness of these efforts	Respective material topic sections

GOV-4

Risk management and internal controls over sustainability reporting

Disclosure requirements for risk management and internal controls over sustainability reporting are addressed in the risk management section of the chapter, "Our governance". Our risk management system covers all business risks, including risks related to the material ESG topics for the company. Material impacts, risks, and opportunities identified in our double materiality assessment are addressed earlier in this chapter.

Quarterly sustainability reporting from the operating companies is carried out by the finance department and validated by the Group ESG Director. The ESG Committee oversees, and is ultimately responsible for, the sustainability statements.

BP-1
Basis for preparation

BME Group is not yet subject to the Corporate Sustainability Reporting Directive (CSRD) for the reporting year 2025. This sustainability report is voluntary, has not been prepared in full alignment with CSRD requirements, and is not subject to external assurance.

We are committed to full compliance with the CSRD requirements, starting from the reporting year 2027. The amended, simplified version of the European Sustainability Reporting Standards (ESRS) therefore represents our guidance in preparing this 2025 sustainability report.

Our double materiality assessment formed the basis of our sustainability strategy and the disclosures in our 2025 sustainability statements. In preparation for the upcoming reporting cycles, we have conducted a CSRD gap analysis to guide us going forward.

Frameworks and data selection
The general requirements of ESRS 1 have been applied in the preparation of our sustainability statements. All greenhouse gas emissions are calculated in accordance with the GHG Protocol.

Scope
The sustainability statements have been prepared on a consolidated basis, as stipulated in the financial statements for the full year 2025. They comprise the parent company BME Group B.V. ("BME" or "the company") and its subsidiaries (operating companies), together referred to as "BME Group" or "the Group". The consolidated sustainability statements are prepared in accordance with ESRS and Dutch legal requirements.

The sustainability statements cover our upstream and downstream value chains. Impacts, risks, and opportunities throughout the entire value chain have been identified and assessed in our double materiality assessment. The extent to which policies, actions, targets, and metrics go beyond BME's own operations depends on the nature of the topics, and are disclosed where relevant.

Time horizons
For reporting purposes in the sustainability statements, BME Group has defined its corporate strategy according to three time horizons:

- Short-term covers 2026;
- Medium-term covers 2027 until 2030;
- Long-term covers beyond 2030.

Adjustments to comparative information and prior reporting errors
We aim to present data that is comparable from year to year. We therefore needed to make some adjustments to previously reported data:

- Emissions related to employee commuting for 2024 have been restated, but are not expected to cause significant impact on emissions trends between reporting years.
- For our operating company in Switzerland, we have restated the greenhouse gas emissions related to natural gas consumption.
- We have corrected some reporting errors across our operations. The sum of these corrections leads to immaterial differences, but increases the accuracy of our reporting.

Estimates and uncertainties

We aim to base our information as much as possible on primary data. Where we lack information, we may need to make estimates and assumptions or extrapolate data that covers less than the entire scope. We do not use sector-average data or benchmarks. In order to provide complete reporting for our operating companies, we sometimes calculate estimates – these could be based on the number of square meters or FTEs, for example. We have not prepared a detailed disclosure per operating company for 2025, but this is one of our planned actions towards full CSRD compliance.

Reporting changes

- Our sustainability disclosures are now presented in sustainability statements, following the structure required by the amended ESRS.
- We have introduced this chapter, "General disclosures," to the report, following the structure required by the amended ESRS.
- Starting from this 2025 report, we disclose our targets for reducing CO_2e emissions separating Scopes 1, 2, and 3 from total emissions.

ENTITY-SPECIFIC DISCLOSURES

RBS
Responsible Building Solutions

As a building materials distributor, we form an essential link between a wide range of suppliers and many small- and medium-sized building contractors, as well as some large institutional contractors. This unique position gives us the potential to create a major positive environmental impact in our value chain, by encouraging our customers to use more responsible building solutions.

Customers in the construction and building materials sectors are increasingly subject to regulatory, market, and societal pressures related to climate change, resource efficiency, and transparency. Given our position as a distributor, we can play a central role – helping customers to comply with evolving EU requirements, including those relating to energy performance, greenhouse gas emissions, circularity, and product-level data disclosure. Customer expectations are therefore shifting from individual products towards verifiably compliant and data-supported building solutions.
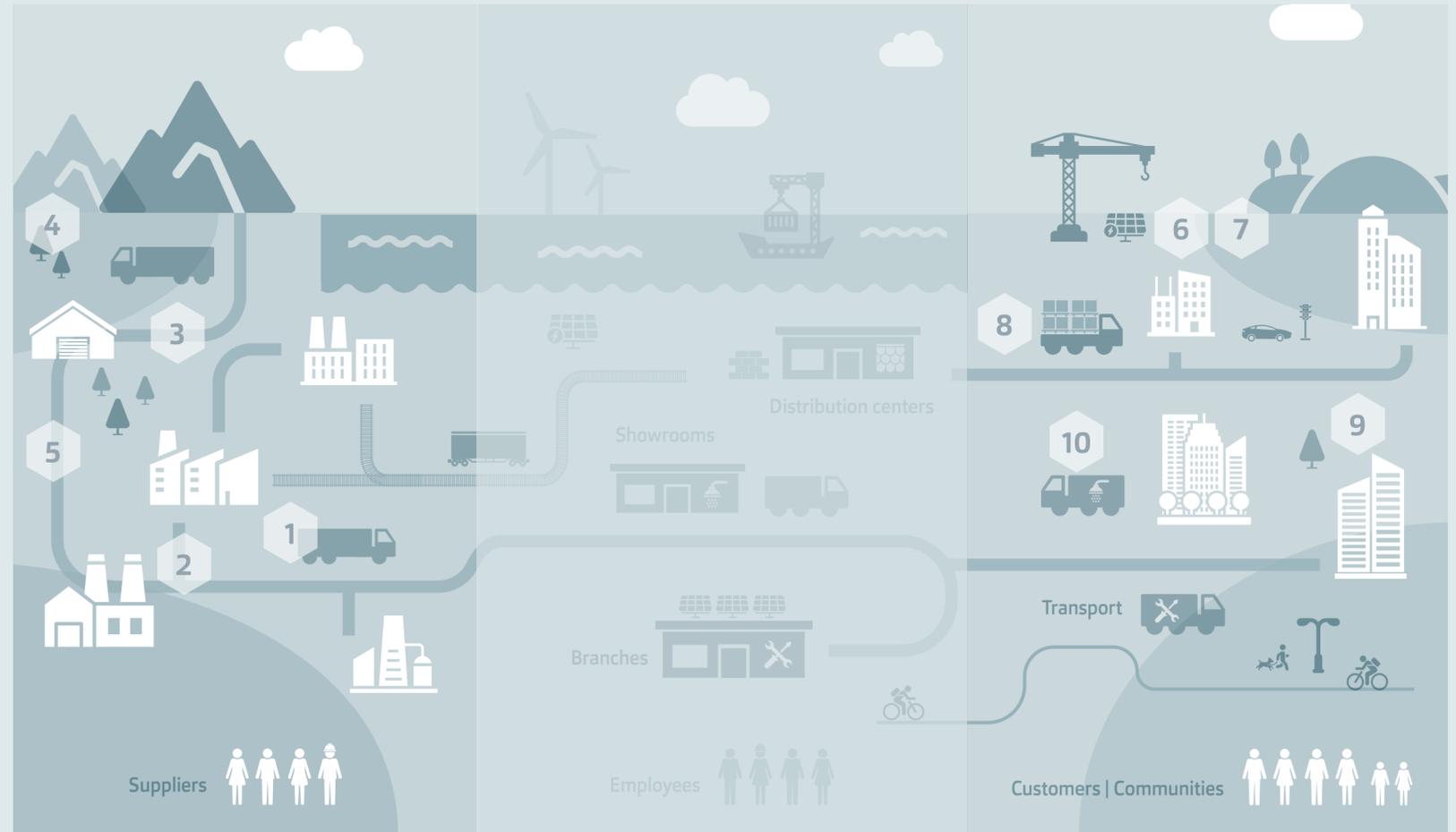
Upstream
Sourcing from suppliers

Operations
Selling building materials

Downstream
Distributing to customers

UPSTREAM

1	RBS	Carbon emissions from the manufacturing of building materials
2	RBS	Air, water, and soil pollution generated at manufacturing sites
3	RBS	Water consumption during production processes at supplier facilities
4	RBS	Land-use change driven by resource extraction for building materials
5	RBS	Resource extraction and depletion caused by raw material sourcing

DOWNSTREAM

6	RBS	Carbon emissions from product use in buildings and during end-of-life disposal
7	RBS	Pollution at construction sites where our products are applied
8	RBS	Water consumption by contractors and builders during installation
9	RBS	Land-use change resulting from new construction
10	RBS	Resource use throughout the product lifecycle, including waste generation

Responsible Building Solutions framework

To address this material topic, we are transitioning from the generic concept of "sustainable products" to a structured Responsible Building Solutions (RBS) framework. This framework is designed to provide customers with transparent, consistent, and auditable information while avoiding unsubstantiated sustainability claims and supplier-specific definitions.

Our framework distinguishes between two types of solutions:

- **Enabling solutions** are products that deliver positive environmental impact during use, as they have the ability to improve a building's performance. We recognize five impact domains: primary energy demand, water saving, emissions reduction, biodiversity enhancement, and circularity and resource efficiency
- **Product leadership solutions** demonstrate lower environmental footprint of the product, which is objectively measured through external thresholds and standards relative to market benchmarks. Product design is based on externally aligned criteria and recognized data sources, such as Environmental Product Declarations (EPDs), Life Cycle Assessments (LCAs), and/or third-party eco-labels.

The actual environmental performance of a building is determined by the combination of its design and the products used. To identify product leadership solutions, we focus exclusively on the environmental footprint at product level. We use a product classification methodology to ensure consistency, transparency, and comparability.

Enabling solutions only identify whether these products have a positive impact on energy, water, emissions, biodiversity, or circularity. These impacts can often only be achieved when multiple products operate together as a coherent system. Impact at system level is recognized, but it is not currently possible to calculate the actual impact.

The RBS framework is aligned with relevant EU regulatory and market standards, including the EU Taxonomy, EPBD, and CSRD, as well as leading building certification schemes. The framework aims to support customers in meeting their own compliance, reporting, and procurement obligations – while mitigating greenwashing risks through clear thresholds, neutral classification rules, and defined governance. This approach strengthens our role as a reliable distribution and advisory partner in a tightening regulatory environment.

Defining sustainable construction

One of the most significant barriers to accelerating sustainable construction is the absence of a shared definition of what "sustainable" actually means in the building environment. Across the value chain – clients, architects, housing associations, contractors, suppliers, local authorities, and legislators – use the term freely but interpret it very differently.

Some focus primarily on the production phase. They measure the carbon footprint or material composition of individual products during the production phase of the building material. In this case, the product with the lowest carbon footprint is considered best. Others apply a lifecycle lens. They evaluate building materials from resource extraction through to demolition and reuse. In this case, the product with the best lifecycle score is considered best.

Regulatory frameworks add further complexity: certification schemes, standards to determine the actual impact of a product, municipal procurement criteria, and national legislation vary considerably and rarely align neatly with one another. The result is a fragmented market where comparable products are assessed against incomparable standards and beliefs, and where a material that qualifies as sustainable in one project or jurisdiction may not in another.

This ambiguity has real consequences. It makes it harder for clients and architects to specify with confidence, harder for contractors to procure consistently, harder for suppliers to position their products, and harder for distributors to organize the assortment meaningfully. It also risks reducing "sustainable" to a label rather than a standard, undermining

trust across the chain at precisely the moment when the industry needs to move faster.

We have initiated a dedicated research project to map how different parties in the Dutch and German construction chain define sustainable buildings, how this translates into products, and which criteria they apply in practice. The results of this research will directly inform our RBS framework and will be presented in our 2026 report.

Implementing RBS

Going forward, we will focus on the ongoing implementation and fine-tuning of the RBS framework. Priority will be given to improving data availability and coverage across key product categories, embedding RBS classifications into product onboarding and category management processes, and ensuring consistent customer communication at product level. As data maturity increases, we aim to further enhance portfolio transparency and, over time, enable more advanced performance insights, while maintaining a conservative and compliance-oriented approach aligned with evolving regulatory requirements and customer needs.

By 2050, we aspire to be the industry leader in offering and selling Responsible Building Solutions, and we will set interim targets to track our progress towards this ambition. In 2026, we aim to create transparency on the environmental impact and footprint of our portfolio. We will therefore conduct a full calculation of our Scope 3, Category

1 CO_2e emissions. Based on these insights, we will set targets for 2030 relating to our spend on enabling solutions and product leadership, as well as reducing our Scope 3, Category 1 emissions.

ENVIRONMENT

E1
Climate change

As part of the building materials industry, BME recognizes its contribution to climate change and is committed to reducing greenhouse gas emissions throughout its entire value chain. While the carbon footprint of our own operations is comparatively limited, we nevertheless seek to reduce emissions across our operating companies.

Climate change is a material topic within our ESG strategy, both in our value chain and in our own operations. In the previous chapter, "Responsible Building Solutions", we describe how we enable our customers to build while reducing their environmental impact. In this chapter, we focus specifically on our strategy to reduce emissions in our own operations.

E1-1, E1-2, E1-3
Climate transition plan
BME aims to develop a climate transition plan in line with the revised ESRS E1 requirements. It will take into account the characteristics of the building materials distribution sector, including logistics-intensive operations, geographically distributed assets, and dependencies on upstream suppliers and downstream construction markets.

The transition plan aims to describe key dependencies, including the availability of lower-carbon transport and energy solutions, market demand, regulatory and policy developments, and access to financial and other resources. It will explain how these dependencies may affect the timing and feasibility of transition actions, including the management of energy- and emissions-intensive activities – such as transport fleets and distribution facilities – through efficiency measures, technology upgrades, or phased replacement where relevant.

We aim to disclose progress in implementing the transition plan once developed, including information on actions taken, resources deployed and reductions in emissions achieved or expected, using sector-relevant metrics where appropriate.

For each material climate-related risk, we aim to explain whether it is classified as a physical risk or transition risk. We also intend to describe, at umbrella level, the methodology used to assess exposure of our assets, logistics activities, and value chain when it comes to climate-related physical hazards and transition events. This will cover the short, medium, and long terms, taking into account likelihood, magnitude, duration, and geographic location of risks.

We aim to disclose the results of our climate resilience analysis, including the implications for our business model and operations, significant uncertainties, and our capacity
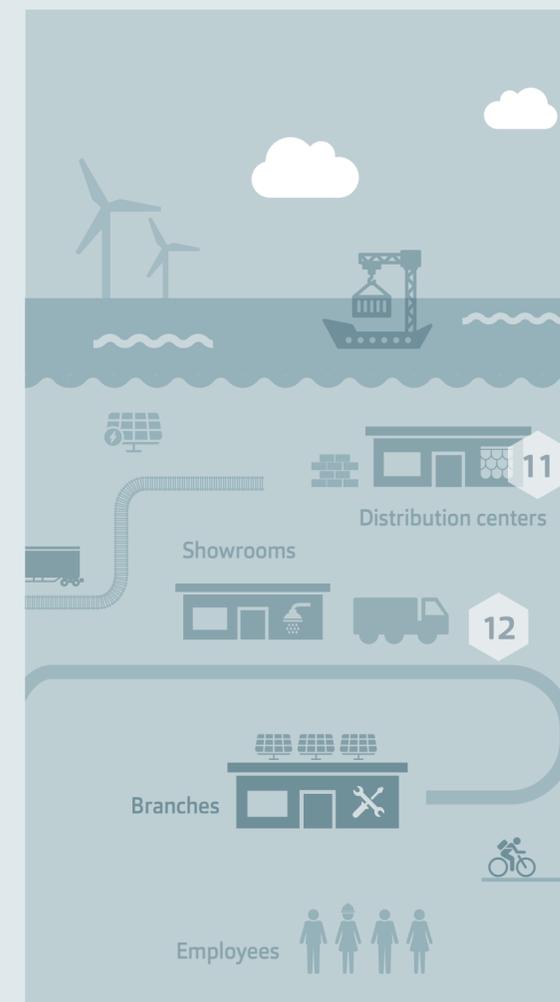
Operations
Selling building materials

OWN OPERATIONS:
11 E1 Carbon emissions from energy consumption in our distribution centers and branches
12 E1 Carbon emissions from fuel consumption for transportation of goods

to adjust our strategy over time. We plan to include a description of the availability of financial resources, the flexibility to redeploy, upgrade or decommission assets, and the role of current and planned investments in supporting climate resilience.

E1-4
Policies related to climate change

Environmental policy
We aim to demonstrate excellent environmental stewardship. Our environmental policy outlines our approach to addressing negative impacts – both in our own operations and in our entire value chain. We require all our employees – as well as suppliers, customers, and other stakeholders – to respect our environmental principles.

No deforestation policy
We intend to maintain a healthy carbon balance, support biodiversity, and protect the livelihoods of local communities who live in or near forests. Throughout our value chain, we aim to eliminate deforestation and forest degradation, which means we require all our employees, suppliers, customers, and other stakeholders to adhere to our no deforestation policy.

E1-5
Actions and resources related to climate change
When addressing negative impacts, our focus lies on energy efficiency and the transition to renewable energy

in our logistics and buildings. Our fuel usage for goods transportation and our buildings' energy usage are the main drivers of carbon emissions in our own operations.

Reducing the footprint of our logistics and transportation
Route optimization
We are seeing a growing demand from customers for deliveries directly to construction sites rather than collection from our locations. While this shift increases transport activity, it also reinforces the importance of improving transport efficiency – for example, by increasing the number of loads per route and by optimizing routes to avoid unnecessary driving.

To address this, BME has implemented a best-in-class transport management system across our larger operating companies. This system optimizes route planning and load efficiency, helping to reduce emissions and minimize our environmental footprint. It also monitors driver behavior and requires drivers to complete safety checks on their vehicles.

Transition away from fossil fuels
Another significant driver of emissions reduction is our ongoing energy transition away from conventional diesel towards biofuels, electrified transport solutions and – where feasible – green hydrogen. This fuel shift is considered one of the most effective levers for reducing energy-related emissions within our own logistics activities. Throughout

our operations, we are moving away from fossil fuels for our trucks and forklifts.

Electrification of company cars
In addition to the energy transition for transporting materials, we are also investing in the electrification of our company cars. In 2025, our Belgian companies reported a significant reduction in greenhouse gas emissions thanks to their shift to electric vehicles. Our company-wide policy sets clear guidelines for the use of electric company cars.

Reducing the footprint of our buildings
Energy efficiency
We are improving the monitoring of our energy consumption on an ongoing basis. To make our buildings more energy-efficient, we are taking measures such as installing electric rather than gas heating systems, upgrading insulation during refurbishments, fitting LED lighting, and installing solar panels.

> ↗ On our website, you'll find a case study about how Belgian operating company BMB has replaced oil-fired heating at its Hoogstraten location with heat pump technology, as part of the transition to renewable energy.

Energy sourcing and on-site generation
Renewable electricity continued to represent a significant share of our total electricity consumption in 2025 – amounting to 84% of our total purchased electricity.

However, solar electricity generation in 2025 was lower than in 2024 due to reduced solar yield, partially offsetting other energy-efficiency measures. Many of our operating companies purchase only renewable and green electricity. We consider further material increases in renewable electricity procurement to be constrained by existing market and contractual conditions.

Changes in our business activity levels

Market volume

Changes in market volume between 2024 and 2025 did not have a material impact on energy consumption or greenhouse gas emissions. Variations in reported emissions are therefore not attributed to changes in activity levels.

Changes in asset scope

Structural changes in the asset portfolio had a material effect on reported emissions. In particular, the divestment of the Quester business in Austria resulted in a substantial reduction in energy consumption and associated emissions, and remains a key driver of year-on-year changes.

Branch network

Our operational footprint increased slightly due to the addition of 15 new locations, resulting in a limited increase in energy consumption and associated emissions.

Limitations and exclusions

We did not quantify the impact of weather-related variations, such as heating and cooling degree days, on energy consumption and greenhouse gas emissions, as the relevant degree-day data are not yet available from Eurostat for the reporting period. Consequently, no emission changes are attributed to temperature-related effects.

Our performance

The actions taken to reduce the footprint of our logistics and buildings resulted in an overall reduction in greenhouse gas emissions of 4 kilotons in 2025 (see the CO_2e evolution table for full details). This represents a reduction in Scope 1 and 2 emissions, as well as Scope 3 emissions from transportation, employee commuting, and business travel.

For the past few years, we have been reporting our performance across our own operations and value chain (Scope 1, 2, and 3). Going forward, we will track our progress in more detail, separating Scope 1 and 2 from our Scope 3 performance. Specifically for Scope 1 and 2, in 2025 we achieved a 6% decrease in emissions year-on-year, which is a lower reduction than the 15% decrease in 2024. Reducing our carbon footprint is not a linear process; it also depends on much-needed investments, which was challenging in a financially difficult reporting year.

At this stage, we have not yet planned detailed capital expenditure or operating expenditure for climate-related investments. As such, forecast reductions are based on currently identified operational levers rather than committed investment programs. We remain committed to becoming CO_2e neutral, and we have drawn up a detailed roadmap to achieve our goal.

Scope 1 and 2 emissions (ktCO₂e)

Legend: Scope 1, Scope 2

Changes in emissions (ktCO₂e)

Legend: Increase, Decrease, Total

Values: 90.20 (2022 report), 84.44 (2023 report), 75.09 (2024 report), 0.91 (Restatement: employee commuting), 1.05 (Restatement: BMS natural gas), -1.09 (Other revisions), 75.96 (2024), -2.42 (Disinvestment Quester), 0.14 (Reporting Dycten & La Isoladora), -1.36 (Transition away from fossil fuels), -0.40 (Other), 71.92 (2025), 71.40 (Target 2025)

Targets vs performance Scope 1 and 2 emissions (ktCO$_2$e)

reduction in emissions of 5% by 2026, and of 25% by 2030, compared with the 2025 baseline.

In our own operations, we will continue to focus on improving energy efficiency and reducing fossil fuel consumption, including measures related to transport efficiency, vehicle fleet composition, and energy use at our locations. Switching employee lease cars to electric vehicles will continue, but this is not expected to materially affect overall emissions trends.

We plan to perform a full Scope 3 emissions calculation in 2026, which is expected to improve transparency and help future decision-making. Until this assessment is completed, our emissions reduction targets and actions are limited to Scope 1 and 2.

E1-6

Targets related to climate change

Climate change continues to be identified as one of our most material sustainability topics. Building on progress achieved to date, our forward-looking approach focuses on absolute reductions in Scope 1 and Scope 2 greenhouse gas emissions, primarily within our own operations and logistics activities.

BME's emission reduction pathway is mainly driven by the ongoing transition of goods transportation away from fossil fuels, towards biofuels, electrified transport

solutions, and – where feasible – green hydrogen. This shift is expected to represent the most material contribution to future emissions reduction within Scope 1. In parallel, we aim to achieve additional reductions through switching more of our electricity consumption to renewable sources, recognizing that renewable electricity procurement is already at a high level and that further increases are constrained by market and contractual conditions.

By 2050, our ambition is to become CO$_2$e neutral in Scope 1 and 2. As interim steps, we have set targets for an absolute

RESPONSIBLE GROWTH	
Carbon emissions	
2026 target	Scope 1 and 2: **5%** reduction in CO$_2$e vs 2025
2030 target	Scope 1 and 2: **25%** reduction in CO$_2$e vs 2025
2050 ambition	Scope 1 and 2: CO$_2$e neutral

Challenges ahead

We recognize that the transition of building heating systems from fossil fuels to renewable electricity and other fossil-free heating solutions represents our long-term path to reducing emissions. We monitor developments in electrification, alternative heating technologies, and other fossil-free innovations applicable to distribution centers, warehouses, and office locations. The pace and extent of such a transition are currently constrained by economic scalability, technical feasibility, and the availability of suitable solutions across our geographically distributed building portfolio. As a result, heating-related emissions reduction is expected to be incremental and dependent on market developments, rather than a primary short-term driver of Scope 1 and Scope 2 emissions reduction.

For BME, transport is not a peripheral concern – it is part of our core business. Reducing emissions from our fleet is a clear priority, but the path forward is more complex than simply switching fuels or electrifying vehicles.

The first challenge is infrastructural readiness. Alternatives to diesel are not yet reliably available across all markets in which we operate. Grid congestion in countries such as the Netherlands and Switzerland makes large-scale electric charging difficult to plan around. Biofuels remain hard to source commercially in Belgium, France, and Spain, while hydrogen is not yet a viable mainstream option for heavy transport.

The second challenge is the nature of our operations themselves. Construction sites run to tight delivery windows, and meeting them is non-negotiable for our customers. This limits our ability to consolidate loads and optimize routes, resulting in more journeys than a fully flexible logistics model would require.

These are structural challenges that no single company can resolve alone. Progress depends on energy infrastructure investment, cross-industry coordination, and an honest conversation with customers and partners about how delivery models evolve. Our transport targets reflect both our genuine ambition to reduce emissions and a realistic assessment of what the transition requires – from us, and from the wider system around us.

E1-7

Energy consumption and mix

Energy balance		2024	2025
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	122,566	110,489
Fuel consumption from natural gas	MWh	70,909	70,640
Fuel consumption from other fossil sources	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	9,987	11,010
Total energy consumption from fossil sources	**MWh**	**203,461**	**192,140**
Percentage of fossil sources in total energy consumption	%	80%	76%
Total energy consumption from nuclear sources	**MWh**	**0**	**0**
Percentage of energy consumption from nuclear sources in total energy consumption	%	0%	0%
Fuel consumption from renewable sources	**MWh**	**4,518**	**13,138**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	45,436	44,585
Consumption of self-generated non-fuel renewable energy	MWh	1,472	2,168
Total energy consumption from renewable sources	**MWh**	**51,426**	**59,891**
Percentage of renewable sources in total energy consumption	%	20%	24%
Total energy consumption related to own operations	**MWh**	**254,887**	**252,031**

E1-8

Gross Scopes 1, 2, 3 and total greenhouse gas (GHG) emissions

Achievements - Absolute	2024	2025	%	2030 target	%
Scope 1 GHG emissions	-	-		-	
Gross Scope 1 GHG emissions (ktonCO$_2$eq)	41.09	38.40	-7%	28.80	-25%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%	0%
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions (ktonCO$_2$eq)	21.00	20.75	-1%	19.71	-6%
Gross market-based Scope 2 GHG emissions (ktonCO$_2$eq)	4.27	4.45	4%	-	-100%
Scope 1 & 2 target					**-25%**
Total Gross indirect (Scope 3) GHG emissions (ktonCO$_2$eq)*	-	-	-	-	-
1 Purchased goods and services	-	-	-	-	-
2 Capital goods	-	-	-	-	-
3 Fuel and energy-related	-	-	-	-	-
4 Upstream transportation and distribution	-	-	-	-	-
5 Waste generated in operations	-	-	-	-	-
6 Business travel	-	-	-	-	-
7 Employee commuting	-	-	-	-	-
8 Upstream leased assets	-	-	-	-	-
9 Downstream transportation	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-
11 Use of sold products	-	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-
13 Downstream leased assets	-	-	-	-	-
14 Franchises	-	-	-	-	-
15 Investments	-	-	-	-	-
Total GHG emissions					
Total GHG emissions (location-based) (ktonCO$_2$eq)	62.08	59.15		-	
Total GHG emissions (market-based) (ktonCO$_2$eq)	45.35	42.85		-	

* We will publish the entire scope 3 emissions, when we have the complete calculation.

Accounting principles

Baseline year selection and methodology

BME's 2025 baseline year – established in the 2025 climate roadmap – serves as the reference point for emissions reduction progress. The baseline comprises market-based Scope 1 and Scope 2 emissions. Material structural changes trigger baseline recalculation according to defined significance thresholds.

Greenhouse gas emissions reduction targets

BME has established absolute greenhouse gas emissions reduction targets, as defined in the 2025 climate roadmap. Current targets encompass Scope 1 and Scope 2 emissions calculated using the DEFRA 2024 methodology. Our short-term targets are not aligned with the Paris Agreement 1.5°C pathways by 2030. Scope 3 targets will be established as value chain emissions accounting matures.

Renewable vs. non-renewable energy breakdown

Renewable electricity is substantiated through Guarantees of Origin (GoO) certificates procured via Western European energy supply contracts. Renewable consumption backed by valid GoO certificates is reported separately from non-renewable electricity. Non-renewable energy is calculated using the Association of Issuing Bodies (AIB) Residual Mix, maintaining alignment with Scope 2 market-based emissions calculations, and preventing double-counting through AIB registry verification.

Scope 1 emissions methodology

Scope 1 emissions encompass all direct greenhouse gas emissions from sources owned or controlled by the organization under the operational control approach, as defined by the GHG Protocol Corporate Standard. Emissions are quantified using emissions factors published in the UK Government's DEFRA 2024 Greenhouse Gas Conversion Factors. All calculations are expressed in kilotons of CO_2 equivalent ($ktCO_2e$).

Scope 2 emissions methodology

Scope 2 emissions account for indirect emissions from purchased or acquired electricity and district heating. BME reports Scope 2 emissions using both location-based and market-based methods, in accordance with the GHG Protocol Scope 2 Guidance.

The location-based method applies the AIB European Production Mix factors for the respective Western European countries in which BME operates.

The market-based method reflects emissions based on BME's actual energy supply contracts. Renewable electricity covered by GoO certificates is assigned a zero-emission factor. Non-renewable electricity is calculated using supplier-specific emissions factors from local contract delivery mix factors where available, or AIB Residual Mix factors where supplier-specific data is unavailable. All calculations maintain full traceability and prevent double counting of renewable energy claims.

Scope 3 emissions methodology and value chain coverage

Quantification of Scope 3 emissions is in progress following a phased implementation approach, consistent with CSRD transitional provisions. A screening assessment has been conducted across the 15 GHG Protocol categories to identify material emission sources. Calculations of business travel, employee commuting, or outsourced transport use DEFRA 2024 emissions factors, prioritizing primary activity data supplemented by industry-average factors where necessary. BME discloses current coverage limitations, data quality, and the roadmap for comprehensive value chain emissions accounting.

Target baseline, scope, and timeline

Targets specify the baseline year from the 2025 climate roadmap, emissions scopes covered (currently Scope 1 and Scope 2), and achievement dates. BME's long-term 2050 ambition remains contingent upon the economic viability and commercial availability of necessary decarbonization technologies. Annual progress reporting includes actual emissions performance calculated using consistent DEFRA methodology and AIB factors.

Total energy consumption reporting

Total energy consumption encompasses all energy purchased, generated, or consumed within the same organizational boundary as Scope 1 and Scope 2 emissions. Energy consumption is reported in megawatt hours (MWh) using DEFRA 2024 conversion factors.

E5

Resource use and circular economy

Resource use and circular economy is a material topic within our ESG strategy, both in our value chain and in our own operations. In the previous chapter, "Responsible Building Solutions", we describe how we enable our customers to build while reducing their environmental impact. In this chapter, we focus specifically on our strategy to reduce our resource inflows, which is the relevant material topic within our own operations.

As a distributor and trader of building materials in Western Europe, we act as an intermediary between suppliers and end-customers. We do not manufacture goods, but we warehouse, repackage, and distribute products. Resource inflows are therefore primarily driven by the packaging materials added to the value chain in the course of our logistics and distribution activities.

The disclosures in this chapter represent BME's first structured reporting on resource inflows under ESRS E5. At this stage, the sustainability program related to resource use and circular economy is still developing, and we are in the process of improving our data maturity. Dedicated disclosures under E5-1, E5-2, E5-3, E5-5, and the relevant cross-cutting standards will follow as the program matures. The links to other chapters referenced in this disclosure therefore reflect BME's intended reporting architecture rather than currently published disclosures. Where no

separate chapter exists yet, the relevant context is captured within this chapter to the extent possible.

E5-1

## Policies related to resource inflows and circular economy

Circularity is embedded in BME's broader environmental policy, which seeks to reduce packaging use and increase the proportion of recycled content. We plan to complete our policy with relevant principles, goals, and responsibilities to fully integrate circularity.

E5-4

Resource inflows

The data presented in this chapter covers only packaging materials added to the value chain by BME's own operations during the reporting year. Quantities reflect volumes of materials purchased rather than consumed or put into use; there have been no adjustments for inventory changes.

Quantities are expressed in kilograms as the primary unit of measurement, consistent with the weight-based approach required under this standard. Data has been collected from procurement records, inbound goods systems, and waste-management contractor reports.
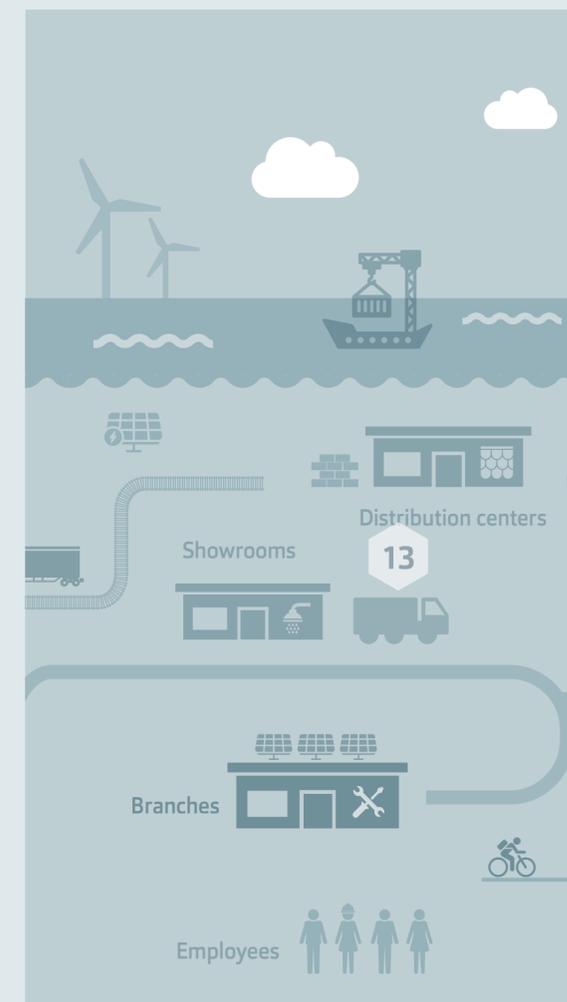
**Operations
Selling building materials**

OWN OPERATIONS:

13　E5　Packaging bought to protect our materials during transportation

The disclosure below reflects 90% data coverage; this limitation is disclosed in accordance with ESRS 1 General Requirements. An estimated 10% of total inflow data may not yet be fully captured, though we aim to improve data collection going forward.

Key materials – qualitative description

The table below provides a concise description of each key material, reflecting its role and relevance in the context of our operations.

Key material	Classification	Description and role in operations
Wood	Biological / Renewable	Primarily softwood pallets, pallet collars, and wooden crating used for stabilizing and protecting heavy building materials (tiles, bricks, stone) during transport. Wood constitutes the single largest material input. Sourced predominantly from European suppliers. FSC-certified or PEFC-certified material preferred where available. No critical or strategic raw materials identified.
Paper and cardboard	Biological / Mixed recycled-virgin	Corrugated cardboard boxes, corner boards, void fill, and wrapping paper used for individual product protection and grouping. Derived from a mix of recycled fibers and virgin pulp. Fully recyclable at end of use. No critical or strategic raw materials identified.
Plastic – recycled content	Technical / Secondary (post-consumer and post-industrial)	Stretch wrap and strapping tapes manufactured from recycled HDPE and LDPE. Used for bundling individual units and weather protection on pallets. The use of recycled-content plastic reflects BME's procurement preference for secondary materials. No critical or strategic raw materials identified.
Plastic – non-recycled content	Technical / Primary (virgin)	Virgin polyethylene and polypropylene films and edge protectors for product lines where recycled-content alternatives do not yet meet performance or food-contact safety requirements. Represents 4.3% of total packaging weight. Reducing reliance on virgin plastics is a key target area for the coming reporting periods. No critical or strategic raw materials identified.
Metal	Technical / Mixed (predominantly recyclable)	Steel strapping bands and wire ties used for securing heavy loads. Represents a marginal share of total packaging weight (0.02%). Steel is fully recyclable and is typically recovered through scrap metal channels at the customer end. No critical or strategic raw materials identified.
Other	Mixed / Under review	Composite materials, foam cushioning inserts, and other ancillary packaging components that do not fall into the categories above. Material composition for this category is currently under detailed review as part of our packaging target-setting program. Estimated at 2.5% of total packaging weight.

Total weight of key materials

In 2025, the total weight of all packaging inflows was 5,333,407 kilograms (within the reporting scope). This data covers approximately 90% of estimated total inflows of packaging materials added to the value chain.

Breakdown by key material

The table below shows a breakdown of each key material expressed in absolute weight and as a percentage of total key materials. It distinguishes between materials of biological origin (renewable) and technical materials, and identifies the recycled/secondary content where applicable.

Material	Weight (kg)	Share of total (%)	Material type	Circularity status
Wood	4,167,091	78.1%	Biological / Renewable	Reusable / Recyclable
Paper and cardboard	445,863	8.4%	Biological / Mixed	Recyclable
Plastic – recycled content	354,162	6.6%	Technical / Secondary	Secondary material
Plastic – non-recycled content	230,187	4.3%	Technical / Primary	Virgin – reduction targeted
Metal	947	0.02%	Technical / Mixed	Recyclable (steel)
Other	135,157	2.5%	Mixed / Under review	Under categorization
TOTAL	**5,333,407**	**100%***		

* Percentage figures are rounded to one decimal place; the sum does not equal 100% due to rounding.

Secondary resources used

For the reporting year, BME is not yet able to fully and reliably quantify the secondary resources used across its key material inflows. Verified data on recycled and secondary content is not yet available for all key material categories, including the recycled fiber content of paper and cardboard inputs, the share of reclaimed or reused wood within the pallet and crating supply chain, and the composition and origin of materials classified under the "Other" category.

Given these data gaps, and in line with the quality criteria set out in ESRS 1 General Requirements, we have decided not to report secondary resource use for 2025. Reporting a partial figure at this stage would risk being misleading, and would not provide a faithful representation of our actual secondary material consumption.

We are actively building the data infrastructure required to support this disclosure. A supplier verification program has been initiated to obtain material declarations covering recycled and secondary content from all key packaging suppliers. A packaging categorization audit is underway to determine the full composition of current material inflows.

We expect to be able to report secondary resource use across all key material categories from the 2027 reporting year, to be disclosed in the 2028 sustainability statements, in line with the applicable phase-in provisions.

Critical and strategic raw materials

We have assessed our key materials against Annex I (Critical Raw Materials) and Annex II (Strategic Raw Materials) of the Critical Raw Materials Act (Regulation (EU) 2024/1252). Based on this assessment, none of the key packaging materials listed above – wood, paper and cardboard, plastics, metal, or other packaging components – are classified as critical or strategic raw materials under the Critical Raw Materials Act. We therefore have no specific disclosure obligation under AR 2 for the 2025 reporting year.

E5-2

Actions and resources related to resource inflows and circular economy

BME's resource inflow profile reflects our role as a distributor and trader of building materials. We do not manufacture products, but we add significant packaging to protect and repackage goods during warehousing, handling, and last-mile delivery. As a result, packaging represents the primary and most material resource inflow category.

From a circular economy perspective, the following features of our resource inflow profile are directly aligned with the actions we prioritize:

- Wood is the dominant material. As a renewable biological resource, wood aligns with the cascading principle encouraged under the EU Circular Economy Action Plan (2020). We are progressing certification requirements (FSC/PEFC) for the pallet and crating supply chain, and we are exploring pallet-pooling and return schemes to extend useful life. For example: BME Spain runs a pallet and wooden block return program, which enables reuse in customer deliveries or by suppliers who collect them.
- Recycled-content plastics demonstrate an active shift away from virgin materials. For example: BME Spain only buys stretch film made from 20-micron film with 100% recycled content.

- Virgin plastics remain a focus area for substitution. A packaging redesign program is underway to evaluate alternative materials (such as paper-based alternatives and bio-based films) for applications currently reliant on virgin PE/PP.
- Metal is a marginal but fully recyclable input. Steel strapping is recovered through dedicated metal scrap streams at customer sites.
- A packaging audit is currently in progress for the "Other" category. Results will help us make future substitution decisions and are expected to be reported from 2026.

E5-3

Targets related to resource inflows and circular economy

We are currently collecting data for a sustainability program related to resource inflows and circular economy. Dedicated targets have not yet been formalized as stand-alone disclosures. In 2026, we intend to use the baseline data collected to define specific, measurable targets for 2030, and to identify the actions needed to achieve them.
By 2030, we aim to reach 25% recycled content and 75% recyclability of packaging. By 2050, our goal is to be the industry leader in "refuse, reuse, recycle" when it comes to packaging.

RESPONSIBLE GROWTH	
Resource use and circularity	
2026 target	Full reporting on recycled content and recyclability of packaging purchases
2030 target	Recycled content: **25%** reduction vs 2026 Recyclability: **75%**
2050 ambition	BME is industry leader in "refuse, reuse, recycle" of packaging

E5-5

Resource outflows and waste

Our double materiality assessment, conducted in 2023, deemed resource outflows and waste in our own operations to be a non-material topic. We therefore do not report on the resource outflows and waste from our own operations.

Accounting principles

"Other" materials

The calculated weight is based on procurement records, but the composition has not been fully categorized – resulting in a category "other" materials. The circularity status of such other materials has not yet been determined.

Packaging quantities

Quantities have been calculated from procurement records cross-checked with goods receipt data or supplier reporting. Not all procurement records have weight per type of packaging available. In those cases, we made a calculation to translate the monetary value (euros) into weight (kilograms). Not all operating companies were able to report this for 2025, leading to approximately 10% missing data. We are planning to consolidate volumes per supplier and supplier-specific reporting of packaging weight going forward.

Recycled content classification

The recycled content has been classified based on supplier declarations and product datasheets, verified for the top ten suppliers by spend. Smaller suppliers (~20% by spend) have not yet been verified, and as such we have applied a conservative classification. The supplier verification program will be extended to all material suppliers in 2026.
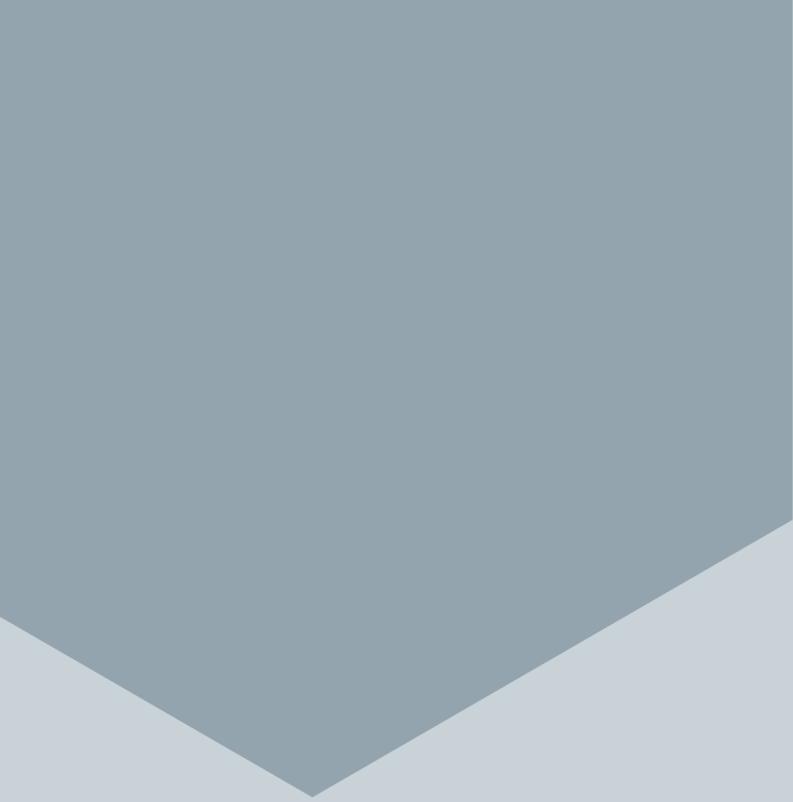
SOCIAL

S1

Own workforce

BME aims to secure a great and safe place to work, where all our employees can thrive and reach their full potential. Our more than 12,000 employees are our core asset when it comes to offering excellent customer service. They merit the best possible care, and we continuously invest in their engagement and talent.

Our people, our strongest asset

Our workforce is made up primarily of employees working in operational roles in our branches and distribution centers. Other employees have a commercial or supply chain role, while some are active in management roles. We also work with "non-employees", such as individual contractors and consultants. We value everyone committed to BME, and we consider both employees and non-employees in our people strategy.

S1-1

Policies related to own workforce

We have set out certain policies to manage our material impacts, risks, and opportunities relating to our own workforce. We ask all our employees and non-employees to respect our human rights policy, adhere to our Code of Business Conduct, and follow the guidelines of our whistleblower policy to maintain the highest levels of integrity.

Human rights policy

We are committed to respecting fundamental human and labor rights throughout our activities and across our value chain. Based on international guidelines and principles, BME's salient human rights and risk-based due diligence process are outlined in the policy. BME requires all employees – as well as suppliers, customers, and other stakeholders – to adhere to our human rights policy. One of the salient[5] human rights addressed by the policy is the right not to be subject to forced, compulsory, or child labor.
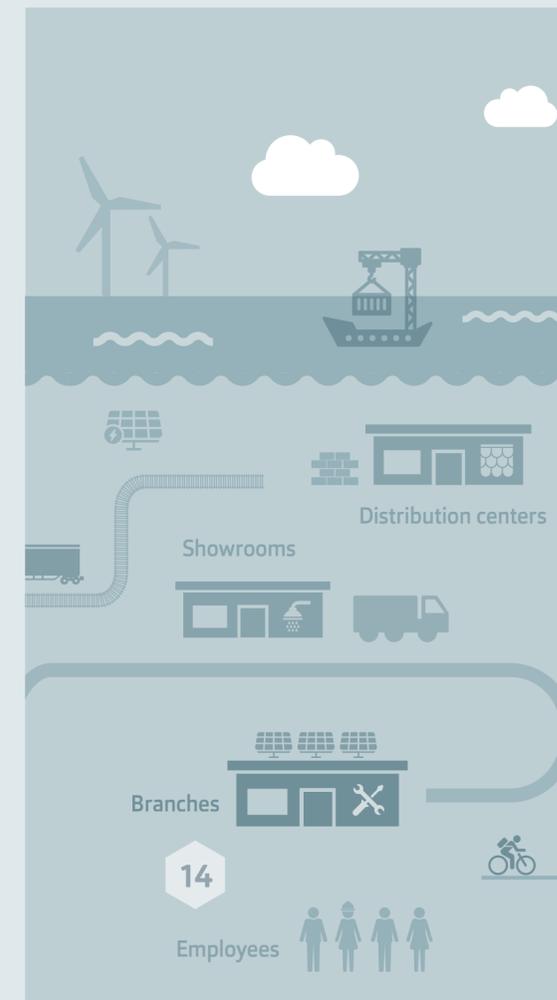
Code of Business Conduct

In line with UN Global Compact Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines, BME has a Code of Business Conduct to guide all employees in maintaining ethical standards. The code's ten principles encompass respect for human and labor rights, health and safety, ethical business practices, and environmental stewardship. The code also reinforces our values: Dare, Care, Do It, Be Real, and Win Together. We expect all our stakeholders to adhere to the code.

Whistleblower policy

BME aims to maintain the highest standards of integrity, and to create an atmosphere where all our stakeholders

---

5   Salient human rights are those human rights that stand out because they are at risk of the most severe negative impact through our activities or business relationships.

Distribution centers

Showrooms

Branches

14

Employees

**Operations
Selling building materials**

OWN OPERATIONS:
14   S1   Potential accidents in our
             operations

feel empowered to speak up when they suspect or observe a breach of any of our policies. Our whistleblower policy is applicable to all our stakeholders, including our employees, and outlines the reporting lines and whistleblower hotline, which is managed by an external party. The hotline can be used for anonymous reporting, and the person reporting the incident is protected by confidentiality.

Other policies and procedures
BME has other internal procedures, such as a travel and business expense procedure, a lease car procedure, and an employee guide. Local health and safety policies are covered under the "Health and safety" section of this chapter.

Our policies are communicated to our employees and non-employees through our internal communication platform, BME Connect, or by email. When a new policy has been published or an existing policy reviewed, we launch a communication campaign in Dutch, French, German, Spanish, and Portuguese across our operating companies.

S1-2 and S1-16
Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs, and approaches to remedy

Employee engagement channels
In the "Interests and views of stakeholders" section of the "General disclosures" chapter, we describe how we engage directly with our own workforce and workers' representatives, and how their perspectives influence our strategy and decisions.

Our annual employee engagement survey remains a crucial element in our engagement strategy with our own workforce, and is deployed across all our operating companies. Further details on the rollout of the survey are described in the next section of this chapter. In addition, many operating companies have their own Works Council that is regularly consulted, as well as newsletters to disseminate information throughout their workforce.

Speaking up
We encourage employees and non-employees to speak up if they have any concerns. The first point of contact is their direct manager and, if needed, the managing director, finance director, or HR director of their operating company. If escalation is required, the Group General Counsel or Group Head of Internal Audit can be addressed. In many operating companies – such as those in Belgium, Germany, the Netherlands, and Switzerland – "trusted persons" have been appointed, who employees can contact when looking for guidance about their needs in the workplace.

Beyond internal resources, our workforce can also report an issue via our whistleblower hotline. The hotline allows for anonymous reporting and is managed by an external party. More details about our newly launched whistleblower hotline, Speak Up, can be found in the chapter, "Business conduct". Incidents reported through the hotline are addressed by the Ethics & Compliance Committee, as described in the chapter, "Our governance". Reported incidents of fraud, bribery, or discrimination relating to higher management are escalated to the Audit Committee of the Supervisory Board.

S1-16
Incidents of discrimination and other human rights incidents
In 2025, there were 17 incidents of discrimination reported through our whistleblower hotline. None of these incidents involved a severe human rights violation, and no incident resulted in the payment of fines, penalties, or compensation for damages. The number of reported incidents is partially due to the launch of a new whistleblower hotline. This reassures us that our employees are confident in reporting discrimination, but also that our communications campaign has been effective and that we have a culture of open communication. At the same time, we aim to reduce the number of incidents by addressing the issues reported and by strengthening the integrity of our company culture.

S1-3
Actions and resources related to own workforce

Employee engagement
Our people are our greatest asset, and we prioritize their engagement and well-being. We aim to be the employer of choice in our sector, which means we continuously

Let's Rebuild Valencia
Beyond acting on the results of the annual survey, BME continuously aims to increase employee engagement throughout the company. For example, at BME Spain the "Let's Rebuild Valencia" initiative was a unique road-cycling challenge of approximately 6,000 kilometers across BME Spain's 59 branches, bringing together employees, suppliers, and clients to raise funds for the areas affected by the floods in Valencia. The initiative aimed to raise money through sponsorships, foster teamwork among stakeholders, and promote sustainability and sport. All funds were donated to Fundación Felisa, a non-profit organization that supports communities in emergency situations. The contribution has helped finance the reconstruction of flood-affected areas, resulting in 27 homes rehabilitated and a total donation of €93,000. Further details on this initiative can be found on our website.

strive to improve our employee engagement. This enables us to build a workplace of satisfied employees who feel supported and are set up for success.

First and foremost, our managers connect with their teams through genuine interest and care on a daily basis, during both one-on-one meetings and team meetings. We firmly believe that this contributes to employee engagement, drives productivity, and leads to better workplace outcomes overall.

To gain feedback from employees across our operating companies, our annual employee engagement survey remains our primary tool for development and continuous improvement of our organization. The survey results provide valuable insights into employee morale and satisfaction, as well as identifying areas for improvement. We foster a positive culture, in which employees feel empowered to share their opinions.

In 2025, 78% of our employees completed our survey – including questions about engagement, inclusion, and well-being – and the overall employee engagement score across the Group was 7.3. The rollout of the survey involved workshops with Effectory, which conducts the survey anonymously, and a playbook to align implementation across operating companies. We scheduled multiple pulse checks during the year to follow up on progress on the action plans. Each operating company has its own score, and the survey results are the basis for developing a local action plan. Low-scoring themes are addressed in working groups.

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

In 2025, we implemented several initiatives to raise awareness and foster an inclusive culture. We rolled out unconscious bias training and competency-based interview training for managers in some operating companies. For our leadership, we further implemented our "great conversations" training, with a focus on inclusion and psychological safety: together with their peers and facilitated by actors, leaders were trained in how to have successful conversations with their managers.

BME operates in an industry that is not a frontrunner in diversity, with lower female representation compared with other sectors. Gender diversity is therefore our main priority in our diversity strategy. In 2025, BME's leadership with diverse backgrounds stood at 19%.

International Women's Day
On International Women's Day in 2025, BME shared calls to action around the potential of gender equality with employees across Europe, aiming to strengthen conversations on inclusion and female leadership. For example, BAUKING's management team met with female leaders to discuss their leadership training program, sharing their observations about working as a female leader, providing feedback on the program, and giving input on how the management team can support and promote female leadership. The alumni of the program are currently developing an ongoing network.

S1-4

Targets related to own workforce

BME aims to be the employer of choice in its sector by 2050. Our employee engagement score enables us to track our progress towards this goal, which is why we have set a target of 7.5 by 2026, and of 8 by 2030.

We also aim to build a workforce that fairly represents the diversity of our local communities, and that our leadership and applicant pools reflect that. To measure our progress, we have set a target for leadership with diverse backgrounds of 20% by 2026, and of 25% by 2030.

S1-5

Characteristics of our employees

2025	Number of employees (headcount)
Male	8,936
Female	3,255
Non-binary	2
Not reported	0
Total	12,193

2025	Number of employees (headcount)
Belgium	1,097
France	528
Germany	4,645
The Netherlands	3,145
Portugal	650
Spain	619
Switzerland	1,509
Total	12,193

2025	Employee turnover
Employee turnover rate	22%

S1-6

Characteristics of our non-employees

2025	Number of non-employees (headcount)
Number of non-employees: self-employed	314

S1-7

Collective bargaining coverage and social dialogue

2025	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 employees for the ten largest countries)	Employees – non-EEA	Workplace representation (EEA only) (for the EEA countries included in the ten largest countries)
0-19%		Switzerland	Portugal, Spain
20-39%	Germany		
40-59%			Germany
60-79%			
80-100%	Belgium, France, the Netherlands, Portugal, Spain		Belgium, France, the Netherlands

S1-8

Diversity metrics

2025	Composition of top management
Number of women	18
Percentage of women	19%
Number of men	78
Percentage of men	81%
Total	96

S1-11

Persons with disabilities

BME hires employees based on their talents and competences, regardless of any potential disability. Due to restrictions in national legislation, we cannot consolidate the total number of employees with disabilities for BME Group. We are therefore exempt, but we comply with all applicable national legislation.

How we value our employees

We believe that rewarding our employees properly is a sign of our appreciation for their commitment and performance. Appropriate reward leads to improved employee engagement, stronger results, and better employee well-being. We therefore invest in our people and comply with all applicable national legislation described below.

S1-15

Remuneration metrics

We fully endorse the principle of equal pay for equal work, because we believe that it builds a culture of fairness, loyalty and performance, and is a strategic advantage for our company. We welcome all efforts to eliminate the gender pay gap, including greater transparency and enforcement. We are currently working towards full compliance with the EU Pay Transparency Directive by June 2026.

S1-9

Adequate wages

We operate in seven Western European countries, in which we comply with all applicable national legislation. We are confident that our employees are paid an adequate wage.

S1-10

Social protection

We advocate for strong protection against the loss of income due to major life events, such as sickness, unemployment, employment-related injury, or maternity

leave. As a company operating in Western Europe, we acknowledge that our employees are covered by the social protection programs in their countries.

S1-14

Work-life balance metrics

A healthy work-life balance is a significant contributor to the well-being of our people, and as such has high priority. The opportunity to take leave to care for a family member if needed is crucial to achieving this. Every employee is entitled to take family-related leave, and we respect all applicable national legislation in the markets in which we operate.

We believe that a happy workforce is the best enabler to good performance. We measure the well-being of our employees as part of our employee engagement survey, in which employees rate their work-life balance and how well their manager cares for their well-being. In 2025, BME's well-being score was 7.2.

S1-12

Training and skills development metrics

We continuously invest in performance management to ensure our employees are able to perform at their best. We foster a culture of continuous learning to attract and retain top talent, while equipping our people with the expertise to excel in the workplace.

Local career development initiatives

The reporting year saw many local initiatives to embed career development:

- At BAUKING in Germany, HR directors and business partners visited the company's various locations – engaging in dialogue with employees about career pathways and tools, such as individual development plans, performance reviews, and talent development offerings. BAUKING also reviewed all job descriptions and grading as a basis for development discussions.
- German operating company SHK improved its organizational structure with clearer reporting lines, as well as empowerment and development of team leaders.
- BME Spain launched an internal platform for professional and personal development for all employees, offering a wide range of training options to enhance skills and knowledge. Training opportunities include leadership skills, well-being and personal development, technology and digitalization, ethics, and marketing.

Skilled managers provide targeted feedback and support, ensuring employees understand their role, performance expectations, agreed objectives, and development pathways. Individual development plans are drawn up to identify strengths, areas for improvement, and developmental goals. We support the growth of our employees and teams by offering training throughout the company. As training is often provided at operating company level, we are not able to disclose consolidated performance figures.
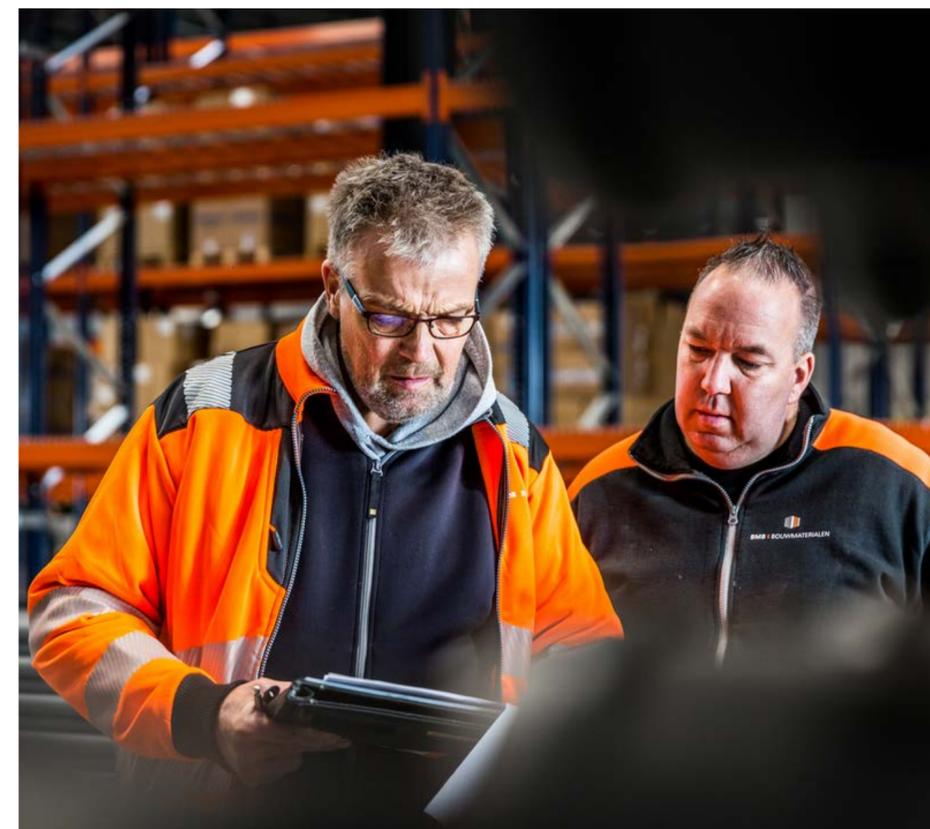
Health and safety

The health and safety of our people is one of the topics identified as material by our stakeholders as part of our double materiality assessment. We deeply care about our employees, and securing a safe place to work is the top priority in our people strategy.

S1-1

Policies related to health and safety

BME does not have a specific Group-wide health and safety policy, but the right to health and safety is an integral part of our human rights policy, and we do follow a Group-wide procedure. As we operate in seven different countries, each with specific national legislation, every operating company has their own procedures in their local language as well.

S1-3

Actions and resources related to health and safety

We continuously invest in health and safety across all our operating companies. Instead of a management system, we work with local safety systems tailored to national legislation and our Group-wide **Health & Safety Compass program – "Think first, behave safe"** – as a framework. The program has five focus areas:

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

The Health & Safety Compass program guides us in maintaining our physical health, by minimizing the risk of accidents and related injuries during our day-to-day business. The program is supported by an online platform and mobile app, where practical roadmaps, behavioral guidelines, communication materials, and toolboxes are available for daily consultation and continuous training. Employees can report any unsafe situation via the platform or app, enabling BME to quickly identify risks and areas for improvement.

Because we care about our people, we want to offer them a healthy and safe workplace. Our goal is to mitigate any potential negative impacts, including the risk of injuries and ill health. To reduce risks, embedding a culture of health and safety was a major focus in 2025.

In the reporting year, we rolled out the **Safety Seven**: an agreed set of seven rules for all operating companies, the first of which aims to cultivate a culture of safety feedback, while the rest cover general safety.

1. **If you see something, say something:** Talk to others about unsafe behavior and accept feedback about your own.
2. **Strap in, stay safe:** Always use your seatbelt and all available safety features.
3. **Focus on work:** Use designated areas for phone checks and smoking.
4. **Be visible, be safe:** Always wear high-visibility clothing and use required safety gear while working.
5. **Keep your distance:** Stay two meters away from moving equipment, especially forklifts and cranes.
6. **Hold tight, stay right:** Keep three points of contact when getting in and out of a truck.
7. **Secure items above two meters:** Wrap and secure all products stored above two meters high.

In 2025, we introduced two toolboxes at Group level: one on rack safety and storage in warehouses; and one on handling, storage, and transportation of hazardous materials. Furthermore, health and safety audits were conducted in three operating companies to assess their compliance with national legislation and the Health & Safety Compass program, and a taskforce was set up to strengthen weaker areas where needed.

We also boosted our safety leadership interactions. During site visits, leaders talk to employees about safety, addressing the cleanliness and tidiness of the location, inquiring about incidents, and asking how employees speak up if they observe a hazard. Leaders share their findings with the site manager, who follows up and takes action if needed. Leadership also sets the example by complying with all safety guidelines.

Keeping our people safe is top priority in our people strategy, which is why we have established a dedicated Health & Safety Committee. The committee sets our annual goals and oversees the implementation of our Health & Safety Compass program. The committee meets quarterly and comprises the Group CEO, Group SVP HR, Managing Directors of BAUKING, BMN and BMS, and Group Director Health & Safety.

Health & Safety Day highlights

On October 30, 2025, ten exceptional Safety Heroes were nominated during BME's Health & Safety Day. Safety Heroes are employees who stand out for their personal commitment to health and safety in their operating company. Recognizing his particular dedication, BME announced Pierre Damen from BMN as the 2025 Health & Safety Hero Winner .

The Health & Safety Day ignited many local initiatives to boost BME's health and safety culture. BAUKING kicked off Safety Culture Visits, raising awareness among employees, customers, and suppliers at several locations. BME Spain held a dedicated health and safety session with employees and launched a mandatory training course. BMN conducted safety rounds, competitions, toolbox talks, and dedicated safety days.

| SECURING A GREAT AND SAFE PLACE TO WORK		
	Health and safety	**Employee engagement**
2026 target	Accident frequency rate: **0.6** Accident severity rate: **12**	Employee engagement score: **7.5**
2030 target	Accident frequency rate: **0.5** Accident severity rate: **10**	Employee engagement score: **8**
2050 ambition	Frequency and severity rate in top quartile of workplace safety in the industry	BME is the employer of choice in its sector

S1-4
Targets related to health and safety

BME aims to secure a great and safe place to work. Our goal is to maintain an accident frequency rate and an accident severity rate in the top quartile of the industry by 2050. To measure our progress, we have set an accident frequency rate target of 0.6 by 2026, and of 0.5 by 2030. We have set an accident severity rate target of 12 by 2026, and of 10 by 2030.

S1-13
Health and safety metrics

2025	
Accident frequency rate – BME definition	0.86
Rate of recordable work-related accidents – CSRD definition	8.78
Accident severity rate – BME definition	18.13
Severity rate – CSRD definition	185.32
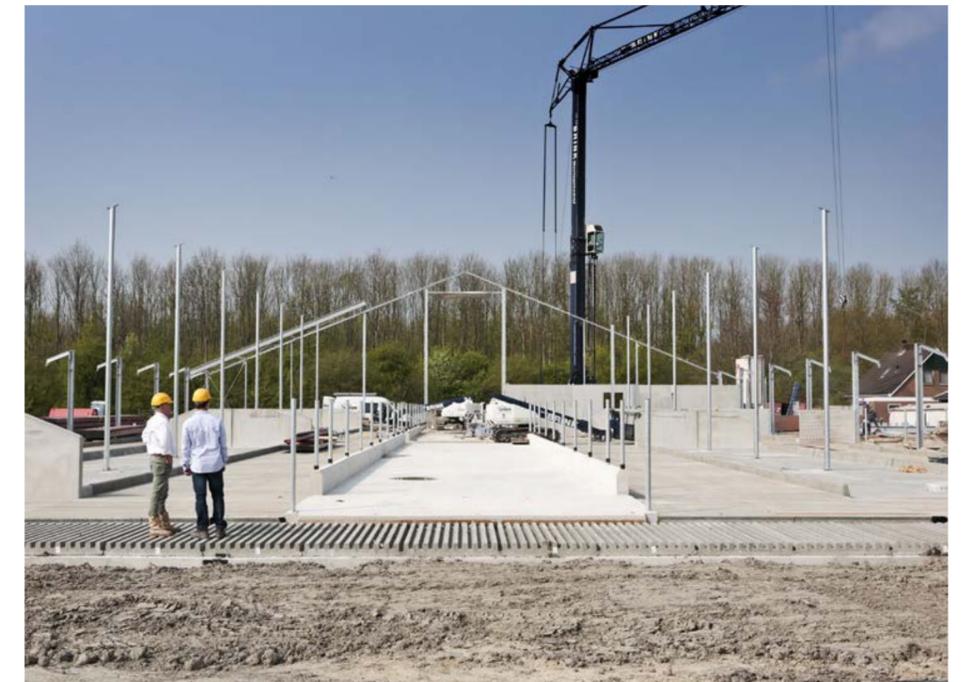
Accounting principles

Accident frequency rate
The frequency of accidents is measured as a ratio: the number of accidents that occurred across all BME locations, divided by the total hours worked and multiplied by 100,000. Our calculation method deviates from the rate of recordable work-related accidents as defined in the CSRD, where it is multiplied by 1,000,000.

Accident severity rate
The severity of accidents is measured as a ratio: the number of days lost due to work-related injuries, fatalities from work-related accidents and ill health, divided by the total hours worked and multiplied by 100,000. Our calculation method deviates from the severity rate as defined in the CSRD, where it is multiplied by 1,000,000.

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

Employee well-being score
The employee well-being score is measured through the employee survey, represented by various survey questions about how well and able people feel to do their jobs. The responses to each question range from 1 (low) to 10 (high). The employee well-being score is calculated as the average score across these dimensions and among respondents.

Leadership
We define leadership in line with the CSRD definition of "top management," as the two levels below the Supervisory and Management Boards. This includes all the members of the Executive Management Team, directors at Group level, and the management teams at operating company level.

Leadership with diverse backgrounds
The diversity of leadership is considered in terms of gender – meaning the percentage of women in leadership positions.

Number of employees
Employee data is calculated based on records from BME's registration system. Following the implementation of the ESRS, we report the number of employees as the total headcount at the end of the reporting year.

Employee turnover rate
Employee turnover is measured as a ratio: the number of employees who leave voluntarily or due to dismissal, retirement, or death in service (excluding divestments), divided by the average employee headcount.

GOVERNANCE

G1
Business conduct

At BME, we care deeply that we build responsibly and ethically. The success of our company and the responsibility we take throughout our value chain is based on our business conduct. We expect all our stakeholders to uphold the highest standards of integrity, embedded in our corporate culture built on trust. We rely on a high level of supply chain accountability by engaging with our suppliers on environmental, social, and governance requirements.

G1-1
Policies related to business conduct

Human rights policy
We are committed to respecting fundamental human and labor rights throughout our activities and across our value chain. Based on international guidelines and principles, BME's salient human rights and risk-based due diligence process are outlined in the policy. BME requires all employees – as well as suppliers, customers, and other stakeholders – to adhere to our human rights policy.

Code of Business Conduct
In line with UN Global Compact Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines, BME has a Code of Business Conduct (CoBC) to guide all employees in maintaining ethical standards. The code's ten principles encompass respect for human and labor rights, health and safety, ethical business practices, and environmental stewardship. The CoBC also reinforces our values: Dare, Care, Do It, Be Real, and Win Together. We expect all our stakeholders to adhere to the code.

Anti-bribery and corruption policy
BME believes that relationships built on trust and integrity are more sustainable and beneficial for all. Certain industries are prone to corruption in general, and the construction industry can be one of those industries. BME is highly vigilant when it comes to maintaining a culture of integrity. We have therefore identified the functions and roles in the company that are most at risk of corruption and bribery. These so-called "functions at risk" include employees working in management, procurement, sales, finance, HR, and IT, covering 30% of our entire workforce.

Our anti-bribery and corruption policy aims to ensure that all employees respect relevant restrictions. The policy outlines guidelines on bribery, gifts and hospitality, sponsorships and marketing events, donations and community activities, lobbying, facilitation payments, political contributions and engaging with increased risk partners, and lists investigations and disciplinary measures.

Operations
Selling building materials
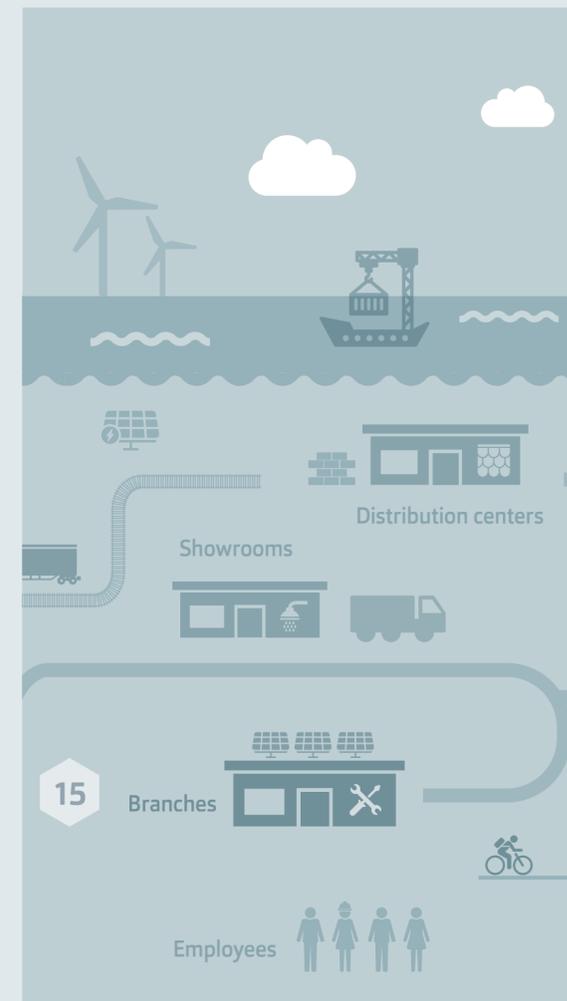
OWN OPERATIONS:
15 G1   Negative ESG impacts from our suppliers

Competition law compliance policy

BME is committed to complying with competition and antitrust laws in all countries of operation. The competition law compliance policy aims to ensure that all BME employees respect relevant restrictions. The policy outlines competition and antitrust laws, provides guidelines on how to handle situations, and lists investigations and disciplinary measures.

Tax strategy and policy

The tax strategy and policy set out the goals that govern and control all of the company's potential tax activities. The policy applies to all employees who deal with tax matters and applies to all types of taxes. It lists our strategic tax principles, sets decision-making rules, and describes the roles and responsibilities of the tax function.

Supplier Code of Conduct

We aim to work with suppliers that share our commitment to good ethical practices, and meet our standards regarding human rights, health and safety, compliance with laws and regulations, and environmental stewardship. We therefore require our suppliers to adhere to our Supplier Code of Conduct with standards linked to human and labor rights, the environment, anti-corruption, and bribery.

Whistleblower policy

BME aims to maintain the highest standards of integrity, and to create an atmosphere in which all our stakeholders feel empowered to speak up when they suspect or observe a breach of any of our policies. Our whistleblower policy is applicable to all our stakeholders and outlines the reporting lines and whistleblower hotline, which is managed by an external party.

Any whistleblower who reports an incident is protected. The whistleblower hotline is anonymous and confidential.

Corporate culture

G1-2

Actions related to business conduct

We believe organizational integrity is essential to operate successfully, manage our stakeholder relationships, and maintain our credibility and reputation. We expect all our employees, suppliers, business partners, and other stakeholders to adhere to our **Code of Business Conduct**. In 2025, all employees who were identified as fulfilling "functions at risk" were invited to complete our annual refresher training of the code. The training comprised online modules covering BME's values, human rights, diversity and inclusion, ethical decision-making, conflicts of interest, bribery, confidential information, and speaking up. Information was presented in the form of videos, followed by a test at the end. Colleagues from recent acquisitions and new employees joining BME are required to complete the full training.

In 2025, we also launched a new **whistleblower platform: SpeakUp**. The platform invites employees, suppliers, and other stakeholders to report concerns regarding unlawful conduct or breaches of our Code of Business Conduct. The SpeakUp whistleblower hotline is managed by an external party, ensuring anonymous reporting. It is accessible via mobile app, a web intake form, and several local, toll-free phone numbers. The launch of the new platform was accompanied by a company-wide communications campaign, including the distribution of posters in local languages in every operating company.

BME prioritizes the detection of incidents, as they are opportunities to strengthen the integrity of our culture. To ensure professionalism and impartiality, receipt of incident reports is managed by the external party, with support in all local languages. These reports are recorded in an incident management system that maintains strict access controls, limited solely to our Legal & Compliance team. The responsibility for overseeing the process and maintaining the confidentiality of reports is entrusted to BME's Ethics & Compliance Committee, as described in the chapter, "Our governance".

In 2025, BME implemented three new policies, relating to human rights, the environment, and no deforestation. The whistleblower policy was updated with the new SpeakUp platform, which was integrated into all existing policies as well.

G1-3

Targets related to business conduct

Our ambition for 2050 is that 100% of employees adhere to our CoBC, know how to report issues, and feel encouraged to act responsibly. To track our progress, we have set a target for 80% of identified employees to have completed the CoBC training by 2026, and 90% by 2030.

RESPONSIBLE GROWTH	
Integrity	
2026 target	Employees periodically trained on CoBC: **80%**
2030 target	Employees periodically trained on CoBC: **90%**
2050 ambition	Employees adhere to CoBC, know how to report issues and feel encouraged to act responsibly: **100%**

G1-4

Metrics related to incidents of corruption and bribery

First and foremost, we want to mitigate potential incidents of corruption and bribery, which is why we have implemented an annual refresher training on our CoBC. In 2025, 86% of identified employees completed the training. These employees cover 30% of our entire workforce, and include all our functions at risk.

In 2025, BME did not receive any convictions for violation of anti-corruption and anti-bribery laws, and no fines were issued. There were no confirmed incidents of corruption or bribery during the reporting year.

G1-5

Metrics related to political influence and lobbying activities

Neither BME Group, nor any of its operating companies, made any financial or in-kind political contribution in 2025. Furthermore, no Supervisory or Management Board member held a comparable position in a public administration role in the preceding two years.

Supply chain accountability

G1-2

Actions related to supply chain accountability

BME's main potential impact on society lies in our value chain. We can enable a sustainable value chain by working with suppliers who share our ambitions. ESG criteria are therefore an integral part of our supplier selection process.

We require our suppliers to uphold both the UN Global Compact Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines. These principles are part of our Supplier Code of Conduct (SCoC), which we expect all suppliers with an annual spend of over €10,000 at Group level to sign. The SCoC includes requirements such as respect for human and

labor rights, commitment to environmental stewardship, and compliance with anti-corruption and anti-bribery legislation. Suppliers are asked to complete a self-assessment questionnaire and may need additional investigations, site visits, or a full ESG audit.

If suppliers wish to apply their own Code of Conduct to our contractual agreements, BME's Group Legal team reviews and compares the supplier's Code of Conduct with our own to confirm equivalence. If standards are not sufficiently high, we require suppliers to commit to our SCoC. If a supplier does not sign the SCoC and refuses to take corrective actions, we will replace the supplier.

In addition, suppliers with an annual spend of over €1 million must undergo an **independent assessment by a third party,** such as EcoVadis, MSCI, Sustainalytics, B Corp, or CDP. Our acceptance rating follows the scoring as outlined in the table below, and our preferred agency for assessment is EcoVadis.

Preferred agency	Accepted assessment by alternative rating agency				
EcoVadis	**MSCI**	**B Corp**	**CDP**	**Sustainalytics**	**Score**
45 to 100	BBB to AAA	80 to 125+	C- to A	0 to 30	Acceptable
26 to 44	BB or B	51 to 79	D	31 to 40	Corrective action plan required
1 to 25	CCC to C	<50	D	>41	Cease business

All suppliers from high-risk regions, particularly in the Far East, must comply with Amfori Business Social Compliance Initiative (BSCI) principles. Tested by a third party, **Amfori BSCI audits** assess 13 key performance areas to help us identify, prevent, mitigate, account for, and resolve issues relating to labor rights and ethical practices. BME accepts an overall score of C, and the section score for child labor must be a minimum of B. In case of a C score, BME engages with the supplier to make improvements following a remedial plan. If no progress is observed or the supplier's score worsens, BME seeks an alternative supplier.

Our three-step approach provides the structure and tools to engage in constructive conversations with suppliers, ensuring alignment on standards and regulations. We fundamentally believe that these conversations have a trickle-down effect, incentivizing compliance on critical issues – such as human and labor rights, the environment, anti-corruption and bribery – further downstream in the value chain. While we believe in collaboration, we also uphold a zero-tolerance policy for violations of our ethical and sustainability standards. In 2025, we decided to end our collaboration with 16 suppliers.

↗ On our website, you'll find a case study about how operating company Galvano proactively works with its suppliers in China to identify, manage, and reduce social risks.

ENABLING A SUSTAINABLE VALUE CHAIN	
Supply chain accountability	
2026 target	Supplier spend signed SCoC: **84%** External ESG validated suppliers: **50%** (EcoVadis or other defined equivalent)
2030 target	Supplier spend signed SCoC: **90%** External ESG validated suppliers: **70%** (EcoVadis or other defined equivalent)
2050 ambition	**ZERO** tolerance to violations of SCoC

G1-3
Targets related to supply chain accountability
By 2050, BME's ambition is for zero tolerance towards violations of the Supplier Code of Conduct. Our path to reach this ambition entails targets of 84% of supplier spend to be covered by a signed SCoC by 2026, and 90% by 2030. Furthermore, we have set a target of 50% of supplier spend to be covered by an external ESG validated assessment by 2026, and 70% by 2030.

G1-4
Metrics related to supply chain accountability
In 2025, 80% of supplier spend was covered by a signed SCoC, and 53% of supplier spend was covered by an external ESG validated assessment. For EcoVadis, this

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

G1-6
Metrics related to payment practices
BME tracks the number of days it takes to pay invoices from suppliers. As we refine our monitoring system, we will disclose our payment practices in more detail going forward. Our standard payment terms respect the legal frameworks in all countries in which we operate. BME has not had any legal proceedings for outstanding late payments in 2025.

Accounting principles

Incidents of corruption
We define corruption as the abuse of entrusted power for private gain.

Incidents of bribery
We define bribery as incidents of offering, giving, receiving, or soliciting anything of value to improperly influence a decision.

Supplier spend covered by signed Supplier Code of Conduct
This KPI is calculated as the spend on goods and services from suppliers (who themselves have an annual spend of more than €10,000) that have signed BME's Supplier Code of Conduct, divided by the total spend on such suppliers (Cost of Goods Sold – CoGS) in the reporting year. Note that this percentage includes a number of suppliers that are exempt from signing the Supplier Code of Conduct, in consultation with BME Group Legal, and after providing sufficient proof of compliance with our ethical business practices and standards, including respect for human rights, health and safety, and environmental stewardship.

Supplier spend covered by an external ESG validated assessment
This KPI is calculated as the spend on goods and services from suppliers that have an external ESG validated assessment, divided by the total number of suppliers that are required to have such an assessment by BME standards. The requirement for an external assessment is an annual spend of more than €1 million per supplier.

≡

Appendices

ESRS 2, IRO-2
ESRS disclosure requirements

The following table outlines the transparency obligations and topics required under the amended CSRD and ESRS. These topics have been identified as material through our double materiality assessment. ESRS topics that are not listed are therefore not material for BME.

| ESRS	Disclosure requirement	Page
BP-1	Basis for preparation of the sustainability statement	45
GOV-1	The role of the administrative, management and supervisory bodies in relation to sustainability	44
GOV-2	Integration of sustainability-related performance in incentive schemes	44
GOV-3	Statement on due diligence	44
GOV-4	Risk management and internal controls over sustainability reporting	44
SBM-1	Strategy, business model and value chain	32
SBM-2	Interests and views of stakeholders	42
SBM-3	Interaction of material impacts and opportunities with strategy and business model, and financial effects	32
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities, and material information to be reported	36
IRO-2	Material impacts, risks and opportunities, and disclosure requirements included in the sustainability statement	38
Entity-specific	Responsible Building Solutions	48
E-1	Climate change	52
E-5	Resource use and circular economy	61
S-1	Own workforce	67
G-1	Business conduct	78

SDG Index

As a signatory of the UN Global Compact since 2024, we are committed to upholding the ten universal principles on human rights, labor standards, environmental protection, and anti-corruption. We are proud to be a member of this community, and in 2025 we participated in the climate ambition accelerator – strengthening our climate expertise throughout our operating companies.

We support the 17 Sustainable Development Goals (SDGs), which have guided us in developing our sustainable business strategy. Across our value chain, our efforts focus particularly on SDGs 5, 8, 11, 12, and 13. In this report, we disclose our performance on sustainability topics following the new, simplified CSRD guidance. This SDG index outlines where in the report you can read more information about how we contribute to the achievement of those goals.

Achieve gender equality and empower all women and girls
The chapter, "Own workforce", provides information about our people strategy, including initiatives to respect human rights, encourage diversity, equity and inclusion, promote female leadership, and end discrimination in all forms.
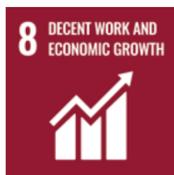
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
The chapter, "Own workforce", provides information about how we value our employees, protect human rights, improve employee engagement, promote training and development, and invest in a health and safety culture.

Make cities and human settlements inclusive, safe, resilient and sustainable
The chapter, "Responsible Building Solutions", explains how a crucial part of our sustainable business strategy is to encourage our customers to build more responsibly.

Ensure sustainable consumption and production patterns
The chapter, "Responsible Building Solutions", explains how a crucial part of our sustainable business strategy is to encourage our customers to build more responsibly.

The "Supply chain accountability" section in the chapter, "Business conduct," provides information about how we engage with our suppliers to ensure sustainable production patterns.

Take urgent action to combat climate change and its impacts
The chapter, "Responsible Building Solutions", explains how a crucial part of our sustainable business strategy is to encourage our customers to build more responsibly, including information on primary energy demand, emissions reduction, and resource use.

The chapter, "Climate change", provides information on how we reduce greenhouse gas emissions in our own operations.

Contact information

We welcome feedback and comments on our sustainability reporting.

BME | Building Materials Europe B.V.
Walaardt Sacréstraat 405 | 1117 BM Schiphol | The Netherlands

T +31 (0) 20 800 3400 | info@bme-group.com | www.bme-group.com

BME

Colophon

Photography
BME | Building Materials Europe B.V.

ESG Strategy
FutureFWD BV

Copywriting
Vicky Hampton Copy & Content

Design
Gewoon Arie