

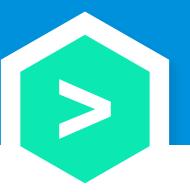






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Ballast Nedam

Executive summary Annual report 2023

In 2023, Ballast Nedam demonstrated resilience in the face of economic challenges, achieving success in a volatile construction market. We commend our team for their dedication and adaptability, focusing on operational excellence and sustainable practices. Ballast Nedam actively addresses the urgent challenges of climate change through sustainable construction practices and future-proof solutions, contributing to global transitions in energy, water, mobility, and circularity.

Notable safety improvements and digital innovations underscore our commitment to progress. While undergoing market shifts, we remain dedicated to build a better living environment, mainly in the Netherlands but also exploring international possibilities. With ambitious targets for

carbon neutrality and energy efficiency, we're advancing towards a greener future. Looking ahead, our strategy prioritises a healthy, stable company, ensuring continuity and success for the future.

Our profile

Our company profile reflects who we are, what we do, and how we work. We are a long-standing construction and development company, emphasizing our historical evolution, core values, and strategic focus. Our culture is rooted in continuous improvement, aiming to add value for clients and contribute positively to the environment. We leverage the expertise and resources of our international parent organisation Rönesans Holding to tackle various challenges.

Our purpose and strategy focus on building sustainable living environments and addressing societal needs through innovative solutions. We prioritise operational excellence, employee well-being, and financial stability while adhering to corporate social responsibility goals. Our organisational structure emphasizes the division between construction and development units to optimise expertise and market presence.

Financial highlights

Ballast Nedam boasts a well-diversified project portfolio, with the majority of business units making positive contributions to the financial performance. This is visible in the increased EBITDA and solvency ratio, while revenues and net result were lower compared with 2022.

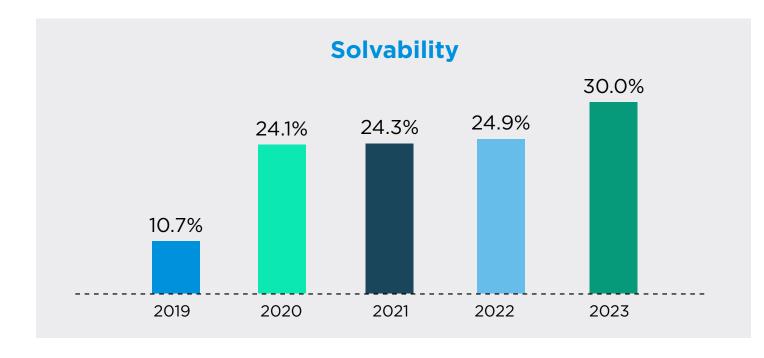


Reflecting on the broader industry landscape, macroeconomic and legislative challenges have introduced uncertainties. These factors have also impacted Ballast Nedam's profitability and operations. With a good level of orderbook with focus on the quality of the order intake, Ballast Nedam is confident to continue to deliver solid results.











Project highlights

Our project highlights provide an extensive overview of diverse projects undertaken by the combined efforts of our business units. It highlights our versatility in industrial, infrastructure, residential, international, urban development and construction initiatives. In 2023, we celebrated numerous milestones, including the completion of the AMST housing project, the completion of BREEAM project Jonas, the high rise CoolTower, renovation project Mindlabs, the immersion of the Maasdeltatunnel and significant progress in many other projects.

Risk Management

Ballast Nedam prioritises risk management to safeguard strategic objectives and ensure operational excellence in the construction sector. Our strategies address strategic, operational, financial, and compliance risks, guided by the 'COSO' management model. We employ a three lines of defence model integrating project managers, legal, insurance, compliance, and CSR. Monitoring and mitigation strategies involve business control, finance, and operational risk departments. Our efforts focus on client engagement, sustainability initiatives, and staff training to manage risks effectively while remaining compliant with regulations and adapting to external factors.



Future endeavours will focus on enhancing risk management protocols, addressing supply chain risks, and complying with evolving sustainability regulations.

Sustainability performance

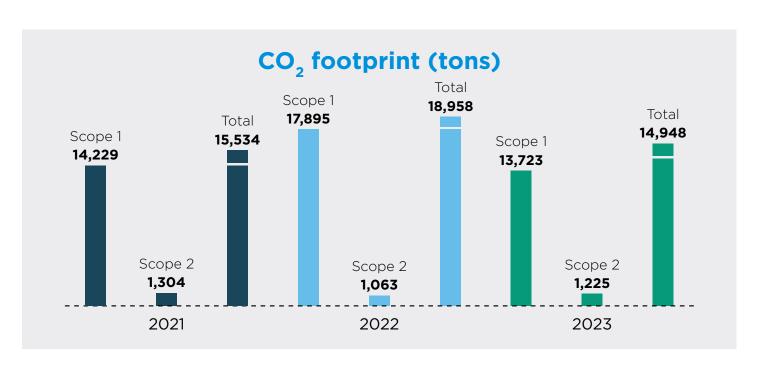
At Ballast Nedam, we are continuously learning, adapting, and growing on how our greenhouse gas (GHG) emission related interventions can contribute to mitigating climate change and how resilient our activities are in the face of increasing climate change risks.

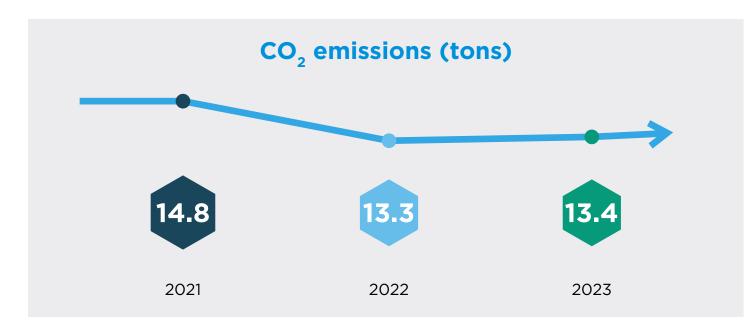
With ambitious targets for CO_2 neutrality by 2030 and a focus on collaboration and transparency across all emission scopes, Ballast Nedam is on its way towards a sustainable future in construction.

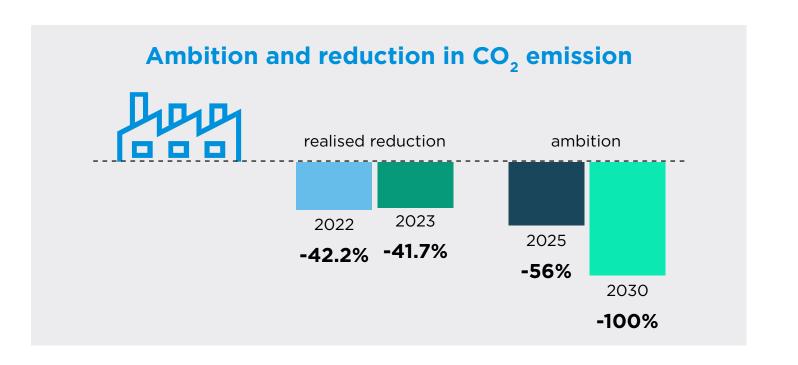
We embrace the expanded possibilities of collaborating closely with clients to understand their climate adaptation opportunities and challenges. Furthermore, we observe a growing dedication to embracing circular practises in construction, as a result of pressures on the availability and affordability of construction materials. We also see increased commitments geared towards prioritising biodiversity preservation and pollution prevention.

Performance numbers:

- CO₂ emissions (Scopes 1 and 2) in 2023: 14,948 tonnes;
- Percentage of green electricity related to the total electricity purchased: 98.2%;
- Percentage reduction in CO₂ emissions (Scopes 1 and 2)
 from 2019 to 2023: 41.7%;
- CO₂ emissions (tonnes) per € million of revenue in 2023: 13.4;
- Percentage of own power supply provided through solar energy in 2023: 11.8%.







Digital transformation & Innovation performance

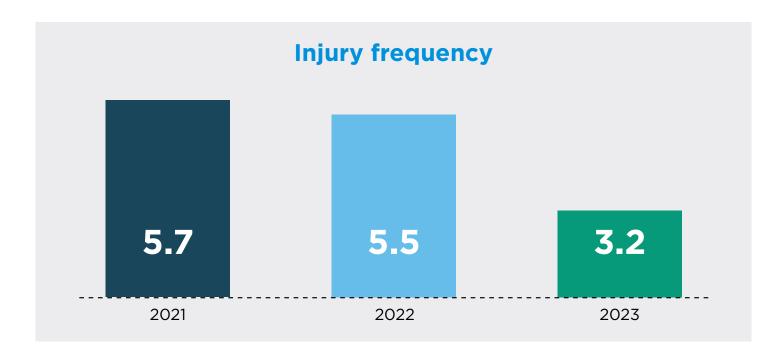
The focus theme Digital Transformation and Innovation (DTI) outlines Ballast Nedam's proactive approach to integrating digitalization and innovation across its operations. It emphasizes the role of emerging technologies like AI, robotics, and advanced building methods in enhancing efficiency, sustainability, and quality. Through strategic realignment, we aim to optimise internal processes and drive innovation, with a particular focus on improving project management tooling and processes. Initiatives include further development of Building Information Modelling (BIM), investing in robotic solutions to address labour shortages, and leveraging data digitalisation for better decision-making. Our efforts ensure operational excellence and sustainability, for a forward-thinking approach to navigating the digital future of construction.

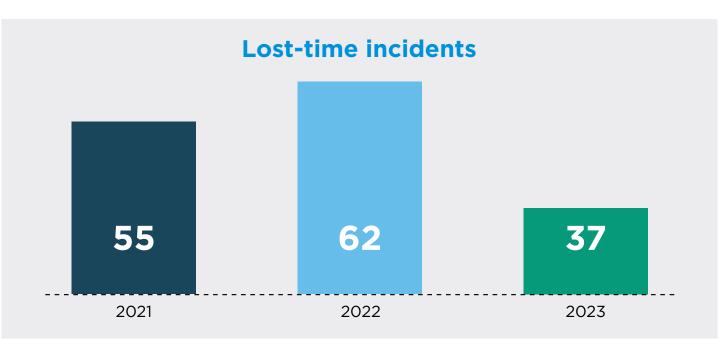
Safety performance

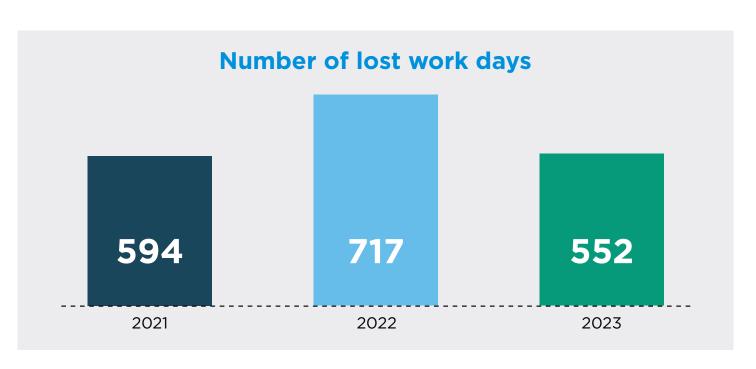
Our pursuit of safety excellence is based on creating a culture of care, and consists of a value driven safety approach. Through our safety program Take Care, we encourage everyone to be alert, to take action, and to address each other about safe and unsafe situations. We have been able to substantially decrease the number of accidents, meeting our overall injury frequency (IF) ratio target of 3,5. Key accomplishments included a decrease in absolute lost-time incidents from 62 in 2022 to 37 in 2023, and a decline in severity.

Looking ahead, as a next step, we will address mental health and well-being, recognising its pivotal role in organisational resilience and employee satisfaction.

Together, we strive to create a workplace where safety is not just a priority, but a shared promise upheld by every member of our organisation. Safety as a true value, supported by a culture of care.



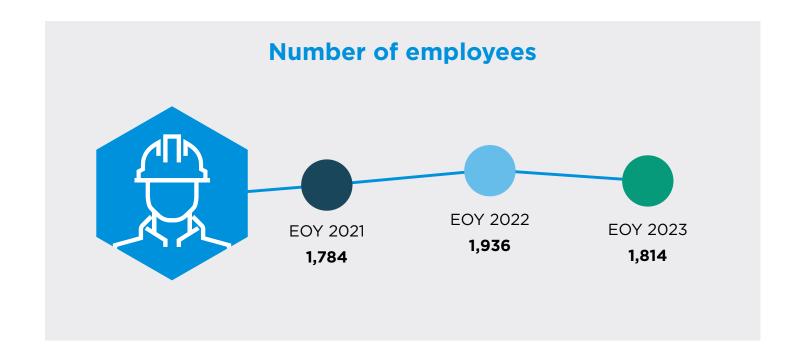


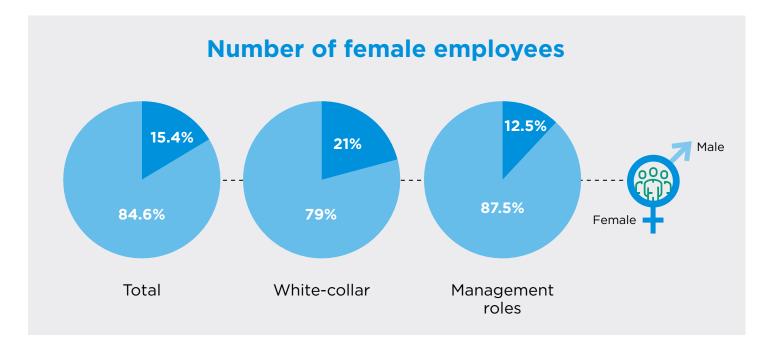




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Human Resources performance

Ballast Nedam is committed to being an employer of choice through the diversity of our businesses and projects, our entrepreneurial spirit providing many opportunities to learn and grow and our attention to employee wellbeing. Our HR strategies focus on attracting and retaining a skilled workforce in a competitive labour market, providing challenging assignments and career development opportunities and prioritizing a healthy work environment with respect for individual preferences and recognition of achievements. We regard diversity as a social responsibility as well as a business necessity and strive to meet diversity targets and support a broad spectrum of employees. Our approach to HR underlines our commitment to sustainable growth, employee engagement and maintaining a preferred employer in our industry.

Performance numbers:

- Headcount EOY 2023: 1,814 employees;
- Sick Leave Rate 2023: 4.5%;
- Voluntary Attrition Rate EOY 2023: 10.1%;
- Female Employees in the Workforce EOY 2023: 15.4%;
- Female managers EOY 2023: 12.5%.

Outlook

In 2024, Ballast Nedam continues the renewed strategy for its Dutch construction operations, tailored to prevailing market conditions and company strengths. Our focus remains on fostering sustainability and profitability, emphasizing the creation of a safe and sustainable living environment. By collectively embracing responsibility and progressing incrementally, we aim to achieve our goals. Our aspiration is to realize these objectives in a safe environment characterised by mutual care and support.

CEO message

Building a sustainable living environment in challenging conditions

Kemal Sağlam, CEO of Ballast Nedam reflects: "In 2023, **Ballast Nedam demonstrated resilience in navigating** global economic challenges as well as complexities within the construction market. We proudly reflect on our diverse portfolio of projects, recognising our dedicated workforce for driving continuous improvement. This is a great compliment to all our people for their dedication, entrepreneurship and resilience. It was a year in which we focused on maintaining a healthy and stable business. Emphasising a focus on operational excellence, we prioritised a consistent way of working for project execution. This entails an increased emphasis on repetition in our processes, hereby leveraging accumulated knowledge and experience. We select projects that match our competences and our strategy. With this approach we create a healthier project portfolio

and still can realise landmark projects with manageable risks. Other important strategic pillars are international growth, a focus on specialised product-market combinations, being an employer of choice and corporate social responsibility."

Our responsibility to today's challenges

Climate change has far-reaching effects on our environment, ecosystems, urban living conditions and human societies. These impacts manifest in various ways, affecting both the natural world and human activities. In this changing world where we intensively use our energy resources and the need to preserve and protect our climate is evident, it is necessary to take responsibility. Fundamental changes are needed to offer a promising future.

As transitions in the field of energy, water, urban development, mobility and industries are ongoing, Ballast Nedam contributes to all these changes. We build houses, roads, ports, and also wind farms and dam constructions to protect the land from flooding. We convert fossil plants into sustainable alternatives. Increasingly with circular materials and with equipment and processes that cause zero emissions. We provide future-proof solutions, on a national and international level.

Reinventing ourselves

The eminent importance of accelerating a sustainable energy system and finding future proof ways of living, leads to further changes in our environment.

In the realm of sustainability, Ballast Nedam is committed to making a tangible impact. Our goal is clear: by 2030, we aim to achieve 100% CO2 neutrality on all construction sites within scope 1&2. To become carbon neutral, we are investing towards this through the establishment of zeroemission passenger fleet, business vans and equipment. For example, we have refitted several crawler tower cranes with 100% emission free engines in 2023. Looking ahead to 2040, our ambition extends to becoming energy neutral. This involves substantial investments in green energy and the development of independent energy sources. Creating a tangible impact is a collaborative task and we are working with all of our stakeholders to achieve our sustainability targets. We are actively minimising waste and elevating circularity levels. Concurrently, we are dedicated to enhancing biodiversity in our projects and integrating the use of biobased materials.

We also celebrate significant accomplishments in the field of safety as a result of our Take Care approach. Improving our safety means creating a safe, open and healthy working environment; the goal is to work safely and return home safely. Our Take Care approach exemplifies the power of good exemplary behaviour and personal leadership. We aspire for everyone in the company to have an intrinsic safety attitude, even when no one is looking, in which we

take care of each other. Impressively, there has been a substantial 40% reduction in lost time incidents, indicating a positive trend that we aspire to sustain. Safety remains paramount, with the understanding that any incident is one too many. At Ballast Nedam, we successfully stayed at level 3 of the Safety Culture Ladder and bridged the gap to level 4 for the first two Business Units in 2023.

Our focus on data collection and digitalisation extends to the implementation of new systems in our business processes. This includes the development of enhanced project management tools, progress monitoring, asset monitoring, and the integration of robotic process automation. We believe a structured common data environment is crucial for decision making and future business process optimisations.

We acknowledge that our people enable us to develop in the desired way. Ensuring a healthy, challenging and rewarding work environment is therefore a key driver for success. We are committed to being an employer of choice through the diversity of our businesses and projects, our entrepreneurial spirit providing many opportunities to learn and grow and our attention to employee wellbeing.

Maasvlakte

↓ Windpark

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Urban development and construction

Even though we can see some signs of recovery at the end of last year, we still see that the housing industry is under pressure. This is largely attributed to higher mortgage rates, declining consumer confidence, and increased construction costs. As a result, on average, fewer projects are being put up for sale. On top of economic factors, lengthy legal processes, as well as numerous objections from the community, contribute to extended project timelines. Uncertainty surrounding the regulation of mid-range rental market is also influencing housing production, as well as the continuing scarcity of building space, especially in light of the nitrogen measures.

Despite these challenges, our division Ballast Nedam
Development holds a pioneering position in finding
holistic, sustainable solutions to achieve sustainable urban
development goals. Our regional construction activities
range from small scaled land based housing projects to
large urban solutions for living, working and leisure. Our
regional presence is a strength as we operate close to
markets and clients. This increases accessibility and a close
understanding of clients. Meanwhile we are increasing the
share of modular projects within our portfolio and looking
for more ways to increase the use of timber and biodiversified materials within our modules. Our expertise in

the fields of construction, modular construction, renovation and restauration, contribute to creating a better living environment.

Infrastructure

This year we signed the contract for the A27 to perform design, construction and maintenance services for the A27 motorway project from Everdingen to Hooipolder, a joint venture with Fluor. The two-phase approach fits into our early contractor involvement approach and allows us to fully integrate our long term construction experiences of similar scope and projects and to manage project risks for both Rijkwaterstaat and ALSÉÉN. Ballast Nedam Infra Projects also strengthened its focus on product specialisms. In the wind energy market the projects Maasvlakte 2 and Windplanblauw were recently completed. Our specialised expertise in tunnelling is expanding in the Netherlands as well as abroad. The very challenging immersion of the Maasdeltatunnel took place in October 2023. An immersed tunnel project in Iraq started in 2023 and will be completed beginning of 2025. Also our replacement and renovation works on the A73 tunnels continue. Our foundation and excavation solutions as well as our road construction works, contribute to our broad scope of expertise. We will continue to focus even more on replacement, renovation, and maintenance projects which represents a significant

workload potential. This broad project portfolio balances the risks within our infrastructure group.

With our selective tendering and de-risking approach for our project portfolio, we have moved away from price driven tenders into more EMVI lead tenders and productmarket combinations where we can make a difference.

International ambitions

We are a Dutch construction company with a focus on the local construction market. At the same time, executing international projects has always been in our DNA. We have a long history abroad and a strong international reputation in mostly marine and water works, tunnelling and utility buildings. Iconic landmarks such as the King Fahd Causeway in Bahrein are examples we are still proud of. We continue to grow our strong international reputation and explore opportunities abroad. This means we continue to undertake large and complex construction projects aligned with our global resources and execution capabilities. Highlights of 2023 include successes for our international division, with projects in Guinea, Tanzania, Luxembourg, Sri Lanka and Sint Maarten. For 2024, we pursue the ambition to expand further in Africa, the CIS countries, the Caribbean, and the Nordics.

In January 2024, Ballast Nedam N.V. acquired 100% of the shares of Rönesans Endüstri Tesisleri (Rönesans Industrial and International Construction). This acquisition will strengthen the financial position of Ballast Nedam and is expected to contribute to a healthy profit margin. The business unit becomes part of the international portfolio within Ballast Nedam.

Financial results

Chapter 1

Ballast Nedam maintained a positive operating performance, although there was a decrease in revenue from € 1,430.8 million in 2022 to € 1,112.7 million in 2023. Taking into account the winding down of the central Ballast Nedam Building Projects organisation, the 2023 revenue is in line with the expectations of our midterm business plan. The year 2022 was exceptionally high, mainly due to project cycles, with several successful projects realised simultaneously.

Our activities continue to be underpinned by sustained demand for residential and non-residential buildings, infrastructure enhancements, and the ongoing energy transition. The EBITDA shows an improvement from € 54.2 million in 2022 to € 57.0 million in 2023. Ballast Nedam boasts a well-diversified project portfolio, with the majority of business units making positive contributions to

Chapter 2



financial performance. However, the year 2023 also posed challenges, notably in the form of deteriorated results from a selected number of construction projects in the Netherlands. These projects exhibited an asymmetrical risk and reward balance, leading to cost overruns. Ballast Nedam's financial indicators remain solid, with a working capital ratio of 1.3 (compared to 1.2 in 2022) and a year-end cash position of € 122.8 million (compared to € 171.0 million in 2022). The solvency ratio stands at 30.0%, exceeding the level of our best years. The order book, of € 1.3 billion (compared to € 1.4 billion in 2022), remains at a satisfactory level.

Ballast Nedam continues to focus on acquiring projects with a balanced risk-reward ratio. Reflecting on the broader industry landscape, global challenges have introduced uncertainties. These factors have also impacted Ballast Nedam's profitability and operations. We remain vigilant, closely monitoring these developments with an awareness of their potential future impact.

Outlook

"Since 3 years, Ballast Nedam has been working with a revised strategy for its construction activities in the Netherlands, tailored to the current market conditions and aligning effectively with the company's capabilities. This involves selective tendering, repetitive projects, and niche product-market mixes. This is paying off and we see the project portfolio is much more stable and predictable now. This of course puts some pressure on revenue growth, but our focus is always on the continuity and profitability of the company and we are finding new growth areas where we can make a difference, such as the energy transition. Looking ahead to 2024, the outlook is geared towards a sustainable and profitable business perspective.

We are dedicated to creating a safe and sustainable living environment. I believe that we need to find the balance in our quest for a healthy business in a healthy environment. We do this together with our competent and dedicated colleagues and with all other stakeholders whom we interact with. Hopefully we can do this in a safe environment where we take care for each other."

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Atilla Kemal Sağlam, CEO Ballast Nedam.



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Social matters

A selection of 2023's

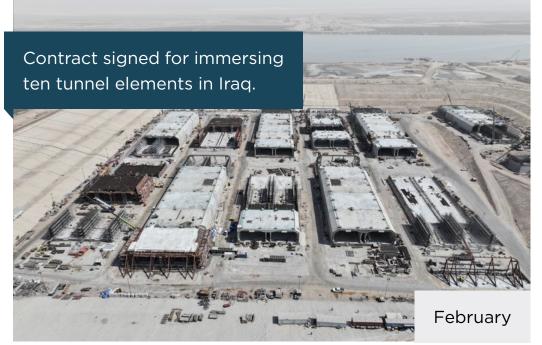
highlights





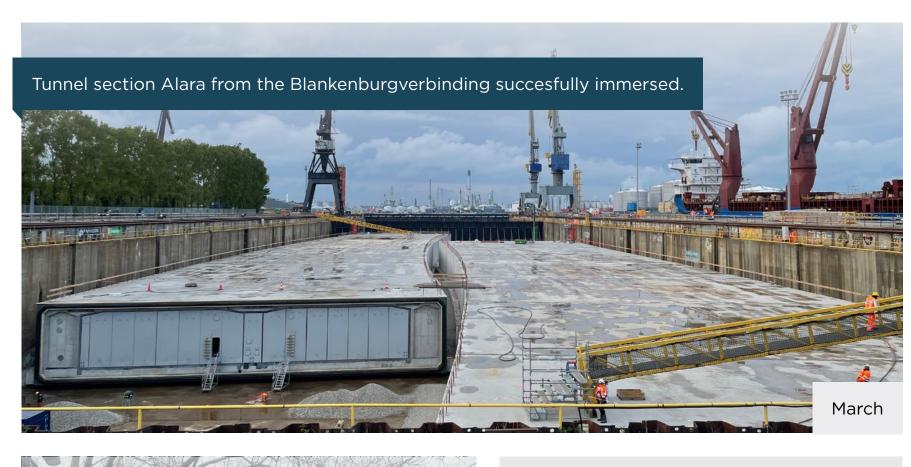


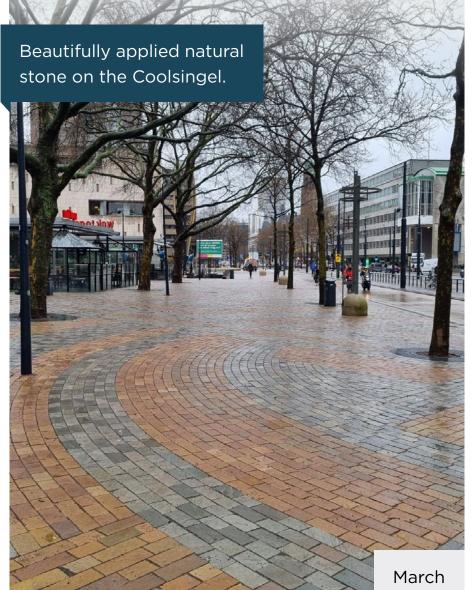


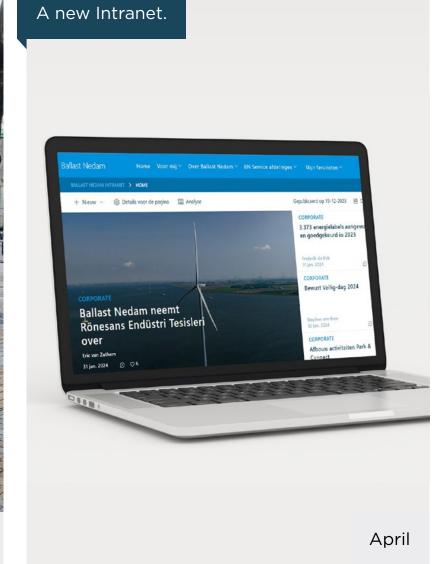




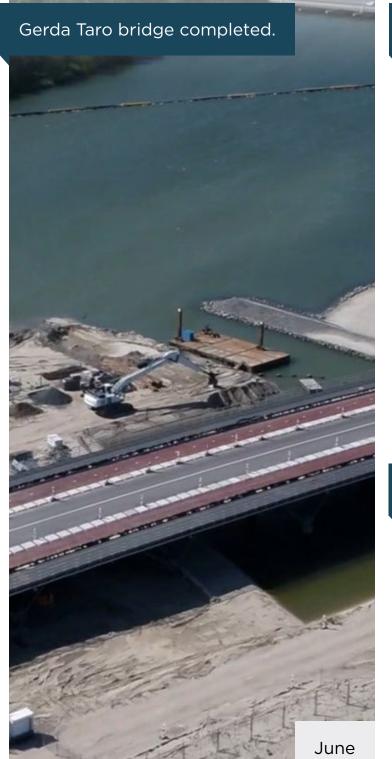


























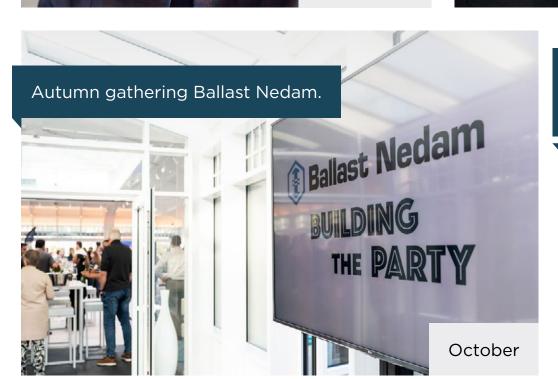
Board Rönesans Holding.











September

September







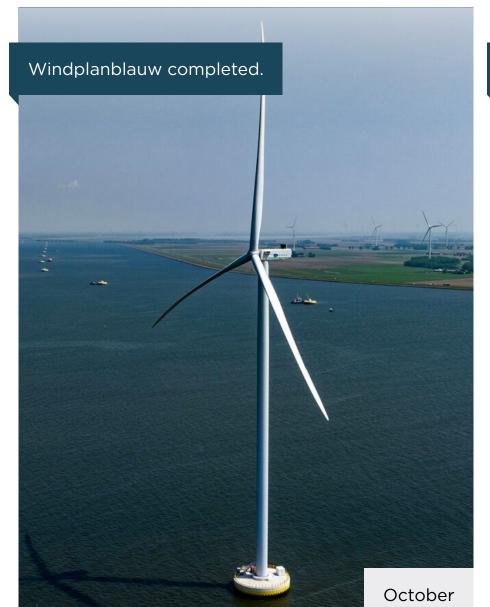


Completed, tunnel sections

at the Blankenburgverbinding.

successfully immersed and connected















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Profile of Ballast Nedam

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1.1 Who we are

1.1.1 We are Ballast Nedam

Ballast Nedam's history goes back 147 years. In these years we've evolved into the well-known construction and development company we are today. We are a company that has an entrepreneurial and can do mentality in which we often take on new opportunities when they come along. This requires adaptability, flexibility and an eagerness to take on new challenges. Challenge to Improve is our shared focus. This means we want to continuously improve our company, the added value for our clients and the environment we live in.

"With the added value of our international parent organisation Rönesans Holding and the commitment of our professional and passionate people, we can take on many challenges." - Kemal Sağlam, CEO Ballast Nedam







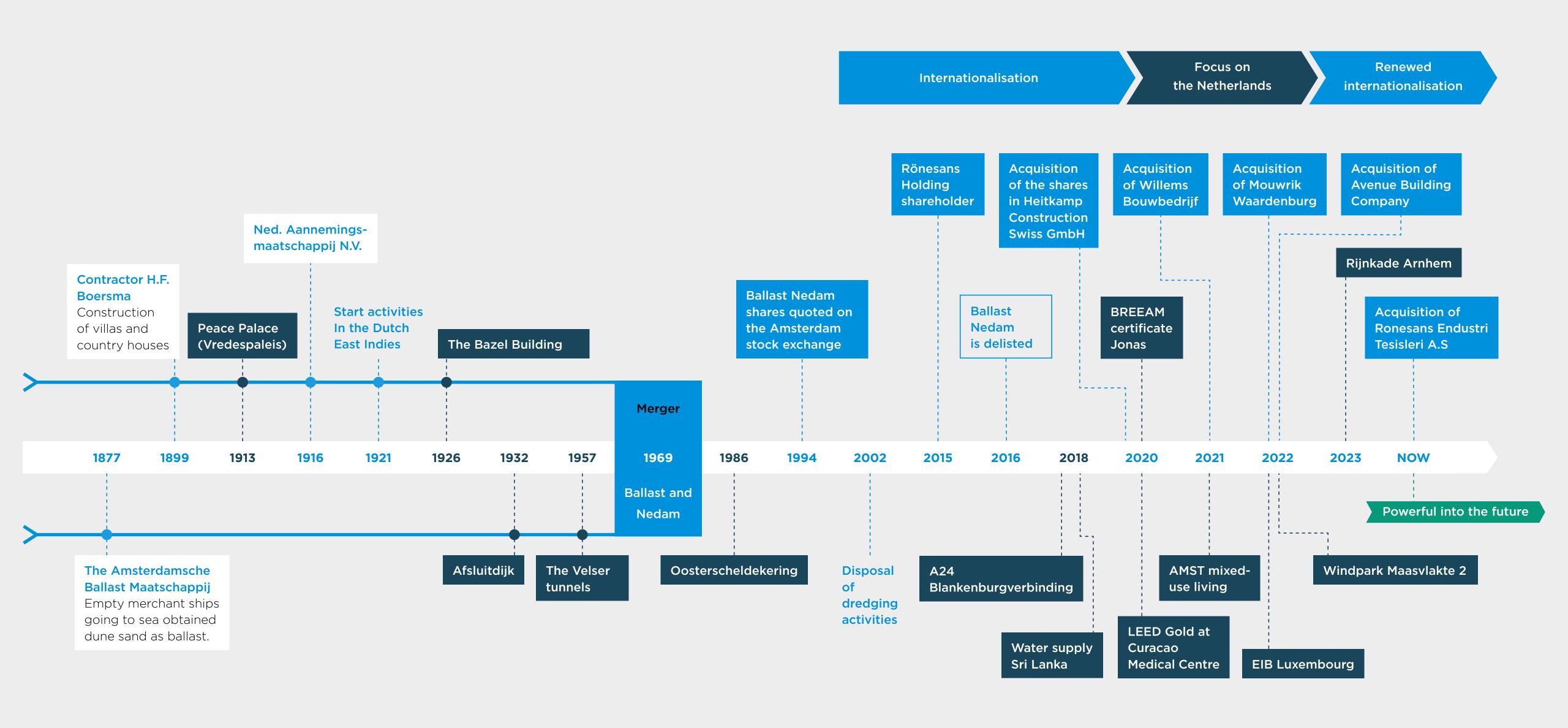
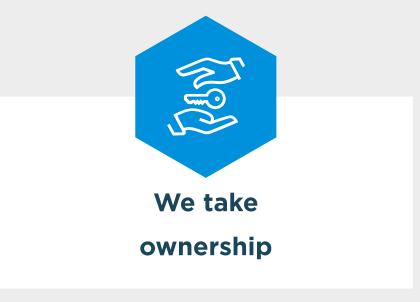


Figure 2: Our organisational values







1.1.2 Company culture and core values

Our company culture draws from a blend of local, national, and international influences. It is shaped by our fundamental company values, which set the standard for both our personal and corporate conduct. These values guide our interactions and collaborations with stakeholders, reflecting the behaviour that clients and partners can expect when working with us and for which we are responsible.

1.1.3 Purpose and strategy

With an imminent urgency to reduce our global footprint and preserve our planet, we need to take responsibility as a business to protect and improve our living environment. Building a sustainable living environment is our ultimate goal and it is what we literally do every day. We offer solutions to everyday societal and environmental needs: we work on building a better sustainable energy system by contributing to the energy transition, we improve well-being for living and working by offering urban development and construction projects, we contribute to better water supply and water resilience with our water protection and purification solutions, we participate in industrial transitions to gradually change towards industrial renewals, and we enhance mobility and logistics with our infrastructure

solutions. We do that, alongside running a financially healthy and stable company.

To achieve this, we have identified four overarching ambitions, coherent objectives, strategic pillars, and associated themes (see Figure 3 'Overview of ambitions, objectives, strategy and themes' on the following page). Details on how we plan to realise these aspirations are provided in chapters 2 to 8.





Our purpose is to build a sustainable living environment characterised by health and well-being

Ambition	Employer of choice	Operational excellence	Corporate Social Responsibility	Financial stability
Goals	 Sufficient qualified workforce Productivity and employability Healthy and welcoming work environment 	 Quality Reliability and control Efficiency	Health, safety and well-beingSustainabilitySocial return	 Balanced risk management Healthy, sustainable and profitable growth
Strategy	 Employee value proposition Performance culture Conditions to learn and grow Employee wellbeing 	 Standardisation and repetition Learning organisation Innovation and digitalisation 	 Safety awareness and behaviour Reducing negative impact on climate change and supporting nature Good employment practises 	 Selective tendering and risk management Specialised product market combinations International expansion
Related themes	Diversity and Inclusion	Stakeholder managementQuality	 Climate change • Supply chain Circularity responsibility Waste • Safety Biodiversity 	 Finance Integrity and compliance
Chapter	• Human resources (7)	 Stakeholder analysis (1) Digital transformation and innovation (8) 	 Sustainability (5) Health, safety and environment (6) 	 Risk management (3) Profile of Ballast Nedam (1) Business Review (2)

Employer of choice

Relying on the knowledge and expertise of our people, combined with the current reality of a competitive labour market, attracting and retaining talent is pivotal to our success. In 2023, we were able to recruit a sufficient number of new and qualified employees and to facilitate career development opportunities for our employees. Due to the fact that we have been winding down our business unit Ballast Nedam Building Projects, the overall headcount slightly decreased.

We aim to maintain a qualified workforce by promoting productivity and employability and by creating a healthy and pleasant working environment. We understand and prioritise the most important aspects of job satisfaction. We support having challenging jobs, creative freedom, career opportunities and recognition of talent. Accordingly, we have invested in employer branding, employee development, well-being, and leadership. Our employees show dedication and ownership.

Our work is teamwork. To support an attractive employee proposition in our employer branding and management practices, we embrace people in our teams. We highlight the impact of our products on society, opportunities to

engage and grow, our entrepreneurial spirit and core values. We cultivate a culture of performance, based on emphasising autonomy, teamwork accountability and recognition of talent. We offer many opportunities for growth and development, encouraging personal and professional advancement, knowledge sharing, and a feedback culture. Also, we foster employee well-being through health programs, events, and diversity and inclusion initiatives. We encourage our employees to actively engage in these and together build a healthy, safe and sustainable place to work.

Operational excellence

Our foremost objective is to provide clients with the utmost value. To be able to do this, we are continuously optimising our operations. This commitment involves a dedicated focus on quality, stringent process control, enhanced efficiency and continuous learning.

Prioritising efficiency through standardisation and precise process control, particularly in projects with repetitive elements, is of great importance. This stipulates a consistent way of working. This approach facilitates the accumulation of knowledge, workforce development, and expertise enhancement.



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Also, cultivating a culture of continuous learning is very relevant to optimise client value. This way, we are harnessing the expertise of each business unit, meanwhile facilitating cross-unit knowledge sharing. This also requires integrating innovation and digitalisation, thus improving efficiency, quality, control, and sustainability.

Quality remains a pivotal aspect of our projects, offering insights into efficiency and reputation. The focus on average handover points per newly constructed home in our regional business units has resulted in a reduction from less than 5 to 3.6 in 2023. In anticipation of the Quality Assurance Act effective as of January 2024, we've conducted pilot projects and are actively preparing for the changes. The QS2Field application enhances our ability to demonstrate and register quality, ensuring standardisation across devices. PowerBI dashboards and our data warehouse facilitate transparent monitoring of project quality, fostering continuous improvement. Leveraging digital registrations, we collaborate with business partners to enhance work quality and minimise failure costs.

Corporate Social Responsibility

As a strong adherent of Corporate Social Responsibility (CSR), Ballast Nedam strives to uphold our social

responsibility and minimise our environmental impact.

Ballast Nedam incorporates CSR in its business processes by prioritising a safe working environment, minimal environmental impact and reducing the company's CO₂ emissions.

The ultimate goal is to achieve carbon neutrality by 2030. Moreover, Ballast Nedam aims to generate all of its energy sustainably by 2040. We are actively involved in reducing waste, promoting biodiversity, and participating in the energy transition market. Additionally, we have invested in green energy, employee well-being, and good employment practices to ensure a skilled and content workforce. Safety is one of the key drivers of our CSR strategy, with a 'Take Care' campaign promoting safety awareness and collective responsibility. Caring for the environment and addressing climate change are integral to our approach, aiming to make a positive impact on nature and biodiversity.

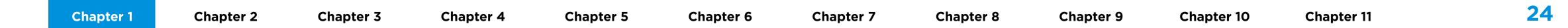
Financial stability

Our aim is to attain sustainable and profitable growth that aligns with our business capabilities and identity.

A crucial element of this objective is the implementation of balanced risk management to ensure our financial stability. Our strategic framework is structured around

three key pillars: selective tendering combined with integrated risk management, specialised product-market combinations, and international expansion.

We have restructured our strategy by reducing our involvement in high-risk, one-off construction projects. The reorganisation and phasing out of projects within the Ballast Nedam Building Projects division are nearing completion. Our renewed strategic focus centres on projects that employ well-established and repetitive construction methods. This approach enables us to accumulate knowledge and apply best practices, ultimately enhancing the efficiency of our workforce and processes. Our priority is the selective tendering of projects with repetitive components, and we will utilise various contract types to bolster risk management. For example, we are actively embracing the government's two-stage contracts, an effective strategy for mitigating risks within the infrastructure sector. In two-stage projects, price agreements for high-risk components are established when risks can be more accurately assessed, reducing uncertainty. During the tender process, we will emphasise qualitative aspects when selecting partners.



Furthermore, we will further intensify our emphasis on specialised product-market combinations that distinguish our presence in niches closely aligned with market demands. Examples are windenergy solutions, restauration works, renovation projects and tunneling expertise. These concepts have demonstrated a consistent track record of success and continue to perform well.

Our exploration extends to new markets, including the energy transition sector, which encompasses wind energy offshore and nearshore, solar energy, a project pipeline in the low carbon industry, and hydrogen (production, transport and storage facilities). Notable projects include Windplanblauw, which was delivered in October 2023 and which involves the replacement of outdated wind turbines with modern, powerful ones, and the Maasvlakte 2 Wind Park project delivered in November 2022, featuring innovative monopile foundations and wind farm infrastructure. Furthermore, we continue to develop and expand our civil activities for sustainable housing and water management such as the water supply project in Sri Lanka and the dyke reinforcement project Rijnkade Arnhem. With this focus, we have grown to be a partner in the energy transition for our clients.





Our commitment to international expansion remains strong, leveraging our established reputation built on a history of successful overseas projects. We recognise significant international potential, particularly in infrastructure, with a specific focus on civil (marine) infrastructure, including ports, bridges, tunnels, and water treatment/distribution projects. Ongoing projects include contracts for the construction of the European Investment Bank's new headquarters in Luxembourg¹ and the construction of five new bridges in Guinea-Conakry. We have delivered a water treatment plant in Sri Lanka and we are working on the terminal renewal of St. Maarten airport. Our ambition extends to further expansion in the CIS countries, Africa, the Caribbean, and the Nordics.

1.1.4 Organisational structure

Since 2015, Ballast Nedam has been a member of the Rönesans Group. Our immediate parent company is Renaissance Construction B.V., and the ultimate parent company is Rönesans Holding A.Ş., based in Turkey. This partnership with a strong and internationally recognised organisation brings us stability, enhances our capabilities in specialised areas, and reinforces our global presence and international reputation. Rönesans Holding is a financial holding, whereas Ballast Nedam functions as a strategic holding, facilitating and supporting our operational holding:

our diverse combination of business units.

Our operational holding is organised into two divisions:
Ballast Nedam Construction and Ballast Nedam
Development. Ballast Nedam Construction consists of
four business lines: Infrastructure, Building Netherlands,
International and Industry.

Infrastructure

Our business line Infrastructure encompasses our business units Ballast Nedam Infra Projects, Ballast Nedam Road Specialties, including Mouwrik Waardenburg which we took over in 2022, and Ballast Nedam Park & Connect. This business line also contains Ballast Nedam Concessions, for long-term project financing and investments, and Ballast Nedam Asset Management, managing our PPP building portfolio. Ballast Nedam Infra Projects encompasses integrated tunnelling, offshore and nearshore wind farms, marine and specialised foundation and excavation solutions.

Building Netherlands

Building Netherlands is our largest business line. It is dedicated to acquiring and executing integrated projects in residential, commercial, and utility construction. These projects span local and national markets. We excel in new construction transformation, renovation, modular

construction and heritage restoration. Building Netherlands consists of the business units Heddes Bouw & Ontwikkeling, modular construction company Ursem Modulaire Bouwsystemen, Laudy Groep, Ballast Nedam Zuid, and Ballast Nedam West. In 2021, we added Willems Bouwbedrijf (part of Laudy Groep). Aligned with our strategy, the reorganisation and phasing out of projects within the business unit Ballast Nedam Building Projects are nearing completion.

International

Our business line International encompasses our international, worldwide projects within Ballast Nedam International Projects, as well as our companies in Switzerland: Heitkamp Construction Swiss, and the United Kingdom: Ballast Nedam UK Ltd. Ballast Nedam UK consists of three different companies: Ballast Nedam Construction Ltd, Stripe Consulting and the company acquired in 2022: Avenue Building Company Ltd, a specialised company in healthcare construction projects in the UK.

In January 2024, Ballast Nedam N.V. acquired 100% of the shares of Ronesans Endustri Tesisleri A.S



¹In collaboration with Rizzani de Eccher.

(Ronesans Industrial Facilities Construction and Trade, hereafter "RET"). The company will be part of the international portfolio within Ballast Nedam. The company has a track record of projects in Europe, the Middle East, Africa and the Commonwealth of Independent States.

In collaboration with its sister companies and through strategic partnerships, RET provides first class project development, finance, engineering, procurement, construction (EPC), operations and management services for large-scale projects. The decision to acquire RET is part of the long-term strategy and ambition to grow our international presence, making use of the strength of our combined companies. With the addition of RET, Ballast Nedam N.V. and its parent company Rönesans Holding A.S, will create an optimal platform to service its global customer base, as well as strengthen the financial position of Ballast Nedam. Subsequently, it is expected to contribute to a healthy profit margin.

Industry

Our business line Industry consist of three business units.

Ballast Nedam Industriebouw focuses on delivering projects for industrial clients in sectors such as petrochemicals, oil and gas, steel, food, and energy. It has extensive experience in specialised civil engineering and mechanical installations.

Our production companies Hoco Beton and Haitsma Beton, contribute to our comprehensive offerings.

Development

Ballast Nedam Development's purpose is to create appealing living and working environments in urban areas. This division delivers integrated, sustainable, creative, and high-profile solutions for residential environments.

It achieves this through investments, management, and development of both public and private projects, often surpassing legal requirements in a sustainable manner. While setting the new standard at the forefront of the market, efforts are being put into place to create a level playing field.

Ballast Nedam fosters autonomy and an entrepreneurial spirit within all of our companies. They operate as separate entities at the regional level, staying close to their markets, clients, and partners. Their approach and sense of ownership within their regions have proven highly successful, resulting in a deeper understanding of their clients' needs and a consistently higher level of added value for clients.

Figure 4 'Organisational units', offers an overview of our organisational structure, divided into divisions, business lines and business units.



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Chapter 2

Chapter 3

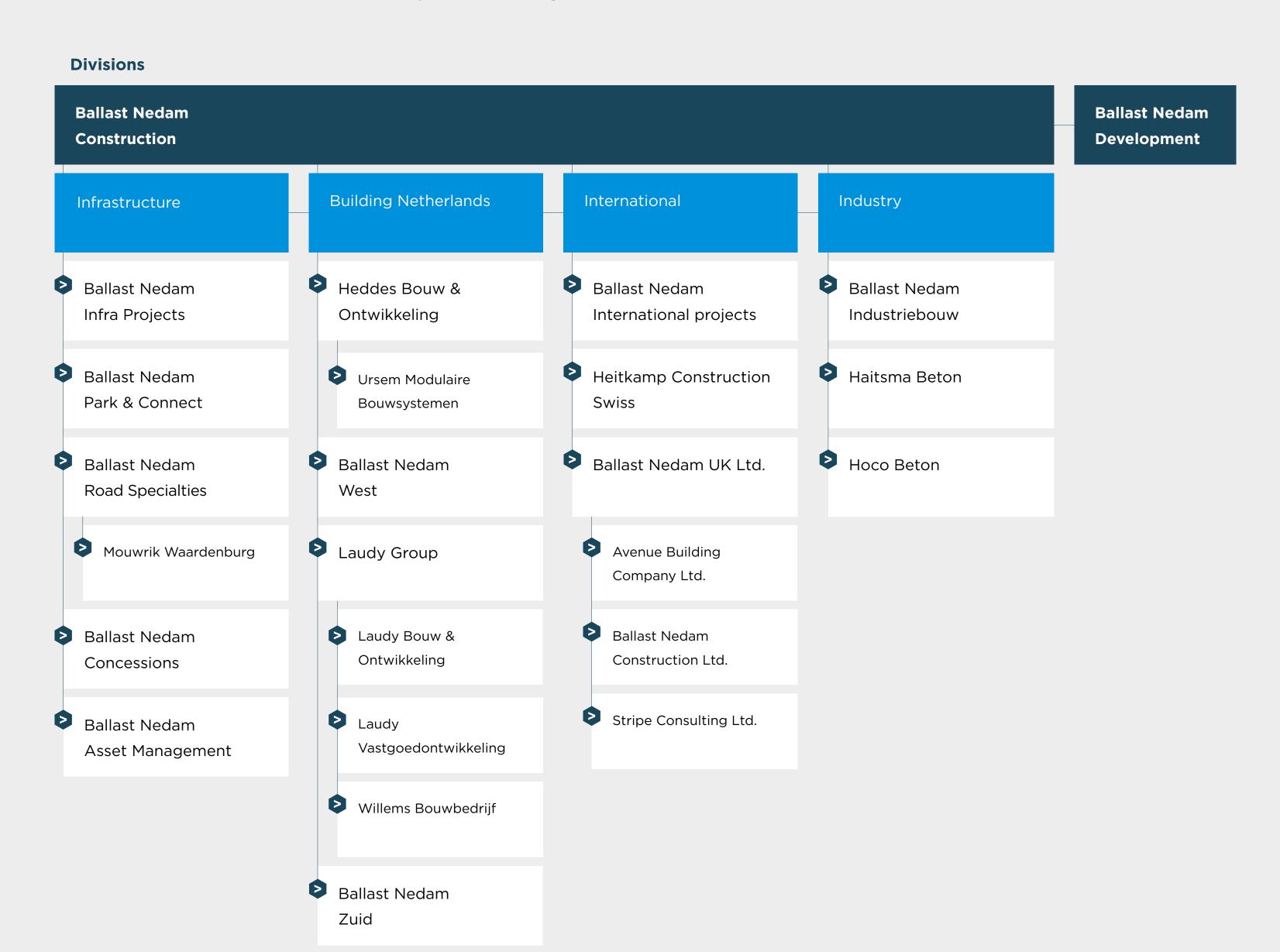
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1.2 What we do

1.2.1 Scope

Our core business involves constructing and developing sustainable landmarks. Our work significantly contributes to enhancing the quality of life in diverse aspects of society, such as residential environments, workplaces, leisure spaces, and transportation.

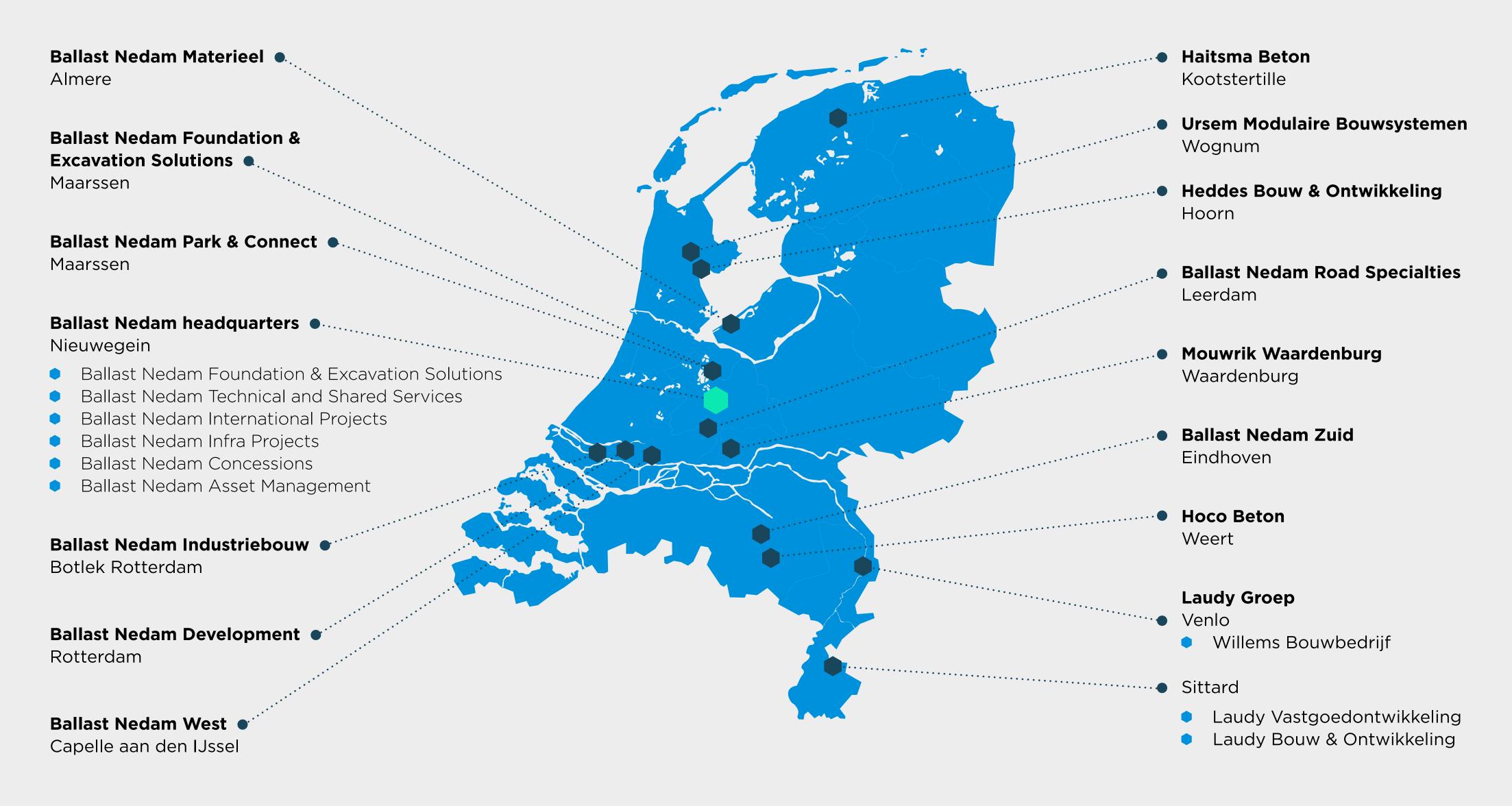
While our primary focus remains on our home country, we actively seek opportunities to further expand onto the global stage. This mirrors our identity as a Dutch construction and development company with a strong international orientation and a wealth of experience in overseas ventures. Currently, our operations extend to multiple countries, including Belgium, Luxembourg, Germany, the United Kingdom, Switzerland, Turkey, Sri Lanka, Sint Maarten, Tanzania, Iraq and Guinea-Conakry. In the Netherlands, we have a presence at office locations throughout the country: see Figure 5 'Ballast Nedam Locations' for a visual representation of our local sites. For our international reach, see Figure 6 'International Presence'.



Chapter 1 Chapter 2 Chapter 3 Chapter 4











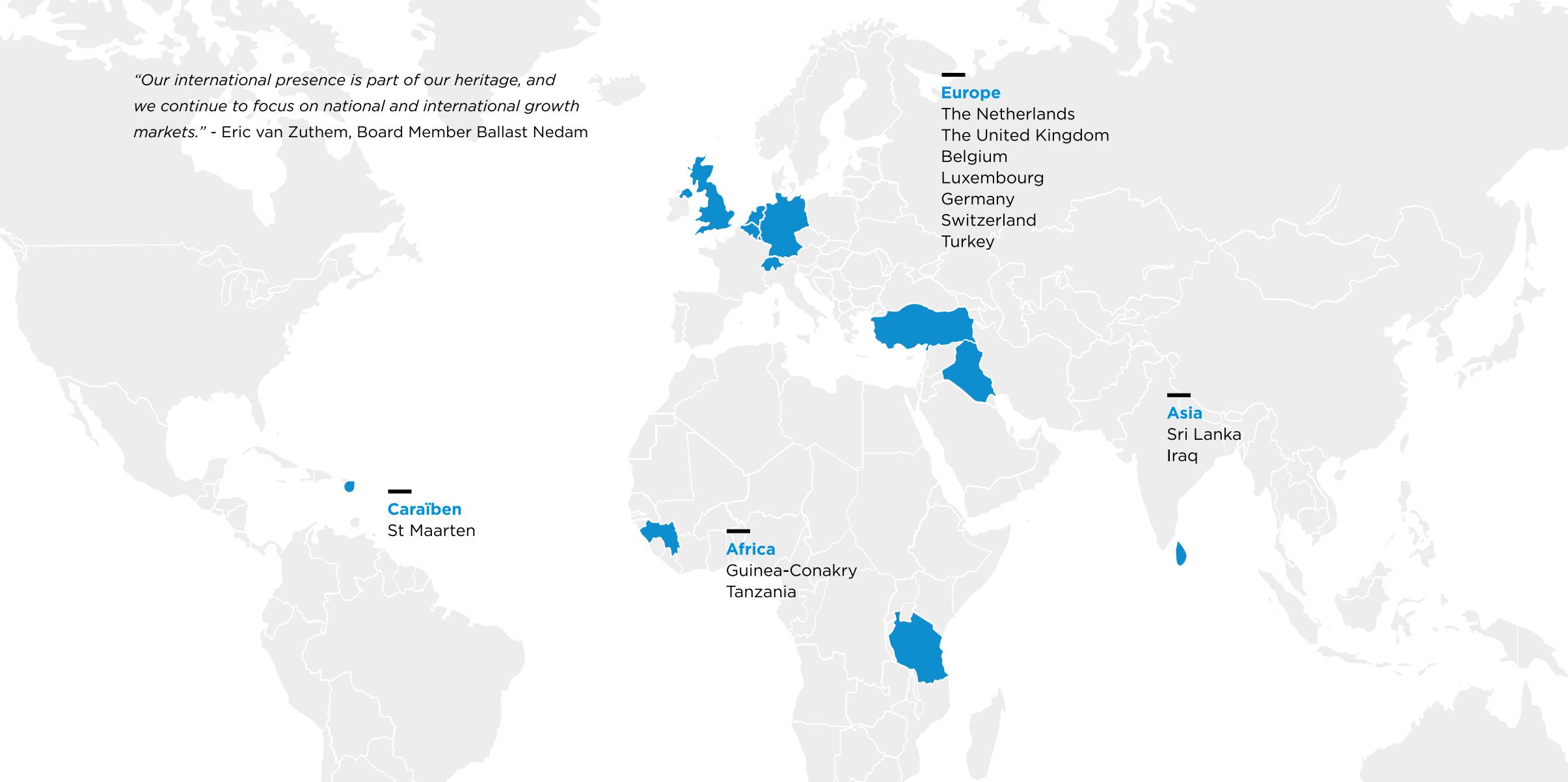


Figure 7: Expertise



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1.2.2 Projects

Our projects serve as our business cards, reflecting the outcomes of a comprehensive approach that combines knowledge, experience, commitment, and collaboration. Our construction portfolio ranges from small-scale local projects to large, complex projects of national significance. These projects are managed and executed by our regional, national, and international business units. In 2023, we worked on more than 150 projects on average in the Netherlands and several projects abroad.² In addition, we are integrating wider group activities into our international business unit which will expand its reach into the CIS countries, the Middle East and north and east Africa.

1.2.3 Expertise

Overall, Ballast Nedam's knowledge and experience are rooted in several areas of expertise. Our teams, working in each of these areas of expertise, have their distinctive qualities and experience to meet the demands of our stakeholders. An overview of Ballast Nedam's expertise is summarised in Figure 7 'Expertise'.



² Projects above EUR 1 million.



1.3 The world we operate in: a glimpse of 2023

Our business operations are influenced by a multitude of factors. Urgency prevails as we collectively strive to safeguard our environment and devise strategies to manage our energy consumption effectively. The volatility of costs and stringent nitrogen regulations continue to hinder tender processes, especially for large-scale infrastructure projects. In 2023, the inflation rate was high at 3.8%.³ It is expected that the ECB will not increase interest rates in 2024 once more. In general, there is still a cooldown of the economy, also in 2024, which will create overall pressure on construction volumes in the market.

In this turbulent environment, adaptability and resilience, along with a prudent strategy encompassing diversification and specialisation in regions, clients, and project types, are imperative. The management and optimisation of our entire value chain takes on heightened importance.

Sustainability

The commitment to achieving carbon neutrality, contributing to climate resilience, and circularity in our cities and municipalities by 2050 is an overarching imperative. Enshrined in various agreements, such as the

Paris Climate Agreement, this commitment shapes our approach. For Ballast Nedam, sustainability has become ingrained in our company, influencing our focus areas, decision-making processes, choices of materials, and methodologies. Our endeavours include an enhanced emphasis on prefabricated, modular, and circular construction, alongside the utilisation of secondary and biobased materials. Digitalisation of the construction process is another purpose we have pursued. Notably, we have invested significantly in enlarging our own energy production through solar power, installing 5,343 solar panels across our offices and construction sites in 2023, amassing a total capacity of 2,184 watt peak.

Adapting to the energy transition

Amid an evolving energy landscape, the pursuit of energy security underscores our commitment to sustainability.

Energy keeps businesses in motion and homes comfortable.

The world is currently in the midst of a transition towards a new sustainable energy system, based on clean and renewable sources, moving away from fossil fuels and emissions that impact our climate. Ballast Nedam takes its responsibility in this area and focuses on a holistic approach in creating a better energy system.

Ballast Nedam plays an active role in this shift by constructing the components of our future energy system. In this challenge, we work closely together with our group of companies. Our projects and knowhow range from renewable generation, such as wind parks, to civil structures for energy grids and hydrogen plants. We work nearshore and offshore on wind and solar parks. We design and build them. Our aim is to ensure that everyone can eventually benefit from new and sustainable energy.

Ballast Nedam participates in wind farm projects and invests in solar energy initiatives. Examples are the Windplanblauw project, completed in 2023, and the Maasvlakte 2 projects, completed in 2022. We also have (partial) ownership of four wind turbines.

The goal is that we are a reliable partner in contributing to the energy transition, together with a large variety of clients and partners. The desire and need for projects supporting the energy transition needs to come from the entire value chain.



³ ABN-AMRO- Economisch bureau, CBS, 2023.

Housing and urban development in 2023

The Dutch government's goal of constructing 980,000 new homes by 2030 to accommodate a growing population presents an array of challenges. Despite the significant need for (newly-built) homes, there was a decrease in construction permits granted of over 20% in the Netherlands in 2023.4 This is largely attributed to higher mortgage rates, declining consumer confidence, and increased construction costs. As a result, fewer projects are being put up for sale in some regions. Lengthy legal processes, the nitrogen dossier, as well as objections from the community contribute to extended project timelines. Uncertainty surrounding the regulation of the mid-range rental market is also inhibiting housing production.

Addressing the scarcity of building space remains a paramount challenge, especially given nitrogen measures. Government intervention and management are essential in designating large-scale rural locations to support the housing supply. In 2023, over 58,000 permits were granted, as opposed to 72,000 in 2022.5 Remarkably, a large number of permits were granted for residential living areas under, or just above sea level, making them more susceptible to flooding. This requires a different type of urban development and design.

An extensive stimulation package of measures from the government is needed to enable planned projects in the Netherlands to be realised.

For Ballast Nedam Development, 2023 has been a challenging year as well. The sale of new houses was difficult and we were affected by rising interest rates, slow procedures, objections to plans and a longer lead time to draw up zoning plans. Although this made the feasibility of development projects difficult, it also offered new opportunities. The sense of urgency that we must tackle the challenges for housing construction jointly with other stakeholders, such as municipalities, developers and architects has become much stronger and the commitment to achieving goals jointly was therefore central in 2023. Sustainability and health have become more prominent in housing construction. Ballast Nedam Development has been proactively anticipating this for years by introducing innovative and sustainable living concepts, such as at Cartesius in Utrecht, the Nature House in Heeze and Strandeiland in Amsterdam.



⁴ CBS (2024): "Minder vergunde nieuwbouwwoningen in 2023".

⁵ ABN-AMRO, sector analysis 2023: CBS.



Ballast Nedam's various business units are actively working to mitigate the housing shortage by building as many homes as possible, provided permits are granted and procedures expedited.⁶ Innovative construction methods, like modular building concepts, are integrated to streamline the construction process. Ursem Modulaire Bouwsystemen, a company 49,5% owned by Heddes Bouw & Ontwikkeling, is one of Europe's leading modular manufacturers. The company employs an industrial approach to create turnkey construction products. It offers innovative and top-tier solutions in which the products are crafted in a controlled environment and can be effortlessly assembled on site. This approach not only enhances efficiency and reduces construction timelines but also consistently delivers quality. Furthermore, it brings notable sustainability advantages. Another example of innovative concepts is PuurThuys. This prefab housing concept is an opportunity to create healthy houses is an initiative by Ballast Nedam Zuid and Laudy Bouw & Ontwikkeling. It presents a residential concept with versatile applications. It has proven valuable for expanding areas with new construction as well as challenging redevelopment projects.

Navigating cost fluctuations

The geopolitical conflict in Eastern Europe continued to exert upward pressure on raw material prices and disrupt supply chains in 2023.

In 2023, costs of materials still increased by 5% but there is a downward trend. However, labour costs continued to grow mostly due to collective labour agreement (CLA) salary increases of in total 5%⁷. The price of concrete increased, whereas the price of wood decreased slightly. Overall production prices continued to rise, also because of energy prices and accompanying energy contracts.

Ballast Nedam too has been experiencing these challenges, impacting costs and delivery timelines. To mitigate this, long-term supply partnerships have provided some relief. However, volatile prices introduce uncertainty, making it challenging to ensure fair pricing for new projects. The estimated uncertainty regarding the remaining costs to complete a project is now significantly higher. As a company, we can manage certain levels of price fluctuations, but above a certain threshold we need the security of cost indexation, otherwise risks are too high and unmanageable. Ongoing dialogue with supply chain partners remains crucial to manage the hurdles posed by price fluctuations.

Labour shortages

The construction industry continued with a growth percentage of employment opportunities in 2023, with an

expected slight decrease of 1% in 2024.8 The growth number was especially visible in the flexible shell. The shortage of staff was stabilised but was still noticeable mostly with UTA staff and a few specialised jobs. Factors such as an aging workforce and digitalisation have exacerbated the shortage of skilled labour. To bridge this gap, efforts are underway to promote technical education from a young age, via governmental initiatives and for example Bouwend Nederland. At Ballast Nedam, attracting and retaining highquality, skilled personnel is a priority. Although high turnover in some positions poses challenges, it injects fresh ideas and creativity into the organisation. Extensive recruitment processes and salary increases due to inflation and a tight labour market are notable trends. Being an employer of choice is pivotal, focusing not only on attracting new talent but also on ensuring the well-being and satisfaction of existing staff. Our works council assists us in driving these goals forward and serves as the voice of our organisation.

⁶ Our business units Ballast Nedam Development, Heddes Bouw & Ontwikkeling, Laudy Bouw & Ontwikkeling, Ballast Nedam Zuid and Ballast Nedam West focus on alleviating the housing shortage.

⁷ ABN-AMRO, sector analysis 2023: BDB, CBS, Cobouw.

⁸ 2020-2023 showed a 9% increase of employment opportunities. EIB, Developments in the construction market 2023-2027.



We apply our company slogan, 'Challenge to Improve' to ourselves: as people and as an organisation.

Embracing digitalisation and innovation

Digitalisation and innovation were integral aspects of our operations in 2023. The construction industry is experiencing an acceleration in the adoption of modular and prefab building solutions, as well as emerging technologies like robotics, virtual reality, artificial intelligence, Building Information Modelling, the Internet of Things, and digital twin technology. These advancements enhance productivity, reduce costs, meet market demands, engage employees, attract new talent, and foster collaborations. Digitalisation and sustainability are intertwined, with digital solutions supporting sustainable practices, monitoring, and response. Ballast Nedam remains committed to investing in and improving internal processes by leveraging these emerging technologies, including automation, robotics, advanced building methods, data management, and analytics. These technologies provide insights into performance and ensure high-quality standards for our clients.

Infrastructure

In the infrastructure market, we observe a notable shift toward the government's focus on necessary Replacement, Renovation, and Maintenance of the existing networks. This transition presents a significant workload potential, prompting Ballast Nedam's Infrastructure to broaden its portfolio by focusing even more on replacement and renovation projects, based on our developed experiences on large infrastructure (PPP) projects. The potential for long-term innovations within infrastructure is evident, exemplified by introduction of sustainable white asphalt resulting in lower energy consumption at the A73 tunnel renovation project. The A73 project stands out as a beacon of innovation, embodying circular principles, reuse, and energy neutrality.

Ballast Nedam is also actively involved in two-stage contracts for the A73 Swalmen and the Roertunnel project and the newly contracted A27 Everdingen-Hooipolder. The two-phase approach enables us to fully integrate our long-standing experience in building similar projects before the price and planning are finalised. This proactive close cooperation strengthens the predictability of the project and creates added value for all parties.

For 2024 onwards, we expect that due to the longer existing nitrogen issues which cause ongoing delays of projects, together with substantial cost increases due to geopolitical events and pressure on availability of qualified staff, there will be pressure on construction volumes and there will be continuity pressure of margins. For the Dutch infrastructure

market we remain selective on tendering and focus on margin instead of revenue.

Therefore, Ballast Nedam Infrastructure will focus on wind energy, marine and technical expertise, particularly in tunnel installations, to diversify in markets and clients and potentially also be able to work outside of the Netherlands. Supplemented by our specialisms foundation and excavation solutions as well as road specialties, we offer full scope value to our clients.

1.4 Our approach to materiality

A solid approach to stakeholder engagement and performing a diligent materiality assessment strengthens our beliefs that the topics we focus on in our Annual Report are indeed relevant for the context Ballast Nedam operates in. This chapter will take a closer look at how we determine, organise and manage our material topics.

1.4.1 Material themes for Ballast Nedam

At Ballast Nedam, we acknowledge the importance of the (double) materiality concept and are currently in the process of executing a new double materiality assessment in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and its associated European Sustainability Reporting Standards (ESRSs).



Figure 8: Materiality analysis



Because we are still in the process of finalizing the aforementioned approach, for the current Annual Report we will stick to the material topics that we identified and selected in our previous materiality assessment, dated in 2020. This specific materiality assessment was based on external stakeholder interviews combined with internal expertise on the subject matter. Based on this input, we selected several material topics deemed to be most relevant to Ballast Nedam's operating context. The figure on the right shows our materiality matrix with our priority topics highlighted in green. These topics are considered to be material in 2023. In our 2024 annual report, we will present our updated material topic list and how we plan to address these topics moving forward. Please refer to paragraph 1.4.3 for our ESG compliance approach for additional information on the process and steps (to be) taken.



Importance to Ballast Nedam / Impact on society

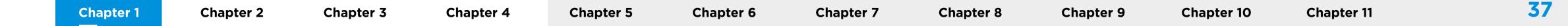


Figure 9: Overview of material topics and sustainable development goals

The table on the right provides a quick reference to where more information on each material topic can be found throughout this Annual Report. This report presents both quantitative and qualitative data for 2023. These reference chapters / segments will also outline specific information on why we feel the topic is important to us, how it influences our operating context, what our (planned) approach is in terms of ambitions and goals, and whether we are on track or require (policy) intervention to secure these ambitions and goals.

Based on the table and material topics, Ballast Nedam's CSR priority areas, which are addressed in chapters 5-8 of this Annual Report, are as follows:

- Chapter 5: Sustainability: A material priority area including the topics of climate change (decarbonisation), circularity, waste, biodiversity and supply chain responsibility;
- Chapter 6: Health, safety and environment: A material priority area including the topics of health and safety at Ballast Nedam as well as in the supply chain;
- Chapter 7: Human resources: A material priority area including the topics of recruitment and retention, diversity and inclusion and training and development;
- Chapter 8: Digital transformation and innovation: As an enabling priority area, advancement on digital and innovation is a precondition to support efficient and effective management of Ballast Nedam's material priority areas.

Material topic	Associated Sustainable Development Goal	Associated GRI disclosure	Reference chapter and paragraph	Page
Due diligence	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (SDG 16, target 16.6 and 16.7)	GRI 2: General disclosures	Corporate governance	Page 86
Child and forced labour		GRI 2: General disclosures	Risk management	Page 67
Anti-corruption		GRI 2: General disclosures	Risk management	Page 67
Fair competition		GRI 2: General disclosures	Risk management	Page 67
Promoting social responsibility in the value chain	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8, target 8.8) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development (SDG 17, target 17.7) Ensure healthy lives and promote well-being for all at all ages (SDG 3)	GRI 2: General disclosures	Health, safety and the environment	Page 120
Conditions of work and social protection (position of subcontractors/living conditions)		GRI 2: General disclosures	Health, safety and the environment Human resources	Page 120 Page 135
Health and safety at work		GRI 403 - 1/2/3/4/5/6/7/8	Health, safety and the environment	Page 120
Sustainable resource use	Ensure sustainable consumption and production patterns (SDG 12, targets 12.2, 12.5, 12.6 and 12.7)	GRI 304 - 2 GRI 306 - 1 / 2 / 3 / 4 / 5	Sustainability, Circularity, Biodiversity	Page 98
Climate change mitigation/adaption		GRI 305 - 1 / 2 / 3 / 4 / 5	Sustainability, Decarbonization	Page 98
Sustainable consumption (energy efficiency of constructions)		GRI 302 - 1 / 2 / 3 / 4 / 5	Sustainability, Decarbonization	Page 98
Protection of the environment, biodiversity and restoration of natural habitats (nitrogen deposition)		SRI 304 - 2	Sustainability, Decarbonization, Biodiversity	Page 98

1.4.2 The IFC standards

Through Rönesans Holding's longstanding commitments to the World Bank's International Finance Coalition (IFC) Environmental and Social Performance Standards, Ballast Nedam's approach to human and social capital has been captured in its CSR and Code of Conduct policies, aligned with the ISO 26000 standard. The increasing transparency requirements regarding social safeguards is an opportunity we welcome to further understand our potential risks, opportunities and our impacts concerning human and labour rights, bribery and extorsion, taxation and fair competition across our value chain. At Ballast Nedam we focus on people and relationships, and thus we intend to have a positive impact in the international communities in which we operate. Therefore, we have endorsed the IFC standards of the World Bank Group. These standards advance economic development and improve the lives of people by encouraging the growth of the private sector in developing countries. These improvements are achieved by creating new markets, mobilising other investors, and sharing expertise, which in turn should create more jobs and improve living standards, especially for the poor and vulnerable. In addition, these improvements contribute to the World Bank's goals of ending extreme poverty and boosting shared prosperity. When it comes



to Ballast Nedam's international projects, the following IFC Performance Standards (PS) are also important, in addition to the SDGs stated above: Community health, safety and security (PS4); Land acquisition and involuntary resettlement (PS5); Biodiversity conservation/sustainable management of living natural resources (PS6); and Indigenous peoples/cultural heritage (PS7 and PS8).

1.4.3 Our ESG compliance approach

Given the developments in ESG legislations, we are actively pursuing compliance⁹ with relevant (EU) ESG legislations and directives, the most important being the Corporate Social Responsibility Directive (CSRD) and its associated European Sustainability Reporting Standards (ESRS's), as well as the EU Taxonomy regulation. To that end, we have developed and deployed an ESG compliance roadmap distinguishing three concrete phases through which we aim to achieve successful implementation of the (reporting) requirements associated with these (EU) legislations.

Phase 1: Strategy and compliance

Activities in this phase relate to the active inclusion, sponsorship and involvement of our Board of Management and the successful re-iteration of our CSR Policy, containing our ambitions, targets and related activities for the coming years. A crucial step in attaining the aforementioned is creating a double materiality approach in compliance with the (disclosure) requirements of the CSRD. To that end we are currently executing a stepwise process including:

- 1. Determining a long list of potentially material topics specific to the operating context of the construction sector and discussing these with subject matter experts
- 2. Engaging a broad range of external stakeholders, ranging from clients in both the public and private sector, joint venture partners, NGO's, banks, branch organisations, finance institutions and insurance companies. Next to this, we also engaged a wide range of internal stakeholders ranging from general foremen and project directors to subject matter experts, department heads, works councils and business unit directors.
- 3. Defining a final list of material ESG topics following from the input of stakeholders.
- 4. Performing an analysis of Impacts, Risks and Opportunities per material topic & identifying disclosure requirements, defining ambitions and corresponding metrics.

We are nearing completion of this phase.

Phase 2: ESG Reporting & insights

Activities in this phase relate to securing pilot projects for testing information (and data) availability, creating (data) GAP assessments, identifying related IT and dashboarding requirements, updating relevant policies and setting up reporting processes geared to defining (internal) control mechanisms. We have started executing this phase and are currently working hard at updating policies and getting to grip with related IT requirements.

Phase 3: Implementation & execution

Activities in this phase relate to informing and training relevant staff at corporate and business unit level, defining baselines (for KPI's), testing the set-up and quality of reporting processes (assurance readiness) and monitoring and evaluating performance and results. Activities in this phase will largely take place in the coming two years.

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⁹ Per January 1st 2026 (covering reporting year 2025), we are obligated to report in compliance with both the CSRD as well as the EU Taxonomy regulation.

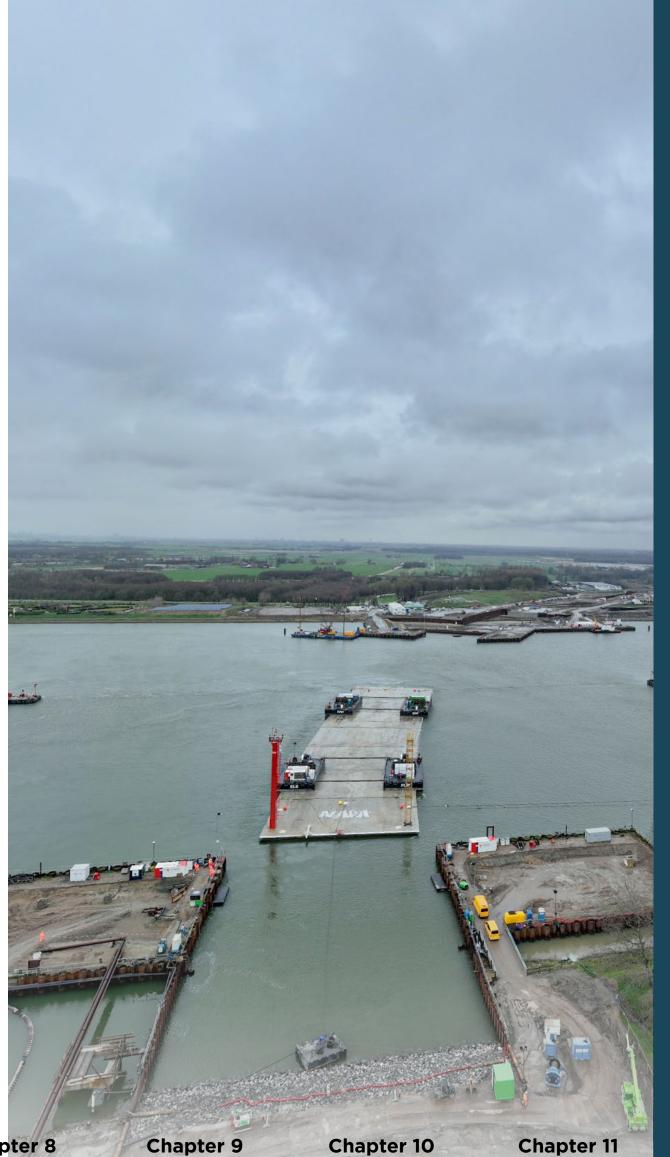


Business case

Sophisticated immersed tunnel operation

The almost completed Blankenburg connection covers 5 kilometres of new infrastructure, between the A20 near Vlaardingen and the A15 near Rozenburg. Technical highlight: a 945-metrelong immersed tunnel under the world's busiest port route. For this Maasdeltatunnel, the two tunnel elements were immersed in 2023. The immersion operations appeared to be complex, where the final solution provided valuable new knowledge.

"An ode to a village swallowed up by industry", is how Martijn Smitt, Executive Director of Ballast Nedam, interpreted the name of the new connection. Rightly so, because for 400 years, the village of Blankenburg existed near the route. It consisted of a church, a rectory, a school and 130 dike houses. In 1965, the 400 residents were kindly but urgently requested to make way for the construction of the Botlek, Rotterdam's huge port and industrial area. Since then, the economic progress moved forward and even more large-scale port facilities, such as both Maasvlaktes, rose up. And there lies the genesis for



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the Blankenburg connection, Martijn knows. "The Nieuwe Waterweg is the busiest port route in the world. Road traffic has to cross that river properly. That was already possible via the Van Brienenoord Bridge, the Maasdeltatunnel and the first and second Benelux tunnels. What was still lacking was a connection that allows traffic to flow better between the north and the Maasvlaktes. This was discussed for decades, until it was finally decided to build the Blankenburg connection in 2011. The stretch is expected to be completed in 2024. Cars and freight traffic will then have no, or at least less, congestion. This serves a great regional interest in an area where that huge port is still growing. But it also constitutes a good future investment for the region, given the importance of this area for the national economy."

Critical stakeholders

That investment is not insignificant. It amounts to about € 1.2 billion. "In the world of civil construction, that is a huge amount", Martijn says. "Together with our consortium partners DEME and Macquarie Capital, we are realising the whole thing as a DBFM project. So the contract includes the design, construction, 20 years of maintenance plus all the financing. On top of that, it represents a huge intervention in the environment. We have to deal with that carefully. The issues involved are diverse, from rehousing bats to rerouting





the Botlek pipelines. There are quite a few stakeholders involved. Managing them also requires considerable effort." Patrick van Os knows all about that. He has been involved in this mega project on behalf of Ballast Nedam since 2016; first as tender manager and since 2017 as deputy project director. "On the north side, the project will take us under the river. That forms a natural division in the landscape, with two different municipalities on either side, and also two different water boards. Then we have many other stakeholders, such as the Port of Rotterdam. All these parties are working together, and are also critical stakeholders. Yet, they do not all have the same interests. For example, the usefulness of the project for the Port of Rotterdam is completely clear, but for the municipality of Vlaardingen, on the northern side of the route, this is to a lesser extent. They faced a plan for a motorway through a beautiful natural landscape full of picturesque farms and recreational facilities. That generated quite a bit of resistance. That was turned around slowly and it was decided to build the section there partly as a low-level highway and with a land tunnel. So you will hear, see and smell nothing at all of the new connection."

Complex interaction of forces

Seen from Vlaardingen, the new A24 road passes four new structures: a low-level highway junction at the A20 motorway overflowing into the Holland Tunnel, the Maasdelta immersed tunnel and an elevated

junction with the A15 at Rozenburg. The Maasdelta immersed tunnel is considered the project's masterpiece by those involved and also the media. Martijn understands that. "Especially the immersion operations of two tunnel elements, each about 200 metres long, under such a busy route, at the transition point between fresh and salt water, can definitely be called technical complex." This proved to be the case in practice when the tunnel elements were immersed one by one in 2023. The first one involved an unexpected water leakage in a temporary seal, causing vessel traffic in the shipping channel to be blocked for longer than intended. But it was while immersing the second element that an unexpected and serious problem presented itself. "Exactly where the tunnel is located is the transition between salt water coming from the North Sea by tidal movement and the fresh water of the river. We knew that, and we were also obviously familiar with the dynamics involved in the mixing of salt and fresh water. But here a strange interaction of forces occurred, which surprised us all." What happened was the following: prior to the immersion, the tunnel element is still floating in the water. In doing so, 95% was under water and 5% above it. According to Archimedes law, the water formed the well-known buoyancy force, lifting the element. At the same time, the interaction of salt and fresh water caused so much additional current that an unforeseen interplay of forces arose. As a result, one of the winch cables holding the element in place snapped. The immersion operation was, for that moment, immediately aborted.



Updated technology

Every disadvantage has its advantage, as this event gave the team the opportunity to look for a solution to a previously unknown phenomenon. "We completely reconstructed the event afterwards, and found out what had happened. The team then adjusted the whole system of immersion and recalculated everything based on the new, increased forces. Among other things, this led us to work with heavier winches and thicker cables on the second immersion operation." This operation had to be briefly postponed due to storm Babet, from October 21st to November 6th. But when immersion began on that day, the operation otherwise went smoothly. "I am proud that we managed to pull this off with the team. The cooperation went very well, as has been the case throughout the project. Not only with the consortium partners, but also with our client Rijkswaterstaat. Everyone made an effort all the time to look beyond their own boundaries and interests to achieve the common goal." What new knowledge has this project yielded, and in particular the course of events surrounding the immersion of the second tunnel element? "In short: that this salt-fresh water phenomenon exists, and how to solve it. With that in the background, we have made huge strides in terms of updated technology and digitalisation. In the world of tunnel immersion, it is standard practice to share such knowledge. To this end, I myself started an annual knowledge exchange meeting around 15 years ago. These are very well attended still by all the experts. By telling each other about our experiences, we advance our common field." Martijn is not afraid of Ballast Nedam losing a competitive advantage as a result. 'If I have learned one thing in my years of experience with immersed tunnels, it is that you can never copy anything from a previous project. This is because the conditions are different every time. Every tunnel immersion is unique, with its own conditions. In addition, it is our collective duty to take the profession forward and update our developed technology by sharing knowledge."





Military operation

Martijn should know. He is considered an international tunnel immersion expert. In 1993, the Wijker tunnel formed his first immersed tunnel project, and since then he has been involved in 14 immersion tunnels among others in The Netherlands, Iraq, Czech Republic, Ireland, Denmark and South Korea. "Once you work on these projects, you get completely addicted. It is hyper technical and the complexity is huge, mainly through the dynamical systems involved. Failure is not an option, has always been my motto. So you approach it like a military operation. You go all the way with the team, which in turn brings a very nice sense of fraternisation. Working on immersed tunnels is simply the greatest thing there is." After years in the middle of immersion practice, Martijn now has a different role as executive director. "I now actually watch more from a distance to see whether everything is going well, whether there are any steps backwards. But I also support the team in solving complex issues and when necessary still make engineering calculations for the team. That immediately makes my heart beat faster again."

The edge of technical feasibility

Meanwhile, developments in the world of immersed tunnels are not standing still. Between Germany and Denmark, work is under way on the longest one in the world; the 18-kilometre-long Fehmarnbelt link. Ballast Nedam will start work in Basra, Iraq.

There, the 2.5-kilometre-long immersed Silk Tunnel will form a link under the Khor Al Zubair canal. But first let's finish the Blankenburg link. Patrick definitely has a good feeling about it. "It really is a big and challenging project. Technically, of course, with the immersion of the Maasdelta tunnel, but also with the extremely deep excavation pits that were required. Normally these are at a maximum of 15 metres, but now it was 28 metres. After all, we had to go under the shipping channel, and then you end up at a considerable depth on the banks. There we really worked against the edge of what was technically feasible." A very different kind of challenge played out on the organisational front. "The project has widespread construction sites, with the interchanges, tunnels and both sides of the river. Therefore, it was necessary to work in sub-projects. These were physically separated from each other, so then it requires something to keep all heads going in the same direction all the time. We managed to do that partly thanks to a good communication and cooperation structure, in which we also literally sat around the table with each other periodically." Patrick is proud of the fact that the core of the project team has remained intact all this time. "You sometimes experience that differently. I think it says something about the good functioning of the project team. I am really proud of that. But now the end of the project is in sight. It's all about the final construction work, finishing the tunnel, installing and testing the traffic systems, and then the cars can go through. And we are already setting our sights on the next immersed tunnel, in Iraq."





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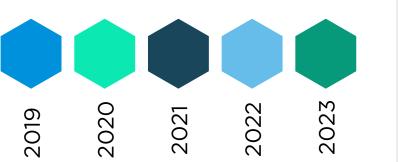
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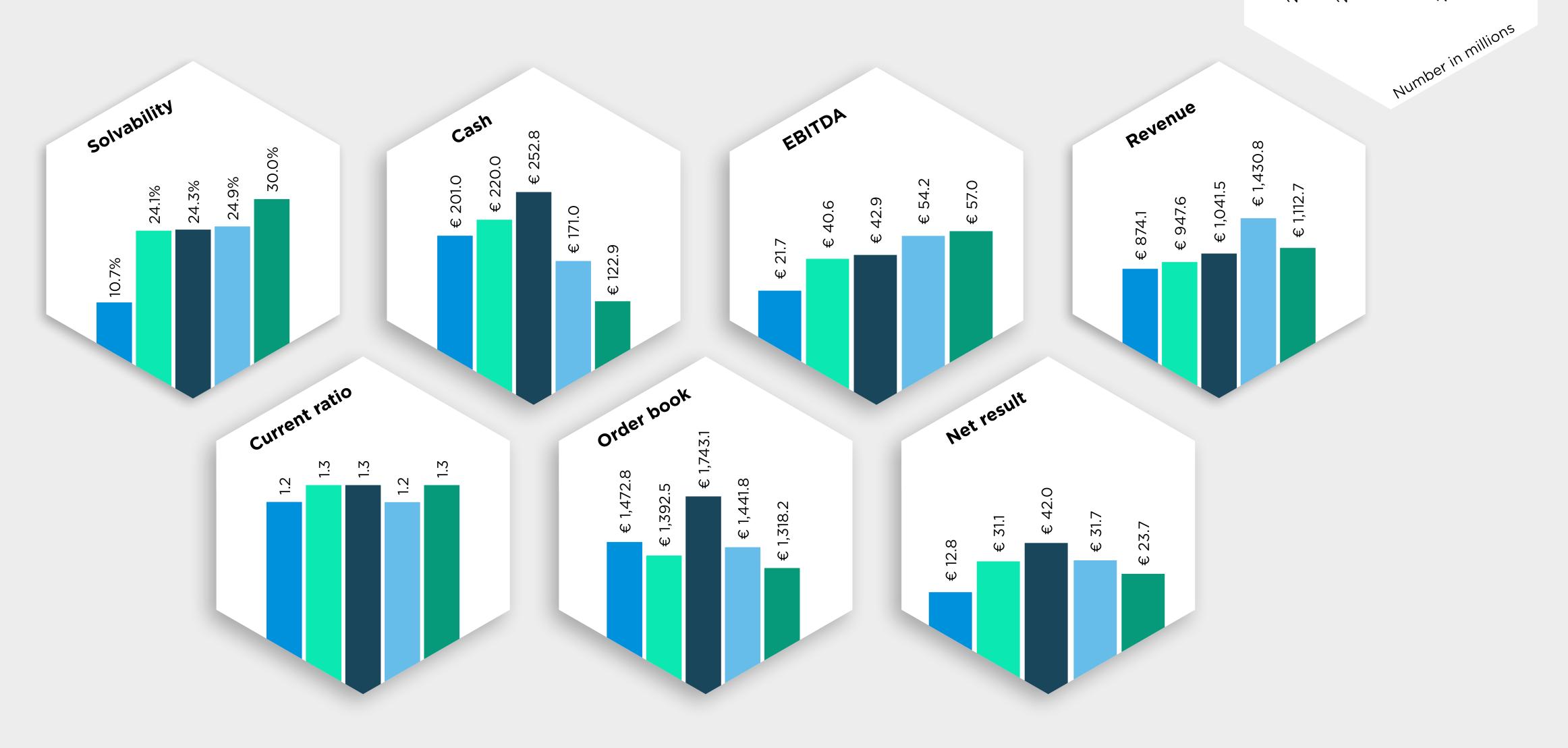
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2.1 Financial Results

2.1.1 Revenue

Our revenue decreased in 2023 from €1,430.8 million to €1,112.7 million. This decline is in line with the expectations of our Business Plan. Revenue generated by joint ventures in 2023 amounted to €135.3 million (2022: €128.2 million). This is equivalent to €1,248.0 million (2022: €1,559.0 million) in total revenue for the company if all joint ventures were consolidated proportionally. The activities of Ballast Nedam are supported by the sustainable demand for new homes, infrastructure improvements and the energy transition.

Revenue from Construction activities - meaning Building
Netherlands and Infrastructural works - amounted to
€507.2 million (2022: €678.6 million) and €457.8 million
(2022: €552.4 million), respectively. Total revenue
from Construction activities in the Netherlands was €809.3
million (2022: €1,096.7 million). The revenue
of Ballast Nedam Development was €119.6 million
(2022: €107.8 million). Ballast Nedam Industriebouw,
with its extensive experience in specialised civil works and
mechanical installations, generated a revenue of
€126.1 million (2022: €174.4 million).

The revenue from services rendered of €13.7 million (2022: €10.8 million) is mainly related to maintenance services. The trading and other revenue of €33.6 million (2022: €16.6 million) relate to revenues from rentals of equipment, tender cooperation fees, buying and selling of construction materials and lease income from investment property. Ballast Nedam group ('Ballast Nedam N.V. and its subsidiaries') remains firmly focused on enhancing its project portfolio and healthy growth in the coming years (given ordinary market circumstances).

2.1.2 Results for the year

Ballast Nedam continued its strategy of running a healthy company by continuously striving for operational excellence. As a result, the company generated an income from operating activities in 2023 (including results from joint ventures) of €38.2 million (2022: €36.5 million). The company has a healthy EBITDA of €57.0 million (2022: €54.2 million) and the net result before tax was €25.7 million (2022: €29.8 million). The net result for the year was €23.7 million (2022: €31.7 million), which represents 2.1% of revenue (2022: 2.2%).

Ballast Nedam has a well-diversified project portfolio and the vast majority of the Business Units are positively contributing to the financial performance. 2023 also presented us with challenges and the financial performance was impacted by the deteriorated result from some large construction projects.

2.1.3 Order book

Ballast Nedam has a strong order book of €1.3 billion (2022: €1.4 billion). This results in an order book to revenue ratio of 1.2 (2022: 1.0). The order book contains multiple noteworthy new and existing projects. These range from small to large-sized, covering many of our expertise. The order book highlights are described in section 2.2.

2.1.4 Shareholders' equity and cash flow

This year, shareholders' equity increased from €249.7 million to €304.6 million. This was mainly due to a capital contribution and our net profit for the year. This year's solvency ratio is higher than our best performance years, coming to 30.0% (2022: 24.9%). Cash flow from operating activities was negative at €101.3 million (2022: €76.5 million, negative) as a result of timing difference in the cash in and



outflow based on the phases in a project and pre-financing positions of some large construction projects with a deteriorated result. Out-going net cash flow from investing activities was negative, at €8.8 million (2022: €23.5 million, negative) which includes the investments in property plant and equipment and investment properties.

The positive cash flow from financing activities totalling €61.9 million (2022: €18.2 million positive) is mainly the result of net cash flow from borrowings €49.2 million. This resulted in a net negative cash flow for 2023 of €48.2 million, compared to the negative €81.8 million cash flow of 2022.

2.1.5 Assets and liabilities

Total assets amounted to €1,014,8 million (2022: €1,004.8 million). The total assets position includes cash position of €122.9 million (2022: €171.0 million), intangible assets €19.4 million (2022: €20.7 million) and deferred tax assets €31.8 million (2022: €31.6 million). The working capital ratio of Ballast Nedam is 1.3 (2022: 1.2). Capital employed increased from €398.5 million to €433.5 million.

2.2 Project highlights

- Neste Oil | Rotterdam | Ballast Nedam Industriebouw Neste Oil is building a new factory, located partly on an existing site and partly on a new site, which will produce sustainable fuels for road transport and raw materials for the chemical and aviation sectors. Ballast Nedam Industriebouw, on behalf of Technip, is responsible for civil works, including concrete work, foundations, and underground piping, for the waste water treatment at this facility. Neste Oil aims to become the world's leading producer of renewable diesel fuel and is expanding its production capacity in the Netherlands to achieve this goal. This expansion will save approximately 3.5 million tons of CO₂ emissions annually by reusing low-value residual and waste products. This project showcases our expertise in multidisciplinary construction and commitment to sustainability.
- Shell PCE & Skyline | Moerdijk | Ballast Nedam
 Industriebouw

Ballast Nedam Industriebouw is the civil contractor for a new test case factory at Shell Moerdijk. This project is called Plastic Circular Economy. The goal of the project is to prove that plastic can be a circular commodity. The project team is approaching completion. If the test case is a success, Shell intends to build a full-scale plant.

INEOS Project ONE | Antwerp | Ballast Nedam Industriebouw

With Project ONE, INEOS brings one of Europe's most energy-efficient and technologically advanced chemical complexes for the production of ethylene and propylene (olefins) to the Port of Antwerp. The activities for Ballast Nedam Industriebouw within this greenfield project essentially consist of the civil works of earthworks for foundations and trenches, in-situ concrete, underground works, and paving and roads. Key point is the way of working (RFC design and construction) while maintaining a balance between target cost, schedule, quality and most importantly safety on all aspects of the project.

Shell Red2Green | Pernis | Ballast Nedam Industriebouw

Ballast Nedam Industriebouw started the construction of a factory for Shell in 2022 that will produce biofuel for the aviation industry. The project team has successfully finished the RoRo quay wall on time to receive the first big structures made in India in 2023. We are installing foundations and deep pits (10 meter) to receive all equipment. Because of the limited space, we will execute a substantial part of the concrete structures in prefabricated concrete. We expect to start the 400 km cable pulling in the summer of 2024.



Shell Thorbeckeweg | Zaandam | Ballast Nedam | Industriebouw

Construction of a new gas station. The project consists of earthworks, concrete works, architectural works for the shop building and placement of canopy. The project was awarded to Ballast Nedam Industriebouw since it has the best execution plan where a major topic was the reduction of nitrogen during the construction phase. We managed to reduce 547 kg nitrogen to 28 kg during the lead time of the project (95% reduction). This has been achieved by focusing on replacing small construction equipment with a long lead time on site with electrical equipment.

Safety tunnel Kerenzerberg | Glarus North (CH) | Heitkamp Construction Swiss GmbH

After the breakthrough – reached with the tunnel boring machine in September 2022 - the works have continued at the 5250 meters long safety tunnel for the Kerenzerberg highway tunnel. The lining works of the caverns as well as the interior works will be completed in Q1 of 2025. The safety tunnel is being constructed by Heitkamp Construction Swiss GmbH together with its joint venture partners.

Tunnel renovation Val Varuna II | Poschiavo (CH) |Heitkamp Construction Swiss GmbH

In July 2023, we started working on the tunnel

renovation project "Val Varuna II" on behalf of Rhaetian Railway AG. Works can only be carried out between April and November, since tourism has priority in the canton of Grisons and weather conditions in the elevated areas are suboptimal in the winter months. We set up the construction site, built the pre-cuts and the auxiliary bridge in the portal area and carried out other preparatory work. On both tunnel entrances the first pipe umbrellas have been built to enable an immediate start of the excavation and stabilisation work in spring 2024.

Brandberg tunnel | Winden im Elztal (D) | Heitkamp Construction Swiss GmbH

After the breakthrough of the tunnel in autumn 2020, the interior work on the 881 m long tunnel was successfully completed in spring 2022 with the concreting of the last block. Following the inner lining, the cut and cover section as well as the ramp including associated structures have been completed. In summer 2023, the asphalt carriageway was laid, the tunnel coating applied, and the last remaining work carried out. The noise protection walls including panelling and the technical buildings were the last works to be completed.

Managing assets | Various locations | Ballast NedamRoad Specialties

Ballast Nedam Road Specialties is a specialist in

regular maintenance on roads. Their main focus is the maintenance of road shoulders, like mowing and clearing waterways. During these maintenance activities, our people are able to increase the biodiversity of nature because of their specialised education. Ballast Nedam Road Specialties is also managing calamities in case of an emergency. This involves, among other things, small repair works of asphalt and guardrails. Our own specialists and equipment are used for all long-term asset management contracts, like Alanes A15, IXAS A9 but also for external clients like N210 Province of Zuid-Holland.

Heavy maintenance N235 | Waterland | Ballast Nedam Road Specialties

In August 2023, Ballast Nedam Road Specialties carried out heavy maintenance on the N235. Preparations were limited in time and were done in close cooperation with the project team of the Province of Noord-Holland. We replaced the asphalt of the main road and bus lane and applied a new noise-reducing asphalt called Microtop. We also applied road markings and replaced traffic loops.

Heavy Maintenance Provincialeweg | Tiel | MouwrikWaardenburg

The Provincialeweg in Tiel is the main access road into Tiel coming from the west. During the summer holidays,



Mouwrik Waardenburg carried out heavy maintenance to the main road surface and bicycle lanes. In the shortest amount of time the existing bicycle lanes were rebuilt completely and covered with a red-coloured asphalt pavement. On the main road a new layer of asphalt was applied, speed bumps were built to reduce the speed of traffic and drainage of the road surface was improved.

Revitalisation Swimming Pool Hoensbroek | Heerlen |Laudy Bouw & Ontwikkeling

Laudy has executed the revitalisation works of a swimming pool for the municipality of Heerlen. The maintenance costs and energy consumption of the building were high. In the extensive revitalisation works Laudy replaced all of the steel columns in the pool areas and all the tiles of pools and changing rooms. On the outside, the complete building envelope was stripped and replaced to solve moisture problems and upgrade the insulation of the façade and windows. We replaced the outdated installations by eliminating the gas heating and making the change to low-temperature district heating Mijnwater.

Subphase 2C van De Groene loper | Maastricht |Laudy Bouw & Ontwikkeling

The project is part of the De Groene Loper Maastricht

project, the completion and crowning of the realisation of the Koning Willem Alexander Tunnel. It is a combination of 3 apartment buildings with 32 luxury owner-occupied homes, 38 mid-rental and 40 social rental homes and 10 ground-level homes developed by Ballast Nedam Development. The highlight of the project is the 10-storey apartment building; the tallest building on the Groene Loper so far. Like all other housing developments, all apartments and houses are natural gas-free and equipped with heat pumps, heat recovery ventilation and PV panels.

Tuindershof | Pijnacker | Ballast Nedam West | Ursem Modulaire Bouwsystemen

In the new Tuindershof neighbourhood in Pijnacker, Ballast Nedam West is designing and building 64 modular rental homes for Rondom Wonen. They are fully equipped with plumbing and installations and transported to Pijnacker where they are stacked to form the residential building. The homes are natural gas-free and contain a heat pump fed by the collective heat and cold storage system. By building modularly we are committed to limiting CO₂ and NOx emissions and the high degree of detachability provides a circular future scenario.

Apartments VVA grounds Aalsmeer | Aalsmeer | Ursem Modulaire Bouwsystemen

We have realised two fully modular blocks with a total of 56 social rental homes on the former grounds of the local football club in Aalsmeer. Two beautiful residential blocks, specifically intended for young people from the area. A total of 68 modules were produced in the factory and transported to the construction site. In addition to the modules for the 28 studios of approximately 30m^2 and 28 two-room houses of approximately 45m^2 , modules have also been used for the entrance and bicycle sheds.

Apartments for Ukrainian refugees | Eemnes | Ursem Modulaire Bouwsystemen

As a result of the Dutch government's emergency law, these apartments are being built for Ukrainian refugees. Both the preparation time and the construction time were extremely short, which makes this project extra special. The two- and three-room houses are intended to remain in their current location for five years and then be moved to a new location. The façade consists of thermally modified wooden panels, painted in a warm red colour that contrasts with the vegetation. The landscaping will be built using mainly recycled materials and rainwater from the roof will be infiltrated locally via a ditch along the edges of the plot.

- AMST | Amsterdam | Heddes Bouw & Ontwikkeling
 AMST is a sustainable and socially responsible new
 construction development of MRP and responds to the
 high demand for rental properties in the middle segment
 in Amsterdam. It includes the construction of a 2-storey
 underground car park below ground level with
 252 rental properties, 80% of which are intended
 for middle incomes and 20% for the private rental
 sector. The homes are spread over two buildings,
 AMST I and AMST II, which also include parking and
 various commercial and public facilities in the plinth.
 This makes it a mixed-use project.
- MORE 1 & 2 | Leiden | Heddes Bouw & Ontwikkeling

 The development of Park MORE will create a lively
 entrance area for the BioScience Park in Leiden, which
 will soon form the beating heart of the BioScience Park.
 MORE 1 & 2 includes the realisation of 703 independent
 student homes. In addition to the independent student
 housing, there will be various communal areas and
 facilities in the new building. It is a BREEAM project
 in which sustainability plays a major role, both during
 construction and in the completed buildings. This project
 was declared the Best Performing Construction Site; an
 award from the Bewuste Bouwers foundation.



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Bajeskwartier Kavel A | Amsterdam | Heddes Bouw & **Ontwikkeling**

Where the 'Bijlmerbajes' once stood, a new, energyneutral, and green city district called Bajeskwartier is now being built. The district consists of 11 buildings, divided into 4 clusters. On Plot A, Heddes Bouw & Ontwikkeling has built a complex with 480 student units for two clients: Hotel Jansen and housing association De Alliantie. A building of almost 100 meters long and 12 storeys high, in which modular bathrooms have been used from the factory of Ursem Modulaire Bouwsystemen. There is a collective plinth where tourists and local residents can meet each other. The building part of Hotel Jansen has a BREEAM Outstanding certification.

EGW'60 project | Geldrop | Ballast Nedam Zuid

A consortium consisting of Ballast Nedam Zuid and three other contractors are renovating 1,200 houses for Woonbedrijf foundation Eindhoven. The consortium enhances the insulation grade of the external walls and roof and replaces the ceilings, bathrooms, kitchens and toilet facilities. The residents will not have to be relocated, which is a considerable challenge. After the renovation, the consortium will build another 5,000 houses.

Mercado | Eindhoven | Ballast Nedam Zuid

The Mercado project involves extensive sustainability upgrades for the 9,500 m² municipal building in Eindhoven. In just one year, the building will be completely natural gas-free and achieve an impressive three-label step increase to A++++ for energy efficiency, with a particular focus on ceilings, flooring and wall finishes. Additionally, the project emphasises the reuse of harvested construction materials and the integration of green elements such as green roofs, living walls and green façades.

MindLabs | Tilburg | Ballast Nedam Zuid

MindLabs in Tilburg is a project featuring 12,200 m² of new construction, delivered in January 2023. This new construction represents the future of research in robotics, language technology, serious gaming and artificial intelligence. The building stands out because of the preservation of historic elements, integration of modern technology and a focus on sustainability.

Slotjes Midden | Oosterhout | Ballast Nedam Zuid In Oosterhout, along the Wilhelminakanaal, Ballast Nedam completed two mirrored apartment complexes with a total of 106 apartments in 2023. These ecofriendly dwellings feature all-electric systems powered



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by air-to-water heat pumps for heating and cooling. Ranging from 70m² to 100m², the apartments boast A+++ energy labels and rooftop solar panels. This project is part of the Slotjes Midden neighbourhood's revitalisation, replacing ageing homes with 106 new social housing units among almost 300 units in total. Additionally, by the end of 2023, 12 semi-detached homes were also delivered in the neighbourhood.

- WDP/CEVA Logistics | Heerlen | Willems Bouwbedrijf Commissioned by WDP NL, Willems realised a new distribution centre at the Businesspark Trilandis in Heerlen. The occupant of the distribution centre is Medtronic and is used for the storage and distribution of medical devices. Ceva Logistics provides logistical services for Medtronic. The distribution centre has a total surface area of 35,000 m².
- Willems Bouwbedrijf has built a new healthcare laundry with a surface area of 20,000 m². This is the most innovative and sustainable laundry in Europe, which brings together the latest technologies, which takes future technological developments into account and doubles Nedlin's capacity. The laundry is built according to an integrated approach and the sustainable standard of BREEAM Outstanding.

Liggers 2.0 | Hoog Burel | Haitsma Beton

In Hoog Burel, Haitsma Beton is reusing HRP (Haitsma Rail Profile) beams in the construction of a new viaduct. During the demolition of an old viaduct in Groningen, the girders, also from Haitsma Beton, from that viaduct were reassembled in a new viaduct. Due to the extremely long lifespan of the precast girders, they can be easily reused. Haitsma Beton shows that precast girders are ideally suited for circular use.

Parkeerhuis Hart van de Waalsprong | Nijmegen | Haitsma Beton

In Parkeerhuis Hart van de Waalsprong in Nijmegen, Haitsma Beton is working on the production and delivery of precast TT floor slabs for an 8-storey, approximately 9,500 m² split-level parking garage. Haitsma Beton has been selected as a knowledge partner for this project, where we have already contributed to the development of this parking garage during the design phase. The building was built in a visibly sustainable manner, including a remarkable pergola equipped with approximately 2,200 m² of solar panels, which is enough to provide approximately 150 households with power.

Cambuurstadion | Leeuwarden | Haitsma Beton Football stadiums are not often built in the Netherlands. We were chosen for this project because we are the most

experienced stadium builder in the Netherlands. For the Cambuurstadium, Haitsma Beton is delivering 4,053 prefab elements existing of piles, columns, beams, walls, grandstand girders, grandstand elements and block steps. In addition to the prefab parts, a large part of the stadium is constructed from sustainable materials.

Feringa Building | Groningen | Ballast Nedam Building Projects

Ballast Nedam has delivered the first phase of Feringa Building, which consists of 5 out of 6 construction parts. This phase involved 64,000 m² of floor space, containing several laboratories and education rooms. With this completion, our client the University of Groningen can start its relocation to the new Feringa Building.

Tower Ten WTC | Amsterdam | Ballast Nedam Building Projects

Tower Ten WTC Amsterdam is a major expansion and renovation project and a complex assignment. Additional floors have been constructed on top of the existing office tower and further extensions connected to adjoining structures. In 2023, Tower Ten was in full operational use. The building was officially delivered to our client in September 2023.

The CoolTower | Rotterdam | Ballast Nedam Building **Projects**

The CoolTower is one of the highest residential towers in Rotterdam measuring 154 m high and consisting of 282 luxury apartments with balconies. The gradual handover of the apartments was completed in January 2023, including the adjoining elevated car park.

Apartment complex Ambachtslaan | Veldhoven | **Hoco Beton**

The existing building was demolished in a circular manner. By circular demolition, raw materials released from the building can be reused in other projects. The new building was partly constructed with a wooden supporting structure, because the use of wood has major benefits for the environment. The stairs and elevator cores are equipped with prefab concrete walls and stairs. Given the applicable regulations, a combination will always be sought here. Hoco Beton has also produced the prefab balcony slabs, which do have a wooden supporting construction. It is an energy-neutral building. This means that the building is so well insulated that little heat is needed to make it comfortable. The energy needed for this is generated with solar panels.

Knightsbridge in Hyde Park | Hoofddorp | Hoco Beton & Heddes Bouw & Ontwikkeling

The Knightsbridge block is being built by

Heddes Bouw & Ontwikkeling and consists of 406 luxury apartments. Hoco Beton regularly supplies Heddes Bouw & Ontwikkeling with precast concrete products. Hoco Beton supplies the pigmented balcony and gallery panels, (decorative) columns and precast elevator walls for Hyde Park.

OHIO te Chemelot | Sittard-Geleen | Hoco Beton Chemelot wants to be the first circular chemical site in Europe by 2050, using sustainable, non-fossil raw materials and energy for their production. This created a desire for storage of propene. Hoco Beton produced the prefab beams and columns for the supporting construction of the 2 mega tanks (bullets).

Pi2 Zaanstad/Judicial Complex | Zaanstad | **Ballast Nedam Asset Management**

Ballast Nedam Asset Management is implementing an innovative new security system for personal safety at the DBFMO project Judicial Complex Zaanstad. Never before has this combination of technology been used within a prison in the Netherlands to enable location determination within the building with a "PZI MAI" system. In addition to a more effective and reliable way of determining location, this new system offers numerous new functionalities, creating room for continuous innovation in the future.



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DC16/Detention Center | Rotterdam | Ballast Nedam **Asset Management**

Ballast Nedam Asset Management has started a process for the expansion and redesign of the complex in collaboration at the DBFMO project for Detention Center Rotterdam (DCR) with consortium partner Spie. The project is called DCR Future-proof and must ensure that the complex that was made available in 2010 for the reception of foreigners is also made suitable for the function of a detention center. The Preliminary Design has recently been drawn up in collaboration with all parties and we expect to have the final design ready in early 2024 and thus be able to offer it to DCR for decision-making on the next steps. Within the buildingrelated DBFMO projects, this is the largest contract change during the current operation.

R-creators/Rijkskantoor de Knoop | Utrecht | **Ballast Nedam Asset Management**

The R-creators consortium (consisting of Spie, Facilicom and Ballast Nedam Asset Management) has created the 'Rijksontmoetingsplein' on the 1st floor (the entrance zone) at Rijkskantoor de Knoop to respond to the changing function of the office. A national meeting square is an open space that resembles a grand café. The atmosphere is homely, with lots of landscaping, carpets and a warm appearance. You can finish

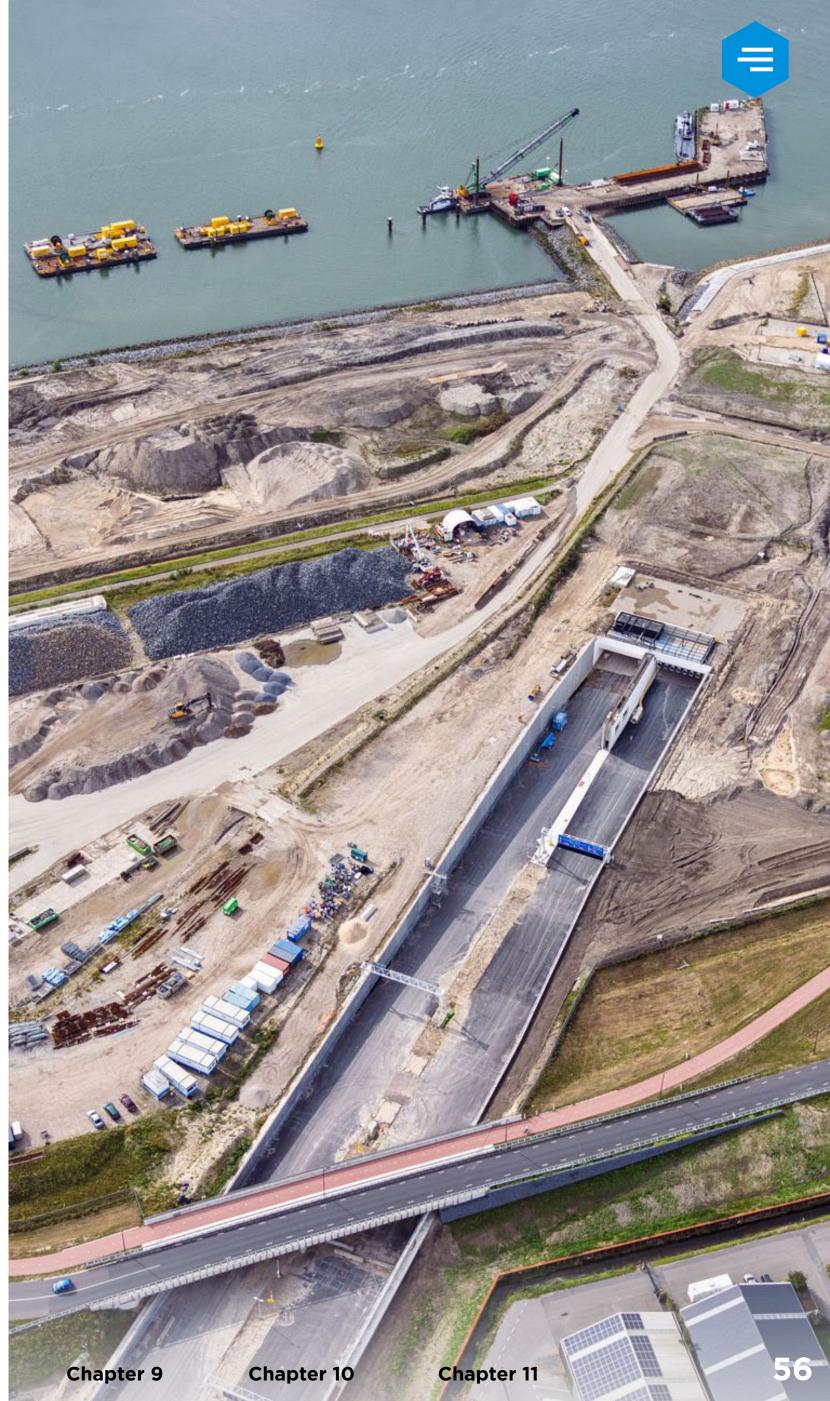
something here before your meeting starts or catch up with a colleague. On a government meeting square, government employees will always find a comfortable (work) place: for themselves, with colleagues or a larger group. In addition to comfortable workplaces, formal and informal consultation and meeting places have been created in many different settings where limitless collaboration can be achieved while enjoying a good cup of barista coffee and a healthy snack.

A24 Blankenburgverbinding | Vlaardingen | **Ballast Nedam Infra Projects**

The Maasdeltatunnel is part of the Blankenburgverbinding. A new connection, with an impact on the entire region of Rotterdam. To achieve this, we are building the approaches to the tunnel on the north and south banks. In a dry dock, a stone's throw from the construction site in Rozenburg, we are also making two tunnel elements of 200 meters long, 42 meters wide and 8 meters high. The Maasdeltatunnel consists of two tunnel elements which were successfully immersed in 2023.

A27 | Everdingen-Hooipolder | Ballast Nedam Infra **Projects**

Third place in the traffic jam top 10: that will be a thing of the past for A27 Houten-Hooipolder. Rijkswaterstaat is tackling this bottleneck by, among other things,



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improving 40 km of highway between Everdingen and Hooipolder. This enormous project has been awarded to Ballast Nedam and Fluor Infrastructure. Forces are joined under the name 'ALSÉÉN'.

Windplanblauw | IJsselmeer | Ballast Nedam Infra Projects

The work for the Windplanblauw project has been successfully completed. Ballast Nedam designed and constructed the foundations of the 24 turbines in the IJsselmeer and installed the park cabling. The wind turbines can each deliver approximately 6 megawatts of power. Due to the green energy that the wind turbines produce, this project makes a substantial contribution to the Energy Agreement in the Province of Flevoland. In this way, Ballast Nedam contributes to the energy transition with its work for Windplanblauw.

• Rijnkade | Arnhem | Ballast Nedam Infra Projects The Rijnkade is a dike that must be adapted to meet future climate and high water scenarios. The quay will be safer and there will be more space for meeting places, catering and walkers. The draft design for this was made together with residents, catering and other entrepreneurs who live and work on the Rijnkade. According to clients, the Rijn en IJssel Water Board and the Municipality of Arnhem, the construction combination Van der Ven - Ballast Nedam - Hakkers

has distinguished itself with emission reduction, cooperation and the prevention of nuisance for local residents. The fact that we are going to build emission-free means almost no nitrogen and less noise pollution for local residents. With this we anticipate the ambition of the Union of Water Boards to realise an emission-free construction site by 2030.

Flora Holland Bridge Foundation | Aalsmeer | Ballast Nedam Park & Connect

In Aalsmeer, Ballast Nedam Park & Connect has started the realisation of a sustainable pedestrian bridge at the Royal FloraHolland flower auction. This bridge will provide a safe crossing over the N231 for more than 2,000 pedestrians every day. What is extra special about this project is the use of wood. The use of wood for the bridge parts and the elevator shafts makes the bridge circular. The bridge will be 140 meters long in total and will have the longest wooden beam girder in the Netherlands.

Rotterdam Building | Ballast Nedam Development Rotterdam Building is a landmark office building designed in the '70s by architect Kraaijvanger. The 14-storey building has undergone a complete sustainable transformation into a flexible and versatile co-working and office space and was officially opened in November 2023. The building covers an area of 22,000 m² with

a large indoor parking garage, the renovated office building includes Club Nomad, various event spaces, a flexible meeting centre, large terraces, and balconies. These spaces, where hospitality is of utmost importance, are designed by the renowned US firm Gensler. Rotterdam Building is located in the heart of Rotterdam, connecting Coolsingel and Lijnbaan, in a dynamic, lively area brimming with energy. Ballast Nedam Development opened its headquarters earlier in 2023 in its own Rotterdam Building.

Nº1 Strandeiland Amsterdam | Ballast Nedam Development

Ballast Nedam Development has won the bid to realise "Nº1", a nature-inclusive neighbourhood on Strandeiland, Amsterdam's newly constructed island east of the centre. Its design elevates nature-inclusive, sustainability, energy self-sufficiency and circularity to a new standard. Soon, people and nature will be able to coexist harmoniously in Amsterdam, surrounded by water and nature. The plan will accommodate 215 homes, including both ground-level and apartment residences. The envisioned program consists of a well-balanced mix of 48 moderately priced rental homes, 32 moderately priced homeownership units, and 135 homes in the free sector. Additionally, a leading (mobility) neighbourhood hub will be established, incorporating a community hub

that will be programmed through participation and remain adaptable in the future.

- Cartesius Utrecht | Ballast Nedam Development | **Ballast Nedam West | Heddes Bouw & Ontwikkeling** Cartesius is a diverse, green and healthy urban district in Utrecht and will contain around 3,000 homes, the Cartesius Park, a green loop around Cartesius and the children's centre with a public elementary school, childcare and sports hall. The district is inspired by the Blue Zones, in which healthy food, meeting, meaning, relaxation and exercise are important pillars. Cartesius Utrecht will be the first area development where health will be measured together with science. The World Health Organisation (WHO) has agreed to include Cartesius Utrecht as a project in the 'Health in the Well-Being Economy' program as part of 'WHO Healthy Cities'. We celebrated the second phase of Cartesius Utrecht. A total of 770 new homes will be built in this phase of the area development.
- Poortmeesters Delft | Ballast Nedam Development |
 Ballast Nedam West

This extremely sustainable residential building in Delft, consisting of 114 homes and is ready for the future. The Triple Solar panels on the roof are connected to a heat pump, providing not only electricity but also hot water.

On the roof of the parking garage, there is a communal courtyard with large bushes and trees, reaching up to nine metres in height. The climate-neutral roof can capture up to 500,000 m3 of rainwater. Over 80% of all rain is stored and reused for irrigating the courtyard. Additionally, there are two one of a kind 3D-printed ceramic entrance gates named 'New Delft Blue.' Covered with about three thousand unique Delft Blue tiles, each approximately 40 by 30 centimetres in size. All tiles together form an artwork assembled like a giant puzzle.

Maasdelta | Maassluis | Ballast Nedam West
Commissioned by Maasdelta Group, Ballast Nedam
West is developing and constructing 47 rental homes,
to a design by INBO architects, in Maassluis. The houses
will be built as prefab concrete shells including the
prefabricated façades, a so-called façade-ready system.
With this system, the façades are mounted ready-touse from the factory to the building site. The houses
have diverse bay sizes, creating a varied street view and
are suitable for both starters and families. This project
is our first project which has received the new BENG
energy certificate. The BENG standard is measured by
maximum energy demand and energy consumption, as
well as the share of renewable energy. The energy label
will soon be A+++, the second highest score achievable.



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Tuinbuurt Vrijlandt, Rotterdam | Ballast Nedam Development | Ballast Nedam West

Living in Tuinbuurt Vrijlandt means being part of a 21st century sustainable community with diverse homes, including terraced, corner, and detached houses. The neighbourhood offers child-friendly features like safe play areas and spacious sidewalks. All homes are situated near water and greenery, embodying a garden village style with unique architectural details. The district embraces modern amenities such as nest boxes, solar panels, electric shared cars, and a community greenhouse, creating a contemporary living experience. 162 of the total of 290 houses were delivered in 2023 by Ballast Nedam West.

- Oxygen house | Stripe consulting (Ballast Nedam UK)
 Stripe consulting created a design for a the external 'arrival areas' including the car parking for the cutting edge office building Oxygen house. This is an iconic 40,000 square feet landmark building on Exeter Business Park. The building was awarded the BREEAM rating of 'Excellent' at design stage, reflecting the client's strong commitment to environmental and social responsibility.
- Blackpool car park | Ballast Nedam Construction UK
 Blackpool car park is a project fully designed by Stripe consulting and subsequently constructed by



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Ballast Nedam Construction UK. It will become a valuable asset for the local area as it is a significant part of Blackpool city councils transport infrastructure. It uses the latest technology in car park modular construction methods and is one of the largest car parks in the UK in 2023.

- New headquarters of EIB | Luxembourg |
 Ballast Nedam International Projects
 - Ballast Nedam is building the new headquarters of the European Investment Bank (EIB) in Luxembourg. Ballast Nedam realises this project jointly with Rizzani De Eccher. The project covers an overall surface of 63,680 m², accommodating 1,500 work stations. The new building consists of a podium and a tower of 21 floors.
- Renovation Princess Juliana International Airport |
 St Maarten | Ballast Nedam International Projects
 In 2017 Hurricane Irma caused enormous damage across
 St Maarten and the airport terminal in particular. The
 terminal building comprises 30,500 m2 operational
 area and the airport will remain operational during
 our renovation and construction works. As part of the
 renovation works we critically examine each component
 of the terminal to determine whether it needs to be
 replaced or whether it can be retained. This ensures that
 we do not need to replace components unnecessarily

and it prevents unnecessary transport, waste and environmental impact. In this project, we are working in full compliance with the sustainability requirements of the World Bank. We are focusing strongly on minimising our impact on the environment and optimising our stakeholder management and the social impact of the project.

Overall, 2023 has been a year in which we have encountered many highlights. We are very proud of the projects we realised and the steps we make to improve further. Yet we have also encountered a few setbacks. When projects are delayed or postponed or when projects do not proceed as planned, it can be very disappointing. When this happens, we fall back on our core values and way of working. Being resilience and solving issues in good collaboration with the client, remains very important.

2.3 Outlook for 2024

At Ballast Nedam, we will continue to challenge ourselves to improve in 2024. All our activities will support this goal.

2.3.1 Markets and businesses

We believe in healthy, sustainable and profitable growth that fit together with our business profile and capacity. We actively evaluate our own performance as part of our ongoing commitment to improve our business, add value for our clients and protect the environment. We expect limited growth in the market in the coming years, therefore operational excellence is of the utmost importance to prepare for the next phase of future growth. We continue our focus on projects that are repetitive in terms of process building methods, to be able to reuse the knowledge and experience and manage risks in a controlled manner. We are also committed to improving project margins by focusing on a strong order book through selective and strategic tendering, as well as through our belief in comfort and convenience in our way of working during projects.

We see that the market for construction of housing is under pressure due to higher mortgage rates, declining consumer confidence and increased construction costs. The Business line Building Netherlands and Ballast Nedam Development continue to focus on a positive contribution to the ambitions in the Dutch housing market. Another area of focus is the Infrastructure market, where tendered projects often feature low prices with thin profit margins. We manage our risks in this area by focussing on more selective tendering, two-phase contracts and the Replacement, Renovation and Maintenance market.

International growth is still part of Ballast Nedam's ambition. With the successful start of new projects by BN International like in Guinea and Luxembourg, this contributes to our ambitions. The acquisition of 100% of the shares of RET increases the international presence of Ballast Nedam further in 2024.

2.3.2 Human capital

In the coming years, we continue to expect the volume of construction activity to stabilize, with similar effect on headcount requirements. We expect our headcount requirements to remain stable, as well as employee turnover, while we need to anticipate to future growth demands. Our people remain key factors in our success by maintaining the right mindset, knowledge and attitude. We focus on people and teams, their capabilities and performance, their needs and ambitions and stimulate productivity and employability. We want our people and teams to excel and continue to make sustainable contributions to the success of our company, while enabling them to achieve their ambitions.

In 2024, we will continue to invest in our approach to performance, development and knowledge-sharing. We will focus on leadership and talent management, through succession planning to more consistently plan our human

capital. By placing greater emphasis on succession planning, we expect to create more career opportunities, resulting in higher retention. We will continue to award excellence, while recognising every valuable contribution to our business.

We continue to strive to meet the appropriate and ambitious diversity and inclusion targets as we recruit new, and promote existing, employees. We will invest in social return as required and develop partnerships with parties like Refugee Talent Hub, among others, to meet our social responsibility. We will facilitate work-life balance, fair rewards, equal pay and recognition as we believe these are key to an engaged and productive workforce. In 2024 we will start a new ARBO partnership to boost returning to work and prevention activities.

2.3.3 Financing

Ballast Nedam is financially healthy and prepared to face future challenges in the construction industry. Ballast Nedam has relationships with a number of financers who provide both project and corporate financing. These financial institutions, as a result of new environmental regulations, are increasingly focused on ESG responsible investments and show a more proactive interest in our ESG commitments. With our healthy financial structure

and evolving ESG ambitions, we are confident to manage our financing arrangements effectively by maintaining the long-term relationship with these financial institutions. More information regarding financing is included in section 3.3.3.

2.3.4 Investments

The solvency ratio of 30.0% provides Ballast Nedam with an excellent position to support future expansion and investments. In addition to organic growth, there are also opportunities for continued growth in national and/or international acquisitions of companies and projects. Also, this could consist of investments in (real estate) development.

The focus on sustainability, risk reduction and control has increased the demand for digitalisation and technological developments. Advanced Building Methods, Automation and Robotics, Data, Digital and Analytics and Sustainability and Products are solutions for this demand. More information regarding digital and innovation is included in chapter 8.

Furthermore, we have made investments and plan to make more in research and development, including elevating project management tooling, monitoring of our equipment and investments in electrification of equipment.

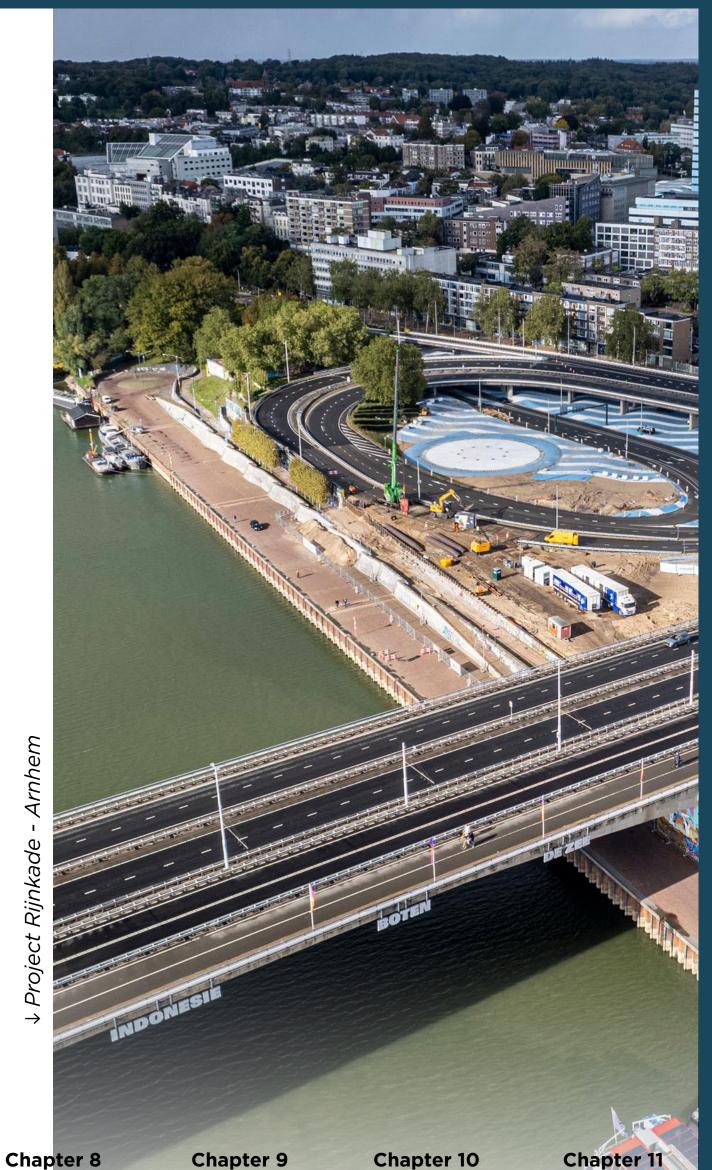


Business case

Reinforcing dykes against high water

Sustainable construction and development is one of Ballast Nedam's biggest spearheads. Achieving emission-free construction sites by 2030 is an important step within this. In the project Versterking Rijnkade Arnhem, Ballast Nedam is further expanding the expertise and experience required for this. This means solving two sustainability questions with one solution: tackling the quay simultaneously contributes to protection against high-water levels, which are becoming more frequent due to climate change.

As a delta region, the Netherlands is vulnerable to flooding. Not only from the sea, but also from rivers. Due to climate change, these have to cope with more and more water. In the mountain areas where the Rhine and Meuse rivers originate, precipitation increasingly falls as rain instead of snow. As a result, it does not stay on the ground, but immediately flows with the rivers towards the North Sea. And the snow that does fall melts sooner due to rising temperatures. This causes higher water levels in rivers more often, with an increasing



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risk of flooding in the Netherlands. To prevent flooding, Rijkswaterstaat's High Water Protection Programme (HWBP) and the 21 water boards are working on the biggest dyke reinforcement operation since the Delta Works. Over the next 30 years, as many as 2,000 kilometres of flood defences will be reinforced. A small part of this (1.2 kilometres to be precise) is formed by the Rijnkade in Arnhem. Ballast Nedam, with contractor Van der Ven and (water) construction company Hakkers united in the building consortium SAMEN, will carry out the necessary reinforcement there from 2023 to the end of 2025.

Smart and sustainable

With the Afsluitdijk in 1932 and the Oosterscheldekering in 1986, Ballast Nedam has built up quite a bit of knowledge in this field. Naturally, there have been numerous developments since then, which have led to smart and sustainable working methods. These are used and further developed in all kinds of ways on the Versterking Rijnkade Arnhem project. Project manager Barry Kooijman and technical manager Jan Kohlmann know all about it. But first they talk about the actual and organisational sides of the project. "We are making 1,200 metres of flood defences future-proof for high water. At the same time, the redevelopment of the quay area forms





the final piece of the upgrade of Arnhem city centre, which is located here on the Rhine. The current quay wall will be completely removed, and we will build a new one in return." The contract was awarded to SAMEN in February 2023 by the Rijn and IJssel Water Board and the municipality of Arnhem. According to the clients, Ballast Nedam and the two partners distinguish themselves through emission reduction, cooperation and minimising inconvenience to local residents.

Barry and Jan are also enthusiastic about the combination with Van der Ven and Hakkers. "As Ballast Nedam, we have proven that we handle the project and technical management of this type of project well. We have mastered process-based work and also know how to operate within the conditions of the UAV-GC (Uniform Administrative Conditions for Integrated Contracts), which apply to this contract. Hakkers and Van der Ven complement this as more production-driven parties, from their specific knowledge and expertise." For Ballast Nedam, Ballast Nedam Infra Projects acts as the main contractor within this project, and under that umbrella Ballast Nedam Foundation & Excavation Solutions, Ballast Nedam Materieel and DIBEC Materiaalkunde are further involved.

Water and land hubs

The challenges of this project lie in its location in the middle of the city and the client's desire to build as emission-free as possible. The latter fits with Ballast Nedam's ambition, calling for smart and sustainable solutions. "Because we are working so centrally in the city, we want to minimise inconvenience and disrupt accessibility as little as possible. That's why we arrange transport as much as we can by water, from our water hub. This mainly concerns the concrete elements. These are produced at Bosch Beton in Barneveld, transported to the water hub with electrical equipment and from there to the work site. These concrete elements are prefabricated, so they do not have to be made on site. This in turn saves time and space on the construction site. In addition to a water hub, a land hub has also been set up. This is where materials such as wells, pipes and paving stones are collected and then transported to the construction sites efficiently and as much as possible at one time. The water and land hubs will thus reduce transport movements through Arnhem's city centre."

Large-scale electric

As for the second challenge, Barry and Jan see this project as one of the first where fully electric, and therefore emission-free, equipment is being used on a large scale like this. "This gives us the opportunity to build up specific expertise and experience in this field. One interesting aspect, for example, is production speeds. With diesel-powered machines, we know exactly where we stand due to years of practical experience. But with electric equipment, the question is often how long you can use a battery and what production speed is feasible.

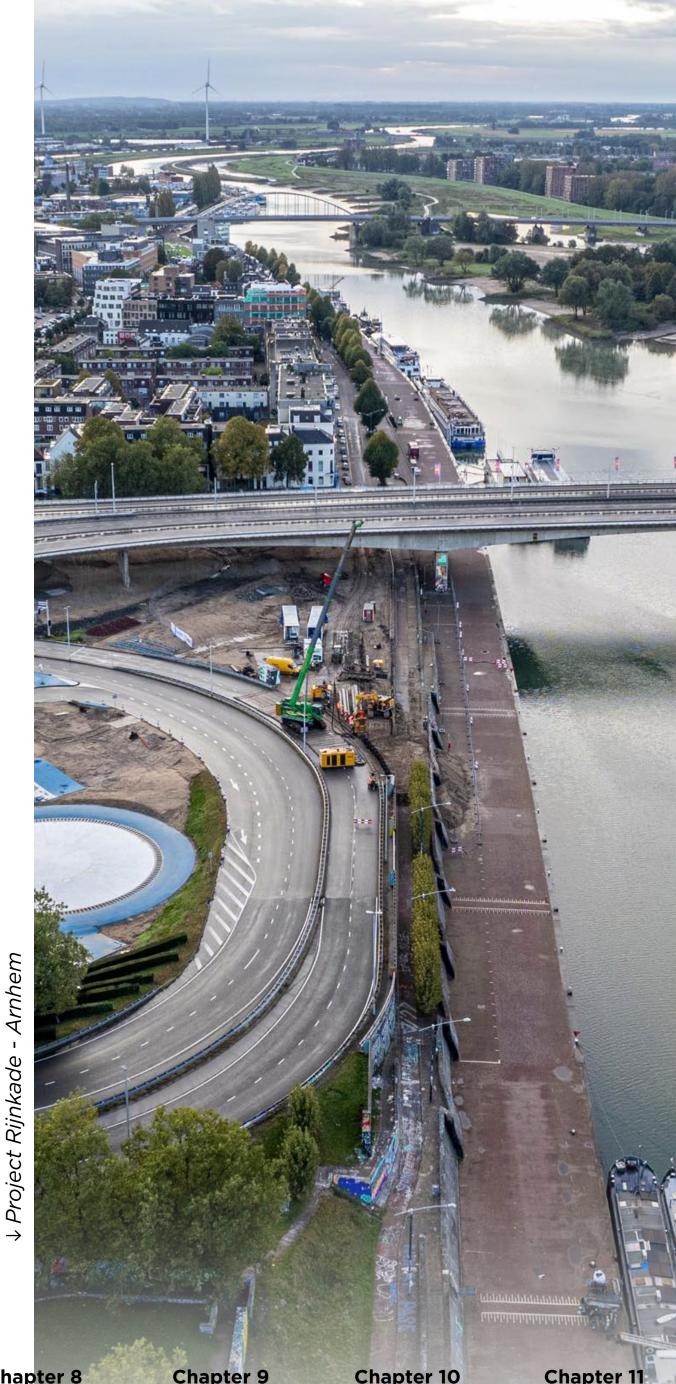


We also are working here with quite a few machines that have never been used before. We are now gaining knowledge about these, which we will also share with the market. In this way, we are all moving forward step by step with emission-free construction." Examples of electric equipment within this project include the all-electric anchor drill and the electric crane on the water, which is running without a generator for the first time.

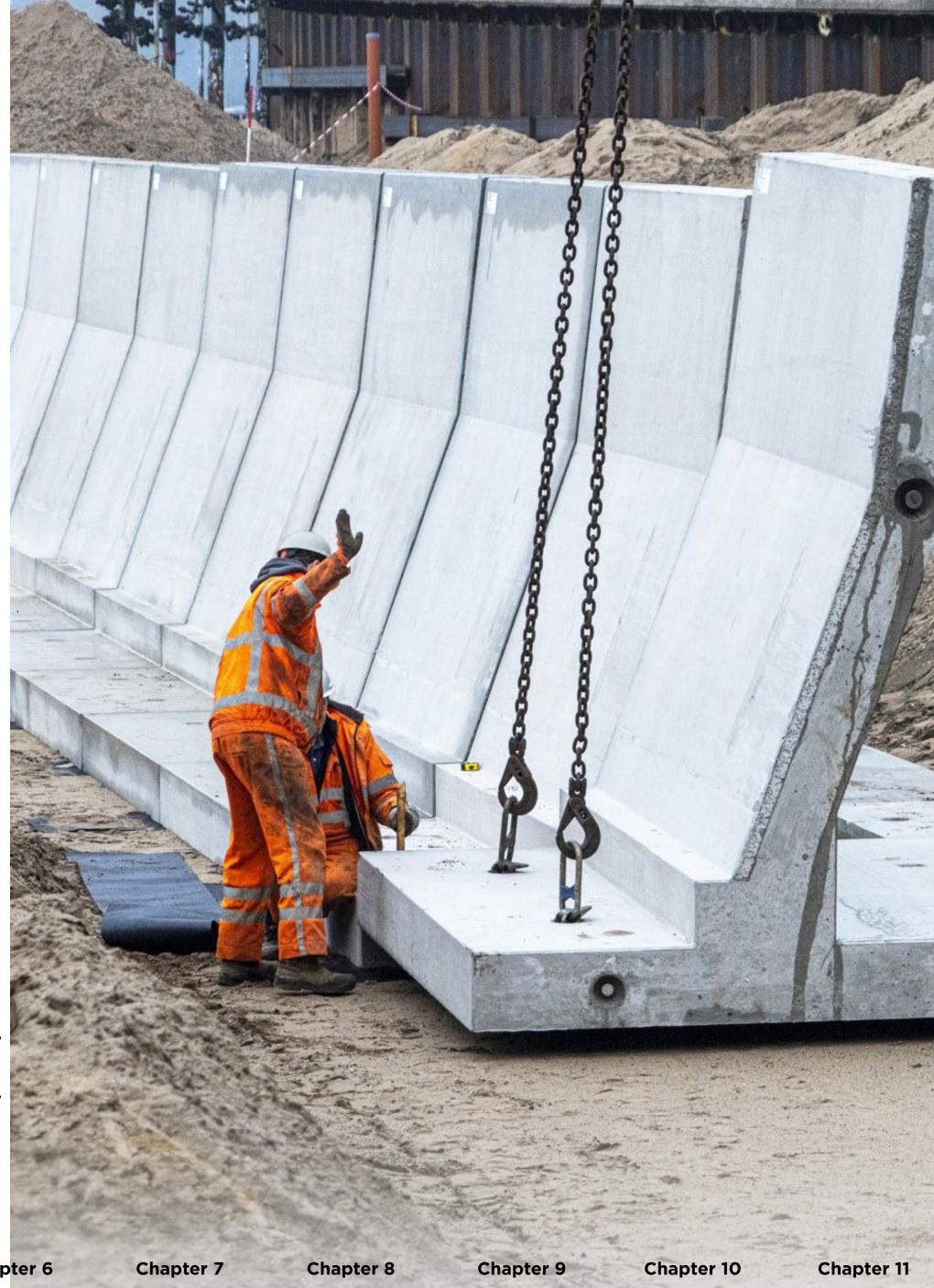
What about actually charging that machinery? "That requires an infrastructure in itself, which we are building ourselves. We now have several charging stations along the quay, which is partly possible because the municipality had already installed shore power facilities here. That is where we take the power we need for the project."

Reuse of sand and basalt

Besides emission-free construction, Ballast Nedam's ambition is to build energy-neutral. For example, by minimising the use of new materials. This is also taking shape in the Versterking Rijnkade Arnhem project. "We are reusing 5,500 cubic metres of sand and basalt from the old quays. This is a contract requirement, but it also fits perfectly with our own vision. In this case, it's also doable, because as a natural product, these materials are perfectly reusable." It is actually all these kinds of aspects that make this project a special job for Barry and Jan. Jan: "In terms of technical content, it is interesting in many ways. From the large-scale use of electric equipment to smart solutions. For instance, we were already happy with the precast concrete elements and all their advantages, but of course they also have to be watertight. We solved that by putting rubber profiles between them. An existing technique, but with a new application. It's fun to dare and do that with the partners."



Another special aspect, including a set of special solutions, is directly related to the reason for the project: high water. "The working area can flood. That happens once a year on average, but we have experienced it twice now. We have created a Flood Action Plan for that. This is full of measures, such as continuously monitoring water levels and keeping five pallets of sandbags and stuff for cramming into weak spots on hand at all times. Barry: "With all the snow that is now falling upstream at our eastern neighbours, I think we can expect quite a bit of meltwater with accompanying highwater levels. That action plan is no luxury." What else makes this project special for him? "That we as Ballast Nedam are showing that we want more and can mean more in future, similar projects. We are gaining very specific knowledge and experience for flood protection as well as for emission-free construction. Especially in cooperation with Van der Ven and Hakkers, with whom we form a well-established team here, we are completely ready for similar assignments."



↓ Project Rijnkade - Arn





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Risk Management

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3.1 Vision and ambition risk management

We continuously strive to improve our ability to manage and control risk, and thereby maximise the value we create. By improving our operational excellence and implementing risk management policies, Ballast Nedam aims to reduce risk to an acceptable level while working to achieve the company's strategic objectives. A healthy balance between growth opportunities and their associated risks ensures long-term business continuity. The likelihood of these risks occurring and negatively affecting business continuity must be avoided.

3.1.1 Ambitions

The complex construction sector in which we operate requires effective risk management procedures. Based on the risks we identify, we determine our risk appetite and the likelihood of these risks occurring. We also take the potential impact of these risks into account. Indeed, we consider risk management to be a core competence that must be embedded in all of our projects: both in projects we carry out ourselves and those in partnership with others. The Group applies various methodologies commonly used in the construction and infrastructure sectors, which also makes it possible to communicate about risk management and risk response with stakeholders in the chain.

Our ambition is to maintain open and transparent relationships with clients and stakeholders that are founded on integrity and strong business ethics-relationships in which both parties comply with the laws and regulations that frame individual responsibilities.

The main risk areas identified and assessed by Ballast Nedam are classified according to the management model developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). These are divided into the following categories: strategic, operational, financial and compliance.

Strategic risks

The objective of strategic risk management is to manage and control market risk exposure. The construction market is highly competitive and subject to fluctuating economic circumstances resulting from macroeconomic and (geo) political developments. This includes the impact that climate change and associated ESG legislation has on our business. We aim to keep this exposure within acceptable parameters, while optimising return. The company has a medium strategic risk appetite and focuses on balancing profitable growth opportunities and strategic risks.

Operational risks

Operational risks include adverse unexpected developments resulting from internal processes, people and systems, or from external events that are linked to the running of each project. The company has a low operational risk appetite and aims to minimise risk to maintain the quality of its projects. Ballast Nedam also aims to create a proactive and people-first safety culture to maintain operational excellence in managing project risk from acquisition to execution, and to ensure appropriate control.

Financial risks

Ballast Nedam faces financial risks related to treasury, working capital management, accounting and reporting, for which the risk appetite is low. Ballast Nedam focuses on maintaining a solid financial position and accurate reporting for financial and non-financial information. The objectives of Ballast Nedam's Treasury department are to create and maintain the best possible financial conditions for operating activities and to ensure access to the financial markets.

Compliance risks

These risks cover unanticipated failures to implement, or comply with, appropriate laws, regulations, policies and procedures. The company has a very low compliance

risk appetite and is committed to full compliance with relevant laws, regulations and the Ballast Nedam Code of Conduct. Ballast Nedam maintains a zero tolerance policy for activities that are not compliant with the Ballast Nedam Code of Conduct or applicable laws and regulations.

3.2 Risk control process and risk mitigation

This section outlines the structure of the risk control process within Ballast Nedam and how risks are mitigated. Every individual working within Ballast Nedam's value chain must be aware of the risks and opportunities that may arise during business activities and respond according to the organisation's risk policy and risk appetite. This includes communicating with, and training of, the relevant individuals and remaining aware of project risk profiles. We employ the 'three lines of defence' model as a basis for managing risk across our operations.

3.2.1 First line: Ballast Nedam's people, operating processes and decision- making committees

A bottom-up approach to risk control

Project managers are responsible for managing risks and compliance matters related to their projects.

They identify, quantify, analyse, prioritise and control these risks. To support the project manager in this task, risk managers are appointed within Ballast Nedam's projects.

Use of support functions

The following support functions contribute to general measures to mitigate risk exposure within the business.

Lawyers and contract managers

To maintain appropriate control of contractual risks, contract managers and legal advisors are employed by the business units and at headquarters. They are involved during the tender and the execution phases. Lawyers and/or contract managers may join project teams for large or particularly complex projects. If specialised knowledge and experience is required but not available in-house, we work with external parties.

Insurance

The Insurance department safeguards the insurance interests of Ballast Nedam in the implementation of projects during the tender and the execution phases. It also raises awareness in the business units of the benefits and necessity of insurance, and the importance of identifying risk areas.



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Compliance

Compliance officers provide support in managing compliance and integrity risks. Strong business ethics and individual integrity are at the core of all Ballast Nedam's activities, as well as our relationships with stakeholders. At Ballast Nedam, we know that the only way to nurture long-lasting relationships is by conducting our business ethically, responsibly, and with integrity. Ballast Nedam works to continually foster awareness among employees, as we believe it is the responsibility of the individual to do the right thing, even when no one is watching. We take this position to address issues with transparency and openness. This helps to protect our brand and reputation for excellence. We remain committed to these values and expect the same of our employees, clients, partners, suppliers and subcontractors.

Health, Safety and Environment (HSE)

Our Health, Safety and Environment (HSE) policies contribute to mitigating risk during the implementation and execution of projects. Ballast Nedam's HSE policy is aimed at creating a proactive and people-first safety culture of care. This HSE policy is laid out in an HSE vision, along with Principles, Commitments and Zero Tolerance Rules. For each project we undertake, business units are required to

prepare tailored HSE plans. Chapter 6 identifies the ways in which Ballast Nedam works to continually achieve and maintain a high level of safety awareness among employees and partners.

ICT cybersecurity and business interruption

The ICT department plays a vital role in safeguarding business processes and data protection. All business units make extensive use of the ICT infrastructure and ICT information systems, and these systems are built on tried-and-tested technologies. By implementing these technologies, Ballast Nedam ensures maximum uniformity across business units to prevent disruptions, including data manipulation through cyberattacks.

Procurement

Ballast Nedam's procurement processes help guarantee economic value and quality when securing suppliers and subcontractors. They also act as a control mechanism to monitor cost efficiency and to help prevent possible conflicts of interest.

Treasury

The Treasury department plays an important role in managing financial risks such as credit risk, liquidity risk, exchange risk, interest risk and capital risk. The department is responsible for negotiating and securing financing agreements for Ballast Nedam. Payments by Ballast Nedam are made and monitored centrally by the Treasury department. The divisions and their business units also provide a periodic liquidity forecast at project level, which is assessed by the Treasury department on a consolidated level.

Corporate Social Responsibility (CSR)

Ballast Nedam's CSR department serves as an accelerator of sustainability initiatives to be applied at construction projects and corporate functions. As markets increasingly focus on decreasing emissions (and associated footprints) and building sustainably, including the use of circular and biobased materials, our CSR department plays a vital role in achieving this. Complying with ESG reporting legislation like the EU Taxonomy and CSRD by 2025 is also part of its responsibilities.

Use of support instruments

To maintain appropriate risk controls, Ballast Nedam uses various systems and instruments geared to the specific requirements of operating companies, projects and multiple risk domains.

These systems and instruments include:

- Monitoring progress in the fields of finance, operations and risk control. This involves drawing up periodic management reports in accordance with established reporting and accounting instructions applicable to the Group;
- Divisions and their business units monitoring liquidity requirements weekly via a central cash management system;
- Divisions and their business units reporting on financial and non-financial performance by using a central reporting system.

Involvement of the Tender Committee

In accordance with the company's tender policy, projects are generally submitted to the Tender Committee for approval, depending on their size and risk profile. Projects that require submission for approval to the Tender Committee include: those with an increased risk profile, those whose contract value exceeds certain thresholds, international projects, those for which certain types of bank guarantees or other collateral are required, and those for which contract liabilities are not capped.

The Tender Committee has an extensive risk register, and its assessment covers matters such as the return risk ratio,





capital requirement, ability of the proposed team to execute the project, health and safety aspects, sustainability, cash flow, legal aspects, foreign currency, tax, labour law requirements and political aspects.

The composition of the relevant Tender Committee differs and depends on the size and risk profile of the tender at hand. For larger projects or ones with a higher risk profile, the full Board of Management constitutes the Tender Committee (plus certain other individuals as further explained below), and matters may even be escalated to a tender committee within Rönesans Holding. For smaller projects, i.e. ones with a lower risk profile, the Tender Committee consists of one or more members of the Board of Management. In addition to members of the Board of Management, members of the Management Support Office (with knowledge on operational and financial aspects of projects) are also part of the Tender Committee and depending on the topic at hand - other participants will be invited as well, such as legal counsel, contract managers or insurance employees.

3.2.2 Second line: monitoring

Board of Management and internal authorisations required
The Board of Management is involved in business operations.

The Group has adopted an internal authorisation matrix that

requires submission of several items at different stages of a project: from tender to execution and for support functions. This allows the Board of Management to monitor important developments and influence transactions in the Group's overall strategy and policy.

Business control and finance

The way Ballast Nedam carries out its financial reporting enables management to periodically monitor the achievement of strategic, CSR-related and financial objectives while also improving the predictability of costs and income. Risk is also covered by the reporting format, both at project level and across the organisation. The departments responsible for business control and reporting compare and evaluate risk assessments across the financial reports of the various business units.

Operational risk department

The operational risk management department, based at Ballast Nedam's headquarters, is dedicated to supporting project teams in assessing and monitoring risk. Ballast Nedam devotes considerable attention to knowledge-sharing based on past learnings and continues to invest in operational risk management by expansion of the department in 2023 and 2024.

3.2.3 Third line: the Supervisory Board and the Audit Committee

The Supervisory Board and the Audit Committee

The Audit Committee is responsible for the supervision of the Board of Management, with respect to the operation of the internal risk management and control systems, including compliance. Ballast Nedam's risk profile and the internal risk management and control systems are discussed at meetings of the Supervisory Board and the Audit Committee. The Group's financial state of affairs and audit findings are also discussed in these meetings.

The activities of the Supervisory Board and the Audit Committee are described in sections 4.1.5 and 4.1.6.

3.3 Relevant risks and measures

Under the supervision of the Audit Committee and the Supervisory Board, the Board of Management is responsible for establishing and overseeing the company's risk profile. Several risk areas and measures have been identified as serving the strategic objectives of Ballast Nedam.

3.3.1 Strategic risks and measures

Macro-economic conditions in the market (including sustainability)

Ballast Nedam still primarily depends on the Dutch market



and, within this market, on public sector clients, semipublic sector clients and private investors. The market in
which Ballast Nedam operates is subject to macroeconomic
volatility, and it is affected by government plans, ESG
legislation and regulations, geopolitical events and the
impact of an energy transition accelerated by climate
change, among other factors.

The Board of Management strives to obtain the best and most relevant information to support the assessment of economic conditions in the market, and inform the implementation of appropriate measures in response. This ultimately supports Ballast Nedam's strategy of preserving the health of its business, maintaining a robust order book, employing qualified people, and ensuring growth in revenue and operational excellence.

Market competitiveness

The Group stays in close contact with its clients, including those in the public sector. This market is highly competitive and increasingly pursues integrated contract types in which a single supplier is responsible for design, construction, financing, maintenance and management. This can lead to an imbalanced risk and profit profile, about which discussions have been held over the last several years.

As a result, we have redefined responsibilities and updated risk allocation on more complex projects. Over time, projects have become increasingly complex in terms of the breadth and diversity of knowledge and technology they demand. Additional market risks include the availability of qualified people with technical expertise, the pressure placed on some parts of the supply chain, and the availability of services and materials, including any related price risks.

3.3.2 Operational risks and measures

Project contracting and execution (including supply chain management)

The most common type of project contract at
Ballast Nedam is a fixed-price contract. As a result,
contract price must account for virtually all operational
risks, as well as cost risks associated with the procurement
of materials and subcontractor services. Additionally,
contracts include milestones – and may also include
associated penalty clauses if the milestones are not
achieved within an allotted time frame. Failing to address
operational risks properly can lead to inconsistent project
results. To monitor operational project risks, Ballast Nedam
has implemented the following measures:

- Tender gate procedures;
- An enhanced risk policy, including risk profile monitoring;
- Indexation clauses in contracts (particularly regarding labour and material prices);
- Standardised procurement processes and ICT to support the best return on services in terms of price and quality;
- Ongoing education and training of staff;
- Contract management and clearly worded contract clauses regarding the risks, obligations and responsibilities incurred by parties to the contract;
- Implementation of proven technology across various aspects of a project (i.e. project methodology - to both avoid mishaps and recommend possible ICT solutions);
- A strict project monitoring system;
- Strengthened partnerships with Group partners and subcontractors;
- Back-to-back transfer of the Group's risks to its suppliers and subcontractors;
- Knowledge management aimed at transferring knowledge gained to future tenders and projects;
- Claim and legal procedures for use in court and in arbitral proceedings.



Ballast Nedam is active in projects outside the Netherlands, which involves a different legislative environment and operating context. In addition to the measures above, project contracting and execution is monitored closely for Ballast Nedam International Projects by means of a thorough tender process (including preparation of an ESIA assessment), specific attention for corruption and bribery risks in the execution of a project and regular on-site presence.

Human Resources and Health, Safety and Environment

HR and HSE receive a great deal of attention at Ballast Nedam, all the way up to the Board of Management. The Group's people are its capital, and they represent an asset we work hard to protect because we care for them. This is why Ballast Nedam continues to develop an employee value proposition and increase the awareness and willingness of the right people to engage with our company. We focus on our culture of performance, living our core values, encouraging initiative, feedback and recognition. We provide training and development opportunities for all types of employees, specialists and managers.

In the area of Health, Safety and Environment we take measures to ensure the appropriate management of HSE risks. Safety training is provided to ensure a high level of safety awareness. Managers are also trained to lead by example when it comes to safety protocol. Various HSE officers are appointed within the business and on specific projects to execute safety audits, which help provide clarity and improve conditions. Throughout the year, the Group's HSE programming reinforces a commitment to mitigating safety risks. Further details can be found in chapters 6 and 7.

ICT and cybersecurity

Major ICT risks include the preservation of ICT infrastructure and information systems, with viruses and attacks on large volumes of data being examples of specific threats. Disruption of the authorisation policy also represents a considerable risk to data protection.

The main components of the various control measures are:

- Internally developed codes: Code of Conduct ICT facilities and ICT Information Security Code;
- Procedures: Role-based access control procedure,
 Change management procedure and ICT readiness for business continuity procedure;
- Authentication access measures, including multi-factor authentication;
- Firewall technology, patch management and dual datacentre design;

- Promote cybersecurity awareness by internal publications within the organisation;
- Audits to identify vulnerabilities.

3.3.3 Financial risks and measures

Credit risks

Ballast Nedam's credit policy is designed to minimise credit risk. Creditworthiness assessments are carried out on all clients that require credit. Ballast Nedam uses prepayments, guarantees and collateral (rights of retention) on projects already underway to limit credit risk on instalments and trade receivables. See also section 9.6.29 on financial risk management.

Liquidity and capital risks

Ballast Nedam aims to have sufficient cash flow generation to finance its operations. Besides the contractual agreements regarding payment terms both with our clients and our subcontractors, there is a risk of negative impact inherent to the construction industry of claim discussions related to projects on (primarily operating) cash flow. Ballast Nedam manages liquidity and capital by ensuring that the Group possesses sufficient liquidity and credit - under both normal and stressed conditions - to meet all liabilities when due, without incurring unacceptable





losses or risking damage to the Group's reputation.

Ballast Nedam controls liquidity risk through periodic cash flow forecasts, followed by commensurate corrective measures and monitoring.

Ballast Nedam also has long-term access to bank guarantees and bond facilities with various financial institutions and group companies. Periodic forecasts assess the continued availability of guarantee facilities based on both current tenders and possible discharge from current bank guarantees. Forecasts on access to guarantee facilities indicate Ballast Nedam's continued ability to issue guarantees in the ordinary course of business. To maintain or adjust the capital structure, the Group may sell assets to reduce debt, obtain new loans to increase debt, and adjust the amount of return capital to shareholders.

Exchange risks

Foreign currency exchange risk most directly impacts
Ballast Nedam through impact on revenue, project
operating costs, loans and investments held in currencies
other than Ballast Nedam's functional currency. This is a
low-concern risk, as the majority of our activities take place
in countries where the euro is the functional currency, or
where local currencies have a low level of volatility against
the euro. Forward exchange contracts with banks may

be entered into to hedge transaction risk on cash flows generated by ordinary business activities.

Interest risks

Interest risk relates to limiting the impact of interest rate changes on Ballast Nedam's results. Ballast Nedam has interest rate swap and interest rate cap agreements in place to limit exposure to interest rate risks. See also section 9.6.29 on financial risk management.

3.3.4 Compliance and integrity risks and measures

Upholding and promoting integrity is key. Insufficient control can lead to – among other undesirable outcomes – reputational damage, significant fines and criminal prosecution. Compliance means complying with all legislation, regulations and corporate values. Managing these risks is a high priority because they directly impact the reputation and integrity of the Group.

It is common practice in the construction and infrastructure sector to work on large-scale projects with employees and subcontractors who are only present for a portion of a project's duration. When outsourcing services and employing temporary staff, the main contractor is subject to specific laws and regulations. This is also reflected in

Ballast Nedam's Code of Conduct for Subcontractors and Suppliers ('Ballast Nedam CoC Subcontractors and Suppliers').

Control, transparency and consistency are fundamental to normal business processes across all sections of Ballast Nedam's organisation. Indeed, they are the basis for our Code of Conduct and its sub-codes. This enables the Group to hold employees in the value chain accountable for their actions and behaviour. Creating awareness about different risks – including but not limited to safety, privacy, unacceptable behaviour, fraud, anti-money laundering, bribery, child labour and agents – helps mitigate these risks.

Various measures are in place to mitigate compliance risk. For example, we have a decentralised team of compliance officers who are aware of compliance risks and who can be approached by Ballast Nedam's employees. Other measures include the Ballast Nedam Code of Conduct (BeNwiser), which can be found on our website and on our intranet, and related sub-codes, managerial regulations that explicitly include an obligation to comply with applicable legislation and regulations, an internal authorisation matrix, a third-party screening process, a gift and invitations registration process, and an internal reporting policy/'Speak Up' line.

The integrated approach and responsibilities are safeguarded in the three lines of defence:

First line

Those tasked with (project) management and control are responsible for:

- Ensuring compliance in their own processes;
- Analysing compliance risks and implementing and embedding risk-reducing measures, such as training;
- Driving successful performance management (determining culture and behaviour).

Second line

Chief Compliance Officer, QA/QC, HSE, Legal, Contract Management, HRM, CSR and other departments are responsible for:

- Mapping, analysing and monitoring Ballast Nedam's compliance risks;
- Assisting, supporting and advising management in meeting compliance responsibilities;
- Advising staff on their (personal) compliance obligations;
- Monitoring the implementation of compliance policies.

Third line

The Internal control department is responsible for:

Performing audits, including compliance reviews, based on the results of the compliance risk analyses, management reports, evaluations, and other signals and triggers.

The Board of Management has ultimate joint responsibility for compliance. Within the business units, each Managing Director is responsible and accountable for compliance within his or her operational unit. The Group's Chief Compliance Officer is responsible for central compliance control, and this individual reports directly and regularly to the Board of Management, the Supervisory Board and the Audit Committee.

Communicating critical concerns

The Internal Reporting Policy (whistle-blower policy) describes how stakeholders can report any (suspicion of) critical concerns or grievances. This policy can be found on Ballast Nedam's website and the intranet. This policy aims to provide protection to people who report a critical concern. Critical concerns or grievances can be conveyed either orally or in writing. There are multiple ways of making a report of critical concerns or grievances, for example via a (line) manager, via email, anonymously via the Speak Up line or externally to a relevant authority.

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Ballast Nedam evaluates the information provided by the whistle-blower and tries to verify the information. The evaluation will be carried out, depending on the nature of the report and the investigation, by the Compliance Department and/or the Internal Audit Department. In the interest of the investigation, the Compliance Department or the Internal Audit Department, as the case may be, may involve other specialised functions such as the Legal, Finance or IT department to assist with the investigation.

The Chief Compliance Officer keeps a report and incident register and regularly provides this to the Board of Management and the Supervisory Board of the Group.

Risks relating to third parties abroad

When working abroad, or in joint ventures or partner structures, project-based risk assessments ensure sufficient attention is paid to the local culture, laws and potential risks in a specific country or with a particular partner. Working abroad can also mean working with external agents and consultancies, which can pose the risk of corruption.

Ballast Nedam mitigates these risks through an agent procedure (including a 'Know Your Customer' procedure)

and agent agreements that clearly state what is expected from agents, in accordance with the Ballast Nedam Code of Conduct and with relevant laws and regulations.

Anti-corruption, anti-bribery and anti-money laundering

Ballast Nedam is strongly committed to actively and effectively combatting corruption, bribery and money laundering. In all its operations worldwide, all employees and business partners are expected to act in accordance with applicable local anti-bribery and anti-corruption laws and regulations and with the related foreign legislation, conventions and standards like UN Global Compact, UN Convention Against Corruption and OECD Convention on combating bribery of foreign Public Officials in International Business Transactions.

OECD, UNGP and ILO principles

Ballast Nedam embraces and has the ambition to continuously improve on, and comply with, the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises (MNE), United Nation Guiding Principles (UNGP) and the International Labour Organisation's (ILO)

Declaration on Fundamental Principles and Rights at Work. We also require our subcontractors and suppliers to comply with these guidelines and principles, as stipulated in the Ballast Nedam CoC Subcontractors and Suppliers. They are all expected to work in accordance with applicable laws and regulations concerning remuneration and working hours. In-house departments including Legal, Human Resources, Procurement, Finance, CSR and Compliance all play an important role in monitoring compliance with relevant laws and regulations. Over the coming period we will be deploying several initiatives to identify impacts, risks and opportunities in our supply chain in relation to, among others, human rights and labour rights.

General Data Protection

Ballast Nedam takes the regulation of General Data
Protection seriously, especially as a means of safeguarding
individual privacy. We are committed to guaranteeing
the privacy and safety of all our stakeholders' data. We
promote awareness of the importance of safeguarding
privacy by distributing informational documents and
organising training activities in data privacy, all of which are
available on Ballast Nedam's intranet and website.



Other examples include the Code of Conduct, 'BeNWiser', the Code of Conduct ICT facilities, our privacy policy, privacy statement, introductory training and compliance e-learning modalities.

Access to our ICT systems and technical infrastructure adheres to strict protocols implemented by our ICT department. All use of ICT facilities must conform to the Code of Conduct ICT facilities.

Ballast Nedam also has a data breach protocol, in accordance with General Data Protection legislation. This document describes the procedure used for (the presumption of) a security or data breach within Ballast Nedam. In 2023, there were no data breaches at Ballast Nedam that the Group had to inform the Dutch Data Protection authority about.

3.4 The year 2023 and outlook

In 2023, one of the main factors affecting the economic growth and overall situation in the construction market relates to macro-economic developments adversely impacting investors' decisions: such as increased interest rates, increased construction material prices, and uncertainties in the Dutch political and legislative context.

This primarily resulted in delays in signing new construction contracts, and a related delay in the execution of projects. The economic uncertainty has had an adverse effect on consumer confidence and the entrepreneurial climate. In addition to the economic headwinds, the shortages on the labour market continue as well.

The Board of Management aims to obtain the best and most relevant information to support the assessment of economic conditions in the market so that appropriate measures can be taken in response. We monitor the effects of our measures in our periodic review of the performance of our business units and individual projects. In the coming years, we will continue to improve our risk management protocol and expand our operational risk management department. This is the logical thing to do as it adds value for clients, while we continue to work to deliver a solid order book and maintain a healthy outlook for project opportunities. We believe that risk management must be part of every employee's day-to-day approach to work.

Strategic risks: Macro-economic uncertainty and increased interest rates

Following the sharp increase in interest rates since mid-2022, the economic environment is more uncertain

and investing in construction projects is less profitable.

This decreases the demand for real estate purchases and investment. In the short term it is expected that interest rates will not go back to the levels before 2022, meaning that investors will recalibrate investment prospects.

Together with our clients we will continue to assess opportunities to execute projects, taking into account these macro-economic developments and the continued shortage in the Dutch housing market.

Strategic risks: Climate-related matters and legislation

Driven by the crisis in the Dutch housing market, the Dutch government aims to build 980,000 homes by 2030. Contradictory though, that goal is complicated by an influx of new or updated environmental legislation at EU level, most notably around biodiversity and nitrogen. Specific nitrogen calculations are required to retrieve building permits and even a slight overrun of nitrogen deposition thresholds can cause significant delays or even refusal of construction permits.

Moreover, in line with regulations related to the implementation of the EU Green Deal, newly constructed buildings need to comply with stricter requirements when it comes to energy and material use. Both these elements



influence the overall environmental performance of buildings and in the Netherlands, this is expressed by the MPG metric (milieu prestatie gebouwen). The thresholds for these MPGs are lowered from year to year. This will not only increase the requirements around energy efficiency of buildings but will also influence the construction materials used. It will nudge the industry towards using more circular and/or biobased alternatives following more stringent EU regulation on Circularity and Biodiversity. However, this will come at a cost as circular and/or biobased materials are currently still more expensive than conventional materials. We continue to monitor this closely with the respective stakeholders, prepare ourselves, and enhance our expertise regarding required nitrogen and MPG calculations.

In addition to regulatory pressures, markets require increases in carbon footprint reductions and increasingly call on business to incorporate ESG matters in the execution of construction projects. We evaluate associated (climate) physical and transition risks and opportunities as part of the materiality assessment process (including stakeholder dialogue), and translation of this into a renewed

CSR policy. Even though the short-term risks for the Group are considered limited, measures are taken by the Group to invest in lowering our carbon footprint, using more biofuels in our projects and contributing to the advancement of a circular economy.

Strategic & operational risks: Supply chain and inflation

Since 2022, geopolitical events in Eastern Europe continue to impact global market conditions and put pressure on global supply chains. This includes factors beyond our control such as volatility in the commodities markets and material prices, government-imposed trade barriers, and energy policies. Ballast Nedam actively addresses the pressure that is being exerted on parts of the supply chain, especially regarding the increasing risks associated with the price of services and materials, by identifying liabilities at an early stage in a project cycle and by agreeing on price compensation with clients where possible. Other measures include collaborating with preferred subcontractors and embedding the risk in the tender phase. However, excessive price increases and sector-wide pressure across the supply chain have the potential to impact individual projects.

Operational risks: Project contracting and execution

In 2023, we started winding down the Ballast Nedam Building Projects business unit, with only limited finalisation works scheduled for 2024. This enables us to focus on projects that are repetitive in terms of process building methods, where our expertise and methods can be (re)implemented, and risks can be better managed. We still carry out large projects, as long as the repetitive nature allows us to pass on our knowledge and expertise.

Operational risks: Human Resources

While the labour market remained challenging in 2023, the inflow of new employees was sufficient to compensate for the attrition level and headcount has come down slightly (6%). Employee turnover was higher than in 2022. This was impacted partly by the winding down of the Ballast Nedam Building Projects business unit, although almost half of the employees concerned have successfully been redeployed within our company, contributing to that more stable turnover figure.

Based on the business outlook for next year, we expect headcount requirements to remain stable, yet in particular businesses the need for growth can only be accounted for with an increase in new hires and we also need to anticipate future growth demands. We will not refrain from actively influencing the awareness and interest of (latent) candidates in our company as a great place to work, as an actively maintained talent pool is a necessity for the future.

In 2024, we will continue to invest in our approach to performance, development and knowledge sharing. We will focus on leadership and talent management, including succession planning to more consistently plan our Human Capital, including development of a highly diverse work group.

Operational risks: Health, safety and environment

It is our obligation to provide a safe work environment for all employees working at Ballast Nedam. We aspire to be injury-free, which is why it is important to be aware of high-risk labour activities, and to reduce or eliminate safety risks wherever possible. In 2023, Ballast Nedam had no fatal accidents and no severe environmental incidents were reported. Throughout 2023, all incidents were thoroughly investigated by root cause analysis, after which measures



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were taken to prevent such accidents from happening again.

Actions planned for 2024 are to further professionalise the HSE community in supporting management in leading the IRP sessions by organising a follow-up moment in 2024. We continue to follow up on high potential and lost-time incidents by an IRP and share the lessons learned. Also, we are developing a new HSE dashboard to have real time insight into our HSE performance and our plan of action involves training workers in hazard recognition and intervention.

Financial risks: Cash flow management and liquidity

Insufficient free operating cash flow generation and ability to attract external funds and liquidity could negatively impact Ballast Nedam's ability to finance its operations. In 2023 the operating cash flow was negative, which was driven by payment of relatively high outstanding payables positions since the end of 2022. In addition, the Group experiences negative effect on operating cash flows as a

result of the ongoing claim discussions for a limited number of large projects, as outstanding positions (receivables and payables) remain outstanding. Looking forward, Ballast Nedam expects to generate positive operating cash flow following the winding down of Building Projects activities, and increased project portfolio from international activities. In 2023 the Group continued to attract new financing opportunities and refinance existing agreements. This resulted in additions to the loan portfolio of EUR 99.2 million. As per balance sheet date the short-term loans amounted to EUR 120.8 million, for which future refinancing is closely monitored by the Treasury department. See also section 9.6.29 on financial risk management.

Compliance risks: non-compliance with laws and regulations

In 2023, several individual investigations were dealt with and completed on an individual case-by-case basis. No legal action was taken concerning corruption, bribery or anti-competitive behaviour. None of these cases were considered as significant to the Group.

Ballast Nedam will continue to raise awareness about the importance of strong business ethics and individual integrity for all employees, suppliers, subcontractors and other stakeholders. We, along with our stakeholders, remain committed to mitigating all compliance risks and preventing situations of non-compliance by adhering to all laws and regulations.

Currently Ballast Nedam is actively preparing for Sustainability legislation (CSRD) which obligates companies to meet specific criteria, and to provide information from 2025 on, concerning the following topics:

- Environmental matters, social matters and treatment of employees (including diversity on company boards);
- Respect for human rights;
- Anti-corruption and bribery;
- Fair competition;
- Taxation.



Business case

Industrial modular construction: one solution for multiple challenges

Heddes Bouw & Ontwikkeling, a Ballast Nedam business unit, is working with Ursem Modulaire Bouwsystemen¹⁰ and Schouten Techniek on industrially produced, modular homes. One project involves 300 student houses in Amsterdam, the other 44 spacious flats for social housing tenants in Schagen. For the latter project, commissioned by housing corporation Wooncompagnie, the entire complex 'De Tramhalte' was assembled on site within three weeks in November 2023.

Industrial modular construction means that houses are built as modules in a factory and assembled on site. These are no longer the sober 'container homes' of yesterday, but high-quality and beautiful flats in many shapes and sizes. The advantages are enormous, commercial director Boaz de Boer knows. "First and foremost is the speed. Certainly at Ursem this is particularly high, thanks to advanced techniques. We are one of the few manufacturers where the machines in the factory are controlled directly by the drawings.





We also work with a conveyor belt. It enables us to produce four modules a day." But there are more advantages. Building in the factory means building in optimal conditions. You won't be bothered by wind and rain. That makes it easy to ensure the quality of the work. And once the modules go to site, a complete building is erected there within a few weeks. Different from the many months, or sometimes even longer, involved in traditional construction. "So there is much less inconvenience on site for a much shorter time", Boaz says. "Both in terms of noise and construction traffic and emissions. The latter also means a big plus in terms of the nitrogen issue." Another advantage: industrial housing construction bypasses the scarcity of technical professionals. Unlike the traditional construction site, the assembly line at Ursem's factory does not require all-round carpenters, but employees who can perform certain tasks well. "The pool of personnel we fish in is therefore quite large," he says.

Singles and small families

Talk about big: modular homes don't have to be small. De Tramhalte's 44 flats, built around a spacious courtyard garden, range in floor space from 63 to 77m². They simply consist of two modules, linked together on site with a large opening. The living room runs the entire width of both modules. Thanks to the many square metres, the houses of De Tramhalte are suitable not only for single





and double households, but also for small families. This makes the complex a fine example of the many possibilities offered by this way of building. Client Wooncompagnie was very aware of this, thanks to the experience it gained with Heddes, Ursem and Schouten in the earlier Regioplein project, also in Schagen. Project developer Peter Cornielje of Wooncompagnie: "Regioplein was our first project with modular homes. The experiences were positive, both from us as clients and from the residents. That encouraged us to try for more. So for De Tramhalte, I put the main outlines on paper based on Regioplein itself, including the modules we wanted. Then I took my drawings to Heddes and asked: can you make this?" The answer was in the affirmative. Peter is a strong advocate of conceptual, industrial and modular construction. He largely concurs with the aforementioned benefits. "We are depleting the earth. That is why it is important to use bio-based materials, and also bet on circularity through detachability and movability of all the elements that make up the building." This, Peter knows, makes projects eligible for the Environmental Investment Allowance (MIA). This was also successful at De Tramhalte. "Heddes went to great lengths to achieve this, using bio-based materials and FSC wood, plus providing all the documentation required for the MIA."

Increasingly sustainable

For Boaz, Wooncompagnie falls under the heading of 'perfect customer'. "Peter knew our product and started puzzling with

it himself for a new project. In doing so, he enquired about new possibilities, such as the addition of a large bamboo facade. We looked into that and it turned out to be possible. It is a sustainable solution, as bamboo is a bio-based material. In fact, it grows back again, so you are not extracting resources from the planet. Anyway, we try to produce our products as sustainably as possible: 75% of our modules are made of wood. In addition, the project itself is 'all electric', with heat pumps and solar panels for energy generation. A next step we want to take is to make the insulation material more sustainable. For that, we hope to start using bio-based raw materials such as bulrush and flax." Thus, industrial, modular building contributes to making the built environment more sustainable. But of course, it also contributes to another major social problem: the housing shortage. The Netherlands needs more than 100,000 houses a year, but that number is not being met for now due to many delaying factors, rising costs and the aforementioned nitrogen issue. Does industrial, modular building represent the solution to tackling many of these problems? "You cannot say it is the solution. But because of the speed of production and low emissions, we do form part of the solution to the housing shortage." For Boaz personally, in turn, it feels good to be part of it. "We are also able to make exclusive housing, but the bulk of it is social sector housing anyway. So we build those for people who don't have unlimited resources, but still want a roof over their heads. I like the fact that we can help meet that need."



Thinking together

On behalf of Wooncompagnie, Peter is also happy with the new homes. "Recently I spoke to a tenant who will soon be living in De Tramhalte. She told me she was 28 and until now had been forced to live at home with her parents. After having been on a waiting list for 10 years, she finally had independent housing. Then I thought: that's why we are doing this!" Peter also liked the whole process. As a client, he felt woven into the construction team with Heddes, Ursem and Schouten Techniek. "You really do it together. And even though you buy an existing product, they are willing to think along with you. For instance, the balcony doors originally opened inward. We preferred not to do that. Because the turning radius then takes away space inside. Besides, when it rains it means that water drips onto the floor of the house as soon as you open that door. We know from experience that tenants will complain about that. I know that in a case like this, other system builders say: there's no other way, because it won't fit into our system. But after some pleasant haggling, they modified their system for us. The balcony doors now open outward."



¹⁰ Heddes Bouw & Ontwikkeling has a 49,5% share in Ursem Modulaire Bouwsystemen.





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Governance

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4.1 Management and control structure

4.1.1 Introduction

Governance at Ballast Nedam is based on a limited structure regime. Ballast Nedam has a Supervisory Board and a Board of Management. The Board of Management requires Supervisory Board approval for certain important decisions. The Board of Management also requires the approval of the General Meeting for, among other things, important changes in the identity or character of the company or the business. The remuneration of members of the Supervisory Board (if any) and the Board of Management is commensurate with their terms of office (see section 9.6.32 for further details). The remuneration of members of the Board of Management consists of a fixed salary component and a variable, discretionary bonus component, which also depends on key performance indicators (KPI's), some of which are related to CSR matters (see also section 1.4.3).

4.1.2 Managerial and legal structure

Ballast Nedam's managerial structure is composed of two divisions: Ballast Nedam Construction and Ballast Nedam Development a (see section 1.1.4 'Organisational structure' for more information). The Ballast Nedam Construction division is subdivided into several business units (comprised of four business lines: Building Netherlands, Infrastructure, International and Industry), which represent specific

capabilities or regional presences. In addition,
Ballast Nedam's organisation includes several shared
services that support the various business units, such as
Health, Safety and Environment (HSE), Quality Assurance
and Quality Control (QAQC), Human Resources, Insurance,
Legal, Finance, CSR, Digital & Innovation and Compliance.

Ballast Nedam N.V. and each holding company within the Group has several direct and indirect subsidiaries, joint operations, associates and joint ventures. For more information about the direct and indirect subsidiaries, see section 9.6.32 for an 'Overview of joint operations,' and section 9.6.32 for an 'Overview of associates and joint ventures.' A full list of the subsidiaries included in the consolidation has been filed with the Trade Register at the offices of the Dutch Chamber of Commerce in Utrecht.

4.1.3 Board of Management

The Board of Management manages the company and is responsible for the Group's objectives, strategy and policy, as well as all results obtained. The Board considers the interests of the company and its stakeholders when adopting its resolutions, as well as the impact of its decisions on natural, manufactured, intellectual, human, financial and social capital.

The General Meeting appoints members of the Board of Management, whether or not upon nomination by the Supervisory Board. Also, the General Meeting may suspend or dismiss members of the Board of Management. If it intends to remove a member of the Board of Management from office, the General Meeting will give the member the opportunity to account for him/herself to the General Meeting.

The Board of Management Regulations contain further rules on the allocation of tasks and working methods of the Board of Management and on its dealings with the Supervisory Board, the General Meeting, the Central Works Council and the independent auditor. These regulations can be found at our website.¹¹

The Board of Management consists of a group of six Board Members. Mr Doodeman was appointed to the Board on 1 October 2023.

The composition of the Board of Management is stated in the next page.

www.ballast-nedam.com/who-we-are/board-and-supervision/corporate-governance

Board of Management



A.K. Sağlam (Chief Executive Officer)

Mr Atilla Kemal Sağlam was born in 1978. He is a Turkish national and resident of the Netherlands. Mr Sağlam was appointed Chief Executive Officer of Ballast Nedam's Construction division as of 1 September 2019 and Chief Executive Officer of Ballast Nedam N.V. as of 7 August 2020. He is responsible for the operations of all the business units within Construction, the organisation of departments, as well as the establishment of new markets in line with Ballast Nedam's strategy. Mr Sağlam joined Rönesans in 2008 and worked in various positions within Rönesans Holding in Turkey and abroad. He is an electrical and electronics engineer, graduated from the Middle East Technical University in 1999 and completed his MBA degree in 2001. On 2 March 2020, the General Meeting appointed Mr Sağlam to the Board of Management for an indefinite term of office.



S.R. Lefevre

Mr Sander Lefevre was born in 1973. He is a Dutch national. As a member of the Board of Management, Mr Lefevre focuses primarily on infrastructure activities. He has held several management positions within Ballast Nedam since 2006, including Director of Ballast Nedam Infra Projects. After obtaining his master's degree in civil engineering at the Delft University of Technology, Mr Lefevre began his career in 1998 as project manager at Royal Haskoning DHV. Mr Lefevre was first appointed to the Board of Management for a four-year term on 17 May 2016. On 19 March 2020, the term was converted into an indefinite term of office.



O.P. Padberg

Mr Olav Padberg was born in 1972. He is a Dutch national. Within the Board of Management, Mr Padberg is responsible for, among other things, compliance, insurance and legal matters concerning Ballast Nedam as a whole. Mr Padberg started his career at Ballast Nedam in 2007. In 2011, he was appointed Legal Director of Ballast Nedam N.V and Compliance Officer of the Ballast Nedam Pension Fund. Mr Padberg received his master's degree in law from Erasmus University Rotterdam. In the General Meeting of 23 June 2017, Mr Padberg was appointed to the Board of Management for an indefinite term of office.

Board of Management



H. Koçak (Chief Financial Officer)

Mr Hayrettin Koçak was born in 1981. He is a Turkish national and resident of the Netherlands. Mr Koçak was appointed Chief Financial Officer (CFO) as of 2 January 2017. He focuses on finance matters insofar as they relate to Ballast Nedam as a whole, with the financial control and financial services departments reporting to him.

Moreover, Mr Koçak has been CFO of the Construction division since 2016. Before joining Ballast Nedam, Mr Koçak was the CFO of Renaissance Construction in Russia. He received his degree in economics from the Middle East Technical University in Ankara in 2004. In the General Meeting of 23 June 2017, Mr Koçak was appointed to the Board of Management for an indefinite term of office.



E. van Zuthem

Mr Eric van Zuthem was born in 1968. He is a Dutch national. Within the Board of Management,
Mr van Zuthem is responsible for the Ballast Nedam international business units. He completed his civil engineering degree at the University of New Hampshire, USA.

Before joining Ballast Nedam, Mr Van Zuthem was a management board member of Royal BAM Group and the CEO of BAM International. As of 10 January 2022, he was appointed to the Board of Management for an indefinite term of office.



N. Doodeman

Mr Niels Doodeman was born in 1968. He is a
Dutch national. Within the Board of Management
he is responsible for the (sub)division Building
Netherlands, which consists of the regional businesses
of Ballast Nedam. These include Ballast Nedam West,
Ballast Nedam Zuid, Heddes Bouw & Ontwikkeling,
Ursem Modulaire Bouwsystemen and the Laudy Groep.

Mr Doodeman began his career in 1990 at the West Frisian construction company Heddes, where he further advanced and completed multiple business and financial education programs. He held various positions within the company and became Managing Director in 2011. As of 1 October 2023, he was appointed to the Board of Management for an indefinite term of office.

4.1.4 Tender Committees

As explained in chapter 3, projects are generally discussed and approved by a Tender Committee. The composition of the relevant Tender Committee differs and depends on the size and risk profile of the tender at hand. For larger projects or ones with a higher risk profile, the full Board of Management constitutes the Tender Committee (plus certain other individuals as further explained below), and matters may even be escalated to a tender committee within Rönesans Holding. For smaller projects, i.e. ones with a lower risk profile, the Tender Committee consists of one or more members of the Board of Management. In addition to members of the Board of Management, members of the Tender & Operational Risk Management (with knowledge of the operational and financial aspects of projects) are also part of the Tender Committee and - depending on the topic at hand - other participants will be invited as well, such as legal counsel, contract managers or insurance employees.

4.1.5 Supervisory Board

The Supervisory Board supervises the policy of the Board of Management and the affairs of the company and its business and supports the Board of Management with advice. The Supervisory Board performs its tasks keeping the interests of Ballast Nedam N.V. and the associated business in mind. The Board of Management informs the



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Supervisory Board at least once a year in writing of the main features of the strategic policy, as well as the general and financial risks and management and control systems of the Company, which include strategy and policies in the field of CSR in practice. The Board of Management does this during every meeting of the Supervisory Board, and it also updates individual members of the Supervisory Board bilaterally outside of formal meetings.

The General Meeting determines the number of members on the Supervisory Board, which has a minimum of three seats. In principle, the General Meeting appoints the members upon nomination by the Supervisory Board. For one-third of the members, the Supervisory Board nominates a person recommended by the company's Central Works Council (representing the interests of the employees), unless the Supervisory Board objects to the recommendation because there are doubts regarding the person's ability to perform the duties of a Supervisory

Board member or because, if the appointment is made as recommended, the Supervisory Board will not be duly composed. A member of the Supervisory Board cannot be (a) an employee of the company, (b) an employee of a dependent company, or (c) a board member or employee of a worker's organisation which is usually involved in determining the terms of employment of persons referred to under (a) and (b).

The Supervisory Board determines a profile for its size and composition, taking into account the nature of the enterprise of Ballast Nedam, its activities and the desired expertise and background of the members of the Supervisory Board. Various factors are taken into account in the selection of potential new members of the Supervisory Board, including gender, knowledge of the Dutch and international construction sector, the Dutch political landscape and financial experience and background.

As described elsewhere in this Annual Report, Ballast Nedam is a proud member of the Rönesans Holding group, a family-owned company. Currently two out of three Supervisory Board members also hold management and supervisory positions with other related parties. Pursuant to Ballast Nedam's articles of association, a Supervisory Board member may not take part in a discussion and/or decision-making on a subject or transaction in relation to which that member has a direct or indirect personal interest that conflicts with the interest of the company and its business enterprise. If in such event a resolution cannot be adopted by the Supervisory Board, then it will be adopted by the General Meeting.

The General Meeting may abandon its confidence in the Supervisory Board after following the appropriate statutory procedure and the company's articles of association.



Supervisory Board

Ms İ. Ilıcak Kayaalp (Chairperson)

Ms İpek Ilicak Kayaalp was born in 1978. She is a Turkish national. After working in the private sector as a finance professional, she joined the family business to add her experience and knowledge in 2006 as the Head of Treasury. Since 2014, she has acted as Chairperson of the Board of Directors of Rönesans Holding A.Ş. She also is a member of the Executive Board of various subsidiaries of the Rönesans Group and a member of the Rönesans Education Foundation. She was first appointed to the Supervisory Board of Ballast Nedam in 2015 for a four-year term, which was extended in November 2019. In April 2021 she briefly left her role as Chairperson, to return again on 4 May 2022. She was appointed for a four-year term.

Mr Ö. Canbaş

Mr Özgür Canbaş was born in 1973. He is a Turkish national. Mr Canbaş joined Rönesans in 2009. He serves as a board member at Rönesans Holding A.Ş. and several other companies within the Rönesans Holding Group. Mr Canbaş was a member of the Board of Management of Ballast Nedam from 2017 until 4 May 2022. On that date, he resigned as member of the Board of Management and was appointed to the Supervisory Board for a four-year term. His current term of office ends on 4 May 2026. Mr Canbaş is the sole member of the Audit Committee.

Mr P.R.H.M. van der Linden

Mr René van der Linden was born in 1943. He is a Dutch national. Ballast Nedam's Central Works Council has used its statutory, strengthened right of recommendation to nominate Mr Van der Linden to the Supervisory Board. He has extensive political experience and was a member of the First Chamber of the Dutch Parliament (1999-2015) and its chairman (2009-2011). He is currently a member of the Supervisory Board of Eureko Sigorta and holds various other positions at for profit and non-profit organisations. Mr Van der Linden was appointed to the Supervisory Board of Ballast Nedam on 26 February 2018, initially for a two-year term, which was subsequently extended.

4.1.6 Audit Committee

The Supervisory Board, within its field of responsibilities, established an Audit Committee which prepares the Supervisory Board for decision-making and advises the Supervisory Board on certain topics.

4.1.7 General Meeting

Rönesans Holding A.Ş., via Renaissance Construction B.V. as direct shareholder, has control of and holds 100% of the shares in Ballast Nedam N.V.

4.1.8 The diversity policy with regard to the composition of the Board of Management and Supervisory Board, and senior management

Ballast Nedam's diversity policy is characterised by the pursuit of a broad representation of diverse employees at all levels of the company. This goes beyond the male-female division and also pertains to cultural diversity and personal profile. Diversity ensures balance in teams and decision-making, fosters entrepreneurship and thus contributes to the continuity of the company.

This idea forms the basis of the policy regarding the composition of the Board of Management and the Supervisory Board, as well as the appointment of our

business unit and staff directors and their teams, who form the sub-top of our company. This policy is aimed at achieving an optimal composition and at meeting the applicable target figures with regard to the male-female ratio arising from the Act on Gender Diversity in boards and target figures.

The policy is taken into account when filling vacancies in the Supervisory Board, the Board of Management and the sub-top within our company. If a vacancy arises, the relevant appointing body will assess what specific knowledge, experience and profile is required. All candidates who meet those specific characteristics will be included in the recruitment procedure. Within Ballast Nedam, we apply a target percentage of at least 30% women and at least 30% men for both the Supervisory Board and the Board of Management, insofar as these seats are divided among natural persons. This target figure (for female directors) was achieved for the Supervisory Board in 2023: one of the three members is female. This was not achieved for the Board of Management, as currently all members in office are male. In the case of vacancies - not being reappointments - the Board of Directors intends to strive for further diversity in both the experience and competences of board members and in the male-female ratio.

For the appointment of business unit and staff directors and their senior managers, Ballast Nedam applies a target percentage of 20% for the short term for women, but the ultimate aim is for 30% of the sub-top to be women by 2030. At present, 12,5% of the sub-top are women. The Board of Management intends to strive for further diversity in the male-female distribution when filling vacancies and will take this into account – in the case of equal suitability – not only when appointing directors and (senior) managers, but also when filling of all vacancies within the company. Because the male-female ratio will only contribute to the desired diversity, advancement and achievement of the target figures if the intake ratio of women is higher.

4.1.9 Annual report

The members of the Board of Management and the Supervisory Board are required by law to sign the company's annual accounts. They are also involved in reviewing the Annual Report – including the report's CSR and ESG disclosures – as the approval is scheduled in a Supervisory Board meeting attended by the external auditor. The Audit Committee discusses the Annual Report in more detail with the external auditor prior to and in preparation of the meeting of the Supervisory Board and shares its findings with the Supervisory Board.

Nieuwegein, 15 March 2024 Board of Management,

A.K. Sağlam

S.R. Lefevre

H. Koçak

O.P. Padberg

E. van Zuthem

N. Doodeman (appointed on 1 October 2023)

4.2 Independent statutory auditor

The Audit Committee and the Supervisory Board were involved in the appointment of the 2023 statutory independent auditor. The General Meeting ratified and approved the engagement to PricewaterhouseCoopers Accountants N.V. to conduct an audit of the 2023 financial statements of the company. PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in Turkey is auditor of Rönesans Holding A.Ş.'s 2023 annual financial statements.

The external independent auditor also attended the meetings of the Audit Committee and the Supervisory Board at which the annual figures were discussed, as well as several other meetings of the Audit Committee and the Supervisory Board. The external independent auditor reports

to the Supervisory Board and the Board of Management and ultimately conveys his/her auditor's opinion to the General Meeting. PricewaterhouseCoopers Accountants N.V. attends the Annual General Meeting in which the 2023 financial statements are discussed.

The Board of Management and the Audit Committee thoroughly assess the performance of the external independent auditor in their various duties at least once every four years. The General Meeting is informed of the main conclusions of this assessment for its own assessment of the proposal to appoint an external independent auditor.

4.3 Report of the Supervisory Board

4.3.1 Introduction

The Supervisory Board discussed financial developments during its meetings in 2023. It also reviewed operations within the Group and market trends, using the various management reports and other information as input. Memoranda from the Board of Management were also discussed at the meetings, as were Board of Management decisions requiring the Supervisory Board's approval. Moreover, the Supervisory Board was also kept updated by email and granted approvals for matters in writing. Major subjects in which the Supervisory Board was frequently involved or which the Supervisory Board discussed include

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the development of financial figures compared to the business plan, compliance, the status of major ongoing and potential projects, claims and material CSR and ESG matters, which include the consequences or considerations of its decisions on safety, human capital, the environment and other matters. For example, the Supervisory Board was involved in the discussions on how the company can further reduce its carbon footprint e.g. by using more electronic machinery and electronic vehicles.

As part of its supervisory duties, the Supervisory Board gives consideration to the achievement of the corporate objectives, the strategy and risks, the purpose and performance of internal risk control, financial reporting, and compliance with legislation and regulations.

Financial reporting was discussed at the Audit Committee meetings in 2023. The Audit Committee discussed internal control and financial reporting with the Chief Financial Officer. In addition, the Supervisory Board discussed interim financial figures, the annual financial statements and results of the statutory audit, matters on which the Audit Committee provided advice.

The Supervisory Board obtained regular updates on compliance and fraud assessment related matters from the

Board of Management and the Chief Compliance Officer. Supervisory Board members also met individually with members of the Board of Management and other officers and employees to discuss topics and get further updates.

4.3.2 The Audit Committee

Mr Canbaş is the sole member of the Audit Committee. The Audit Committee acquired relevant knowledge and experience of financial matters via various input prepared by, among others, the Board of Management, the Chief Financial Officer and the Chief Compliance Officer and the company's internal control and reporting functions. The Audit Committee held several meetings in 2023. The independent auditors were present at most of those meetings.

The subjects the Audit Committee discussed at its meetings include:

- The appointment of the independent auditor;
- The half-yearly and annual financial information;
- The Annual Report;
- The reports and recommendations of the independent auditor;
- Compliance.

The Audit Committee and the Supervisory Board discussed the findings of the independent auditor, the interim observations for 2023 and the follow-up to the findings with the independent auditor.

4.3.3 Financial statements and recommendation to the General Meeting

The Supervisory Board submits the Annual Report for the 2023 financial year to the General Meeting, including the consolidated and company financial statements of Ballast Nedam N.V., as prepared by the Board of Management and approved by the Supervisory Board. The financial statements have been audited by PricewaterhouseCoopers Accountants N.V. The Supervisory Board recommends adopting the financial statements and requests discharge be granted to the members of the Board of Management and of the Supervisory Board for their management and supervision respectively in 2023.

Nieuwegein, 15 March 2024 Supervisory Board,

- I. Ilıcak Kayaalp
- Ö. Canbaş
- P.R.H.M. van der Linden





Employee story

Working at Ballast Nedam **International Projects:** one big adventure

A new terminal in Sint Maarten, expansion of the cruise jetty in Sint Lucia or a new port in Suriname. Project manager and business developer Paul Manuels enjoys working on Ballast Nedam's challenging, international projects.

Over 20 years ago, he started in Ballast Nedam's rotational programme, the forerunner of the traineeship. This was followed by one adventure abroad after another at Ballast Nedam International Projects. We asked Paul what it's like to work abroad and what qualities you need for it.



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Why did you apply to Ballast Nedam?

"I was studying Civil Engineering in Delft and was looking for a part-time job that tied in with my studies. That's how I came into contact with Ballast Nedam. They didn't have a part-time job for me, but they did have a three-year rotation programme, similar to today's traineeship. It was a great opportunity to gain experience in different places within Ballast Nedam, so I accepted it wholeheartedly."

How did you end up at Ballast Nedam International Projects?

"When I was in the final stage of the rotational programme, a vacancy came up for superintendent in India. Ballast Nedam was building a new jetty there. I always wanted to work abroad, so this seemed like a good fit. A few days later my ticket was booked and two weeks later I was on the other side of the world. Working in India was a very nice and educational experience."

And what came after India?

"After India, I went straight to Suriname, where I started as a work planner and ended up as a project manager. A great, challenging position that I still have today. Suriname was followed by projects in Sint Lucia

and Sint Maarten, among others. And since two years I live and work in the Netherlands again, because of my family. I now mainly tender for hydraulic engineering works and only make short trips to ongoing or possible new projects."

So that takes some getting used to again?

"Definitely. After fifteen years abroad, the Netherlands feels quite small, busy and individualistic. And what I also miss a bit: abroad, you learn an awful lot in a short time. You start with nothing in a hotel room and end up with a multicultural project team of 150 people. If everything is then completed well and the client is satisfied, it gives you an extra big kick."

So what kind of person do you have to be to work at Ballast Nedam International Projects?

"You have to be flexible, have the courage to make decisions, work well under time pressure and be a team player. It's very challenging because you take on everything with a small project team. From the technical to the legal and financial aspects. Yes, deep down I would like to go abroad again for a long time. But who knows, maybe we will move abroad again when the children are a bit older."





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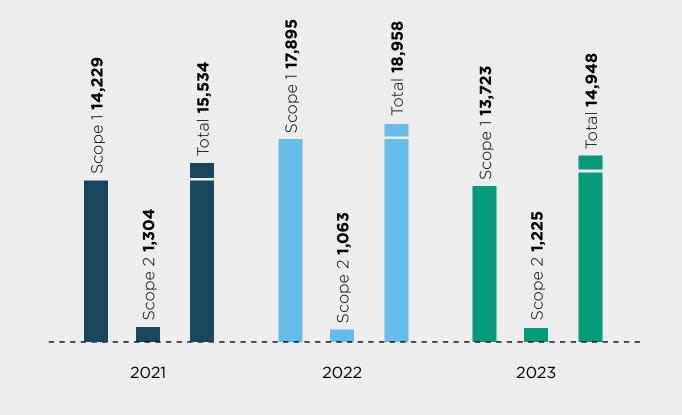
Sustainability

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CO₂ footprint (tons)

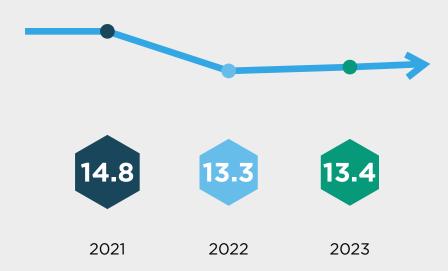


Waste / Revenue (tons / € million)

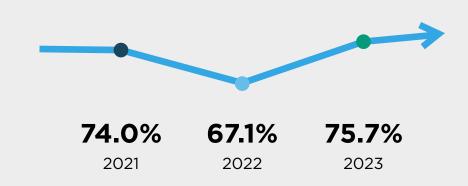


CO₂ emissions (tons)

per € million of revenue

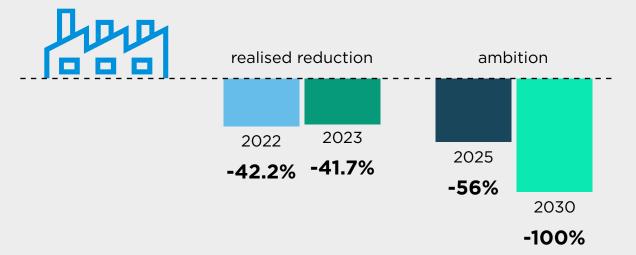


Separation rate



Ambition and reduction in CO₂ emission

compared to 2019



Separation rate

including subsequent separation

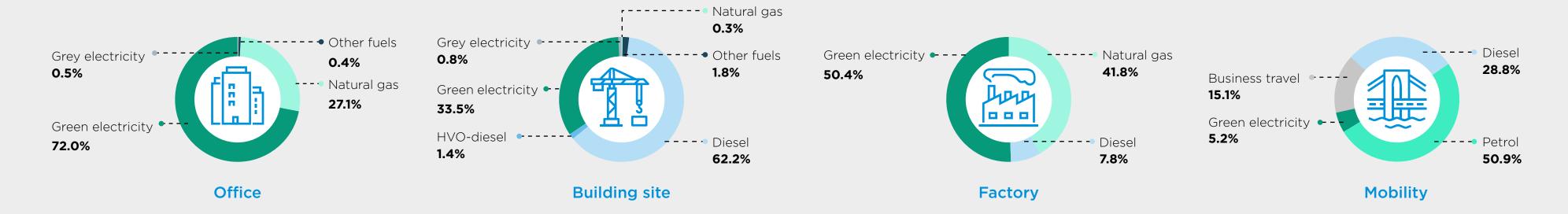




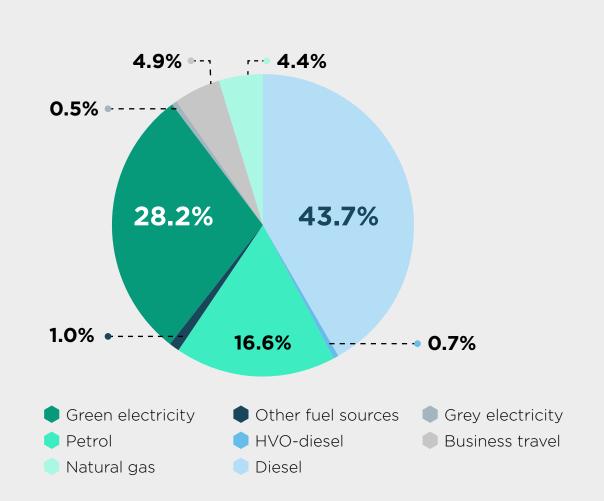


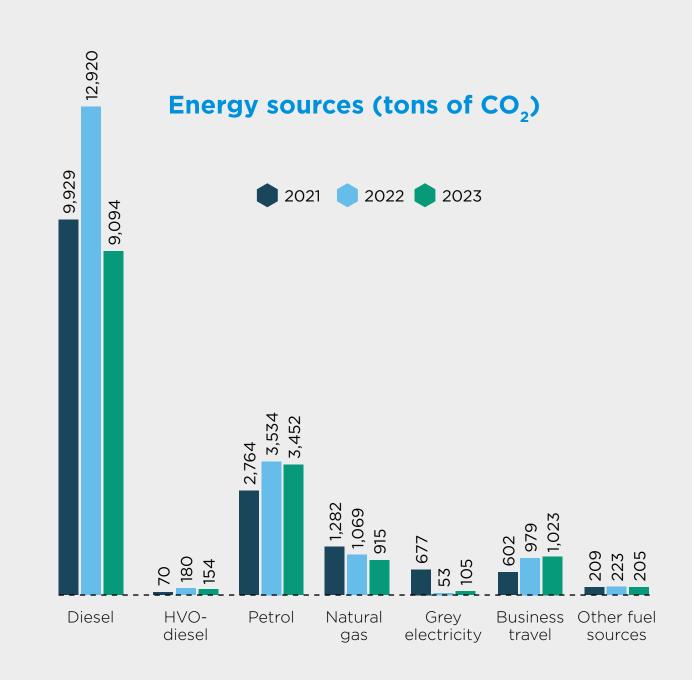
Consumption of energy type

broken down by location



Consumption of energy type







5.1 Vision and operating context

5.1.1 Sustainability vision

Driven by an ever-changing international landscape surrounding environmental, social and governance (ESG) trends, Ballast Nedam remains committed to future-proofing the communities in which we operate. ESG has received unprecedented momentum over the past five years through intergovernmental agreements, such as the Paris Climate Agreement and the EU Green Deal. We keep on developing our strategy and policies to deliver sustainable outcomes for our clients in all that we do.

Through the surge of ESG-related legislation and directives, Ballast Nedam has seen increased ambitions and requirements from all our stakeholders, as well as increased requirements to deliver ambitious objectives on both a project and corporate level. Please refer to chapter 1 for more information on how Ballast Nedam defines and incorporates stakeholder feedback when selecting material ESG topics. At Ballast Nedam, we have a CSR (Corporate Social Responsibility) policy in place which is focused on dealing with sustainability topics relevant to our operating reality. The CSR policy is reviewed regularly to guarantee that Ballast Nedam complies within the new context when the legislation is effective. We are planning to publish our new CSR policy for the period 2024-2026

and its associated KPI's to reflect the requirements of our stakeholders and the changing landscape in 2024.

As the roll-out of the EU Green Deal continues, additional legislation is proposed,¹² evaluated,¹³ and adopted.¹⁴ The new legislative landscape is geared towards re-imagining business value(s) and reorienting capital flows towards activities that contribute substantially to material ESG impact areas. It is set to foster transparency, comparability, and verifiability of information. Thus, it will require organisations to look beyond their own operating scope and include due diligence actions¹⁵ for activities in the upand downstream supply chain.¹⁶ We started the process of alignment with the upcoming EU legislative requirements in 2022 and we continued with the preparation in 2023. We are committed to deliver the 2024 Ballast Nedam's annual report to showcase our renewed material ESG topics and associated objectives, as we work towards alignment, with the applicable EU legislation and directives beyond 2025.

5.1.2 Sustainability context

Climate Change mitigation

With a contribution of 37%^{17 18} to global CO₂ emissions in 2019, the direct and indirect emissions of buildings have a significant role to play towards mitigating climate change. At Ballast Nedam, we take ownership, and we are moving

towards decarbonization through the use of low or zero carbon alternatives for the materials and construction equipment that on site.

Climate Change adaptation

Meanwhile, the immediate effects¹⁹ of anthropogenic climate change are already manifesting themselves and impact our risk management (where we develop projects ourselves) and the way we work (where we work for clients who mandate the inclusion of adaptation measures in the design). We welcome the increased opportunity to work with clients

¹² Such as the Eco-design for Sustainable Products Regulation (ESPR) containing guidelines and requirements for Digital Product Passports

¹³ Such as the Corporate Sustainability Due Diligence Directive (CSDDD)

¹⁴ Such as the Corporate Sustainability Reporting Directive & EU Taxonomy

¹⁵ Such as those specified in the CSDDD.

¹⁶ Often referred to as Scope 3 greenhouse gas (GHG) emissions within the GHG protocol.

¹⁷ International Energy Agency, IEA (2021). <u>"Energy Technology Perspectives 2020"</u> (pp 159-160). February revised version.

^{18 &}lt;u>2022 Global Status Report for Buildings and Construction | UNEP - UN Environment Programme.</u>

¹⁹ Such as more extreme temperatures, heavy precipitation/flooding and (extreme) drought.

to understand their climate adaptation opportunities and challenges. We are starting to develop new processes to consider these in our tenders and contribute to the adaptation of the built environment to the changing climate.

Circular economy

We also see increased commitments geared towards circularity in construction. As a result of pressures on the availability and affordability of construction materials, there is an increased focus on the preservation of our global natural resources. Particularly in the Netherlands, we have developments for additional policy and strategy²⁰ to stimulate the transition to a true circular economy.

Biodiversity and pollution prevention

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Developments from international and national strategies also influence the way we plan, execute, and manage our projects as legislation is increasingly forcing us to take stock of where our ambitions overshoot the limitations of our (local) ecosystems.²¹

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²⁰ Such as the Nederland Circular in 2050 (Netherlands Circular in 2050) strategy of the Dutch Government.

²¹ For example, through the increased requirement to consider <u>nitrogen</u> in the Netherlands.



5.2 Decarbonisation

5.2.1 Introduction

At Ballast Nedam, we are continuously learning, adapting, and growing on how our greenhouse gas (GHG) emission related interventions can contribute to mitigating climate change and how resilient our activities are in the face of increasing climate change risks. Over the course of 2023, an increase in the inclusion of climate change adaptation and mitigation measures for our clients is seen, e.g., as a prerequisite item for building permits.

- As a large construction company, Ballast Nedam acknowledges its direct impacts on the Climate Change topic through its energy consumption at construction sites, the use of mobility, the operation of various production locations) as well as via the sourcing and use of construction materials. Because of that, Ballast Nedam manages its direct but also its indirect impacts through actively measuring its Scope 1 and 2 emissions, and mapping its Scope 3 emissions;
- Reducing our Scopes 1 and 2 emissions: These emissions are generated at our construction sites, e.g., through the use of our own equipment or at a corporate level, the energy and heating of our own offices and our own mobility;

• Reducing our Scope 3 emissions: Scope 3 includes indirect emissions and, in our case, emissions released during the production of the materials or services we purchase (upstream) and from the use or disposal of the products (construction works) we deliver (downstream). The emissions that are emitted in our supply chain.

CO₂ footprint measurement system and verification

Ballast Nedam is certified at level 5 of the CO₂
Performance Ladder; this is the highest level possible (best performing). In the CO₂ Performance Ladder footprint report, Ballast Nedam reports the emissions in Scope 1 (natural gas, petrol, diesel, and propane) and Scope 2 (electricity and terrestrial heat) and business travel including flight movements. The criteria have been established in accordance with the Greenhouse Gas Protocol – Revised edition and Handboek CO₂-Prestatieladder version 3.1 of SKAO.

The scope of entities for CO_2 footprint measurement is in line with the consolidation reporting criteria under IFRS. If any monthly consumption figures are not known, estimates are made at year-end based on the revenue trend. Ballast Nedam calculates CO_2 emissions on the basis of the conversion factors in SKAO CO_2 Performance

Ladder 3.1. The 2023 verification of the amount and scope of emissions was provided by the external audit company DNV GL.

5.2.2 Scopes 1 & 2: Ambition

We have the ambition to be ${\rm CO_2}$ neutral for Scopes 1 and 2 emissions by 2030 for all our activities. In order to deliver on this ambition, we engage in activities in a number of focus areas.

Decarbonising our mobility

- Since 2023, no petrol and diesel passenger lease cars have been ordered. Only fully electric passenger lease cars can be ordered;
- From 2025 onwards, the plan is to order only fully electric commercial buses, with the exception of specific cases.

Decarbonising our construction projects

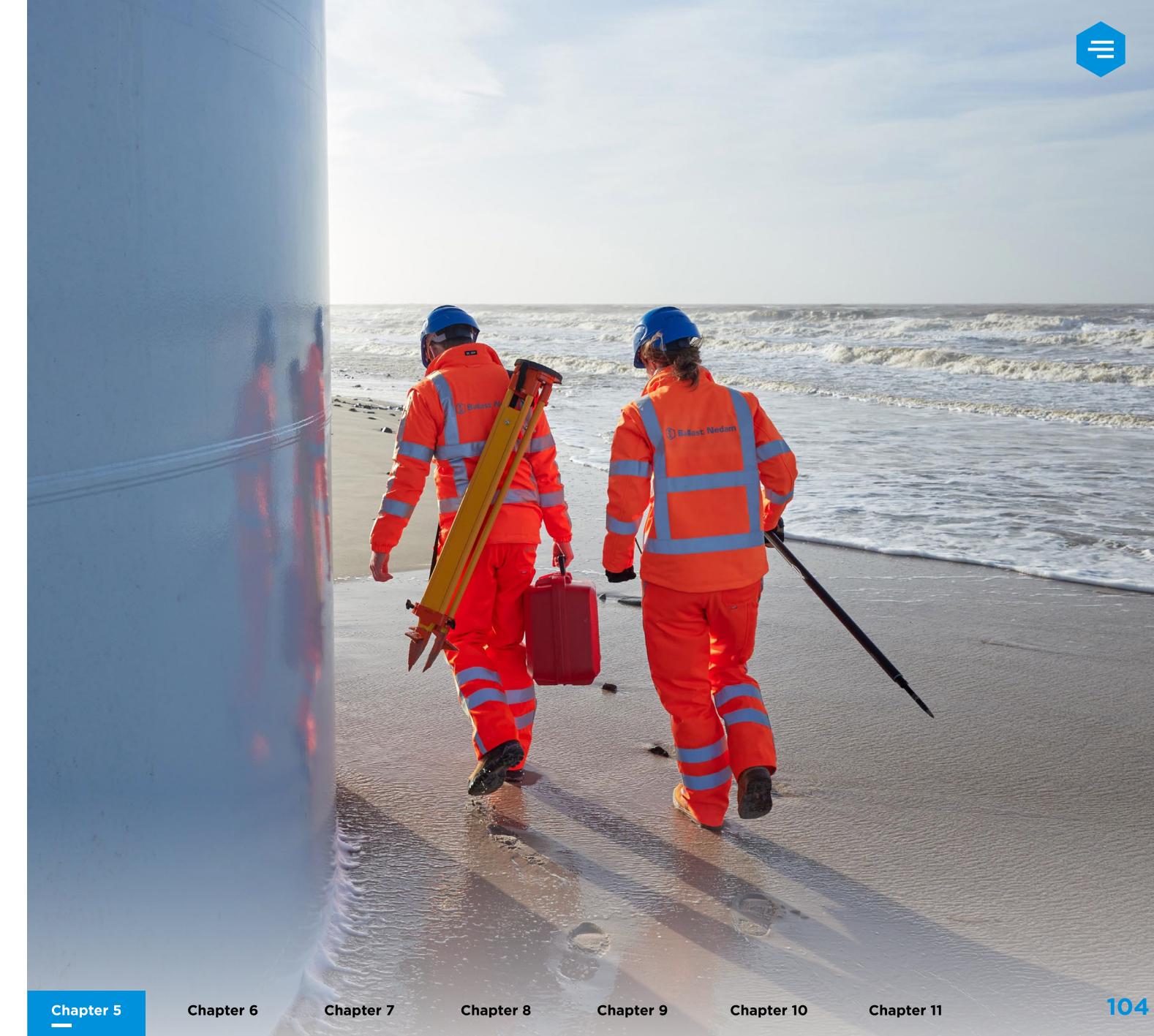
Since the introduction of our 2021-2023 CSR policy, Ballast Nedam has had the aim to be fully CO_2 neutral on our construction sites during the construction phase by 2030. For our construction projects, we have the following targets in place to significantly reduce the emissions on our projects:

- Since 2022, electrical options are explicitly taken into account in all our equipment investments. We make sure that following requirements will apply as a minimum:
 - All investments in Ballast Nedam on new, small equipment will be at least emission-free from 2025;
 - All investments in new medium-heavy equipment will be at least emission-free from 2028;
 - For the rest, as much building equipment as possible will be emission free by 2030. If this is not possible, fuel from hydrated vegetable oil (HVO) is procured.

Decarbonising our international operations

Climate change is a global challenge which we take seriously across all our operations. Sometimes our international operations are constrained by local practices and legislation. There can be vast differences in the maturity of low-emission solutions in the various geographies in which we operate. As our international operations grow, we aspire to do as much as we can given the local operating context.

However, in the international contexts we operate in, there is currently insufficient (green) electrical or HVO/ biofuel infrastructure to support our 2030 and 2040 decarbonisation targets. In our international operations, it is common to define upfront targets to reach per project that



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are proportionate to the context of the local markets. This will ensure that we continue to focus on decarbonisation across the globe and play our role in mitigating climate change across our international operations. Whilst we define these targets, we will continue to share best practices internally to transfer knowledge and reduce the impact of our operations internationally.

Energy Neutral by 2040

We will drive decarbonisation further by being completely energy neutral by 2040. We intend to generate all the energy that we need for our operations annually through our own sustainable energy sources to take ownership in the transition to a sustainable energy ecosystem.

- In 2023, we are already generating 11.8% of our own electricity requirements through solar energy at our own Virtual Power Plant (VPP);
- In 2024, we will connect our own wind turbines to the Virtual Power Plant hereby increasing the total energy generation contribution of our own energy to approximately 25% of our total annual consumption.

5.2.3 Scopes 1 & 2: Decarbonisation targets & outcomes

Overview of reduction in CO ₂ emissions	Base year 2019	Results 2022	Results 2023	Objectives 2025	Objectives 2030
CO ₂ footprint (scopes 1 and 2 in tonnes)	19,311	18,958	14,948		
CO ₂ footprint (scope 1 in tonnes)	13,747	17,895	13,723		
CO ₂ footprint (scope 2 in tonnes)	5,564	1,063	1,225		
Revenue (€ millions)	839	1,431	1,113		
CO₂ emissions (tonnes) per € million of revenue	23.0	13.3	13.4	10.1	0.0
Reduction relative to reference year		42.2%	41.7%	56%	100%
Percentage of green electricity related to the total amount of electricity purchased.		99.4%	98.2%	100%	100%
Percentage of own sustainable generated electricity			11.8%	20%	40%



5.2.4 Scopes 1 & 2: Status and learnings

Ballast Nedam took significant steps in terms of investments and activities to curb carbon emissions in 2023.

Compared to 2019, we achieved a Scope 1 and 2 CO₂ reduction of 41.7% in 2023 in relation to all our national and international activities. This percentage is in line with the 2022 results and we are still on track to achieve our 2030 target. The slight decrease is caused by lower revenues and the existence of more international projects in 2023. Our most significant areas of opportunity for future GHG reductions are:

- Our vehicle fleet (mobility);
- The use of diesel on construction sites.

These two GHG emission sources are responsible for more than 83% of Ballast Nedam's remaining CO₂ emissions.

Decarbonising our mobility

Within mobility, we measure and manage the Scope 1 and 2 emissions of our vehicle fleet. We also include within mobility our business travel, which is typically reported under Scope 3, in order to comply with the certification requirements in the CO₂ Performance Ladder.

- Compared to the base year 2019, emissions for mobility have decreased by 20.6% and compared to last year (2022) the decrease is 3.4%. This decrease is entirely due to the electrification of our fleet;
- The electricity consumption for mobility is completely (100%) green and substantiated through the use of Dutch Certificates of Origin (COs);
- The emissions related to business travel have increased slightly (result of significant increase of intercontinental flights partially offset by a strong decrease in business use of private cars) compared to 2022. Business travel consisting of passenger transport during working hours and flight movements falls under scope 3, however it is included in Ballast Nedam's footprint under mobility in the context of certification on the CO₂ Performance Ladder, which requires this.

To support a transition to a zero-emission fleet, the use of HVO for our commercial vehicles is made available as from 2024. This is to specifically support vans that travel many kilometres and do not have a fixed charging option.

Decarbonisation on our construction sites

Compared to 2022 the 2023 reduction of 12.9% emissions, on our construction sites was achieved as a result of investments in electrical equipment and the use of HVO.

Examples of decarbonisation investments in 2023 are:

- A second electric static roller;
- Retrofitted 3 Crawler tower cranes with 100% emissionfree engines;
- One 80 tonne Telecrawler crane;
- Five battery packs;
- Several dozen mobile charging stations were purchased.

This is not counting the many smaller pieces of electric equipment that were acquired. To reduce our dependency on fossil fuel, HVO fuel has been used in various projects, which amounts to approximately 14% of the total diesel consumption on projects in 2023.

The challenge for our sites relates to the further reduction in diesel consumption for the heavier equipment on the construction site. At the end of 2023, the "Convenant Schoon en Emissieloos Bouwen" or the "Clean and Emission-free Construction Agreement" was agreed across the sector. The agreement includes a road map that shows the speed at which various equipment groups will be made more sustainable. As the agreement's objectives align with our own decarbonisation objectives, Ballast Nedam supports and endorses this agreement.





- There are best practices in decarbonising our equipment used on our construction sites in 2023. For example, in Arnhem, we are constructing a flood defence barrier, with a zero emissions target, for the regional water management company (Waterschap) Rijn en IJssel and the Arnhem municipality. We are constructing emission-free through the use of electric equipment, use of water transport, use of pre-fabrication and re-use of materials.
- In 2023, we started preparations for the iconic infrastructure project A27 (Everdingen-Hooijpolder). The project has high ambitions for emission-free equipment, and HVO as sustainable fuel. We have formulated Environmental Cost Indicators (in Dutch: MKI) and deployed Lifecycle Assessments (LCAs) to understand our forecasted impacts and support decision-making with sustainability in mind. The project will span many years and will be leading in terms of emission-free construction.

5.2.5 Scope 3: Ambitions

We take ownership and understand that climate change mitigation will not be achieved by focusing only on the organisation's own emissions. We will need to work with, and consider, the environment in which Ballast Nedam operates to find ways to bring consumption down. For this reason, we have drawn up a separate ambition for our Scope 3 activities.

Providing insight into Scope 3 emissions is challenging due to the complex nature of construction supply chains. Unlike any other industry, there are a vast number of different materials, subcontractors, suppliers, and manufacturers that are involved with a single project. Data related to GHG emissions is more than often not uniform, transparent, or available. Therefore we are engaging with sector-wide groups on how we can clearly collect and report these Scope 3 emissions.

Enabled by positive developments in material-related emissions and stimulated by the collaboration with our supply chain partners, we would like to set ourselves an ambitious target by 2030. However, to formulate this reduction target, we will establish an accurate baseline in 2024.

5.2.6 Scope 3: Status & learnings

Ballast Nedam deployed a myriad of Scope 3 initiatives catered towards understanding our footprint as well as decarbonising our Scope 3 activities. In 2023, there was a particular focus surrounding the impact of materials used on Scope 3 emissions. We entered into a partnership (with De Bruyn) to invest in fully electric trucks, engaged in various partnerships and consortia to further cut (scope 3) emissions of our Public Private Partnerships (design,

build, finance, manufacture, and maintenance) and joined the Paris Proof Whole Life Carbon Approach of the Dutch Green Building Council.

5.3 Circularity

5.3.1 Introduction

The built environment has a significant impact on our planet's natural resources as a result of the extraction of materials and disposal of materials during demolition.

Construction materials and products represent about 50% of all raw materials extracted from the earth's crust.

Construction and demolition activities represent 35% of all waste generated in Europe.²² The transition towards a circular economy is visible through the increased focus of EU legislation²³ and the various national circularity initiatives with sector peers.²⁴ The increasingly turbulent prices of virgin raw materials further stimulate the transition towards circularity. Needless to say, we have a direct impact on the advancement of circularity through the sourcing

²² European Circular Economy Stakeholder Platform (2022). <u>"What role do secondary materials play in new constructions and in buildings renovation?"</u>.

²³ It is one of the environmental categories in the EU taxonomy and the EU is preparing regulations for digital product passports.

²⁴ Such as the Dutch Green Building Council working groups on Circularity.



of materials and the way in which we manage our waste streams.

Ballast Nedam actively participates in sector groups to develop the advancement of circular solutions within our construction projects. In 2023, we started to map our risks and opportunities regarding resource inflows and resource outflows to support the protection of our natural environment.

Opportunities on resource inflows

On the resource inflow side, there are increased trends to source circular materials for the buildings and infrastructure that we create. Examples of the characteristics of circular materials are:²⁵

- Materials that consist of raw materials which are of sustainably sourced bio-based origins;
- Materials that consist of raw materials which are recycled or of reused origins;
- Materials that are re-mountable, re-leasable, re-usable and, or up-cyclable at the end of life;
- Non-toxic materials which provide an alternative to materials containing hazardous substances, and replace substances of very high concern.

The success of the principles of the circular economy rests,

among others, on the successful expansion to markets that support circular materials. As a result there are fewer resource constraints on precious virgin raw materials and there are Scope 3 benefits in relation to energy demand (and associated emissions) and the extraction of virgin raw materials.

As of 2023, the inclusion of circular alternatives in client specifications has been gradually increasing.²⁶
Ballast Nedam rises to this challenge by proactively engaging stakeholders across the sector, e.g., clients, architects, and design engineers, and pushing for circular alternatives whenever these are possible.

Opportunities on resource outflows

On the outflow side, the construction sector can be a major force in advancing the circular economy ambitions. Through partnerships with innovative waste management and demolition companies, Ballast Nedam can collaborate to address two complex barriers in achieving a scalable circular system in construction:²⁷

- Existing buildings are often customised and do not have standardised measures making the re-use / re-purposing of materials at the end of life of a building challenging;
- Due to the composition of construction materials, the separation of construction waste materials can be difficult.

Over the coming period, Ballast Nedam will be welcoming additional supply chain partnerships to continue to address these challenges.

Developments in the Netherlands to a circular economy

Within the context of our operations in the Netherlands, the Dutch Government launched the Dutch Circular Economy 2050²⁸ programme. This strategy was given shape in the construction industry through the sector-wide group "Transitieagenda Circulaire Economie" to define circular construction. Ballast Nedam remains vigilant on how the transition to a circular economy unfolds.

5.3.2 Circularity: Ambition

Ambition for the use of circular materials

To contribute to a future-proof and sustainably built environment, we must responsibly develop and construct our projects with circular materials. Our primary approach in measuring the proportion of circular materials is through the

²⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, <u>chapter 2</u>, <u>article 13</u>.

^{26 & 27} ING N.V. (2023). "The construction sector's sinking circular foundations".

²⁸ Rijksoverheid (2016) Nederland circulair in 2050.



Dutch environmental cost indicators (MPG and MKI) which include material-related environmental impact assessments. We have the following ambitions for 2030 for circularity:

- The materials for projects should be at least 50% circular, either at production or at end of life;
- Through responsible use, our construction sites should be 100% waste-free.

We will achieve this by reducing the need for new unrenewable raw materials through early engagement with our clients in the design process (i.e., detachable design and building and the use of reused, recycled, non-toxic and/or biobased materials). We will achieve circular construction by thinking about the 'end-of-life' phase of a material at the start of a project. Oftentimes, waste is unnecessary, and a circular perspective ensures that we look at the entire lifecycle. To achieve our 2030 target for the use of circular materials, we aim to make this objective measurable in 2024 by:

 Reporting the environmental costs (based on the ECIs of MPG/MKI) of all significant construction and in-house development projects and thus determine a reference value for future objectives;

Target description	2022 actual	2023 target	2023 actual	2024 target
Amount of waste (tons) per € million turnover Reduction compared to base year (average amount of the last three years)	20.6	-	25.1	Base year -5%
Waste separation of 75% at the construction site (100% minus CDW and industrial waste)	67%	75%	75.7%	75%
Report the material-related environmental costs (MPG/MKI) of all significant construction and in-house development projects and thus determine a reference value for future objectives				Average MPG/ MKI
Determine the reference value for the circularity index in 2024				% circularity index



- All business units determining the reference value for the circularity index in 2024 through one or more of their chosen representative projects, as a pilot for future target development;
- Assess the potential for reducing the use of toxic and polluting materials.

Ambitions towards waste-free construction

Ultimately, circular construction should result in a waste-free construction site. Therefore, we have set a 100% separation target for our business units by 2030. For Ballast Nedam as a whole, the 2023 target (KPI) for separation was 75% (100% minus Construction and Demolition Waste (CDW) and industrial waste) at the construction site. The result for 2023 is 75.7%. The KPI's for 2024 and 2025 will require a reduction in the amount of waste per million turnover of minus 5% and minus 10% respectively, compared to the average over the last three years, with an unchanged separation rate of 75%.

We intend to achieve this target by entering into a dialogue with suppliers and subcontractors about separation at source and the reduction of single-use packaging materials. This leads, for example, to agreements with suppliers about recovering, reducing, or changing packaging materials. In the context of our goals, the figures for 2023 show a

substantial improvement compared to 2022 and are in line with the targets.

Ambitions towards renewable materials

If avoiding the use of new raw materials is not possible, Ballast Nedam intends to use biobased materials, which are sustainably managed and not depleting the ecosystems, wherever possible.

5.3.3 Circularity: Status and learnings

Synergy with Scope 3 through LCAs

Our initiatives on investigating the use of circular materials and the reduction of our Scope 3 emissions have a natural symbiosis. The greenhouse gas emissions generated during the production of services and products that we procure for our projects (Scope 3) is currently studied through lifecycle analysis (LCA) methodologies. As a result of conducting lifecycle analyses on our projects, usually upfront with the client, we can actively advise our clients on the use of (alternative) circular products and reduction of embodied CO_2 emissions.²⁹ Ballast Nedam uses these insights to support the sustainable ambitions of our clients.

Developing for the future

Through our development projects, we are taking steps towards reducing the material-related environmental impacts. We are steadily creating a portfolio of projects that demonstrate that it is possible to develop constructions with a much lower environmental impact, e.g., the Nature House, Horizons in Amsterdam, and the Wooden Bridge Flora Holland.

Raising the bar on 'climate positive' buildings

In 2023, the Dutch Ministry of the Interior and Kingdom Relations announced that it will take new measures towards a climate-positive construction sector and will tighten the 'Environmental Performance of Buildings', also known as MPG,³⁰ from 0.8 to 0.5 for newly-build homes in 2025. As Ballast Nedam was co-initiator of a large number of sectorwide agreements within this area, we are pleased with the success that has been achieved together with interest groups, governments, and companies. Ballast Nedam welcomes the raised environmental performance standard (MPG) and the new measures, as the industry is (technically) ready to meet these new requirements.

By raising ambitions in the Netherlands and properly structuring financial incentives for sustainable housing,

²⁹ The material-bound CO₂ from production to the construction phase.

³⁰ Milieuprestatie Gebouwen (MPG).



climate-positive construction will become more and more attractive and self-evident in due time.

Pilots on circularity index measurement and verification

In order to make circularity more measurable in our projects, we carried out pilots on several projects in 2023 to determine the circularity index and the testing of various tools to measure the circularity index. We also tested the circularity index of our modular parking garage designs. This gives us insight into where we can further improve the circularity of an already circular parking garage.

Constructing circular parking garages and bridges

The proportion of materials and products that are re-used in construction is growing. Through the Ballast Nedam Park & Connect projects, Ballast Nedam is increasing the use of circular materials throughout the design and construction process. To illustrate, Ballast Nedam Parking, together with its partners, recently dismantled three entirely re-mountable Modupark parking garages. These garages were located in The Hague and Amsterdam and are ready for assembly in Zwolle and Enschede.

A new circular development is the takeover of the concrete main structure of the Veemarkt parking garage

in Dordrecht. Unlike the Modupark project, this existing garage was not designed for reuse. However, that does not deter us from this challenge. Our engineers are working on a plan for a second life for this old parking garage in order to make it circular. Overall market interest for the reuse of parking garages is growing.

Ballast Nedam Park & Connect is currently building a wooden bridge with a span of 40 metres at Royal Flora Holland in Aalsmeer. We share the ambition with the client Province of North Holland to build circular and reduce the CO_2 footprint of our projects. In addition to the wooden bridge, the adjacent supporting structures for the lift and bus stop shelters are made of wood. With these two developments, Ballast Nedam Park & Connect is on course for reducing the carbon footprint to a minimum.

Biobased building materials

We Grow offers an extensive annual program for the community of builders and farmers. It is an initiative of Ballast Nedam, LTO, Merosch, SWP and Rabobank and brings together agricultural-construction and biobased-construction through knowledge-sharing and connection between both sub-sectors. Through closer collaboration between builders and farmers, it aims to lead to more

sustainable projects, and to new innovations and business models for both sectors.

Value chain initiatives towards 0% waste construction

At the initiative of Laudy Bouw & Ontwikkeling, we have brought together several parties in our value chain to work on a dedicated circular economy, 'Van Afval Naar Grondstof' (VANG). Together with BMN Netherlands, Xella Group, ROCKWOOL Netherlands and Steenfabriek Engels Helden, we are analysing three materials from cradle to gate to become circular materials waste streams and map the opportunities and the risks for a zero-waste construction site. The three materials are rock wool, calcium silicate (sand lime) bricks and fired bricks. Although the research is still ongoing, we are happy to share some of the earlier outcomes:

- Within VANG, 100% of the calcium silicate brick and rock wool 'waste' streams on site are trialled for reuse in the production process as recycled raw materials;
- Opportunities for CO₂ reduction during the transport from and to the (production) site became apparent.
 Capitalising on these opportunities supports the decarbonisation pathway of all value chain partners and benefits our Scope 3 impact.

Another example is the collaboration with Bruynzeel Keukens for the supply of fully circular kitchens for the large-scale Cartesius area development. Bruynzeel Keukens has created a biobased kitchen made from old kitchen cabinets without the addition of artificial substances or virgin raw materials. We aim to develop further collaborations with our value chain in the coming years.

5.4 Biodiversity

5.4.1 Introduction and context

Grounded in the United Nations conference in 1972 on the human environment, 26 principles supporting Biological Diversity were developed. The principles have been developed through the Biodiversity Convention in 1972, the millennium goals and the sustainable development goals. Following the Conference of the Parties (COP15) to the Convention on Biological Diversity in 2022 and the second part of COP 15 in 2023, the priorities are clear:³¹

- Adopting a fair and comprehensive framework with adequate resources for implementation;
- Setting clear targets to address threats such as overexploitation, pollution, fragmentation, and unsustainable agriculture;
- Safeguarding the rights and roles of indigenous peoples as custodians of nature;

• Financing biodiversity and aligning financial flows with nature to promote sustainable investments and discourage harmful ones.

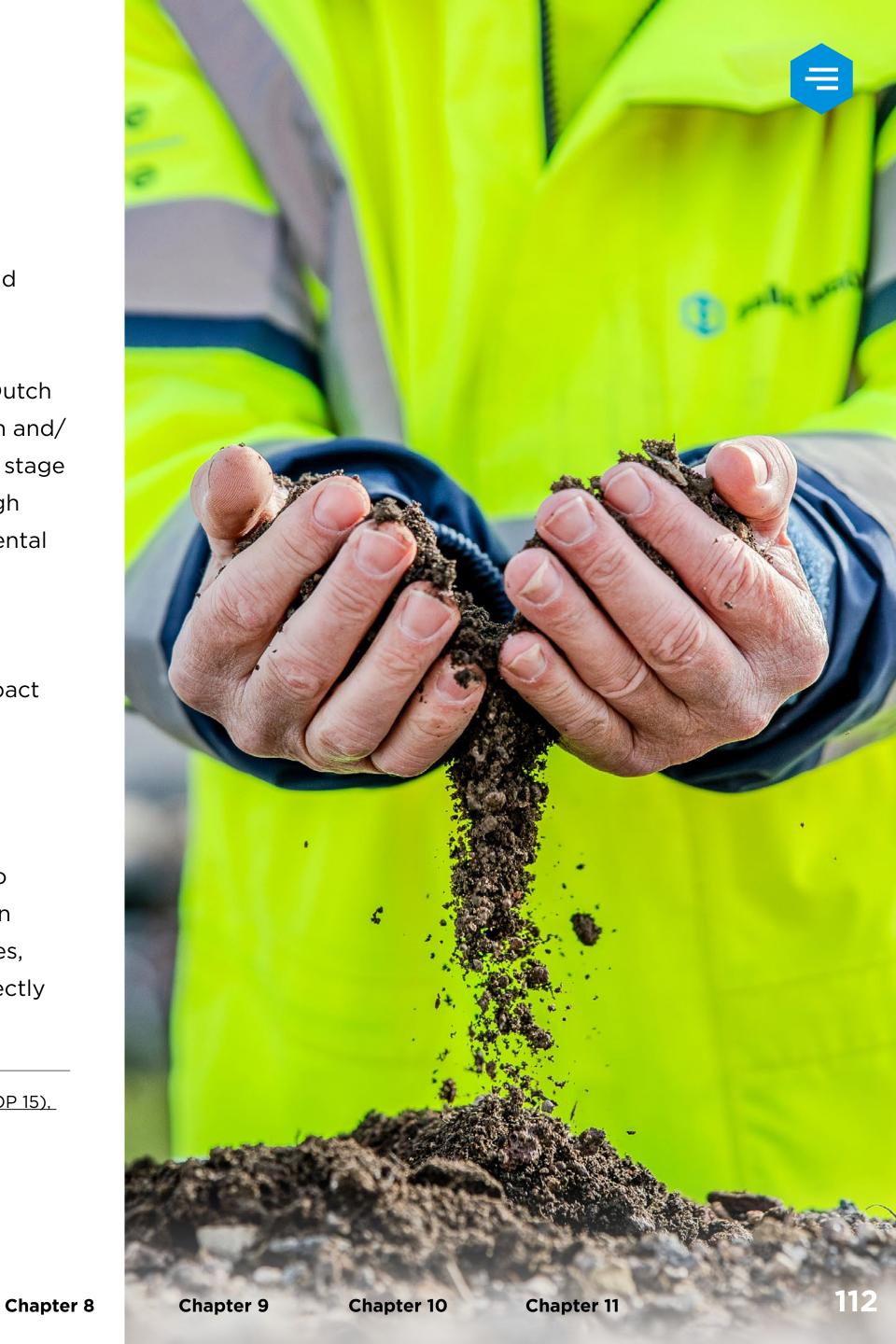
These priorities cascade down into both the EU and Dutch contexts. This means that the conservation, protection and/or restoration of biodiversity is starting to take centre stage in both the EU as well as The Netherlands (e.g., through the EU's Biodiversity Strategy or the Dutch Environmental Planning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

5.4.2 Biodiversity: Ambition

At Ballast Nedam, we understand that our actions impact ecosystems, communities, and future generations, especially through our supply chains. Ballast Nedam realises that biodiversity is not just a buzzword and has incorporated biodiversity into its corporate social responsibility policy for a long time. Our ambition is to directly address biodiversity through the incorporation of biodiversity enhancing measures (such as bird boxes, wadi's etc.) in our development activities and to indirectly

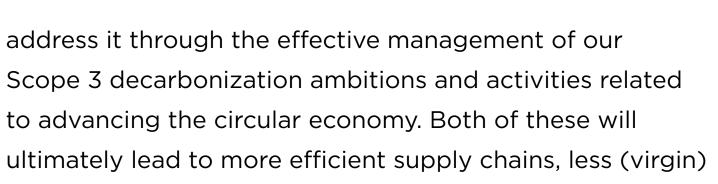
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³¹ UN Environment Programme (n.d.), <u>UN Biodiversity Conference (COP 15),</u> (unep.org)



material use and, by extension, a curbing of biodiversity loss (less raw material extraction, means less harm to landscapes).

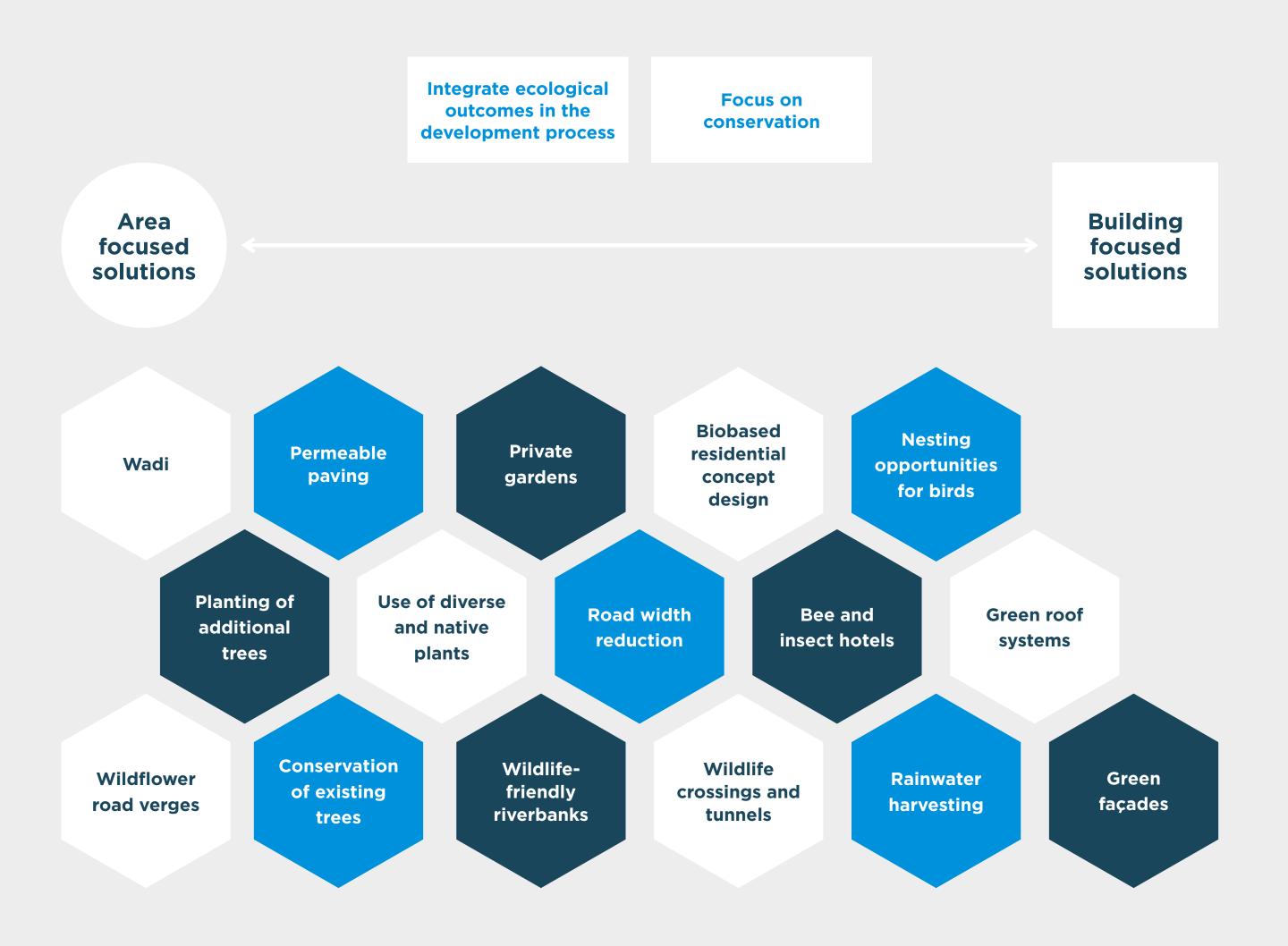
5.4.3 Biodiversity: Status & learnings

In area developments, Ballast Nedam seeks collaborations with nature-focused and environmental federations and bird protection organisations. Together, we successfully adopted many different solutions, e.g., the realisation of 'bee highways' and insect hotels and the inclusion of built-in blocks for birds and bats in the facade of the houses. The systematic installation of two to three nest boxes per home for building-related species, such as bats, swifts, and house sparrows, is considered. In the landscaping design of a project, the plants in the public area are adapted to create an optimal living environment for animal species to thrive. We remain committed to further increasing biodiversity in the future.





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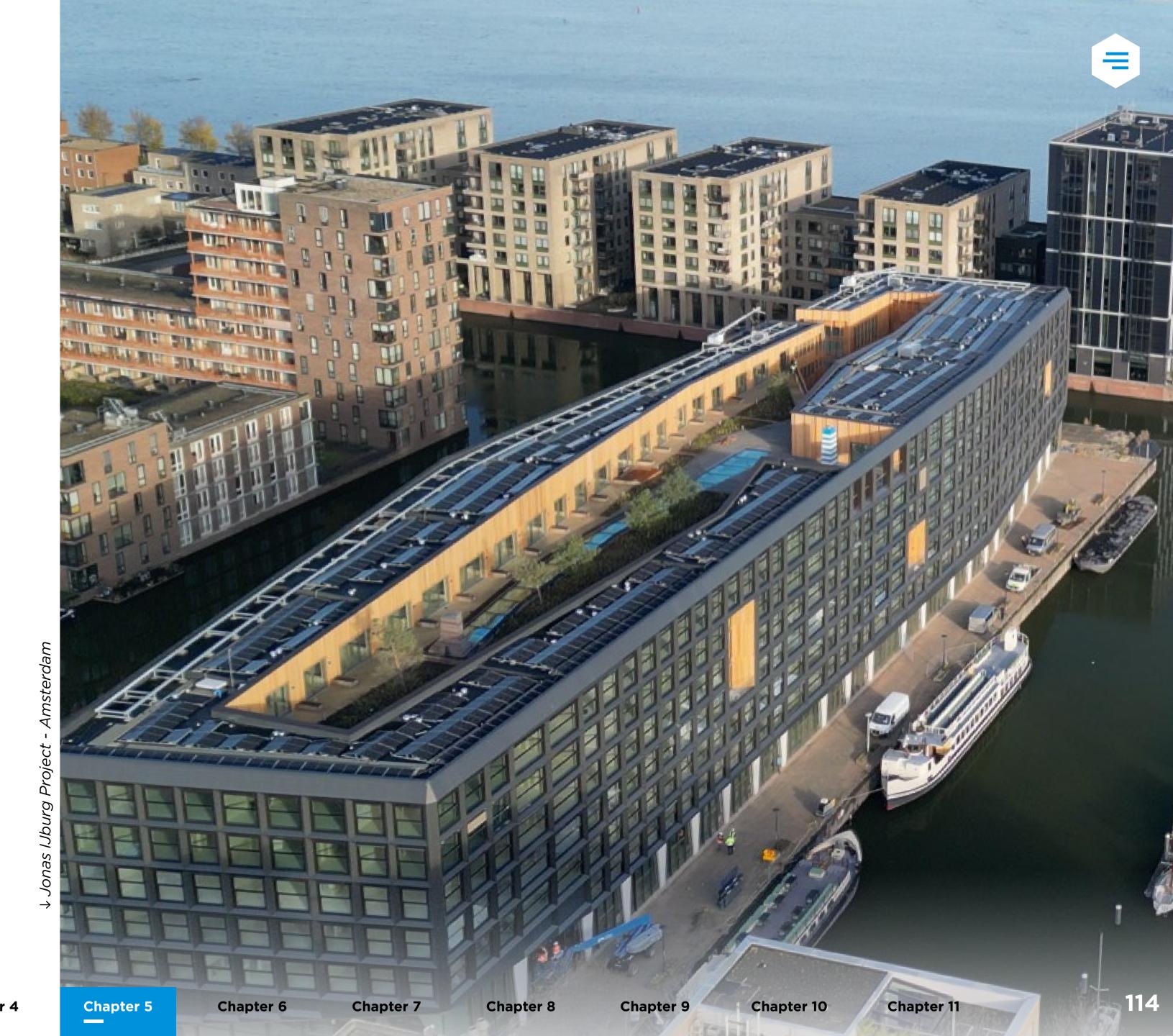


Case Study: Jonas IJburg project

Space for landscape and ecology is scarce on urban plots. Urban design for biodiversity often translates into an approach that only provides a few nesting boxes for birds or bats on the outside of the building. Although these nesting options have also been included, a more extensive search was made on the Jonas IJburg project to look for solutions that optimised the space to contribute positively to the local ecology. In consultation with Bureau Stadsnatuur, two innovative and environmentally friendly design measures were developed during the landscape design. These two areas of environmentally design were:

Transition from water to land

The location of the plot on the water provided the opportunity to take measures that shape the transition from water to land as gradually as possible within the project's boundaries. The location was a unique opportunity, as there are only high, hard concrete quays near the plot. The public space outside the building transitions into a gradual gradient towards the water, where a 'play island' is located, which provides additional land-water transitions. The transition from building to



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water has been softened by introducing native bankside vegetation with a mixture of phragmites, Carex, Iris, Typha and other species.

Private jetties were equipped with artificial underwater mussel reefs. This innovative nature-based solution improves water quality and makes the aquatic environment more varied. To provide even more variety in the underwater substrate, it was decided to create a shore corner with rubble stones. This became a suitable habitat for the river thunder frog, a rare endangered species observed outside the IJburg locks.

In this way, despite its urban location and relatively small surface area, the project positively impacts the water system and the environment, flora, and fauna that use it. Area knowledge from urban ecologists helped identify local rare natural values to tailor the measures. Furthermore, the design of the banks, the bank planting, and the water measures were designed in collaboration with Waternet.

The sand martins wall

To impact biodiversity positively in this urban context, we need creativity. Creating a robust ecological connection zone or carrying out extensive nature management connecting to nearby nature reserves was impossible. Therefore, we investigated the history of the IJburg from the moment the islands were created from the IJmeer. When the planning area consisted of sandy islands, all kinds of pioneer species settled, such as Natterjack toads and sand martins. These species disappeared as sandy areas disappeared under buildings or asphalt. Adequate nesting opportunities had to be offered to return sand martins to the IJburg. The nesting opportunity was created through a custom wall with sand in its cavities to dig holes in. The new nesting area was integrated into the concrete quay wall on the north side. This measure required little space and made optimal use of an otherwise unused vertical side of the building. Sand martins are opportunists, and it is likely that the sand martins will settle in the future. Other endangered bird species, such as Kingfisher, could also use the wall.

Manifest for Nature-Centric Construction

One of Ballast Nedam Development's fundamental initiatives has been the signing of the "Manifest bouwen voor Natuur," which calls upon the Dutch Government to mandate three core principles for every new construction project:

- Nature in the Home: Creating habitat spaces or nesting sites within buildings for species such as house sparrows, swifts, and various bats;
- Nature Around the Home: Installing green roofs and walls with ecological value and incorporating ecological greenery in gardens;
- Nature in the Neighbourhood: Ensuring green public spaces are available near every residence and creating wildlife corridors.

Key Performance Indicators (KPI's) of the Manifesto:

- 1. Presence and potential of plant and animal species on construction sites.
- 2. Recommendations to promote sustainable coexistence of plant and animal species.
- 3. Evaluation by certified ecologists of measures taken to support sustainable use of plant and animal species.
- 4. Achievement of biodiversity enhancement goals.



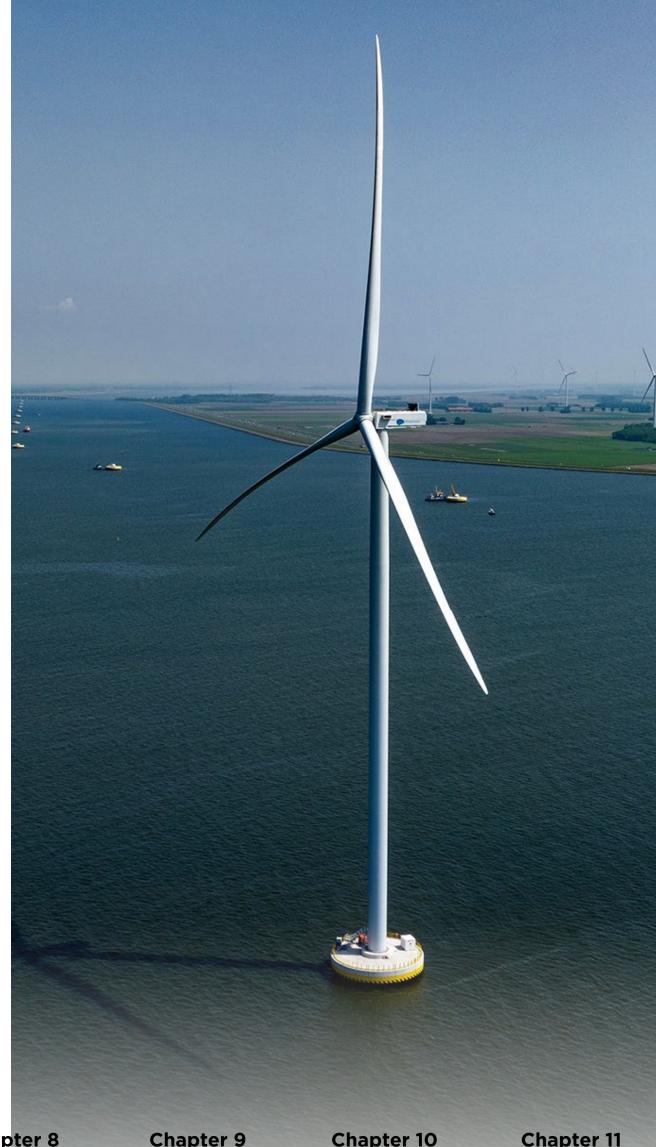


Business case

Lessons learned and ecological measures at Windplanblauw

In the IJsselmeer, northeast of Lelystad, Ballast Nedam installed 24 new wind turbines. They are part of the Windplanblauw project, which makes an important contribution to the energy transition in the province of Flevoland. What did working on this special, 'nearshore' Natura 2000 site entail? And what ecological measures were involved?

In 1998, Ballast Nedam delivered 28 wind turbines in the Irene Vorrink wind farm. Located just behind the dike between Lelystad and the Ketelbrug, they formed a visual component of the route along the A6 for many years. But technology advances, and the turbines were replaced by 24 more powerful ones in 2023. These new turbines generate 6 megawatts of power, ten times more than the old ones. They belong to Windplanblauw, a wind farm by energy company Vattenfall and the farmers' cooperative SwifterwinT. Just like a quarter of a century ago, Ballast Nedam is involved in this project. This time with the design and



construction of the new turbine foundations, the park cabling and the connection to the feed station several kilometres away.

Turning wind

The new wind turbines are 100 to 500 metres away from the banks of the IJsselmeer. "We call that a nearshore location", explains business developer Jan de Vries. "There is offshore, far out to sea, and onshore, on land. This is in between." In cooperation with the client, Ballast Nedam devised a special solution to install the turbines on this specific soil. Ultimately, the choice fell on land turbines, which were placed in the water using round islands of concrete as foundations. This entailed a specific situation, as project manager Roy Hopmans knows: "The solution was very much like a land foundation, intended for land turbines. That is why we mainly used land contractors. But in the end, it all happened on water. Everyone had to get used to that. On land, if you forget to bring something, you walk back to your van to get it. Now, you had to think carefully before you all got on the boat to the construction site. Because if you forget something, it takes a couple of hours. That is a great learning opportunity. So, it's a matter of preparing a bit more thoroughly." Another circumstance, typical of the IJsselmeer: turning wind directions. "As soon as the wind turns, the





waves come from a different direction. The IJsselmeer is shallow and therefore extra sensitive to this phenomenon. This regularly meant that we had to break up suddenly halfway through the day because we could no longer continue working because of the waves. We took this into account in the planning, so we could be flexible with it and still stay on schedule."

Reef balls and bird grids

The offshore location of Windplanblauw is in a Natura 2000 site. That means it falls under European bird and habitat directives, which protect biodiversity. Jan: "For us, this meant that we had to comply with specific requirements. These derive from the permit the client had received, which included the conditions you have to meet from the Natura 2000 rules. In short, you have to compensate for the paved elements you place in the area and take measures to protect fauna and the environment." Ballast Nedam itself also aims to have as little impact as possible on the surroundings of a construction site. "So, the motivation to do the right things here was two-sided", according to Roy. This led to a number of ecological measures. For instance, about 200 reef balls were placed on the bottom of the lake. These are artificial reef structures of about a metre high, shaped like a church bell. Made of eco-friendly pH-neutral concrete, they provide a habitat for marine organisms. These are eaten by fish, which turn into food for birds. Thus, the reef balls give a positive boost to the food chain

in the area. During the construction phase, birds were also protected, through bird grids. These were placed on the open ends of the piles to prevent birds from getting trapped inside the piles. Fish were also considered, using the time-honoured method of 'ditch filling'. Roy: "We filled the water-filled building pits with sand bit by bit. This allowed the fish swimming around in them to escape before we had completely filled the foundation." Other special ecological measures included installing raised edges on the pontoons (to prevent any liquid pollution from flowing into the lake), the use of biodegradable oil and a special lighting plan, where construction lights only shone on the work to minimise light pollution and not disturb the surrounding nature and environment.

The human component

Carrying out work with all these ecological measures also brings human challenges. "The human component does come into play", Roy replies. "You have to make all employees on the project realise that it is important, so that everyone goes along with it. When pouring concrete, for example, you don't want the last bit to run over something and end up in the water. So, you have to catch that with a bucket and then take it away. That is an extra effort, which can be quite demanding after 12 hours of pouring concrete. Still, it has to be done."



Specific knowledge

Roy is happy with all the ecological measures taken around the construction of Windplanblauw. "I personally think this is important. It should be normal procedure in projects to make as little impact on the environment as possible, especially on a site like this." Jan sees that Dutch companies are at the forefront when it comes to sustainable construction. "In our country, we run up against limits in all sorts of ways, so we are challenged to think about this more and more. What we learn from that, we can apply everywhere." Does this mean Ballast Nedam is a good partner for the realisation of subsequent wind farms? "Especially when it comes to smaller farms, in nearshore locations with specific conditions. We are now set to take extra steps. And in projects like Windplanblauw, we have of course gained all kinds of specific knowledge again and learned our lessons. These come in handy in every subsequent project." In this way, we contribute to the energy transition by generating cleaner energy. At the same time, we considered the sustainability of the environment during construction and were able to take appropriate ecological measures to protect nature, even under water.







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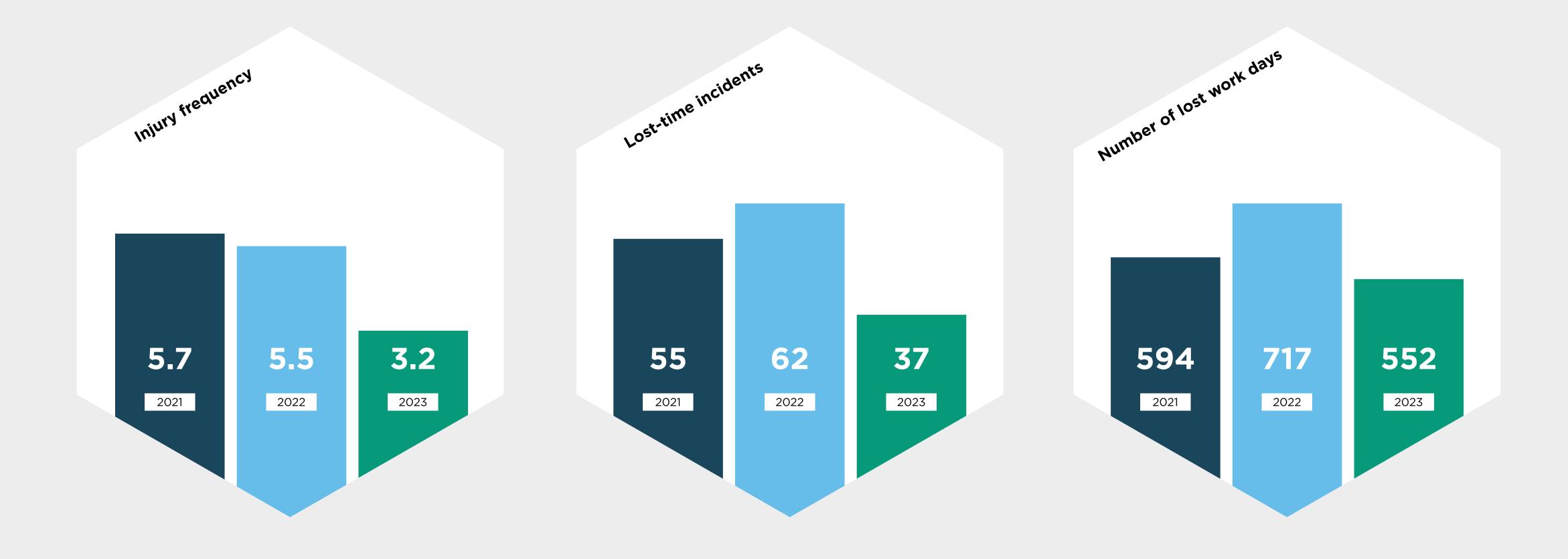
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6.1 Context

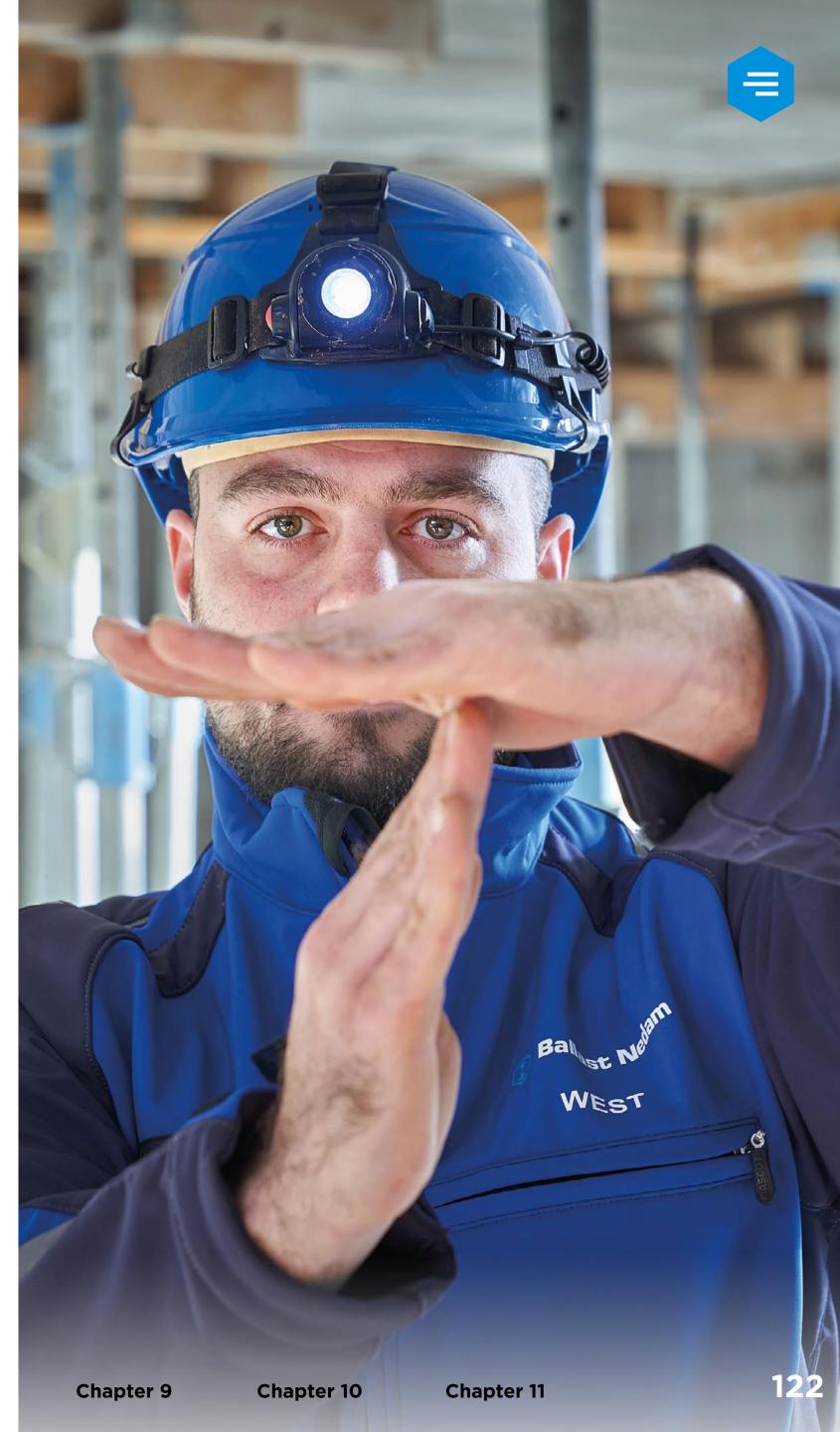
In 2020 Ballast Nedam decided to radically change its approach on Health and Safety. It was concluded that safety procedures and measures alone did not lead to a substantial reduction in the number of accidents. Instead of following the Dutch standard in focusing on procedures, regulations and statistics, a shift was made by approaching the theme of Health and Safety primarily from the heart, supported by a structured management system. Employees, customers, subcontractors and supply chain partners – we want to show everyone who works for and with Ballast Nedam that we consider it important that everyone returns home healthy after work. Every day.

Through the Take Care program, we encourage everyone, from our operational colleagues to our top management and from our clients to our subcontractors and supply chain partners, to be alert, to take action, and to address each other about safe and unsafe situations. We call this "personal leadership in safety". This should help us to further reduce the number of accidents.

It is important to perceive ambitions and related (policy) interventions for HSE considering developments in the market, society and legislation:

Market developments:

- The number of severe and fatal incidents are increasing across the construction sector in the Netherlands after a period of decline (NLAI Dutch Labour Authority/ Encord);
- A focus on costs and efficiency increasingly "collides" with the inherent need for intrinsically motivated HSE policies and related interventions. For instance, HSE representation is compromised at BU level / Labor shortages cause an influx of inexperienced (incompetent) and international staff leading to HSE risks;
- Artificial Intelligence (AI) has already started to become a game-changer in numerous sectors, and the Architecture, Engineering, and Construction (AEC) industry is not expected to be an exception. The advent of AI in the AEC sector opens new avenues for innovation and efficiency gains. Improving operations and decision-making processes as well as supporting zero-accident visions are among the many opportunities. HSE is about keeping people safe and engaged, allowing them to play their crucial part in securing future revenues, and ensuring business continuity.



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Societal developments:

- General acceptance of HSE risks is decreasing
 (e.g., SCL stage 4 is required more often in tenders)
 and understanding for, (severe) incidents is wavering
 (e.g., The Onderzoeksraad Voor Veiligheid increasingly
 addresses construction companies in case of major
 incidents);
- Target-setting by the Dutch government: zero workrelated deaths by 2040 with the help of fines and rewards;
- A focus on mental health interventions following a trend of mental health challenges causing (long-term) absenteeism and disruptions in business continuity.

Legislative developments:

- EU legislation (CSRD) requires more transparency which in turn leads to increased reporting requirements (additional topics and KPI's);
- Build Environment, planning and licensing
 (Omgevingswet met het 'Besluit Bouwwerken in de leefomgeving (BBL)') requires construction companies to increase their HSE performance and appoint an overall Build Environment Safety Coordinator;
- As a result of a receding government presence, the Dutch Labour Authority's investigations are now performed by Ballast Nedam itself, meaning that we

need to improve our quality in terms of HSE incident investigation and reporting.

6.2 Safety: our vision & ambition

Safety is our promise, a promise to all our colleagues that we guarantee their safety at all times working at Ballast Nedam. Safety is also a promise to the spouses of our colleagues, their mothers, their fathers, their brothers and sisters, their children and loved ones, to get our colleagues home safely at the end of the day.

We make this promise to everyone who is involved in our projects: we work safely and we ensure safety together. That goes for everyone: from designers to site supervisors, from planners to construction site employees, from managers to crane operators. From the tender and the design to execution and completion. Safety and good performance go hand in hand. That begins and ends at home. We work protected. Always and everywhere. Today and tomorrow. That is how we do things in our Ballast Nedam family; it is our DNA. Work safely; get home safe and sound. Always. Everywhere. Everyone.

It is our obligation to challenge and to improve ourselves every day in achieving higher safety standards. After all, people are the most important part of our organisation and it is our main priority to ensure the health and safety of everyone working at Ballast Nedam. Improving our safety means creating a safer, more open and healthier working environment. Our goal is to achieve a more open and safe working environment for all people involved at our sites with no injuries.

We strongly believe in the power of good exemplary behaviour and we think there is a very important role in taking personal leadership. That makes the Take Care program extra special for us: we believe that we can make a difference in getting and keeping the safety movement going. In addition, we have created support by involving our colleagues in the development of new initiatives, inspiring them, giving them insight and making them part of our safety movement. The desired result - our ambition - ensuring that everyone in the company has an intrinsic safety attitude, even when no one is looking. That employees are not only concerned with their own safety but take care of their colleagues the same way they would for their families, with a real, effective practical approach. Work safely; return home safe and sound. Always. Everywhere. Everyone.

As a result, through our efforts, we have been able to substantially decrease the number of accidents as well as the number of restricted working hours related to them.



Targets, KPI's and related actions

Our aim is to set realistic targets, achievable yet challenging, to stimulate our operational business units to improve instead of under-reporting their incidents. It's the role of the management to create support by giving many people insights, inspiring them and making them part of our safety movement.

We closely monitor the HSE performance of our business units and their projects to provide a safe work environment for all. Our related targets are seen on the table on the right.

Besides the KPI's stated above, we are preparing to measure KPI's for work-related ill health as part of our mental health & wellbeing program (see paragraph 6.4 'Outlook Health: Mental Health & Wellbeing').

Within Ballast Nedam, the management has set overarching HSE objectives as part of the HSE Roadmap 2022 – 2026. One of the pillars is 'Leadership, Culture & Behaviour'. The most important KPI is the person himself or herself. That is why we no longer only look at accidents as a number, but as a person, an employee who experienced something that day that damaged them. We do this by conducting accident investigations with the premise that we want

Target description	Target 2023	Target 2024	Target 2025
# Fatal incidents (Incl. subcontractors)	0	0	0
# Life changing incidents (Injuries, Trauma and Occupational Diseases) (Incl. subcontractors)	0	0	0
Injury frequency (IF) (incl. subcontractors)	≤3.5	≤3.1	≤2.6
Total Recordable Incident Frequency Rate (TRIFR) (Incl. subcontractors)	≤1.5	≤1.3	≤1.1
 Total number of (re)trained persons; Take Care Safety training Acaleph SAT training (Safety Awareness Team); KPE BBS (Brain Based Safety) 	-	150	200
Safety Walk & Talk Demonstrate that top management considers safety as important, is open to reflection and feedback, pays compliments to positive findings and acts on less positive findings and improvement proposals by the project team.	-	Each 4x per year documented Member of the Board of Directors; Managing Director and Operational Director.	Each 4x per year documented Member of the Board of Directors; Managing Director and Operational Director.
Workplace Mental Health & Wellbeing Assessment	-	Early adopters BU's	First movers BU's

Note: IF is based on 1.000.000 worked hours (VCA), TRIFR is based on 200.000 worked hours (Occupational Safety and Health Administration, OSHA).

to understand what made certain choices logical for the people involved at the time, instead of focusing on the choices made themselves and condemning them.

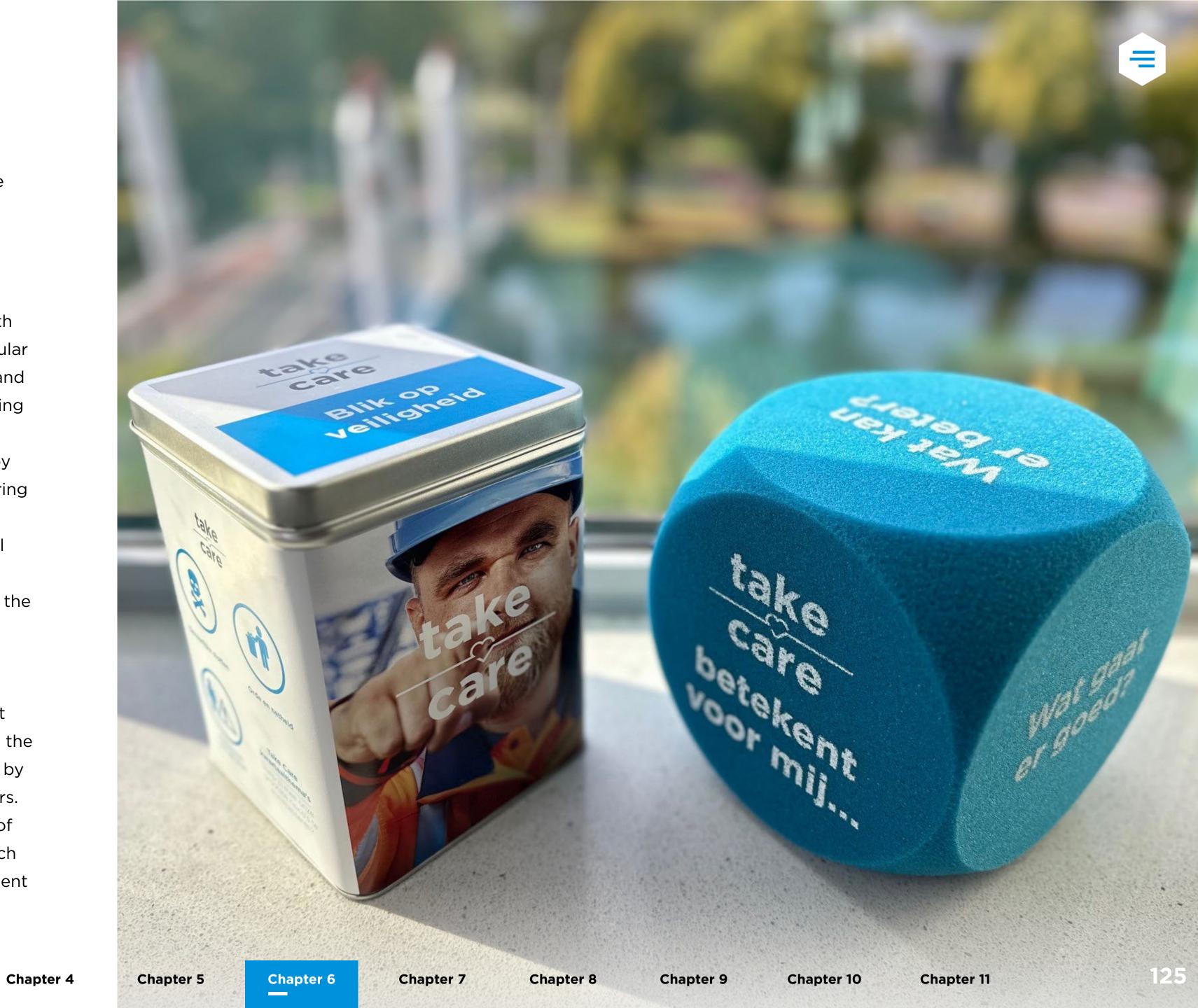
An important part of this is growing towards a 'Culture of Care' and thereby realising a change in behaviour with regard to recognising and correctly assessing (in particular not underestimating) risks, sincere care for each other and addressing each other about unsafe behaviour, and opting for safe work performance for themselves and for their colleagues, even when no one is watching. We do this by continuously drawing attention to health and safety during our annual safety day, our Take Care quarterly themes, safety alerts, toolboxes, etc., and by developing this skill through various working methods. We measure this by means of the number of safety observations made with the CARE app.

In addition to the goals of zero fatalities and zero life-changing incidents (e.g., incidents leading to permanent disability), the Incident Frequency (IF) ratio is based on the number of lost time accidents per million hours worked by employees and hired personnel, including subcontractors. In addition to the IF ratio, we have set a general target of TRIFR (Total Recordable Incident Frequency Rate), which is all accidents resulting in absenteeism, medical treatment

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and accidents resulting in replacement work per two hundred thousand hours worked by employees and hired personnel, including subcontractors.

6.3 Status & learnings

Injury frequency results 2023

When it comes to safety in the construction industry, Ballast Nedam applies and adapts international standards and best practices as laid out by our parent company, Rönesans. In 2023, we set an overall injury frequency (IF) target ratio of 3.5 or lower. The IF ratio represents the number of lost-time accidents suffered by both employees and hired staff (including subcontractors), per one million worked hours. Our aim is always for all employees to return home injury free, and one way we are working to ensure this is by shifting our approach to risk management from a preventive to a pre-emptive one. By continuously working to build on this model, we aim to integrate behaviour-based safety into our organisational DNA, alongside operational controls.

Our overall injury frequency (IF) for 2023 was 3.2 (2022: 5.5, 2021: 5.7, 2020: 5.0). This figure represents the IF for all Ballast Nedam N.V. employees, direct hires and subcontractors. This means we did meet our target

IF of 3.5. Based on further internal analysis, the four most significant reasons that contributed to our achieving our IF target are the Incident Review Panel and sharing lessons learned, leadership trainings, (further) introduction of the CARE app and a central incident registration system, construction sector collaboration and Safety in Procurement. Further details can be found in the paragraphs below.

Part of our plan of action for 2024 involves training workers in hazard recognition and intervention. Ballast Nedam will continue to make every effort to reduce the number of incidents, and we will take a more active approach in onboarding our employees, partners and subcontractors. In 2023, there was a strong decrease in the absolute number of lost-time incidents from 62 in 2022, to 37 in 2023.

In 2023, Ballast Nedam had no fatal accidents. 19% of lost-time injuries could have resulted in a permanent disability or fatality under slightly different circumstances (high potentials); in 2022 this figure was 16%. The number of lost workdays decreased from 717 in 2022 to 552 in 2023. Most lost-time injuries in 2023 were specifically hand or finger injuries (25%).

In 2023, no severe environmental incidents were reported. Throughout 2023, all incidents were thoroughly investigated by root cause analyses, after which measures were taken to prevent similar incidents from happening again.

Action: Incident Review Panel

The Incident Review Panel (IRP) was set up in 2021 to enable us to learn from (near) accidents together. At this weekly meeting, incidents are discussed, and accident investigations are monitored by HSE experts. As from 2022, the business units are involved (decentral) and serious (near) accidents are discussed, led by the Board of Management representative, to further increase the involvement of the Board of Management itself. In 2023 we held 11 IRP sessions and shared lessons learned by 18 Safety Alerts.

Purpose of the IRP:

- Ensure management involvement (exemplary behaviour Take Care), encourage and connect;
- Increase accountability towards each other;
- Extensive review of the event;
- Jointly decide upon incident investigation;
- Maximum learning: ensure effective investigation and follow-up to prevent recurrence.

That way, lessons from incidents will be learned both within and between the business units. To facilitate this knowledge-sharing, Safety Alerts are also shared through the HSE website. In 2024 we will continue to follow up on high potential and lost-time incidents by an IRP and share the lessons learned.

We train our HSE colleagues in the basics of incident investigation with a special focus on good preparation of an investigation (commitment of stakeholders, goals, investigation activities, etc.) and supporting and facilitating IRP meetings effectively. We organised a two-day training in 2023. Actions planned for 2024 are to further professionalise the HSE community in supporting management in leading the IRP sessions by organising a follow-up moment in 2024 to reflect and learn from each other's experiences.

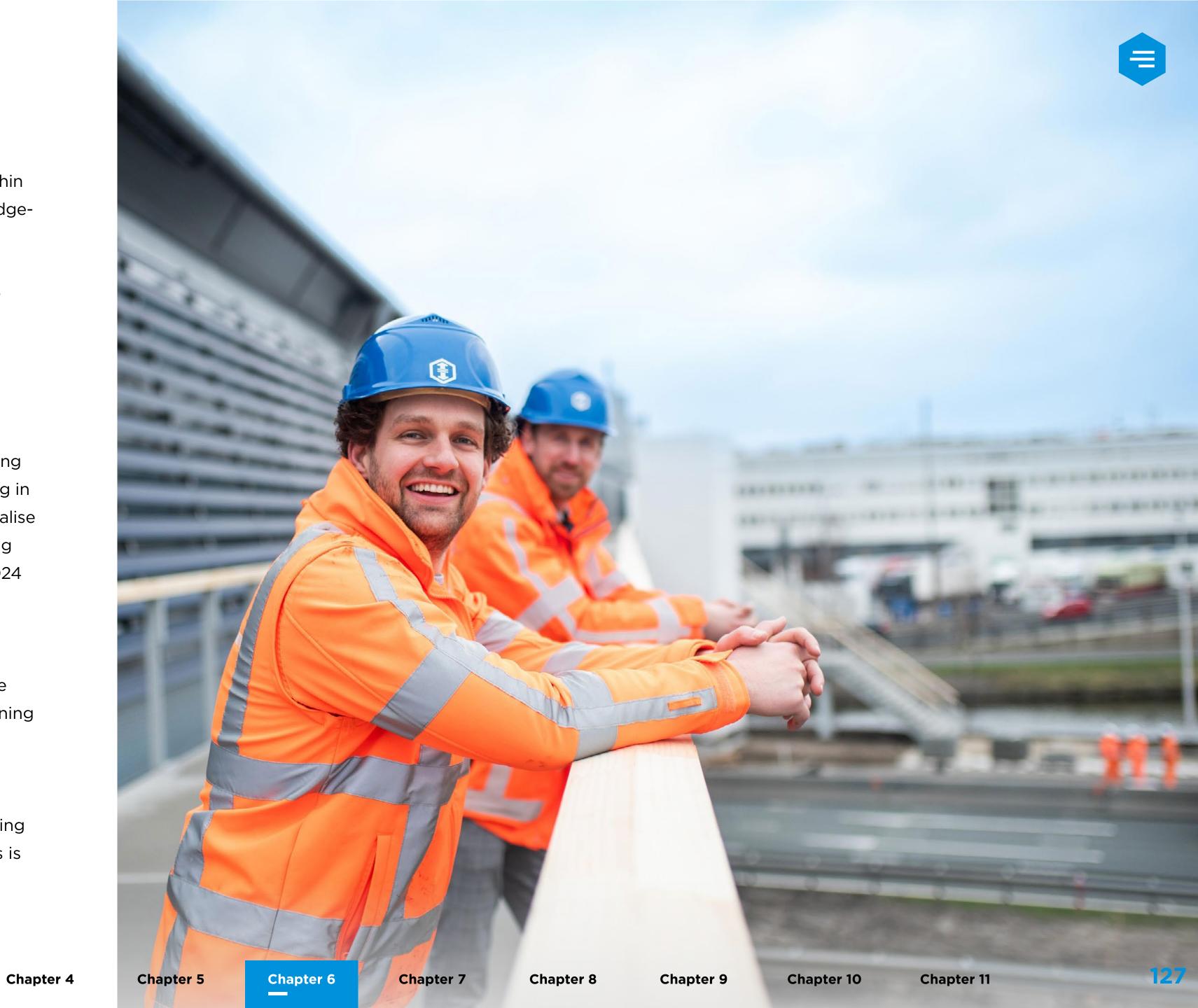
Action: Leadership training

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As a follow-up to the safety sprints, the realisation arose that the next big step could be made by intensively training the operational line managers on the construction site. Training in safety awareness, but in particular how to manage the teams on the construction site and provide feedback, as well as how the human brain works in making safe or unsafe decisions. The number of trained persons is also an important KPI (see the KPI overview above).

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Besides the training for operational line managers, in 2023 we created eight other Take Care - Brain Based Safety training courses for different target groups including colleagues in the design and work preparation phase and our partners/subcontractors.

For Ballast Nedam, Take Care is not a temporary safety campaign. Take Care is a continuous learning and improvement process, something that belongs to us, is engrained in the way we work and will not go away. The Take Care set-up is also aimed at safeguarding and further developing the Take Care safety program through new innovative initiatives. The Take Care leadership training will therefore become a fixed and permanent part of the Take Care program, so new employees can also be trained and follow-up sessions (as a refresher) can be planned for experienced employees.

More and more effort is being made in the preparation of projects to prevent incidents during implementation and during management and maintenance (Asset Management). Our goal is to intrinsically implement safety aspects in the chosen working methods from the beginning. The training courses teach us to supervise a safe environment in which employees want to, and are able to, adopt a critical attitude and speak up about risks and opportunities.

Action: Continued roll-out of the CARE app and the central incident registration system

We proceeded with introducing the CARE app within the business units. Ballast Nedam announced the CARE app in 2021. The CARE app has been developed and put into service to improve communication and follow-up of safety observations. The CARE app can be used by our own employees and subcontractors to report positive observations, unsafe actions and unsafe conditions in six short steps. Alongside the CARE app, a central incident registration system for safety with an automatic workflow for the follow-up of actions was also be put into use in 2022. Safety observations that have been submitted via the CARE app can be managed and tracked within the incident registration system. It is also possible to register incidents. This not only makes incident registration more user friendly, detailed and accurate, but also offers the option to generate reports at the level of the holding company, business units and projects. In the near future, the incident database will allow us to report in even more detail and to perform trend analyses, with a number of 'leading indicators' alongside the 'lagging indicators'.

The CARE app also contains some additional functionalities, including a link to a database with information about working safely with hazardous substances (Toxic), a digital

version of our HSE pocket booklet, and the last-minute risk assessment. We are also developing a new HSE dashboard to have real time insight into our HSE performance. This is planned to be introduced in early 2024.

Action: Construction sector collaboration

To ensure broad improvements to the safety culture, a number of leading construction companies (including Ballast Nedam), clients (involved in construction, installation engineering and road, water and rail infrastructure) and consultancy firms have joined forces. Together, they have drawn up the Safety in Construction Governance Code (GCVB), which was signed in 2014. Under this code, the pursuit of a safe sector is seen not as a race or legal obligation, but as a common and socially important extra effort that we make to help each other and look for ways to continuously improve. The Safety Culture Ladder (SCL) is a tool introduced by the GCVB to measure safety awareness, attitudes and behaviour in companies. The emphasis is placed here on the safety culture. The SCL is designed to encourage companies and their suppliers to consciously work safely. The higher the awareness of safety in an organisation, the higher the assigned rung on the ladder. The SCL can be applied to all sectors. Here at Ballast Nedam, we successfully stayed at level 3 and bridged the gap to level 4 for the first two business units





Ballast Nedam Foundation and Excavation Solutions and Ballast Nedam Park & Connect in 2023. Each year an inventory is drawn up of the ambitions in this field within our business units. In the upcoming years more business units will follow to achieve level 4 of the SCL.

We continue to actively participate in ENCORD (European Network of Construction Companies for Research & Development) council meetings and working group meetings and we will actively share experiences and best practices in a positive and engaging atmosphere in the working groups and between ENCORD member companies. In 2024, interesting approaches will be discussed (including scope, timeline, opportunities) on how to successfully apply artificial intelligence in the construction industry.

Ballast Nedam contributed to the ENCORD Circularity
Report which outlines action fields for future development,
provides illustrating case studies and highlights
opportunities for cooperation. This report represents
another piece in the puzzle of circular construction and
hopefully will shed light on future development avenues.
A case study (good practices) from Ballast Nedam Park
& Connect was recognised and explained in 2023 in the
ENCORD Circularity Report.

Action: Safety in Procurement (ViA)

As of 1 January 2022, clients that have signed the GCVB include safety awareness as an obligation in invitations to tender and in contracts. We call this joint agreement: Safety in Procurement (ViA). To increase safety awareness as a chain, not only is certification required of contractors, but also of clients. This creates a common and unambiguous approach for the entire sector. A safety behaviour audit is conducted at the company or project level. Depending on the rating in a risk matrix (extent & activity), a 'self-assessment' may be sufficient or no additional evidence may be required.

In 2023 we evaluated all Dutch contracts for 2022. The result showed an overall 42% of contracts that did meet this requirement and turned out to be average after benchmarking with companies that signed the GCVB. Together with the GCVB we will raise the minimal level from step 2 to step 3 on the Safety Culture Ladder in the upcoming years and have more certified supply chain partners.

6.4 Outlook on Health: Mental Health& Wellbeing

Over the past years, we've normalized challenging ourselves and are committed to improve safety at Ballast Nedam through our safety vision and Take Care approach. Up till now we focused mainly on physical work environment and (personal) leadership. Now, it's time to broaden our safety vision and embark on a new journey by identifying the risks threatening the mental health and wellbeing of our employees.

A positive work experience is correlated with safety and health, longevity, life satisfaction, and improved business and financial performance. To prevent employee burnout, enhance employee satisfaction and improve productivity, we aim to focus more on employing a holistic approach towards our employees mental health and wellbeing.

Together, let's make Ballast Nedam a better place to work. Creating a work environment where everyone feels safe to speak up, address concerns, and learn from successes and failures.

In 2024 we will start an initiative to perform 'Mental health & wellbeing assessments' with and for our employees.

This will be done via workshops and assessments. The outcome of assessments will be used to identify actions that can further improve the mental health and wellbeing of our employees.



Business case

New lifting training increases safety on construction sites

In 2023, a practical lifting training course was developed in collaboration with Mammoet Academy. This course matches what employees need in practice. The enthusiasm is so great that the training is now fully booked for months in advance. This initiative fits seamlessly with the Take Care safety programme.

"For 25 years, I have been doing this work and, in my opinion, in a safe way. This training has given me new insights on how things can and actually should be done. For example, how to work with a harp shackle or hoist chain, which lifting tools are suitable and how to hook them. I pass on the knowledge I gained during the training to my colleagues so that they can also learn from it." - Jorg Gidding, foreman woodworker at Laudy Bouw & Ontwikkeling

The new lifting training fits squarely within the Take Care safety programme, which was launched in 2022. A year later, the number of accidents within Ballast Nedam had roughly been cut in half. What is the secret behind this success? "The connection cannot be pinpointed exactly", nuances Geert van der Linde, Director of Health, Safety & Environment (HSE).



"But I am convinced that Take Care is having a very positive impact. This is due to a clear shift in our approach.

Previously, we mainly based safety on technology and rules.

But with Take Care, we put people at the centre. The focus is on attitude and behaviour. As a result, safety is no longer a subject for the HSE department. Safety belongs to everyone. Everyone is responsible for their own safety and that of their colleagues."

Soft skills

Within Take Care, the name of the programme says it all, we focus on genuine care for each other. It is all about socalled soft skills, such as paying attention to each other, calling each other to account if something is not going well and discussing dilemmas. How do you position these kinds of skills in the sometimes still somewhat traditional construction sector? "You do indeed have to break through a certain barrier in certain places in the organisation," says Geert. "We have a lot of technical people in-house. Traditionally, the best carpenter advanced to foreman, and the foreman became site supervisor. In such a system, problem-solving ability is rewarded, which is fine. However, there is less focus on skills in communication, motivation and giving instructions. While these are so important if you all want to work safely. But of course, we don't want to lose those good, technical people. They are of great value to





the company. That is why we complement their existing qualities with soft skills. People learn how to deal with each other, how to motivate each other and how to have a good conversation. The great thing is that this also simply makes everyone work more effectively together. Safety and productivity go hand in hand. If we have fewer incidents, we can work better. So soft skills are actually not so soft, because they increase effectiveness and productivity."

Safety is about who you are

To make Take Care permeate the entire organisation, training courses have been developed together with external trainers. One of these is Brain Based Safety, which is tailored in seven variants to the construction site, among others, but especially also to work preparation. "Outside, they really do want to work safely," Geert knows. "But then you have to arrange that well in advance. You do this, for instance, by making a good layout for a building site, so that lorries carrying building materials never have to drive in reverse but can always leave the site going straight ahead. That way, you avoid a situation that involves standard risks. We sometimes say: we need to think ahead, instead of just thinking." Another learning method is Safety Awareness Team training. Topics covered in this course include the importance of reporting unsafe situations and interrupting an activity if it is found to pose risks. Geert: "I have seen employees at those training sessions come in in the morning with an attitude of, 'I'm here just because I have to be'. But by the end of the day, they

were all excited because they had learned to look at themselves differently. Logical, because safety is about each person's own attitude and behaviour. It says something about who you are. Are you taking good care of yourself and your colleagues, or not? And how does that translate to the private situation? Actually, it's just fun to work on that. It really helps you. That is what we try to convey with attractive and accessible training courses."

Tailor-made

The new lifting training course is a good example of such an attractive and easily accessible training. Safety coach Frank von Lumich, from Ballast Nedam subsidiary Laudy Bouw, was involved in its development. What prompted this? "There was already mandatory lifting training. That is fine for complex lifting activities, but actually far too heavy and extensive for the simple, everyday lifting activities. We got signals about that from the practice, and we picked up on them." Frank started talking to a trainer from Mammoet Academy, Laudy's regular lifting partner. They looked at existing training courses and tailored them by removing the elements that are not relevant to this target group. "In fact, the biggest pitfall is that you give a training course where people notice after an hour that it is not really about what they encounter at work," says Laudy. That is why this new training course, in addition to a bit of theory, consists of practising tasks that are common. Think about hoisting in a staircase or installing wide slab floors."



Positive feedback

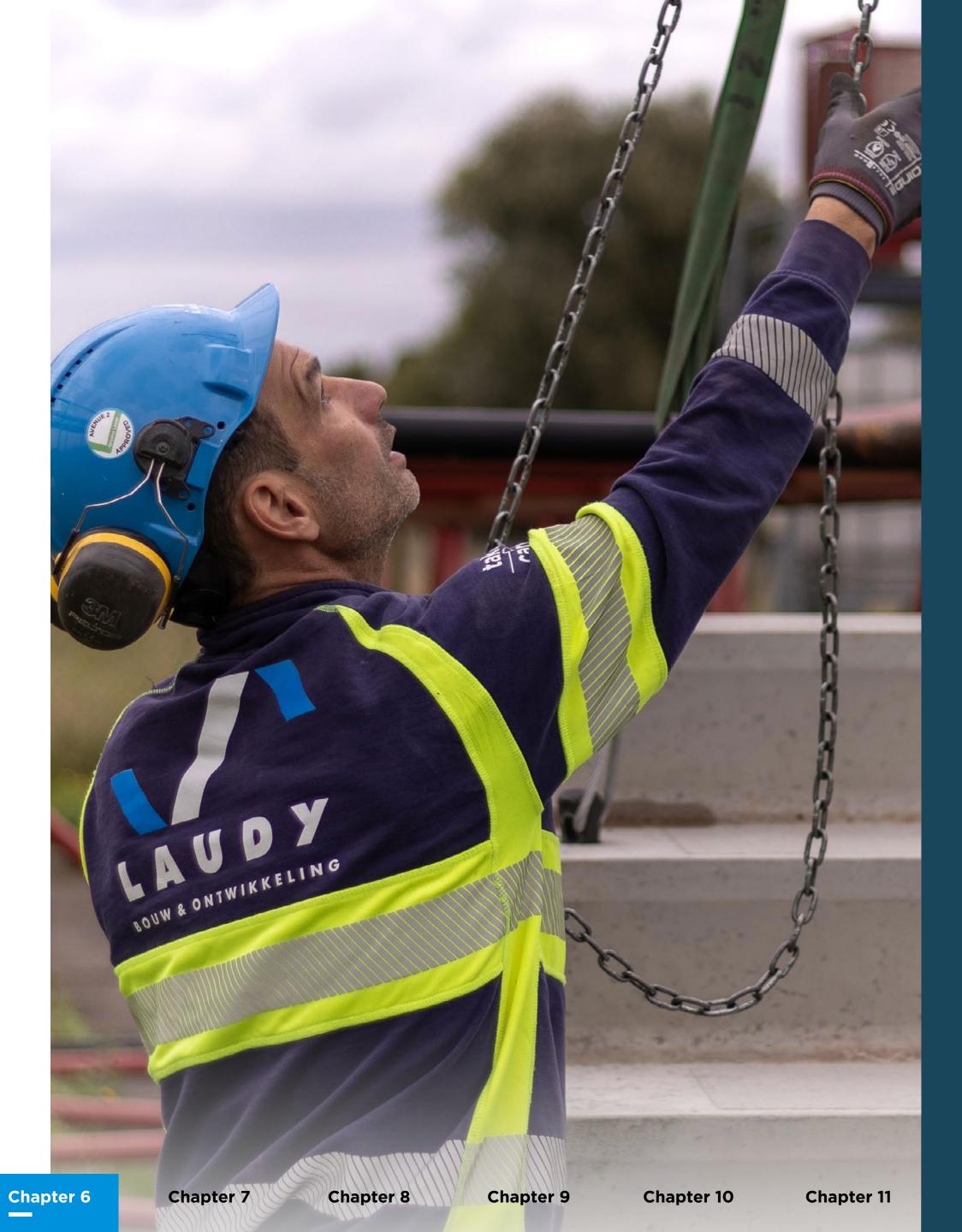
In 2023, 20 employees of Laudy Bouw and sister company Willems Bouwbedrijf attended the two-day training course in small groups of four. These included foremen, carpenters and others who perform simple lifting tasks on the construction site. One of them is Roel van den Brandt. "I probably thought too easily, but the training gave me new tools to work even more safely in practice. I learned how to correctly pick up different building materials and how they should be hooked up. And whether lifting belts are strong enough and which calculations we need to make to know how best to lift. A complete and useful course that I recommend to everyone." Frank is not surprised that the training has been received so positively. "Mammoet Academy's trainer has a lot of experience and is a crane operator himself. He knows how to keep the trainees' attention. The fact that he does this with a good dose of humour obviously helps. Beforehand, he and I toured suppliers to see if they had any spare parts for the training course. For instance, we now have pallets and wide slab floors available, which people also use on the construction site."

Fewer incidents

By 2024, all of Laudy and Willems' approximately 80 construction site employees are expected to take the new training. After successfully completing the training, participants will receive a certificate valid for five years. "In practice, this means that we will soon have at least one certified hoisting employee on every construction site," says Frank. He points out that the news of the training is spreading like wildfire. "There is a lot of interest. We are even getting requests from subcontractors and precast concrete plants."



Geert knows that the training will also be rolled out broadly internally. There is interest from other business units. "The training is already fully booked for months in advance. It clearly meets a need. Dozens of serious incidents occur in lifting operations every year in the Netherlands. With this training we ensure that our professionals can perform common, simple lifting activities even more safely. The expected result: fewer lifting incidents. That's why we do it.



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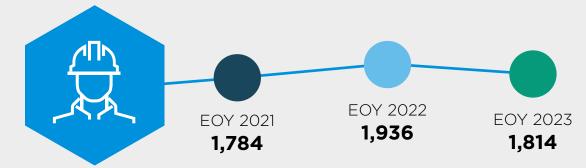
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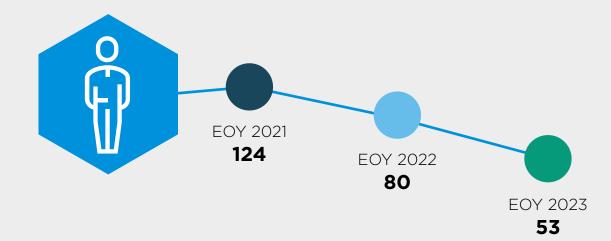




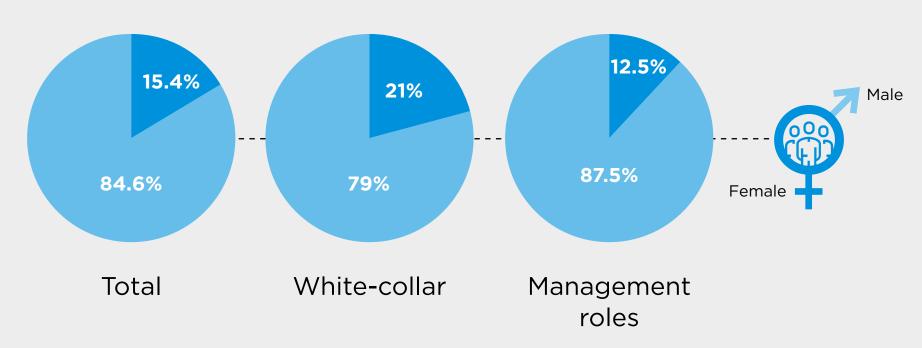




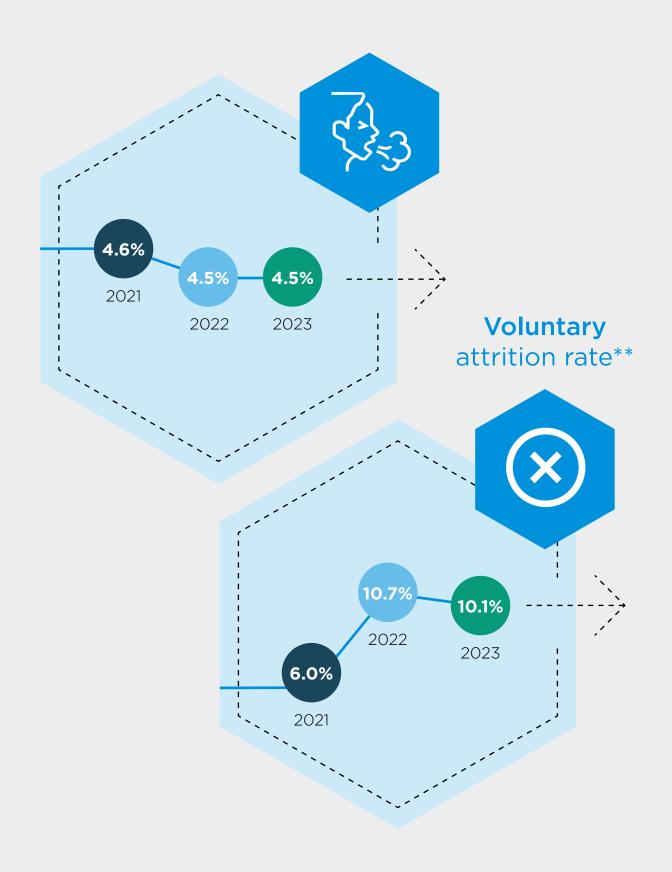
Number of interns



Women's representation in the workforce 2023**



Sick leave rate**





Realised SROI vs. plan

100% realised vs planned

active projects with social return

^{*} Headcount is calculated based on the number of employees payrolled by Ballast Nedam at the end of the reporting year, excluding interns, temporary staff and self-employeed employees (ZZP).

^{**} The denominator in the calculation of women's representation in the workforce rate, sick leave rate and voluntary attrition rate is based on the headcount definition above.



7.1 Human Resources: Context and vision

Our people and company culture are critical to making a sustainable impact on the way people live, work and commute. It is through their expertise, teamwork and drive to learn and grow that we succeed time and again in what we do for our clients and the people we build for.

Our ambition is to be an employer of choice. We support this through the diversity of our businesses and projects, by providing many opportunities for (career) development and our entrepreneurial spirit, by our core values, and our commitment to employee wellbeing.

Our goals are to attract and retain a qualified workforce to meet present day requirements and be prepared for the future. We focus on people and teams, their capabilities and performance, their needs and ambitions, thus stimulate productivity and employability and a healthy and engaging working environment. We believe these goals contribute directly to the continuity of our company and well-being of our people.

Our strategy for achieving our goals is to strengthen our employee value proposition and increase the awareness and willingness of the right people to engage with our company. It is an invitation to join our playing field, local and international, for young and more senior professionals alike, with an entrepreneurial culture, encouraging and recognising initiative, accountability and performance.

We ensure our people are skilled, certified and focused on the task at hand. We encourage our people to take charge of their careers, and facilitate their training and development needs as required, taking career and life events into account. We take care of the wellbeing of our people, as reflected in our leadership style that fosters feedback and learning, vitality programs and attention to work-life balance. We take pride in what we do and recognise achievements.

As diverse a company that we are in terms of products, services and geographical presence, our workforce is diverse as well. We employ people from many nationalities, backgrounds and areas of expertise. We also work step by step to a future-proof male/female balance in our staff and management positions, ensuring equal opportunities and equal pay.

We believe that our inspiring, challenging, safe and rewarding working environment will enable us to continue

attracting and retaining a diverse workforce of excellent professionals who will ensure the continuity of our business.

7.2 Sufficient qualified workforce: Invitation for an attractive challenge and career

Although the sector is facing less positive economic outlooks, the labour market remained challenging in 2023. The inflow of new employees was sufficient to compensate for the attrition level while being able to deliver to our clients. The headcount decreased slightly (-6%).

Employee turnover was up in 2023 in comparison with 2022 (18%). It was impacted partly by winding down the Ballast Nedam Building Projects business unit, although almost half of the employees involved have successfully been redeployed within our company, contributing to a more stable employee turnover figure.

Based on the business outlook for 2024, we expect headcount requirements to remain stable. We also need to anticipate future growth demands. So, we will not refrain from actively increasing the awareness and interest of (latent) candidates in working for our company. An actively maintained talent pool is a necessity for the future.



Our employee value proposition showcase what we do, who works for us, and what we stand for. We enlarge our talent pools by focusing on campus recruitment, affirming existing and new networks, and by outlining alternative ways to qualify for jobs through, for example, a combination of working and formal education or a finance traineeship. We have welcomed 53 scholars and students for internships, and are planning to further increase their numbers the coming years, as it has shown to be an effective way to position ourselves as an employer of choice and ensure future recruitment success with former interns joining us.

We will continue to invest in our employee value proposition for specific target groups, including women, scholars and students. We will do this by intelligently combining market and employee data and by applying sophisticated referral and employer branding techniques in which our own employees are our key ambassadors.

7.3 A consistent way of working and personal development: Taking charge of making a sustainable contribution and taking pride in achievements

We want our people and teams to be successful and continue to make sustainable contributions to the success of our company, while enabling them to achieve their

ambitions and to accommodate their needs. We are in a people business, and it is the people with their knowledge and expertise who make the difference, not our products and services as such. Our values are the perfect reflection of this belief. In our daily work, we focus on people and relationships, accountability and learning, adapting and growing, all of which is catered to delivering value for our customers and to achieve our ambitions.

Leadership is key to guiding employees. Yet, we believe it is not just up to management to give feedback and recognition. In 2023, we deployed a new appraisal model and job families to support recruitment, performance, development and compensation. Investing in setting expectations, living commitments and appreciating performance will be a good indicator of our ability to retain employees and support the employability of our workforce. In general, but especially for generation Z, this is the path to continue to move on.

Our performance culture provides many opportunities to take initiative, give and receive feedback, learn, and take on increasing responsibility. As in previous years we see many people taking part in formal training and education (43%) and progressing in their careers (9%), thus creating new opportunities for others.

In addition to formal routines and training, we value the creation and sharing of knowledge. In 2023, there were many examples of teams and employees sharing their ideas, achievements and research through various media and events, on subjects like vitality, CSR and digitalisation.

A culture of performance implies recognising and rewarding performance. Every year we celebrate many individual and team achievements. We specifically recognised individuals and teams in areas such as leadership safety (Take Care) and eligibility for the Rönesans excellence awards and Ballast Nedam excellence awards, but we also enjoy many social events in our businesses to engage and thank people for being part of our company.

In 2024, we will continue to invest in our approach to performance, development and knowledge-sharing. We will focus on leadership and talent management, through succession planning to more consistently plan our human capital. Our training catalogue will be maintained in alignment with market and internal requirements.

By placing greater emphasis on succession planning, we expect to create more career opportunities, resulting in higher retention. We will continue to award excellence, while recognising every valuable contribution to our

business. We want to ensure that a lack of opportunity to learn and grow is never a main reason for people leaving the company.

7.4 A healthy and inviting work environment: Taking care of employee wellbeing

A healthy working environment, taking care of people, and respect for personal preferences and circumstances are what we consider to be modern working conditions. In our industry, physical safety is rightly considered an absolute must, something we never take for granted. Social safety and feeling respected and appreciated are issues people often take for granted. But this can lead to (mental) absenteeism, loss of job satisfaction and performance issues.

We closely monitor the wellbeing of our people by means of sick leave assessment, PAGO/DIA and PMO and by understanding individual needs and ambitions through management attention. Sick leave figures were stable (4.5%) in 2023 and just below industry average (4.8%), but we still want to reduce the number. In 2024 we will start a new ARBO partnership to boost returning to work and prevention activities.



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As in previous years, we organised many vitality events and health programmes across our business aimed at raising awareness, taking preventive action, and promoting return to work. Participation rates are high as is the appreciation. Specific interventions are being deployed to support employees or teams with their specific needs, such as lifestyle, sports or even financial advice when planning to retire. For older construction workers, the Heavy Workers Act is applied where appropriate, and we also acknowledge life events, facilitating not just parental leave, but also hybrid working, part-time work and arrangements for employees aged 55 and older to retain employability in a competitive market.

7.5 Diversity and inclusion

We have established a diverse company and are moving forward in that respect. From the nature of our company we always will support equal rights and opportunities, whether it concerns women, knowledge workers or social return, and will continue to do so as part of our daily routines.

Diversity and inclusion are not just a social responsibility, we believe it is also a business requirement. A qualified labour force is expected to remain scarce, so an increasing inflow of a diverse population including women, professionals with different qualifications and experience, and people with a distance to work are vital for the continuity of our businesses. But it is also a statutory responsibility, the Act on Gender Diversity in Boards requires us to set ambitious goals regarding the male-female ratio in the top and sub top of our management population.

We aim to have 30% of the Supervisory Board, Board of Management and senior management positions to be held by women by 2030 and 30% of our entire population to be female by 2025. To achieve these goals, we need an increasing inflow of female employees each year. We believe that these targets represent the maximum achievable for our industry.

The inflow of women was lower (20%) in 2023 than previous years and targeted (25%); however, the trend is still positive. To achieve a consistently higher inflow of women, we have targeted our employee value proposition showcasing women and their career paths. We will also survey differentiating drivers to be able to accommodate specific requirements when feasible. And where equal

suitability for a position and team profile allow for it, we will opt for female candidates.

The target for number of women on the Supervisory Board was still met in 2023. The Board of Management, however, consists entirely of men. We are proud of the appointment of a female Business Director in Ballast Nedam West and a female member of the Rönesans Holding Board of Management coming from our own ranks. We also see that the percentage of female managers rose slightly up (12,5%) in 2023.

We continue to strive to meet the appropriate and ambitious diversity and inclusion targets as we recruit new, and promote existing, employees.

We will invest in social return as required and develop partnerships with parties like Refugee Talent Hub, among others, to meet our social responsibility. We will facilitate work-life balance, fair rewards, equal pay and recognition as we believe these are key to an engaged and productive workforce. In 2023 over 95 percent of our employees is covered by collective employment agreements.



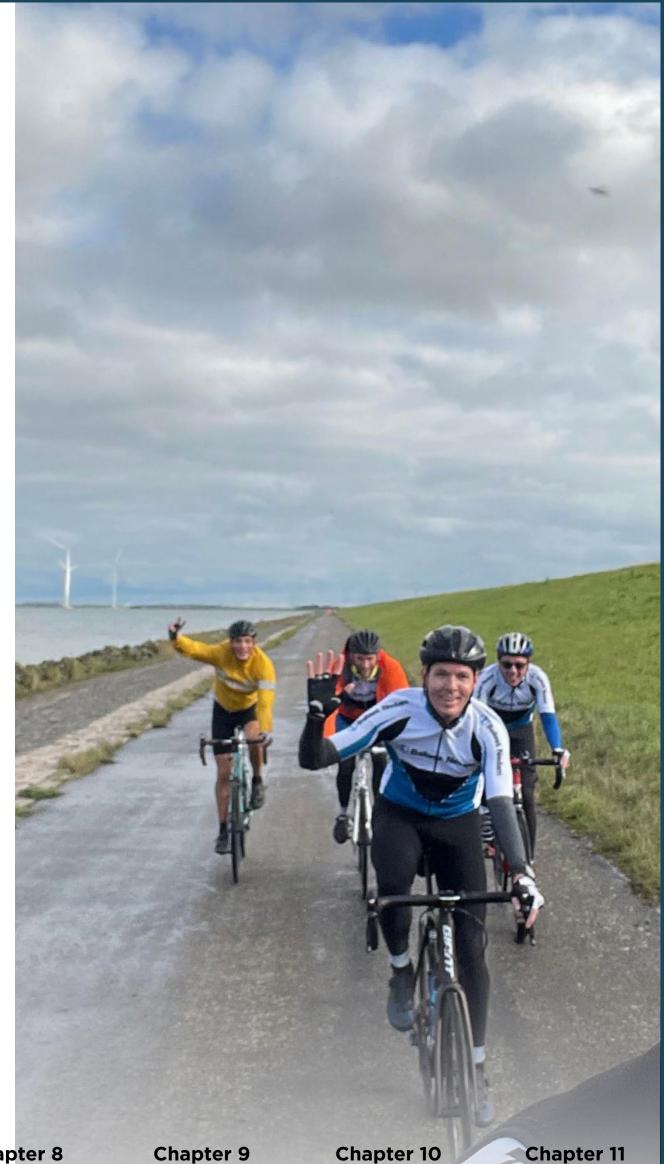


Business case

Healthy and happy employees create a win-win situation

Ballast Nedam wants healthy employees and tries to encourage that as an employer. Various vitality programmes were therefore running at various business units in 2023. Employees tell us what it looked like for them and what the results were.

Every Tuesday, around 4 PM, corporate recruiter Mara de Jonge of Ballast Nedam West swaps her office clothes for sportswear. With about 20 colleagues, she goes outside for an intense hour-long workout. Doing squats, jumping jacks, lunges, lifting weights or running laps with different exercises. Led by personal trainer Cheryl, an entire strength and conditioning programme is completed. "Super fun," she thinks. "It's a good way to end the day healthy. You go home tired and fulfilled afterwards."





Week of Vitality

This bootcamp took place for the first time in October 2023, as part of the previously held Week of Vitality. Initiator Marleen van de Wetering from HR: "I was inspired by my colleagues Nathalie Lambers and Anouk Mook, from our sister companies Laudy and Heddes. We held a vitality week at the same time, with each business unit having its own version." All Ballast Nedam West and Heddes employees received a newsletter every day for a week, with information on mental health, physical health, work attitude and recipes for healthy meals, among other things. Posters were also put up and a vitality calendar was introduced. This calendar dovetailed with existing external initiatives, such as International Sleep Day and Bike to Work Day. Marleen: "Sufficient exercise is important for everyone, but especially for people with office jobs. If we are not careful, we get in the car in the morning, sit at our desk all day and drive home at the end of the day to plop down on the couch." So with an e-mail message, Marleen alerted all colleagues to the Bike to Work Day. She attached the request to take a picture of it and post it on social media. "I was quite late with that message, but still several colleagues posted. That really made me happy. Also because it allowed us to immediately draw attention to Ballast Nedam's Bicycle Private Plan. That scheme cuts both ways, as cycling is good for your health as well as the environment."





Words and deeds

Two 'Boost Your Flow' sessions also took place as part of Vitality Week. These workshops focused on awareness around fitness at work: taking the stairs instead of the lift, getting your own coffee so you have a walk, and so on. How did colleagues react to the overall vitality package? "Positive," Marleen answers. "For example, the newsletters led to certain issues being really discussed for the first time, such as work-life balance and sports. Everyone runs into the same practical problems. No energy to exercise, too little time to cook healthy meals. Now we suddenly asked each other the question: what do you do about exercise? It was like breaking a taboo, but in an approachable and relaxed way. Then, when you actually go to a bootcamp together, you turn those words into action together, too."

Struggling together

Of the 40 employees at the Ballast Nedam West office, about half participate in the weekly bootcamps. Good for health, of course. But it's more than that, Mara believes. "You are working out together with your colleagues. That creates a bond. It was already there, but it has taken on a different dynamic because of this. The next day, we ask each other who has sore muscles, and laugh about the situations we experienced during training. This facilitates communication, even in the context of work. It definitely has a positive impact."

A company that makes this possible for its employees clearly has their best interests at heart, according to Mara. "These bootcamps make you feel better physically and mentally. You are more comfortable in your own skin, both your private life and in terms of work. And the latter, of course, benefits the company. If employees are fit, it leads to less absenteeism and more productivity." In 2024, Ballast Nedam West is organising another Vitality Week, Marleen now knows. "We may want to give it a bit more depth, but we are still thinking about that at the moment." And the bootcamps? "Those ran as a pilot until the end of 2023. Then we evaluated them, and decided to continue them in the new year. Extended due to success, in other words!"

'Healthy pleasures'

Just how diverse vitality programmes can be is demonstrated by the programme Ballast Nedam Park & Connect deployed. Its origins lay in the aftermath of Covid-19, says managing director Thom Hienekamp. "Many people were struggling at the time. One of the topics was nutrition, and with that there appeared to be a link to stress levels. Shortly afterwards, the results of our periodic occupational health examination (PAGO) came in. This showed that quite a few employees were struggling with a high BMI and reduced fitness. That's when we joined forces with health coach Dorine from Healthy Pleasures." In 2022 and 2023, the vast majority of Park & Connect employees

participated in a 12-month programme. They set their own vitality goals, and discussed them with Dorine. Some focused on nutrition, others on more exercise or relaxation. Everyone had an intake of an hour and a half and a coaching session of the same duration. Everyone got to work with the resulting assignments and advice, coupled with ten monthly half-hour coaching sessions.

'Don't forget yourself'

For project controller Mike van Alphen, the programme came at just the right time. "We were struggling at home with the family to put a healthy meal on the table for everyone every day. Our sons play intensive sports, with lots of training and varying times for dinner. Especially for my wife and me, healthy meals often fell through, and we resorted to easy and less healthy dishes." The process with Healthy Pleasures put Mike and his family on the right track. "The monthly meeting was a trigger every time to get on with it. The fact that it took place in a relaxed setting was the key to success. The message for us above all was: don't forget yourself. Let go when the children eat, and learn to prepare a healthy meal for yourself without too much stress." Apart from nutrition, Mike also received advice





on tension and stress. "Dorine showed me that you can step out of your pattern. Interrupt the constant focus on work by going for a walk for half an hour, for example. I am very glad I participated in this programme!"

Kept on her feet

Executive secretary Eline Mombarg joined because she wanted to get more energy from her diet. "I immediately clicked with Dorine. She has a good sense of who she is facing and how to approach you. She advised me to eat more and more varied vegetables. As a result, I felt better and better. Last winter I was very busy, with my young family, my busy job and also a study. But I haven't been sick and haven't had a dip. The process with Healthy Pleasures has really kept me going." Eline knows the pitfall of trying to improve yourself in terms of diet, sleep, stress, exercise and relaxation. "You shouldn't think too big, because then you start looking at it like a mountain. Staring out of

the window for 15 minutes also brings new energy. A good tip from Dorine: don't just schedule your compulsory activities, but also time for yourself. And that doesn't have to be anything major. A little Netflix or a nap is also good." Did director Thom himself actually take part in the process? "If you come up with something, of course you have to participate yourself", he replies, laughing. "And even though I always exercised a lot, it really helped me. For example, I thought I was having a healthy lunch, with four slices of brown bread and toppings. But after that I always experienced a dip. On Dorine's advice, I now eat wholemeal crackers with hummus, chicken breast and avocado. Gone are the dips!"

Eline thinks it's great that her employer facilitates this kind of vitality programme. "It's a win-win. We get fitter, and the company benefits too."





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Digital transformation and innovation

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8.1 Our vision

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

We are committed to creating a safe and sustainable living and working environment by embracing the power of digitalisation and innovation. This vision goes beyond simply increasing efficiency; it is about creating a future in which we can respond flexibly to market changes and inspire and connect our colleagues and clients.

Accelerating digitalisation in the construction industry opens the door to numerous business opportunities. It allows us to streamline processes, combine and analyse company-wide information streams, better utilise resources, create new business opportunities, and anticipate future needs.

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

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Hilti Drilling Robot, A73 Project

In the recent developments within the A73 project, we started an interesting pilot innovation with the introduction of the Hilti drilling robot. This advanced technology has made its mark by drilling a significant number of holes, changing traditional methods of drilling.

The Hilti drilling robot is a state-of-the-art automated drilling solution designed to bring efficiency and precision to the drilling process. Equipped with advanced sensors and artificial intelligence, this robot can make decisions autonomously, adapt to changing conditions and perform drilling operations with unparalleled accuracy. This innovative drilling robot has already been successfully applied to the A73 tunnel project. The A73 highway, with its complex construction needs, provided an ideal environment to test and refine the capabilities of the Hilti drilling robot.

This robot addresses the challenges of time- and labour-intensive drilling processes. By working autonomously and quickly, the robot significantly reduces the time required to complete drilling work. In addition, it minimises the possibility of human error and improves overall construction accuracy. This helps to reduce project costs and increase the efficiency of the construction process.

This innovation can act as a blueprint for broader implementation of automated solutions in different types of construction projects, and even as an important milestone in the evolution of artificial intelligence applied in the construction industry.

8.2 Context

To excel in the competitive construction industry, companies need to prioritise operational efficiency and adaptability in order to succeed. Operating in the Netherlands presents unique challenges like tight profit margins, labour shortages, resource scarcity (or high price of resources), and the imperative for improved energy efficiency and productivity.

Despite its traditional roots, the Dutch construction sector is undergoing a significant transformation, offering abundant opportunities for progress through digitalisation, specifically integrating new technology.

The digital maturity of construction relies on standardising processes, addressing designs, overcoming feasibility challenges, optimising logistics, and meeting customer demands. Digitalisation not only enhances existing practices, but also introduces disruptive technologies, such as robotics, virtual reality, Internet of Things and Al. These technologies are capable of revolutionising processes, business models, materials, and solutions. The rapid pace of digitalisation is propelled by these emerging technologies, with Al playing a pivotal role in eliminating inefficiencies, boosting productivity, and reshaping the entire value chain.



Goals, ambitions, and outlook

Our goal is to support our organisation to deliver safe, sustainable, high-quality projects and services that uphold our core values through a holistic approach with technology as the driving force. We strive to share innovations and knowledge and experiences, connect business units, and get new ideas and technologies from the market.

In 2023, we strategically realigned the focal areas of digitalisation and innovation, introducing an additional theme to further enhance our internal processes and drive innovation. Our revamped themes now include 'Advanced Building Methods,' 'Automation and Robotics,' 'Data, Digitalisation, and Analytics,' and 'Sustainability and Products'. This restructuring aims to optimise and structure our internal processes, fostering a more innovative and efficient approach to our endeavours.

As we eagerly look towards 2024, our ambition is to propel our organisation to new heights by focusing on innovations that touch the core of our organisation. In particular, our strategic emphasis will be on elevating project management tooling and processes. In our pursuit of organisational excellence, we recognise the pivotal role that effective project management plays in achieving

our objectives. Therefore, as part of our strategic vision for 2024, we are dedicated to intensifying our focus on refining project management and processes through comprehensive research and the implementation of new project management tools.

We aspire not only to increase the quantity of innovations but, more importantly, to enhance their quality and significance. By prioritising project management, we aim to streamline processes, foster collaboration, and ensure that our innovations have a lasting and meaningful impact. Through this approach, we are committed to achieving sustained growth and success in the year ahead.

8.3.1 Advanced Building Methods

Advanced Building Methods encompass Building Information Modelling (BIM) and digital twin processes. The majority of our projects utilise BIM management, boosting efficiency, elevating quality, and fostering collaboration throughout construction. Our focal point is increasingly on 3D models, serving not only as visual representations but also as valuable data sources for purposes like quality control, enhanced feasibility (including logistics), safety measures, sustainability, and project management.

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In 2023, we introduced software packages to deploy BIM models directly to the work site, enhancing insights into project progress, performance, and disparities between initial design and execution. This initiative aims to streamline construction processes and as-built documentation. Our surveying department (DIBEC) complements 3D models with scans, offering realistic renderings during the tender phase and supporting asbuilt comparisons in projects. Proficient in handling big data from point clouds (a point cloud is a collection of data points, made by for instance a 3D laser scanner to map buildings, objects and landscapes), we standardise work processes. Continued use of point clouds for as-built comparisons addresses a key challenge: reducing failure costs, exemplified by multiple scans in 2023 for several projects.

In 2023, we looked in-depth into automated progress monitoring, emphasising the importance of pre-defining metrics, reporting needs, and data granularity. Despite advanced technologies for data generation (drones, cameras, point clouds), navigating the processing and comparison of increasingly vast datasets for practical progress monitoring remains a noteworthy challenge.

Revolutionary Efficiency through RPA in Ballast Nedam

Robotic Process Automation (RPA) is an innovative technology that makes it possible to automate repetitive and time-consuming administrative tasks. By using software "robots", these processes can be performed more quickly, accurately and efficiently than by human hands.

This technology is currently in production within six processes at Ballast Nedam. Each process, from managing invoices to tracking compliance with legislation, benefits from the accuracy and speed of RPA. In addition, several other processes are in development where this technology is being tested and optimised for broader applications within the organisation.

Implementing RPA offers significant benefits, including increased productivity, error reductions and cost savings. By automating routine tasks, employees are freed up to focus on more complex and valuable activities, leading to increased job satisfaction and efficiency. It also provides a solution to potential staff shortages and can be easily scaled up to handle peak workloads. An added benefit of this development is that it encourages companies to document and standardise their processes.

RPA is not only a technological advance for Ballast
Nedam, but also a reflection of a broader trend in
the industry toward digitalisation and automation.
By being at the forefront of this development, Ballast
Nedam positions itself as a future-oriented and efficient
organisation, ready to take on the challenges and
opportunities of the modern construction industry.



8.3.2 Automation and Robotics

The construction industry, known for its reliance on manual labour, is still confronted with a shortage of skilled workers amid a rising demand in the Dutch market. Ballast Nedam is proactively investing in innovative robotic solutions. The belief is that robotic automation can address the labour shortage, enhance productivity, create better working conditions, attract top talent, and cut operational expenses.

Two concurrent developments are unfolding in the realm of robotics: physical robotics and virtual robotics. Ballast Nedam has already deployed physical robotic applications, including surveying, precision drilling, and bricklaying robots. Virtual robotics encompasses an artificial workforce developed by the Robotic Process Automation (RPA) team.

The impact of Ballast Nedam's physical robot solutions is evident; for instance, the robotic driller has expedited processes by drilling a significant amount of holes (in walls and ceiling) for the A73 Tunnel project, leading to cost-savings and increased efficiency.

The bricklaying robot has been developed together with the company Ropax. The robot was thoroughly tested and improved in 2023, which led us to invest in two robots to be put into production by Heddes Bouw & Ontwikkeling and Laudy Bouw & Ontwikkeling. Since July 2023, both bricklaying robots have been operationally working at the Tuinbuurt Vrijlandt and Broekem projects. With the lessons learned in these first projects, we aim to increase the use of the bricklaying robot on additional projects in 2024.

Additionally, in 2023 more and more administrative tasks were analysed and developed into RPAs, such as TOF (Te Ontvangen Facturen – invoice to be received) balances, budget changes and variation orders. RPA is closely linked and a perfect fit to combine with the use of AI and can further accelerate the digitalisation of our processes. However, some caution is warranted when it comes to the hype surrounding AI. Balancing humans and machines, understanding technology and leaving routine tasks to machines are key to optimally implementing AI within our organisation.

8.3.3 Data, Digitalisation and Analytics

We are actively enhancing our current technical infrastructure, encompassing document management and collaborative tools for Building Information Modelling (BIM), to create a unified data environment. Gradually, we are transitioning all our on-premises data sources to the cloud, including advanced administrative systems and data analytics, aiming to boost data accessibility, security,

collaboration, and automation.

Internally, there's a growing demand for structured (labelled) data for analytics. To enhance business intelligence, we are optimising data flows, visualising information through dashboards for better operational insight, and facilitating quicker decision-making.

Project management tools are essential for effective execution of our projects. In recent times, these tools have increasingly evolved into communication platforms between different project phases. These tools improve communication and facilitate collaboration between team members, departments and clients, resulting in better quality and risk management. They also provide structured documentation and analysis capabilities for project progress. In the coming period, we will be looking more indepth into project management tools and supporting the organisation in their implementation. We therefore see that project management tools are crucial for the growth of our organisation.

Our safety and quality registrations are streamlined through the QS2Field application with modules for observations, incidents, inspections, and quality checks, and which are accessible on various devices. We leverage this application

to standardise registrations, fostering a centralised source for accelerated learning and adaptation.

Emphasising the value of knowledge management, we've introduced the KnowMan platform to centralise information for all employees, which could be an excellent fit for introducing AI within this part of our organisation. Future endeavours in business intelligence will concentrate on predictive analytics solutions. Additionally, we utilise dashboards for transparent business reports, drawing data from diverse applications stored in our newly constructed data warehouse, and prioritising data availability and security. With an adept ICT department, Ballast Nedam can swiftly respond to evolving digitalisation opportunities such as AI.

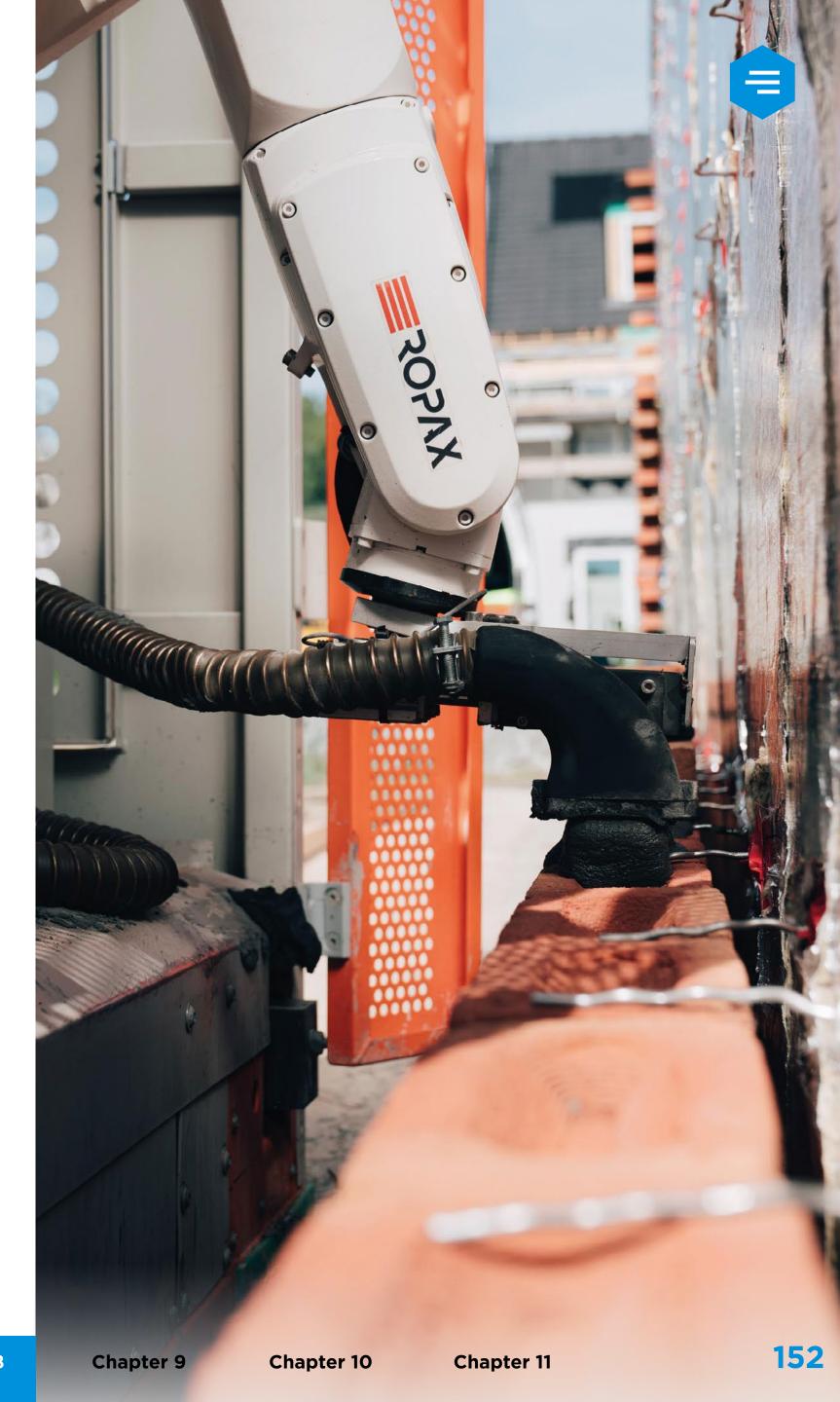
As the utilisation of AI becomes increasingly prevalent, standardisation and data organisation are a key focus. The more predictable and consistent our data, the better AI can perform and predict future results and trends. In 2024, we will focus on successfully implementing various AI use cases within our secure environments in conjunction with the Common Data Environment (CDE).

8.3.4 Sustainability and Products

In our commitment to sustainability, we have introduced innovative tools that redefine our approach to environmental responsibility. One notable addition is our Emission Calculator for mobile Equipment, a solution designed to calculate nitrogen and carbon emissions (for the Aerius tool) associated with our mobile equipment. This tool simplifies the process and is a valuable addition to internal knowledge of emissions calculations for tenders and projects.

In 2023, we initiated a collaborative pilot with Topsector Logistiek to commence the monitoring (location and emissions, etc.) of our mobile equipment. By early 2024, we plan to expand this pilot to include approximately 40 assets. Through the incorporation of asset monitoring technology, we can seamlessly integrate sensors and APIs into our mobile equipment, thereby transforming our operational processes. This system empowers us to optimise planning through real-time data, ensuring the efficient deployment of resources precisely where and when they are needed. The incorporation of sensors enables us to monitor equipment health, predict maintenance requirements, and proactively address issues, ultimately minimising downtime

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and maximising productivity. Furthermore, the use of APIs facilitates smooth communication among different components of our system, fostering a cohesive and responsive workflow. This comprehensive approach not only elevates service delivery but also yields significant cost-savings by preventing unplanned maintenance, reducing operational inefficiencies, and championing a proactive, data-driven strategy.

8.3.5 Status and Lessons Learned

The organisation's actions in 2023 demonstrate a strong dedication to digitalisation and innovation. The adoption of digital processes and the incorporation of robotics have led to significant positive outcomes in 2023.

With respect to robotics, we discovered that incorporating automation into construction processes not only enhances efficiency but also could significantly reduce manual workload. This revelation has prompted us to further explore and integrate robotics into various facets of our day-to-day work.

Emission calculations

A recent innovation concerns the introduction of an innovative tool for DIBEC, which allows calculations of nitrogen emissions (Aerius emission calculations) to be performed more efficiently.

Developed in collaboration with the DTI team, this tool simplifies the process of collecting and calculating data on pieces of equipment such as engine power, stage classes and fuel consumption, emissions and the normative year. The tool is applied internally by DIBEC to calculate nitrogen emissions. These calculations are applicable, for example, in tenders and projects. It is designed to speed up the process of emission calculations and is therefore relevant for situations where fast and accurate calculations are needed.

The potential yield of this innovation significantly adds to improving efficiency and saving time when calculating nitrogen emissions. Traditionally, Aerius calculations require a lot of time to collect detailed data on pieces of equipment. The tool simplifies this process and provides valuable support for internal emissions calculations, quickly understanding a project's pain points regarding emissions.

In a broader perspective, this innovation contributes to the digitalisation and optimisation of environmental calculations in sectors where emissions calculations are crucial. By accelerating and simplifying this process, the tool contributes to sustainability efforts and can help us operate more effectively in compliance with environmental standards. Moreover, it can serve as an example of how technological developments can be used to address complex environmental issues and improve business processes.



While embracing 'the beginnings' of artificial intelligence (AI), we've learned that AI has the potential to revolutionise decision-making processes. By harnessing data analytics and machine learning, we aim to enhance project planning and execution, paving the way for smarter, more informed choices.

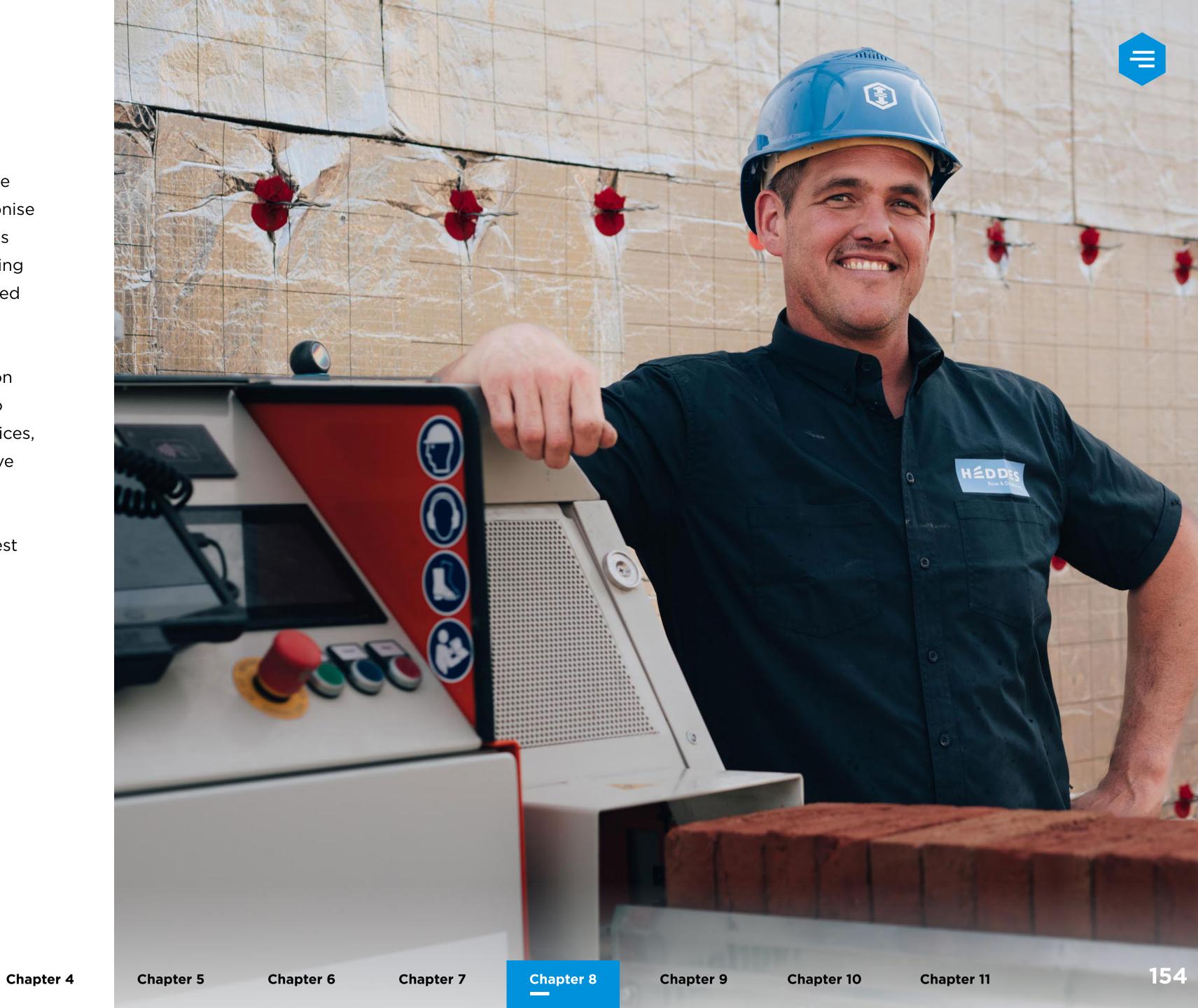
As we move forward, these lessons serve as a foundation for our department's continuous evolution, driving us to explore innovative solutions, embrace sustainable practices, and integrate artificial intelligence for a more progressive and efficient construction landscape.

In the coming years, Ballast Nedam will continue to invest in digitalisation to continuously increase efficiency and transparency. This will lead us to become increasingly mature in the field of digitalisation.

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Employee story

Trainee Willem researches AI in construction: 'A collaboration between humans, machines and systems'

Artificial intelligence (AI) and robotisation have become almost ubiquitous. Digitalisation also offers plenty of opportunities in construction and infrastructure. Willem Veldhuizen, an intern at the Digitalisation and Innovation Department (DTI), delves into how we can use robotisation and artificial intelligence in our daily work.

Willem is in his second year of studying Industrial Engineering at Utrecht University of Applied Sciences. "I always had a specific fascination for construction and engineering. After getting my Pre-university education diploma, I made a conscious decision to choose higher professional education instead of university. I am not necessarily someone who wants to sit behind a desk all day, but I want to learn by doing," says Willem. And that 'learning by doing' is not only reflected in his hobby of building and carpentry at weekends, but also in his internship at Ballast Nedam.





What is it like to do an internship here?

"At Digitalisation & Innovation, you work in an umbrella department which means you have a lot of contact with different business units within the organisation. I am involved in everything and feel taken seriously. As a result, I feel more like an employee than an intern," he explains. In addition to his research into the use of artificial intelligence in construction, Willem went out as a foreman at Heddes to also gain experience on the construction site.

Internship supervisor and project manager of the DTI department Hidde van der Eijk: "Willem immediately came across as sociable, open and enthusiastic. Because of his enthusiasm, I also made sure he could work as a supervisor. That is not standard in such an internship, but you learn more when you are working on sites as well as in the office. It gives you an understanding of where and how you work within the organisation. During our first consultation, we shaped this internship together based on what Willem likes to do: not only looking for challenges on paper, but also being practical. It works well to give an intern their own responsibilities. And also let them learn that it's okay to make mistakes. By being set free in the beginning and maybe bumping into things a few times, you learn an awful lot. It is also important to treat interns as you would like to be treated yourself. And to realise that an intern really enriches the team through their fresh, open and young perspective on a company."

Willem: "I immediately felt a click during the introductory meeting with Hidde. I think it's important that when you start working somewhere for a longer period of time, the atmosphere is good and the colleagues are nice. Hidde taught me how to function within a large company, how to create structure and what the work looks like that I will do later on. But also how to create a balance in having a pleasant working atmosphere and still achieve things."

What is the purpose of the internship?

Willem's assignment from Utrecht University of Applied Sciences is a work experience internship resulting, after six months, in an improvement proposal for BIM software Dalux. Dalux is an innovative software application designed to simplify construction project management and make it more efficient.

"It is up to me to investigate how the implementation of this software is going, and how we can promote it," explains Willem. "Hogeschool Utrecht wants to see a ready-made plan at the end of my internship for what to do if Dalux does get implemented more widely. In preparation, I attended and later gave a Dalux training course at Ballast Nedam West. I also spent a day at Laudy to see how Dalux is used on a daily basis. This taught me how to create support, involve and hook people. But I also learned to know and recognise business processes. In the end, everything stands or falls with processes."

For the rest, Willem says that the internship gave him good insight into the work as a technical business manager. "I now know exactly what I want to do later on. With the good conditions and the nice atmosphere within Ballast Nedam, I am positive about the organisation. Perhaps there will be opportunities for me to work here in the future."



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Consolidated Financial Statements



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9.1 Consolidated statement of financial position

Amounts expressed in thousands of euro (€)

Assets	Notes	2023	2022
Current Assets		775,030	755,195
Cash and cash equivalents	9.6.3	122,852	171,022
Trade receivables	9.6.4	147,606	163,674
Other short-term receivables	9.6.5	208,179	153,837
Inventories	9.6.6	111,221	108,700
Short-term prepaid expenses	9.6.7	31,919	39,671
Contract assets	9.6.8	141,530	118,291
Assets classified as held for sale	9.6.31	11,723	-
Non-Current Assets		239,777	249,587
Other long-term receivables	9.6.32	22,399	15,149
Investments accounted for using the equity method	9.6.9	38,709	40,932
Investment properties	9.6.10	64,516	71,627
Property, plants and equipment	9.6.11	38,541	45,413
Right of use assets	9.6.12	24,361	24,242
Intangible assets	9.6.13	19,433	20,670
Deferred tax assets	9.6.14	31,818	31,554
Total assets		1,014,807	1,004,782

Amounts expressed in thousands of euro (€)

Liabilities and shareholders' equity	Notes	2023	2022
Current Liabilities		581,314	606,269
Short-term borrowings	9.6.15	47,626	15,998
Current portion of long-term borrowings	9.6.15	73,222	42,000
Lease liabilities	9.6.15	8,141	8,762
Trade payables	9.6.16	176,964	253,879
Other short-term payables	9.6.17	76,706	58,416
Contract liabilities	9.6.8	133,486	137,693
Payables for employee benefits	9.6.18	10,551	10,165
Short-term provisions	9.6.18, 19	27,070	43,847
Other short-term liabilities	9.6.20	24,237	35,509
Liabilities directly associated with assets classified as held for sale	9.6.31	3,311	-
Non-Current liabilties		128,914	148,810
Long-term borrowings	9.6.15	93,764	120,095
Lease liabilities	9.6.15	15,604	15,862
Other long-term payables	9.6.21	7,514	5,830
Long-term provisions	9.6.18, 19	11,198	6,553
Deferred tax liabilities	9.6.14	834	470
Shareholders' equity		304,579	249,703
Equity attributable to owners of the parent	9.6.22	304,141	249,108
Paid in capital		2,203	2,203
Share premium		428,870	<i>393,870</i>
Accumulated losses		(144,378)	(168,761)
Other reserves		17,446	21,796
Non-Controlling Interests		438	595
Total liabilities and shareholders' equity		1,014,807	1,004,782



9.2 Consolidated statement of profit and loss

Amounts expressed in thousands of euro (€)

	Notes	2023	2022
Revenue	9.6.23	1,112,735	1,430,763
Cost of Revenue	9.6.24	(1,035,756)	(1,375,035)
Gross profit		76,979	55,728
General administrative expenses	9.6.25	(37,928)	(34,762)
Other operating income from main activities	9.6.26	998	5,678
Fair value gains from investment properties	9.6.10	(706)	1,682
Operating result		39,343	28,326
Share in net result investments valued using equity method	9.6.9	(1,174)	8,172
Result before finance expenses		38,169	36,498
Financing income	9.6.27	2,986	3,001
Financing expenses	9.6.27	(15,419)	(9,717)
Result for taxation		25,736	29,782
Current income tax expenses	9.6.28	(1,975)	(585)
Deferred tax (expense) / income	9.6.14, 28	(100)	2,479
Net result for the year		23,661	31,676
Attributable to:			
Non-controlling interest		(16)	31
Owners of the parent		23,677	31,645
Net result for the year		23,661	31,676

9.3 Consolidated statement of comprehensive income

Amounts expressed in thousands of euro (€)

	2023	2022
Net result for the year	23,661	31,676
Other comprehensive (expense) / income net of tax to be reclassified to profit & loss in s	ubsequent perio	ds
Foreign currency translation reserve	(1,732)	1,519
Share of other comprehensive (expense) / income of joint ventures	(1,904)	7,121
Other comprehensive (expense) / income for the period, net of tax	(3,636)	8,640
Total comprehensive income for the period	20,025	40,316
Attributable to:		
Owners of the parent	20,033	40,317
Non-controlling interest	(8)	(1)
14011 Controlling Interest	(0)	(1)
Total comprehensive income for the period	20,025	40,316

The other comprehensive income does not include tax (2022: € nil).



9.4 Consolidated statement of changes in equity

Amounts expressed in thousands of euro (€)

	Paid in capital	Share Premium	Currency translation reserve	Other reserve	Accumulated losses	Non- controlling Interest	Total
Opening balance 1 January 2022	2,203	393,870	882	10,560	(198,724)	745	209,536
Net result for the year	-	-	-	-	31,645	31	31,676
Change in currency translation reserve	-	-	1,551	-	-	(32)	1,519
Change in legal reserve	-	-	-	7,121	-	-	7,121
Other comprehensive income	-	-	1,551	7,121	-	(32)	8,640
Total comprehensive income	-	-	1,551	7,121	31,645	(1)	40,316
Fair value change investment properties	-	-	-	1,682	(1,682)	-	-
Acquisition minority interest	-	-	-	-	-	(149)	(149)
Closing balance 31 December 2022	2,203	393,870	2,433	19,363	(168,761)	595	249,703
Opening balance 1 January 2023	2,203	393,870	2,433	19,363	(168,761)	595	249,703
Net result for the year	-	-	-	-	23,677	(16)	23,661
Change in currency translation reserve	-	-	(1,740)	-	-	8	(1,732)
Change in legal reserve	-	-	-	(1,904)	-	-	(1,904)
Other comprehensive expense	-	-	(1,740)	(1,904)	-	8	(3,636)
Total comprehensive income	-	-	(1,740)	(1,904)	23,677	(8)	20,025
Share premium in cash	-	35,000	-	-	-	-	35,000
Fair value change investment properties	-	-	-	(706)	706	-	-
Acquisition minority interest	-	-	-	-	-	(149)	(149)
Closing balance 31 December 2023	2,203	428,870	693	16,753	(144,378)	438	304,579

For further details on shareholders' equity please see note 9.6.22.



9.5 Consolidated statement of cashflows

Amounts expressed in thousands of euro (€)

	Notes	2023	2022
Cash flow from operating activities			
Net result for the year		23,661	31,676
Adjustments to reconcile net result			
Depreciation and amortisation of non-current assets	9.6.11,12,13	17,403	19,463
Loss / (Profit) arising from change in fair value of investment properties	9.6.10	706	(1,682)
Interest expense	9.6.27	10,193	4,412
Gain on disposal of PP&E	9.6.11	(1,277)	(1,020)
Gain on disposal investment accounted for using the equity method	9.6.9	-	(3,512)
Tax expense / (income)	9.6.14,20,28	2,075	(1,894)
Share in loss / (profit) of investments valued using equity method	9.6.9	1,174	(8,172)
Adjustments related to provisions (non cash)	9.6.4,19	1,973	1,570
Other (gains) / losses		(3,304)	879
Movements in working capital			
(Increase) in inventories	9.6.6	(5,163)	(30,394)
(Increase) in contract assets and liabilities	9.6.8	(39,318)	(65,239)
(Increase) in receivables	9.6.4	(46,691)	(63,091)
Decrease / (Increase) in prepaid expenses	9.6.7	7,752	(26,507)
(Decrease) / Increase in other current liabilities		(65,989)	68,313
Movement in (short-term) provisions and employee benefits	9.6.18	138	483
Movement in (short-term) warranty and other provisions (utilisation)	9.6.19	(2,620)	(1,204)
Income taxes paid	9.6.28	(1,975)	(585)
Net cash (used in) operating activities		(101,262)	(76,504)

	Notes	2023	2022
Cash flow from investing activities			
Intangible assets			
Investments	9.6.13	(104)	(316)
Acquisitions		-	(1,199)
Property, plants and equipment			
Investments	9.6.11	(7,982)	(12,281)
Income from disposals		3,582	1,503
Financial assets			
Investments		(920)	(722)
Income from disposals		16	4,570
Dividend received		2,616	2,684
Interest received	9.6.27	2,316	1,939
Investment properties			
Investments	9.6.10	(12,919)	(13,420)
Income from sale of subsidiary net of cash / (Acquisition of subsidiary net of		4,552	(6,265)
cash)			
Net cash used in investing activities		(8,843)	(23,507)
Cashflow from financing activities			
Interest paid	9.6.27	(12,509)	(6,351)
Proceeds from borrowings	9.6.15	99,207	57,795
Repayments of borrowings	9.6.15	(49,998)	(21,685)
Lease payments	9.6.15	(9,765)	(11,528)
Capital contribution shareholder		35,000	-
Net cash from financing activities		61,935	18,231
Net cash change		(48,170)	(81,780)
Cash at the beginning of the year		171,022	252,802
Cash at the end of the year		122,852	171,022



9.6 Notes to the consolidated financial statements

9.6.1 Organisation and operations of Ballast Nedam

Ballast Nedam N.V. (the 'company') is incorporated and domiciled in the Netherlands. The company's corporate seat is Nieuwegein, the Netherlands, its registered office is at Ringwade 71, Nieuwegein, the Netherlands, and it is registered in the Dutch Trade Register under number 33201106. The immediate parent company is Renaissance Construction B.V. and the ultimate parent company is Rönesans Holding A.Ş., Turkey.

The consolidated financial statements of Ballast Nedam N.V. for the 2023 financial year comprise the parent company Ballast Nedam N.V. and its subsidiaries ('Ballast Nedam' or the 'Group') and Ballast Nedam's interest in associates and joint operations.

Ballast Nedam is mainly active in the Netherlands, but also operates in other European countries and executes projects globally. Its core activities include contracting and constructing engineering services on various purpose buildings (mainly residential units and office buildings), industrial projects and infrastructure projects. Ballast Nedam also provides design, construction, maintenance and other projects within the scope of public-private partnership projects. The company's development group works in synergy with the construction company on most of the above activities.

9.6.2 Basis of presentation of the consolidated financial statements Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, as far as applicable.

The financial statements are prepared on a going concern basis.

The financial statements were authorised for issue by the Board of Management on 15 March 2024. The financial statements were approved and adopted by the General Meeting on 15 March 2024. With reference to the income statement of the company, use has been made of the exemption pursuant to Section 2:402 of the Dutch Civil Code.

Basis of measurement and presentation

The consolidated financial statements have been prepared under the historical cost convention, unless stated otherwise. Exceptions include investment properties and derivatives measured at fair value. The consolidated financial statements are presented in euro, which is the company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'euro' (€), which is the Group's presentation currency.

Assets and liabilities of foreign activities, including goodwill and fair value adjustments arising on acquisitions, denominated in functional currencies other than the euro are translated to the functional currency in euro at the rates of exchange prevailing on the reporting date, with income statement items being translated at the rates approximating the rate of exchange on the transaction date (average rate for the reporting year). Translation differences resulting from the conversion of investments in these foreign activities and the differences between results translated at the average exchange rate



during the year and the exchange rate prevailing on the reporting date, are recognised as a separate item in the consolidated statement of comprehensive income.

Receivables and payables in foreign currencies are translated to the functional currency at the exchange rate prevailing on the reporting date. Transactions in foreign currencies are translated to the functional currency at the exchange rate applying on the transaction date. The resulting exchange differences are recognised in the statement of profit and loss.

The economy of Turkey was assessed to be hyperinflationary effective 30 June 2022, and hyperinflation accounting has been applied for the Group entity in Turkey since then, which accounted for EUR 1.6 million of revenue in 2023. The functional currency of the Group entity is adjusted in terms of the measuring unit current at the end of the reporting period. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in OCI. Comparative amounts are not adjusted.

Financing, liquidity and going concern

The existing financing package, consisting of loan agreements with multiple financial institutions amounted to € 136 million (2022: € 111 million), a project financing arrangement of € 56.5 million at year-end 2023 (2022: € 45.5 million) and loan agreements with related parties of € 22.5 million (2022: € 21.5 million). An amount of € 120.8 million will mature on or before 31 December 2024.

The solvency ratio improved compared to previous year and amounts to 30.0% (2022: 24.9%). This is primarily the result of a capital contribution and the net profit for the year. Ballast Nedam's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal

and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Ballast Nedam controls the liquidity risk through weekly cashflow forecasting followed by adequate corrective measures and monitoring.

The current cash surplus, strong solvency and the strengthened risk management activities, are expected to provide management with additional flexibility in its operations and execution of its business plans.

Ballast Nedam has access to bank guarantee and bonding facilities with various financial institutions and group companies. These facilities are long-term. Periodically, a forecast is made of the use of the available guarantee facilities. The forecast is based on current tenders and expectations regarding the discharge of existing bank guarantees. Based on this access to guarantee facilities and forecasts, Ballast Nedam expects it will be able to issue guarantees in the ordinary course of business.

Critical accounting judgements and key sources of estimate uncertainty

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. This includes a framework with respect to the measurement of fair values.

Management judgements regarding the application of EU-IFRS, which have significant consequences for the financial statements and estimates involving an appreciable risk of material change in the following year, are disclosed in the notes.



If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future period, they are applied both in current and future periods. In the current period management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimates, which are addressed below):

Contract revenue

The company's core activities include contracting and construction engineering services on various projects. If the company can demonstrate that a performance obligation is satisfied over time revenue is progressively recognised. The progress is measured based on the input method; contract costs incurred to date as a percentage of total forecasted costs. Estimates are an inherent part of the assessment of the project results and actual outcome may deviate from these estimates, specifically for long-term construction contracts.

The level of estimate and uncertainty increases in line with the following factors:

- an agreed contract form that entails more risks for the contractor, such as the design risk that contractors accept in design & construct contracts, plus, for a DBMO contract, the responsibility for maintenance and operation;
- a project that is in an early design or implementation stage. When detailing a preliminary or final design, substantial deviations from the preliminary design may arise. This may be because an initial solution turns out in hindsight to be unfeasible, or because the underlying conditions are better or worse than expected, or because the dialogue with stakeholders is far more complicated, and therefore more expensive, than foreseen.

 Countless risks may also arise in the implementation phase that are for the account of the contractor. These deviations may be positive or negative;
- the term of the contract is longer and hence the forecast for the ending of the work involves inherently more estimate uncertainties; and

projects are liable to, additional work, bonusses, penalties and claim situations.

See also note 9.6.8, Contract assets and liabilites and note 9.6.24, Costs of revenue.

The company manages these estimate uncertainties during the year based on experience and risk assessment models, including variance analysis. In 2023, the company continued investing in a number of more robust risk management activities for its more complex projects to enhance its estimate and assessment process. This included independent assessments from the management of the project, which assesses risks and their potential financial impact.

As mentioned above, when a project is in an early design or implementation stage, the estimate uncertainty is significantly higher. The Group calculates 'the remaining costs to complete on construction projects' through its internally developed projections. Factors such as escalations in material prices, labour costs and other costs are included in these projections based on best estimates as of the balance sheet dates.

Any unanticipated escalation in the subsequent years will require the reassessment of the remaining costs. Due to changes in the scope of construction projects, time lag between the scope changes and costs incurred and realisation of these projects, there could be significant fluctuations in terms of estimated costs between years.

Inherent to the construction industry the company is involved in discussions on the financial settlement of construction projects, including contract variations, the time of completion and the quality level of the work. Most of these discussions are concluded to the satisfaction of all concerned. However, in some cases it is impossible to avoid a discussion ending in legal proceedings.



Financial claims that the company has pending against third parties are generally not capitalised unless it is highly probable that the amount in question will be paid. The claim assessment includes factors like the company's ability to influence the outcome, for example court or arbitration decisions, the experience with similar type of contract and the uncertainty about the claim is not expected to be resolved for a long period of time; Similarly, with insurance claims which are only capitalised when its highly probable that the amount recognised will be reimbursed. Due to the inherent uncertainty in project estimates the actual outcome in the upcoming years may deviate from the estimated financial result specifically for major and complex construction contracts.

Land positions

Land positions are acquired for future development purposes and are recognised at the lower of cost and net realisable value. The net realisable value depends on the expected manner and timing of realisation. The net realisable value is the estimated revenue in the normal course of business less the estimated costs of completion and selling. The future cashflows are estimated using scenario and sensitivity analyses. These scenarios include assumptions relating to the future market developments, decisions of governmental, provincial and municipal authorities and interest rates. The present value estimates are based on a discount rate of 8.4%, inflation has not been included for either revenues or costs, indices are only taken into account if contractually agreed and interest is not capitalised. Further explanation is disclosed in note 9.6.6 Inventories.

Investment property

Investment properties is stated at fair value. An investment property is valued at least annually by an external, independent valuator who possesses recent experience in the relevant locations and categories of investment properties, as well as appropriately

recognized professional qualifications. The independent valuation report was obtained at year end 2023. The method to determine the fair value is the income capitalisation approach, with the discounted cash flow method used as a second, sense check calculation. The fair value measurement for investment properties has been categorised as a Level 3 fair value. In the valuation approach assumptions are included amongst others on estimated net rental income, investment requirements, inflation and discount rate. See further explanation in disclosed in note 9.6.10 Investment properties.

Deferred tax

Considering the history of losses, deferred tax assets arising from unrecognised pre incorporation profit and cumulative tax losses can only be recognised to the extent that it is probable that future taxable amounts will be available to utilise these losses, in accordance with IAS 12. Management utilises judgement to decide the amount of deferred tax asset recognised due to accumulated losses. The estimates are based on Business Plan forecasts approved by the Board, that support that sufficient taxable profits will be available in the Netherlands that can be utilised towards realising the deferred asset. The forecasts include a 10 year horizon and follows from the Business Plan cycle 2024-2028, extrapolated using growth rates for revenue and profit that take external market data and historical performance into account. No specific tax planning opportunities have been taken into account. A deferred tax position is individually assessed by tax region. See further explanation disclosed in note 9.6.14 Deferred tax assets and liabilities.

Provisions

Provisions for doubtful receivables, onerous contracts and provisions for completed projects, restructuring, warranties, associates and joint ventures are recognised when it is probable that an outflow of resources will be required to settle the obligation, the amount



can be reliably estimated and, when applicable, when the company has a present legal or constructive obligation as a result of past events. By their nature, provisions include uncertainty and if the actual outcome differs from the assumptions as to anticipated costs, the estimated provisions will be revised, which could have an effect on the financial position and results of Ballast Nedam. For additional information concerning provisions, see note 9.6.19.

Provisions for doubtful receivables are determined by applying the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Provisions for onerous contracts are recognized based on the assessment of integral contract costs compared to the total contract revenues. In determining if a contract is onerous, the interaction between loss-making performance obligations and profitable performance obligations is considered. The possible financial risks of claims for completed projects cannot be predicted with certainty however Ballast Nedam believes that based on (external) advisors and information received, the amounts included in the provision are the best estimate. Restructuring provisions include managements best estimate of the future outflow of cash related to the reorganisation plans communicated or implemented before end of the reporting period. The warranty provision represents the present value of the management's best estimate of the future outflow of cash that will be required under Ballast Nedam's warranty programme for construction contracts to resolve the deficiencies which appeared after delivery of the project. In determining the provision Ballast Nedam considers the risks and uncertainties of the underlying events and construction partners concerned.

Leases

Ballast Nedam has lease agreements for land and buildings, equipment and motor vehicles as disclosed in note 9.6.12. The lease terms in these agreements are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease contracts are typically made for fixed periods but may have extension options. These extension options are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. The lease liabilities are measured at the present value of the remaining lease payments, discounted using lessee's weighted average incremental borrowing rate. The weighted average incremental borrowing depends on the nature of the leased assets.

Climate related matters

The impact of climate change generates opportunities as well as challenges for the execution of Ballast Nedam's existing and future construction projects. Ballast Nedam's portfolio is positioned to anticipate risks and opportunities related to climate change, which includes targets and actions to further reduce carbon emissions (by electrification of our equipment and lease car fleet and use of biofuels in construction projects) and actions to reduce construction and office waste. It's Ballast Nedam's ambition to become carbon neutral by 2030.

Developments on climate related matters for Ballast Nedam were considered in preparing the consolidated financial statements. The overall impact on the financial statements is limited.



Adoption of the new and the revised International Financial Reporting Standards

The company has applied the following amendment for the first time to its annual reporting period commending January 1 2023:

Amendments to IAS 1 - Disclosure of Accounting Policies

Management analysed other amendments to IFRS (including IAS 12 - International Tax Reform - Pillar Two Model Rules) and concluded that the adoption of these amendments did not have any impact on the amounts in the current period or any prior period and is not likely to affect future periods.

Consolidation principles

Subsidiaries

Subsidiaries are entities in which Ballast Nedam directly or indirectly has control. Control exists if Ballast Nedam has power over the entity, is exposed or has rights to variable returns because of its involvement with the entity; and can use its power over the entity to affect the size of these returns. These subsidiaries are consolidated in full and minority interests where applicable, are separately disclosed. These entities are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Predecessor accounting method is applied for acquisitions of subsidiaries under common control within Rönesans Group and interest in the group is prospectively recognised in the financial statements from the date of the transfer. Ballast Nedam recognises the net assets received at their carrying amounts, as reflected in the parent's financial statements.

Associates and joint ventures

An associate is an entity over which Ballast Nedam has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but there is no control or joint control over those associates. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture. When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.



Joint operations

Joint operations are joint arrangements whereby Ballast Nedam and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the joint operation. The Group recognises its share in the joint operations' individual revenues and expenses, assets and liabilities and includes it on a line-by-line basis with corresponding items in the Group's financial statements.

Elimination of transactions for consolidation purposes

Transactions with subsidiaries, associates and entities over which joint control is exercised are determined at arm's length and eliminated in the same way (proportionately) as other intercompany accounts. Unrealised losses are eliminated in the same way, except when there are impairments.

Business combinations

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition plus the recognised amount of any non-controlling interest in the acquiree.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate

used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other shortterm highly liquid investments of which their maturities are three months or less from date of acquisition and which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables, other short-term receivables and other non-current assets

Trade and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost less a provision for expected credit losses. In measuring the amount of the provision for expected credit losses, Ballast Nedam made use of the simplified approach involving consistent recognition of an allowance at an amount equal to lifetime expected credit losses. To calculate the expected credit losses Ballast Nedam established a provision matrix which is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets and liabilities

Contract assets and liabilities are recognised at cost plus recognised profit (revenue) in



proportion to the progress of fulfilling the performance obligation less invoiced instalments. Interest is capitalised subject to meeting the conditions for capitalising finance expense. The cost of contract assets and liabilities includes directly attributable indirect costs on the basis of normal production capacity. If applicable the provision of foreseeable project losses are directly recognised as expenses in the period and are included in the other provisions (IFRS 15 requirement).

On the balance sheet, the Group reports the net position of the performance obligation as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profit exceed progress billings; a contract represents a liability where the opposite is the case. Preparatory expenses and design and construction costs on large projects (i.e. tendering costs) are included in the cost of contract assets and liabilities if and when Ballast Nedam becomes the sole bidder in contract negotiations. Any preparatory expenses prior to this phase are charged to the income statement.

Inventories

Inventories (raw materials and semi-finished goods) are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realisable value of inventory is less than cost, the inventory is written down to the net realisable value.

Finished goods are measured at the lower of cost and net realisable value. The cost of finished goods is based on the first-in, first-out (FIFO) principle. The cost includes interest subject to meeting the conditions for capitalising finance expense. The cost of finished goods includes

directly attributable indirect costs on the basis of normal production capacity.

Land positions are acquired for future development purposes and are recognised at the lower of cost and net realisable value. The net realisable value depends on the expected manner and timing of realisation. The net realisable value is the estimated revenue in the normal course of business less the estimated costs of completion and selling.

The future cashflows are estimated using scenario and sensitivity analyses. The present value estimates are based on a discount rate of 8,4%. In principle these holdings are not 'in production' and development costs are consequently not capitalised. Interest is capitalised subject to meeting the conditions for capitalising finance expense and at the time the land position is actively developed. The associated costs are expensed. Planning permits and building permits are included in landholdings.

Residential units to be sold are stated at the lower of cost and net realisable value. Interest is capitalised subject to meeting the conditions for capitalising finance expense. The cost of residential building projects includes directly attributable indirect costs on the basis of normal production capacity.

Assets and liabilities held for sale and discontinued operations

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets may be a component of an entity, a disposal group, or an individual non-current asset. These assets are measured at the lower of the asset's carrying amount and the fair value less costs to sell. Depreciation or amortisation of an asset ceases when it is classified as held for sale.



A discontinued operation are components of Ballast Nedam's operations that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or a subsidiary that has been acquired solely for the purpose of resale. Classification as a discontinued operation occurs upon disposal, or when the operation meets the criteria for classification as held for sale, if earlier.

Investment property

Investment property, which is property held to earn rents and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the balance sheet date. The fair value is calculated as the present value of the estimated future cashflows discounted with the effective interest rate. Gains or losses arising from changes in the fair value of investment property is included in the profit or loss in the year in which they arise.

An investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the change in fair value of investment property, retirement or disposal of an investment property are recognised in profit or loss in the year.

Investment property under development

Property that is being constructed for the future use as investment property is accounted for as investment property under development until construction or development is complete, at which time it is reclassified as investment property.

Investment properties under construction are stated at fair value, which reflects market

conditions at the balance sheet date. The fair value is calculated as the present value of the estimated future cashflows discounted with the effective interest rate. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis. If applicable, assets are depreciated using the units of production method.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the profit and loss account.

Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses characteristics of the lease contract and asset. At inception or on reassessment of a contract that contains a lease component, the company allocates the consideration in the contract

to each lease component based on their relative stand-alone prices. Right-of-use assets are measured at cost.

The company remeasures the right of use asset:

- after netting-off depreciation and reducing impairment losses from right of use asset;
 and
- adjusted for certain remeasurements of the lease liability recognised at the present value.

Ballast Nedam depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term. At the end of each reporting period, the company reviews if there is any indication for an impairment of right-of-use assets.

At the commencement date, the lease liability is recognised for an amount equal to the present value of the lease payments over the lease term. Lease liabilities include the net present value of the following lease payments.

The lease liability is subsequently measured based on a process similar to the amortised cost method using the discount rate: the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period and less payments made. The lease liability may be remeasured in case of a change in circumstances.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental

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borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the company remeasures the lease liability to reflect changes to the lease payments. The company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

Goodwill

Chapter 7

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition plus the recognised amount of any non-controlling interest in the acquiree.

Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an object include the carrying amount of goodwill relating to the object sold. Goodwill is allocated to cashgenerating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Cash-generating units to which





goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the intangible assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licences are shown at historical cost and capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with maintaining software are recognised as expenses when incurred.

Impairment of tangible, intangible and right-of-use assets other than goodwill

At the end of each reporting period, the Group reviews if there is any indication for an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced

to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial assets

Financial assets are classified as assets that are:

- carried at amortised cost after initial recognition;
- carried at fair value with gains and losses included in the other components of comprehensive income;
- carried at fair value with gains and losses accounted for in profit or loss.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash-flows. The company's main financial assets are: cash and cash equivalents, trade receivables, other receivables, contract assets and other non-current assets (see disclosures in this chapter).

The financial assets are carried at amortised cost since these financial assets are assets with the objective to collect contractual cash flows of the debt instruments and the contractual terms of the financial asset give rise on certain dates to cash flows exclusively concerning repayments of principal and interest payments on the outstanding amount. On initial recognition, the date on which the company commits to purchase or sell the asset, the amount of financial assets is measured at fair value. Subsequently the financial assets are carried at amortised cost using the effective interest method and are subject to impairment. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.



Impairment losses are recognised in profit or loss in the period they occur. Impairment of financial assets is determined utilising the simplified approach based on the expected lifetime credit losses. Given that there is no significant decline in the credit risk, the credit loss provision continues to be measured at the amount of the lifetime expected credit losses. A financial asset is fully impaired when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities at amortised cost

The company's main financial liabilities are trade payables, contract liabilities, lease liabilities, other liabilities and borrowings (see disclosures in this chapter). These liabilities are carried at amortised cost after initial recognition, using the effective interest method. When a financial liability (or a part thereof) is eliminated or expires, it ceases to be recognised.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss, and only if the criteria in IFRS 9 are satisfied. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group uses forward currency contracts to manage its exposure to foreign currency risk in forecast transactions and firm commitments. Interest rate swaps and interest rate cap options are used to hedge its exposure to interest rate risks.

Trade and other short-term payables

On initial recognition, trade payables and other payable items are measured at fair value. After initial recognition, trade payables and other payable items are carried at amortised cost. The difference between the carrying amount of a financial liability (or part thereof) that is redeemed or is transferred to a third party and the amount paid, including any transfer of assets other than cash and cash equivalents or assumed liabilities, is recognised in profit or loss.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

The receivables and liabilities from income taxes contain claims and obligations from domestic and foreign income tax jurisdictions. These include both the current year and any



claims and obligations from previous years. The receivables and liabilities are calculated on the basis of the tax regulations in the respective countries.

Deferred taxes are recognised for all temporary differences, using the liability method, between the valuations of the balance sheet items in the IFRS consolidated financial statements and the respective tax values applicable to the individual group companies. Furthermore, the probable realisable tax benefit from existing loss carry forwards is included in the calculation. Exceptions to this comprehensive tax accrual are differences arising from non-deductible goodwill. The calculation of the deferred tax is based on the usual income tax rate in the respective country at the time of the expected reversal of the value difference.

Deferred tax liabilities resulting from temporary differences are recognised if the timing of the reversal of temporary differences within the Group can be determined and it is probable that the temporary differences will be reversed in the foreseeable future due to this influence. Deferred tax assets and liabilities will be set off if there is a legally enforceable right to set off current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Borrowings

On initial recognition, long-term loans are measured at fair value less attributable transaction costs. Interest-bearing loans are subsequently carried at amortised cost, with any difference between the cost and the amount repayable recognised in the income statement over the term of the loans on the basis of the effective interest method. Borrowing costs are capitalised only when they are attributable to qualifying assets (none in 2022 and 2023).

Pensions

The pension scheme for office staff qualifies as a defined contribution plan. Under this defined contribution plan, the obligations in respect of the defined contributions are recognised as an expense in the income statement when they fall due. Ballast Nedam has no legal or constructive obligations to make further contributions if the pension fund does not hold appropriate assets to pay all employees the benefits relating to employee service in the current and prior periods. Ballast Nedam's building site employees are covered by the compulsory industry-wide pension scheme for the building industry (bpfBOUW). Under IAS 19 this pension scheme is accounted for as a defined contribution scheme. Ballast Nedam pays contributions to administered pension insurance plans and has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense when they are due.

Employee benefits other than pensions

Ballast Nedam's net obligation in respect of long-term employee benefits (long-service bonuses, long-term illness), with the exception of pension plans, is the sum of the future benefits that employees have earned in exchange for their services during the period under review and in preceding periods. The liability is discounted to present value, taking into account actuarial assumptions.

Termination benefits are recognised when binding offers are made or restructuring, within the scope of IAS 37, is announced. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value (taking into account actuarial assumptions, when relevant).



Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Equity

Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities. The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares. Legal reserves are accounted for based on regulations.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Revenue from contracts with customers

The company recognises revenue based on following five step model in IFRS 15. The company recognises revenue from its customers only when all the following criteria are met:

• the parties to the contract have approved the contract (in writing, orally or in accordance

with other customary business practices) and are committed to perform their respective obligations;

- the company can identify each party's rights regarding the goods or services to be transferred;
- the company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance;
- it is probable that the company will collect the considerations to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of considerations when it is due.

Ballast Nedam evaluates if it is possible to account for a contract at the contract level as a single performance obligation or the promises in the contract are distinct and qualify as a separate performance obligation.

The transaction price is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It includes initial amounts agreed in the contract plus any variation orders in the contract work and variable consideration (like variation orders, claims and bonusses), to the extent that it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved. The transaction price (and any subsequent changes in estimate of the transaction price) is allocated to each separate performance obligation based on the relative stand-alone selling price of each performance obligation. The transaction price is not adjusted for the effects of a significant financing component, since while deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months.



Revenue is recognised as soon as control is transferred to the customer. Control can transfer at a point in time or over time. Construction contracts generally meet the criteria to recognise revenue over time, since the company is building on the land of the client or improving an asset of the customer that the customer controls. Ballast Nedam evaluates for each construction contract whether any of the criteria for recognition of revenue over time are met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The stage of completion on projects is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract, except where this would not be representative of the stage of completion. The stage of completion excludes costs for uninstalled materials and costs that are incurred to fulfil a contract, such as mobilisation costs and costs incurred due to inefficiencies. Costs for mobilisation are recognised as a separate asset if these costs are expected to be recovered; no material mobilisation costs were identified. For performance obligations that are transferred at a point in time, revenues and costs are recognised in profit or loss when the customer receives the ability to direct the use of the asset and substantially obtains all the benefits of it.

Onerous construction contracts

Estimates of project management are used to assess the progress and estimated outcome of a performance obligation. When it becomes probable that the total expected costs

to complete all performance obligations in a contract exceed the total transaction price (consideration) of these performance obligations, a loss provision is recognised for the lower of the unavoidable costs and the costs of termination. Loss provisions are separately disclosed as a provision. The provisions show the expected negative result of the contract, based on the progress of the project. In determining the onerous contract provision Ballast Nedam applies for revenue base the 'economic benefits to be received' and for cost base the 'unavoidable costs' (qualified as integral costs). The integral costs approach is in line with the IFRS 15 definition regarding costs to fulfil a contract.

Financing components

Ballast Nedam generally does not have any significant contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer, as contractually agreed, exceeds one year. If applicable, the transaction prices are adjusted for the time value of money.

Revenues generated from sale of apartments or residential units

Residential development projects include components such as the sale of land and the realisation of residential buildings. The revenue from the sale of land is realised at the moment the civil law notary transfers the title, while the revenue from the buildings is realised during the construction period.

Revenue is measured at the transaction price agreed under the contract taking into account the variable considerations. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.



The company's construction contracts generally meet the criteria to recognise revenue over time, since the projects are specialised assets which are built specifically for the client and frequently on a customer's site. Reference is made to 'Revenue from contracts with customers'.

Rendering of services

In addition to construction Ballast Nedam provides services within the Infrastructure, Building and Development segments. The service revenue arises from maintenance and other services supplied to infrastructure assets and facilities, which may involve a range of services and processes. The individual services have been determined to be one performance obligation. Ballast Nedam has assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by Ballast Nedam. Revenue therefore continues to be recognised over time in the period in which the services are rendered.

Trading and other revenue

Rental income from equipment

Revenue is measured at the transaction price agreed under the rental contract. Lease income from operating leases where Ballast Nedam is a lessor is recognised in income on a straight-line basis over the lease term. Further details refer to paragraph 9.6.12 Right of use assets.

Rental income from investment properties

Revenue is measured at the transaction price agreed under the rental contract. Rental income generated from real estate development projects is recognised on an accrual basis and included in the accounting period in which the rental services are rendered.

Further details refer to paragraph 9.6.10 Investment Properties.

Income from selling of construction equipment and materials

Revenue is recognised when control of the products has transferred, being when the equipment is delivered to the customer, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products in accordance with the sales contract. No significant element of financing is deemed present as the sales are made with a reasonable credit term, which is consistent with market practice.

Contract costs

All costs related to satisfied performance obligations and costs related to inefficiencies (that is, abnormal costs of materials, labour, or other costs to fulfil) are expensed as incurred. Incremental costs of obtaining a contract are costs that the entity would not have incurred if the contract had not been obtained and are recognised as an asset if they are expected to be recovered. As a practical expedient, costs are expensed as incurred if the amortisation period of the asset that otherwise would have recognised is one year or less.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained (for example, certain bid costs) are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. Direct costs of fulfilling a contract are accounted for in accordance with other standards (for example, inventory, intangibles, fixed assets) if they are within the scope of that guidance. Direct costs of fulfilling a contract are capitalised if not within the scope of other standards and if they relate directly to a contract, relate to future performance, and are expected to be recovered under the contract.



Cost of revenue includes, but is not limited to, personnel expenses, raw materials and supplies expenses, worksite expenses, subcontractor expenses, transportation and customs expenses, cost from sale of residential units, consultancy expenses, office administration expenses, flight operations expenses, depreciation and amortisation expenses, insurance expenses, machinery, equipment and other rent expenses, energy and fuel expenses, tax and legal expenses, travel expenses, cost of goods sold, loss allowance of trade receivables, provision for impairment of inventories, cost of electricity sold, energy transmission and distribution expenses, maintenance and repair expenses, outsourcing expenses, operating expenses, heating expenses, other utilities expenses, etc.

Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions related to them and that the grants will be received. Grants related to income are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. They are recognised in other income.

Net finance expense

The net financing expense comprises the interest income and expense, including those on borrowings calculated using the effective interest method and interest on the lease liability. Gains and losses on exchange are recognised in the income statement in earnings before interest and taxes. Gains or losses on derivative financial instruments are recognised as finance income or expenses.

Income tax expense

Tax is calculated on the result from ordinary operations, allowing for tax-exempt items and based on the applicable tax rates for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the income statement except in relation to items recognised directly in the consolidated statement of comprehensive income.

Deferred tax is recognised using the statement of financial position method for temporary differences between the reported carrying amounts and tax bases of assets and liabilities, and for future carry-forward losses, and is accounted for on the basis of the applicable tax rates for the periods when the temporary differences are expected to be reversed.

Statements of cashflows

Current period statements of cashflows are categorised and reported as operating, investing and financing. Cashflows from operating activities show cashflows provided from the Group's operations. Cashflows from investing activities summarise the Group's cashflows used in or generated from investing activities (fixed and financial investments). Cashflows from financing activities summarise the Group's cashflows from liabilities and the back payments of these liabilities benefited in financing needs of the Group. The cashflow statement is prepared utilising the indirect method.

Related parties

Related parties are individuals or entities that are related to the Group. Related party transactions are transfers of resources, services or liabilities between related parties and the reporting entity, regardless of whether or not against remuneration.

9.6.3 Cash and cash equivalents

The total cash and cash equivalents amounting to $\$ 122.9 million (2022: $\$ 171.0 million) includes $\$ 25.7 million of balances from joint operations (2022: $\$ 28.3 million). The cash and cash equivalents from joint operations are only available in consultation and agreement with the joint operations partners.

9.6.4 Trade receivables

The details of the trade receivables of the Group as at balance sheet dates are as follows:

Current trade receivables	2023	2022
Contract receivables	129,203	145,871
Retention held by clients	7,376	9,933
Trade receivables	3,813	8,104
Trade receivables from related parties	8,031	665
Loss allowance for trade receivables (-)	(817)	(899)
Total current trade receivables	147,606	163,674

Contract and trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. These transactions were made on normal commercial terms and conditions. The Group uses prepayments, guarantees and collateral (rights of retention) on projects under construction in order to limit the credit risk on the above categories of instalments and trade receivables. The average collection period is 58 days (2022: 39 days). References are made to note 9.6.32 with respect to receivables from related parties. The nature and level of the risks on trade receivables are disclosed in note 9.6.29.

The aging of overdue receivables is as follows:

Aging of overdue receivables	2023	2022
Overdue by 1-30 days	24,947	22,156
Overdue by 1-3 months	4,732	5,401
Overdue by 3-12 months	11,159	17,503
Overdue by 1-2 years	18,927	2,597
Total overdue receivables	59,765	47,657

Movements on the Group's provision for loss allowance of trade receivables for the year ended 31 December 2023 and 31 December 2022 are as follows:

Movement of loss allowance of trade receivables	2023	2022
Balance at the beginning of the period	(899)	(1,330)
Charge for the period	(33)	(197)
Reversal	5	497
Collections	111	124
Exchange rate differences	(1)	7
Balance at end of the period	(817)	(899)



9.6.5 Other short-term receivables

Non-trade receivables from related parties include receivables from joint ventures and associates. The activities in joint ventures include the assignment and financing of land as well as carrying out construction contracts. In addition, non-trade receivables from related parties include renaissance group companies. Other receivables include primarily the Group's share of receivables of partners in the joint operations, totalling € 17,761 thousand (2022: € 14,157 thousand) and funds on an escrow account totalling € 1,566 thousand (2022: € 311 thousand).

Other short-term receivables	2023	2022
Non-trade receivables from related parties	134,143	93,345
VAT receivable	2,089	3,791
Other receivables	71,947	56,701

Total Other short-term receivables	208,179	153,837
Total other short term receivables	200,275	100,007

9.6.6 Inventories

The accumulated impairment recognised within land to be developed for projects amounts to $\[\le 4,934 \]$ thousand (2022: $\[\le 4,934 \]$ thousand). In 2023, no impairment has been recognized (2022: $\[\le 6 \]$ nil) and no impairments of land positions have been reversed (2022: $\[\le 7 \]$ thousand). The allowance for inventories amounts to $\[\le 34 \]$ thousand (2022: $\[\le 34 \]$ thousand). The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories, the production or conversion costs, and the other costs incurred in bringing the inventories to its current location and current condition.

Inventories	2023	2022
Raw materials	10,762	13,221
Lands to be developed for projects	80,041	76,837
Residential units to be sold	18,432	12,853
Finished goods	2,020	5,823
Allowance for inventory	(34)	(34)
Total inventories	111,221	108,700

9.6.7 Short-term prepaid expenses

Prepaid expenses of the amount of € 31,919 thousand (2022: € 39,671 thousand) are mainly related to the prepayments on projects and the general administrative expenses including insurance and rent costs.

9.6.8 Contract assets and contract liabilities

Contract assets and contract liabiliaties		2023	
	Contract assets	Contract liabilities	Net position
Cost less provisions for losses and risks, plus profit based on percentage of completion	963,133	321,278	
Less: progress billings	(821,603)	(454,764)	
Total	141,530	(133,486)	8,044
Contract assets and contract liabiliaties			
Contract assets and contract liabiliaties		2022	
Contract assets and contract liabiliaties	Contract assets	2022 Contract liabilities	Net position
Cost less provisions for losses and risks, plus profit based on		Contract	Net position
Contract assets and contract liabiliaties Cost less provisions for losses and risks, plus profit based on percentage of completion Less: progress billings	assets	Contract liabilities	Net position



The value of contract assets and liabilities is assessed periodically for each project by the project manager and the management of the entity concerned. Estimates are an inherent feature of this process and the assessment is made on the basis of records in project files, cost monitoring, including estimates of financial settlements of projects such as contract variations and claims. It may turn out at a later stage that actual results differ from the estimates. This is particularly relevant for long-term projects that include considerable customisation. It can also occur if there are unsettled claims or discussions with clients about additional work that are still continuing on the closing date. Further consideration about project estimates are included in paragraph 9.6.2.

Contract assets under current assets consists of all construction contracts where the expenses incurred plus the recognised profit, minus the recognised losses, exceed the instalments invoiced. Contract liabilities under current liabilities consist of all construction contracts where the expenses incurred plus the recognised profit, minus the recognised losses, are less than the instalments invoiced.

The contract assets and liabilities predominantly have a term of less than 12 months. The revenue recognised that was included in the contract liability balance at the beginning of the period amounts to € 137,693 thousand.

Transaction price remaining performance obligations

The table on the right includes revenue expected to be recognised in the future related to performance obligations that are (partially) unsatisfied at the reporting date.

31 December 2023	2024	2025	After 2025	Total
Expected revenue from (partially) unsatisfied performance obligations with original expected duration of > 1 year	728,001	362,498	227,737	1,318,236

31 December 2022	2023	2024	After 2024	Total
Expected revenue from (partially) unsatisfied performance obligations with original expected duration of > 1 year	869,944	323,050	248,802	1,441,796

9.6.9 Investments accounted for using the equity method

At 31 December 2023, in the opinion of management, no joint venture is material to the Group. Set out below is the aggregate information to the Group. The net result is composed of profit or loss from continuing operations and is equal to total comprehensive income.

Share in net result investments valued using equity method	2023	2022
Share in net result joint ventures that are not individually material to the Group	(3,727)	5,734
Share in net result associates that are not individually material to the Group	1,532	1,779
Share in net result associates without significant influence	1,021	659
Total	(1,174)	8,172
Investments accounted for using the equity method	2023	2022
Share in equity joint ventures that are not individually material to the Group	24,429	28,291
Share in equity associates that are not individually material to the Group	9,501	8,469
Share in equity associates without significant influence	4,779	4,172
Total	38,709	40,932



Set out below is the movement schedule of not individually material joint ventures and associates to the group:

Individual not material joint ventures and associates to the group	2023	2022
Opening balance	40,932	24,909
Share on (loss) / profit of investments valued using equity method	(1,174)	8,172
Dividends received	(2,616)	(2,684)
Disposals	(16)	(1,058)
Change in legal reserve	(1,904)	7,121
Transfer to provision negative joint ventures	709	557
Funding joint ventures	920	2,242
Exchange rate fluctuations	1,858	1,673
Closing balance	38,709	40,932

9.6.10 Investment properties

Investment properties	2023	2022
Opening balance	56,825	50,075
Investment	4,947	6,369
Change in fair value	-	381
Closing balance	61,772	56,825
Investment properties under development	2023	2022
	2023 14,802	2022 6,450
Opening balance		
Opening balance Investment	14,802	6,450
Investment properties under development Opening balance Investment Disposal Change in fair value	14,802 7,972	6,450

The net income from operational leases of investment property is limited. Ballast Nedam utilises an external, independent valuator who, having the appropriately recognised professional qualifications, values the investment property at least annually. The independent valuation report was obtained at year-end 2023. The method to determine the fair value which is applied is the income capitalisation approach, with the discounted cash flow method used as a second, sense check calculation. The approach is sensitive to changes in parameters and is subject to numerous variables (positive or negative) like planning permission, market conditions, or delay to start of construction. The fair value measurement for investment properties has been categorised as a Level 3 fair value. The main Level 3 inputs are rental values, square meters, post-tax discount rates (8.4%), inflation rate (2.5% - 3.1%) and internally based budgets based on management's experience and knowledge of property construction and market conditions. A change in construction costs or estimated rental value of \pm 5.0% results in a change of the fair value of the property with about \pm 5.0%.



9.6.11 Property, plants and equipment

	Buildings	Machinery and equipment	Other tangible assets	Total
Cost				_
Opening balance 1 January 2023	49,044	102,265	9,435	160,744
Additions	3,159	4,504	319	7,982
Disposals	(100)	(17,761)	(357)	(18,218)
Assets held for sale	(9,737)	(6,090)	(522)	(16,349)
Closing balance 31 December 2023	42,366	82,918	8,875	134,159
Accumulated depreciation and impairment				
Opening balance 1 January 2023	(31,480)	(77,025)	(6,826)	(115,331)
Cum. depreciation - disposals	100	15,489	324	15,913
Assets held for sale	6,555	4,464	512	11,531
Depreciation	(1,736)	(5,064)	(935)	(7,735)
Exchange rate fluctuations	3	1	-	4
Closing balance 31 December 2023	(26,558)	(62,135)	(6,925)	(95,618)
Carrying value as of 31 December 2023	15,808	20,783	1,950	38,541

Other tangible assets mainly include lease hold improvements and ICT hardware.

Several property, plants and equipment items are pledged as collateral under the bank loan agreements to an amount of € 20.0 million (2022: € 20.0 million).

	Buildings	Machinery and equipment	Other tangible assets	Total
Cost				
Opening balance 1 January 2022	47,287	97,167	8,226	152,680
Additions	1,693	9,875	713	12,281
Disposals	(120)	(5,515)	(59)	(5,694)
Acquisitions	184	738	555	1,477
Closing balance 31 December 2022	49,044	102,265	9,435	160,744
Accumulated depreciation and impairment				
Opening balance 1 January 2022	(30,225)	(76,504)	(6,129)	(112,858)
Cum. depreciation - disposals	120	5,033	58	5,211
Depreciation	(1,375)	(5,551)	(755)	(7,681)
Exchange rate fluctuations	-	(3)	-	(3)
Closing balance 31 December 2022	(31,480)	(77,025)	(6,826)	(115,331)
Carrying value as of 31 December 2022	17,564	25,240	2,609	45,413

The useful lives used in the calculation of depreciation are as follows:

	Useful Life
Buildings	10-30 years
Machinery and equipment	5-20 years
Other tangible assets	2-10 years

From the total depreciation of \leqslant 7,735 thousand (2022: \leqslant 7,681 thousand) \leqslant 6,135 thousand was charged to costs of revenue (2022: \leqslant 6,446 thousand) and \leqslant 1,600 thousand to general costs (2022: \leqslant 1,235 thousand).



9.6.12 Right of use assets

Movement schedule right of use assets:

	Land	Buildings	Machinery and equipment	Motor vehicles	Total
Cost					
Opening balance 1 January 2023	1,088	20,958	9,578	14,781	46,405
Additions	-	625	6,501	1,251	8,377
Disposals	(1,088)	-	(2,518)	(2,812)	(6,418)
Closing balance 31 December 2023	-	21,583	13,561	13,220	48,364
Accumulated depreciation					
Opening balance 1 January 2023	(953)	(10,985)	(3,549)	(6,676)	(22,163)
Disposal	1,088	-	2,479	2,812	6,379
Depreciation	(135)	(3,089)	(1,499)	(3,496)	(8,219)
Closing balance 31 December 2023	-	(14,074)	(2,569)	(7,360)	(24,003)
Carrying value as of 31 December 2023	-	7,509	10,992	5,860	24,361
	Land	Buildings	Machinery and equipment	Motor vehicles	Tota
Cost					
Opening balance 1 January 2022	1,088	17,060	8,166	10,022	36,336
Additions	-	3,972	5,154	5,086	14,212
Disposals	-	(74)	(3,742)	(327)	(4,143)
Closing balance 31 December 2022	1,088	20,958	9,578	14,781	46,405
Accumulated depreciation					
Opening balance 1 January 2022	(564)	(7,902)	(3,419)	(3,457)	(15,342)
Disposal	_	58	3,347	258	3,663
Depreciation	(389)	(3,141)	(3,477)	(3,477)	(10,484)
OL	(953)	(10,985)	(3,549)	(6,676)	(22,163)
Closing balance 31 December 2022	(333)	(10,500)	(0,010)	(0,070)	,,_

	Useful Life
Land	3-10 years
Buildings	3-10 years
Machinery and equipment	3-8 years
Motor vehicles	1-5 years

From the total depreciation of \in 8,219 thousand (2022: \in 10,484 thousand) \in 2,270 thousand (2022: \in 4,429 thousand) was charged to costs of revenue and \in 5,949 thousand (2022: \in 6,055 thousand) to general costs. The statement of profit or loss and statement of cashflow shows the following relating to leases:

2023
8,219
914
9,765
2022
10,484
1,003
11,528



9.6.13 Intangible assets

	Rights	Other	Goodwill	Tota
Cost				
Opening balance 1 January 2023	1,508	12,262	15,426	29,196
Addition	-	34	-	34
Acquisition of subsidiaries	-	-	70	70
Exchange rate fluctuations	-	-	96	96
Disposals	-	(32)	-	(32)
Closing balance 31 December 2023	1,508	12,264	15,592	29,364
Accumulated Amortisation				
Opening balance 1 January 2023	(1,430)	(7,096)	-	(8,526
Disposals	-	32	-	32
Amortisation	(20)	(1,429)	-	(1,449
Exchange rate fluctuations	-	12	-	12
Closing balance 31 December 2023	(1,450)	(8,481)		(9,931
Carrying balance as of 31 December 2023	58	3,783	15,592	19,433
	Rights	Other	Goodwill	Tota
Cost				
Opening balance 1 January 2022	1,508	9,915	12,606	24,029
Addition	-	316	-	310
Acquisition of subsidiaries	-	2,031	2,992	5,02
Exchange rate fluctuations	-	-	(172)	(172
Closing balance 31 December 2022	1,508	12,262	15,426	29,190
Accumulated Amortisation				
Opening balance 1 January 2022	(1,411)	(5,817)	-	(7,228
Amortisation	(19)	(1,279)		(1,298
Closing balance 31 December 2022	(1,430)	(7,096)	-	(8,526
Carrying balance as of 31 December 2022	78	5,166	15,426	20,670

Rights consist of the founders lounge of Amsterdam Arena in the Netherlands. Other intangible assets consist of computer software and identified intangible assets at the acquisition of Willems Beheer B.V., Mouwrik Bouw B.V. and ABC Ltd. The useful lives used in the calculation of amortisation for intangible assets are as follows:

	Useful Life
Rights	30 years
Other	3-20 years

The amortisation of € 1,449 thousand was included in the cost of revenue (2022: € 1,298 thousand).

Goodwill

Goodwill is allocated at acquisition date, to the cash-generating units (CGU). An impairment test is performed annually, or earlier if there are indications of impairment. The CGU is the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill relates to 5 entities, of which Willems Beheer B.V., (€ 9.3 million) is most significant.

The recoverable amount of goodwill for impairment testing purposes is based on a value in use calculation by means of the discounted cash flow method. The method uses cash flow projections based on historical performance and the forecasts which are based on the Business Plan cycle 2024-2028, as approved by the Board, after which a terminal value is used in a bandwith of 2%-4%. The key assumptions for the value-in-use calculations are those regarding revenue growth rate, a stable profit before tax margin, pre-tax weighted average cost of capital 9.2%, based on the market participants' view on rates of return required for investments equivalent to those in the company. There are no current or



accumulated impairment losses on goodwill. The impairment test and sensitivity analysis around the key assumptions have indicated sufficient headroom for all CGUs and as such a reasonably possible change in any of the assumptions would not cause the recoverable amount to be less than the carrying value. Based on both quantitative and qualitative factors management has concluded that for those CGUs an impairment is not necessary.

9.6.14 Deferred tax assets and liabilities

The movement in the statement of financial position of the deferred tax assets in as follows:

Deferred tax assets	2023	2022
Opening balance 1 January	31,554	28,605
Recognition of carry-forward losses	4,464	6,293
Realised carry-forward losses	(4,200)	(3,344)
Closing balance 31 December	31,818	31,554

The deferred tax assets to be recovered within and after more than 12 months' amount to € 4.5 million and € 27.3 million respectively. The recognised deferred tax assets relate to the unrecognised pre incorporation profit and tax losses available to the fiscal unity in the Netherlands. The unused tax losses relate to years 2012 up to and including 2017. A relatively small number of mainly large infra projects caused these losses. Ongoing measures are taken to prevent such losses. The recognised tax losses from prior years are infinitely deductible. The Dutch corporate tax rates applicable in 2023 and upcoming years are 25.8%.

A deferred tax asset is recognised to the extent that it is probable, based on Business Plan forecasts approved by the Board, that sufficient taxable profits will be available in the Netherlands that can be utilised towards realising the deferred asset. The forecasts are based on the Business Plan cycle 2024-2028, extrapolated using growth rates for revenue and profit that take external market data and historical performance into account. No specific tax planning opportunities have been taken into account.

The fair value change in Investment Properties in 2023 has not been recognised as a deferred tax liability, since that liability can be set off with carry-forward losses. Consistent with prior years, management has determined that the Dutch tax group has approximately € 349 million of carry-forward losses (2022: approximately € 366 million), for which a deferred tax asset of € 31,818 thousand (2022: € 31,554 thousand) has been recognised. These losses can be carried forward infinitely.

Besides carry-forward losses, Ballast Nedam's Dutch tax group has unrecognised preincorporation profit of approximately € 59 million (2022: € 61 million) from foreign permanent establishments which are eligible for set-off to prevent double taxation. In addition, Ballast Nedam still has carry-forward losses in foreign countries which have not been recognised, as is not considered probable they can be utilised.

The deferred tax liability € 834 thousand (2022: € 470 thousand) relates to tax differences of investments in foreign subsidiaries.



9.6.15 Short- / long-term borrowings

The details and redemption schedule of the borrowings are as follows:

Net debt and cash	2023	2022
Cash and cash equivalents	122,852	171,022
Borrowings - repayable within one year	(110,848)	(47,998)
Borrowings from related parties - repayable within one year	(10,000)	(10,000)
Borrowings - repayable after one year	(81,266)	(108,549)
Borrowings from related parties - repayable after one year	(12,498)	(11,546)
Lease liabilities - repayable within one year	(8,141)	(8,762)
Lease liabilities - repayable after one year	(15,604)	(15,862)
Net debt and cash	(115,505)	(31,695)
Cash and cash equivalents	122,852	171,022
Gross debt - fixed interest rates	(158,368)	(179,860)
Gross debt - variable interest rates	(79,989)	(22,857)
Net debt and cash	(115,505)	(31,695)

	Net assets		Liabilities from financing activities					
	Cash and cash equivalents	Lease liabilities - repayable within one year	Lease liabilities - repayable after one year	Borrowings - repayable within one year		Borrowings - repayable after one year	Borrowings from related parties - repayable after one year	Tota
Net debt and cash as at 1 January 2022	252,802	(8,289)	(13,125)	(27,683)	-	(114,300)	-	89,405
Cash flow movement	(81,780)	(473)	(2,737)	(20,315)	(10,000)	5,751	(11,546)	(121,100)
Net debt and cash as at 31 December 2022	171,022	(8,762)	(15,862)	(47,998)	(10,000)	(108,549)	(11,546)	(31,695)
Net debt and cash as at 1 January 2023	171,022	(8,762)	(15,862)	(47,998)	(10,000)	(108,549)	(11,546)	(31,695)
Cash flow movement	(48,170)	621	258	(62,850)	-	27,283	(952)	(83,810)
Net debt and cash as at 31 December 2023	122,852	(8,141)	(15,604)	(110,848)	(10,000)	(81,266)	(12,498)	(115,505)

The applicable margin of the bank loans with a fixed interest rate is between 1.8% and 8.0%. All the loans have fixed interest rates with exception of loans with a total amount of \in 85.0 million. Borrowings to be repaid within one-year amount to \in 120,848 thousand. Borrowings to be repaid between 1 and 2 years amount to \in 55,933 thousand, borrowings to be repaid between 2 and 3 years amount to \in 28,943 thousand, borrowings to be repaid between 3 and 4 years amount to \in 4,444 thousand and borrowings to be repaid between 4 and 5 years amount to \in 4,444 thousand. Non-financial assets amounting to \in 128,480 thousand (2022: \in 134,066 thousand) are pledged as collateral with respect to the bank borrowings.



9.6.16 Trade payables

The details of the trade payables of the Group as at balance sheet dates are as follows:

Trade payables	2023	2022
Trade payables	163,337	240,591
Trade payables to related parties	498	1,800
Retention payables	1,318	1,246
Other trade payables	11,811	10,242
Total trade payables	176,964	253,879

Average maturity for trade payables is approximately 47 days (31 December 2022: 40 days). Risk characteristics and fair values of trade receivables and trade payables are disclosed in note 9.6.29. These transactions were made on normal commercial terms and conditions.

9.6.17 Other short-term payables

Other short-term payables	2023	2022
Non-trade payables to related parties	25,207	22,652
Other short-term payables	51,499	35,764
Total other short-term payables	76,706	58,416

Non-trade payables to related parties (see note 9.6.32). Other short-term payables include the Group's share of the payables of the partner(s) in the joint operations, total amount € 33,362 thousand (2022: € 19,341 thousand), accruals for invoices to be received € 14,591 thousand (2022: € 7,453 thousand) and other items which are individually immaterial. These transactions were made on normal commercial terms and conditions.

9.6.18 Payables for employee benefits

Short-term payables employee benefits	2023	2022
Salary payable to personnel	134	168
Social security premiums payable	8,670	8,120
Other payables for employee benefits	1,747	1,877
Total short-term payables employee benefits	10,551	10,165
Short-term provisions related to employee benefits	2023	2022
Unused vacation pay liability	3,012	2,958
Other short term provisions related to employee benefits	857	-
Total short-term provisions related to employee benefits	3,869	2,958
Long-term provisions related to employee benefits	2023	2022
Jubilee provision	545	762
Illness provision	208	590
Total long-term provisions related to employee benefits	753	1,352

Other long-term employee benefits consist of long-term illness and long-service bonuses. The discount rate of the provision for long-term illness and long-service bonuses was 2.3% (2022: 2.6%). In addition, the long-service bonus includes expectation on retention rate of 85% (2022: 88%) and salary increases consistent with collective labour agreements.

Pensions

Ballast Nedam makes contributions to defined benefit schemes as well as defined contribution schemes. The pension schemes in the Netherlands are subject to the regulations as specified in the Pension Act. Due to the Pension Act, the pension plans need to be fully funded and need to be operated outside the company through a separate legal entity.

Several multi-employer funds and insurers operate the various pension plans. Ballast Nedam has no additional responsibilities for the governance of these schemes. The basic pension for every employee is covered by multi-employer funds in which also other companies participate based on legal obligations. These funds have an indexed average salary scheme and are therefore defined benefit schemes. Specifically, these are the industry pension funds for Building & Infra, Concrete Products, Agricultural Machinery Operating and Metal & Technology industries. As these funds are not equipped to provide the required information on the company's proportionate share of pension liabilities and plan assets, the defined benefit plans are accounted for as defined contribution plans. The Group is obliged to pay the predetermined premium for these plans. Ballast Nedam may not reclaim any excess payment and is not obliged to make up any deficit, except by way of the adjustment of future premiums. For employees with salaries exceeding industry pension funds maximum pensionable salaries (top-up arrangement), which are not covered by multi-employer funds, operation and administration are carried out by external parties and relates to defined contribution schemes. The Group has no liabilities with regards to paying premiums for this scheme. With effect from 2006, the defined benefit scheme is closed for new entrants. The build-up of future pension entitlements for these employees is covered by the multiemployer funds or external insurance companies. Defined benefit schemes are closed for future accumulation and index-linked to the industry pension fund for Building & Infra.

The coverage ratio of the industry pension scheme for the building industry (bpfBOUW) is accounted for as a defined contribution pension scheme and was estimated as 124.7% for the year 2023 (2022: 131.5%). The coverage ratio for pension scheme Bpf Betonproductenindustrie also accounted for as a defined contribution pension scheme was estimated as 111.5% for the year 2023 (2022: 112.4%).

9.6.19 Other short-term and long-term provisions

Short-term provisions amount to € 27,070 thousand (2022: €43,847 thousand) and includes € 3,869 thousand (2022: € 2,958 thousand) provisions related to employee benefits (note 9.6.18) and € 23,201 thousand (2022: € 40,889 thousand) other short-term provisions. The long-term provisions amount to € 11,198 thousand (2022: € 6,553 thousand) and includes € 753 thousand (2022: € 1,352 thousand) provisions related to employee benefits (note 9.6.18) and € 10,445 thousand (2022: €5,201 thousand) other long-term provisions.

Short-term provisions	2023	2022
Warranty provisions	2,707	4,533
Provision for joint ventures	3,761	3,052
Provision onerous contracts	10,316	24,216
Restructuring provisions	2,751	2,228
Other short-term provisions	3,666	6,860
Total short-term provisions	23,201	40,889
Long-term provisions	2023	2022
Warranty provisions	5,080	1,908
Provision onerous contracts	5,321	3,293
Restructuring provisions	44	-
Total long-term provisions	10,445	5,201

The company expects that all the provisions will be substantively used within one to five years.



Movements of warranty provisions	2023	2022
Opening balance 1 January	6,441	5,721
Transfer from contract liabilities	3,322	2,302
Charge for the year	1,989	3,317
Utilisation	(2,625)	(2,324)
Liabilities held for sale	(45)	-
Reversal	(1,295)	(2,575)

Closing balance 31 December	7,787	6,441
< 1 year	2,707	4,533

The provision for warranty claims represents the present value of the management's best estimate of the future outflow of economic benefits that will be required under Ballast Nedam's warranty programme for construction contracts. In 2023, the addition to warranty provisions from completed projects amounted to € 3,322 thousand (2022: € 2,302 thousand). The release amounted to € 1,295 thousand (2022: € 2,575 thousand) and relates to previously completed projects of which the warranty period expired. The warranty costs provided for is partly dependent on the estimated allocation of the claim to the related construction partners. It is expected that most of the warranty costs will occur in the upcoming year.

Movements of other provisions	2023	2022
Opening balance 1 January	6,860	6,721
Reclassification	(0)	670
Charge for the year	840	988
Utilisation	(716)	(607)
Reversal	(3,318)	(912)
Closing balance 31 December	3,666	6,860
< 1 year	3,666	6,860

The reclassification is € nil (2022: € 670 thousand). In 2022 this consisted of a transfer from contract liabilities to provisions. The possible financial risk of the claims cannot be predicted with certainty, however Ballast Nedam believes that based on (external) advisors and information received, the amounts included in the provision are the best estimate. Ballast Nedam also takes into account whether or not financial risks are covered by the insurance policies. The charge for the year of € 840 thousand was included in the statement of profit and loss (2022: € 988 thousand) and refers mainly to claims positions. The utilisation of € 716 thousand (2022: € 607 thousand) relates to the settlement of claims.

Movements of provision for joint ventures	2023	2022
Opening balance 1 January	3,052	2,495
Addition	1,693	1,048
Utilisation	(984)	(491)
Closing balance 31 December	3,761	3,052
< 1 year	3,761	3,052

The provision for joint ventures relates to joint ventures in which Ballast Nedam's share is negative. The increase in this provision in 2023 had mainly to do with losses of joint ventures not fully offset by capital contributions.

Movements of provision onerous contracts	2023	2022
Opening balance 1 January	27,509	30,915
Addition	31,816	59,104
Utilisation	(43,688)	(62,510)
Closing balance 31 December	15,637	27,509
< 1 year	10,316	24,216



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The provision is based on estimates from project team to assess the result of a performance obligation and the future progress on the project. If a contract with a client for the execution of a project shows a loss, the entire amount of the loss is immediately recognised in the statement of profit or loss and included as a provision for losses on work in progress in the provisions in the statement of financial position. In addition, the provision includes amounts for enforceable obligations originating from the period that a contract was still in force.

Movements of restructuring provisions	2023	2022
Opening balance 1 January	2,228	2,339
Reclassification	-	171
Charge for the year	4,068	1,134
Utilisation	(2,601)	(1,416)
Reversal	(900)	(2)

Closing balance 31 December	2,795	2,226
< 1 year	2,751	2,226

The charge for the year of € 4,068 thousand is mainly related to the wind down of the central Building Projects Organisation, which include costs related to certain staff compensation and restructuring which continued in 2023 (2022: € 1,134 thousand). A provision for restructuring is only recognised once the decision to execute a restructuring is concluded and announced.

9.6.20 Other short-term liabilities

Other short-term liabilities	2023	2022
VAT payable	21,742	34,224
Corporate income tax liabilities	2,495	1,285
Total other short-term liabilities	24,237	35,509

The corporate income tax liabilities are related to the subsidiaries outside the fiscal unity of Ballast Nedam.

9.6.21 Other long-term payables

Other long-term payables	2023	2022
Non-trade payables to related parties	5,868	3,773
Other long-term payables	1,646	2,057
Total other long-term payables	7,514	5,830

9.6.22 Shareholders' equity

The name of shareholder	%	2023	%	2022
Renaissance Construction B.V.	100%	2,203	100%	2,203
Total paid in capital	100%	2,203	100%	2,203

The authorised capital consists of 800,000,000 ordinary shares and amounts to \in 8 million. The issued and fully paid share capital consists of 220,300,000 ordinary shares each at a par value of \in 0.01.

Translation differences arise on the conversion of the investments in foreign activities, including semi-permanent financing, and on the differences between results translated at the average exchange rate during the year and the exchange rate prevailing at the end of the reporting period.



The other reserves include the legal reserve which are the fair value change in investment properties and the hedging reserve which comprises the cumulative net movement in the fair value of derivative financial instruments from joint ventures.

The Board of Management proposed that the net result for the year will be added to the accumulated losses within the shareholders' equity. No dividend payment proposed or declared.

9.6.23 Revenue

Total revenue

Revenue	2023	2022
Revenue from construction activities	1,065,393	1,403,341
Revenue from maintenance services	13,701	10,777
Trading and other revenue	33,641	16,645

1,112,735

1,430,763

The revenues from construction activities are mainly from the execution of projects in residential and non-residential building and mobility. The revenue from Construction activities from stand-alone building and infra works in the Netherlands amounts to € 507.2 million (2022: € 678.6 million) and € 457.8 million (2022: € 552.4 million). The total revenue of Ballast Nedam Development is € 119.6 million (2022: € 107.8 million) and Industriebouw realised a revenue of € 126.1 million (2022: € 174.4 million).

The revenue from services rendered is mainly related to maintenance services. The trading and other revenues relate to revenues from rentals of equipment, tender cooperation fees, buying and selling of construction materials and lease income from investment property. The revenue realised in the Netherlands was € 999.7 million (2022: € 1,346.2 million), other European countries € 53.0 million (2022: € 44.4 million) and outside Europe € 60.1 million (2022: € 40.1 million).

The revenue joint ventures realised, accounted for as 'share on profit / loss of investments valued using equity method', for the year was € 135.3 million (2022: € 128.2 million) which results in € 1,248.0 million (2022: € 1,559.0 million) total revenue for the company if the joint ventures were consolidated proportionally.

Timing of revenue recognition

The timing of revenue recognition in 2023 and 2022 was as follows:

Timing of revenue recognition	2023	2022
At a point in time	104,132	117,769
Over time	1,008,603	1,312,994
Total	1,112,735	1,430,763



9.6.24 Cost of Revenue

Total employee benefit expenses

Cost of revenue	2023	2022
Employee benefit expenses	(157,147)	(156,811)
Raw materials and supplies expenses	(159,948)	(213,647)
Worksite expenses	(39,065)	(43,282)
Subcontractor expenses	(556,641)	(859,810)
Depreciation and amortization expenses	(9,854)	(12,173)
Machinery, equipment and other rent expenses	(61,370)	(63,064)
Cost of goods sold	(726)	(5,973)
Other costs of revenue	(51,005)	(20,275)
Total cost of revenue	(1,035,756)	(1,375,035)
Employee benefit expenses	2023	2022
Wages and salaries	(127,946)	(127,548)
Social security costs	(18,513)	(18,240)
Pension charges	(10,688)	(11,023)

The average number of FTE is 1,810 (2022: 1,797) of which 64 (2022: 39) are employed abroad. The average number of FTE at the head office is 105 (2022: 100) and in the operational entities is 1,705 (2022: 1,697). The average number of FTE in Building Netherlands is 648 (2022: 687) and Infra is 857 (2022: 789).

9.6.25 General administrative expenses

Details of general administrative expenses	2023	2022
Employee benefit expenses	(23,002)	(20,827)
Consultancy expenses	(948)	(806)
Depreciation and amortization expenses	(7,549)	(7,290)
Office administration expenses	(2,565)	(2,384)
Rent expenses	(1,246)	(913)
Representative expenses	(197)	(162)
Fransportation and travelling expenses	(693)	(586)
nsurance expenses	(1,402)	(1,330)
Other general administrative expenses	-	-
Marketing, selling and distribution expenses	(326)	(464)
Total general administrative expenses	(37,928)	(34,762)

	(31,523)	(0 1,7 0 = 7
Employee benefit expenses	2023	2022
Wages and salaries	(18,728)	(16,940)
Social security costs	(2,710)	(2,423)
Pension charges	(1,564)	(1,464)
Total employee benefit expenses	(23,002)	(20,827)

9.6.26 Other operating income from main activities

The other operating income from main activities was \in 998 thousand (2022: \in 5,678 thousand income) including additions to and reversal of provisions. The total additions to provisions for the year amounts to \in 5,583 thousand (2022: \in 2,576 thousand) and the release amounts to \in 4,305 thousand (2022: \in 1,748 thousand). Further details on provisions are included in note 9.6.19 Other short-term and long-term provisions.

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(156,811)

(157,147)



Additionally, this includes other operating income and expenses from main activities € 3.4 million (2022: € 4.2 million) and € 1.7 million (2022: € 1.5 million) respectively. The gain on disposal of property and equipment amounted to € 1.3 million (2022: € 1.0 million) and the loss on disposal of property and equipment € nil million (2022: € nil million). Other operating income includes multiple small items such as settlement of subcontractors. Other operating expense includes various small costs from multiple business units.

9.6.27 Financing income and expenses

Financing income and expenses	2023	2022
Financing income	814	1,049
Interest expenses	(12,509)	(6,351)
Interest income	1,502	890
Foreign exchange gain / (loss) from financing activities	670	(20)
(Un)realized results derivatives	(1,075)	1,527
Other financial expenses	(1,835)	(3,811)
Total financing income and expenses	(12,433)	(6,716)

The interest expenses are charged for interest on the outstanding loans and lease liabilities in 2023 and 2022. Other financial expenses include bank commission expenses and financing expenses for a credit facility. The credit facility qualifies as a mezzanine loan which includes a remuneration component in the form of upside profit sharing (note 9.6.32).

9.6.28 Current income tax expenses

The income tax expenses are related to the entities outside the fiscal unity of Ballast Nedam.

Income tax recognized in profit or loss	2023	2022
Current tax expense	(1,975)	(585)
Deferred tax (expense) / income	(100)	2,479
Total income tax recognized in profit or loss	(2,075)	1,894

The numerical reconciliation of income tax credit for 2023 and 2022 is included in the table below.

Numerical reconciliation of income tax credit	2023	2022
Result before tax	25,736	29,782
Total	25,736	29,782
Applicable income tax rate Tax calculated at Dutch tax rate Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	25.8% 6,640	25.8% 7,684
Previously unrecognised tax losses used to reduce deferred tax expense Tax losses set off against taxable income Different tax rates of subsidiaries operating in other jurisdiction	(4,464) (852) 751	(6,293) (3,053) (232)
Income tax credit	2,075	(1,894)
Net result Effective tax rate	23,661 8.1%	31,676 -6.4%

International Tax Reform - Pillar Two Model Rules

Ballast Nedam is within the scope of the OECD Pillar Two model rules and is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect; the Pillar Two legislation is not expected to have a material effect on the consolidated financial statements of the Group.



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9.6.29 Financial risk management

General

The Board of Management has the overall responsibility for the establishment and oversight of the company's risk management framework. One component of the overall risk framework is the financial risk; the categories identified and result of the assessment are disclosed in the following paragraphs.

The centralisation of certain accounting activities continued with the improvement of the systems and transaction flow approvals, which strengthen the control environment. The Internal Control department continued implementing a plan to carry out both regular and ad hoc reviews of controls and procedures.

Credit risk

Credit risk is the risk of financial loss to Ballast Nedam if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, receivables from clients and related parties and investments in debt securities.

The key objective of Ballast Nedam's counterparty credit risk management is to minimise the risk of losses as a result of failure of an individual counterparty that could negatively impact the company's results. The carrying amount of financial assets represents the maximum credit exposure. Ballast Nedam actively pursues a policy designed to minimise credit risks. Credit risks consist of the risk that counterparties will not be able to meet contractual obligations relating to a financial instrument. Creditworthiness assessments are performed for all other clients requiring credit. Ballast Nedam uses prepayments, guarantees and collateral (rights of retention) on projects under construction in order to limit the credit risk on instalments and trade receivables.

Our business units periodically measure and analyse the credit risk for trade receivables and contract assets, based on, amongst other things, aging of the outstanding debt and liquidity of the debtor. The aging of receivables will increase for example in circumstances when our clients withhold payments, which are invoiced in line with the agreed payment schedule, due to the fact that the perception on realisation of milestones differ or documentation requirements, even though the client is not disputing the invoice. For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The credit risk of cash and cash equivalents, including bank deposits, is the risk that counter-parties are not able to repay amounts owed to Ballast Nedam. The Group works with banks which have high credit ratings or banks with a lower credit rating if they have a long-term relationship with the Rönesans Group. The related risk is monitored on an ongoing basis both at local entity and corporate level. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

With regard to trade receivables, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over a period of 36 months as per 1 January 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the clients to settle the receivables. Other receivables and other non-current assets are monitored for expected credit losses. They do not contain impaired assets.



These balances include mainly funding to associates and joint ventures for project developments and loans to Rönesans Group companies.

As at the balance sheet date, there was no concentration of credit risks among debtors for substantial amounts.

Credit risk exposure based on financial instrument categories	red	Trade ceivables	Other rec	eivables n-current assets	Contract assets	Bank deposits
2023	Related party	Third party	Related party	Third party		
Maximum credit risk exposure at balance sheet date	8,031	139,575	156,542	71,947	141,530	122,852
Net book value of not due financial assets	8,031	80,627	156,542	71,947	141,530	122,852
Net book value of assets that are due but not impaired	-	58,948	-	-	-	-
Overdue (gross book value)	-	817	-	-	-	-
Impairment (-)	-	(817)	-	-	-	-

Credit risk exposure based on financial instrument categories	rec	Trade ceivables	Other rec and non	eivables -current assets	Contract assets	Bank deposits
2022	Related party	Third party	Related party	Third party		
Maximum credit risk exposure at balance sheet date	665	163,009	108,494	56,701	118,291	171,022
Net book value of not due financial assets	665	116,251	108,494	56,701	118,291	171,022
Net book value of assets that are due but not impaired	-	46,758	-	-	-	-
Overdue (gross book value)	-	899	-	-	-	-
Impairment (-)	-	(899)	-	-	-	-

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. The aging schedule of trade receivables including provision is shown in the table below:

Trade receivables	Gross receivables 2023	Provision	Gross receivables 2022	Provision
Not past due	88,657	(4)	116,916	(18)
Past 01-30 days	24,948	(2)	22,156	(7)
Past 31-90 days	4,732	(15)	5,401	(14)
Past 91-364 days	11,159	(334)	17,503	(280)
Past 1-2 years	18,927	(462)	2,597	(580)
Total	148,423	(817)	164,573	(899)

Liquidity risk

Liquidity risk is the risk that Ballast Nedam will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The existing financing package, consisting of loan agreements with multiple financial institutions amounted to \in 136 million (2022: \in 111 million), a project financing arrangement of \in 56.5 million at year-end 2023 (2022: \in 45.5 million) and loan agreements with related parties of \in 22.5 million (2022: 21.5 million). An amount of \in 120.8 million will mature on or before 31 December 2024.

The solvency ratio improved compared to previous year and amounts to 30.0% (2022: 24.9%). This is primarily the result of a capital contribution and the net profit for the year.



Ballast Nedam's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Ballast Nedam controls the liquidity risk through weekly cashflow forecasting followed by adequate corrective measures and monitoring. The current cash surplus, strong solvency and the strengthened risk management activities, are expected to provide management with additional flexibility in its operations and execution of its business plans.

Ballast Nedam has access to bank guarantee and bonding facilities with various financial institutions and group companies. These facilities are long-term. Periodically, a forecast is made of the use of the available guarantee facilities. The forecast is based on current tenders and expectations regarding the discharge of existing bank guarantees. Based on this access to guarantee facilities and forecasts, Ballast Nedam expects it will be able to issue guarantees in the ordinary course of business.

The statement for <1 year and 1-5 years includes the repayments of matured loans of 120,848 thousand (2024), 55,933 thousand (2025), 28,943 thousand (2026), 4,444 thousand (2028).

2023 Due date on agreement	Carrying value	Cash outflows according to agreements	Less than 3 months	3-12 months	1-5 year	More than 5 years
Bank loans (including related parties)	214,612	227,246	42,727	81,688	102,831	-
Trade payables (including related parties)	176,964	176,964	176,964	-	-	-
Contract liabilites	133,486	133,486	133,486	-	-	-
Lease payables	23,745	26,043	2,155	6,152	15,939	1,797
Other payables	84,220	84,220	76,706	-	7,514	-
Total liabilities	633,027	647,959	432,038	87,840	126,284	1,797

2022 Due date on agreement	Carrying value	Cash outflows according to agreements	Less than 3 months	3-12 months	1-5 year	More than 5 years
Bank loans (including related parties)	178,093	190,312	11,313	51,543	127,456	-
Trade payables (including related parties)	253,879	253,879	253,879	-	-	-
Contract liabilites	137,693	137,693	137,693	-	-	-
Lease payables	24,624	26,791	2,544	6,367	15,060	2,820
Other payables	64,246	64,246	58,416	-	5,830	-
Total liabilities	658,535	672,921	463,845	57,910	148,346	2,820

The contractual cashflows that will occur within 3-12 months' amount to € 87,840 thousand, including an amount of € 81,688 thousand of the loans. Regarding the remaining liabilities € 432,038 thousand (including an amount of € 42,727 thousand of the loans) is due within approximately three months (2022: € 463,845 thousand).

Exchange risk

Ballast Nedam is primarily exposed to foreign currency risk on revenue, project operating costs, and loans and investments in associates held in currencies other than Ballast Nedam's functional currency. Such risk is very low as the majority of the activities are in countries where the euro is functional currency or local currencies have low volatility against the euro.

Forward exchange contracts with highly rated banks may be contracted to hedge the transaction risk on cashflows generated by ordinary business activities. At year-end 2023, Ballast Nedam had one outstanding forward exchange contracts recognised at fair value in the statement of financial position.



Ballast Nedam is exposed to the following foreign currency translation risks in nominal amounts:

€ / foreign currency	2023 average exchange rate	Exchange rate on 31 December 2023	2022 average exchange rate	Exchange rate on 31 December 2022
Exchange rates				
USD	1,082	1,107	1,049	1,066
Foreign currency translation risk USD			2023	2022
Monetary financial assets			7,940	4,721
Total assets			7,940	4,721
Net foreign currency asset / (liabilities) position			7,940	4,721
Monetary items net foreign currency assets / (liabili	ties)		7,940	4,721

A 10% increase in the exchange rate of the euro against USD would affect the shareholders' equity and income statement as follows, assuming that all other variables, including interest rates, remain unchanged.

	2023 Profit / (Loss)			
If US Dollars, 10% appreciated / depreciated v.s. Euro	Appreciation of foreign currency	Depreciation of foreign currency		
US Dollars net assets / (liabilities)	794	(794)		
)22 ′ (Loss)		
If US Dollars, 10% appreciated / depreciated v.s. Euro	Appreciation of foreign currency	Depreciation of foreign currency		

US Dollars net assets / (liabilities)

Interest risk

Ballast Nedam's interest policy is to limit the impact of interest rate changes on the company's results. Management has interest rate swap and interest rate cap agreements in place to limited exposure to interest rate risks. Although long-term PPP contracts do not form a significant part of the interest risk related transactions, Ballast Nedam limits exposure with interest rate swaps for PPPs. Cashflow hedge accounting is applied to derivative financial instruments where the hedge relationship is effective. Ballast Nedam has loans with a fixed rate. The interest risk is limited to potential movements in the market value of the loans and of positive cash balances. It is expected that loans will be continued until the maturity date. The interest risk profile of the company's interest-bearing financial instruments as at the end of the reporting period was as follows:

Interest rate position table Floating and fixed rate financial instruments	2023	2022
Financial liabilities	79,989	22,857
Fixed rate financial instruments	158,368	179,860
Total financial liabilities	238,357	202,7

A 100 basis points increase in the interest rate would affect the income statement as follows, assuming that all other variables, remain unchanged.

Impact on income statement	2023	2022
Interest rates - increases by 100 basis points	(800)	(229)
Interest rates - decreases by 100 basis points	800	229

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Capital risk

Ballast Nedam has the objective to ensure an optimal capital structure with sufficient availability of credit which enables the company to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Group may sell assets to reduce debt, obtain new loans to increase debt and adjust the amount of return capital to shareholders. The net debt to equity ratio (excluding lease liabilities) decreased from -3% to -30%.

Ballast Nedam is not subject to key performance indicators for the majority of its loans. An exception is the loan obtained to partly finance the acquisition of the Rotterdam Building. In the related financial agreement, a loan-to-value ratio has been agreed. Ballast Nedam complies with this ratio. Although for the majority of the loans no performance indicators exist, the terms of the loans include commitments to share financial information with the banks.

With the current cash position, management forecasts that it has sufficient means to finance its ongoing operations.

Fair value

The fair values of financial assets and liabilities together with the carrying amounts recognised in the Consolidated Balance Sheet, per IFRS 9 category, are as follows:

Fair value	2023	2023		
	Carrying amount (amortised cost)	Fair value	Carrying amount (amortised cost)	Fair value
Cash and cash equivalents	122,852	122,852	171,022	171,022
Trade receivables	147,606	147,606	163,674	163,674
Other receivables	208,179	208,179	153,837	153,837
Contract assets	141,530	141,530	118,291	118,291
Right of use assets	24,361	24,361	24,242	24,242
Total financial assets	644,528	644,528	631,066	631,066
Fair value	2023	3	2022	:
	Carrying	Fair value	Carrying	Fair value

Fair value	2023	2022	2022		
	Carrying amount (amortised cost)	Fair value	Carrying amount (amortised cost)	Fair value	
Bank loans (including related parties)	214,612	214,612	178,093	178,093	
Trade payables (including related parties)	176,964	176,964	253,879	253,879	
Contract liabilities	133,486	133,486	137,693	137,693	
Lease liabilities	23,745	23,745	24,624	24,624	
Other liabilities	111,494	111,494	104,090	104,090	
Total financial liabilities	660,301	660,301	698,379	698,379	



Valuation methods

The valuation method of the financial instruments, including derivatives, is categorised in three levels. Level 1 refers to (unadjusted) market prices in active markets for identical assets or liabilities. Level 2 involves assets measured on the basis of prices or price derivatives that do not meet the definition for Level 1. The assets under Level 3 are measured on the basis of cashflow models. All financial instruments carried at fair value within the company are categorised in Level 2. There were no transfers from Level 1 to Level 2 or Level 3, or vice versa, in 2023 (2022: no transfers). Changes in the value of other fair value investments are recognised in the statement of income.

Ballast Nedam has financial assets or liabilities measured at fair value, being derivative assets and liabilities. The fair value of derivative assets and liabilities is based on models using present value calculations, like observable interest yield curves, basis spread and foreign exchange rates The fair value of investment properties is primarily based on the present value of the estimated future cash flows discounted with the effective interest rate (see note 9.6.10 Investment properties). The fair value assets classified as held for sale was determined using the expected sales price derived from market information.

Commitments

Chapter 1

Chapter 2

Guarantees	2023	2022
Letters of guarantees given	394,056	370,170

Letters of intent and guarantees issued on Ballast Nedam's behalf by financial institutions in connection with the execution of projects and for prepayments received are included in 'Guarantees'. In addition, assets amounting to € 128,480 thousand (2022: € 134,066 thousand) are pledged and € 14,000 thousand (2022: € 14,000 thousand) of guarantees are given as collateral with respect to the bank borrowings. Ballast Nedam received guarantees amounting to € 57,755 thousand (2022: € 16,951 thousand) from its subcontractors.

Chapter 3

Chapter 4

Chapter 5

9.6.30 Contingent assets and liabilities

Off-balance sheet commitments

Ballast Nedam has contingent liabilities concerning land acquisition rights amounting to € 82,778 thousand (2022: € 79,822 thousand). These rights include a composition of conditional and not yet certain payment commitments (depending on factors such as changes in zoning, decision to develop, and decision to exercise certain rights).

	2023			2022			
Off-balance sheet commitments	< 1 year	1 - 5 years	> 5 years	< 1 year	1 - 5 years	> 5 years	
Leased other operating assets	280	143	-	274	356	-	
Leased offices	25	-	-	34	-	-	
Land purchases	471	3,872	281	-	4,343	281	
Total	776	4,015	281	308	4,699	281	

Other commitments

Subsidiaries have joint and several liabilities for projects executed by joint arrangements. Some subsidiaries are joint and severally liable for liabilities to a number of financial institutions. On the basis of credit and guarantee facilities, there is an obligation to refrain from issuing any collateral. Fully owned and consolidated subsidiaries form a tax fiscal unity, the head of which is Ballast Nedam N.V. for Dutch corporate income tax and VAT. All members of the fiscal unity are jointly and severally liable for Dutch corporate income tax and VAT.

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Termination of the contract for the construction of A-Pier Schiphol

On 29 November 2021, Schiphol terminated the contract with BN-TAV for the construction of the A-Pier. The joint venture BN-TAV firmly believes that the termination was unlawful. BN-TAV handed over the construction site, in a safe and controlled way, to Schiphol. BN-TAV has submitted a final account to Schiphol of € 282 million, relating to outstanding variation orders, its entitlement to an extension of time and reimbursement of additional costs and damages. The claims to Schiphol include claims from subcontractors of BN-TAV. On 8 December 2023 BN-TAV commenced the legal proceedings by the writ of summons to Schiphol.

Schiphol has submitted to BN-TAV a claim for the period up to termination of € 93 million for delay damages, additional costs and recoverable costs. In July 2023 a second interim counterclaim has been submitted, covering the costs of repairing defects and the "extra over" cost to complete post-termination up to the end of 2022, with a value of € 44 million euros. The finalisation of Schiphol's counterclaims is dependent on the completion of the project.

The legal proceedings commenced, due to the uncertainty of the outcome, this does not result in a change to a contingent liability as at 31 December 2023.

Termination by Ballast Nedam Industriebouw of the contract with Air Products for the construction of Nitrogen facility Zuidbroek

On 7 January 2023, Air Products sent a termination letter for the contract with Ballast Nedam Industriebouw for the subcontracted works regarding the nitrogen facility Zuidbroek. Ballast Nedam Industriebouw firmly believes that the termination announced by Air Products does not have any effect and is unlawful. Air Products submitted to Ballast Nedam Industriebouw a claim for delay damages and additional costs. A court bond in the amount of € 20.3 million has been provided by Ballast Nedam Industriebouw.

On 30 March 2023, Ballast Nedam Industriebouw terminated the contract with Air Products for the construction of the Nitrogen facility as a result of Employers Default. Ballast Nedam Industriebouw submitted a preliminary claim for its outstanding variation orders, entitlement to an extension of time and reimbursement of additional costs and damages. Due to the uncertainty the outcome is not reasonably to be estimated, and therefore no claims, except for costs for completed works, are valued. A court bond in the amount of € 36.8 million has been provided by Air Products.





Termination by Ballast Nedam Bouw & Ontwikkeling Speciale Projecten of the contract for the construction of the Galaxy Tower

On 17 February 2023, Ballast Nedam Bouw & Ontwikkeling Speciale Projecten B.V. (BNBO SP) terminated the contract with De Lelie Vastgoed B.V. (DLV) for the construction of the Galaxy Tower. The termination by BNBO SP followed after sending multiple notices of defaults and attempts to reach an amicable agreement on all claims and disputes. On 18 July 2023 BNBO SP filed a claim to DLV at the court of Amsterdam of € 37.8 million relating to outstanding variation orders, unpaid terms and reimbursement of additional costs and damages. In addition, to secure its rights BNBO SP executed its right of retention and placed attachment € 25.6 million. Due to the uncertainty the outcome is not reasonably to be estimated, and therefore no claims, except for costs for completed works, are valued. DLV submitted to BNBO SP a claim for damages and additional costs. In an interim judgement from the court of Amsterdam the ruled that the liability cap of BNBO SP of € 1.0 million will stay in place. A court bond in the amount of € 26.7 million has been provided by BNBO SP for claims.

Capital contribution commitments

There were no unconditional capital contribution commitments as at 31 December 2023 (2022: nil) in PPP projects.

9.6.31 Assets held for sale

Ballast Nedam measures assets classified as held for sale at the lower of carrying amounts and fair value less costs to sell. The fair value of the company was determined using the expected sales price derived from market information, which is a level 2 measurement. Assets classified as held for sales includes assets of Hoco Beton B.V. The impact on the consolidated statement of financial position of Ballast Nedam is shown in the table below.

Assets held for sale	2023
Property, plant and equipment	4,819
Financial assets	2,642
Inventories	822
Trade receivables	317
Other receivables	3,123
Total assets	11,723
Current liabilities	3,266
Non-current liabilities	45
Total liabilities	3,311
Net assets of assets held for sale	8,412

Hoco Beton B.V. has been transferred to assets held for sale and is expected to be sold within 12 months.



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9.6.32 Related Party Transactions

The parties related to Ballast Nedam are Rönesans Group companies and its related parties, the company's management (Board of Management and Supervisory Board), its subsidiaries, associates, joint ventures, Stichting Pensioenfonds Ballast Nedam and the directors and senior officers of these entities. Transactions with related parties are conducted at arm's length, on terms comparable to those for transactions with third parties.

				202	23			
	Receivables				Payables			
	Shoi	rt-term	Long	Long-term		Short-term		g-term
	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade
Marktkwartier C.V. ⁽¹⁾	-	46,821	-	-	-	-	-	-
Ontwikkelingsmaatschappij Centrumgebied Amsterdam Zuidoost B.V. ⁽¹⁾	-	10,069	-	-	-	-	-	-
Gebiedsontwikkeling Oud- Beijerland Oost C.V. ⁽¹⁾	-	7,973	-	-	-	-	-	-
Other joint ventures and associates	-	20,155	-	600	-	5,390	-	-
V.O.F. De Leidse Schans ⁽²⁾	-	-	-	-	-	5,137	-	-
Other joint operations	-	27,790	-	-	-	11,499	-	-
Renaissance Construction B.V	5	-	-	-	-	10,609	-	-
Mathir B.V.	-	-	-	-	-	-	-	17,755
REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş.	2,840	15,014	-	20,766	2	2,480	-	-
Other Renaissance group companies	5,186	6,321	-	1,033	496	92	-	611
Total related parties	8,031	134,143	-	22,399	498	35,207	-	18,366

⁽¹⁾ Joint venture and associates

A major part of the construction activities of Ballast Nedam is executed in joint ventures / associates and joint operations and Rönesans Group companies. The activities of these entities include the financing and construction of land developments as well as construction contracts. The related party transactions with Rönesans Group companies include charges for construction, consultancy costs, ICT cost, interest on loans, a remuneration component on a mezzanine loan, tender support and tender cooperation fees. The table below gives an overview of the receivables and payables as at reporting date outstanding to intercompany parties:

	2022								
		Receiv	ables		Payables				
	Sho	rt-term	Lon	g-term	Shor	t-term	Long	g-term	
	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	
Marktkwartier C.V. ⁽¹⁾	-	42,555	-	-	-	189	-	-	
Ontwikkelingsmaatschappij Centrumgebied Amsterdam Zuidoost B.V. ⁽¹⁾	-	9,027	-	-	-	-	-	-	
Gebiedsontwikkeling Oud- Beijerland Oost C.V.	-	7.606	-	-	-	-	-	-	
Other joint ventures and associates	-	12,026	-	600	-	6,814	-	-	
V.O.F. De Leidse Schans ⁽²⁾	-	-	-	-	-	5,137	-	-	
Other joint operations(2)	-	9,983	-	-	-	9,745	-	-	
Renaissance Construction B.V.	-	-	-	-	-	10,134	-	-	
Mathir B.V.	-	-	-	-	-	-	-	15,319	
Other Renaissance group companies	665	12,148	-	14,549	1,800	633	-	-	
Total related parties	665	93,345	-	15,149	1,800	32,652	-	15,319	

⁽¹⁾ Joint venture and associates

⁽²⁾ Joint operations

⁽²⁾ Joint operations



The tables below show the revenue/costs of the Rönesans Group in 2023 and 2022. The related party transactions with Rönesans Group companies include charges for construction activities, consultancy costs, ICT cost, interest on loans, a remuneration component on a mezzanine loan, tender support and tender cooperation fees.

Transactions with related parties 2023	Purchases	Sales	Interest received	Interest given	Other income	Other expense
Rönesans Holding A.S.	30	26	-	-	-	-
Transactions with other Rönesans Group companies	969	27,964	386	1,896	789	3,346
Total	999	27,990	386	1,896	789	3,346
Transactions with related parties 2022	Purchases	Sales	Interest received	Interest given	Other income	Other expense
Rönesans Holding A.S.	2	-	-	-	-	-
Transactions with other Rönesans Group companies	5,151	28,624	185	680	1,767	4,013

In joint operations, mainly consisting of construction or development consortia, Ballast Nedam assumes its share of the assets, liabilities, revenues and costs. Ballast Nedam has recognised the following interests in joint operations in the consolidated statement of financial position.

Joint operations	2023	2022
Non-current assets	1,055	1,258
Current assets	112,210	99,017
Current liabilities	(120,128)	(101,195)
Net assets	(6,863)	(920)

The revenue and the cost of sales relating to the share in joint operations was approximately 15% (2022: 13%) of total revenue and cost of sales. The total liabilities to third parties of companies for which Ballast Nedam holds joint and several liabilities, such as partnerships, excluding bank guarantees issued by those companies, was € 325 thousand at the end of 2023 (2022: € 275 thousand), of which the € 120 thousand portion of Ballast Nedam (2022: € 101 thousand) is included in the Consolidated statement of financial position.

The entities below were included in the Consolidated statement of financial position and Consolidated statement of income of Ballast Nedam in 2023. The entities relate to joint operations. Only the principal active entities are included for practical reasons. A full list of the subsidiaries included in the consolidation has been filed with the Commercial Register at the offices of the Dutch Chamber of Commerce in Utrecht. Details of the material joint ventures and associated interests in which Ballast Nedam has participating interests can be found in the next paragraph.

In general, the payment of dividend and/or depositing of temporary liquidity surpluses from joint ventures and associates depends on the authorisation of the shareholder.

The main joint operations are determined on the basis of their contribution to revenue, risk profile, strategic importance and contribution to results.

Overview of joint operations

Ballast Nedam and other parties that have joint control (by voting power or contractual arrangement) of the arrangement and have rights to the assets and obligations for the liabilities relating to the joint operation.



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			2023	5	2022	:
Joint operations	Place of incorporation and operation	Principal activity	Efffective ownership ratio	Voting power held	Efffective ownership ratio	Voting power held
Tribune-Bouw V.O.F.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Vof Grondbank Langedijk	Netherlands	Development	27.50%	27.50%	27.50%	27.50%
V.O.F. De Leidse Schans	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Dijkzone V.O.F.	Netherlands	Development	33.33%	33.33%	33.33%	33.33%
VOF Ontwikkelingscombinatie Veld 9	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Vof Planetenlaan/Eind	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
VOF Entreegebied Ter Borch	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Hart van Zuid Vof	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
BN-TAV Joint Venture v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
ABT MEP v.o.f.	Netherlands	Construction	33.33%	33.33%	33.33%	33.33%
BAAK Blankenburg EPCM v.o.f.	Netherlands	Construction	45.00%	45.00%	45.00%	45.00%
A-Lanes A15 Mobility v.o.f.	Netherlands	Construction	10.00%	10.00%	10.00%	10.00%
A-Lanes Civil v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
A-Lanes Roads v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Bouwcombinatie G3 Woontorens v.o.f.	Netherlands	Construction	25.00%	25.00%	25.00%	25.00%
R Creators DBMO v.o.f.	Netherlands	Construction	45.00%	45.00%	45.00%	45.00%
De Vijfde Stad v.o.f.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Bouwcombinatie Duurzaam Eindhoven v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Bouwcombinatie Wâldwei v.o.f.	Netherlands	Construction	33.33%	33.33%	33.33%	33.33%
BNRA Gladheid v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%

			202	3	2022	2
Joint operations	Place of incorporation and operation	Principal activity	Efffective ownership ratio	Voting power held	Efffective ownership ratio	Voting power held
Combinatie BNOC v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Infracombinatie Hart van Zuid v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Bouwcombinatie Ballast Nedam / Van Gelder v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Bouwcombinatie Zoetermeer Oosterheem v.o.f.	Netherlands	Construction	25.00%	25.00%	25.00%	25.00%
Bouwcombinatie De Leidse Schans v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
MLK Zoetermeer v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Reiniging Combinatie Randstad v.o.f.	Netherlands	Recycling	50.00%	50.00%	50.00%	50.00%
Alliantie IJsseldijk Apeldoorns Kanaal v.o.f.	Netherlands	Construction	33.33%	33.33%	33.33%	33.33%
Hochtief - Ballast Nedam - Van Oord v.o.f.	Netherlands	Construction	40.00%	40.00%	40.00%	40.00%
Hochtief - Ballast Nedam v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Bouwcombinatie Rozenoordbrug A10 v.o.f.	Netherlands	Construction	33.33%	33.33%	33.33%	33.33%
A73 Combinatie Croon Wolter&Dros - BN Infra v.o.f.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
RdE-BNIP Joint Venture	Luxembourg	Construction	50.00%	50.00%	50.00%	50.00%
Best Wonen v.o.f.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
ALSÉÉN v.o.f.	Netherlands	Construction	50.00%	50.00%	-	-
Alliantie Dijkversterking Rijnkade Arnhem v.o.f.	Netherlands	Construction	33.30%	33.30%	-	-



			2023	3	2022	
Associates and joint ventures	Place of incorporation and operation	Principal activity	Efffective ownership ratio	Voting power held	Efffective ownership ratio	Voting power held
A-Lanes Management Services B.V.	Netherlands	Construction	25.00%	25.00%	25.00%	25.00%
Heitkamp Construction Swiss GmbH	Switzerland	Construction	49.00%	49.00%	49.00%	49.00%
Ontwikkelingsmaatschappij G4 Beheer B.V.	Netherlands	Development	25.00%	25.00%	25.00%	25.00%
De Vennep Beheer B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Venneppark N207 C.V.	Netherlands	Development	62.40%	62.40%	62.40%	62.40%
Marktkwartier C.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Marktkwartier Amsterdam Beheer B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
OCW Engelse Park Beheer B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
OCW Engelse Park C.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Wind Invest B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Coeur du Sud B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
BAAK Blankenburg-Verbinding B.V.	Netherlands	Construction	15.00%	15.00%	15.00%	15.00%
Exploitatie Maatschappij A-Lanes A15 B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
J.V. Siemens Cuxhaven	Germany	Construction	50.00%	50.00%	50.00%	50.00%
IXAS Gaasperdammerweg B.V.	Netherlands	Construction	33.33%	33.33%	33.33%	33.33%
Ursem Modulaire Bouwsystemen B.V.	Netherlands	Construction	49.50%	49.50%	49.50%	49.50%
Exploitatie Maatschappij Komfort B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Exploitatie Maatschappij DC 16 B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Ontwikkelingsmaatschappij G4 C.V.	Netherlands	Development	25.00%	25.00%	25.00%	25.00%
Gebiedsontwikkeling Oud-Beijerland Oost C.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Gebiedsontwikkeling Oud-Beijerland Oost Beheer B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Gebiedsontwikkeling Oud-Beijerland Zuid Beheer B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Gebiedsontwikkeling Oud-Beijerland Zuid C.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%

			2023		2022	
Associates and joint ventures	Place of incorporation and operation	Principal activity	Efffective ownership ratio	Voting power held	Efffective ownership ratio	Voting power held
!mpuls B.V.	Netherlands	Construction	22.50%	22.50%	22.50%	22.50%
Asfalt Productie Tiel (APT) B.V.	Netherlands	Construction	33.33%	33.33%	33.33%	33.33%
Traffic Service Nederland B.V.	Netherlands	Construction	25.17%	25.17%	25.17%	25.17%
Asfalt Productie Amsterdam (APA) B.V.	Netherlands	Construction	25.00%	25.00%	25.00%	25.00%
Nederlandse Frees Maatschappij B.V. ⁽¹⁾	Netherlands	Construction	16.67%	16.67%	16.67%	16.67%
Asfalt Productie Rotterdam Rijnmond (APRR) B.V.	Netherlands	Construction	25.00%	25.00%	25.00%	25.00%
Graniet Import Benelux B.V. ⁽¹⁾	Netherlands	Construction	8.75%	8.75%	8.75%	8.75%
Ontwikkelingsmaatschappij Centrumgebied Amsterdam Zuidoost B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Stadion Amsterdam C.V. ⁽¹⁾	Netherlands	Construction	5.55%	5.55%	5.55%	5.55%
N.V. Stadsherstel Breda ⁽¹⁾	Netherlands	Development	5.80%	5.80%	5.80%	5.80%
Cartesiusdriehoek C.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Cartesiusdriehoek Beheer B.V.	Netherlands	Development	50.00%	50.00%	50.00%	50.00%
Grondreinigingscombinatie v.o.f.	Netherlands	Recycling	25.00%	25.00%	25.00%	25.00%
Bouwcombinatie Willems-Geelen B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
Omac B.V.	Netherlands	Construction	50.00%	50.00%	50.00%	50.00%
BESIX-Ballast Nedam Ltd	Tanzania	Construction	50.00%	50.00%	-	-

⁽¹⁾ An associate is an entity over which Ballast Nedam has significant influence, but does not exercise control. Limited balances of these entities are separately disclosed in note 9.6.10 as part of investment of associates and joint ventures.

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Name of subsidiary	Place	Main activity	Share 2023	Share 2022
Ballast Nedam Infra B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Parking B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Industriebouw B.V.	Rotterdam	Construction	100%	100%
Ballast Nedam International projects B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Bouw & Ontwikkeling Holding B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Bouw & Ontwikkeling B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Ontwikkelingsmaatschappij B.V.	Rotterdam	Development	100%	100%
Heddes Bouw & Ontwikkeling B.V	Hoorn	Construction	100%	100%
Laudy Bouw & Ontwikkeling B.V.	Sittard	Construction	100%	100%
Ballast Nedam Concessies B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Beheer B.V.	Nieuwegein	Maintenance	100%	100%
Ballast Nedam Bouw & Ontwikkeling Speciale Projecten B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Specialistisch Grondverzet B.V.	Maarssen	Construction	100%	100%
Ballast Nedam Road Specialties B.V.	Leerdam	Construction	100%	100%
Ballast Nedam International Product Management B.V.	Rotterdam	Construction	100%	100%
Ballast Nedam Funderingstechnieken B.V.	Maarssen	Construction	100%	100%
Ballast Nedam Materieel B.V.	Almere	Construction	100%	100%
Dibec B.V.	Nieuwegein	Construction	100%	100%
Haitsma Beton B.V.	Kootstertille	Concrete factory	100%	100%
Hoco Beton B.V.	Weert	Concrete factory	100%	100%
Heitkamp Bau Service GmbH	Germany	Construction	100%	100%
Ballast Nedam UK Ltd.	United Kingdom	Construction	100%	100%

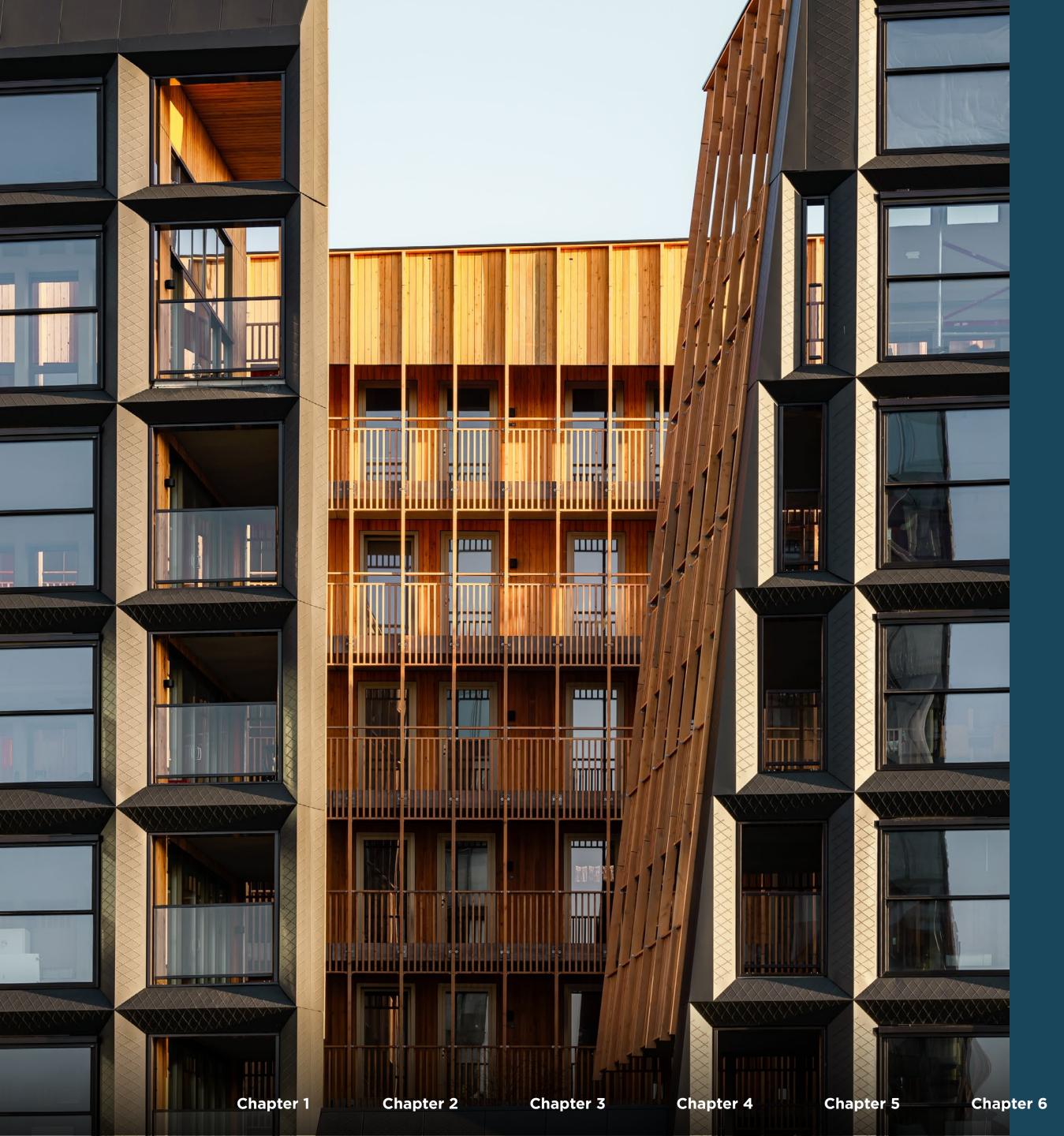
Remuneration of members of the Board of Management and of the Supervisory Board

Key management includes members of the Board of Management and the Supervisory Board. The total remuneration of members of the Board of Management in 2023 was € 2,077 thousand (2022: € 1,845 thousand).

Board of Management	2023	2022
Short-term employee benefits	1,942	1,717
Post-employment benefits	115	105
Other	20	23
Total	2,077	1,845

The total remuneration of the Supervisory Board in 2023 was € 45 thousand (2022: € 45 thousand). The remuneration of members of the Supervisory Board and the Board of Management is commensurate with their term of office. Members of the Board of Management are entitled to the use of a company car. No balances were outstanding and no loans were granted to members of the Board of Management or the Supervisory Board.







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Company Financial Statements

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10.1 Company statement of financial position (before appropriation of result)

Amounts expressed in thousands of euro (€)

Assets	Notes	2023	2022
Non-Current Assets		554,692	519,796
Tangible fixed assets		2,625	4,062
Right of use assets	10.3.2	2,625	4,062
Financial fixed assets		552,067	515,734
Investments accounted for using the equity method	10.3.3	475,249	439,180
Other long-term receivables	10.3.3	45,000	45,000
Deferred tax assets	10.3.4	31,818	31,554
Current Assets		172,485	162,587
Receivables	10.3.5	93,607	53,121
Trade receivables		166	-
Receivables related parties		91,921	52,200
Other receivables		910	816
Prepaid expenses		610	105
Cash and Cash equivalents	10.3.6	78,878	109,466
Total assets		727,177	682,383

Liabilities	Notes	2023	2022
Shareholders' equity	10.3.7	304,141	249,108
Paid in capital		2,203	2,203
Share premium		428,870	393,870
Currency translation reserve		693	2,433
Legal reserve		46,357	44,626
Accumulated losses		(197,659)	(225,669)
Net result		23,677	31,645
Provisions	10.3.8	2,929	2,338
Provisions related to employee benefits		120	136
Other provisions		2,809	2,202
Non-Current liabilities	10.3.9	37,136	71,093
Financial debts		35,778	69,000
Lease liabilities		1,358	2,093
Current Liabilities	10.3.10	382,971	359,844
Financial debts		37,626	-
Current portion of long-term borrowings		62,222	42,000
Borrowings from related parties		10,000	10,000
Lease liabilities		1,132	2,187
Trade and other payables		5,292	2,480
Payables to subsidiaries		266,699	303,177
Total liabilities and equity		727,177	682,383



10.2 Company statement of income

Amounts expressed in thousands of euro (€)

Result for the period

2023	2022
29,713	38,832
(6,036)	(7,187)
	29,713

10.3 Notes to the Company Financial Statements

10.3.1 Basis of preparation and significant accounting policies

The company financial statements of Ballast Nedam N.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with article 2:362(8) of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. If no other policies are mentioned, we refer to the accounting policies as described in the consolidated financial statements of Ballast Nedam N.V. For an appropriate interpretation, the company financial statements of Ballast Nedam N.V. should be read in conjunction with the consolidated financial statements.

Investments in subsidiaries are incorporated in these financial statements using the equity method of accounting. Under the equity method, the value of subsidiaries comprises the cost, excluding goodwill, of Ballast Nedam's share in the net assets of the subsidiary, plus Ballast Nedam's share in income or losses since acquisition, less dividends received. The value is calculated using the accounting policies, as included in the consolidated financial

statements. If Ballast Nedam's share in the losses exceeds the value of the interest in an associate, the carrying amount of the investment is written down to nil in Ballast Nedam N.V.'s statement of financial position and only the portion of any further losses for which Ballast Nedam N.V. has a legal or constructive obligation will be recognised.

10.3.2 Right of use assets

31,645

23,677

	Buildings
Cost	
Opening balance 1 January 2023	11,329
Additions	441
Closing balance 31 December 2023	11,770
Accumulated depreciation	
Opening balance 1 January 2023	(7,267)
Depreciation	(1,878)
Closing balance 31 December 2023	(9,145)
Carrying value as of 31 December 2023	2,625
	Buildings
Cost	
Opening balance 1 January 2022	9,011
Additions	2,318
Closing balance 31 December 2022	11,329
Accumulated depreciation	
Opening balance 1 January 2022	(5,333)
Depreciation	(1,934)
Closing balance 31 December 2022	(7,267)
Carrying value as of 31 December 2022	4,062



10.3.3 Financial fixed assets

Closing balance 31 December 2023

	Investment in subsidiaries	Long-term receivables from subsidiaries
Opening balance 1 January 2022	366,542	45,000
Result group participations	38,832	-
Investments	25,000	-
Change in hedging reserve	7,121	-
Currency translation effect	1,685	-
Closing balance 31 December 2022	439,180	45,000
Opening balance 1 January 2023	439,180	45,000
Result group participations	29,713	-
Investments	10,000	-
Change in hedging reserve	(1,904)	-
Currency translation effect	(1,740)	-

The interests in subsidiaries are direct interests, of which the main ones are shown in the organisation chart. A list of interests as referred to in Article 2:379 of the Dutch Civil Code has been filed with the Dutch Commercial Register in Utrecht. The Annual Report has a list of the significant group companies and interests.

475,249

45,000

The applicable interest margin of the long-term receivable from subsidiaries have an at arm's length fixed interest rate and the fair value approximates the book value. The long-term receivable will be repaid in 2025.

10.3.4 Deferred tax assets

Deferred tax assets	2023	2022
Opening balance 1 January	31,554	28,605
Recognition of carry-forward losses	4,464	6,293
Realised carry-forward losses	(4,200)	(3,344)
Closing balance 31 December	31,818	31,554

The deferred tax assets to be recovered within and after more than 12 months' amount to € 4.5 million and € 27.3 million respectively. The recognised deferred tax assets relate to the tax losses available to the fiscal unity in the Netherlands. The unused tax losses relate to years 2012 up to and including 2017. A relatively small number of mainly large infra projects caused these losses. Ongoing measures are taken to prevent such losses. The recognised tax losses from prior years are infinitely deductible. The Dutch corporate tax rates applicable in 2024 and upcoming years are 25.8%.

A deferred tax asset is recognised to the extent that it is probable, based on Business Plan forecasts approved by the Board, that sufficient taxable profits will be available in the Netherlands that can be utilised towards realising the deferred asset. The forecasts are based on the Business Plan cycle 2024-2028, extrapolated using growth rates for revenue and profit that take external market data and historical performance into account. No specific tax planning opportunities have been taken into account.

The fair value change in Investment Properties in 2023 has not been recognised as a deferred tax liability, since that liability can be set off with carry-forward losses.



Consistent with prior years, management has determined that the Dutch tax group has approximately \leqslant 349 million of carry-forward losses (2022: approximately \leqslant 366 million), for which a deferred tax asset of \leqslant 31,818 thousand (2022: \leqslant 31,554 thousand) has been recognised. These losses can be carried forward infinitely.

Besides carry-forward losses, Ballast Nedam's Dutch tax group has unrecognised preincorporation profit of approximately € 59 million (2022: €61 million) from foreign permanent establishments which are eligible for set-off to prevent double taxation. In addition, Ballast Nedam still has carry-forward losses in foreign countries which have not been recognised, as is not considered probable they can be utilised.

10.3.5 Receivables

Receivables	2023	2022
Trade receivables	166	-
Other receivables	910	816
Receivables from subsidiaries	91,921	52,200
Prepaid expenses	610	105
Total receivables	93,607	53,121

The Receivables from subsidiaries mainly relate to short-term financing by means of current accounts. Ballast Nedam makes use of cash-pooling. Ballast Nedam has control, directly or indirectly, over all the subsidiaries which it has outstanding receivables and can convert these into equity if needed. The fair value of the "receivables from subsidiaries" approximates the book value.

10.3.6 Cash and cash equivalents

The total cash and cash equivalents amounts to € 78.9 million (2022: € 109.5 million). This is at the free disposal of the company.

10.3.7 Shareholders' equity

	Paid in capital	Share Premium	Currency translation reserve	Legal reserve	Accumu- lated losses	Total
Opening balance 1 January 2022	2,203	393,870	882	31,396	(219,560)	208,791
Net result for the year	-	-	-	-	31,645	31,645
Change in currency translation reserve	-	-	1,551	-	-	1,551
Change in legal reserve	-	-	-	7,121	-	7,121
Other comprehensive income	-	-	1,551	7,121	-	8,672
Total comprehensive income	-	-	1,551	7,121	31,645	40,317
Fair value change investment properties	-	-	-	1,682	(1,682)	-
Change in legal reserve	-	-	-	4,427	(4,427)	-
Closing balance 31 December 2022	2,203	393,870	2,433	44,626	(194,024)	249,108



	Paid in capital	Share Premium	Currency translation reserve	Legal reserve	Accumu- lated losses	Total
Opening balance 1 January 2023	2,203	393,870	2,433	44,626	(194,024)	249,108
Net result for the year	-	-	-	-	23,677	23,677
Change in currency translation reserve	-	-	(1,740)	-	-	(1,740)
Change in legal reserve	-	-	-	(1,904)	-	(1,904)
Other comprehensive expense	-	-	(1,740)	(1,904)	-	(3,644)
Total comprehensive income	-		(1,740)	(1,904)	23,677	20,033
Share premium in cash	-	35,000	-	-	-	35,000
Fair value change investment properties	-	-	-	(706)	706	-
Change in legal reserve	-	-	-	4,341	(4,341)	-
Closing balance 31 December 2023	2,203	428,870	693	46,357	(173,982)	304,141

The paid in capital includes ordinary shares of the company. The legal reserves relate to profits and/or reserves of the associates and joint ventures which are subject to legal restrictions on distribution or restrictions imposed by the articles of association of \leqslant 32.1 million (2022: \leqslant 28.4 million), the fair value change in investment properties of \leqslant 12.3 million (2022: \leqslant 12.3 million) and hedge results from joint ventures of \leqslant 2.0 million (2022: \leqslant 3.9 million). Further details on the movement schedule are included in the consolidated financial statements.

The 2023 result is subject to appropriation by the General Meeting. It is proposed to add the net result for 2023 to the accumulated losses within the shareholders' equity (general reserves) as stated in the profit appropriation and dividend policy. No dividend payment proposed or declared. Please see paragraph 11.2 for further details.

10.3.8 Provisions

Provisions	Re- organisation	Other	Employee benefits	Total
1 January 2022	2,134	463	191	2,788
Addition	1,136	-	-	1,136
Reclass	-	-	-	-
Reversals	-	(112)	(42)	(154)
Utilisation	(1,117)	(302)	(13)	(1,432)
31 December 2022	2,153	49	136	2,338
1 January 2023	2,153	49	136	2,338
Addition	4,068	-	11	4,079
Reversals	(900)	-	(27)	(927)
Utilisation	(2,561)	-	-	(2,561)
31 December 2023	2,760	49	120	2,929
< 1 year				
31 December 2022	2,153	49	136	2,338
31 December 2023	2,716	49	120	2,885

The reorganisation provision costs mainly related to the wind down of the central Building Projects Organisation, which include costs related to certain staff compensation and restructuring which continued in 2023 and amounted to € 4,079 thousand (2022: € 1,136 thousand). A provision for restructuring is only recognised once the decision to execute a restructuring is concluded and announced.



10.3.9 Non-Current Liabilities

Long-term debt	2023	2022
Long-term financial debts	35,778	69,000
Lease liabilities	1,358	2,093
Total long-term debt	37,136	71,093

The fair value of the long-term debt to subsidiaries approximates the book value. Borrowings to be repaid between 1 and 2 years amount to \leqslant 18,446 thousand, borrowings to be repaid between 2 and 3 years amount to \leqslant 8,444 thousand, borrowings to be repaid between 3 and 4 years amount to \leqslant 4,444 thousand and borrowings to be repaid between 4 and 5 years amount to \leqslant 4,444 thousand. Lease liabilities to be repaid between 1 and 5 years amount to \leqslant 1,358 thousand.

Refer to note 9.6.15 of the Consolidated financial statements for details and redemption schedule of the borrowings.

10.3.10 Current Liabilities

Current liabilities	2023	2022
Lease liabilities	1,132	2,187
Short-term financial debts	37,626	-
Current portion of long-term financial debts	62,222	42,000
Borrowings from related parties	10,000	10,000
Trade and other payables	5,292	2,480
Payables to subsidiairies	266,699	303,177
Total current liabilities	382,971	359,844

Refer to note 9.6.15 of the Consolidated financial statements for further details about current portion of long-term borrowings. The payables to group companies mainly relate to short-term financing by means of current accounts. Ballast Nedam makes use of cash-pooling. The fair value of the "payable to subsidiaries" approximates the book value.

10.3.11 Off balance sheet commitments

Guarantees	2023	2022
Letters of guarantees given	394,056	370,170

Letters of intent and guarantees issued on Ballast Nedam's behalf by financial institutions in connection with the execution of projects and for prepayments received are included in 'Guarantees'.

In 2023, € 394,056 thousand of guarantees were outstanding (2022: € 370,170 thousand), of which € 129,188 thousand relate to joint arrangements (2022: € 107,453 thousand).



Other liabilities

Ballast Nedam N.V. has filed a declaration of joint and several liability as referred to in Article 2:403(1) (f), of Book 2 of the Dutch Civil Code with the office of the Commercial Register of the Dutch Chamber of Commerce in favour of Ballast Nedam Concessies B.V., Ballast Nedam ICT B.V. and Ballast Nedam Infra Corporate B.V.

In connection with credit and guarantee facilities, Ballast Nedam N.V. has given undertakings not to furnish any security in the form of collateral on fixed assets.

Ballast Nedam N.V. issued guarantees for a number of subsidiaries' contracts, totalling approximately € 1,301 million in 2023 (2022: approximately € 1,110 million). This often involves the entire contract sum for long-term projects.

Fiscal unity

Together with the subsidiaries which form the tax fiscal unity, Ballast Nedam N.V. bears joint and several liability for corporation tax and value added tax liabilities in the Netherlands. The subsidiaries have applied the tax consolidation legislation, which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

10.3.12 Employees

Average number of employees is 105 (2022: 100), none are employed abroad.

10.3.13 Remuneration of members of the Board of Management and of the Supervisory Board

For notes on the remuneration of the members of the Board of Management and of the Supervisory Board, see the paragraph on transactions with related parties in the notes to the consolidated financial statements.

10.3.14 Proposal of appropriation of 2023 result

It is proposed to add the net profit for 2023 to the accumulated losses within the shareholders' equity (general reserves).

10.3.15 Events after the balance sheet date

Ballast Nedam N.V. acquired 100% of the shares of Rönesans Endüstri Tesisleri İnşaat Sanayi ve Ticaret Anonim Şirketi (hereafter: RET)

On 2 January 2024, Ballast Nedam acquired 100% of the shares of RET. The company will be part of the international portfolio within Ballast Nedam. The company has a track record of projects in Europe, the Middle East, Africa and the Commonwealth of Independent States. At the date of acquisition the expected effect on the solvency of Ballast Nedam is limited and the size of the statement of financial position is expected to increase over 20%. The activities are expected to have a significant positive effect on the revenue and operational results of Ballast Nedam.

INICUMENCIA. ID MAICH ZOZE	Nieuwegein	. 15	March	2024
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Board of Management, Supervisory Board,

İ. Ilıcak Kayaalp (voorzitter) A.K. Sağlam

Ö. Canbas H. Koçak

N.P.A. Doodeman P.R.H.M. van der Linden

S.R. Lefevre

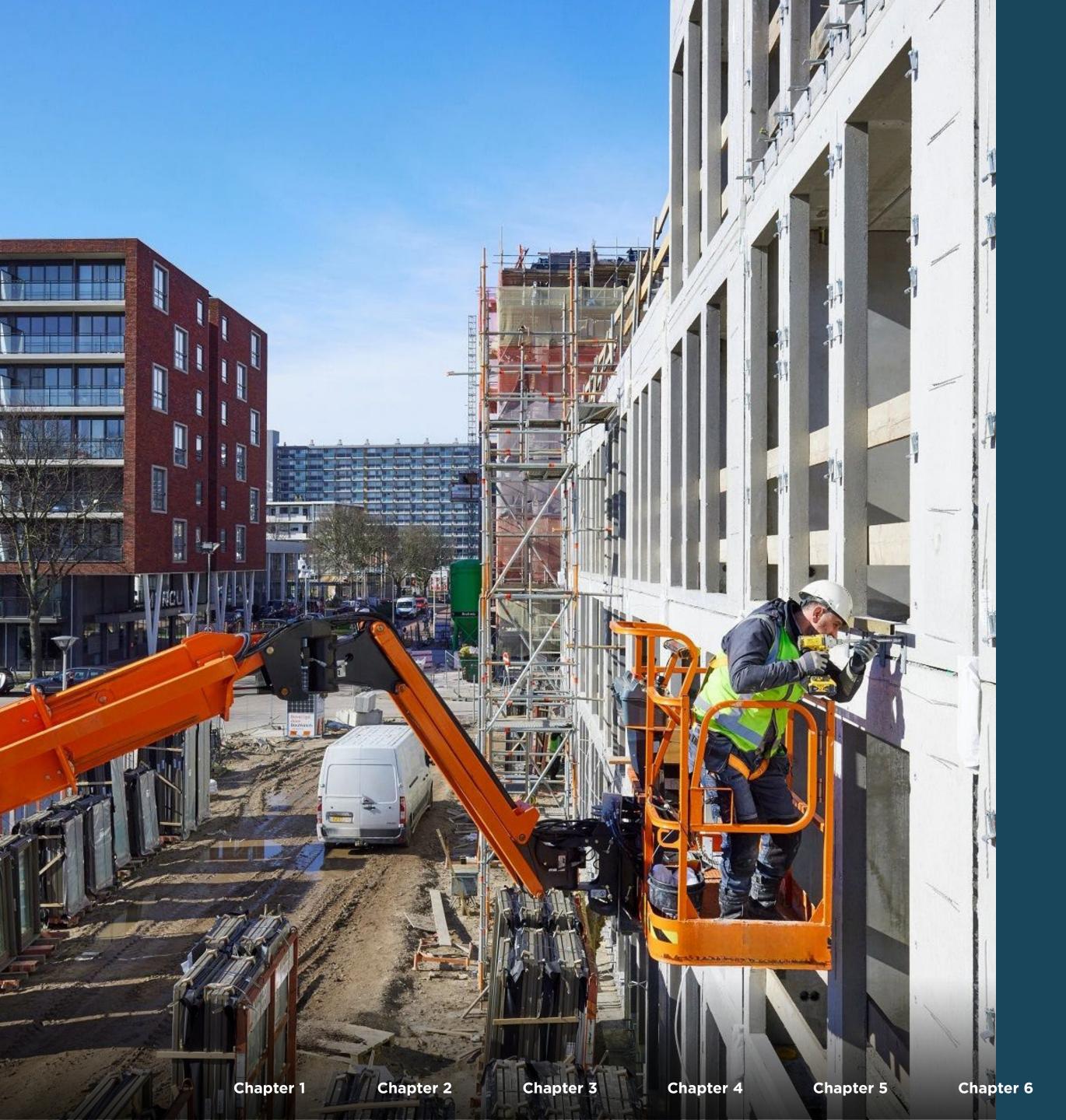
O.P. Padberg

E. van Zuthem

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11.1 Independent auditor's report

To: the general meeting and the supervisory board of Ballast Nedam N.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion:

- the consolidated financial statements of Ballast Nedam N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2023 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Ballast Nedam N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of Ballast Nedam N.V., Nieuwegein. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the following statements for 2023: the consolidated statement of profit and loss, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2023;
- the company statement of income for the year then ended; and
- the notes to the company financial statements, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independence

We are independent of Ballast Nedam N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Ballast Nedam N.V. and its environment and the components of the internal control system. This included the board of management's risk assessment process, the board of management's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistle-blower procedures and incident registration, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the board of management as well as the internal control department, legal affairs, compliance department, human resources, project leaders and controllers, the audit committee and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

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We identified the following fraud risks and performed the following specific procedures:

Fraud risk 1: Risk of management	

Identified fraud risks

override of controls

Generally, management is considered to be in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

That is why we paid attention to the risk of management override of controls in:

- the appropriateness of journal entries and topside adjustments made in the preparation of the financial statements;
- estimates;
- significant transactions, if any, outside the normal course of business for the entity.

We paid particular attention to tendencies due to possible interests of management.

Our audit work and observations

To the extent relevant to our audit, we evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties.

We selected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also paid particular attention to risk criteria within consolidation and elimination entries.

We performed specific audit procedures related to important estimates of management, including valuation of construction contracts. We performed substantive audit procedures on management's estimates of the cost to complete. We performed an analysis by comparing the latest project forecasts with the project budgets and the estimates from previous periods. We also compared the actual costs to the forecasts. We performed additional audit procedures for projects with notable outcomes. In addition, we performed a retrospective assessment of the quality of the estimates made by management in completed projects. We specifically paid attention to the inherent risk of bias of management in estimates.

We did not identify any significant transactions outside the normal course of business.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override or violations of the internal controls.

Identified fraud risks

Fraud risk 2: Risk of fraud in revenue recognition

As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions give rise to the risk of fraud in revenue recognition.

Management receives bonuses of which the size partly depends on the financial results achieved. This could lead to pressure on management to:

- allocate costs of lossmaking projects to profitable projects, which would impact the result;
- not include all losses by decreasing the estimates of costs yet to be incurred in the project forecast;
- allocating revenue that has not (yet) been agreed on with the client to positively affect the result.

We refer to the management override of controls for the estimates in construction contracts.

Our audit work and observations

To the extent relevant to our audit, we evaluated the design and implementation of the internal control system in the process related to revenue reporting.

We performed specific audit procedures over construction contracts which includes, but not limited to, reconciliations, valuation, management bias, construction costs, percentage of completion and physical observations where appropriate.

In order to mitigate the risk of allocating costs between projects, we performed a detailed analysis of journal entries between projects and performed substantive audit procedures on potential notable entries. We also assessed whether the costs were allocated to the accurate projects.

We performed substantive audit procedures on management's estimate of the cost to complete. We performed an analysis by comparing the latest project forecasts with the project budgets and the estimates from previous periods. We also compared the actual costs to the forecasts. We performed additional audit procedures for projects with notable outcomes. In addition, we performed a retrospective assessment of the quality of the estimates made by management in completed projects.

We also performed substantive audit procedures to assess the revenue included in the forecasts by examining the agreements, including additional work, signed by the client.

Finally, we also assessed the relevant notes in the financial statements.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud in the revenue reporting.

Identified fraud risksOur audit work and observationsFraud risk 3: Risk of bribery and corruptionTo the extent relevant to our audit, we evaluated the design and implementation of the internal control system and assessed the

higher risks of bribery and corruption based on the Corruption Perception Index of Transparency International.

For this reason, we paid particular attention to the risk of payment of bribes by and at the initiative of the one agent the Company works with, and in transactions concluded using the agent.

implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to bribery and corruption, including monitoring and reviewing of the work performed by the one agent the Company works with.

We held various meetings with management, the compliance officer and other staff to discuss the risk of bribery and corruption.

We selected the agent contract in a country with higher risks of bribery and corruption and analysed the commissions paid. For the selected agent, we determined whether:

- a background investigation was conducted, who conducted this background investigation, the depth of this investigation, and whether the outcomes of this investigation are assessed before a contract is signed;
- the contract has been signed by a competent official;
- the agreed commission is calculated correctly and paid correctly and completely to a bank account held by the agent;
- the agreed commission matches the work performed by the agent based on a benchmark of the commission percentage used in the industry and at the Company; and
- a right to audit has been agreed with the agent and whether this right was exercised.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to paying bribes or corruption.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and legal expenses. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

As disclosed in section 9.6.2 'Basis of presentation of the consolidated financial statements', the board of management prepared the financial statements on the assumption that the entity is a going concern and that it will continue its operations for at least twelve months from the date of preparation of the financial statements.

Our procedures regarding the evaluation of the appropriateness of the board of management's use of the going-concern basis of accounting, including the board of management's plans to address the identified going-concern risks, included, amongst others:

- considering whether the board of management's going-concern risk assessment includes all relevant information of which we are aware as a result of our audit;
- inquiring with the board of management regarding the board of management's most important assumptions underlying their going-concern assessment and liquidity forecast and evaluate the adequacy thereof;
- evaluating the board of management's scenario analysis of the cash flow forecast to determine the liquidity need;
- evaluating the board of management's current budget including cash flows for at least twelve months from the date of preparation of the financial statements taking into account current developments in the industry and all relevant information of which we are aware as a result of our audit;
- performing inquiries of management as to their knowledge of going-concern risks beyond the period of management's assessment.

Based on our procedures performed, we concluded that the board of management's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.





Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
 and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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Responsibilities for the financial statements and the audit

Responsibilities of the board of management and the supervisory board for the financial statements

The board of management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of management should prepare the financial statements using the going-concern basis of accounting unless the board of management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of management should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

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Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 15 March 2024 PricewaterhouseCoopers Accountants N.V.

H. Laros RA

Appendix to our auditor's report on the financial statements 2023 of Ballast Nedam N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of management.
- Concluding on the appropriateness of the board of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in



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our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.

 Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11.2 Appropriation of result

Sections of the articles of association concerning appropriation of the result

Article 23 of the Ballast Nedam Articles of Association governs profit appropriation. The text of this clause is as follows.

The company may make distributions to the shareholders' and to other persons entitled to the profits eligible for distribution only up to a sum not exceeding the amount of the distributable reserves.

- 1. Distribution of profits will be done after the adoption of the Annual Accounts from which it appears that it is allowed.
- From the profits made evidenced by the adopted Annual Accounts, a part to be determined by the Board of Management will be reserved.
 The part of the profit remaining after application of the previous sentence shall be at the free disposal of the General Meeting.
- 3. In calculating the profit appropriation, the shares held by the company in its own capital shall not count, unless a usufruct has been created on these shares.
- 4. Insofar as profit is available in the company, the Board of Management may resolve upon payment of an interim dividend on account of the dividend to be expected, provided that the provisions laid down in paragraph 1 of this article have been satisfied, evidenced by an interim capital statement as referred to in article 2:105 paragraph 4 of the Dutch Civil Code.
- 5. Upon a motion by the Board of Management the General Meeting may resolve to make a distribution against the distributable reserves.
- 6. The (interim) dividend shall be made payable on a day to be determined by the Board of Management, no later than 14 days after the determination of the (interim) dividend.





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GRI content index

Ballast Nedam has reported the information cited in this GRI content index for the period 1 January 2023 through 31 December 2023 with reference to the GRI Standards.

Disclosure	Location Ballast Nedam Annual Report 2023: Chapter/Paragraph
GRI 2: General Disclosures 2021	
2-1 Organisational details	9.6.1 Organisation and operations of Ballast Nedam
2-2 Entities included in the organisation's sustainability reporting	9.6.2 Basis of presentation of the consolidated financial statements
2-3 Reporting period, frequency and contact point	1.4 Our approach to materiality
2-4 Restatements of information	-
2-5 External assurance	For Financial Figures: Section 4.2 Independent statutory auditor, Section 11.1 Independent auditor's opinion
	For CO_2 : Section 5.2.1 CO_2 footprint measurement system and verification
2-6 Activities, value chain and other business relationships	 1.1.1 We are Ballast Nedam 1.1.4 Organisational structure 1.2 What we do 1.3 The world we operate in: a glimpse of 2023 3.3.2 Operational risks and measures 3.4 Strategic and operational risks: Supply chain and inflation
2-7 Employees	7 Human Resources (infographic)
2-8 Workers who are not employees	_
2-9 Governance structure and composition	4.1 Management and control structure 4.1.8 The diversity policy with regard to the composition of the Executive Board and Supervisory Board, and senior management

Disclosure	Location Ballast Nedam Annual Report 2023: Chapter/Paragraph
2-10 Nomination and selection of the highest governance body	4.1.3 Board of Management
2-11 Chair of the highest governance body	4.1.3 Board of Management 4.1.5 Supervisory Board
2-12 Role of the highest governance body in overseeing the management of impacts	4.1.3 Board of Management 4.1.5 Supervisory Board
2-13 Delegation of responsibility for managing impacts	-
2-14 Role of the highest governance body in sustainability reporting	-
2-15 Conflicts of interest	4.1.5 Supervisory Board
2-16 Communication of critical concerns	3.3.4 Compliance and integrity risks and measures
2-17 Collective knowledge of the highest governance body	-
2-18 Evaluation of the performance of the highest governance body	4.1.3 Board of Management
2-19 Remuneration policies	4.1.1 Introduction
2-20 Process to determine remuneration	-
2-21 Annual total compensation ratio	-
2-22 Statement on sustainable development strategy	Introduction/CEO message

Disclosure	Location Ballast Nedam Annual Report 2023: Chapter/Paragraph
2-23 Policy commitments	3.3.4 Compliance and integrity risks and measures.
2-24 Embedding policy commitments	-
2-25 Processes to remediate negative impacts	3.3.4 Compliance and integrity risks and measures.
2-26 Mechanisms for seeking advice and raising concerns	3.3.4 Compliance and integrity risks and measures.
2-27 Compliance with laws and regulations	3.4 Compliance risks: non-compliance with laws and regulations
2-28 Membership associations	-
2-29 Approach to stakeholder engagement	1.4 Our approach to materiality1.4.3 Our ESG compliance approach
2-30 Collective bargaining agreements	-

GRI 3: Material Topics 2021	
3-1 Process to determine material topics	1.4 Stakeholder engagement & Materiality (Material Topics)
3-2 List of material topics	1.4.1 Material themes for Ballast Nedam
3-3 Management of material topics	1.4.1 Material themes for Ballast Nedam

Reference to information related to material GRI topics & disclosures

For more information on the management of material topics as well as a reference table on where this information can be found, we kindly refer to chapter 1.4.1.



"Everything we do is based on our people. We trust each other and we embrace challenges."

- A. Kemal Sağlam (CEO)



