

CLIMATE AND ENVIRONMENTAL POLICY

May 2026



1. PURPOSE, SCOPE, AND AMBITION

PURPOSE

BME is committed to being a reliable and transparent partner for all its stakeholders. Through regular dialogue with customers, suppliers, employees, investors, and the communities we operate in, we integrate expectations and concerns into our decision-making. To make this concrete, BME conducted a Double Materiality Assessment (DMA) to identify the environmental topics most material to our business and value chain, which this Policy addresses.

This Policy aims to provide a framework for managing environmental risks and opportunities, reduce our environmental impact, create sustainable value in line with CSRD requirements, and drive transparency on the environmental performance of the building solutions we bring to market.

This Policy supports BME's sustainability strategy and our unique opportunity as one of Europe's leading building materials distributors to accelerate the transition to a more sustainable built environment.

SCOPE

This Policy applies to all employees, managers, directors, sites, and activities of BME, as well as partners acting on our behalf (agency and temporary workers (such as consultants or contractors)). They are responsible for following these principles and integrating them in all activities and processes. Our principles are driven by the BME values of Dare, Care, Do It, Be Real and Win Together. We emphasize in particular the value Care, which represents building lasting relationships, respect and care for people, communities, and the environment. In addition, when working together with partners in our value chain, we explicitly state our expectations to respect our Climate and Environmental Policy via our [Supplier Code of Conduct \(SCoC\)](#).

AMBITION

BME recognizes environmental stewardship as both a legal obligation and a strategic opportunity. Our ambition, shaped by our DMA, is built around two priorities.

First, we aim to lead in **enabling a sustainable value chain** by driving transparency on the environmental impact of the solutions we distribute. This includes Scope 3 emissions and offering customers the most sustainable options through our Responsible Building Solutions (RBS) framework, underpinned by zero tolerance for violations of our Supplier Code of Conduct (SCoC).

Second, we are committed to **growing responsibly** by targeting carbon neutrality in our own operations by 2030. This by improving energy efficiency in line with the EU Energy Efficiency Directive (EED), and becoming an industry leader in responsible packaging management, guided by the principles of refuse, reuse, and recycle.

2. BME COMMITMENTS

BME's Double Materiality Assessment (DMA) identified climate mitigation and energy, and resource use as the environmental topics where BME has the most significant impact by our own operations and where we bear the greatest responsibility to act. The commitments set out below reflect these priorities and apply across all BME operations and entities.

RESPONSIBLE BUILDING MATERIALS (RBS)

BME aspires to lead the construction industry in enabling a sustainable value chain by minimizing upstream and downstream impacts through our Responsible Building Solutions (RBS) framework. BME aims to:

- partner exclusively with suppliers who adhere to our SCoC, requiring equivalence where suppliers apply their own standards, and conducting due diligence to identify and mitigate risks at strategic suppliers, in line with UNGC Principles and OECD Guidelines,
- prioritize distributing solutions that reduce environmental footprint across their lifecycle, (e.g., energy-efficient insulation, low-carbon, recyclable, or reusable materials),
- actively source and promote products demonstrating measurably lower environmental impact,
- collaborate with customers and suppliers to maximize environmental benefits in use, including through green building certifications such as BREEAM and LEED.

CLIMATE CHANGE - CLIMATE ADAPTATION, MITIGATION, AND ENERGY

In addition to making a difference in our value chain, we also take responsibility for our own operations. BME integrates climate change as a strategic risk and opportunity to grow responsibly. We commit to:

- monitor and reduce greenhouse gas emissions in line with the Paris Agreement, setting clear targets for Scope 1, 2, and 3 emissions,
- improve energy efficiency in line with the requirements of the EED,
- assess and address physical climate risks to our operations and value chain, integrating climate adaptation into our risk management approach.

CIRCULARITY – MATERIALS AND WASTE

BME aspires to reduce resources inflows, including resource use by:

- reducing, reusing, and recycling materials, prioritizing circular economy principles, becoming the industry leader in 'refuse, reuse, recycle' of packaging,
- setting measurable packaging reduction targets, including recycled content and recyclability, prioritizing the use of recycled and secondary materials as inputs for our packaging,
- sourcing sustainable materials, including certified wood and wood products, detailed out in our [No deforestation Policy](#).

POLLUTION, WATER, BIODIVERSITY, AND ECOSYSTEMS

Based on our DMA, (air)pollution, water, biodiversity and ecosystems have not been identified as material impacts or risks arising from BME's own operations. Nevertheless, BME takes its broader duty of care seriously and commits to preventing pollution at source, ensuring correct handling and discharge of process water and wastewater, managing hazardous substances in accordance with REACH, and promoting responsible land use that avoids unnecessary disturbance of ecosystems around its sites. BME will review its position periodically and act where new insights or regulatory developments require it.

OWN WORKFORCE - HEALTH AND SAFETY

BME is committed to providing a safe and healthy working environment for all employees, contractors, and visitors across its sites and operations. We implement and maintain health and safety management practices in compliance with applicable legislation, and continuously work to reduce workplace incidents, injuries, and occupational illness. We commit to:

- clear accountability for health and safety performance at both group and operational level, with regular reporting to executive management,
- empowering employees to identify and report unsafe conditions without fear of reprisal, supported by our BME Speak Up Hotline,
- providing training for employees on product safety and environmental impacts.

Further details on BME's commitments in this area are set out in our [Human Rights, Labor Rights, and Health and Well-being Policy](#).

WORKERS IN THE VALUE CHAIN, AFFECTED COMMUNITIES, AND CUSTOMER SAFETY

Based on our DMA, these topics have not been identified as material for BME's own operations. Nevertheless, BME commits to communicating human rights, labor, and environmental expectations to value chain partners through our SCoC and third-party ESG assessments, avoiding activities with adverse community impacts, and ensuring product safety and compliance with applicable EU and international standards, including the disclosure of hazardous substances where required.

BUSINESS CONDUCT

BME is committed to conducting business with integrity, transparency, and respect for the rule of law, grounded in our group value Be Real. We commit to:

- **Anti-corruption and bribery:** Zero tolerance for corruption, bribery, and improper inducement, supported by our Code of Business Conduct (CoBC) and mandatory training for all employees in functions at risk,
- **Whistleblower protection:** A confidential Speak Up Hotline and anonymous reporting tool, available 24/7, with retaliation against anyone raising concerns in good faith not tolerated,
- **Political influence and lobbying:** BME does not engage in lobbying or activities designed to exert political influence.

Further details are set out in our Code of Business Conduct and the "Our Governance" chapter of our annual sustainability report.

3. IMPLEMENTATION, MONITORING, AND REPORTING

ACCOUNTABILITY AND MANDATE

At BME, the accountability for the Climate and Environmental Policy lies with the Management Board and the Executive Management Team. The ultimate responsibility lies with the ESG committee, which approves the Policy, defines its strategic direction and evaluates its effectiveness annually. The Management Board and Executive Management Team maintains oversight of Policy execution and reviews strategic progress on an annual basis.

OPERATIONAL GOVERNANCE

Day-to-day implementation is governed by the Group Director ESG, who:

- aligns ESG goals and targets with the corporate strategy,
- translates ESG priorities into action plans against defined KPIs,
- reports in the ESG Committee at least quarterly on progress, bottlenecks, and required Policy adjustments.

RISK, OPPORTUNITY, AND IMPACT MONITORING

BME conducts regular double materiality assessments (DMA) to evaluate both the impact of BME's activities on the climate and environment (inside-out perspective), and the financial impact of climate and environmental change on BME's operations and value chain (outside-in perspective). These assessments inform strategic priorities, target-setting, and resource allocation across all environmental topics. Building on these assessments, BME commits to:

- maintaining systematic risk and opportunity monitoring processes to track how identified material topics evolve over time,
- continuously monitoring relevant developments, including evolving legislation, stakeholder expectations, and operational changes that may affect environmental performance or risk exposure,

MONITORING AND EVALUATION

Progress is tracked against targets through KPIs and internal audits, with action plans reviewed and updated based on performance and changing circumstances. BME maintains a structured monitoring process through which periodic internal reviews directly inform adjustments to action plans, reassessment of risks and opportunities, and Policy revisions where warranted. Relevant developments in regulation, stakeholder expectations, and operations are continuously monitored.

ACTION PLANS AND RESPONSIBILITIES

BME establishes domain-specific action plans that set out concrete objectives, measurable indicators, clearly assigned responsibilities, and defined timelines. These action plans are reviewed and updated regularly to reflect progress and changing circumstances.

REPORTING AND TRANSPARENCY

Internally, the Management Board, Executive Management Team, and relevant decision-making bodies receive regular updates on Policy execution and performance. Externally, BME reports through its annual sustainability report, working towards full compliance with simplified CSRD requirements (ESRS standards). Sustainability reporting is not yet subject to external assurance.

POLICY REVIEW

This Policy is reviewed at least every three years to ensure continued alignment with evolving legislation, stakeholder expectations, technological developments, and the changing context surrounding climate and the environment. In addition, an unscheduled review may be triggered at any time by material changes in regulatory requirements, significant operational developments, or new findings from the risk and impact monitoring process.

WHISTLEBLOWER

We strongly encourage any ethical or legal misconduct or violations of this Policy to be reported to the relevant BME and/or affiliated operating companies. BME has installed a BME Speak Up Hotline and an online anonymous reporting tool – supported 24/7. Whistle blowers are invited to report the violations following BME’s Whistleblower Policy.

Reports are managed in an incident management system, which is managed by BME Legal for assessment and further distribution – safeguarding confidentiality.

4. DEFINITIONS

UNGC PRINCIPLES	United Nations Global Compact Principles: A set of ten universally accepted principles drawn from international declarations on human rights, labor standards, environmental responsibility, and anti-corruption, to which signatory companies commit as part of responsible business conduct
BREEAM	Building Research Establishment Environmental Assessment Method: An internationally recognized sustainability assessment and certification scheme for buildings, infrastructure, and master plans, measuring environmental, social, and economic performance across the built environment.
LEED	Leadership in Energy and Environmental Design: A globally recognized green building certification program developed by the U.S. Green Building Council, providing a framework for designing, constructing, and operating energy-efficient and sustainable buildings
EED	EU Energy Efficiency Directive: European Union legislation requiring member states and organizations to improve energy efficiency, reduce energy consumption, and report on energy use, with the aim of meeting the EU's broader climate and energy targets.
OECD GUIDELINES	Recommendations addressed by governments to multinational enterprises, providing non-binding principles and standards for responsible business conduct across areas including human rights, labor, environment, anti-corruption, and due diligence.
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals): European Union regulation governing the production, import, and use of chemical substances, requiring companies to identify and manage risks associated with hazardous substances and to communicate safety information across the supply chain

5. DOCUMENT MANAGEMENT – INFORMATION SHEET

Owner	Group ESG Committee
Reviewer(s)	Group ESG Director
Approver(s)- accountable	Group CEO
First date of issue	28/2/2025
Issuing Department	ESG
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