

# **CORPORATE GOVERNANCE POLICY**

**May 2026**



# 1. PURPOSE, SCOPE, AND AMBITION

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## PURPOSE

BME operates as a trusted distributor across the European building materials market. This central market position requires unwavering commitment to integrity, transparent decision-making, and ethical business conduct. This Corporate Governance Policy establishes the framework through which BME manages governance risks, implements preventive controls, and maintains stakeholder trust.

The purpose of this Policy is to:

- Establish clear expectations for professional conduct and decision-making integrity
- Create preventive systems that reduce the likelihood of misconduct, fraud, or regulatory breach
- Build mechanisms for identifying, reporting, and addressing governance failures promptly
- Protect BME's operational reputation and market standing through consistent ethical practice
- Strengthen trust among all stakeholders, including employees, investors, customers, and suppliers, by understanding how BME governs itself

## SCOPE

This Policy applies to all BME entities, employees, and suppliers of goods and services material to BME's operations. Supplier relationships are governed by our [Supplier Code of Conduct](#), which all commercial partners must acknowledge. BME's approach to human rights and labor rights due diligence across its own operations and value chain is set out in the Human Rights, Labor Rights, Health, Safety, and Well-being Policy. Compliance with this Policy is mandatory. It is not subject to local custom, competitive pressure, or individual judgement.

## AMBITION

BME recognizes that sound governance is not merely a compliance obligation but a strategic foundation for sustainable growth, stakeholder trust, and competitive advantage. By identifying risks early, maintaining transparent communication, and fostering a culture of integrity, BME strengthens operational resilience and supports long-term value creation across our European markets.

Our ambition is built on recognizing that good governance enables BME to navigate regulatory complexity, build stakeholder confidence, and position the company as a responsible market leader in the building materials sector. Through integrated ESG practices, BME demonstrates commitment to sustainable operations that benefit all stakeholders; employees, customers, suppliers, and communities.

## 2. BME COMMITMENTS

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### COMPLIANCE WITH CSRD AND EU REGULATIONS

BME aligns its operations with applicable international standards and regulatory requirements across quality, safety, sustainability, and governance. Therefore, BME ensures:

- adherence to Corporate Sustainability Reporting Directive (CSRD) requirements, including timely and transparent disclosure of ESG performance and risks,
- monitoring and compliance with all relevant EU legislation affecting BME's operations, including product safety regulations, environmental directives, data protection (GDPR), supply chain transparency, workers' rights, and anti-corruption frameworks,
- regular evaluation of internal processes, systems, and controls to verify ongoing compliance and identify gaps,
- mandatory training for employees in functions at risk to ensure understanding and correct application of applicable standards and legal requirements.

Compliance forms the foundation for sustainable and ethical operations. Compliance failures are escalated immediately. BME conducts annual compliance assessments and adjusts controls as regulatory requirements evolve.

### RISK MANAGEMENT POLICY

BME implements systematic risk management to protect business continuity, operational quality, and stakeholder confidence. Risk management is integrated into strategy and decision-making at all levels.

BME recognizes that risks arise across multiple dimensions—people, materials and resources, processes, technology, regulatory environment, and market conditions—and manages these through coordinated governance mechanisms:

#### ***Strategic Risk Management:***

- Identification, assessment, and management of strategic, operational, financial, technological, labor market, ethics, compliance, and environmental risks through structured frameworks,
- Annual review of legislative registers tracking environmental, climate, safety, social (collective bargaining), tax, and cybersecurity legislation that may impact BME,
- Allocation of sufficient resources to mitigate identified risks and safeguard business continuity.

#### ***Operational Risk Management:***

- Reduction of people-related risks through clear internal communication, constructive labor relations, workplace safety programs, and continuous skill development,
- Assurance of supply chain reliability through careful supplier evaluation, critical material and process management, and diversification where applicable,

- Continuous monitoring and improvement of production and business processes through quality standards, maintenance discipline, and performance metrics.

**Enabling Systems:**

- Resilient, secure IT infrastructure protecting against cyber threats and data loss,
- Proactive environmental compliance and systematic reduction of operational environmental impact.

Risk assessments are documented and reviewed annually. Material risks trigger development of mitigation strategies with assigned ownership and defined timelines.

## **ANTI-CORRUPTION AND BRIBERY**

BME operates a zero-tolerance Policy towards all forms of corruption, bribery, and undue influence. We believe that relationships built on trust and integrity are not only the right foundation for doing business, they are also the most durable. The construction and distribution sector carries an elevated inherent risk of corruption, and BME takes this seriously at every level of the organisation. There are strict laws against bribery in many of the locations where we do business including international legislation. We will always abide by these laws, regardless of local custom or business practices. All employees are expected to:

- read and understand their obligations in regard to bribery,
- participate in relevant training programs provided,
- never offer, request, or accept any advantage intended to influence a business decision,
- refrain from improper payments, commissions, facilitation payments, or favours of any kind,
- never approve, direct, or facilitate corrupt conduct by others,
- never falsifying records, invoices, or accounts in connection with corrupt payments,
- recognise corruption risks and report them immediately,
- maintain BME's political neutrality and no financial support to political parties or candidates is permitted.

**Zero-tolerance:** Confirmed violations are subject to immediate investigation and may result in disciplinary action up to and including dismissal, as well as referral to the relevant authorities in cases involving criminal offences. Employees who report concerns in good faith are protected from retaliation.

## **CONFLICTS OF INTEREST**

Decisions at BME must be made objectively and independently, in the best interests of the business. Therefore:

- employees must immediately report actual or potential conflicts of interest,
- private interests must never influence business decisions,
- BME structures roles and decision-making processes to minimize conflict risk,
- family, financial, and personal relationships are carefully assessed and mitigated.

Transparency and objectivity are essential to maintaining stakeholder trust.

## **FRAUD PREVENTION AND DETECTION**

BME does not tolerate fraud, manipulation of data, misuse of resources, or falsification of records. Therefore:

- internal controls, segregation of duties, and monitoring processes are implemented to limit fraud risk,
- suspected fraud is investigated immediately, discretely, and objectively,
- appropriate corrective and disciplinary measures are taken,
- employees receive regular awareness training on fraud risks and responsible conduct.

Fraud undermines trust and violates our core values.

## **MONEY LAUNDERING**

BME does not condone, facilitate, or support money laundering. All employees must be alert to irregularities in payment patterns, including large or frequent cash transactions, payments through unusual channels, or requests to pay to third-party accounts. Due diligence on suppliers, intermediaries, and business partners must include awareness of money laundering risk. Suspicious activity must be reported to the Group General Counsel without delay.

## **GIFTS AND HOSPITALITY**

Gifts and hospitality are a legitimate part of business relationships when proportionate, transparent, and infrequent. They become a bribery risk when offered or received in connection with a pending business decision, when disproportionate in value, or when given in secret. Therefore:

- gifts and hospitality must be modest, transparent, and business-appropriate,
- gifts intended to influence decisions or obtain preferential treatment are prohibited,
- employees must discuss any doubts in advance with their manager,
- gifts above defined thresholds are recorded in accordance with established procedures.

The following are never acceptable: cash, vouchers, gift cards, or shares, extravagant entertainment, any gift or hospitality involving a government official beyond what is strictly permitted by local law, and anything that could reasonably be perceived as influencing a business outcome.

Specific value thresholds and approval requirements are set at Operating Company level. Any doubt about whether a gift or hospitality arrangement is appropriate must be escalated to the Managing Director. Fair collaboration always takes precedence over personal advantage.

## **TRAVEL AND ENTERTAINMENT EXPENSES**

BME manages business travel and hospitality spending with discipline and accountability to ensure responsible use of company resources. Therefore:

- all travel and associated costs must serve a clear business purpose and be proportionate to that objective,
- expense claims are documented and submitted in accordance with internal guidelines, supported by appropriate receipts and justification,

- entertainment expenses for business relationships are permitted only when functional, reasonable in cost, and aligned with business objectives,
- excessive or unjustified spending by employees is considered a violation of company values and subject to corrective action,
- managers are responsible for reviewing and approving expense submissions; patterns of questionable spending trigger investigation.

Responsible expense management demonstrates respect for company assets and reinforces accountability across the organization.

## **TRAINING AND AWARENESS**

BME provides mandatory training on General Code of Business Conduct for all employees in functions at risk to build understanding of expectations and equip staff to identify and respond to misconduct. This training covers the topics outlined above and:

- is led by senior management to reinforce organizational commitment and establish clear expectations from leadership,
- includes content real-world scenarios, ethical gray areas, common red flags, and step-by-step reporting procedures,
- participation is documented; training is repeated periodically in accordance with internal procedures,
- new hires in functions at risk (procurement, sales, finance, operations, management) complete training within six months of joining.

Consistent awareness and capability building enable BME to prevent misconduct and foster a culture where employees understand their individual role in upholding governance standards.

## **CYBERSECURITY, DATA, AND INFORMATION MANAGEMENT**

BME protects digital systems, business data, and personal data against unauthorized access, misuse, or loss. Digital security is necessary for business continuity and stakeholder trust.

Therefore, BME ensures:

- risk-based cybersecurity approach with preventive security measures,
- secure access, password management, and IT activity monitoring,
- integrity, availability, and confidentiality of information is monitored,
- awareness training ensures employees recognize and respond to cyberthreats,
- incidents are investigated and immediate corrective action is taken,
- compliance with NIS2, GDPR, and other European data security standards.

## **TAX RESPONSIBILITY**

BME pursues a fair, transparent, and responsible tax Policy as a robust tax management supports long-term reputation and social responsibility. BME therefore ensures:

- full compliance with all applicable tax obligations in operating jurisdictions,
- avoidance of aggressive tax planning or structures conflicting with legal intent,
- accurate, timely, and transparent reporting of tax data,
- open, professional relationships with tax authorities,

- internal controls to limit tax risks and prevent errors.

## WHISTLEBLOWER PROTECTION AND REPORTING

BME ensures that all stakeholders can report misconduct without fear of retaliation. Therefore:

- whistleblowers are fully protected against dismissal, discrimination, intimidation, or adverse consequences,
- confidentiality of identity and information is guaranteed,
- BME has installed a BME Speak Up Hotline and an online anonymous reporting tool – supported 24/7,
- reports are assessed objectively, carefully, and promptly,
- corrective and preventive measures are taken where necessary,
- company culture encourages employees to voice concerns.

Protection of whistleblowers is essential to promoting integrity.

# 3. IMPLEMENTATION, MONITORING, AND REPORTING

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## ACCOUNTABILITY AND MANDATE

Ultimate accountability for this Policy rests with the Management Board and Executive Management Team, which adopts the Policy, makes strategic choices, and evaluates effectiveness at least annually.

The Ethics and Compliance committee together with the ESG Committee oversees implementation and evaluates strategic progress annually.

## OPERATIONAL GOVERNANCE

BME implements governance through clear accountability structures:

**Management Board and Executive Management Team:** Provides strategic direction; approves governance policies; monitors progress quarterly; assesses material governance and integrity risks.

**Ethics and Compliance Committee:** Ensures day-to-day implementation; assigns governance responsibilities across functional leaders; reports to Board on effectiveness and manages incidents reported through our whistleblower hotline.

**Functional Leaders (HR, Finance, Operations, Digital/IT):** Execute governance controls within their domains; report on compliance status; escalate material incidents.

## RISK AND OPPORTUNITY ASSESSMENT

BME systematically identifies and assesses governance, integrity, and compliance risks through:

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- regular review of regulatory and legislative developments affecting business,
- monitoring of stakeholder expectations and market practices,
- assessment of operational changes that may introduce new risks,
- double materiality assessment: evaluating both BME's impact on governance/ethics and financial/reputational risks to BME.

Identified risks trigger development of mitigation strategies and assignment of clear accountability.

## **MONITORING AND EVALUATION**

BME conducts periodic internal evaluations of Policy progress and effectiveness. Evaluation findings trigger:

- adjustment of action plans and governance priorities,
- reassessment of risks and opportunities,
- revision of policies where necessary.

Domain-specific action plans are developed with concrete objectives, indicators, responsibilities, and timelines. Plans are updated regularly based on progress and changing circumstances.

## **REPORTING AND TRANSPARENCY**

BME reports internally to Executive Management Team and the Management Board on Policy implementation, material incidents, corrective actions, and governance effectiveness.

Externally, BME discloses governance practices and performance through annual sustainability reporting aligned with CSRD (amended ESRS standards). Disclosure includes: governance structure and board oversight; anti-corruption and integrity measures; whistleblower mechanisms; compliance monitoring; and corrective actions undertaken.

## **POLICY REVIEW**

This Policy is reviewed at least every three years to maintain alignment with changing regulations, international standards, stakeholder expectations, and evolving business needs.

## 4. DEFINITIONS

<b>ISO STANDARDS</b>	<b>International Organization for Standardization:</b> Internationally recognized standards defining best practices for organizational management systems.
<b>GDPR</b>	<b>General Data Protection Regulation:</b> European Union regulation governing the collection, processing, and protection of personal data. GDPR establishes rights for individuals regarding their personal information and requires organizations to implement robust data security and privacy controls
<b>NIS2</b>	<b>Network and Information Security Directive (revised):</b> European Union directive establishing cybersecurity requirements for organizations operating critical infrastructure and essential services. NIS2 mandates risk management practices, incident reporting, and security governance.
<b>CSRD</b>	<b>Corporate Sustainability Reporting Directive:</b> The European Union regulatory framework requiring large companies to disclose material information on environmental, social, and governance (ESG) performance, risks, and impacts. CSRD mandates transparent reporting aligned with European Sustainability Reporting Standards (ESRS)
<b>ESG</b>	<b>Environmental, Social and Governance:</b> A framework for assessing and managing organizational performance across three dimensions: environmental responsibility (emissions, resource use, climate impact); social accountability (labor practices, human rights, community relations); and governance quality (ethics, compliance, board oversight, risk management)
<b>BRIBERY</b>	<b>Bribery</b> is the offering, promising, giving, requesting, or accepting of any financial or other advantage (directly or indirectly) with the intent to improperly influence the behaviour of a person, company, or public body. Bribes can take many forms, including but not limited to: cash, gifts, hospitality, charitable donations made at a counterparty's request, product discounts, employment opportunities, personal favours, or the assumption of debt.

<b>CORRUPTION</b>	<b>Corruption</b> is the abuse of entrusted power for private gain. This includes both the active side (offering or giving) and the passive side (requesting or accepting).
<b>FACILITATION PAYMENTS</b>	<b>Facilitation Payments</b> are small, unofficial payments made to secure or expedite a routine action by a government or public official (for example, the issuance of a permit, a customs release, or an inspection).
<b>MONEY LAUNDERING</b>	<b>Money laundering</b> is the process by which individuals or entities use legitimate businesses as channels to “clean” funds acquired through illegal activities.

## 5. DOCUMENT MANAGEMENT – INFORMATION SHEET

<b>Owner</b>	Group ESG Committee
<b>Reviewer(s)</b>	Group ESG Director
<b>Approver(s)- accountable</b>	Group CEO
<b>First date of issue</b>	07/04/2026
<b>Issuing Department</b>	HR, ESG, legal
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<b>Next Review Date</b>	18/05/2027
<b>Review Cycle</b>	Annually in Q2