

Diversity and Inclusion *Policy*



Diversity and Inclusion Policy

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1. Objective

BAM Group will create a truly inclusive culture which is mirrored throughout all aspects of its business, infrastructure, supply chain and technology. Resulting in a high performing, highly engaged and sustainable organisation, reflective of the communities in which it operates.

The objective of this policy is to enable BAM Group to achieve its strategic priorities and targets on diversity and inclusion, by defining principles and requirements which contribute to the growth towards developing an inclusive culture.

With this policy BAM Group wants to comply with the relevant legal and statutory requirements including the Dutch Corporate Governance Code.

2. Scope

This Policy applies to all companies, employees, and any other representatives of BAM Group.

All definitions that are used in this policy correspond with the definitions as included in the BAM Glossary on BAM Connect.

This policy sets forth the standard for BAM Group. Business Segments may produce instructions to meet local needs and expectations. Such instructions need to be consistent with, and not in conflict with, this policy.

Where BAM Group does not have operating control, we encourage our partners to demonstrate the commitments reflected in this policy.

3. Principles

To achieve the objectives, the following principles form the foundation:

- BAM Group is committed to ensure that our recruitment practices are inclusive, fair, transparent, and open to all.
- BAM Group is committed to putting our Employees' health (including mental health) and well-being at the heart of our approach and creating a psychologically safe environment for our people to do their best work.
- BAM Group strives for leaders to recognise the value of diverse teams and choose to create an inclusive environment for our people to thrive.
- BAM Group is committed to ensure that Employees and line managers have clear, transparent guidance that outlines expectations of both Employees and the organisation, and ensures that people are treated fairly and equally.
- BAM Group is committed to focus on creating and maintaining an inclusive culture which will enable our diverse workforce to deliver our purpose.
- BAM Group is committed to retain the best talent and works hard to ensure that even when Employees choose to leave us, they do so having had a good experience and the opportunity to provide feedback on their time with us.
- BAM Group is committed to ensure that our people have the knowledge and skills to do their best work, and that our training provision is inclusive and accessible to all.
- BAM Group is committed to focus on providing our people the opportunities to thrive and excel in their careers and works hard to create a sustainable pipeline of future talent.
- BAM Group prides itself on having a healthy balance of support and challenge. On occasion conflict can occur and when this happens, there is an aim for this to be resolved as quickly as possible so that teams can focus on achieving BAM's purpose; mechanisms and support structures are in place to provide our people with a course of action if required.
- BAM Group will not tolerate discrimination, bullying, and/ or harassment.
- Breaches of this Diversity & Inclusion policy and related procedures, or any unfair treatment or unlawful discrimination will be dealt with under the Company's disciplinary procedures and could lead to disciplinary sanctions up to and including dismissal.

4. Requirements

4.1 Introduction

Diversity concerns all aspects and personal characteristics in which people may differ, including sex and gender identity, age, ethnicity, disability, and sexual orientation. Inclusion refers to an organisation's ability to create a culture in which every employee feels valued and respected, ensuring equal opportunities for employees regardless of identity and facilitating diversity in employee progression to the top of the organisation. Inclusion also covers social safety within the company, including tackling transgressive behaviour.

4.2 Our values and strategy

4.2.1 Our values

Diversity & inclusion is embedded in everything BAM Group does, with 'being inclusive' embraced as one of our five core BAM values. Our other values also support us to demonstrate authentic inclusion, as BAM strives to create a consistent and fair environment (reliable), where we each take ownership of our own behaviours (ownership), maximising our individual skills and combining them with the skills of others (collaborative) to ensure a business that retains and attracts talent to support our plans for tomorrow (sustainable). BAM Group reinforces all of these values by linking them to the behaviour of our Employees, in order to support us to build an inclusive environment.



4.2.2 Our diversity and inclusion strategy

Our strategy has five pillars:

1. **Golden Thread** – We build inclusion into every aspect of our business. We put an inclusion lens on all that we do and ensure our work is aligned to our new values and behaviours frameworks to embed inclusion in our beliefs and behaviours. This will ensure that it is always considered from the outset, rather than as an afterthought.
2. **Awareness & education** - We raise awareness and the education of all our people on the benefits of an inclusive & diverse organisation and support them to understand the role they play.
3. **Review & adapt** – We review the way in which we work and adapt any areas where we identify issues or barriers preventing us from becoming a truly inclusive organisation.
4. **Governance & accountability** - We create structures and multi-disciplinary teams which will enable us to deliver against our ambitions and meet our reporting requirements on Inclusion.
5. **Data & metrics** - We use data and metrics, including workforce representation and beyond, to identify where we are at, evidence our progress, and inform our future initiatives.

4.3 Supervisory Board, Executive Committee (including the Executive Board), and sub-top diversity policies

4.3.1 Supervisory Board diversity policy

The Supervisory Board should be composed in such a way as to ensure a degree of diversity appropriate to BAM Group with regard to expertise, experience, competencies, other personal qualities, sex or gender identity, age, nationality and cultural or other background.

In compliance with the statutory requirements to set a number for the (diversity between) female and male members of the Supervisory Board, its composition shall consist of at least one third (1/3) female members and at least one third (1/3) male members.

- The ingrowth quota applies to new appointments to the Supervisory Board.
- New appointments that do not contribute to meeting quota are null and void (seat remains empty).

The composition of the Supervisory Board, including its gender diversity, will be reported in the annual report of BAM Group. In case the actual situation differs from the diversity as aimed for in this diversity policy, the Supervisory Board shall account for this in the annual report of BAM Group, including an indication how it expects to achieve this aim in the future.

4.3.2 Executive Committee (including the Executive Board) and sub-top diversity policy

The Executive Committee and sub-top should also be composed in such a way as to ensure a degree of diversity appropriate to BAM Group with regard to expertise, experience, competencies, other personal qualities, sex or gender identity, age, nationality and cultural or other background.

BAM Group has set appropriate and ambitious targets for the male-female ratio in the Executive Committee, and the sub-top, and a plan of action has been drawn up to achieve this.

- The Supervisory Board has resolved that the diversity aspects set in the diversity policy for the Supervisory Board will apply equally to the Executive Board and the Executive Committee, whereby the aim is that at least 25 per cent of the Executive Committee (including the Executive Board) shall consist of women and 25 per cent shall consist of men.
- Besides the targets for the Supervisory Board and the Executive Committee, in accordance with the law on diversity in the top of large corporation, BAM has set a 22 per cent target for the percentage of women represented in its so-called 'sub-top' by the end of 2023 and a target of 30 per cent by the end of 2030. This sub-top has been defined as the senior leadership positions at BAM (excluding Executive Board / Executive Committee).

Progress against these targets will be reported in the annual report of BAM Group and in case these targets are not met, the Executive Board shall account for this.

4.3.3 Plan of action to improve representation of women in executive and senior leadership positions

BAM Group strives to improve the percentage of women in its executive and senior leadership positions by:

- Raising awareness on gender diversity and inclusiveness throughout the organisation;
- Aiming for an equal balance of male and female candidates for all vacancies;
- Providing bias training and including leadership coaching for senior management;
- Performing a gender pay gap analysis and actively correcting pay where required;
- Identifying and creating more diverse succession planning for the senior management positions;
- Maintaining a female leadership pipeline for future positions;
- Supporting inclusiveness within our benefit plans;
- Assuring that job interviews will be held by a diverse selection panel.

4.4 Our diversity and inclusion targets

BAM Group wants to measure our progress, not only around diversity, but also in embedding inclusion.

Diversity and inclusion targets which are focused on:

- Gender diversity at the Supervisory Board, the Executive Committee (including Executive Board) and the sub-top (see definition below);
- Return on Inclusion assessment.

4.4.1 Gender diversity at the Supervisory Board, the Executive Committee (including Executive Board) and the sub-top

Gender diversity at the Supervisory Board:

- At least 1/3 male members and 1/3 female members

Gender diversity at the Executive Committee (including Executive Board):

- At least 25% female members and 25% male members

Gender diversity at the sub-top*

- 2023 Year end – at least 22% females
- 2026 Year end – at least 25% females
- 2030 Year end – at least 30% females

*This sub-top has been defined as the senior leadership positions at BAM Grade F+ (excluding Executive Board / Executive Committee).

4.4.2 Return on Inclusion assessment

BAM Group plans to measure the impact of its inclusion initiatives using the Return on Inclusion assessment. The Company collaborates with an external independent party, EA Inclusion, which conducts an inclusion assessment every two years (the first of which was in 2021), in which 20 core focus areas are audited using over 100 data points. The results are reflected in a score of the current state and predictions on the financial return of implementing improvements. These enable BAM to identify actions to keep growing towards achieving the Group's inclusiveness ambition.

- BAM's ambition in 2023 is to reach the silver level, which means aspiring to a level of 51 or higher on a scale of 100.
- There are further ambitions to achieve a level of 60 or higher (silver: aspiring) in 2026 and 71 or higher (gold: champion) in 2030.

4.5 Other requirements

4.5.1 Introduction

BAM Group's global team for diversity & inclusion will lead on diversity and inclusion, with Divisional roadmaps developed which are aligned to the BAM Group strategic priorities. It should be recognised that diversity and inclusion is everyone's responsibility, and this must be driven through every level of the organisation, with collaboration being key.

Awareness of diversity and inclusion through the organisation will be improved through training and development for all Employees.

4.5.2 Stakeholder engagement

The interests of Employees, shareholders, and other relevant stakeholders are considered when developing the Diversity and Inclusion Policy and Strategy. Input is obtained during ongoing discussions with Employees and interactions with other relevant stakeholders.

4.5.3 Specific diversity and inclusion topic requirements

BAM's Corporate Center, Divisions and Business Segments should comply with the following requirements regarding the diversity and inclusion topics in order to meet the objectives of this policy

1. Data and Monitoring

- When BAM Group requests and processes Employees' personal data, this will be done in accordance with relevant privacy regulations and our BAM Privacy policy. This personal data will only be used to measure the progress of our inclusive practices and enable us to understand our existing employee demographics.

- Employees will be invited to volunteer further personal information and BAM guarantees that this personal data will be used anonymously and in aggregated manner for benchmarking purposes only.
- Where a particular focus on underrepresented groups is required, internal measurements should be identified to help drive performance.
- BAM Group will measure the pay gap that affects women and remove any bias from our compensation and reward strategies.

2. Leadership & Culture

- Our leadership development ensures that senior leaders understand and support diversity & inclusion.
- BAM Group do not tolerate any form of discrimination, bullying, and/ or harassment and encourage colleagues to speak up where this is witnessed, experienced, or reported.
- Our working practices provide flexibility and accessibility to careers, ensuring that BAM Group creates an environment that supports healthy lives and sustainable business performance.

3. Attraction & Recruitment

- BAM Group aims to have a workforce that reflects the diversity of the society. Where appropriate, BAM will take proactive and positive steps to ensure it can access diverse candidates.
- BAM Group aims to have all relevant policies reviewed to ensure fairness and create equal opportunity for Employees and prospective talent in entering and progressing through the business. Particular focus is placed on inclusive recruitment practices to ensure that BAM attracts and selects people from a broad and diverse pool.

4. Employee Experience

- In our branding and internal communications BAM Group will always consider how it portrays its workforce, and the language used to eliminate bias, including the expansion of neutral terms to ensure all employees feel included.
- BAM Group strives for every Employee to have access to learning to fully understand the benefits of diversity for the business and understand personal bias and how they can take action to contribute to an inclusive culture.
- BAM Group aims to have workplaces accessible to all, and where this presents a challenge, individual adjustments will be made to support employees and visitors.

5. Progression

- BAM Group aims for our talent management approach to be inclusive in process and practice, and to support the principle of merit, ensuring that everyone has fair consideration to succeed and progress within BAM.
- BAM Group strives to have a proportionate representation of diversity in our development programmes to stimulate learning and optimise progression, providing fair access to careers.

4.5.4 Monitoring and reporting

Monitoring forms a key part of this policy and therefore reporting requirements are developed for core KPI's and targets, including legal and statutory requirements for reporting on diversity and inclusion
BAM publishes its performance on diversity and inclusion in its Annual Report.

4.5.5 Continuous improvement

BAM Group's global team for diversity & inclusion will lead on diversity and inclusion, with Divisional roadmaps developed which are aligned to the BAM Group strategic priorities, and adapt this moving forward to continue to deliver the required objectives. There will also be regular reviews and bi-annual assessments of the effectiveness of this policy and relevant Divisional objectives and targets.

5. Roles and responsibilities

- The Executive Committee is responsible and ultimately accountable for providing direction on and commitment to this policy.
- The HR Function is responsible for encouraging action and monitoring this policy. Line managers are responsible for monitoring any forms of discrimination, bullying, and/ or harassment. They have a responsibility to address this, having conversations with employees and take action if required. The HR Function shall facilitate and support this process together with the Governance & Compliance Function.
- All Employees and any other representatives of BAM Group are responsible to treat all colleagues, customers, suppliers, and the public with understanding and respect and to adhere to this policy and its principles.
- Line managers are accountable for living this policy and creating an inclusive and supportive place to work and treating all colleagues, customers, suppliers, and the public with understanding and respect.
- The Compliance Function is responsible for handling and monitoring of all reported compliance cases related to D&I as part of the Code of Conduct.

6. Reference to supporting documents

Internal

- BAM Annual Report
- BAM Code of Conduct
- BAM Privacy Policy
- BAM HR Perform & Develop Policy
- BAM Sustainability Policy

External

- Dutch Corporate Governance Code 2022: <https://www.mccg.nl/publicaties/codes/2022/12/20/dutch-corporate-governance-code-2022>
- England/ Scotland/ Wales Gender Pay Gap statutory guidance: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/report-your-gender-pay-gap-data>
- Ireland Gender Pay Gap Information Regulations 2022: <https://www.gov.ie/en/campaigns/0cb29-gender-pay-gap-information-act-2021/#>

7. Document Control

Document Version Number	Description of Revision (Include Reason for change)	Author	Date
1.0	New policy	S. Caton	March 2021
2.0	Update policy based on new strategy, legal requirements and new TOM	C. Dings	April 2023