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2024

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Message from our CEO

We can look back on a strong and successful 2024. Our business operations performed well on all fronts. That calls for a huge compliment for all our enthusiastic and committed employees. Thanks in part to their efforts and achievements, we were able to further strengthen our position in the market. Last year, we also got to work full out on our revised business strategy 'Together towards 2030'.

This gives us a roadmap that makes very clear how and on which fronts Heijmans, as a sustainable leader, wants to take the lead, and with whom. In line with this, we presented our new brand promise with great conviction: 'Together, it's possible'.

Positive about our performance

We are proud of the robust financial results we achieved in 2024, with revenue of € 2.6 billion and an underlying EBITDA-margin that rose to 7.7%. All our business units - Living, Working and Connecting - performed within the strategic bandwidth of an underlying EBITDA-margin of 7-9%. In 2023, with four months of Van Wanrooij in our books, we achieved revenue of € 2.1 billion. All our business units showed profitable revenue growth.

Our order book (including joint ventures) is stable and well filled, standing at € 2.8 billion at year end. We are especially pleased with the continued increase in the quality of our order book. It is an excellent sign that the share of revenue from recurring business continues to grow, particularly in the Working and Connecting segments. After all, recurring work based on long-term client relationships is an extremely important pillar of our business model, and now accounts for 35% of our revenue. Partly for this reason, we continue to focus strongly on these recurring activities, such as the renovation of existing homes and making them more sustainable, the management and maintenance of technical installations and the execution of (repair) work on the road network and traffic installations, including services in the field of asset management, to give just one example.

We have now broadly translated the five pillars on which we have built our 'Together towards 2030' business strategy - Well-being, Sustainability, Connection, Producibility and Team - into programme lines and activities. In 2024, we completed the realignment of our organisation in line with these pillars and engaged our colleagues in our strategic vision and its practical implementation. Our current performance and future prospects give us great confidence in our ability to realise the strategic and financial objectives we have set for 2027, including an underlying EBITDA-margin in the range of 7-9%. On the way there, we will of course continue to

maintain robust and predictable business operations, with a selective tendering policy and strict risk management. When tendering for projects, we always ensure the right balance between risk acceptance and earning potential. Thanks to this approach, our net debt continued to decline and last year we were able to accelerate the repayment of the financing for the acquisition of Van Wanrooij, which we repaid in full in 2024.

Celebrating successes

We can also look back with great pride on the other successes we celebrated together in 2024. For example, we received two prestigious awards. The first was the FD Henri Sijthoff Prize 2024 for the best reporting in the 'other listed companies' category. The jury praised Heijmans for its insightful financial reporting and clear vision on sustainable construction. And secondly, we won the Public Award in the ABN AMRO Sustainable 50 contest. Another highlight was our well-attended Capital Markets Day, which we hosted on 22 May 2024 at our new timber-frame house production facility in Heerenveen. And over the course of the year, we saw Heijmans' share price rise to € 31.55 from € 12.12 a year earlier. This made Heijmans the biggest climber on Amsterdam's Euronext stock exchange in 2024, with a gain of no less than 160%.

Changing safety awareness

Our efforts to increase safety in the construction sector are still very much needed. We stand by our credo: we work safely or we do not work at all. Based on this conviction, we had to postpone our weekend work on the A13 motorway in 2024. During the preparations, it became clear that the safety measures taken were not in order, something that should never have happened. We then decided to postpone the weekend work in consultation with our client, the Dutch Ministry of Public Works and Water Management (Rijkswaterstaat). By making this decision, we set an example for the

sector. Together, we sent a clear message that safety is our number one priority. Unfortunately, we still see examples of reckless driving, road users ignoring red crosses and sometimes even intimidation and aggression towards road workers during road works. This is not acceptable. It is important to realise that our road workers work hard every day to keep the roads in optimal condition for all road users.

Our safety strategy focuses primarily on compliance with standardised procedures for high-risk activities. For example, we take plenty of time to emphasise safety measures at the daily start-up of activities and we are working hard to continue to develop our safety leadership. Recent figures on the number of accidents resulting in absenteeism at Heijmans were largely unchanged from the previous year. However, we did see a decline in the severity of accidents in 2024. Employees are also more inclined to report safe and unsafe situations. This behaviour is encouraging, but we can never afford to rest on our laurels. Safety therefore remains one of our top priorities.

As a sector, we must also continue to accept our own responsibility. It is essential that we have the courage to call each other to account for unsafe behaviour, that we do not look away and that we work together to investigate where and how we can realise improvements. To help achieve this, one of our many initiatives is sponsoring the new Chair in Integrated Safety Practice at the Delft University of Technology (TU Delft).

Living: housing market showing signs of recovery

We are encouraged by the improving housing market. In 2024, we sold a total of 3,181 homes, an increase of 23% compared with the previous year. This increase was primarily due to an increase in home sales to private buyers. As a result, the ratio of private to commercial sales at the end of 2024 stood at 60% - 40%. Competition in the housing market continues to increase due to the limited supply and the lack of firm planning capacity. As a result, demand continues to significantly outstrip supply. In the mid-priced rental segment, we see that sales have shifted from institutional investors to housing corporations. The latter group is making more and more resources available, both to expand their portfolios and to make their existing housing stock more sustainable.

At Heijmans, we are well positioned to play our part in the housing market. We are determined to continue our upward trajectory. Partly due to the acquisition of Van Wanrooij (2023) and Van Gisbergen (2024), our order book expanded to 37,000 new homes from 29,000 the previous year. To make sure we can take full advantage of this, we are once again calling on policymakers to increase the 'firm' planning capacity in urban and suburban areas and to standardise legal and regulatory requirements in line with national norms. The goal is to accelerate the industrial-scale production of homes, which will also help keep homes affordable. To continue to stimulate this, the market needs the public sector to act quickly. This will require more civil service capacity, the shortening or limiting of objection and appeal procedures and making sure home seekers have a say in legal proceedings.

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As creators of the healthy living environment, we are determined to leave the Netherlands better for generations to come. What drives us is tackling our country's larger building and transition challenges, in all their complexity and interconnectedness.

Working: demand for innovation remains strong

We are seeing growing demand for the renovation of existing buildings. This is being fuelled by the increasing demand for sustainable business premises, but the supply of these buildings is still limited. In addition, few office buildings have been adapted to current market demands and the new ways of working that are on the rise. Furthermore, the renovation of buildings can be complex due to technical requirements, high costs and regulatory demands, especially in sectors such as healthcare, education and industry. This is increasing the need for strategic asset management. Heijmans plays a key role on this front, thanks to its expertise in energy optimisation, safety and data-driven solutions such as real-time monitoring and predictive maintenance. We see plenty of opportunities in this area, running parallel with our growth in recurring business.

Connecting: clear opportunities

There is a great deal of work to be done on the renovation or replacement of essential infrastructure. Many roads, bridges, viaducts and tunnels date from the post-war years and are in urgent need of maintenance. In addition, increased traffic intensity and greater loads on our roads (axle loads) are increasing the need for maintenance. We are seeing a shift in activities from new construction to replacement and renovation. After all, due to the nitrogen emissions problem, the government is being forced to opt more frequently for large-scale renovations rather than building completely new infrastructure. For Heijmans, this is part of our day-to-day business and an integral part of our core activities. Consequently, we see many attractive opportunities and possibilities for us in this field.

That certainly proved to be the case in 2024. For example, last year we successfully and effectively completed the asphaltting of the A2 motorway between the Oudenrijn and Everdingen junctions. This was a major project on one of the busiest arteries of our national road network. For future projects, the new Asfaltcentrale Lage Weide (ACLW) asphalt plant will certainly be useful. AsfaltNu, in which Heijmans is one of two shareholders, is investing in the construction of this most sustainable, innovative and environmentally friendly asphalt plant in Europe. State-of-the-art technology will ensure that the production of this new asphalt will be very low emission, odour free, and with generate virtually no noise. On top of this, the asphalt will be almost completely circular.

Challenges on the water front

One of the infrastructural challenges we face in the period ahead is how we as a society should deal with water. Climate change means we will have to deal with rising sea levels, extreme weather and higher water levels in our rivers. We also need to take into account periods of prolonged drought, with a resulting scarcity of drinking water and the contamination of surface water, but also wet periods that can result in flooding. The expected effects of these phenomena once again call upon

the expertise and innovative potential that we as 'the Netherlands, land of water' have built up over the centuries. All parties involved need to work together to develop an all-encompassing vision and plan of action. To provide direction on this front within Heijmans, we drew up the 'Water Matters!' vision paper in 2024. This vision is based on four pillars that we see as our focus areas: water quality, water balance, water use and water safety.

Grid congestion

We will also have to make use of our innovative potential to tackle the pressing problem of grid congestion. We need to focus on innovative solutions if we are to meet current and future electricity demand. Our knowledge of energy infrastructure and the built environment is helping us to create a stable and reliable network. We create energy grids for public and private clients, including local grids on our clients' own premises. We take care of the design and realisation, we work as an all-round service partner or we take care of the long-term management and operation. In addition, in the Watervliet neighbourhood of Nuenen, we are experimenting with a new energy management system that optimises the availability and use of locally generated energy. Our own timber-framed house production facility in Heerenveen is now largely powered by solar panels and a battery system that stores any excess solar energy.

Accepting our social responsibility

As a sustainable leader, we want to play a leading role in making the living environment healthier and improving the well-being of residents, consumers and road users. We focus on this in almost every aspect of our work, from the design phase and execution during construction to management and involvement after completion. For example, we actively look for opportunities to increase social cohesion in our new construction projects. We also look at the potential for alternative and decentralised energy generation, and for the efficient use and reuse of raw materials. Of course, we never lose sight of the comfort and experience of users. It is certainly encouraging to see that the nature-inclusive and climate-adaptive method that we applied in the Parijsch new-build neighbourhood in Culemborg is now being applied on a national scale.

We are proud that Heijmans' ambitious climate targets have been approved by the Science Based Target initiative (SBTi). Thanks to our efforts on the sustainability front, we remain within the Paris guidelines. We are also fully committed to the goal of making our own business operations and our chain climate-neutral by 2040 at the latest. We will continue to report transparently and accessibly on this front, in accordance with the new requirements of the EU Corporate Sustainability Reporting Directive (CSRD). For that purpose, we also conducted a so-called double materiality analysis in 2024. This helped us to identify seven material themes that are of major importance to Heijmans. In addition to climate change, these are water, biodiversity and ecosystems, use of materials and the circular economy, our own employees, employees in the value chain, and business conduct.

We regret that (semi-)government clients are exempt from transparent reporting according to the CSRD guidelines. As a sector, we need to make the chain sustainable from start to finish, and it would be good if clients in the public and semi-public sector also accepted their responsibility in this regard. The goal must be to arrive at a single common 'language' in the construction chain to make the sector as a whole more sustainable.

Together, it's possible

As the creators of a healthy living environment, we are determined to leave the Netherlands in a better state for future generations. What drives us is tackling the major construction and transition challenges facing our country, in all their complexity and interdependence. The housing shortage, water surpluses and shortages, declining biodiversity, the energy transition and the congested traffic network. Our country must move forward, but that will not happen if we continue to exaggerate the many social differences. What we need is a unifying, solution-oriented and integrated approach. Heijmans wants to take the lead on this front and, together with our clients, partners and users, continue to build a future-proof country. We see these challenges as new opportunities to continue our development as a company and in our business operations.

This ambition is the basis of our new brand promise: 'Together, it's possible'. Since the autumn of 2024, we have been drawing attention to this through various communications via our own channels and beyond. We also make use of every opportunity to emphasise this promise internally. It is no coincidence that this ties in seamlessly with our strategic vision 'Together towards 2030' and our financial goals for 2027.

Retaining employees

Together with every single one of our colleagues at Heijmans, we are building the future of the Netherlands. Together we form one Heijmans – it is our 'yellow heart' that connects us. We work for each other, for our clients, and throughout the Netherlands. That is what makes working at Heijmans so special. We emphasise this in various ways and ensure that we retain our employees for the long term. Our goal is to create a diverse and inclusive work environment where everyone feels welcome. This is why we devote constant attention to diversity in our workforce. We believe

that differences in background, gender, vision, experience and age make us stronger. Heijmans also believes it is important to offer newcomers a pleasant, welcoming workplace and by doing so give them the opportunity to build a new life in the Netherlands. The know-how and skills they bring with them also enrich our organisation. In 2024, 31 highly motivated newcomers started working for us.

The labour market in our sector is tight. Fortunately, we are still able to attract many new employees who identify with our strategic vision and are willing to work to realise it. We also continue to look ahead. We see plenty of opportunities for further growth, and for that we will need more employees. With that in mind, at the end of 2024 we launched our new labour market communications campaign. We are counting on this to raise our profile as an attractive employer even higher and to recruit and retain even more new colleagues for the long term.

Outlook for 2025

We are expecting a further increase in home sales and the continued growth of recurring business in the Working and Connecting segments. On top of this, we are encouraged by our well-filled and high-quality order book. Based on this, we expect revenue to increase to € 2.75 billion in 2025. Our profitability is expected to increase to a minimum underlying EBITDA-margin of 8.0%. We also expect all sectors to perform within their strategic bandwidths in 2025. And we expect to achieve a positive net cash position in Q1 2025, one year earlier than we had initially anticipated. It is still difficult to predict the impact of the macro-economic uncertainty that appears to be increasing, as well as the consequences of legal rulings related to nitrogen emissions in the longer term. Nevertheless, we have a solid foundation and the outlook is good that 2025 will be another strong year.

It looks promising that 2025 will be another successful year for Heijmans. To continue to ensure a healthy living environment where people can enjoy living, working and connecting. And to do so with all Heijmans colleagues, and our clients, suppliers, contractors, subcontractors, partners and users. Because we believe in this completely: Together, it's possible!

Ton Hillen

CEO Royal Heijmans N.V.

28 February 2025

Heijmans at a glance

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General highlights

Main sponsor of National Tree Planting Day

As the creator of the healthy living environment, Heijmans wants to inspire younger generations to play an active role in caring for nature.

Heijmans named 'Best Performer on ASX 2024' by Euronext

With a share price gain of 160% in 2024, Heijmans was also the biggest riser on the Amsterdam stock exchange.



Launch of innovative biodiversity monitoring box: BioBuddy

Artificial intelligence measures and analyses the biodiversity in an area.



Heijmans CO₂ reduction ambitions approved by the international Science Based Targets initiative (SBTi)

Heijmans is striving to be one of the first Dutch construction companies to be net zero by 2040.

Launch of new labour market communications campaign

We are looking for professionals who want to develop their skills and work with us to build a sustainable future for the Netherlands.

Heijmans wins the prestigious FD Henri Sijthoff Prize for financial reporting

This recognition underlines the company's aim to communicate transparently, honestly and with a clear sustainability vision.

Innovation afternoon yields two concepts for reducing the risk of collisions on building sites

Heijmans, Dura Vermeer and Millenaar & Van Schaik will continue to develop Rietveld and Brigade's solutions and test the concepts.

Winner of the Public Award in the ABN AMRO Sustainable 50: Harwil de Jonge of Heijmans

Heijmans launches new promise: 'Together, it's possible'

Heijmans is taking a leading role in addressing social challenges with an integrated and solution-oriented approach.

Investing in biodiversity with our partner, the Dutch forestry commission

Together, we will plant four hectares of forest in the Netherlands every year through 2030.

Living highlights



Energy-efficient homes in Eindhoven

Heijmans is building 88 timber-framed Horizon homes for the 'Thuis' housing association. Heijmans is minimising the use of concrete, which significantly reduces CO₂ emissions.

Dordrecht council and Heijmans sign purchase agreement for Admiraalsplein project

A nature-inclusive project involving the construction of 52 owner-occupied homes.

Sustainable pile used for the first time in the Blent housing project in Lent

The so-called 'ECO pile' is hollow and results in a 30% saving in concrete and a CO₂ reduction of around 25%.

Rochdale and Heijmans to transform Amsterdam's Van Deyssel neighbourhood

A redevelopment project with attention to the well-being of residents.



Water storage and assisted-living apartments in the Spinaker project

Construction begins on the area development around Piushaven harbour district in Tilburg, with a focus on water storage.

Heijmans joins the Water-Efficient Districts Construction Forum in Dutch province of Gelderland

Smart water management, now and in the future, requires a joint approach.

Heijmans and the Dutch Society for the Protection of Birds join forces

The two parties hope this collaboration will help birds find their place in urban areas.

Heijmans gets results with nature-inclusive construction in Parijsch, Culemborg

A long-term monitoring study by Heijmans ecologists shows that new-build homes can boost biodiversity in an area.

Start of construction on 264 affordable rental apartments on Berlijnplein in Leidsche Rijn

The project, BLOEI 030, consists of 156 social housing units and 108 mid-rental housing units.

Living highlights

The first timber-framed houses built according to the Horizon concept built in Borg & Buiten, part of the Parijsch new-build neighbourhood in Culemborg

Acquisition of Van Gisbergen

With acquisition of the Hooge Mierde-based construction and development company, Heijmans strengthens its market position in the greater Eindhoven regio.



Heijmans and Wageningen University & Research present: seven principles for healthy soil

Seven practical measures for the entire construction sector.

Completion of the De Groene Steegjes sustainable housing project in Utrecht

An impressive example of urban development with a focus on sustainability and biodiversity.

Heijmans innovates with hemp fibre

Start of trial with biobased building material for timber-framed houses: from cultivation to insulation material.



Heijmans launches a pilot with rainwater storage in self-developed homes in five new-build projects

Construction of 700 rental apartments in Limburg

Quality was the deciding factor in the choice for Heijmans.

Minister Mona Keijzer visits the Dreven Gaarden Zichten area development (Heijmans, Staedion and The Hague city council)

This involves the replacement of social rental homes and the construction of rental and owner-occupied homes, improving quality of life, the local economy, social cohesion and the health of residents, as well as mobility and energy transition. This is where it all comes together.



Oirschot local council chooses Heijmans as its exclusive partner for the Kemmer area development

This is a new residential landscape of four hundred homes with a focus on nature-inclusive, bio-based building and community building.

Working highlights

Alderman Chantal Zeegers gives go-ahead for the final phase of construction of urban water buffer in Hart van Zuid

Thanks to the water buffer, up to 30 million litres of rain-water will be reused every year. This will keep our feet dry on wet days and provide plenty of water in dry periods.



Renovation Rabobank head office completed: circular renovation for the future

The CO₂ emissions of the materials applied in a circular manner are 55% lower than in a regular renovation.

Groundbreaking for new Physics education and research building at TU Delft Campus

By reusing demolition materials, we are working towards a CO₂-neutral, circular and climate-adaptive campus



Heijmans starts Quick Response Team at Schiphol terminals

By resolving simple disruptions quickly and effectively, Schiphol can offer travellers quality and good service.



Renovation of Nieuwe Post in Arnhem

Over the next few years, Heijmans and its partners, will be working on the circular expansion and improved sustainability of this listed building.

Royal FloraHolland chooses Heijmans as a long-term partner for its Hard Services

Heijmans will use its expertise for the technical maintenance and management of the 1.8 million square metres of grounds, buildings and technical installations at the Rijsburg, Aalsmeer and Naaldwijk locations.



Festive opening of the Binnenhof viewing point

Visitors can enjoy a birds-eye view of the renovation of the Binnenhof parliament buildings from the steel viewing point built by Heijmans. The platform can be dismantled and used as a viewing point elsewhere in the future.



Working highlights

Heijmans builds new hybrid operating theatre at Jeroen Bosch Hospital

Thanks to careful coordination with the hospital, planned operations were carried out without disruption during the construction.



Heijmans builds sustainable Science Campus in Leiden

A new, ultramodern education, work and laboratory complex with end users in mind. The project will be realised in three phases and covers a total surface area of approx. 175,000 m².



Completion of new residential towers on the TU/e Campus

Various meeting places for the students support the vibrant community combining living, studying and recreation.

Contract for the construction and expansion of Eindhoven Airport terminal

The expansion involves more than 10,000 m² after the security checkpoint and about 2,000 m² in front of the security checkpoint. In addition, we are building a new underground baggage storage area and a water basin. This will significantly increase the capacity of the current terminal.



Renovation of Amsterdam UMC

Heijmans renovated three towers at the Amsterdam UMC hospital while the hospital remained open for business 24/7. The project will be fully completed in early 2025.

Scope of ASML maintenance contract modified

As of 1 January 2024, Heijmans has been responsible for the integrated management and maintenance of the office buildings and the logistics centre on the Campus in Veldhoven.



Connecting highlights

Vitens signs four-year framework agreement with consortium including Heijmans

Renovation or new-build of drinking water production facilities will focus on CO₂ reduction, biodiversity and reducing residual water flows.



Heijmans uses circular asphalt for major maintenance on parts of the A12 motorway

Commissioned by the Ministry of Public Works and Water Management, Heijmans replaced existing asphalt over a length of more than 13 kilometres with a (partly circular) variant with a noise-reducing layer.



TenneT hires Heijmans to expand the South Limburg energy network

To promote greater sustainability and sustainable energy generation in South Limburg.



Recycling 1,050 LED runway lights on the Kaagbaan runway at Schiphol

After performing major maintenance on the Polderbaan and Zwanenburgbaan runways in recent years, Heijmans completed the renovation of the Kaagbaan runway at Schiphol Airport in May.



Four-year cooperation agreement with the province of Utrecht to keep the road network strong and safe

With a total contract value of up to € 125 million. We were selected based on our vision of sustainability and sustainable approach.



Strategic partner in a ten-year framework contract with Gasunie

A contract for the maintenance and management of existing natural gas pipelines and the construction of new pipelines for hydrogen, green gas and CO₂, among other things.



Connecting highlights

Kick-off of nature projects to reinforce the Lauwersmeer dyke

The Combinatie Waddenkwartier consortium is implementing three projects: salt marsh development, tidal area in the Marnewaard and a natural transition between the dyke and the tidal flats.



Maintenance contract for roadside systems in the north-east of the Netherlands extended by 3.8 years

Heijmans provides maintenance for Ministry of Public Works and Water Management for a total of eight provinces.



Heijmans participates in ultramodern, sustainable asphalt plant via AsphaltNu

Innovative techniques enable the production of 100% circular asphalt, with low emissions, no odour and virtually no noise.



Heijmans completes first infrastructure project with self-healing concrete

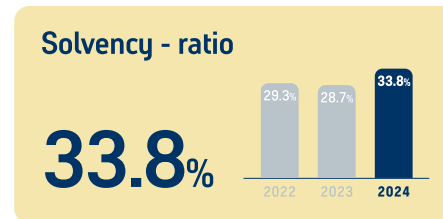
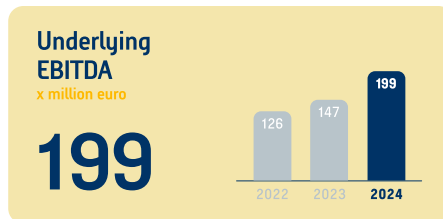
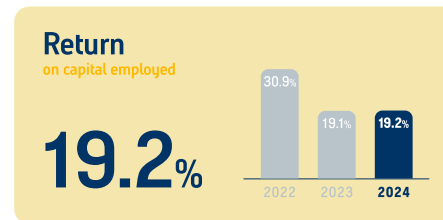
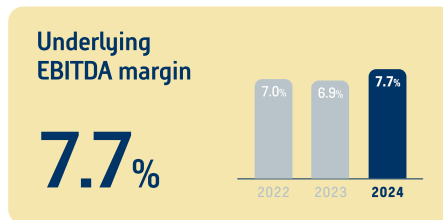
The new railway underpass on the N631 in Rijen was the debut project.

Official opening of Apeldoorn-Azelo stretch of A1 motorway

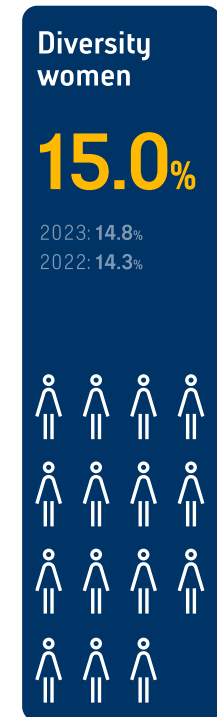
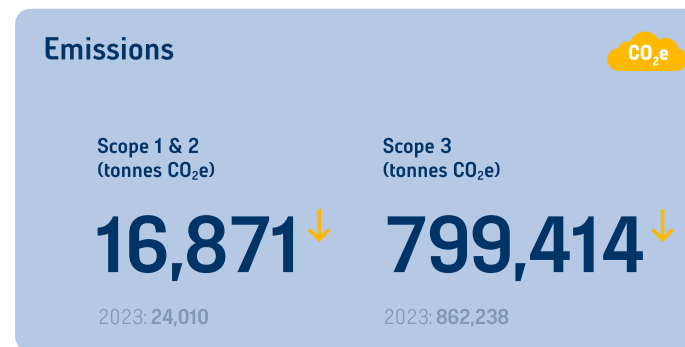
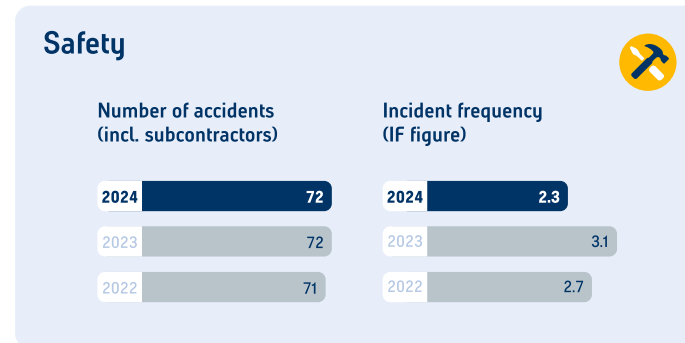
We used emission-free construction equipment, smart reuse of materials and solar panels for traffic installations.

Performance 2024

Financial



Non-financial



Safety figures exclude the acquired companies Van Wanrooij and Van Gisbergen. Women diversity figure excludes Van Gisbergen.

Key figures 2024

Key figures	2020	2021	2022	2023	2024
Result in € millions					
Revenue	1,746	1,748	1,812	2,117	2,584
Underlying EBITDA ¹	85	106	126	147	199
Underlying EBITDA-margin ¹	4.9%	6.1%	7.0%	6.9%	7.7%
Operating result (EBIT)	56	55	71	81	111
Operating margin ¹	3.2%	3.2%	3.9%	3.8%	4.3%
Result after tax	40	50	60	60	90
Net margin ¹	2.3%	2.9%	3.3%	2.8%	3.5%
Capital in € millions					
Total assets	931	991	1,083	1,336	1,369
Average four-quarter capital employed ¹	259	255	229	423	579
Equity	226	268	317	384	463
Net debt / Net cash	-37	-91	-151	137	10
Indirect cash flow in € millions					
from operating activities	128	109	110	84	249
from investing activities	-33	-32	-17	-314	-59
from financing activities	-29	-42	-66	33	-125
Net cash flow in the period	66	35	27	-197	65
Ratios in %					
Return on average four quarter capital employed (ROCE) ¹	21.5%	21.6%	30.9%	19.1%	19.2%
Result after tax ¹ :					
- as % of equity	17.7%	18.8%	18.8%	15.6%	19.4%
- as % of revenue	2.3%	2.9%	3.3%	2.8%	3.5%
Solvency ratio	28.8%	30.1%	29.3%	28.7%	33.8%

Key figures	2020	2021	2022	2023	2024
Number of shares end of year x 1.000					
Ordinary shares outstanding	21,933	22,760	23,553	26,826	27,478
Weighted average number of ordinary shares	21,715	22,415	23,223	24,933	27,210
Data per share x € 1²					
Equity	10.41	11.96	13.65	15.40	17.02
Operating result (EBIT)	2.56	2.46	3.05	3.25	4.09
Result after tax	1.85	2.24	2.57	2.40	3.31
Dividend	0.73	0.88	1.01	0.89	1.64
Share price information x € 1					
At year-end	9.33	14.90	10.12	12.12	31.55
High price	9.67	15.40	15.70	12.90	32.40
Low price	4.47	9.26	9.19	9.99	12.06
Other data					
Order book including joint ventures (€ millions)	1,946	2,061	2,358	2,757	2,751
Employees (average number of FTEs)	4,678	4,706	4,815	5,119	5,381

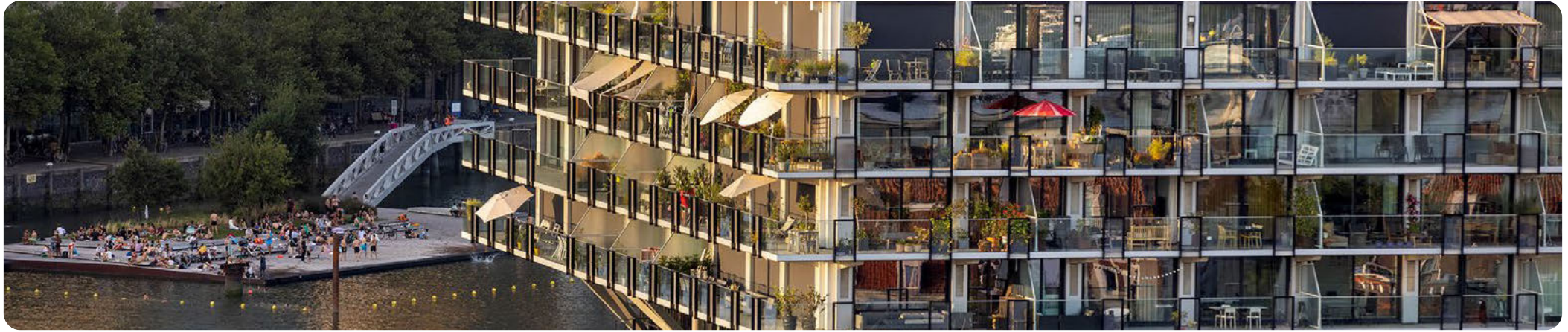
1 See further explanation in Chapter - Alternative Performance Measures

2 Data per share is expressed relative to the weighted average number of ordinary shares. Dividend per share is based on the number of ordinary shares at year-end.

This is Heijmans

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The world around us

Our business operations put us firmly at the centre of society. From that position, we are dealing with a world that is constantly changing. We cannot ignore the impact of demographic, economic, socio-cultural, ecological, technological and political developments on our business operations. This is why it is so important that we keep a close eye on these developments and respond to them effectively. This is the only way we can have a positive impact on the world around us.

The past year was characterised by a great deal of unrest in the world, and this unrest appears to be continuing in 2025. In the Netherlands, we are dealing with a political climate of increasing polarisation, with the highly successful polder model increasingly fading into the background and populism taking up a more prominent place in the system. On the other hand, according to experts, most economic forecasts are far from negative. The construction industry is facing a major challenge, in terms of both its complexity and its scale.

Unlocking the housing market

The housing market is struggling with a structural shortage of homes, while demand continues to rise. In September 2024, the Netherlands reached the milestone of 18 million inhabitants. According to forecasts by Statistics Netherlands (CBS), the population will increase to 19 million people in 2037, with a possible upper limit of 22.3 million in 2070.

In addition to population growth, the shrinking size of families and the ageing population also play a role in housing demand. More and more households consist of one or two people, which not only increases the total demand for housing, but also the need for different types of housing. To accommodate population growth and the changing composition of households, we as a country need to build 100,000 homes per year in the period to 2030. However, due to a lack of firm planning capacity, lengthy and complex permit procedures, increasing regulation and the limited availability of labour, the pressure on the housing market will remain as high as it has ever been.

An excessive focus on inner-city construction has led to an overly one-sided housing supply, while increased complexity has slowed down construction speeds. Many of these inner-city projects are large-scale in nature. Due to the withdrawal of institutional investors and the filing of appeal and objection procedures, a number of planned housing projects have either been delayed or even cancelled due to a lack of sufficient pre-sales.

The call to build two-thirds of the housing stock at affordable prices is of course understandable and music to many ears. But the question remains: who is going to pay for it? So it appears that yet another obstacle has been placed in the way of building production that will make it even harder rather than stimulate it.

In addition, the sector is dealing with rising construction costs, which is putting additional pressure on the affordability of housing. To keep housing affordable for consumers, we need uniform national regulations to enable the further industrialisation of housing production.

There are many initiatives and plans in the pipeline, but only a small percentage of these have been laid down in an irrevocable zoning plan. This means that in the short term we will continue to lack firm planning capacity, while objection procedures often delay any progress we might make. There are positive signs, such as the accelerated handling of objection procedures by the Council of State for the purpose of granting permits. There is also a growing awareness that we need to resolve problems related to utility connections and do it quickly. But we are still facing a number of challenges, such as a lack of administrative capacity at local authorities, the absence of an up-to-date policy vision for the housing market and, above all, the various extra-legal rules that often hinder rather than help in terms of affordability and scalability in the construction sector. We need measures aimed at building in all price ranges and a sufficient balance between apartments and houses to promote circulation in the housing market and to make the housing supply future-proof. We also need uniform national rules and requirements for residential construction. Despite these challenges, Heijmans has confidence in the housing market, as the demand for housing will remain high and continue to increase in the years ahead.

Operation repair and renewal

The Netherlands is facing an enormous infrastructural challenge, thanks to its many outdated post-war roads, bridges and locks that are in urgent need of renovation or replacement. In the infrastructure sector, tenders will have to be put out in batches to reduce tendering costs and the required capacity, and to increase the chance of success. This method of tendering will lower implementation costs due to repetitive activities, while also reducing failure costs. In addition, we need to act quickly and implement measures to combat extreme weather conditions, such as surpluses of water versus long periods of drought, because delaying action will threaten the safety and liveability of our country. These measures will be expensive, while the budgets unveiled in The

Hague seem inadequate. This task is being made even more challenging by a limited labour force, a limited supply of building materials and the urgent need to work in a climate-neutral way. As a sustainable leader, Heijmans wants to contribute to resolving these issues by focusing on innovative and cost-efficient building methods, reducing CO₂e and nitrogen emissions and promoting circular construction.

Dealing with water

Water plays an increasingly important role in our lives. Climate change is not only responsible for rising sea levels and higher water levels in rivers, but also for long periods of drought, drinking water scarcity and deteriorating water quality. Water quality is also under pressure from economic activities. The Netherlands has a rich tradition of water management, but the current challenges demand innovation and cooperation. The only way we will be able to effectively tackle our new water management challenges is by adopting a joint, integrated approach to the task we face.

From this point onwards, the natural water and soil system has to form the basic principle for the organisation of our country, with the restoration of the disrupted water balance as a priority. This balance influences water safety, the natural environment, food production and health. National guidelines increasingly determine where construction is allowed, while conflicting interests lead to heated discussions and slow decision-making.

The European Water Framework Directive and the Dutch Environment Act impose strict requirements, which complicates the licensing of construction projects. The availability of clean and safe drinking water also seems to be something many of us take for granted.

The idea that water will flow from the tap at any moment we need it is deeply interwoven in our daily habits. And yet we need to become aware of just how vulnerable our water supply is. Climate change, population growth and increasing pressure on our natural resources means we have to rethink how we use water. This reality is forcing us to think about how we use drinking water for applications that do not always make sense. Flushing toilets and watering gardens with clean drinking water puts pressure on our water supply and is no longer tenable. These insights demand a new vision on water use. How can we adapt our environment and lifestyle to use water more intelligently, sustainably and consciously? This is a question that demands not just innovation, but also cooperation and behavioural change. To make the Netherlands more resistant to extreme weather conditions, we need a combination of preventive measures and water-robust construction. For Heijmans, water offers a significant opportunity to add value in our field and to help create a healthy living environment. Our approach is based on four pillars: improving water quality, promoting water balance, optimising water use and guaranteeing water safety.

Reducing CO₂e footprint

The Netherlands has committed to the goals agreed upon in the Paris Climate Agreement. This states that we must combat global warming by reducing the amount of greenhouse gas emissions, including CO₂. The Netherlands aims to emit 95% fewer greenhouse gases in 2050 than it did in 1990. The year 2030 has been designated as an important measuring point; by then, the country is supposed to have reduced emissions by 55%.

According to the Dutch Environmental Assessment Agency (Planbureau voor de Leefomgeving), the chances of the Netherlands achieving this interim target are increasingly slim. In the annual Climate and Energy Outlook (KEV) of October 2024, this organisation came to the conclusion that the chance the country will meet this target had dropped to less than 5%. In response to these findings, the Council of State said that the cabinet must take more effective measures as quickly as possible to meet the targets.

Heijmans recognises that there is still the political will to achieve these sustainability goals, but the decisiveness is lacking. The Climate Agreement set the goal of making 1.5 million homes sustainable by 2030, while seven million homes and one million other buildings must be natural gas-free by 2050. The current pace is insufficient to achieve these goals. Politics and business must work together and adjust budgets and legislation to accelerate the energy transition. Meanwhile, the construction sector must continue to invest in cleaner, faster and smarter production methods. Heijmans endorses this ambition and is fully committed to it.

Circular economy

In the circular economy, products and materials are reused, which means raw materials retain their value. The focus on circular construction has also led to growing interest in the entire life cycle of a building: from design to the reuse of residual materials during demolition. This transition requires a great deal of effort, such as the evolution from material flows to material cycles. The use of biobased materials and the reuse of the raw materials used in construction will help reduce the use of primary raw materials, which will in turn reduce greenhouse gas emissions in the construction industry. Heijmans contributes to this effort by creating circular designs and material passports, which provide insight into the materials used, facilitate the reuse of these materials and therefore reduce the use of primary raw materials.

Nitrogen

The persistent nitrogen problem has been a major stumbling block for the construction of new roads and residential areas for many years. At the moment, due to the rulings of the Council of State of 18 December 2024, new construction projects may require a so-called nature licence. However, the construction sector accounts for a very small share of total nitrogen deposition (less than 0.6%, according to figures from construction industry association Bouwend Nederland). Heijmans has had Aeries calculations made for almost all the projects it is developing itself and has taken measures where necessary. As a result of these measures, nitrogen deposition during the construction phase remains within the legal limits. A more far-reaching approach to the sources of the largest emitters is necessary for a long-term solution.

We need to improve biodiversity

Biodiversity – the diversity of all life on earth – is under severe pressure worldwide. In the Netherlands, we have lost no less than 85% of this biodiversity over the past hundred years. At the end of 2022, almost two hundred of the countries at the UN summit in Montreal set goals to halt this decline and ultimately restore biodiversity. The goals for 2030 include protecting at least 30% of land and water surfaces and a significant reduction in the amount of pesticides used.

The Ministry of Infrastructure and the Environment has been considering the Dutch implementation of the international agreements for some time. The Montreal goals have now been translated into a National Biodiversity Dashboard. This shows the extent to which the Netherlands is on track to achieve the 2030 goals. At year-end 2024, the Netherlands was still underperforming on all fourteen goals.

In 2024, the government removed the obligation to include nesting facilities in the Buildings and Living Environment Decree (Besluit Bouwwerken Leefomgeving - BBL). This led to numerous reactions from construction companies, including Heijmans, nature conservation organisations and other parties involved. In response to this, the Dutch House of Representatives passed a motion calling on the minister to retain the obligation for nesting facilities in new buildings. This is an important step in the protection of species such as the house sparrow, the common swift and bats, which Heijmans supports.

Heijmans also takes its responsibility in the area of biodiversity. We are very much aware of the impact our sector has on the natural environment and that is why we are actively contributing to the creation of a nature-inclusive built environment and the restoration of biodiversity.

Scarcity on the electricity grid

The sharp increase in demand for electricity is leading to increasing scarcity and congestion of the electricity grid. This is obviously not good for the energy transition. There is a danger that the transition to emission-free means of transport will fail if the charging infrastructure is not expanded significantly. And new construction projects run the risk of not being connected to utilities or of delays in getting a connection. To guarantee sufficient energy supply in the future, we need major adjustments to and the expansions of the main infrastructure and local networks.

Meanwhile, more and more of our clients have been requesting the use of emission-free equipment in construction. For example, one very important player, the Dutch Ministry of Public Works and Water Management, has stated its ambition to be completely climate-neutral and to work in a circular fashion by 2030 at the latest. However, the transition to zero-emission construction still faces considerable challenges. These include obtaining and effectively deploying emission-free equipment, as well as setting up a practical and workable charging protocol. In addition, clients are not automatically willing to stipulate the use of emission-free equipment in their tendering policies, and by doing so help construction companies to recoup their extra investments in clean equipment. Consistent policy would make this an irreversible shift towards ever cleaner production.

Labour market remains tight

The tight labour market is affecting an increasing number of companies and sectors. The availability of practically trained trade professionals and experienced personnel, such as project managers, supervisors and work planners, is lagging demand and is the major transition challenge faced by the construction industry. Unfortunately, the forecasts for the near and more distant future are not encouraging either, given the decline in enrolments for technical and construction-related studies. This is why it is important to make very conscious choices at the front end of tender selections. In addition, various construction companies have relied on migrant workers in recent years, while the use of this professional group is now an increasingly frequent topic of political and social debate.

Just like Heijmans, our suppliers and subcontractors in the chain are also being increasingly hampered by the shortage of professionals. This is why it is necessary for everyone involved to deploy their available professionals as efficiently and smartly as possible. Quite apart from the fact that we believe the deployment of migrant labour is unavoidable given the large-scale task faced by the construction industry. We will also have to focus more on automation, standardisation and digitalisation. There are opportunities the areas of modular construction techniques, the development of new digital solutions and tools, attracting newcomers and people changing careers, as well as training staff in-house.

In projects aimed at the construction, renovation and improved sustainability of larger buildings, we have noted that clients are applying partner selection earlier and earlier in the process to guarantee capacity and to involve know-how and expertise at an early stage. We applaud this one-on-one selection, as it allows us to be more selective and effective in terms of deploying our resources, while also enabling us to make an early assessment of the trade-off between risk acceptance and earning potential.

Changing legal and regulatory requirements

Legal and regulatory requirements are constantly changing and have a direct impact on companies, especially in the construction sector. Heijmans operates in this dynamic field and emphasises the need for consistent and long-term government policy to achieve efficiency in the sector and enable modular industrialisation, which would in turn enable us to optimise production, reduce failure costs and safeguard affordability.

The Corporate Sustainability Reporting Directive (CSRD) applies to listed companies, including Heijmans, from the 2024 financial year onwards. The CSRD requires detailed reporting on a company's impact on people and the environment. You will find more information on this in the sustainability report.

The Building Quality Assurance Act (Wkb), which has been phased in starting in January 2024, aims to improve construction quality and supervision. In addition, the National Health Policy Document 2020-2024 emphasises public health in spatial planning policy, an approach that is close to Heijmans' mission due to its focus on users and healthy living environments.

Digitalisation

Digitalisation is essential in the construction industry, with its rapid developments in products and services. Technologies such as augmented reality (AR), virtual reality (VR), artificial intelligence (AI), drones and digital project management tools are playing an increasingly important role at Heijmans. We make full use of the power of smart (digital) technology. These innovations not only help us to respond more effectively to the needs of our clients, but also to deploy our employees more efficiently thanks to automation and data-driven working. This enables us to work smarter, which is vital in the current labour market and will become even more important in the future. Digitalisation improves safety and makes processes more efficient, but it also increases our dependence on technology, making cybersecurity crucial.



About us

Everyone wants to breathe clean air, live in a nice neighbourhood, enjoy beautiful nature, have a good place to work, travel safely from A to B and return home healthy at the end of the day. These are the goals we have in mind with all our activities in the Living, Working and Connecting segments.

When developing specific and diverse solutions for these operational segments, we always look at the bigger picture. We look at the whole, see the connections and link the separate parts together. With a broad range of know-how, expertise and solutions, we can conceive, design and create. The increasing complexity of our assignments demands an integrated approach and longer involvement in projects. By increasingly interweaving our business units, we are able to offer our clients increasingly comprehensive and broad propositions that match the issues we face today.

Real Heijmans

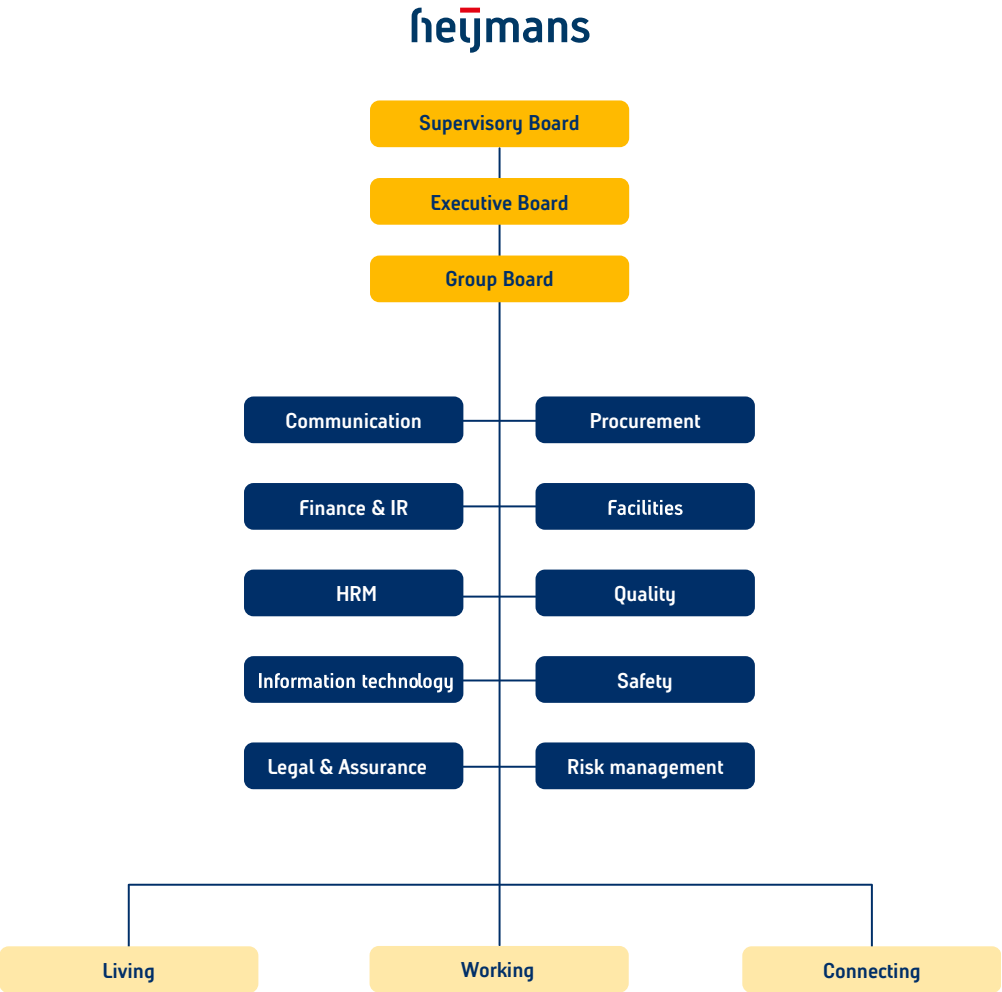
The Heijmans story began with a maker. A paver, to be precise. Jan Heijmans started a company in 1923 at the age of twenty, and in the years that followed he saw it grow into something beautiful. For more than 100 years, Heijmans has provided practical and beautiful solutions to ensure that the Netherlands is a pleasant place to live, work and connect. And we will continue to build on that. Heijmans started as a family business in Brabant, and grew from a paving company to a road builder, technical services provider and developer, as well as a builder of homes, neighbourhoods and commercial properties. And throughout all those years, our role as a maker has remained an essential part of our DNA. We are known for our no-nonsense, hands-on mentality. We are honest, open and straightforward. Heijmans was awarded the Royal predicate in 2023.

Listed since 1993

Heijmans has been listed on the Euronext stock exchange in Amsterdam since 1993. We are only active in the Dutch market. Most of our partners are from the Netherlands. Our market for raw materials and purchased products is largely Dutch with a small European component. A fraction of the basic raw materials we use comes from outside Europe. Our most important suppliers are subcontractors (labour) and suppliers of building materials. Our most important markets are the housing market, central government bodies, water boards, utility and network companies, airports and private sector clients in industry and healthcare, along with a number of other sectors. Heijmans strives to combine the professionalism of the stock exchange with the social character of the family business it once was.

Our organisation

We consider it essential to optimise our integrated approach, based on cooperation and coordination. This is managed by our two-person Executive Board and the Group Board, which is responsible for the day-to-day operational management of the company. The Group Board consists of the Executive Board, the chairmen of the four business areas, the Chief Risk Officer (CRO), the Chief Strategy Officer (CSO), the Chief Human Resources Officer (CHRO) and the Chief Procurement Officer (CPO).





Living, Working and Connecting

Living

Solving the housing shortage. Creating more space for nature. Making old neighbourhoods more sustainable on a large scale. And keeping them affordable and liveable. Making sure the country is ready for floods and droughts. Can we do all that together? At Heijmans, not only do we believe it can be done, we actually make it happen. By taking an integrated approach to these challenges and connecting disciplines. By working together even more effectively and building for the long term with an eye for local neighbourhoods and their residents. We have all the expertise we need to do that. We stand for a humane, social approach, and progressive and specialised craftsmanship. As well as for overarching solutions that also make sense at the end of the day. Feasible, affordable and future-proof. So we can live in the Netherlands the way we want to. In harmony with nature, our environment and each other.

Our activities in this segment focus on:

Area development

Our ambition is to work with housing corporations, local and national government bodies, businesses and residents to develop total solutions that give promising areas a sustainable quality boost and lead to healthy living environments. In our projects in urban and suburban areas, we act as an initiator, developer and seller of homes, commercial real estate and business premises. We work on complex assignments, responding to the market demand for existing situations, the demand for new-build properties and the challenge of transformation assignments. 'Sustainability, greening and social cohesion' are at the heart of all our area developments.

For us, sustainability goes beyond being circular and energy neutral. It also includes nature inclusivity, biodiversity, climate adaptability, health, quality and future-proofing. We use digital solutions and data to optimise comfort, physical and social safety and the use of space. The diversity of our housing solutions helps to create social cohesion.

We work from four locations with a central area development department, alongside the companies we acquired in 2023 and 2024, Van Wanrooij and Van Gisbergen.

Property development

Our focus in this segment is specifically on the development of buildings. This includes the entire process of acquisition, design, sales and realisation. We offer a diverse range of products, varying from conceptual houses to conceptual apartment complexes (both inner-city and suburban), mobile flexible housing and unique buildings in complex inner-city environments. We strive for above-average quality at the lowest cost. Thanks to the short development and construction time of our conceptual homes, we are able to offer efficient solutions for a wide range of target groups, including first-time buyers, families and senior citizens. Sustainability and well-being are key priorities in all our projects; for example, all our houses are energy neutral.

Residential building

Our residential building operations include the construction of new-build homes, renovation, transformation and refurbishment projects and measures to make existing homes more sustainable. We apply smart energy and housing concepts and strive for the lowest possible CO₂ emissions in the construction process. Thanks to our innovative modular concepts for houses and apartment buildings, we are able to realise complex inner-city transformation projects, living-working concepts and serial new-build projects. Our standardised process enables us to develop and build more quickly, more safely and more affordably, without compromising on quality and with more than enough variation. Since 2023, we have been producing timber-framed houses according to the Horizon concept in our own CO₂e-neutral timber-frame house production facility in

Heerenveen. These houses are built on an industrial scale, and thanks to the efficient production process, we can now erect a house on location within a single day. As part of our efforts to continue to improve our sustainability, we are committed to using biobased materials, such as timber in our timber-framed homes. We are also investigating the use of hemp fibre as a sustainable alternative to traditional insulation materials in our homes.

With the acquisition of Van Wanrooij in 2023, Heijmans increased and strengthened its residential building capacity even further. Van Wanrooij's Optio® development concept plays an important role in the acceleration of suburban construction. This housing concept combines a highly standardised process and construction method with variations in design and lay-out. And we are continuing to develop this concept in response to changing market demand, with an eye to affordability, sustainability and diversity in terms of housing types.



Working

Making buildings future-proof on a large scale. While the work of our clients has to continue. And the well-being of the users remains a top priority. That is what we want. But can we do all of that together? At Heijmans, not only do we believe it is possible, we make it possible. By taking a broad view of these and other challenges. Our approach is clear: users come first. Whether this involves a new-build project, renovation, maintenance, optimisation or the whole package. This is how we create buildings where you can stay healthy and comfortable. For the people who work there and the world around us. Sustainable from top to bottom. Operating in an increasingly smart and efficient way. Ready for today and the challenges of tomorrow.

Our activities in this segment focus on:

Management, service and maintenance

We take an integrated approach to construction and installation technology, focusing on complex buildings for healthcare, government and semi-governmental organisations, commercial real estate players, the high-tech clean industry (such as laboratories) and data centres. An increasing number of our contracts are now linked to installation services, long-term management and day-to-day maintenance. Thanks to preventive, corrective and replacement maintenance of buildings, systems always add value to our clients' primary processes. We take care of the structural and technical functioning of the systems, as well as their safety and security. In these multi-year contracts, we also take on risk-bearing responsibility for the services to be provided.

New-build and renovation

We also design and realise buildings with high-quality electronic and mechanical installations. We take an integrated approach to these projects. Our services and systems extend the lifespan of buildings. Smart solutions ensure the optimal use of space, more comfort, energy savings and more efficient use of available manpower and materials. Heijmans is often awarded the management and maintenance contract after we have built a new building. Renovation is also becoming increasingly

important, given the fact that the Netherlands aims to have an almost completely sustainable and CO₂-neutral energy supply by 2050. We encourage the reuse of materials in existing buildings. Another advantage of renovation is that it enables us to preserve valuable architecture, not to mention the fact that it is often faster than demolition and rebuilding, plus it can even result in cost savings in the long term.

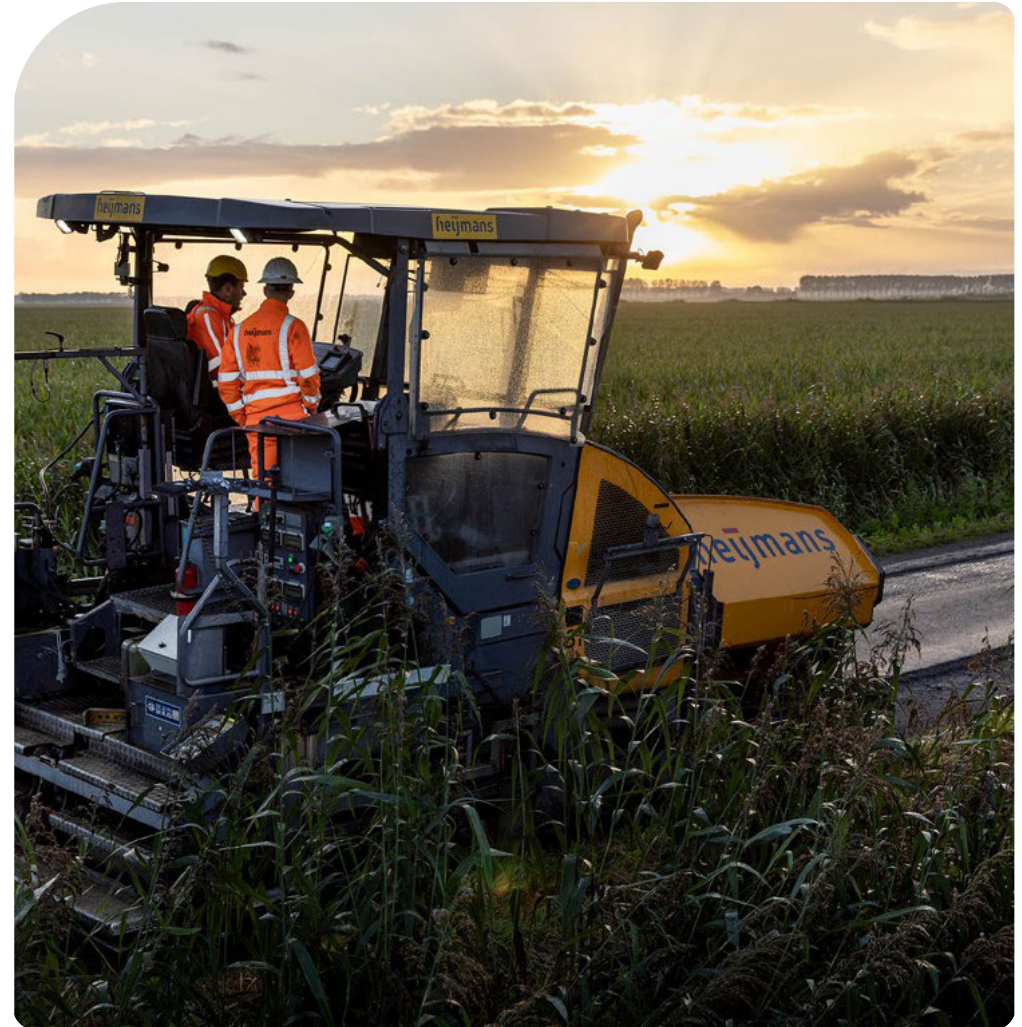
Connecting

Fewer traffic jams. More nature. More safety. More sustainable energy. Less disruption from construction activities. Getting more done with fewer people, fewer raw materials and less energy consumption. That is what we want. But can we achieve all of that together? At Heijmans, not only do we believe it is possible, we make it possible. By taking a broad view. By building bridges between different disciplines and interests. By leading the way with the latest technology and digital innovations. This is how we come up with groundbreaking solutions. And build an infrastructure network that actually works. For people and nature. For now and tomorrow.

Our activities in this segment focus on:

Infra

We design, build, renovate and maintain public spaces and infrastructure in the Netherlands. This includes roads, viaducts, tunnels and bridges, including the related technical installations, both above and below ground. The focus of our work is increasingly shifting from new construction to asset management: optimal management and maintenance with timely replacement or renovation. Data-driven solutions, digital innovation and services are also playing an increasingly prominent role on this front. On top of this, we perform technical tasks that make infrastructure and public spaces safer and improve their use. Heijmans designs, installs and maintains technical systems and installations, such as cameras, various signage systems, lighting and operating systems. In infrastructure projects, we combine all our in-house know-how, expertise and specialisms. This enables us to integrate design, realisation, management and maintenance both in a smart manner and more effectively.



Water

How can we give water a role in a healthy living environment? In the Netherlands, we are world champions in water management, born out of our historical battle with water. Changing circumstances such as soil subsidence, drought, downpours and heat waves are forcing us to adopt a new perspective. Heijmans is working on smarter water management in lots of different places. To do this effectively, we combine our knowledge of electrical engineering, mechanical engineering, process and environmental management, civil engineering specialisms and industrial automation. Using this approach, we manage and maintain bridges, locks, weirs and waterways and reinforce dykes.

Energy

The energy transition in the Netherlands is increasing the demand for the reinforcement of electricity grids and the construction of heating networks. Thanks to our extensive expertise in water, gas, electricity and heat, we can realise smart solutions for the supply, distribution and management of energy. We develop, maintain and operate sustainable, decentralised, integrated energy systems, as well as networks and infrastructure in existing and new buildings. We integrate these into our built environment in a smart way. This is how we make energy more sustainable and keep it affordable and reliable.



Erkan Demir
Electrical technician

"We learn something new every day, because technology never stands still."

“

Erkan Demir has been working as an electrician for Heijmans for over twenty years. His work takes him to lots of very different places: from hospitals and office buildings to prisons and laboratories, like the project he is currently working on. Wherever he goes, he turns technical challenges into well-oiled functioning systems.

What makes his work so special? The variety and constant flow of technological innovations. "We learn something new every day, because technology never stands still," says Erkan. "The best part is taking on a project from start to finish and making sure everything works perfectly," says Erkan. But he also happily takes on work that is normally outsourced if necessary. "Picking up the slack on a job makes the work challenging again."

He laughs as he discusses his work with his 'buddy': "My colleagues really are the best part of this job. Coming up with solutions together and helping each other, that's what it's all about for us. We always have a good time."



Our mission and vision

We know exactly who we are and what we stand for: our identity, our DNA and our position and profile in the market. We are the creators of a healthy living environment. In our role as a sustainable leader, we proactively address the dilemmas of today and tomorrow. We show what we stand for in everything we do.

Creators of the healthy living environment

We are the creators of the healthy living environment. Thanks to our know-how, expertise and business operations, we are able to make something out of nothing. We don't just make plans, we also carry them out. So that people can live, work and connect in a pleasant environment.

The major challenges of today and tomorrow call for integrated solutions. We are Heijmans: creators of a healthy living environment. Our yellow heart is what connects us and, as one Heijmans, we will continue to build the future of the Netherlands together. For our clients, for each other and for the whole of the Netherlands. Together, it's possible.

Our yellow heart

Our yellow heart beats for the Netherlands. We take care of each other and make sure things get done. Armed with this mentality, we work to achieve the highest quality in the built environment. But above all, we work towards an environment and a country that offer a good life for both people and animals, and where nature can flourish.

End-users are leading

We have chosen a challenging perspective. We focus not only on clients and commissioning parties, but also on end users. This is why we immerse ourselves in the wishes and well-being of residents, consumers, building and road users. Not only in the development and construction phase, but also in the management and utilisation phase. By staying involved in our projects for longer, and by playing a meaningful role in maintenance and management after delivery, we are learning more and more about the wishes and behaviour of end users. We then use what we learn to innovate. To develop new products and services that benefit everyone.

This is what guides us

The complex challenges facing the Netherlands require coordination and connection. Because we feel involved in the future of the Netherlands, we want to play a prominent role on this front. We are stepping forward and making the move to become a sustainable leader. Heijmans ensures that people can live, work and connect in a pleasant environment. To realise this, we actively seek connections with other parties in the world around us.

Our DNA

We provide direction and guidance. We are proactive rather than reactive. We are optimistic. We take steps forward. We take care of each other and make sure things get done. As people-oriented creators, we have an eye for the world around us. We have an open mind and good instincts for what is going on. Both in society and with our clients. We are inclusive and connecting. Because we believe that when we bring people and perspectives together, we create fertile ground for groundbreaking solutions.

To realise our ambitions, we remain true to our DNA: ownership, results-focused and teamwork. This characterises how we interact and want to work together.

Ownership

We have, feel and accept responsibility for our tasks and assignments. We roll up our sleeves and achieve the agreed result. We stick to the work agreements we make and do not hide behind our organisation, procedures or guidelines.

Result-focused

For us, the result comes first in everything we do. Form and presentation are there to serve the result. We always deliver what we promise and are not satisfied with less. We are open and honest about mistakes, so that we and others can learn from them and we can continuously improve.

Team

We win or lose as a team. We motivate ourselves and others to achieve great results together. The collective interest comes first. We resolve conflicts quickly and effectively, together with colleagues, clients and suppliers. We involve managers if necessary and sound the alarm in time.



Jeroen, Wim and Jan den Hollander

"Safety is simply important to us."

“

The brothers Jeroen (62), Wim (59) and Jan (42) den Hollander have been working together at Heijmans for many years. In fact, Wim and Jan have been inseparable for almost a quarter of a century, both at home and at work. They not only see each other on the building site, but also share the daily commute to work and eat together in the site hut. And then at the weekend they see each other again, together with their four sisters at the dinner table with their mother in Katwijk.

Wim is a foreman, and in January 2025 he will celebrate his 25th anniversary at Heijmans. Enjoying his work is his top priority: "I always look forward to going to work. Otherwise it wouldn't be right, you know." Jeroen, the oldest of the three, has no fewer than 45 years of service to his name as a carpenter. And Jan, the youngest, started at Heijmans in 2005. After a short break between 2009 and 2011, he has been happily working with his brothers in a team again for years now.

The brothers work well together. Wim: "We know exactly what we can expect from each other. The fact that we have lasted this long says it all." Long working days or travelling a little further? No problem. "We just do our work and make sure everything gets done."

With Wim, Jan and Jeroen on the building site, not only is the work in good hands, there is also a lot of laughter. The atmosphere among themselves and with other colleagues is relaxed and full of humour. "We have a lot of fun. There's often time for a joke or a little something," says Wim. At the same time, they take their work very seriously. "In all those years, we've never had an accident, and we are happy about that. Safety is simply important to us."

Our strategy: Together towards 2030

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Our strategy and how we create value

At Heijmans, we want to play a leading role in working on solutions for the complex challenges facing our country. The challenges are far-reaching and complex, and extend to areas such as the housing market, accessibility, labour shortages, water issues, the energy transition and climate change. It is precisely the interconnectedness of these challenges that makes them so complex. As creators of the healthy living environment, we at Heijmans are skilled at tackling these kinds of complex issues.

We are taking the step forward to find and realise new integrated solutions together with our chain partners.

We want to leave the places where we develop and build in better condition than we found them. We want to be part of the solution, not part of the problem. We have set out how we can do this in our strategic plans. It is clear that we can only do this together with our partners and with the more than 5,500 colleagues at Heijmans who work hard every single day to create a more sustainable future. This explains the title of our strategy: 'Together towards 2030'.

Solid foundation

With our previous strategic plan, we laid a solid foundation for the period 2018 to 2023. We worked specifically on strengthening the pillars of Better, Smarter and More sustainable. Quality and stability are now firmly anchored in our organisation, and we have created the conditions for future growth. We will continue to build on this foundation in the period to 2030, while continuing to invest in a strong and resilient organisational basis.

Clear direction for the future

In 2023, we recalibrated our business strategy. With the business strategy 'Together towards 2030' and the promise 'Together, it's possible' in combination with our financial targets for 2027, Heijmans is setting a clear direction for the future. In this strategy, we combine social responsibility, financial results and teamwork.

Five strategic pillars

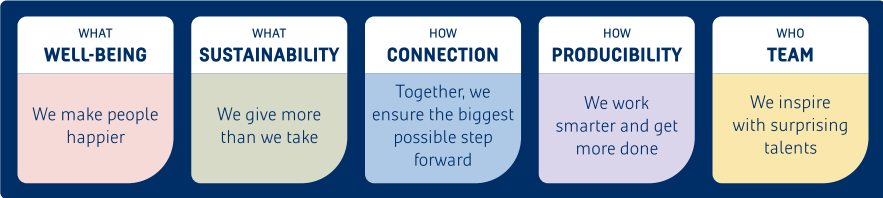
With our 'Together towards 2030' strategy, we are providing direction for our ambition to become a sustainable leader in our sector. We are doing this based on five strategic pillars: Well-being, Sustainability, Connection, Producibility and Team. Each pillar has a specific focus: Well-being and Sustainability describe WHAT we do to realise a healthy living environment; Connection and Producibility describe HOW we increase our impact to achieve this; and Team describes WHO we do this with. We have formulated twelve non-financial 'bold statements' to support the five pillars. These are challenging ambitions that give us the perspective to set goals for the future.

Embedding in the organisation

Last year was all about fleshing out our revised strategy and the related strategic pillars, as well as embedding and activating them in our organisation. To realise this, we set up a special network of so-called champions. These colleagues, from various business units and departments, play a coordinating and motivating role when it comes to the programmes and initiatives that emerge from our strategic pillars. Thanks to their cooperation, they ensure wide support for our strategic pillars, that programmes are launched, progress is guaranteed and knowledge and initiatives are shared throughout the organisation and across sectors.

In addition, we devoted a great deal of attention last year to activating the strategy within the organisation. We did this by organising inspiring meetings bringing together different groups of colleagues. We also organised lunch lectures and interactive sessions. In addition, we set up a special intranet page where all strategic information is clearly bundled and where examples are shared. One initiative that played a special role in this was part of our 'Leaders of Tomorrow' programme. Since September 2024 they have been travelling to various Heijmans teams across the country with their creative concept, *De Gele Koffers* (the yellow suitcases). These so-called suitcases contain various workshops and materials that are used to make the strategy tangible for employees. During these sessions, practical examples and insights are collected and then shared more widely across the organisation.

Overview of strategic pillars



How we create impact

We want to make a positive contribution to society as a whole. Our value creation model provides insight into how we use raw materials and other forms of capital to add sustainable, long-term value through the production of goods and services. Our value creation model can be interpreted as follows:

Business model and strategy

Our primary focus is on the operationalisation of our mission 'Creators of the healthy living environment'. We will achieve this mission by realising our strategy, which is based on five pillars: Well-being, Sustainability, Connection, Producibility and Team. Our organisation will do this on the basis of our DNA: ownership, result focus and teamwork. Plus we take into account a number of key trends and developments that impact our business model, such as the energy transition, the labour market and the need for mobility and housing. In accordance with the new reporting requirements pursuant to the EU's Corporate Sustainability Reporting Directive (CSRD), Heijmans recently conducted a so-called double materiality analysis. This analysis determined that the following seven material themes are of great importance to Heijmans: (1) climate change, (2) water and marine resources, (3) biodiversity and ecosystems, (4) use of materials and circular economy, (5) our own employees, (6) employees in the value chain, and (7) business conduct.

Input

The input of our value creation model consists of everything we need to start creating value. This ranges from the buildings we occupy to the financial resources and the brainpower and manpower we need to realise our products and services.

Output

The output consists of our results, our concrete products and services. This includes obvious products such as our homes, buildings and roads, as well as service and maintenance activities. But it also includes less tangible contributions, such as knowledge development in the sector and strengthening the chain as a whole.

Impact

Ultimately, Heijmans' output has an impact on a number of social issues. We used a Sustainable Development Goals (SDGs) impact analysis to determine which of the 169 sub-goals we have the greatest impact on. These include the following goals:

- affordable and sustainable energy
- decent work and economic growth
- industry, innovation and infrastructure
- sustainable cities and communities
- responsible consumption and production
- climate
- life on land

In recent years, we have linked our non-financial ambitions to the United Nations Sustainable Development Goals (SDGs). These goals provide a global framework for assessing and managing the impact of our activities. Our most significant positive impact includes the creation of buildings for living and working, the promotion of mobility and the realisation of facilities that contribute to the mitigation of climate change, such as dykes and water storage facilities. At the same time, we recognise our most significant negative impact, including emissions such as CO₂, the use of raw materials and the production of waste.

By aligning our ambitions with the SDGs, we show the value we add to society. This includes our contributions to sustainable cities and communities, climate action and responsible production and consumption. This is how we underline our responsibility to balance both positive and negative impacts on society and to promote a sustainable future.

What do we have at our disposal?

Human capital

Committed and skilled employees

Capital employed

Land, buildings, offices and equipment

Natural capital

Commodities and materials, such as concrete, steel, water use, timber and asphalt

Intellectual capital

Innovation and know-how captured in systems and people

Social capital

Clients, suppliers, subcontractors and business partners

Financial capital

Assets and capital employed

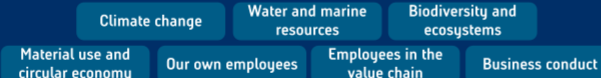
WE ARE Creators of the healthy living environment

The Netherlands is getting gridlocked in the face of major social issues. These complex challenges require direction and connection. Because we feel involved in the future of the Netherlands, we want to play a prominent role in that future. We are stepping forward and making the move to become a sustainable leader. Heijmans ensures that people can live, work and socialise in pleasant surroundings.

OUR STRATEGY: TOGETHER TOWARDS 2030



OUR MATERIAL THEMES



OUR BASIS

Safety - Value creation - Quality - Risk management

OUR DNA

Ownership - Result-oriented - Teamwork

In the short term

What do our stakeholders notice?

Human capital

% absenteeism, # accidents,
% diversity, #new employees,
% unwanted turnover

Capital employed

homes sold, # new homes, buildings & infrastructure, # renovated homes, buildings & infrastructure, # maintenance and management buildings & infrastructure

Natural capital

CO₂ emissions in tonnes CO₂-eq. (scope 1, 2 and 3), water consumption m³, biodiversity impact, useful life and circularity materials

Intellectual capital

€ spending on innovation and training

Social capital

% recurring business, % innovations,
long-term partnerships

Financial capital

€ underlying EBITDA, return on capital employed, solvency

In the long term

What impact are we creating?

SDG7: Together, we are building a sustainable future in which energy is affordable, reliable and sustainable for all. With innovative technologies, sustainable designs and collaboration.



SDG8: Decent work and economic growth. We promote equal opportunities, inclusion and safety, a focus on fair pay and better working conditions.



SDG9: Industry, innovation and infrastructure. We are building a future with sustainable infrastructure and innovation.



SDG11: Sustainable cities and communities. We create a healthy living environment with energy-efficient housing, sustainable infrastructure and attention for spaces.



SDG12: Responsible production and consumption. We are building a circular construction sector with respect for raw materials and energy.



SDG13: Climate action. We make our processes more sustainable and provide solutions for a climate-resilient future to combat climate change.



SDG15: Living on land. We reduce the impact of greenhouse gases through sustainable innovations that mitigate climate change and protect nature.





Well-being

At Heijmans, we always think from the user's point of view. That is why we do what we do. Through our efforts, we create environments that are healthy, safe and attractive. We are not satisfied until users actually notice an improvement. We want our work to contribute to people's well-being.

To increase our impact on people's well-being, we focus on three spearheads: physical design, environmentally friendly techniques and involving the local community. We apply these spearheads in three phases of a project: before, during and after implementation. This 3x3 method helps us integrate well-being into our projects from a variety of angles.

Physical design

In all our projects, one of our main priorities is the well-being of residents, users and other parties in the area. Whether a project involves widening a road, the construction of new homes, reinforcing a dyke or renovating an office building, our work contributes to pleasant living, working and connecting. The well-being of end users is not just a key part of what we make, but also to how we make it.

During our work, we use physical elements, such as the construction of temporary facilities and access roads, to keep the living environment safe and functioning. In addition, we work closely with area developers and climate and ecological experts to ensure that our work not only benefits people, but also enhances the natural environment. We strive to leave every area better than we found it. Our approach and our concepts improve the quality of life in entire areas.

Area development

Creating healthy and attractive living environments that demonstrably make residents and users happier is an important part of our vision. We believe that a pleasant living environment is synonymous with safe, accessible neighbourhoods with plenty of space for nature, greenery and water.

The choices we make in our area developments have an impact on people's well-being. We use seven core themes to give direction to our approach. These include boosting social cohesion, facilitating a healthy lifestyle, ensuring a safe and accessible environment and promoting diversity and inclusion.

This approach can be seen in the Nieuw Boekhorst area development in Voorhout. This project involves the construction of approximately 1,300 homes, with attention devoted to biodiversity, climate adaptation and space for social interaction. Our ambition for the Nieuw Boekhorst development is to achieve the highest green label for an area development: the NL Greenlabel A. The Boekenburgerbos (woods) to be created plays an important role in this. In the future Nieuw Boekhorst project, we worked with the Elsgeesterhof Foundation to create the pick-your-own garden of the same name. The Elsgeesterhof garden offers educational workshops and tours giving visitors the chance to learn about organic farming, biodiversity and ecological gardening. This promotes social cohesion, environmental awareness and healthy choices for current and new residents.

Urban neighbourhoods

We implement our vision of area development in urban neighbourhoods through our Heijmans & CO approach. The focus of this approach is on connecting opportunities, knowledge and people to develop resilient, inclusive neighbourhoods in collaboration with residents, local organisations and specialists. We use the Heijmans & CO approach to provide customised solutions based on the unique needs of a particular neighbourhood. We make use of our local and national network of partners to ensure social impact, enabling current and future residents to move forward together.

Healthy indoor climate

We look at things from the perspective of users; we want to create homes for them that enhance their well-being. We do this with innovative housing concepts that guarantee a healthy indoor climate, such as fresh air and optimal comfort thanks to smart ventilation systems. In the design phase, we always factor in accessibility, lots of daylight, sensory well-being and ease of use.

The use of healthy and sustainable building materials is essential for a healthy living environment. That is why we constantly evaluate our choice of materials. We test techniques such as biobased construction for their impact on indoor climate and well-being. Materials such as timber and hemp fibre combine functional benefits with a positive sensory experience. Timber creates a warm, natural look, while hemp fibre used as an insulating material helps create a comfortable indoor climate. Thanks to their sustainable and attractive properties, these materials promote both the well-being of residents and the sustainability of our projects.

In the autumn of 2024, the first residents of Antony Moddermanstraat in Eindhoven were handed the keys to their sustainable and comfortable Horizon homes. Heijmans used natural raw materials in the construction of these timber-framed houses. The 88 Horizon houses, owned by the local 'Thuis' housing corporation, offer a healthy living environment thanks to optimal ventilation, heating and cooling. The street is being completely redesigned, adding extra green spaces and wadis for water storage. These applications also help to improve the quality of life in the neighbourhood.

As creators of the healthy living environment, we also act as a motivator. We do this through the 'Gezond Binnen' (Healthy Indoors) platform, where we work with partners to draw attention to the importance of a healthy indoor climate.

Healthy indoor climate label

The Healthy Indoor Climate theme is part of the Well-being Monitor we are currently developing. In 2024, we worked hard on the development of measurable factors such as air exchange, daylight entry, temperature comfort and sound insulation. We will assess these parameters during the design, delivery and use phase, defined according to an objective standard. We take measurements for each of these factors to gain insight into the impact of our building projects on the well-being of residents and users. The ultimate goal is to be able to deliver all our homes with an A-label for well-being, including a healthy indoor climate.

Environmentally friendly techniques

At Heijmans, we start thinking about solutions and facilities that limit inconvenience during construction right at the start of a project, in the design phase. For example, our environmental managers talk to clients when a cycle route is going to be temporarily disrupted. In such cases, we can often offer a suitable solution. During construction, we use environmentally friendly techniques to limit the impact on the environment, such as the use of electric equipment, SoSEAL for dyke reinforcements and mobile noise barriers during pile driving. In close consultation with local residents and other stakeholders, we organise our construction process in such a way as to minimise disruption to the surrounding area. We know from experience that this not only contributes to people's well-being during our work, but also improves the quality of the solutions we realise.

Transformation into a resilient neighbourhood

Projectcase Renewal of the Van Deyssel neighbourhood

In mid-2024, the Rochdale housing corporation and Heijmans signed a cooperation agreement for the transformation of the Lodewijk van Deyssel neighbourhood in Amsterdam Nieuw-West. This neighbourhood, built in the 1950s, is largely made up of social housing and has one of the lowest liveability scores in the city. This is why, in addition to the construction of around 590 new homes by Heijmans, this renewal project is firmly focused on improving the well-being of local residents. The project has a specific focus on social interaction, accessibility and creating a healthy living environment. Because many local residents could use a helping hand, the Van Deyssel neighbourhood will also offer facilities for various welfare organisations and opportunities for entrepreneurs. This will help create a stronger and more close-knit community, fully in line with our mission to create resilient urban neighbourhoods.



The well-being of users is never a given.

The environments that we create at Heijmans must be healthy, safe and attractive. We want our work to contribute to people's well-being and happiness in life. This is why we always keep end users in mind when designing and executing our projects. We are only satisfied when they actually notice an improvement and realise that the environment enhances their well-being. However, whether that impact is actually achieved also depends on the choices that users make in the use phase. One of the dilemmas we face is to what extent and how we at Heijmans can act as a guiding force on this front. And any opportunities we might have to exert influence are extremely limited if we are no longer present after the completion of our work.

In cases where we are responsible for management and long-term maintenance, we maintain close contact with end users and can continue to advise and help them to make healthy choices. This is a very different story in the case of residential construction and area development projects. In these cases, we are often far less visible during the use phase and we have fewer opportunities to provide guidance on the use of the assets we build.

To encourage users to make healthy choices, we first make a concerted effort to identify their wishes and needs during the design and execution phase of our projects. By doing

this, we enable people to exert their influence, which in itself promotes their well-being, plus we help increase awareness and ownership. A prime example of this is the design of a communal green space.

We also use interventions to try to 'nudge' end users. Take the Parijsch new-build neighbourhood in Culemborg, where we have built in a nature-inclusive manner. Because we are convinced that living in a natural environment increases well-being and happiness in life, ecologists from Heijmans took the residents on a neighbourhood safari and introduced them to all the new flora and fauna that have now found a home in their neighbourhood. And in the Maanwijk project in Leusden, we organised workshops to demonstrate the benefits of a green garden. This approach led to a significant reduction in the number of climate-unfriendly paved gardens.

Initiatives like these enable us to increase user involvement and subtly steer behavioural change. While this will certainly be a long-term process, but we are convinced that we need to walk this path together with users if we really want this healthy, safe and attractive living environment to truly flourish.



Creative solution around a unique building site

Project case Renovation Scheveningen boulevard

In 2024, Heijmans, in close cooperation with The Hague city council, began the renovation of the boulevard in the seaside resort of Scheveningen. During the intensive construction work at this major tourist attraction, we devoted a great deal of care and attention to the surrounding area. We used simulations of visitor flows, based on data from the council, to determine the best walking routes and locations for footbridges to and from the beach. We livened up the streetscape by adding colourful fences, clear signage and extra viewing windows in the construction fences, so visitors can admire not only the sea view from the terraces, but also the progress of the work in this unique location.

To ensure safety and accessibility for visitors to the area, we built a construction bridge to separate construction traffic from tourist traffic. We moved beach pavilions temporarily closer to the sea, creating space for the building site and supply routes. By using environmentally friendly construction techniques, such as electric equipment and low-vibration compaction techniques, we are also keeping noise and vibration nuisance to a minimum. Real-time vibration meters monitor the impact on cafés, restaurants and shops, as well as at the SeaLife aquarium in Scheveningen. The project also includes investments in green zones, water storage and infiltration systems to improve rainwater collection and reduce the chances of flooding.

As part of the renovation of the historic Dutch parliament building the Binnenhof in The Hague, an iconic place that brings together residents, visitors and historical heritage, in 2024 we built a 28-metre-high observation tower. From this vantage point, visitors can watch the renovation of the Binnenhof in a unique way, and also enjoy an amazing view of The Hague's city centre. We also placed a special construction fence in the street called Lange Poten, displaying images of the residential and shopping façades. This preserves the street's characteristic appearance even during the work. In 2024, Heijmans also worked on a major renovation of the three towers of the Amsterdam UMC hospital, while the hospital remained operational 24/7. To limit the inconvenience for patients and staff, we transported materials via the roof – yet another one of Heijmans' innovative solutions. In addition, we used prefab installation modules (skids) and a drilling robot, reducing the amount of on-site work and ensuring the entire renovation was completed as efficiently as possible.

Involving the local area

Heijmans feels it is very important that local parties and current and future residents and users feel heard and seen. After all, engaged citizens play a significant role in determining the right course and ensure that plans and strategies have public support. For that reason, we encourage and facilitate active involvement in our projects, whether they involve infrastructure, construction projects or complete area developments. We are convinced that increasing their involvement and control contributes to the well-being of residents, users and other stakeholders.

Environmental management 2.0

In 2024, we took a number of additional steps with Environmental Management 2.0, our approach that focuses on the active involvement of residents and users. We use three levels of participation for this: informing, involving and giving co-determination. For each project, we develop a customised approach that is tailored to the specific situation and requirements before, during and after construction. We have made it a habit to communicate with local residents and other stakeholders

in understandable language and to ensure that they get to know each other and us better. We use 'user journeys' to map out the concerns and wishes of all those involved. We then use these insights to take actions that contribute to their well-being. In line with the Environment Act, we are also investigating how we can increase participation and ownership among a broader target group and monitor this in a structural way.

The Heijmans BouwApp construction app

In 2024, we once again successfully used the Heijmans BouwApp (construction app) for various projects as part of our environmental management. This tool enables us to provide local residents and other stakeholders with up-to-date information about our construction activities and the measures we are taking to limit disruption. The BouwApp allows us to communicate proactively and transparently, distribute important information in a timely manner and receive direct feedback.

Renovation projects

Renovation projects always require a careful approach. We prefer to give residents the opportunity to continue living in their homes, as we did recently in the Wold neighbourhood in Lelystad. We involve the residents extensively in the preparation, execution and completion of the work, and strive to minimise inconvenience. The resident coach plays an important role in this process. This person offers individual guidance throughout the entire process. One tool we use in this process is the system of green and red 'emoticon' stickers that residents can put on their windows to express their satisfaction or concerns about the work. The resident coach will then call to talk to them and look for solutions. We also ensure that everything runs smoothly and comfortably, for example by using a special app, offering practical support and providing a relaxation room. Ultimately, we provide a sustainable makeover of the homes and the residential environment. This leads to a significant improvement in the comfort and quality of life of the local residents.



Jes Kluessjen
Resident coach

"What I really like about my work is that I get to be very close to people's lives."

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"As a resident coach on a large renovation project, I act as the linchpin between the technical staff, the residents and the housing corporation. My role is to bring these worlds together. I explain technical choices to residents, why something has to be done and how. But I also show my technical colleagues what it means to work in someone's personal space. Every situation is unique, because every resident and every project is different. We create more understanding by informing and connecting. And that helps.

"What I really like about my work is that I get to be very close to people's lives, often at vulnerable moments. That trust is special. For me, the best moment is when we successfully complete a project together and the residents are happy and satisfied. A renovation not only changes a home, but sometimes also the residents themselves. You also see how residents in a neighbourhood become closer during this kind of project. Residents are in the same boat during the renovation, sharing experiences and helping each other. This creates bonds that would probably not have been formed in any other situation."

Well-being monitor

Our ambition is to make a measurably positive contribution to the well-being of people in the communities in which we are active. To this end, we take measures that have both a direct and indirect impact on the well-being of those involved. There are already various standards available to validate our impact on specific issues. However, we would like to develop a way to objectively measure the impact of all our activities. For this reason, in 2024 we took steps to develop a monitoring method - the Well-being Monitor - that charts the total impact of our efforts. We see opportunities to bring together existing standards, such as the WELL Building Standard, and combine them in a single tool.

WHAT Well-being



We make people
happier

Bold statements:

1. Positive contribution

In 2030, all projects will score an A label in the Well-Being Monitor, which has yet to be developed. In this way, we ensure that 80% of users (end users and the local area) feel that Heijmans' interventions make a positive contribution to their well-being.

2. High rating

In 2030, 80% of users give our (area) communications a score of eight or higher.



Sustainability

All of Heijmans' activities have a long-term impact on our living environment. With this in mind, our goal is to have a positive impact on our planet by 2030. We use sustainable solutions and working methods, actively contributing to a better climate, more biodiversity and a good water balance. We are making the transition to circular working methods in close collaboration with all the links in our chain. We are convinced that this will help create a liveable future.

Climate

Heijmans wants to play an active role in the transition to a sustainable society. We feel partly responsible for the future of the Netherlands. It is vital that we become climate neutral and take concrete steps in that direction. This is not an easy task, but it is necessary. This is why we take our role as a sustainable leader seriously and have deliberately set the bar high in terms of our own targets.

- By 2030, we will be 100% CO₂e neutral in our direct business operations and electricity consumption (known as scope 1 and 2). This means that our greenhouse gas emissions will be reduced to zero. Since 2019, we have reduced our scope 1 and 2 emissions by approximately 61%, which amounts to a reduction of around 26 ktonnes. We will realise additional reductions with the help of sustainable measures applied to our vehicle fleet, equipment, offices and building sites.
- By 2030, we will have reduced greenhouse gas emissions in our chain – scope 3 – by at least 50% compared with 2019. We will limit the emissions from the production materials we purchase.
- By 2040, we will be working and building completely – across the board – in a CO₂e-neutral manner. This means that neither Heijmans nor any other party in our chain will be releasing greenhouse gases as a result of our operations.

Ultimately, at Heijmans we want to do more than just reduce our climate footprint. We believe in making a positive contribution to the climate by taking measures that have a favourable impact on our planet. For example, we aim to achieve a positive CO₂e balance in 2030 through the intrinsic management of the impact of stored and avoided CO₂.

Science Based Targets initiative (SBTi)

The Paris Climate Agreement sets out agreements to drastically reduce global greenhouse gas emissions. The countries that have signed the agreement, including the Netherlands, agree that the increase in the average global temperature should be limited to below 2 degrees Celsius, and preferably below 1.5 degrees. The European Union has set a goal of being completely climate neutral by 2050. Heijmans wants to realise this for its own footprint as early as 2040. We recognise that this is an ambitious goal, but also feel that it is in keeping with our pioneering role in the construction sector. Heijmans is one of the first Dutch construction companies to have committed to achieving a net-zero position by 2040.

In year under review, we had our sustainability ambitions assessed by the Science Based Targets initiative. The SBTi is an independent organisation that assesses whether companies' climate goals meet the scientific criteria agreed upon to limit global warming. We are proud that the SBTi has given a positive assessment of our ambitions and related plans for achieving our reduction targets.

Offsetting and carbon credits

As an intermediate step on the road to completely CO₂e-neutral working and building by 2030 for our direct emissions, we will offset the emissions that are currently still unavoidable. We do this by investing in so-called carbon credits, which come from sustainable energy or forestry projects in Europe. We are also committed to voluntarily greening our energy supply. With Guarantees of Origin (GOs), we ensure that the electricity and gas used in our operations comes from renewable energy sources such as wind, solar, hydropower and biomass. For more information on our offsetting policy and the origin of these credits, see the 'Climate - Offsetting with carbon credits' section in the sustainability report of this annual report.

Sustainable equipment use

One of our goals is to use raw materials and other materials as efficiently as possible and to reuse them whenever possible. This requires close cooperation with suppliers and other partners in the chain. Only by acting together will we be able to realise our climate targets for scope 3 emissions.

Circular working

The drawing board is the starting point for circular working. Firstly, we identify the greatest environmental impact and then design using materials that have a low or reduced impact on the environment, such as timber and other sustainable alternatives. This includes looking at the possibility of storing CO₂ for longer periods in completed construction projects. We are also developing solutions to make CO₂ intensive materials such as concrete, asphalt and steel less

harmful. In close cooperation with research institutes and other partners, we are working on the use of alternative raw materials such as biobased building materials. We meticulously record all the materials used and verify that they are non-toxic and can be 'detached'. And we manage to retain value by recycling materials to a high standard and extending the lifespan of existing structures, buildings and infrastructure through careful management and maintenance.

Impact analysis of material flows

In 2024, we conducted an extensive impact analysis of the CO₂e emissions of the three most important material flows for our construction activities: asphalt, concrete and steel. The results of this analysis prompted us to develop concrete courses of action in line with the Dutch Concrete Agreement. We have also developed a dashboard that provides continuous insight into our performance and the progress we are making. This gives us a solid basis for reaching agreements with suppliers on the continued reduction of our Scope 3 CO₂e emissions.

Concrete agreement

Concrete is one of the raw materials that Heijmans uses the most. It also generates considerable greenhouse gas emissions. In close cooperation with clients, other construction firms and suppliers, Heijmans is working within the framework of the National Concrete Agreement on the much-needed sustainability of this sector. We need to accelerate the transition. This is why we have signed a letter of intent with the aim of setting ambitious requirements for CO₂e reductions in the procurement of concrete.

More sustainable applications with concrete

In 2024, Heijmans took a number of significant steps towards making concrete more sustainable. For example, we successfully applied geopolymers concrete during the renovation of the Gemini-North research building on the grounds of the Eindhoven Technical University. In this alternative material, cement has been replaced by residual products, achieving a CO₂ reduction of 46% and a lower environmental cost indicator (ECI). In Rijen, we used self-healing concrete for the first time on a ProRail railway viaduct. This enables us to extend the lifespan of structures and as a result

significantly reduce greenhouse gas emissions. And in the town of Lent, we used the innovative ECO pile as foundations for houses for the first time. These hollow concrete piles combine maximum load-bearing capacity with the minimum use of materials, resulting in an average CO₂e reduction of 25% per pile. We are also making additional reductions in our emissions thanks to more efficient transport due to the lower weight of the hollow piles.

Biobased materials: hemp fibre

To make our operations even more sustainable, we have committed to the use of biobased materials, such as timber in the Horizon concept timber-framed houses. We are also investigating the use of hemp fibre. As part of the 'from our own country to our own premises' programme, we have started to grow, process and use hemp fibre as a sustainable alternative to traditional insulation materials. This material offers several advantages: it reduces greenhouse gas emissions during construction, improves the indoor climate thanks to its moisture and temperature regulating properties, and its cultivation requires no chemical pesticides or fertilisers. In collaboration with GreenInclusive, in 2024 we harvested our first hemp crop on 6.5 hectares of land in Friesland. The harvested hemp is processed into 'Hempwool' insulation material and used in projects such as the Thedemaborg new-build residential development in Nietap. In addition, we are investigating whether hemp fibre might eventually serve as insulation material for the homes produced in our timber-frame houses production facility in Heerenveen.

Waste monitor

In 2024, we introduced the Waste Monitor at Heijmans. This is an innovative dashboard that we developed with waste processor Renewi. This dashboard, which contains information from a total of 25 different suppliers, provides insight into waste flows, separation percentages and CO₂e emissions down to project level. This tool is a useful instrument for project teams and managers to check whether they are on track and to make any necessary adjustments. Not only will the Waste Monitor help us to realise our ambition to use only sustainable working methods by 2030, it also provides the data we need to meet the reporting requirements of the Corporate Sustainability Reporting Directive and the EU Taxonomy. The CO₂e emissions from the waste we produce at Heijmans currently account for around 1% of our total emissions.

Construction of the most environmentally friendly asphalt plant in Europe

Project case Asfalt Centrale Lage Weide asphalt plant

In 2024, we and our asphalt production partner announced the construction of Europe's most sustainable asphalt plant in Utrecht. The Asfalt Centrale Lage Weide (ACLW) asphalt plant is an initiative of AsfaltNu, in which Heijmans is a 50% shareholder. Innovative techniques will ensure that production - which is expected to start in 2026 - will be both low-emission and odour-free. Furthermore, the asphalt from the plant will be 100% circular. ACLW will recycle old asphalt and reuse it. The plant will be able to produce asphalt at a much lower temperatures, which will help reduce CO₂e emissions by more than 50% compared with the current standard.



Emission-free transport and equipment

For our operations that fall under scopes 1 & 2, we want to minimise our emissions and reduce our total ecological footprint. We will do this by taking concrete measures in the areas of transport and equipment.

Emission-free construction and transport

In 2024, we once again took a number significant steps on the road to emission-free construction. For our work at Schiphol Airport, for example, we deployed our first electric sewer inspection truck. We also put a 40-tonne electric caterpillar excavator into operation at the airport. We are making significant progress with the electrification of our vehicle fleet. From 2023 onwards, our lease car package consists exclusively of electric cars for new orders, and we have shortened the current lease contracts for vehicles with combustion engines. Our goal is to have an all-electric fleet of cars by the end of 2025 at the latest.

We also invest continuously in making our building sites more sustainable. This includes using energy-efficient LED lighting and promoting low-fossil-fuel alternatives, such as HVO100, both at Heijmans and among our suppliers and subcontractors. And we always use green energy, preferably from nearby wind farms.

Emissions data at project level

With the aid of our supply chain portal - in which we digitally record incoming and outgoing logistics - we made significant progress last year in gaining more insight into emissions in our construction processes. The portal enables us to register the emission data of all transporters and suppliers at project level, enabling us to plan, analyse and optimise logistical flows more effectively. We have now successfully completed this application, which we tested in the Construction Logistics Living Lab in collaboration with TopSector Logistics. We are now using the supply chain portal in an increasing number of construction projects. In addition to providing insight into greenhouse gas emissions, the portal encourages our logistics chain partners to reduce emissions and make their processes more sustainable, and to consult with each other in the chain to implement joint improvements.



More sustainable techniques

Project case [Apeldoorn-Azelo section of A1 motorway](#)

The end of 2024 saw the official opening of the widened A1 motorway between Apeldoorn and Azelo. For this project, Heijmans applied sustainable techniques and reused materials, and used emission-free equipment as much as possible. In total, we used more than fifty large pieces of emission-free equipment, including telescopic handlers, excavators, sheet piling machines, an asphalt set and lorries. Applications included the emission-free installation of permanent sheet piling, the use of electric tracked cranes for much of the earthwork and twenty electric lorries used to supply various secondary materials. And we used removable batteries, mobile energy solutions and heavy-duty charging points to ensure an effective and efficient energy supply. When it was not possible to work entirely emission-free, the equipment we used ran on biofuel. Heijmans had previously installed solar panels along the route. These solar panels produce enough energy to fully compensate for the energy consumption of the Twello-Rijssen section of the A1 motorway – approximately 500 megawatt hours per year – during the use phase. The widening of the A1 motorway shows how sustainable techniques can make a concrete contribution to a cleaner and future-proof infrastructure. We encourage the Dutch Ministry of Public Works and Water Management to continue its current policy by including sustainability criteria in tenders. Together with the rest of the construction sector, our goal is to realise construction projects in the most sustainable way possible. By adopting a joint approach, together we can make serious progress in the structural improvement of the sustainability of infrastructure projects.

Biodiversity

At Heijmans, our maxim is to leave the environment in which we work in a better state than we found it. For us, a healthy environment is synonymous with healthy biodiversity. We recognise that our business operations can have a direct negative impact. For example, our greenhouse gas emissions contribute to climate change, loss of biodiversity and damage to ecosystems. This is why we see it as our duty to make plans and take measures to promote biodiversity. In all our projects, we specifically work to strengthen species richness, from micro-organisms and animals to plants and trees. We are aware that these together form essential ecosystems and are indispensable for our general well-being and more specifically for our health and food supply.

Better soil

In 2024, we worked closely with Wageningen University & Research (WUR) to develop seven principles and practical measures to protect and improve soil conditions in construction projects. The aim of this set of guidelines is to prevent or minimise damage and to restore and improve soil quality. We are providing the construction sector with tools to build more sustainably and to make a positive contribution to biodiversity and climate adaptation. Thanks to the combined knowledge of Heijmans and WUR, we now have measures we can apply directly to protect the soil as a valuable basis for a healthy living environment.

Measurable biodiversity

At Heijmans, we would like to demonstrate that it is perfectly possible to combine nature and the built environment. We do this in a nature-inclusive manner and in various ways, for example by paying attention to nature conservation in area developments, creating public green spaces, implementing an adapted, nature-friendly mowing policy, building nesting spaces for birds into homes and installing bee hotels. We integrate homes, civil engineering structures and other buildings into the natural environment as much as possible, and vice versa. These measures and

applications have a measurable positive impact on biodiversity. In 2024, for example, we published the initial results of a long-term study into the development of the natural environment in the Parijsch new-build residential neighbourhood in Culemborg. The study showed that nature-inclusive measures, such as nesting boxes and green spaces, help increase the variety of bird species, insects and bats in the area.

Our approach in the Parijsch neighbourhood is now being used right across the country and was the inspiration for the adoption of a motion submitted by MPs Thom Van Campen and Laura Bromet. This motion called for national guidelines for local authorities, with a robust assessment method to speed up the permit procedures for nature-inclusive and climate-adaptive housing projects.

Sustainable area developments

Our current goal is for all area developments in which Heijmans is involved to achieve an NL Greenlabel with an A rating or level 5 on the Nature ladder (Natuurladder) by 2030. This means we are deliberately setting the bar high for the promotion of sustainable area developments. The NL Greenlabel method, which was updated in 2023, assesses projects based on aspects such as energy, biodiversity, mobility and water quality. Various Heijmans projects have already been awarded an A or B rating. For example, the Maanwijk project in Leusden was awarded an A rating and the De Hooge Riet project in Ermelo was given a B rating. To support area developers, we have produced a manual with practical tips and solutions that can be used from initial design to realisation.

Nature ladder

Heijmans is the joint developer of the Nature ladder (Natuurladder), a tool that helps construction teams working on infrastructure projects improve biodiversity. In 2024, we refined and expanded this tool and transferred it to the Deltaplan Biodiversity Restoration Foundation. This organisation will now make the Nature ladder available to the entire construction sector. We hope this helps to raise awareness and boosts the implementation of climate-adaptive building and the restoration of the natural environment in the Netherlands.

Birds in new-build neighbourhoods

We have stepped up our cooperation with the Dutch Society for the Protection of Birds (Vogelbescherming Nederland) to improve the living environment of birds *and* people in new housing developments. In a joint effort, we are assessing the effectiveness of nature-inclusive measures in residentia developments. These range from recording bird sounds (to check diversity) to testing special window foil to prevent so-called window casualties. Our intensive collaboration is aimed at giving birds a pleasant place to live in urban areas. We are actively committed to improving biodiversity in the Netherlands and helping to create a healthy, sustainable living environment by focusing on nature-inclusive construction and initiatives such as the Nature ladder (Natuurladder) and BioBuddy.

Nature as a solution

At Heijmans, we want to learn as much as possible from nature. That is why we are enthusiastically exploring the possibilities of so-called ecosystem services (ESS). These are development strategies that can be used in projects if they pass quality and suitability assessments. One example is the use of specific bacteria to combat soil pollution. For example, in 2024 we conducted research into the biodegradation of microplastics from tyre abrasion on motorway verges. In the Netherlands alone, this results in 10,000 tonnes of environmental pollution every year. Together with the Deltares research institute and Avans University of Applied Sciences, we tested microorganisms for their decomposition potential. And the results were promising. At Heijmans, we believe that it is now up to politicians, scientists and industry to act, because there is an urgent need for stricter regulations, follow-up research and a significant improvement in the sustainability of car tyre production. We are happy to share the results of our exploratory research with stakeholders and other interested parties. And we are keen to remain involved in the development of regulations and follow-up research in the near future.

Using AI to identify bird species

Project case BioBuddy and BirdBuddy

Last year, Heijmans launched BioBuddy, an innovative 'measuring box' that measures and analyses biodiversity using AI. The box is used at project locations to register the status of flora and fauna such as insects, birds and mammals like hedgehogs. We are now expanding this application, adding the ability to measure the quality of air, water and soil. BirdBuddy, a special part of BioBuddy, can recognise bird species and map their diversity through acoustic monitoring. This smart application is already being used at several locations, including the National Military Museum in Soesterberg and the campus of Eindhoven University of Technology. It allows us to measure the concrete impact a project has on biodiversity by taking a baseline measurement at the start and another measurement once our projects have been completed.



**Harwil de Jonge**

Director of Property Development

"By joining forces, we can achieve a lot more and actually help address social issues."

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"In 2024, we made excellent progress on the theme of biodiversity. Internally, we developed a more comprehensive vision for biodiversity based on four key pillars. In addition, we introduced the innovative biodiversity monitoring box called BioBuddy, set up the first hemp fibre crop, harvested hemp and used it to insulate our timber-framed houses, and entered into cooperation agreements with the Naturalis Biodiversity Centre and the Dutch Society for the Protection of Birds (Vogelbescherming Nederland).

One initiative I find particularly special is the expansion of our collaboration with the Dutch Forestry Commission (Staatsbosbeheer), which focuses on increasing biodiversity outside of our own projects. We are planning to plant a forest of no less than 16,000 trees every year. I am also very happy with our role as the main sponsor of National Tree Planting Day, which gives us a great opportunity to introduce thousands of children to the natural environment in an educational way every single year.

This partnership is the result of an earlier collaboration with the Dutch Forestry Commission and is based on mutual trust and shared ambitions in the areas of climate, biodiversity and well-being. By joining forces, we can achieve a lot more and actually help address social issues. And the best part is that we are actually doing it!"

Water

Water is the basis of all life on earth. Due to climate change, we are facing more and more floods and periods of drought. In the Netherlands, we can and must use rainwater, groundwater and surface water much more intelligently. Heijmans has an impact on the water system through our operations in public areas and at our own offices and building sites. We also have the in-house knowledge and expertise to improve the quality and quantity of water. This is why water plays such a prominent role in our projects. For example, we look at possibilities for buffering water and using rainwater to water green spaces. We also use innovative solutions to keep our water system safe. In 2024, we drew up the 'Water Matters!' vision document, which outlines some of our strategies for effective water management in the landscape. This vision is based on four pillars: water quality, water balance, water use and water safety.

Water quality

We want to ensure that our working methods do not have a negative impact on water quality. In effect, this means we are acting in accordance with the Dutch Water Framework Directive (WFD).

Our approach already includes various measures to improve water quality. For example, we install wadis when we redevelop streets. These wadis are used to store water, but also to purify water that runs off the road. When we pump out water, we already take into account the water quality requirements laid down in the relevant permits. In addition, we installed a plastic trap in the canal from Ghent to Terneuzen to remove plastic from the surface water.

Water balance

In our projects, we always take measures to prevent any risk of flooding and soil subsidence. These measures include the use of various instruments, like the Ecology, Soil and Water Scan (EBW scan) and Sustainable Design Principles (SDP). We apply the SDP in area development and infrastructure projects. We refined these principles in 2024 and will start using them in practice from 2025 onwards.

In 2023, we became the first nationally active construction company to join the WaterBank, an initiative aimed at working closely to improve the water balance in the Netherlands. We are applying innovative solutions for circular water management in the large-scale urban renewal project Hart van Zuid in Rotterdam. We have installed an urban water buffer that can store up to 20 million litres of rainwater per year. The water is then used for toilet flushing and to clean the nearby Ahoy event centre. Heijmans started expanding the terminal at Eindhoven Airport in 2024. The design incorporates innovative solutions in the areas of sustainability and water use. The roof of the new terminal will be covered in sedum plants for better water collection and insulation, while a water basin will collect rainwater and reuse it for toilet flushing. In 2024, we also started construction on the Spinaker project in Tilburg, which includes a green entrance plaza and a small 'pocket park'. This neighbourhood park will have a dual function: in addition to providing space for people to meet and recreate in a green environment, it will also serve as a reservoir for excess rainwater. We will build the parking spaces for residents on 'crates' that can also be used to collect water. These and other applications demonstrate our integrated approach and our ambition to build in a climate-adaptive way and to enter into partnerships for sustainable water management.

Water use

Of course, we also keep track of our own water use with the aim of reducing our 'water footprint'. We distinguish between the following focus areas: drinking water use in our own business operations, drinking water use in buildings and water use in the production of raw materials.

We are committed to ambitious goals that will certainly exceed the national reduction target of 20%. We will communicate our exact goals in 2025, when we will have a clear picture of the entire water cycle.

In 2024, Heijmans joined the Gelderland Water-Efficient Neighbourhoods Construction Roundtable (Bouwtafel Waterzuinige Wijken Gelderland). This initiative focuses on guaranteeing clean drinking water by encouraging the construction of water-efficient neighbourhoods. With this goal in mind, we are developing scalable solutions to support the National Action Plan for Water Conservation together with the province of Gelderland, drinking water company Vitens and various water boards. This could include using rainwater to flush toilets, for washing machines and for outdoor taps.

Water safety

Climate change has extra significance for the Netherlands, which lies largely below sea level. The rise in sea levels and river water levels, due in part to the melting of snow in the mountains, means that we must take timely measures to prevent flooding.

At Heijmans, we are working on reinforcing our national dyke system and building new housing developments that can withstand high water levels. So we are actively contributing to keeping our water system safe and making it safer. In 2024, we started nature conservation projects around the Lauwersmeer dyke in Groningen. These are part of the Flood Protection Programme (HWBP) initiated by a number of water boards and the Dutch Ministry of Public Works and Water Management.

In addition to reinforcing the dyke, we are also taking measures to improve biodiversity in the area. As part of this initiative, we are creating a 22-hectare natural salt marsh, a 70-hectare tidal area and a natural transition between the dyke and the Wadden Sea. By choosing an integrated approach, we are creating a link between flood risk management and the development of the natural environment. We are also continuing to work on reinforcing the dyke between Gorinchem and Waardenburg. This project is part of the Dutch Ministry of Public Works and Water Management's Flood Protection Programme and aims to ensure that the dykes meet the new safety standards that have been in force since January 2017.

WHAT

Sustainability

We give more
than we take

Bold statements:

3. Climate

In 2030, we have cut our scope 1 and 2 emit CO₂ emissions to zero and we have halved our absolute Scope 3 emissions compared with 2019. By 2040, we will have reduced the latter to zero. As early as 2030, we are aiming for a positive CO₂ balance by intrinsically managing the impact of stored and avoided CO₂.

4. Biodiversity

We leave it better than we found it: by 2030, all our area solutions score an area label A (NL Greenlabel) or step 5 on the Nature Ladder.

5. Water

We use water as a guiding principle in all our projects. This is how we contribute to restoring water quality, improving the water balance, ensuring water safety and eliminating unnecessary (drinking) water consumption.

A sustainable leader in an unfair playing field.

At Heijmans, we take our role as a sustainable leader very seriously indeed. We have set strict deadlines for meeting our targets in areas such as CO₂e reduction, circular construction and improving biodiversity. This involves considerable investments in the likes of emission-free construction equipment and our production facility for sustainable timber-frame houses based on the Horizon concept. These investments run into millions and we are making them based on our own convictions. But in order to make responsible choices, it is important that clients consistently embrace the same goals and help create long-term certainty.

In practice, this is still rather unpredictable at the moment. We see varying levels of ambition in the market when it comes to sustainability. The result is tender procedures with widely varying requirements. While one client may choose to set the sustainability bar high, in another tender low costs are the deciding factor. This does nothing to improve the predictability of our business and as a result can potentially put a brake on investments in sustainability.

At Heijmans, we believe we need a level playing field, in which contractors and clients unite in their shared ambitions and uniform sustainability requirements. This is not the case right now. But if we want to achieve real transformation throughout the chain, it is imperative that we have a level playing field. One in which clients and contractors understand and back each other up, so we can make major investments in a responsible manner.

So let's work together to bring an end to the current fragmented approach. We are calling for a national standardisation of tenders for every project, rather than having them depend on the unique requirements set by local or provincial authorities. The only way we make our investments pay off and together help create a liveable future for all is through consistent policy, and as far as we are concerned, with a high level of ambition on the sustainability front.



Connecting

We need a new, effective approach to tackle the complex challenges of today and tomorrow. At Heijmans, we are happy to take the lead on this front. We create strong networks and involve surprising new parties. We stand shoulder to shoulder with our clients in the creation of groundbreaking solutions. Together, we identify the dilemmas and put

our heads together to determine how we can tackle them in an integrated manner. This is only possible if we enter into long-term relationships, with our clients of course, but also with suppliers and other partners. By joining forces, we can continue to learn from each other and take great strides forward together.

Alongside our clients

We want to position ourselves as a thought leader by proactively taking steps forward as a collaborative partner, with a keen eye for both current and future developments. This requires an integrated approach to a client's entire assignment, in which we actively contribute ideas and take joint responsibility so we can achieve the greatest possible progress as a team.

The strength of a strong client relationship lies in mutual trust and long-term cooperation. This helps to explain the continued growth of the share of revenue from recurring business in our portfolio. It is also clear evidence that we not only know our clients, but also truly understand them.

Types of contract

Our goal is to use our broad expertise – from infrastructure and energy to property development, construction and management – to make the greatest possible contribution to a sustainable future for the Netherlands. That is why we prefer to choose the type of contract that involves us being selected on the basis of our added value, so we can use our own expertise and that of our client to achieve a common goal. We immerse ourselves in the needs and challenges of our clients and regularly consult with them about these. We share our vision and insights and identify opportunities and possibilities. We value transparent forms of collaboration, for example in construction teams or with two-phase contracts and framework agreements. This enables us to realise sustainable and innovative solutions and by doing so provide our clients with maximum value. We also work in alliances on large-scale, complex and long-term projects. An example of this is the Gorinchem-Waardenburg (GoWa) dyke reinforcement project, in which Heijmans is working with two other parties and the Rivierenland Water Board in the Graaf Reinalda alliance. In this alliance, we share the risks and responsibilities, so our focus is on cooperation and the joint realisation of a safe 23-kilometre stretch of dyke. We are working closely together, combining our know-how and expertise to determine how we will develop, implement and manage this project. This way of working underlines our dedication to sustainable, innovative and integrated solutions that enable us provide our clients with maximum added value.

Client Advisory Council

In late 2022, we launched the Client Advisory Council as part of the Client and End-User Experience Works programme. This provides us with a structural platform for testing strategic initiatives and gaining better insight into what is going on in the market. The council is also a good way to strengthen our client relationships and explore new forms of collaboration. In 2024, the council met for three sessions, focusing on the themes of digitalisation, asset management and sustainability.

Client Service Excellence

Of course we are constantly looking for ways to further improve our client relationships. In the Working segment, we do this through our Client Service Excellence programme. In 2024, we started seven individual programmes aimed at improving client experiences and strengthening our position as a strategic partner.

Future-proof partnership for the supply of drinking water

Project case [Vitens locations](#)

In 2024, we entered into a four-year framework contract with drinking water company Vitens. As part of this collaboration, which can be extended for up to eight years, we are joining forces to realise sustainable and future-proof solutions for the drinking water supply in the Netherlands. In addition to reducing residual water flows, we will focus on reducing CO₂ emissions and protecting biodiversity based on the Nature ladder (Natuurladder). In multidisciplinary teams with experts from Heijmans, our cooperation partner, and our regular partners, we will share our knowledge and work together to increase efficiency, for example through standardisation and various types of modular construction.



Collaborating in the chain

We believe in the strength of long-term collaboration, which is why we work closely with regular partners and suppliers. By sharing knowledge and joining forces, we increase our contribution to a healthy living environment. This requires targeted guidance on content and collaboration, so we can take joint responsibility and manage risks more effectively. The result: predictable, successful projects with benefits such as greater efficiency, cost control and higher quality.

Co-makers

In the Living segment, we work with a number of regular partners, or so-called co-makers, for the production of the Heijmans Huismerk homes. We distinguish between preferred and selected suppliers for Heijmans Huismerk. In 2024, we expanded this approach to various disciplines in our residential building business. The advantages of this approach are: more flexibility, guaranteed quality, less dependence on market fluctuations and a greater focus on innovation and making the chain more sustainable. Long-term collaboration also offers our partners and suppliers a sense of security and is therefore a solid basis for the joint development of new solutions and the realisation of shared sustainability goals. A good example of this is the introduction of the more sustainable hollow concrete pile. This innovation was developed by one of our supply chain partners and was used for the first time in a Heijmans housing project last year. Following its proven success, this solution is now included in the standard catalogue of that same supplier.



The heart of democracy and a project with many stakeholders

Project case [Binnenhof renovation](#)

The large-scale renovation of the historic Dutch parliament complex, the Binnenhof, is one of the most complex construction projects in the country. So it is no surprise that close collaboration throughout the entire chain plays a crucial role in this project. Heijmans is responsible for the renovation of the Senate and the Council of State buildings. This means that we facilitate and coordinate the collaboration between the contractors involved and the Central Government Real Estate Agency (RVB). Together with these parties, in 2024 we signed the PACT800, a document that sets out joint agreements on safety, logistics, building site organisation and environmental management. We are working with a strategic steering group, task force groups and a shared BIM building site model to tackle the logistical challenges in the busy city centre of The Hague as efficiently as possible. The result is a safe, transparent and well-organised working environment.



Heijmans invests in biodiversity with partner Forestry Commission Staatsbosbeheer

Project case [Dutch Forestry Commission](#)

At Heijmans, we share the mission of the Dutch Forestry Commission (Staatsbosbeheer) to build a green and healthy living environment in the Netherlands. That is why we expanded our collaboration last year, adding new initiatives in the field of sustainable construction and the promotion of biodiversity. As part of this intensified collaboration, we announced that we will increase our use of so-called OSB board material, which is produced using FSC®-certified wood from Dutch forests. As a next step, we launched the first 'Heijmans forest' in Venray, where we have planted 16,000 trees.

We have resolved to plant a forest of 16,000 trees every year until at least 2030. We use the timber from these trees for our timber-framed houses. And not unimportantly, the newly planted forests can absorb two million kilos of CO₂ every year. In 2024, we also became the main sponsor of National Tree Day. We are delighted to be associated with this initiative to involve young and old in the natural world and biodiversity in an educational way.

Innovative ecosystem

We are very aware that we will not be able to realise our ambitious strategic goals alone. This is why we are building an innovative ecosystem that involves research institutes, start-ups, co-makers and specialised suppliers. These partners will help us find solutions to a wide range of issues – from digitalisation to circular construction – and achieve major breakthroughs for a variety of complex social issues. Strategic partnerships with organisations such as the Deltares Institute for Applied Research, the Naturalis Biodiversity Centre and the Dutch Society for the Protection of Birds provide us with valuable insights and interesting applications. For example, in 2024 we teamed up with the Deltares research institute and Avans University of Applied Sciences to conduct research into the biodegradation of microplastics from tyre abrasion on motorway verges. Last year, we also joined forces with the Dutch Society for the Protection of Birds to monitor nature-inclusive measures, including the recording of bird sounds.

In 2024, we refined our approach to the creation of an innovative ecosystem, which included deepening our collaboration with research institutes. For example, we started a project with Wageningen University & Research (WUR) aimed at applying defined principles to improve soil health. We entered into a partnership with Utrecht University to measure social cohesion in the Maanwijk neighbourhood of Leusden using qualitative research. Another example is our collaboration with Sterk Technical Education in the Haaglanden region, the Den Haag engineering consultancy and the Veurs Lyceum school. Last year, we collaborated on the development of a ready-to-use teaching package for preparatory vocational education (VMBO) schools that gives students the chance to redesign a street and learn about infrastructure and technology. We also strengthened our partnerships with valuable initiatives such as the Delta Plan for Biodiversity Recovery and the WaterBank. In addition, we evaluated various start-ups from around the world that could help us achieve our goals, for example in the continued automation of design processes. All these partnerships contribute to our innovative potential and therefore to the realisation of a healthier, more sustainable living environment.

HOW Connection



Together, we ensure
the biggest possible
step forward

Bold statements:

6. Qualitative input

We believe that we can deliver the most added value when we stand side by side, in a balanced partnership with our clients. Therefore, in 2030 we will only work for clients who base their choice for Heijmans (largely) on our qualitative input.

7. Cooperation

In 2030, 80% of our (chain) partners will give their cooperation with Heijmans a score of > 8.

8. Innovation

By actively collaborating with start-ups and research institutions, we come up with ground-breaking solutions. By 2030, we will have produced at least ten successful innovations from such collaborations.



Producibility

The continuing scarcity in the labour market is impeding progress on the complex and growing challenges facing the Netherlands. With fewer people able to carry out the work, we need a fundamental change in working methods and production methods: working smarter, not harder. We make maximum use of advanced digital technology and industrial construction techniques to create modular solutions that we offer in a unique composition. We believe this will enable us to double the contribution per employee by 2030.

Working twice as smart

We will achieve our ambition to double the revenue per employee in six years by standardising our working methods and using digital technology and applications. To do this, we need to combine our know-how and expertise in smart systems. We are looking for ways to help us do this in all our business operations, in areas such as standardisation, digitalisation, automation and the application of industrial-scale construction techniques. Creating unique combinations of modular

solutions – optimised building blocks – will enable us to continue to meet specific client demands. The possibilities this offers lead to shorter lead times, higher production levels and quality, reduced failure costs, as well as new business opportunities in some cases, without resulting in uniformity or a loss of diversity. The contribution per employee will then increase accordingly. In addition, we believe that this approach will reduce the waste of scarce materials.

Digitalisation

Digitalisation is essential for Heijmans if we are to remain future-proof. Digitalisation enables us to organise our work more effectively and efficiently. By pooling data, we can create new insights and offer smart solutions. Adding AI to digital processes enables us to get more done with fewer resources. Digitalisation effectively acts as an key accelerator for innovation and growth.

Digital development

Our goal is to realise our scenarios for area and building developments through a combination of generative and parametric methods by 2027. We will do this based on data models that accurately map the context of our projects. This will give us a faster and better understanding of which solutions are the most promising. While this process can currently take months or even years, our ambition is to be able to go from idea to detailed plan within 30 days by 2030. This will enable us to accelerate the planning of projects.

To realise this ambition, in 2024 we took a number of significant steps to explore and develop the necessary resources. The focus is on continuing to standardise and integrate processes within a platform. This includes linking our own housing concepts to other existing products and services. This enables us to generate and configure solutions in every phase – from area to home – that accelerate the process, increase efficiency and improve the quality and cohesion of the plans we produce.

Collaborating for sustainable area developments

Project case Tygron

The Tygron platform plays an important role in accelerating our plans for digital development. Tygron provides support in the collection and analysis of data for generative area development. In 2024, we conducted several pilot projects to test its applicability in our primary processes, for example for the Chasséveld project in collaboration with the city of Breda. This showed that by using Tygron, we can calculate scenarios more quickly based, for example, on sustainability parameters. This in turn results in cost savings and shorter lead times.



Digital construction

4D model

Given the increasing emphasis on the fully digital construction of projects, the application of the 4D model has really taken off. This tool enables us to make significant improvements in quality and safety. Furthermore, a 4D model is an ideal way to give clients, internal and external partners and stakeholders in the area a better understanding of construction plans and to discuss them. A 4D model is very similar to a 3D model, but adds the factors of time and planning. In 2024, we used a 4D model in the construction of the railway underpass in Rijen, adding the components time and planning to the design. For our client ProRail and for ourselves, this meant that we could prepare the work accurately and assess risks more effectively in advance. This in turn enabled us to reduce the risk of delays and errors.

Automatic repetitive tasks (ART)

In 2024, we made significant progress in the automation of repetitive tasks (ART) in the design process, particularly in the field of installation technology. We have greatly simplified common tasks, such as the generation of prefab sets and the automatic placement of connection details, through the development and use of fifteen specific scripts. A concrete example of this is the automatic generation of openings for electrical and mechanical installations, as applied in the renovation of Gemini North, a faculty building at the Eindhoven University of Technology. Thanks to this automation, we have been able to reduce the turnaround time for modelling the openings by 80%.

This method not only accelerates the design process, but also increases efficiency and accuracy. Using this method, we have laid a solid foundation for future innovation and automation.

Data-driven asset management

We manage and maintain infrastructural works for public and private clients right across the country, including the Ministry of Public Works and Water Management, Schiphol Airport, provincial and municipal authorities and port authorities. This work also includes monitoring digital systems such as traffic lights, roadside stations, charging infrastructure and public lighting. We use sensors to monitor roads, viaducts, locks, dykes, bridges and other fixed structures. This enables us to continuously assess the condition of virtually all the assets in our management portfolio and to recognise serious deterioration or impending failure at an early stage. This ultimately leads to cost savings and increases the reliability of critical infrastructure. We also monitor pollution and emission levels.

All the data from these monitoring systems comes together in our Connect Platform, which we developed in-house. In 2024, we connected approximately two thousand assets to Connect, including lampposts, traffic lights and locks. Our clients retain ownership of their data, while Connect converts it into useful insights and advice. AI gives us automated information about expected system failures. This in turn enables us to proactively schedule any necessary maintenance and minimise system failures.

Another application of AI within our processes is the introduction of DORA in 2024. DORA, a virtual expert based on Microsoft Copilot, provides support for maintenance workers during repairs to and maintenance of traffic control systems, among other things. DORA gives colleagues rapid and targeted access to knowledge and support. This increases the efficiency of the maintenance of the 500 traffic control systems we manage every year.



Data-driven asset management in practice

Project case Scaldis

Since 2021, as part of the Scaldis consortium, we have been responsible for the regular maintenance of the bridges, locks and banks in the Zeeland district of Zee en Delta, including the Delta Works. In recent years, we have developed a structured, data-driven approach that meets the needs of both the Ministry of Public Works and Water Management and Heijmans. In 2022 and 2023, we conducted a thorough analysis to identify the biggest obstacles to performance and labour-intensive maintenance tasks. We then compared these results to existing maintenance plans and risk analyses to determine which assets would benefit the most from data monitoring.

At the same time, we started the phased release of status reports and sensor data from the operating systems of the Terneuzen Locks and the Kreekrak Locks. This is the first step in the prediction of system failures. In 2024, we set up a test environment with live data and a dashboard for the Ministry of Public Works and Water Management. We also developed a stable data chain, making all asset data from the East and West Locks in Terneuzen available. The next step is to predict the optimal moment to remove silt from the lock chambers to prevent failures in the closing of the lock gates.

Working on a digital future

With an eye to the future, we are working on the expansion of our data-driven asset management services. Our aim is to be able to provide predictive information to support half of our service and asset management contracts by 2027. Of course, we will continue to invest in innovation, for example in the field of sensor technology and AI applications. Data processing is becoming increasingly sophisticated. In addition to performing trend analyses and monitoring threshold values, we are now using AI to develop automated insights and predictions of system behaviour. We team up with our clients to explore the demand and need for data-driven management and maintenance. In order to apply knowledge and working methods as repetitively and uniformly as possible in our processes, we continue to focus on standard procedures and IT solutions such as Connect. This helps us achieve operational excellence, including efficient and profitable management and maintenance, and maximum value for our clients.

Production technology

How we produce and build will change dramatically in the coming years. At Heijmans, we are embracing the possibilities of digital technology and investigating how we can run production processes more simply, faster, better and more safely. There are great opportunities in the field of standardisation and industrialisation.

Standardisation of processes and working methods

Heijmans sees standardisation as an essential step towards more efficient construction. It helps us to make processes and designs or partial designs repeatable. This means that parts such as components for buildings, roads and bridges can be used more frequently. This prevents the need for a completely customised design for each project.

Standardisation offers significant advantages, such as increased safety, greater efficiency, shorter lead times, improved quality, a reduction in failure costs, a high degree of predictability and, very importantly, it creates a learning curve. We also ensure that completed projects can be easily modified in the future.

With these goals in mind, Heijmans develops smart standards that not only improve efficiency, but also offer sufficient flexibility for customisation, depending on specific situations and user needs.

Conceptual construction

Heijmans is increasingly opting for conceptual construction: offering a standardised range of products. This guarantees higher quality, lower failure costs, a faster process and greater affordability. We create unique client solutions from modular components. Our aim is to deliver three-quarters of our homes using this method by 2030. To achieve this goal, we have developed a variety of modules. During the design phase, we work closely with our partners to meet the needs of our clients as effectively as possible. In conceptual construction, we still develop the unique components individually, but most components consist of smart standards and variations on these.

We have gained a lot of experience with this client-driven approach over the past twenty years. Examples include the Heijmans Huismerk, Heijmans ONE and TWO, and also B'Woond, our approach to making existing homes more sustainable in a smarter way. Our Horizon homes also fall under this category. The modules and parts for these timber-framed houses are assembled in a dry and safe environment in our production facility in Heerenveen, before being transported to the site on three lorries per house. The house is assembled on site in less than a day.

Optio

Van Wanrooij had already built more than 16,000 homes using the Optio concept by the end of 2024, following a highly standardised process and construction method. The standard basis is combined with options for variation in design and lay-out. In addition, the process offers a choice from a wide range of standardised options.

By continuously responding to changing market demand – such as the need for affordable housing for smaller households or housing that can be adapted to changing needs – Van Wanrooij is continuing to develop the Optio concept, making it more sustainable and adding new models. The company is also incorporating innovations in the fields of nature inclusivity and climate resilience. In the near future, basic models will include integrated nesting boxes, rainwater drainage, infiltration facilities and energy storage in homes as standard features.

Home configurator

In 2024, we completed two successful pilots projects using our home configurator, which combines customisation and efficiency. Customers can use the digital tool to design their home fully in line with their wishes. It also shortens the design process. The home configurator is clear and user-friendly; customers can immediately see what their future home will look like and get an idea of the financial consequences of their choices, such as an extension or a dormer window. This not only makes the process more efficient, but also enhances the customer experience.

Modular Platform: from pilot to wider applications

The Heijmans Modular Platform (HMP) is designed to standardise the development, design and realisation processes, enabling us to automate and optimise them. This enables us to tailor processes more effectively to the wishes of customers and stakeholders. The platform, which was developed in-house and draws on the expertise of both Heijmans and its supply chain, enables us to tackle complex design assignments more efficiently and effectively. Every phase of the process – from design to realisation – is integrated in the platform. HMP makes it possible to generate millions of design options more easily and analyse them based on cost, sustainability and planning. The diverse range of design modules within the platform creates unique synergies, enabling us to provide data-driven advice in the early stages of a project. In 2024, we reached an important milestone with the completion of the pilot of our data centre generator at one of our clients. This pilot highlighted the value of our platform in practice and provided valuable insights for further development. In parallel, we added two new functionalities to the platform, including advanced analyses of investments, lead times and sustainability criteria such as CO₂ emissions and nitrogen impact.

We are now expanding the platform to cover broader areas of application, such as the Living and Connecting segments. In 2024, we developed the first version of the generator for Huismerk Urban Apartments. This tool will enable developers and designers to generate optimal mass studies at the touch of a button when putting together large-scale inner-city apartment complexes in 2025, enabling them to quickly analyse different building volumes and configurations. In the future, we want to add multiple building shapes and link generators and configurators in a modular platform. This will enable us to continue to automate and streamline the entire process from idea to design and realisation. This will make it possible to immediately understand the consequences of desired changes in participatory processes. This will lead to shorter lead times and offer clients, stakeholders and local authorities more flexibility and greater insight into the consequences of their choices.

Industrial-scale construction

Standardisation, automation and digitalisation could ultimately lead to a completely industrialised process for a product. This would bring the 'product from the factory' within reach. It is easy to monitor conditions in an industrial process. This improves safety, efficiency, lead times and quality. Industrialisation also encourages continuous improvement of the process.

Timber-frame house production facility

The completion of our first project with timber-framed houses in 2024, produced in our factory in Heerenveen, marked an important milestone for us. In the 't Ven neighbourhood of Eindhoven, we built 88 homes for tenants of the 'thuis' housing corporation. These Horizon houses are produced in our CO₂-neutral production facility, are built using industrial methods and are equipped with a smart climate control system to ensure a healthy indoor climate. They are also energy-neutral. The homes are digitally configured and assembled in the factory from demountable 2D and 3D elements. Thanks to this efficient production process, we can now erect a wind-proof and waterproof home on location in a single day. In addition to the project in Eindhoven, we also built homes in the municipalities of Zeewolde, Nuenen and Culemborg in 2024.

Prefab solutions

In the context of future-proof construction, we also see great opportunities for industrialisation in infrastructural projects. In 2024, we started a new production site in Son for the modular prefabrication and renovation of guardrails. We expect this production method to enable us to increase our volume from 50 to 70 kilometres per year. We also make reuse possible by dismantling old guardrails, galvanising them and making them suitable for reuse.

Ceiling panels 2.0

We are continually expanding the use of modular applications in non-residential projects. A great example of this is the innovative ceiling panels 2.0 that we used in the renovation of the AMC ward at the Amsterdam UMC hospital. This new technology enables us to connect prefabricated installation modules to the ceiling more efficiently, eliminating the need to do so on the building site itself. This shortens lead times, increases efficiency and – most importantly – limits inconvenience for users and reduces the workload of our technicians. From now on, ceiling panels 2.0 will be included as one of the standard options in the modular scan that we carry out for projects. We use this scan to identify where modular solutions can be used to optimise our services.

**Joost van Asch**

Director of Industrial Construction

"We are set to be the leader in industrial-scale construction."



Joost van Asch (44) has been working at Heijmans since 2001 and has made an impressive journey within the company; from work planner to Director of Industrial Construction. He now leads a large team that is putting industrial construction on the map in the Netherlands. "I never would have anticipated the route I've taken," Joost says. "But each step brought me closer to where I am now: working on sustainable, energy-neutral homes that really make a difference."

The timber-framed house production facility in Heerenveen, where houses are assembled and produced in modules, opened in 2023. By 2024, production was up and running at full capacity. Joost looks back: "2024 was a year in which we learned a lot. We had to make regular adjustments, but step by step we arrived at standardised processes. Last year, we completed our first project with 88 modular homes in the 't Ven neighbourhood of Eindhoven. The whole team went to take a look and the homes are absolutely fantastic."

What is he most proud of? The team, he says. "A lot of my colleagues on the team are new and come from very diverse backgrounds. But everyone has the same energy and drive: we want to work together to make industrial-scale construction a success." He highlights the unique dynamic: "Industrial-scale construction requires a completely different way of working than we are used to in the construction industry. We are truly innovating together. It is less traditional, but that is exactly what makes it so interesting. We are creating scalable solutions for the long term, together with our colleagues across the company. The start-up phase is behind us. We are now in the scale-up phase. That means learning, adjusting and scaling up at the same time. It is a challenging journey, but at Heijmans we have everything we need to become a leader in industrial-scale construction."

Unique solutions or modular applications?

Professionals in the construction sector generally have a pretty traditional view of construction. They are used to devising and implementing unique solutions for unique issues. They find this challenging and would like to keep it that way. Clients too are often keen to stick to this way of working. This is all too evident from their project descriptions and the requirements they attach to the execution of their projects. But can we really continue meet the needs of tomorrow and the day after tomorrow with these current working methods and this way of thinking?

We are facing an enormous need for acceleration, while the availability of skilled workers remains limited. At Heijmans, this does not make us keen to work harder, but it does make us want to work smarter. We need to make better and more use of the potential offered by digital technology. And opt more often for industrial construction techniques and modular solutions. But what about customisation? And the drive of professionals to work on something unique? Or the wishes and expectations of clients?

We are fully convinced that digitalisation and the standardisation of processes is the way to go, and we are committed to modular solutions. And we believe that we can use these to create unique solutions that meet the needs of our clients. We envisage Heijmans playing a guiding role in these developments. Among other things, this means that we will try to convince our clients of the advantages of standardisation and assure them that they will not have to compromise their own unique signature in the process. At the same time, we want to help construction specialists to realise that taking the lead in these developments will only add to their skillset.

We believe that we can make even greater strides in the construction sector if internal and external stakeholders embrace the potential of digitalisation and modular construction even more than they do now. This will create space and pride in new forms of craftsmanship and creativity.

Robotisation

Robotisation can help us reduce the need for human labour. This not only offers advantages due to the tight labour market, but also improves the safety and well-being of employees. Robots are often more productive than people for specific tasks and they have unique capabilities.

Take, for example, the remote-controlled cleaning robot in the Brouwerssluis lock, co-developed by Heijmans, which we tested in 2024. This innovative robot is well equipped to remove the heavy growth of shells and algae from the walls of the 200-metre-long concrete culvert (a connecting pipe between two bodies of water) that links the North Sea to Lake Grevelingen. Thanks to the robot, it is no longer necessary to completely seal off and manually clean the culvert.

The HP SitePrint, often called Daisy, is another good example. This printing robot, used in projects such as the Spijkenisser bridge project and De Kuil in Rotterdam, marks the contours of interior walls, door swing directions, centre lines for recesses and installation technology and anchor patterns directly on the floor. Daisy is also used on roofs to print out positioning points for tiles and anchors for solar panels. Using Daisy increases precision, reduces failure costs and encourages efficient collaboration between various disciplines.

HOW Producibility



We work smarter and
get more done

Bold statement:

9. Double contribution

By harnessing the power of digitalisation and production technology, we will double the contribution per employee in 2030 compared with 2020. For this, we measure revenue (in euros) per FTE (of our own and temporary employees).



Team

Our people make the difference. Each employee makes a unique and valuable contribution to the joint work of Heijmans. It is precisely the mix of different disciplines and backgrounds that makes us strong. We look at complex assignments together and from all angles. This often leads to innovative solutions. If necessary, we expand our knowledge and skills by adding new competencies. We are always open, curious and inclusive. This is how we get the best out of ourselves and each other every single day.

Leadership and adaptability

Our managers play a crucial role in guiding the changes needed to realise our strategy. This is why we give them the support and space they need to effectively involve their teams in these changes. It is important that they convey the right information and message to their colleagues. We encourage our managers to connect with teams throughout the organisation. This helps ensure that employees are and remain involved and can get the best out of themselves.

Unifying leaders

Heijmans is making the move to become a sustainable leader, one that plays a prominent role in the continued development of the Netherlands. This requires a different approach from our managers. For example, they need to be able to switch smoothly between realising today's goals and what is needed for tomorrow.

We ask our managers to show ownership and encourage their colleagues to get the best out of themselves. At the same time, it is still their job to manage teams to achieve the best results. Unifying leadership is essential in this, with a very clear focus on effective cooperation between teams and departments. Of course, we provide managers with the tools and training they need for their own development. We are evolving our leadership vision and implementing it in our existing leadership programmes.

Talent development

Heijmans sees talent management as an integral part of our long-term strategy. We focus on attracting, developing and retaining talent so they can make the best possible contribution to the goals we have set out in our 'Together towards 2030' strategy. Focusing on talent is more important than ever in a tight labour market. Of course, this starts with retaining our current employees and is essential when recruiting and selecting new employees. With this in mind, we launched an innovative labour market campaign at the end of 2024 that is closely aligned with our brand strategy.

Talent programmes

We invest in recruiting and guiding young talent, including trainees, apprentices and other newcomers to the labour market. Every year, we launch a talent programme across the entire Heijmans organisation for so-called young potentials with approximately three years of work experience. The 'Leaders of Tomorrow' programme has been specially designed for the group of advanced management potentials. We carefully select the participants for this programme on the basis of a development reviews. They must also be eligible for their next career step in the short term. This is how we encourage well-trained and motivated talent to continue working with us.

In addition to these broad talent programmes, our business units also have their own development activities for talented professionals. These include skills training, personal development and coaching and in-depth sessions on specific strategic themes. These activities, organised and supervised by the management of the business units and supported by HR, are aimed at investing in current and new talent and stimulating advancement within the organisation. We measure this using a KPI based on the percentage of internal appointments to key positions: the top 10% of our workforce. We once again achieved the target for this – 60% – in 2024 with a figure of 71%. We deliberately recruit the remainder from outside the organisation. After all, this ensures fresh input and a fresh perspective on things.

Future-proof skillset

Heijmans' strength has always lain in the versatility of our disciplines, the integrated use of these and our professional competence. Of course we will do everything we can to retain these strong characteristics. But changing circumstances, such as the ageing population and the tight labour market, as well as new ways of working, also require us to be adaptable. Rapid developments in the market, society and technology mean we have to redefine roles on a regular basis. We expect many of our colleagues to have jobs in 2030 that did not even exist in 2020.

Of course, we will guide our colleagues through every phase of their development, making sure they are well prepared for the future. We will focus on critical technological and digital skills and competencies in the field of sustainable development. We will carefully map out the differences between current and future roles to ensure we are optimally prepared for the developments of tomorrow and the day after tomorrow.

Learning and development

In the development of our employees, we are seeing a shift from formal learning through education and training to informal learning. Practical experience, new technologies such as AI and learning from each other are becoming increasingly common. Nevertheless, it is still very important to have teachers to maintain professional competencies. This is why employees with extensive practical experience spend part of their working time training future generations. In addition, we encourage colleagues to take steps in their own development and to make the most of their talents. We support them by offering a wide and varied range of internal training courses, both online and on-site. In Veenendaal, for example, we have combined our electrical engineering courses for our professionals.

Feeling good about yourself

A vital lifestyle helps with professional growth and the development of new skills. As an employer, we therefore see it as our duty to promote health and vitality. Depending on their age, every Heijmans employee receives an invitation to a Periodic Occupational Health Examination (PAGO) once every two or four years. This is a preventive examination of the personal health of employees, intended to assess lifestyle and any health risks. We have incorporated the most common risks from the Periodic Occupational Health Examinations of recent years into an organisation-wide vitality programme. This programme pays particular attention to living a healthier life, achieving a healthy balance and preventing and managing risks.

These themes are also reflected in the programme of activities that the 'Vitality' working group organises throughout the year. In 2024, the programme included a workshop by the Nutrition Academy, including a 'sugar challenge', and inspiration sessions with Thijs Launspach (author of 'Staying Mentally Healthy in a Disturbed World'), former hockey player Maartje Paumen, and Marco Hoogland (author of 'Get the Best Out of Yourself Physically and Mentally'). Our internal communication channel Viva Engage also has a group called 'Vitality', where colleagues share information and inspiration on the theme of vitality.



How newcomers and Heijmans make each stronger

Heijmans believes it is important to offer the people we refer to as newcomers (refugees with a residence permit) a pleasant, suitable workplace and by doing so give them the opportunity to build a new life in the Netherlands. The knowledge and skills they bring with them also enrich our organisation. In 2024, 31 motivated newcomers started working for us and by the end of 2024 we employed a total of 59 newcomers. They fill various positions across Heijmans, from technician to modeller and from HR coordinator to community manager.

Over the past few years we have learned a lot about how to design and organise a newcomer programme that actually works. The guidance of newcomers is a crucial factor in this. We make sure that our new colleagues feel welcome at Heijmans and are given the space and confidence to continue their own development. This is why we have deliberately chosen a customised approach, tailored to educational levels, experience and ambitions.

In 2024, we appointed a newcomer coordinator. A newcomer themselves, this colleague is responsible for helping newcomers to navigate our organisation.

In addition to this, we set up the Newcomers Helpdesk, a central platform for information, advice and support.

One of last year's highlights was the 'Together we are one' event, during which we offered intercultural training to newcomers and their supervisors. This initiative was very well received and we plan to organise follow-up events, with the aim of fostering a strong and close-knit community across Heijmans. In 2025, we will continue to do our best to offer newcomers a suitable workplace at Heijmans.

Diverse and inclusive employer

Everyone should feel welcome at Heijmans. That is why diversity in our workforce is one of our top priorities. We are convinced that a mix of employees in terms of age, gender and physical abilities makes our organisation stronger. Less visible differences, including culture, philosophy of life, sexual orientation, character, talent and experience, also increase the versatility of our company. We want to make further progress on this front in the run-up to 2030. This is based on our conviction that the diversity of colleagues with different backgrounds and perspectives can help us come up with better solutions for complex problems.

Celebrate our differences

We take advantage of various opportunities to make colleagues aware of the benefits of diversity in the workplace and to promote a culture of inclusion. We do this under the motto 'Celebrate our differences'. The main principle is that everyone is equal, but not the same. Diversity at Heijmans means that we value and celebrate these differences. Last year, this was expressed in the workshop 'Getting started with inclusion in the workplace' and a well-attended breakfast session on diversity, inclusion and social safety. Every year, we focus on initiatives such as Diversity Day and International Women's Day. In addition, individual departments at Heijmans launch their own initiatives to promote inclusion. An example of this is the use of a VR experience, which gives colleagues the opportunity to put themselves in situations of social inequality so they can increase their understanding and awareness.

WHO Team



**We inspire with
surprising talents**

Bold statements:

10. Getting the best out of yourself

By 2030, 80% of Heijmans' employees feel that they are getting the best out of themselves.

11. Diversity & inclusiveness

By 2030, Heijmans is a diverse and inclusive organisation.

12. New roles

In 2030, 50% of Heijmans employees will have a role that did not exist in 2020.

Unused potential in a tight labour market.

Without extra 'hands', it will be difficult to accelerate the major construction challenges we face in the Netherlands. The limited availability of skilled tradespeople and experienced specialists is a challenge, particularly for residential construction, the energy transition and infrastructural repair operations. And there is no sign of the situation improving any time soon, as the number of people signing up for relevant technical vocational training programmes has been falling for years now.

In recent times, many construction companies have resorted to hiring professionals from abroad. Despite the increasingly heated political and social debate about the use of migrant workers, we still urgently need this group. At the same time, we cannot escape the need for more structural solutions. One solution is to do more with fewer people. At Heijmans, we are increasingly taking advantage of the possibilities offered by standardised modular construction techniques, digitalisation and automation. We will be able to make even more gains in this area in the coming years. However, this definitely does not mean we will not need to invest in additional manpower. We are primarily looking at ways to

make use of as-yet untapped labour potential and we are more than happy to take on this responsibility on this front. This is why we are intentionally investing in the training and guidance of qualified refugees with residence permits, also referred to as newcomers at Heijmans.

This is no easy task. We need to free up experienced professionals to help newcomers find their feet, while we also desperately need these same colleagues to do their regular work. However, the need to invest in our future capacity is just as important. Sometimes working with newcomers can also meet with resistance. We discuss this together to create support. And it works: when people learn more about each other, mutual understanding grows. We see it as our social duty to make use of all the talents available to us and therefore to also offer newcomers opportunities to participate in our society. We now work with around sixty colleagues who once came to the Netherlands as refugees. They are building their own future with us, as well as the future of the Netherlands and the future of Heijmans. Together, we are one.

Abdulwahid Salah
Modeller



"I'm happy with my life in the Netherlands and with what I'm learning here at Heijmans."

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Abdulwahid Salah studied civil engineering in Malaysia. After his studies, it proved impossible to return to his homeland of Yemen because a civil war had broken out there. "The years I spent in Malaysia without my family were difficult, plus I couldn't find work there that was related to my studies. Three years ago, I heard that I was eligible for a work visa and a job in the Netherlands. I seized the opportunity and immediately applied for asylum."

In 2022, Abdulwahid was offered a work experience placement at Heijmans as a modeller. "Thanks to my job, my wife and daughter were able to join me. I'm happy with my life in the Netherlands and with what I'm learning here at Heijmans."

Colleague Pim van der Linden gave Abdulwahid small assignments at the early days to familiarise him with Heijmans' working methods. This went well, and after just one year Abdulwahid was able to participate fully in the team. According to Pim, his interaction with colleagues was certainly a big help on this front. "If Abdulwahid has any questions, he simply approaches his colleagues and asks them. Everyone is willing to help him and as a result, I've seen him grow tremendously in a short period of time. I can also learn a lot from his approach myself."



Our basis

It is important that we continue to have a solid basis, something we can build on so we can continue to excel. This is why we will continue to invest in a robust, smoothly running organisation. Where people like to work and safety, value creation, quality and risk management are top priorities. Every single day we improve our organisation, processes and products. By ensuring that our basis remains in good shape, we remain in top condition and create the basis for tomorrow.

Safety

Safety - both physical and psychosocial - is the basis for everything at Heijmans. Every day, we work hard to create a healthy, safe and attractive work environment. Safety is the top priority in everything we do. We work safely or we do not work at all. At Heijmans, we distinguish between four different types of safety: occupational safety, environmental safety, constructional safety and psychosocial safety.

Occupational safety

Occupational safety begins with a work environment with an open culture. A culture in which a keen eye for safety goes without saying and where people dare to call each other to account for unsafe behaviour and refuse to look the other way. Together we are going for ‘No Accidents’ (GO!). This way, every colleague returns home safe and sound every day, and we ensure greater job satisfaction and better results. As Heijmans, we are continuously improving to further embed safety in our organisation, from tender right through to maintenance work. We also need our supply chain partners for this.

GO! programme

The GO! programme (Geen Ongevallen, or No Accidents) with its accompanying GO! compass (see image) is the foundation for safe working practices and acts as an incentive for a proactive safety culture. All business units are actively and continuously working on the implementation of their safety and master plans, with the support of the Safety department. We see ownership of this vital theme grow every day, as a result of which the role of the Safety Department is shifting from leading to coaching. To make sure all our colleagues in this department are even better equipped to advise and provide support in the field of safe behaviour, they all followed an intensive development programme in 2024.

VR safety training courses

In 2024, we trained more than 1,250 employees in the organisation in various aspects of safety using Virtual Reality (VR) glasses. That was an increase of 25% compared with 2023. On average, employees give these safety training courses a score of eight out of ten, which was also higher than previous year. These training courses have also led to more use of VR in assignments, particularly for managing project-specific safety risks. This initiative has earned us a nomination for the Innovation Pioneer 2025 award from Techniek Nederland, the umbrella organisation for the

technical services industry. We are working with colleagues from the Safety department and experts from the field to develop even more training courses in the field of high-risk activities (HRAs). During our partner days last year, we introduced the co-makers in our internal chain to these VR training courses. Thanks to our collaboration with KPE Groep (training centre), our training courses are now being used by an increasing number of players in the industry.

OUR AGREEMENTS		YOUR ROLE
We take a positive and and proactive approach to safety		I set a good example and take responsibility for my own safety and that of others. I support and appreciate everyone who works safely
We take the time for safety		I initiate discussions about safety, make dilemmas discussable and share good examples
We always work according to plan		I have read the plan and abide by work instructions
We are aware of risks and take measures to manage risks		I make sure I'm aware of the risks, take appropriate measures and always conduct an LMRA when starting new activities
We never look away and we call each other out		when I see them working unsafely and appreciate other people talking to me
We improve continuously		I report unsafe situations, so everyone can learn from these, and I invite others to give me feedback on my own safety behaviour

Psychosocial safety: an essential part of a safe working culture

At Heijmans, we see psychosocial safety as an essential part of occupational safety. An environment in which employees feel safe enough to speak up, express doubts or report incidents is essential in the creation of a safety-minded working culture. To promote this, we have integrated the theme of psychosocial safety into various initiatives and work processes.

During our regular safety sessions, we use interactive methods such as the 1-2-4-All method, which ensures that everyone's input is heard. We also apply this approach in toolboxes and daily briefings on building sites. Specific attention to the theme can be found in initiatives such as GO!, which makes employees aware of the importance of a safe working environment.

One important initiative in 2024 was the Brain Based Safety (BBS) inspiration sessions, organised in collaboration with the KPE Group (training centre). These sessions focused on raising awareness of behavioural mechanisms, group dynamics and the role of managers in creating a safe working environment. During these sessions, the emphasis was not only on safe behaviour, but also on the importance of a safe culture and psychosocial safety. This programme was rolled out to various teams, such as the GO! programme team, the Safety department, and during the trade specialist days for the Asphalt and Non-residential building project businesses.

These steps are part of our continuing efforts to build a work environment in which safety is not just about following instructions, but is primarily about behaviour, culture and leadership.

Our themes

Workplace safety starts with a good foundation: the right tools, effective processes and clean, tidy building sites. In addition, we pay special attention to what we term High Risk Activities (HRA).

In 2024, we focused specifically on a number of safety themes. Three of these are intended to embed safety in our DNA:

1. **More active management** – Safety is embedded in all the choices we make.
2. **Safety leadership** – We take care of each other. We are open to new ideas and proactively encourage discussion.
3. **Learn & inspire** – We learn from good examples and from (near) accidents. We have embedded this practice in our processes.

In addition, we work continuously on the creation of a safe working environment. We do this through:

1. **Risk management** – From tender and design to implementation and maintenance, we are risk-aware and take proactive measures.
2. **Instruction & training** – We ensure that everyone is well trained and has the required knowledge and skills to perform their work safely and properly.
3. **Safe work equipment** – We only work in the correct manner, safely and with approved work equipment.

Safety culture ladder

We use the Safety Culture Ladder to measure attitude and behaviour in the field of workplace safety. This measuring instrument is used throughout the construction industry. In 2024, all Heijmans business units (excluding Van Wanrooij and Van Gisbergen) were once again certified at level 4 of this safety ladder. This means that we demonstrate proactive safety behaviour across the board and continue to improve.

Raising awareness of safety

We use the internal communications programme 'Hard lessons from the field' to reflect on how we can learn from accidents. The goal is to make everyone at Heijmans aware of the risks involved in their work and the measures we can take to minimise these risks. In a video, colleagues Mano and Arie talk about their harrowing personal experiences following an industrial accident that affected them both. We are taking the next step towards a safe working environment with conscious and proactive safety behaviour.

The GO! app makes it easy to report a risky situation or risky conditions. Depending on the location from which the report is made, colleagues in the same workflow will receive information about it. We continuously draw our colleagues' attention to the use of the GO! app through our communications channels.

Collaboration with partners: safety is essential and non-negotiable

In the construction industry, we feel that we have to make choices, often driven by time pressure. For example, it could be a choice between financial results or safety. At Heijmans, we say that working safely and healthily is more important than either time or money. Together with our clients, subcontractors and consultants, we constantly discuss how we can work together to maintain a healthy working environment and make any necessary improvements. This is also part of the Governance Code for Safety in the Construction industry (GCVB). This code stipulates that clients and contractors must work together to improve safety throughout the chain. Heijmans has been a member since 2014.

Our credo 'we work safely or we don't work at all' is non-negotiable. This became apparent during the planned work on the A13 motorway on a weekend in 2024. Despite the fact that hundreds of employees were ready to start work, we could not guarantee safety at that time, so we had to postpone the maintenance and did not carry out any work that weekend. Obviously, this was not good and the repercussions for our client, the Ministry of Public Works and Water Management, as well as on our subcontractors, suppliers and our own organisation, were considerable. But this was also a clear signal and a clear message that the way we think about safety in the Netherlands is changing.

As a sector, it is important that we continue to take our collective responsibility. We should not be reluctant to call each other to account for unsafe behaviour and to work together to identify where and how we can make improvements. To promote this attitude, we are sponsoring the new Chair in Integrated Safety at the Technical University of Delft and we are committed to changes in the curriculum and continuous education. In addition, we are promoting a cultural change in which clients, builders and engineers continue to actively challenge each other and hold each other accountable for construction-related safety. This is how we are increasing safety awareness in the chain and in society.

Environmental safety

As a construction company, you are a guest in a local environment. From the start, you need to be open about what you are going to do and make sure you keep your promises. We tell the honest story to the local community and residents, including any inconvenience likely to be created by a project. At the same time, we can often reassure people by explaining the measures we are taking to limit the inconvenience. That is Heijmans' calling card for the local community: safety for people, the natural environment and fauna.

It is our responsibility to ensure a safe environment wherever we work. Following a careful inventory of the stakeholders in the area and the issues that may be at play, we adjust the design and implementation methodology accordingly. This enables us to reduce the risks 'up front'. During implementation, we use the pre-established implementation methodology and make adjustments to this if it unexpectedly proves ineffective.

Construction safety

In the area of constructional safety, we will continue to follow the path we have taken as client and contractor and assume our role of engaging consultants and entering into contracts for full and complete consultancy assignments. This focus is reinforced in part by the refined strategies that focus on sustainability, connection and producibility; and in part via more intensive interventions in industries in the fields of material and production applications. Attention for detailed engineering and its validation is vital, as the world of construction design is extremely fragmented. Heijmans has assumed responsibility for providing even more clarity in specific task descriptions. We monitor the process through reviews and audits and evaluate this regularly with our partners, but also internally. The Heijmans Management System (HMS) includes a procedural requirement that Heijmans projects must be subjected to construction design reviews. These objective reports are shared with the relevant project teams and also discussed with our external advisors. The risks described are also included in the risk dossiers.

Social Safety: shaping public spaces

Our designers shape public spaces and the built environment. When we do this, we also influence the safety and perceived safety of users. This is related to both physical and social safety. Examples include the use of good sightlines at locations, enabling users to better assess situations, and the use of vandal-proof public furniture that is less susceptible to damage. Zoning also helps to make it clear to everyone what a space or area can or should be used for.



Safety results

We are only satisfied with 0 accidents

We have now entered the next phase of managing and preventing (near) accidents. In 2023, we therefore refined the accident classifications and associated definitions and established new safety-related KPIs. This enables us to quantify and evaluate our overall safety performance more effectively and to focus more on incidents with the greatest impact on our organisation and our colleagues.

Safety KPIs	Score 2024*	Score 2023*
Number of accidents with major impact	0	2.3
Number of accidents with medium impact	15.3	19.1
Number of accidents with minor impact	56.4	50.5
Total number of accidents	71.7	71.9
Number of reports of (un)safe situations	4053	3096

* The safety figures do not include the companies Heijmans acquired in 2023 and 2024, Van Wanrooij and Van Gisbergen

Every accident is one too many. The total number of 71.7 accidents in 2024 is therefore disappointing. The total includes 56.4 accidents with a minor impact (absence up to 14 days and/or replacement work). The number of accidents with medium impact (absence >15 days) was lower last year. In 2024, we had 0 accidents with major impact (fatal, life-threatening or life-changing injury). There has been a shift from accidents with medium or major impact to those with a minor impact. One possible explanation for this is that last year we devoted extra attention to preventing accidents that could potentially have been serious or even fatal. The number of reports of unsafe situations rose significantly in 2024 compared with the previous year. We also saw an increase in reports of 'potentially fatal or serious accidents'.

The incidents mainly involved near misses and electric shocks. All reports were thoroughly investigated and followed up according to the 1-3-14 method (a systematic approach to investigating and following up on safety incidents), which enables us to continue working towards a safe working environment. This growth reflects the increasing willingness to report incidents across our organisation, something we see as a positive development in our pursuit of workplace safety. This figure increased to 4,053 in 2024, from 3,096 in 2023. We are delighted with this, as it shows that people are open to discussing unsafe situations and that safety awareness among employees is clearly growing.

Disclaimer: Despite our maximum efforts in the field of workplace safety, industrial accidents cannot be completely ruled out. We do everything we can to minimise the risks and prevent industrial accidents.

Optimum traffic flows or maximum safety?

Dutch infrastructure, much of which dates back to the post-war years, is in great need of maintenance and in some cases even complete renovation. In addition, we are dealing with a road network that is increasingly congested. We simply cannot afford to compromise our country's accessibility even further. We need to get to work. This cannot be done without inconveniencing road users; together with our clients, we want to minimise this inconvenience and make it as acceptable as possible.

At the same time, it is crucial that we do not lose sight of the safety of road workers and other professionals. This is why Heijmans' credo is: we work safely, or we don't work at all. Every now and then, this clashes with other interests, including the need to minimise inconvenience for road users. Nor should we forget that our road workers ensure that the roads remain safe and free-flowing after much-needed maintenance. We find it unacceptable that our colleagues working on our roads still have to deal with reckless driving

and even intimidation on a regular basis. Drivers ignoring red crosses, driving far too quickly through roadworks and even being verbally abusive – we can never tolerate this. If we cannot guarantee the physical and social safety of our people, we will down tools.

But we would rather not let it get that far. In the public debate, we are increasingly speaking out in favour of sharing responsibility and making clear choices in consultation with others. For example, last summer, in consultation with Ministry of Public Works and Water Management, we decided to shut down the A2 motorway completely during planned roadworks. Not only does this improve safety and productivity, it also reduces costs. But it is not always possible to make such agreements, for example if the pressure to maintain a good flow of traffic is too great. However, more often than not these days we agree that we need to prioritise safety.

Value creation

It is important that we are and remain financially sound so that we can continue to invest in the future. That is why we are constantly looking at where we are profitable and where we can grow, both in the short term and the long term. This is how we work on sustainable value creation for now and in the future. You will find more information on this in the Financial Results chapter.

Quality

Heijmans devotes a huge amount of attention to quality. We believe this is about more than simply delivering high-quality products and services; it is also about organising our work in the right way. Lowering failure costs means we can minimise aftercare and increase customer satisfaction.

Process improvements

Quality control is an important part of our processes. Effectively safeguarding the quality of our products and projects internally provides us with insight into what is going well and what we could be doing even better. Armed with this knowledge, we can translate customer demands into an offer. In 2023, we started recording areas for improvement in a Sharepoint improvement list and we continued this in 2024. We use this list to record all reports of things that are going well and things that are not going so well. Each report is linked to an employee who is responsible for follow-up and monitoring. The employees involved are automatically notified when a registered problem has been solved. We use machine learning to examine the common threads running through reports and solutions, to learn from this and to implement improvements in our processes and products. We also use this method to monitor our success stories, and we use these experiences in new tenders to increase quality even further. Established processes guarantee a uniform method of

working, but can also be seen as ballast because they sometimes feel cumbersome or inefficient. This is why 'process maturity' is high on our agenda. By continuously streamlining and simplifying mandatory processes, we can reduce the number of unnecessary procedures. Employees increasingly feel that they are supported by simplified processes, which enables them to do their work more effectively and more easily.

We also devote a great deal of attention to the onboarding of new colleagues. And it is not only the immediate managers who play a role in this. Others also contribute, such as the Safety and Quality departments. Teams that have been working on a large project with other partners for a prolonged period and then return to the Heijmans organisation are also given a kick-start, if they wish, to familiarise them with any improved standards, tools and processes. Our employees really appreciate this; it helps them improve the quality of their work and the products they deliver. In 2024, employees continued to receive e-learning training in areas such as contract management, risk management and cybersecurity.

Reliable and safe technology and systems

Cyber attacks are a serious threat to organisations worldwide, including Heijmans. We take the risks of phishing, ransomware and other types of attack very seriously. Heijmans has daily access to information from colleagues, construction projects, customers and clients. We work on a wide range of critical systems and installations for our clients. They not only build with us, but also build **on** the foundations we provide. Based on the Secure@Heijmans cybersecurity roadmap, we work continuously on the integration of cybersecurity into our business operations, products, services and projects. Awareness and knowledge about our own actions and our responsibilities on this front are extremely important. In the past year, we therefore continued to take steps to further improve our resilience in the field of cybersecurity.

In 2024, employees received training in the field of information security and other topics. After all, everyone at Heijmans must know how to act, how to identify risks, how to prevent cyber incidents and thus keep Heijmans safe. Our colleagues attended various training courses in this field, such as social engineering, the use of secure passwords and responding to risks. We also used an internal campaign to raise awareness of these issues. And we brought the subject of cybersecurity to the attention of our staff during several interactive quarterly meetings.

Using AI to build the future

AI is not just a technological advance, but an essential component of our strategy to realise a healthy and sustainable living environment. At Heijmans, we see AI as an essential digital building block that will enable us to take productivity and creativity to new heights. Thanks to the use of innovative applications such as our business generative AI solutions, fast screening of tender documents and our powerful generators and configurators, we are taking our projects to a higher level. In 2024, we continued to work on our home configurator, which combines customisation and efficiency, which will eventually be driven by our parametric designs, which ensure that advanced calculation models effortlessly streamline those complex processes.

Of course, we also keep an eye on the risks of AI. Inaccurate or incomplete data can lead to incorrect predictions, while excessive dependence on AI can lead to a decline in human skills and knowledge in our sector. Not to forget that AI raises issues of ethics and responsibility: who is responsible for errors caused by AI?

Risk management

Taking risks is an inherent part of doing business. Risks are part and parcel of our work, but Heijmans only accepts risks that we as an organisation can control, influence, reduce and bear. We take risks under specific conditions, and always carefully and deliberately. For example, we only take on projects that we are good at and that offer a healthy balance between risk acceptance and earning potential. This keeps our projects predictable and contributes to Heijmans' financial health. In addition, we do not hesitate to say no to a future assignment if the risk acceptance and earning potential are out of balance. You can find more information about this in the Risk Management chapter.



In dialogue with our stakeholders

The interests and viewpoints of our stakeholders

Because we are active in the Living, Working and Connecting segments, we deal with a broad spectrum of stakeholders. Our stakeholder engagement policy underlines our commitment to actively listening to our stakeholders and engaging in a dialogue with them. By maintaining an ongoing dialogue, we try to understand the views, concerns and expectations of our stakeholders.

These discussions help us to align our sustainability initiatives, projects and processes more effectively with their interests. The insights from these dialogues help us when we conduct due diligence processes and assess what is truly important to us and our stakeholders. You can find more information in the 'In dialogue with our stakeholders' section of our Sustainability Report.

In 2024, we engaged in a dialogue with our stakeholders in various ways, as outlined per stakeholder group in the table below. A number of recurring topics of discussion included: our business strategy 'Together towards 2030', the financial targets for 2027, safety in the built environment (from design to realisation) and of our employees, and developments in the field of sustainability.

Stakeholder	Type of dialogue	Goal	Topics of discussion
Clients and customers	<ul style="list-style-type: none"> Several contact moments per year at different levels 	<ul style="list-style-type: none"> Strengthen the relationship (long-term cooperation) Gain insights into specific requirements and expectations (clients) What value is attached to products/ services and where are improvements possible (clients) Gaining insight into future ambitions and strategy, and how to respond to them 	<ul style="list-style-type: none"> General market developments Social developments User surveys Specific client developments Together towards 2030 strategy Safety Sustainable procurement policy
Executive Board, employees, works council and trade unions	<ul style="list-style-type: none"> Employee appraisal cycle (2x) Works council (including consultative meetings with the directors) Several contact moments Regular consultations with trade unions 	<ul style="list-style-type: none"> The perceptions and experiences of employees (Executive Board /employees) The most important topics (working conditions, reporting procedures and pensions) (Works Council) Collective labour agreement negotiations, collective interests of employees (trade unions) Improving the well-being of employees, sustainable workplace and performance of the organisation 	<ul style="list-style-type: none"> Employee development & priorities Health, Safety, Well-being, Environment, communications, social affairs, strategy and finances
Shareholders, other capital and guarantee providers, special interest groups, banks and analysts	<ul style="list-style-type: none"> Shareholders' meeting (1x) Extraordinary shareholders' meeting (1x) Analyst meetings (shareholders) Regular meetings Several contact moments Participation in roadshows 	<ul style="list-style-type: none"> Promoting trust, transparency and cooperation Open communication about financial performance, risks/opportunities and strategic goals (shareholders) Transparency regarding creditworthiness, cash flow (banks, other capital providers) Providing insight into business strategy and performance (analysts) 	<ul style="list-style-type: none"> Financial and non-financial performance and expectations
Suppliers and subcontractors	Several contact moments per year at different levels	<ul style="list-style-type: none"> Strengthen cooperation, promote mutual understanding Guarantee quality, reliability and sustainability of the supply chain. 	<ul style="list-style-type: none"> Innovation Sustainability Chain responsibility Market developments Security Security of supply
(Local) Government bodies and political community	Multiple contact moments per year at different levels	<ul style="list-style-type: none"> Maintain a constructive relationship and work together on shared goals. Creating mutual understanding, alignment and cooperation on issues that concern the organisation and the community. 	<ul style="list-style-type: none"> Housing market developments Infrastructure in the Netherlands Energy transition Nitrogen Environmental impact Safety

Stakeholder	Type of dialogue	Goal	Topics of discussion
Industry organisations, research and educational institutions	Consultation with both subject specialists and boards and programme managers	<ul style="list-style-type: none"> Promoting cooperation, knowledge sharing and innovation Contributing to the development of the sector 	<ul style="list-style-type: none"> Social developments Trends Sustainability Labour shortages Image/reputation Training Technology
Civil society organisations	Several contact moments per year at board level	<ul style="list-style-type: none"> Collaborate on social challenges Promote mutual understanding and contribute to sustainable and inclusive solutions. 	<ul style="list-style-type: none"> Environmental impact Biodiversity
Local residents, local communities, end-users	<ul style="list-style-type: none"> Residents' evenings Construction Day Online dialogue 	<ul style="list-style-type: none"> Limiting potential negative impact Contribute to sustainable, social and economic development. Gain insight into concerns, expectations and wishes regarding the impact of our activities on the living environment (residents/local communities) Understanding how products and services are experienced and where improvements are needed (end users) 	<ul style="list-style-type: none"> Accessibility Sustainability Safety Innovation Energy transition <p>Impact of our projects on the local environment</p> <ul style="list-style-type: none"> Community communications

Heijmans recognises and acknowledges the importance of a meaningful dialogue with stakeholders about all aspects of the strategy and more specifically the sustainability-related aspects of our strategy. In that context and to implement best practice 1.1.5 of the Dutch Corporate Governance Code, we drew up a policy on stakeholder dialogue related to sustainability. This policy can be found in the Governance section of the Heijmans website under Codes, Articles of Association and Regulations ([Heijmans.nl/en/](https://heijmans.nl/en/)).

The appendices include an explanation of the partnerships and Public-Private Partnerships (PPP) in which we are active.



Financial results

Revenue and underlying EBITDA

In 2024, Heijmans' revenue increased by 22% to € 2,584 million from € 2,117 million. Heijmans' underlying EBITDA increased to € 199 million in 2024 from € 147 million the previous year. All business units contributed to this growth. All business units also performed within the bandwidths of the underlying EBITDA-margin that Heijmans specified during the Capital Markets Day in May 2024: 7% - 9% for the entire company in 2027.

Revenue (in € million)	2024	2023
Living (including intercompany)	994	820
Working (including intercompany)	635	536
Connecting (including intercompany)	997	800
Elimination intercompany between segments	-42	-39
Total revenue	2,584	2,117

Underlying EBITDA (in € million)	2024	2023
Living	89	58
Working	47	35
Connecting	70	66
Other/Eliminations	-7	-12
Total underlying EBITDA	199	147

* 2023 included a one-off release of the provision of € 14 million taken for Wintrack II.

Living

Living realised revenue growth of over 21%, mainly due to the fact that Van Wanrooij was included for the first time for a full calendar year in 2024. Home sales in 2024 came in at a total of 3,181 (2023: 2,579), a year-on-year increase of 23%. At Living, the underlying EBITDA rose to € 89 million in 2024 from € 58 million in 2023, while the underlying EBITDA-margin came in at 8.9%. Living benefited from the increasing home sales, particularly in the suburban private segment.

Working

The Working segment recorded an increase in revenue of over 18%. Both projects and recurring business recorded solid growth, with recurring business showing stronger growth than projects. Working saw underlying EBITDA improve to € 47 million from € 35 million, while the underlying EBITDA-margin came in at 7.4%. The share of one-on-one projects in the utility projects business increased further. These projects have a lower risk profile because Heijmans is involved with the client at an early stage. Recurring business grew significantly, partly due to the multi-year maintenance contract at Royal Flora Holland that started in 2024.

Connecting

Finally, Connecting recorded a growth in revenue of over 24%. The segment's underlying EBITDA improved to € 70 million in 2024 from € 53 million in 2023 (excluding release of the provision of € 14 million related to Wintrack II), while the underlying EBITDA-margin came in at 7.1%. The Connecting segment also recorded an increase in recurring business. The further diversification of the Infrastructure portfolio led to strong growth in this business unit. This growth was largely driven by activities related to the energy transition and the high water protection program.

Eliminations and the holding company

At holding company level, each year Heijmans has balance that consists of costs not passed on to the business areas. In 2024, the balance of these costs amounted to € 7 million. More than € 2.5 million of this amount was related to the project costs for reporting in accordance with CSRD guidelines in 2024.

Operating result

Heijmans' operating result (EBIT) for 2024 came in at € 111 million (2023: € 81 million). The operating result was also affected by a € 4 million write-down on land holdings, € 1 million acquisition costs and € 5 million in retention bonuses at Van Wanrooij. The latter consisted largely of retention bonuses for employees at Van Wanrooij. Depreciation and amortisation increased to € 61 million from € 46 million in 2023. The increase was due to the (accelerated) amortisation of intangible assets, such as the order book at Van Wanrooij and the client base at Burgers Ergon.

Operating result (in € million)	2024	2023
Underlying EBITDA	199	147
EBITDA joint ventures	-16	-5
Write-down of land holdings / real estate	-4	0
Restructuring costs	-1	-3
Acquisition costs / book result on divestments	-1	-9
Long term incentive bonuses	-5	-3
EBITDA	172	127
Depreciation/amortisation	-61	-46
Operating result	111	81

Result from joint ventures and associates

The result from joint ventures and associates came in at € 12 million in 2024, higher than the previous financial year. The increase was driven by the higher volume in the joint ventures and associates in question.

Pre-tax profit and tax rate

The result before tax came in at € 117 million, which was higher than the previous year (2023: € 81 million). At 23.1%, the tax rate in 2024 was lower than the previous year (2023: 26.4%) and also lower than the nominal rate of 25.8%. The most important differences between the effective tax rate and the local Dutch rate concern the effect of the substantial holding exemption and non-deductible acquisition costs.

Net profit and proposed dividend

Net profit for the full year 2024 came in at € 90 million, which was 50% higher than in 2023. Heijmans proposes to make a dividend of € 1.64 per share available in the form of a cash dividend for the 2024 reporting year. This dividend proposal is in line with Heijmans' proposed dividend policy, which is on the agenda of the upcoming AGM. This policy aims for an annual pay-out ratio of 50% of the net profit in cash.

Cash flow

The cash flow in 2024 totaled € 65 million. This cash flow is divided into an operational cash flow of € 249 million, an investment cash flow of -€ 59 million, and a financing cash flow of -€ 125 million. The operational cash flow was strongly positive, driven by the good result in the financial year combined with a positive working capital effect. The main elements of the investment cash flow are investments in equipment (-€ 29 million) and the acquisition of Van Gisbergen (-€ 8 million).

Capital and financing

The condensed balance sheet as of 31 December based on invested capital can be specified as follows:

Condensed statement of financial position (in € million)	2024	2023
Non-current assets	579	538
Working capital	-21	80
Invested capital	558	618
Equity	463	384
Non-current non-interest bearing liabilities	85	97
Net debt / (Net cash)	10	137
Financing	558	618

Solvency rose to a level of 33.8% over the course of 2024 (2023: 28.7%).

Invested capital: fixed assets

The composition of the non-current assets can generally be specified as follows:

Non-current assets (in € million)	2024	2023
Property, plant and equipment	123	115
Right-of-use assets	106	90
Intangible assets	167	176
Other non-current assets	183	157
Carrying amount of non-current assets	579	538

Property, plant and equipment increased by € 8 million. This increase was primarily driven by the Connection segment's investments in electric equipment.

The increase in the right of use of assets (€ 16 million) was primarily due to the electrification of the vehicle fleet combined with a higher number of lease cars, and the addition of various new lease contracts for office buildings.

The intangible assets item decreased by € 9 million, mainly due to amortization.

Invested capital: working capital

The working capital stood at -€21 million at year-end 2024 (2023: € 80 million). In line with recent years, the development of the working capital showed fewer major fluctuations. Heijmans' working capital requirements are highly project-specific and related to clients' payment schedules. Heijmans used the existing Revolving Credit Facility to absorb these fluctuations in 2024.

The composition of the working capital can generally be specified as follows:

Working capital (in € million)	2024	2023
Strategic land holdings	233	159
Unsold residential property and land in preparation and under construction (including planning and building consents)	125	208
Other inventories	17	23
Net work in progress	-208	-165
Other current assets (excl. cash and cash equivalents)	216	229
Other current non-interest bearing liabilities	-404	-374
Working capital	-21	80

Inventory position property development

In the property development activities, Heijmans' working capital requirement is largely driven by the inventory position, including unsold residential property and land in preparation and under construction (including planning and building consents). This item declined slightly to € 358 million in 2024 (2023: € 367 million).

The inventory of strategic land positions within the Living segment increased by €74 million to €233 million, driven by newly acquired positions. The value of unsold residential property and land in preparation and under construction (including planning and building consents) decreased by €83 million to €125 million. The inventory of completed but unsold homes stood at 5 units at year-end 2024 (2023: 9 units).

x € 1 mln	2024	2023
Strategic land holdings	233	159
Unsold residential property and land in preparation and under construction (including planning and building consents)	125	208
On-balance sheet inventory position property (excl. work in progress)	358	367
Unconditional obligations	22	34
Contingent liabilities	328	247
Development claims and rights	107	131
Total off-balance sheet rights and obligations (including joint ventures)	457	412
Total inventory including off-balance sheet rights and obligations	815	779

Living's inventory of strategic land holdings increased by € 74 million to € 233 million. The increase was related to newly acquired positions. Unsold homes and land in preparation and under construction (including development and building rights) declined by € 83 million to € 125 million. The shift in both items was due to a reclassification at Van Wanrooij between homes in preparation and strategic positions. The inventory of 'completed and unsold' homes stood at five homes at year-end 2024 (2023: nine homes).

In addition to ownership positions, Living's work backlog also includes development positions, which are classified in the financial statements as 'off-balance-sheet commitments.' Within this category, unconditional commitments decreased by €12 million in 2024 to €22 million. Conditional commitments increased from €247 million to €328 million, with the €81 million rise primarily driven by potential new project work backlogs in Beverwijk and IJsselstein. For Heijmans' conditional commitments, the final acquisition of land—and thus the development position—is dependent on fulfilling the conditions attached to these commitments. This includes factors such as obtaining an environmental permit or reaching a specific pre-sales percentage. Heijmans has significant influence over the pace at which these conditions are fulfilled, thereby affecting the development process. In addition to conditional and unconditional commitments, Heijmans also holds development rights and claims. This position declined from €131 million in 2024 to €107 million. These are positions where Heijmans holds the development right without recognizing the land positions on its balance sheet.

Financing: equity

Heijmans' equity increased by € 79 million in the year under review, to € 463 million from € 384 million. Result after tax rose to € 90 million. In addition, equity declined by € 11 million as a result of the distribution of (gross) dividend in the form of a cash dividend for the 2023 reporting year. The remaining part of the dividend payment was paid out in the form of stock dividend through the issuance of 652,146 (depository receipts for) shares.

The composition of the changes in equity can be specified as follows:

Changes in equity (in € million)	2024	2023
Result after tax	90	60
Changes in actuarial results on defined-benefit plans	-	-5
Tax effect on changes in actuarial results on defined-benefit plans	-	1
Dividend payments	-11	-13
Share issue	-	24
Change in equity	79	67

Financing: net debt

Interest-bearing liabilities (in € million)	2024	2023
Non-current	83	128
Current	32	49
Interest-bearing liabilities	115	177
Minus cash and cash equivalents	-105	-40
Net debt / (Net cash)	10	137

The Group's net debt position changed during the financial year to a net debt of € 10 million at year-end 2024 from a net debt of € 137 million at year-end 2023. The linear loan taken out to finance the acquisition of Van Wanrooij has been fully repaid by the end of 2024. The revolving credit facility of € 177.5 million, of which € 30 million is in the form of an overdraft facility, remained unchanged and has a term until 1 September 2028.

For the refinancing in 2023, no changes were agreed to the package of securities provided to financiers. These securities are laid down in deeds of pledge, with an intercreditor agreement regulating in which situations and how securities can be realised. These situations will not arise as long as the Group continues to comply with the banking covenants, including the financial covenants. The established securities consist of pledges on the accounts receivable, bank accounts and any insurance proceeds. This criterion applies only insofar as the Group is the 100% owner of the companies in question and, measured in terms of revenue, at least 95% of the revenue must be represented by the subsidiaries that co-sign the financing (the so-called 'guarantor cover').

The Group had not made use of the revolving credit facility at the end of 2024, and the outstanding sum on the linear loan was repaid in full during the financial year. At the end of 2024, the lease obligations had an impact of € 107 million on the net debt and project financing an impact of € 12 million (partly in Heijmans Property development and partly in Van Wanrooij).

Order book

Order book (in € million)	2024	2023
Living	872	989
Working	923	786
Connecting	979	1011
Other/Eliminations	-23	-29
Total order book (including joint ventures)	2,751	2757

The order book stood at € 2.8 billion at year-end 2024 (including € 137 million in joint ventures), the same as at year-end 2023. At segment level, the Living order book fell to € 872 million, partly due to delays in spatial planning procedures and in the issuance of permits, as well as to objection procedures submitted to the Council of State. The Working order book increased to € 923 million. Both the Non-residential Projects portfolio and the Service business portfolio increased in size. Finally, in the Connecting segment, the order book declined slightly to € 979 million.

Based on the size of the order portfolio of € 2.8 billion, in combination with the development of our recurring business, we believe a revenue level of around € 2.75 billion to be within reach by 2025. In 2024, Heijmans acquired four major projects worth over € 50 million each, the largest of which is worth over € 70 million. These are two projects in the Living segment, one in the Working segment and one in the Connecting segment.

We apply the following definition for the order book: "The order book consists of the total of the outstanding portion of work in progress and projects yet to be executed as of the balance sheet date." Projects and contracts are only included in the order book if there is a high degree of certainty that these assignments will be executed and will therefore contribute to revenue for the Group or joint ventures. Criteria for inclusion include verbal or written orders received, achieving a minimum sales percentage for residential projects, a high degree of certainty regarding required permits, and for framework agreements, only the officially awarded subcontracts.



Outlook

We are optimistic about the outlook for 2025. We are well positioned in all three segments that Heijmans focuses on: Living, Working and Connecting. The economic and political conditions, as well as the long-term consequences of the recent nitrogen emissions rulings by the Council of State, remain uncertain, but there is widespread confidence in the solid foundation that we have laid with our 'Together towards 2030' business strategy. We will use that foundation to continue to build a robust and predictable Heijmans in 2025.

Over the years, we have built up a strong reputation, something we will continue to invest in during 2025. This is a prerequisite for attracting even more talent and working with chain partners on solutions for tomorrow and the day after tomorrow. Our strong reputation also strengthens the trust that customers, partners and shareholders place in us. That motivates us to excel even more as a sustainable leader and the creator of a healthy living environment.

Maintaining our focus

Last year, we fleshed out our 'Together towards 2030' strategy. We took measures to ensure the organisation is more aligned with this strategy and we made sure all our colleagues, supply chain partners and other stakeholders understand the importance of our strategic vision and our plans. We have translated the five pillars on which the strategy is built – Well-being, Sustainability, Connection, Producibility and Team – into various programme lines for each pillar. We will now flesh these out in the coming years. At the same time, we will continue to focus on the key issues that have been guiding Heijmans for some time now, such as improving safety, the margin-over-volume policy, a strong competitive position and, of course, client satisfaction. We are increasingly convinced that the rapid developments in AI could help us to strengthen our foundation. That is also why, in 2025, we will be even more committed to the use of AI applications, without losing sight of the potential risks.

Safety first

'No Accidents!' (Geen Ongevallen or GO!) will remain our guiding principle on the safety front in 2025. We will continue to tighten up the targets we have set ourselves to achieve this. We are placing greater emphasis on proactive safety leadership and expect managers to take a clear role in this. For example, discussing and practising safety behaviour will be an even greater part of training, career development interviews and performance reviews. GO! is the standard, but within that we will devote particular attention to managing our High Risk Activities (HRAs). It must become a standard practice to identify the HRAs in all project phases, to make them open to discussion – for example during daily start-up briefings – and to collectively decide on how to manage these risks. This is

about a fundamental change in behaviour, which starts with knowledge and insight. We will share the tools we have developed for this with all our colleagues in 2025. These tools will help us achieve the desired level of optimal safety awareness. The collective response of 'we will stop work if it is unsafe' is no longer enough. This is why we are working towards a shared standpoint: 'we will only start work if it is completely safe'.

Resilient

A number of industrial sectors are facing significant economic, geopolitical and industry-specific challenges. For example, the manufacturing industry in particular is under pressure in the countries around us. On a broader scale, higher production costs due to rising raw material prices, labour shortages and wage pressure are dampening growth. Due to increased demand in our operational segments, the impact on Heijmans is limited for the time being.

As a company, we are well positioned to tackle the challenges listed above; we are flexible and agile enough to anticipate these challenges if necessary. We benefit from the fact that we have spread our activities across the Living, Working and Connecting segments. This makes us even more resilient. We have a strong market position in all these sectors, which have traditionally been less dependent on industrial production and are mainly driven by structural trends in society. For example, the demand for housing in the Netherlands remains consistently high due to a shortage of supply, demographic changes and ongoing urbanisation. The required government investments in our country's infrastructure as a whole, replacement and renovation, the energy transition, flood protection and sustainability will also drive stable demand, even in times when the economy is not in great shape. At the same time, the impact of increasing macroeconomic uncertainty and the impact of legal rulings on nitrogen emissions, especially in the longer term, remain difficult to predict. Despite these uncertainties, the general market conditions for Heijmans remain favourable and are expected to remain so. We also benefit enormously from our drive to continue innovating, for example in circular construction and modular construction processes. This means we are better equipped to absorb rising costs and disruptions in our supply chains.

Harnessing our ingenuity and creativity

Making use of innovative modular concepts and standardisation where we can will also help us maintain our momentum in this time of increasing labour market shortages. We must use all our ingenuity and creativity to tackle the enormous challenges we face in the areas of housing shortages, infrastructure as a whole, expanding the energy grid and sustainability. Not only by fully committing to retaining and attracting talent, as we have in our new labour market campaign; we will also continue to commit to the recruitment of newcomers, for example. Their contribution to the development of the Netherlands is both wanted and very much needed. And as an employer, we want to go the extra mile to give them future prospects, not only as colleagues but also as residents of the Netherlands.

In 2025, we want to take significant steps forward by ensuring that people can live, work and connect in a pleasant and healthy environment. We are counting on a decisive and predictable national government, with an eye for the sustainable organisation of our country and the needs of citizens and businesses. It is good that there is a widely supported sense of urgency to address the issues related to the spatial planning of the Netherlands. As far as Heijmans is concerned, this appreciation should also be there for education, research and science. As a society, we must continue to invest in current and future generations to ensure we can face the challenges of tomorrow and the day after tomorrow with confidence. And as Heijmans, we are happy to contribute to this. Together, it's possible.



Governance & riskmanagement

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Corporate governance

Corporate governance is about the sound management of a company and the supervision of that management. It is also about accountability to stakeholders for the policies pursued. These stakeholders include shareholders, employees, buyers, clients, principals, subcontractors, end users and society as a whole. Factors that play a role in this accountability for policy include the strategy and the achievement of the company's business objectives, the corporate culture and how the company meets its reporting and transparency obligations.

Open corporate culture

At the end of 2023, Heijmans launched its recalibrated strategy, 'Together towards 2030'. The realisation of this strategy will require unconditional commitment to Heijmans' DNA, which consists of our core values and an open corporate culture. Good corporate governance and a code of conduct are hugely important on this front. We will therefore continue to focus on promoting the core values that are important for the realisation of the strategy. These core values are ownership, result focus and teamwork.

Heijmans strives to maintain the highest possible standards, which means that we respect and comply with legislation, and observe and initiate guidelines that apply either to the company specifically or to the industry in general. Additionally, this means that we also strive to achieve the highest possible levels of integrity and transparency in our actions and any decision-making that affects our stakeholders. We also want to maintain a continuous dialogue with stakeholders and to distribute information simultaneously and accessibly.

For more detailed information on how governance and supervision are organised at Heijmans, see the Corporate Governance Statement (as meant in Sections 2(a) in conjunction with sections 3 through 3(b) of the Decree on the Content of the Management Report (*Besluit inhoud bestuursverslag*) and including the information required under the Decree implementing Article 10 of the Dutch Takeover Directive). This statement is available (in Dutch) on the Heijmans website in the 'Corporate Governance: Codes, articles of association and regulations' section.

Organisation of our corporate governance

The basic premises for Heijmans' corporate governance structure are: good business conduct, integrity, reliability, client focus, openness and transparent management practices, including the effective supervision of same. In other words, we attach a great deal of importance to achieving an equitable balance between the interests of our various stakeholders. Heijmans endorses the principles of the Dutch Corporate Governance Code to the effect that the Company is a long-term alliance of the various stakeholders involved in the Company.

Shares and depositary receipts

Depositary receipts for Heijmans shares are issued through the Heijmans Share Administration Trust (Stichting Administratiekantoor Heijmans), hereafter referred to as the SA Trust. A decision to issue depositary receipts for shares is taken by the company, not by the SA Trust. The purpose of the issuance of depositary receipts is to prevent arbitrary decision-making at a shareholders' meeting due to a low-percentage attendance of depositary receipt holders, i.e. a low percentage of capital represented.

In the Company's view, it is neither desirable nor in the Company's interest that in the event of low attendance just a few depositary receipt holders can determine the outcome of a vote. It is important that each depositary receipt holder wishing to exercise their voting rights at a general meeting always receives an unrestricted proxy from the SA Trust for this purpose. Each depositary receipt holder is therefore able to vote at a general meeting themselves or through their proxy. It is also always possible to give voting instructions to a civil-law notary. This means there are no obstacles preventing depositary receipt holders from casting their votes.

If a depositary receipt holder does not make use of the options provided for this purpose, a representative of the SA Trust, in fact a member of the SA Trust Board, casts the votes attached to the depositary receipts of the depositary receipt holder in question. This means no votes are lost. The SA Trust also offers holders of depositary receipts the opportunity to make their views on agenda items for a general meeting known in writing to the SA Trust Board in advance. The management can then take these views into account when preparing the general meeting.

The purpose of the SA Trust is described in article 2 of its articles of association (to be found (in Dutch) in the Stichting Administratiekantoor section of Heijmans' corporate website (heijmans.nl)). Important in this respect is: "In exercising the rights attached to the shares, the SA Trust is guided primarily by the interests of the holders of depositary receipts issued for the shares by the SA Trust, taking into account the interests of the company, its affiliated enterprise and all stakeholders."

The SA Trust therefore has no self-interest but considers the interests of all stakeholders, primarily those of the depositary receipt holders.

During the annual depositary receipt holders' meeting in November, the board of the SA Trust explains its activities in the current year. Every depositary receipt holder can register for this meeting. The minutes of that meeting are published (in Dutch) in the Stichting Administratiekantoor section of Heijmans' corporate website (heijmans.nl).

In accordance with best practices 4.5.6 and 4.5.7 of the Dutch Corporate Governance Code, the SA Trust publishes a report of its activities each year.

Works Council

The Works Council represents employees at Heijmans. Heijmans has a single Works Council at the level of Heijmans Nederland B.V. At year-end 2024, this council consisted of 22 members: seven women and fifteen men. The Council also has a number of committees – with both Works Council and non-Works Council members – each with its own focus area, such as finance, strategy, social policy and communications, comprising both members and non-members of the Works Council. In 2024, the Works Council held five Works Council meetings, and six consultative meetings. The latter are meetings attended by the chairman of the Executive Board. A member of the Supervisory Board attended two of the consultative meetings. In the course of 2024, the Works Council dealt with eight requests for approval and five requests for advice.

The Dutch Corporate Governance Code: compliance and deviations

The Dutch Corporate Governance Code, updated in 2022, was published in the Government Gazette on 30 August 2023. This Code has been embedded in Dutch law as of 1 January 2024 pursuant to Article 2:391(5) of the Dutch Civil Code in conjunction with Article 2 of the Decree on the Content of the Management Report.

Heijmans endorses the underlying principles of the Corporate Governance Code and we have implemented them in our corporate governance structure. The regulations of the Executive Board, the Supervisory Board and the Supervisory Board committees are in line with these principles.

For the reporting year 2024, Heijmans is required to report regarding best practice 2.2.2.

This provision deals with the number of terms of appointment for supervisory directors. A supervisory director is appointed for a period of four years and may thereafter be reappointed once for a period of four years. Thereafter, the supervisory director may be reappointed again for a term of two years, which may then be extended for a maximum of two years. Reappointment after a period of eight years must be justified in the Supervisory Board's report. At the General Meeting on 3 April 2023, Sjoerd Vollebregt, after two four-year terms, was nominated for reappointment for a period of two years.

At the nomination for reappointment, the Supervisory Board indicated that it is of the opinion that, given his knowledge and experience over the past eight years, Mr Vollebregt has proven himself highly capable of fulfilling the role of supervisory director (and Chairman) at Heijmans. His proposed reappointment for two years was for reasons of continuity. A number of supervisory directors had been appointed relatively recently at the time of the General Meeting on 3 April 2023. Reappointing Sjoerd Vollebregt gave the Supervisory Board the opportunity to conduct a timely and careful search for a candidate to fill the vacancy that will arise when Sjoerd Vollebregt steps down in 2025. In addition, the Supervisory Board was of the opinion that reappointment of Sjoerd Vollebregt contributed to the diverse and complementary composition of the Supervisory Board, in accordance with the Heijmans Supervisory Board profile.

Corporate Governance Statement

The Corporate Governance Statement as referred to in section 2(a) in conjunction with sections 3 through 3(b) of the Decree on the Content of the Management Report (**Besluit inhoud bestuursverslag**) and including the information required under the Decree implementing Article 10 of the Dutch Takeover Directive (**Overname richtlijn**) is available (in Dutch) on the Heijmans corporate website in the section 'Corporate Governance: Codes, articles of association and regulations'. This statement should be considered inserted and repeated here.

Special aspects**Dividend policy**

The holders of ordinary shares or depositary receipts for ordinary shares are entitled to the pay-out of a dividend. Heijmans N.V.'s dividend policy includes a pay-out ratio, barring exceptional circumstances, of approximately 40% of the profit from ordinary business operations after tax. The remaining 60% is added to the reserves in accordance with Article 31 (5) of Heijmans N.V.'s Articles of Association.

As announced at the Capital Markets Day on 22 May 2024, Heijmans intends to change its dividend policy with the aim of achieving a pay-out ratio of 50% and paying dividends exclusively in cash. This change will be explained to the General Meeting of Shareholders on 16 April 2025. The dividend proposal for the 2024 financial year will be based on the amended dividend policy.

Heijmans Preference Share Trust

The Heijmans Preference Share Trust has been given a call option, which gives the Trust the right to obtain preference shares in the capital of Heijmans N.V. The purpose of the Trust is to protect the interests of the company and all its stakeholders. The Trust also aims to limit any impact that may impede the independence and/ or continuity and/or identity and/or strategy of the Company. The purpose of issuing protective preference shares is to provide the company with the opportunity and the time to diligently protect the above-mentioned interests in the event that the company finds itself in an undesirable situation.

Protective measures (special voting rights; limitation of voting rights)

- There are no special voting rights attached to the shares into which the authorised capital of the Company is divided.
- The Company has no employee participation plan or employee share option plan.
- There are no restrictions on voting rights attached to (depositary receipts for) ordinary shares.
- The Company's articles of association contain the usual provisions for being considered eligible to vote and attend meetings in a shareholders' meeting.

- In accordance with Article 6 of the Company's Articles of Association, the General Meeting of Shareholders can designate the Executive Board as the body authorised to issue shares. The Supervisory Board must give its approval. The General Meeting of Shareholders determines the scope and duration of this authorisation.

Agreements with shareholders that could give rise to restrictions on the transfer of (depositary receipts for) shares or the voting rights.

In 2023, Heijmans acquired Van Wanrooij Bouw & Ontwikkeling. As part of the purchase price, The Company issued 2,300,000 (depositary receipts for) ordinary Heijmans shares and placed these with the seller. The seller is not permitted to sell, pledge or otherwise dispose of the (depositary receipts for) ordinary shares or the economic interest in the (depositary receipts for) ordinary shares before three years have passed since the transfer date, i.e. 5 September 2023.

Limitations on the transfer of shares

Apart from the restriction in the articles of association on the transfer and delivery of financing B preference shares and preference shares, there is no limitation in the articles of association or contractually on the transfer of shares or depositary receipts issued with the cooperation of the Company. Article 11 of the Company's articles of association states that the Executive Board must approve the transfer of financing B preference shares and preference shares.

Powers of the shareholders meeting and the rights of shareholders

According to principle 4.1 of the Code, good corporate governance assumes full participation by shareholders in the decision-making at the general meeting. The Supervisory Board and the Executive Board also consider this important. The notice of convocation, agenda and documentation to be dealt with at a shareholder meeting are all published on the company's website at least 42 days in advance of the meeting. As far as possible, shareholders will be given the opportunity to vote remotely. Holders of (depository receipts for) shares who are unable to attend a shareholders' meeting can issue a proxy and voting instructions to a third party designated by the Company, which third party will vote in accordance with their voting instructions.

According to the Heijmans Articles of Association, any resolutions by the Executive Board that involve a significant change to the identity or character of the Company or its business are subject to approval by a shareholders' meeting. The shareholders meeting also has a number of other significant powers, including the adoption of the financial statements, the appropriation of the result, the discharge of the members of the Executive Board and the Supervisory Board, the adoption of the remuneration policy for the Executive Board and the remuneration of the members of the Supervisory Board, resolutions to amend the Articles of Association or to dissolve the Company, the appointment of the external auditor and the designation of the Executive Board as the body authorised to acquire (buy back) and issue shares.

Amendment of the Articles of Association

A resolution to amend the Articles of Association can only be passed by a majority of at least two-thirds of the votes cast at a General Meeting of Shareholders at which at least half the issued capital is represented, unless the motion for such a resolution comes from the Executive Board, acting with the approval of the Supervisory Board. If a motion for a resolution stems from the Executive Board acting with the approval of the Supervisory Board, the resolution can then be passed by a simple majority of the votes, regardless of the capital represented.

Authorisation of the Executive Board with respect to the issuance of shares and the acquisition of shares (buy-back)

The Executive Board was designated by the General Meeting of Shareholders on 30 April 2024, in accordance with the Articles of Association, such subject to the approval of the Supervisory Board, for a period of eighteen months from 30 April 2024, to decide:

- 1) to issue ordinary shares and/or grant rights to acquire ordinary shares; and 2) to limit or exclude the pre-emptive right to ordinary shares of existing shareholders, for a term of 18 months commencing on 30 April 2024. The mandate to issue ordinary shares is limited to 10% of the issued share capital on 30 April 2024; and
- 2) to issue ordinary shares in connection with a rights issue, with the understanding that this mandate of the Executive Board is limited to a nominal value equal to 20% of the issued capital at the moment of issue; and 2) in connection with this, to limit or exclude the statutory pre-emptive right of existing shareholders, insofar as the Executive Board believes such a measure to be necessary or practical in the context of a rights issue, but where existing shareholders that are eligible for this will gain contractual pre-emptive rights for new shares in relation to their shares held, in accordance with existing rights issue practice, for a term of 18 months from 30 April 2024.

Furthermore, the General Meeting of Shareholders of 30 April 2024 gave the Executive Board the authority - for a period of 18 months commencing on 30 April 2024 and subject to the approval of the Supervisory Board – to decide that the Company will acquire ordinary shares in its own capital, by purchasing same in the market or by other means.

This authorisation is limited to 10% of the issued share capital as per 30 April 2024. The company may only purchase the treasury shares at a price between their face value and 110% of the average closing prices over the last five trading days prior to the date the ordinary shares are purchased. The term shares is understood to include depository receipts for shares.

Substantial shareholdings in Heijmans

Holders of shares and depositary receipts for shares that, as far as the Company is aware, held an interest of more than 3% in Heijmans as at 31 December 2024, according to the Register of Substantial Shareholdings of the Dutch Financial Markets Authority (AFM), are listed in Chapter 17 'The Heijmans Share' of this annual report.

Otherwise, the Company is not aware of any agreements other than those mentioned above involving a shareholder that could lead to:

- a restriction on the transfer of shares;
- a restriction on the issuance of (depositary receipts for) ordinary shares, in which the Company participates;
- a restriction on voting rights.

Impact of public bid on significant agreements

The agreement with the banking consortium includes a change-of-control clause with respect to the facility of € 177.5 million (at year-end 2024). This clause states that the consortium must be informed of any change of control, and must then be given the option to demand early repayment. Change-of-control clauses may also appear in joint venture agreements to which subsidiaries are party.

Payment to members of the Executive Board upon termination of their employment following a public bid

The agreements with the members of the Executive Board provide for a payment upon termination of the employment contract and/or management agreement following a public bid as meant in section 5:70 of the Dutch Financial Supervision Act.

The Royal Heijmans N.V. share

The share capital

The composition of the share capital of Royal Heijmans N.V. as at 31 December 2024 was as follows:

(x 1,000 shares)	Share capital		Issued capital	
	2024	2023	2024	2023
Ordinary shares	35,100	35,100	27,478	26,826
Cumulative preference B financing shares	4,900	4,900	-	-
Protective preference shares	8,000	8,000	-	-
	48,000	48,000	27,478	26,826

Ordinary shares

The shares are held by the Heijmans Share Administration Trust (hereafter referred to as the 'SA Trust'). The nominal value per ordinary share is € 0.30. As of 31 December 2024, the SA Trust had issued 27,475,391 depositary receipts for shares, which are listed on the NYSE Euronext stock exchange in Amsterdam. The voting rights on ordinary shares are vested in the SA Trust. Each ordinary share is entitled to one vote. Depositary receipt holders who wish to vote at a shareholders' meeting will receive an unconditional proxy from the SA Trust for this purpose. The development of the number of ordinary shares and depositary receipts and an overview of key figures per ordinary share or depositary receipt is shown in the table below.

Shares x 1,000	2024	2023	2022	2021
Issued 1 January	26,826	23,553	22,760	21,933
Stock dividend	652	973	792	604
Issue		2,300	-	223
Matching shares Share Matching Plan				
Issued 31 December	27,478	26,826	23,553	22,760
Average issued over year	27,209	24,932,589	23,264	22,415
Earnings per share * x € 1.00	3.31	2.41	2.56	2.24
Proposed dividend per share x € 1.00	1.64	0.89	1.01	0.88
Pay-out ratio %	50%	40%	40%	40%

Royal Heijmans N.V. is listed on Euronext Amsterdam. Relevant information regarding the stock market listing is shown in the table below:

Heijmans stock exchange listing	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Closing price year-end (in €)	31.55	12.12	10.12	14.90	9.33	7.50	8.00	9.71	5.52	8.18	8.95
Highest price (in €)	32.05	12.90	15.70	15.40	9.67	11.52	12.92	10.87	9.20	13.36	14.20
Lowest price (in €)	12.18	9.99	9.19	9.26	4.47	7.12	7.44	6.02	4.59	5.77	7.83
Dividend return on closing price (in %)	5.2%	7.4%	10.0%	5.9%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stock exchange value at year-end (in € mln)	867	325	238	339	205	161	171	118	118	175	174
Average daily turnover (in numbers)	110,679	72,101	85,316	122,852	158,183	122,598	138,608	171,892	171,892	161,793	82,132

Issued capital and shareholdings

The issued capital and the associated voting rights changed on one occasion in 2024, namely on 30 May 2024, as a result of the issuance of (depository receipts for) shares or in connection with the payment of the dividend on (depository receipts for) ordinary shares in the form of stock dividend.

The composition of the issued capital and associated voting rights as at 31 December 2024 was as follows:

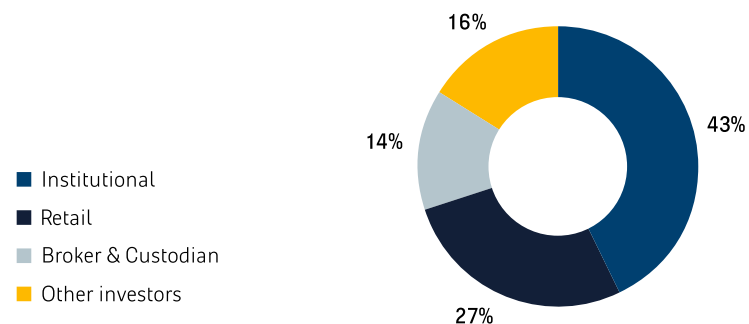
	Issued capital		(Potential) Voting rights	
	Number	%	Number	%
Total ordinary shares at year-end	27,478,006	100.0%	27,478,006	0.0%
Depository receipts	27,475,391	100.0%	27,475,391	100.0%
Non-depository receipts	2,615	0.0%	2,615	0.0%

To the best of Heijmans' knowledge, and also based on the WMZ (Dutch Major Holdings in Listed Companies Disclosure Act) register maintained by the Dutch Financial Markets Authority (AFM), the following investors held an interest of 3% or more in Heijmans as at 31 December 2024:

Interests in Heijmans	31 december 2024		31 december 2023		31 december 2022		31 december 2021		31 december 2020		31 december 2019	
	Capital interest (%)	Potential voting rights (%)	Capital interest (%)	Potential voting rights (%)	Capital interest (%)	Potential voting rights (%)	Capital interest (%)	Potential voting rights (%)	Capital interest (%)	Potential voting rights (%)	Capital interest (%)	Potential voting rights (%)
Waterbird B.V. (Van Wanrooij family)	8.4%	8.4%	8.6%	8.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
C.A.C.M. Oomen	5.4%	5.4%	4.6%	4.6%	5.2%	5.2%						
ASR Vermogensbeheer	5.2%	5.2%	5.0%	5.0%	5.7%	5.7%	5.2%	5.9%	5.4%	6.1%	5.5%	6.2%
Dimensional Fund Advisors LLP	4.6%	4.6%	3.6%	3.6%	4.0%	4.0%	3.6%	4.1%	3.6%	4.1%	3.5%	4.0%
JP Morgan Asset Management Holdings Inc.	3.5%	3.5%	1.9%	1.9%								
Acadian Asset Management LLC	3.2%	3.2%	3.7%	3.7%	4.1%	4.1%	3.6%	4.0%	3.5%	4.0%	3.5%	4.0%
Quaero Capital SA	0.1%	0.1%	3.2%	3.2%	5.6%	5.6%	5.2%	5.9%	4.9%	5.5%	4.3%	4.9%
	30.4%	30.4%	30.5%	30.5%	28.0%	28.0%	36.8%	28.4%	21.8%	24.7%	32.9%	23.7%
Other interests	69.6%	69.6%	69.5%	69.5%	72.0%	72.0%	63.2%	71.6%	78.2%	75.3%	67.1%	76.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

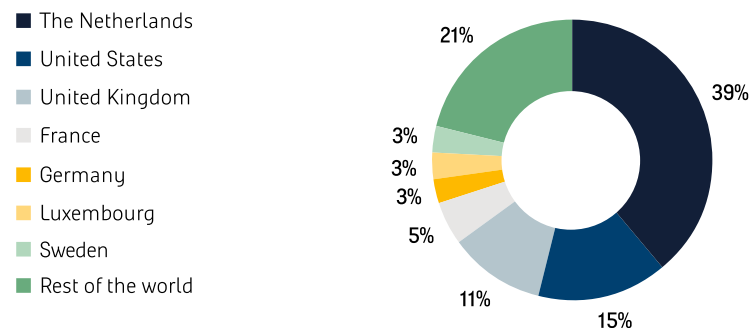
Based on the information provided by banks and custodians and information services, the distribution of share ownership can be broken down as follows:

Total shareholder composition



In the year under review, the (estimated) shareholding held by institutional investors is likely to have fallen to approximately 43% (2023: approximately 50%). Of the number of depositary receipts for ordinary shares held by institutional investors, it is estimated that approximately 39% are held in the Netherlands (year-end 2023: approximately 44%). The decline among Dutch shareholders was accompanied by an increase that was particularly visible among French, UK and US institutional investors. It is estimated that the majority of depositary receipts for ordinary shares held by private investors are held in the Netherlands.

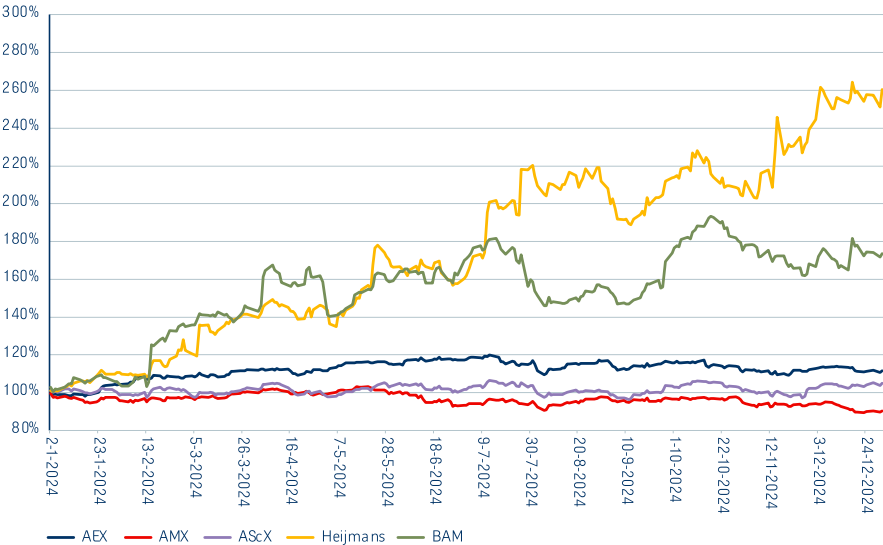
Institutional shareholdings by geography



Share price development

At year-end 2024, the closing price of Royal Heijmans N.V. shares was € 31.55. This was a gain of 160% compared with the closing price at the end of the 2023 financial year (€ 12.12), and an outperformance of the AscX index, which rose by 5% in the same period. The graph shows the movement in the Royal Heijmans share price in 2024 compared to the AscX index, the AEX and AMX, as well as compared to the other Dutch listed construction company BAM.

Relative share price movement vs. indices and peers in 2024



Financial calendar 2025

Heijmans has set the following publication dates for 2025:

2025	Activities
21 February 2025	Publication 2024 annual results pre-trading
16 April 2025	General Meeting of Shareholders 14.00
25 April 2025	Trading update Pre-trading
25 July 2025	Publication of 2025 interim results Pre-trading
31 October 2025	Trading update Pre-trading



Executive Board

A.G.J. (Ton) Hillen (1961)

Chairman of the Executive Board, CEO

Dutch. Mr. Hillen was appointed as a member of the Executive Board of Heijmans N.V. on 18 April 2012, reappointed on 13 April 2016, 15 April 2020 and 30 April 2024. Appointed as CEO on 1 December 2016. He has held various positions at Heijmans since 1992 and was appointed Director of Property Development and Residential Building at Heijmans in 2008. Prior to joining Heijmans, Mr. Hillen was employed at BAM and Anton Obdeijn Project development.

Ancillary positions: Member of the Supervisory Council of the Noord Brabants Museum and member of the Management Board of Bouwend Nederland.

G.M.P.A. (Gavin) van Boekel (1975)

Member of the Executive Board, CFO

Dutch. Mr Van Boekel was appointed as a member of the Executive Board/CFO of Heijmans N.V. on 1 September 2021. Prior to joining Heijmans, he held various financial positions at Unilever for more than 21 years.

Ancillary positions: Member and from 2020 Chairman of the Curatorium of the Executive Master Finance & Control ('Registercontrollers Opleiding') at the VU University of Amsterdam, member of the Advisory Board of the Dutch Association of Registered Controllers, member of the Advisory Board of the School of Accounting at the VU University of Amsterdam.

Supervisory Board



Sjoerd Vollebregt

Mr Sj.S. (Sjoerd) Vollebregt (1954)
Chairman

Dutch. Mr. Vollebregt was formerly Chairman of the Executive Board of Stork B.V. and Fokker Technology B.V. Prior to that, Mr. Vollebregt was employed at companies including Exel, Ocean, Intexo Holding and Royal Van Ommeren. He was appointed as a member of the Supervisory Board in April 2015, appointed as Chairman in 2016, reappointed in 2019 and reappointed for two years in 2023. He is due to step down in 2025. Principal additional positions: Chairman of the Supervisory Board of Fugro N.V.



Martika Jonk

Ms M.M. (Martika) Jonk (1959)
Vice chair

Dutch. Ms. Jonk qualified as a lawyer in 1986 and until 1 January 2024 was a senior counsel at CMS Derks Star Busmann. She was appointed as a member of the Supervisory Board in December 2018 for a term of more than four years, reappointed for four years in 2023. She is due to step down in 2027. Principal additional positions: member of the Supervisory Board of HES International B.V., member of the Supervisory Council of Catharina hospital in Eindhoven.



Ans Knape-Vosmer

Ms J.W.M. (Ans) Knape-Vosmer (1962)

Dutch. Senior Vice President HR&O Global Operations | Enabling Functions | Strategic Sourcing & Procurement at ASML. She was appointed as a member of the Supervisory Board for four years in April 2020, reappointed for four years in 2024. She is due to step down in 2028. Principal additional positions: member of the Supervisory Board of Royal Douwe Egberts B.V. and member of the Supervisory Board of Accell Group.

Supervisory Board



Arnout Traas

Mr A.E. (Arnout) Traas (1959)
Chairman of the audit and risk committee

Dutch. From mid-2011 to April 2020, Mr. Traas was CFO at ForFarmers N.V. Prior to this, he worked at FrieslandCampina for 10 years, as well as at a number of other companies, including Arthur Anderson, Mars, H.C.S. G.T.I. Holding and Vendex/KBB. He was appointed as a member of the Supervisory Board for four years on 14 April 2021. He is due to step down in 2025.

Principal additional positions: Chairman of the Supervisory Board of ABAB, chairman of the Supervisory Board of Vreugdenhil Dairy Foods, coordinator of Next Generation CFO course at the VU University in Amsterdam and chairman of the Advisory Board for the Executive Master of M&A and Valuation at VU Amsterdam and Groningen University (RUG), and member of the Management Board of the Campina pension fund.



Allard Castelein

Mr A.S. (Allard) Castelein (1958)

Dutch. Until mid-2023, Chief Executive Port of Rotterdam. Appointed as a member of the Supervisory Board for four years on 12 July 2022. He is due to step down in 2026. Principal additional positions: non-executive director at Renewi Plc, non-executive director at SBM Offshore non-executive director at ABP (Associated British Ports), and Special Representative of the Dutch government's Raw Materials strategy.



Marc van Gelder

Mr M.C. (Marc) van Gelder (1961)

Dutch. From 2005 to 2014, Mr Van Gelder was CEO of Mediq. From 1996 to 2004, he held various management positions at Ahold and prior to that he worked at McKinsey & Company, among other companies. Appointed to the Supervisory Board on 4 November 2024. Due to step down in 2028.

Principal additional positions: chairman of the Supervisory Board of Incision Group B.V., chairman of the Supervisory Board of JPMorgan European Discovery Trust plc., member of the Supervisory Board and chairman of the audit committee of Action, chairman of the board of the ABN AMRO Bank Continuity Trust and chairman of the board of the NN Group Continuity Trust.



Diversity

Diversity at the top Act report

In accordance with the Diversity at the Top Act (Art. 2:142b of the Dutch Civil Code), in this annual report we report on the composition of the Supervisory Board, the Executive Board and the sub-top level of senior management. We also report on the target figures for the Executive Board and sub-top and the associated action plan to achieve the targets. Because Heijmans is a listed company, the Supervisory Board is subject to the gradual entry quota rather than a target.

Both the Executive Board and Supervisory Board recognise the added value of diversity in a broad sense and gender diversity in particular. Heijmans' current diversity policy, with regard to the Executive Board and the Supervisory Board, was drawn up with this in mind. In the action plan on based on the Dutch Diversity at the Top Act, we take measures and actions to implement the diversity policy and targets for the Executive Board and the senior management level below the Executive Board (sub-top). Target figures should be appropriate and ambitious, and have been formulated on the basis on those principles.

Executive Board

Executive Board	
Number of members of Executive Board year-end 2024	2
Number of women	0
Target figure number of women	50%
Target figure number of men	50%

The Executive Board has consisted of two independent officers (100%) for several years. Considering the current composition, a target figure of one man and one woman in the Executive Board is obvious. Reaching a balanced male/female ratio is a challenge in the long term, because there are significant intervals between vacancies for an Executive Board with two members.

In 2024, A.G.J. Hillen was reappointed for a period of four years. In his reappointment, the Supervisory Board considered that Mr Hillen, in his role as chairman, had made an exceptionally large contribution to the recovery of Heijmans in recent years. For this reason, no vacancy was advertised and the decision was made to reappoint him. The Supervisory Board was delighted that Mr Hillen wished to commit himself to Heijmans as a member of the Executive Board for another four years. The terms of the current members of the Executive Board expire in 2025 (G.M.P.A. van Boekel) and 2028 (A.G.J. Hillen), respectively.

The Supervisory Board is responsible for the composition of the Executive Board. In the event of a vacancy on the Executive Board, the Remuneration, Selection and Appointments Committee supervises and prepares the recruitment procedure. The recruitment is always carried out by an executive search agency. In the assignment, we devote specific attention to female candidates: of the number of longlisted candidates, at least 50% must be female. The Supervisory Board aims to have 50% female candidates on the shortlist, too. During the selection process, the board assesses numerous criteria and, if they prove suitable, the female candidate is given preference.

Sub-top

Sub-top	
Number of members sub-top year-end 2024	120
Number of women	21
Target figure number of women	20%
Target figure number of men	50%

The so-called sub-top is made up of officials who are part of senior management. At the end of 2024, 120 employees were part of the sub-top, 21 of whom were women (17.5%).

The target figures for the sub-top specify a minimum percentage of women and men of 20% and 50% respectively, which means that 30% can be either women or men. The Company did not achieve the target figure for women in 2024. This was due to the increase in the total number of sub-top positions as a result of the inclusion of the managements of the acquired companies Van Wanrooij and Van Gisbergen, which consist entirely of men. The target figure of 20% will remain in effect for 2025.

The Executive Board is responsible for diversity in the sub-top. Recruitment of candidates for the sub-top, defined in the context of the Diversity in the Top Act as positions in senior management, takes place in the business with guidance from HR.

- HR uses the following principles in recruitment that are intended to promote diversity (in the broadest sense):
- Working method within recruitment that consciously considers diversity when filling vacancies.
 - The language used in vacancy texts is tailored to the target group we are aiming to reach: e.g. men or women, cultural background or young people.
 - Recruitment agencies are aware of our need for diversity in the workforce, without there being any (firm) agreements in this respect.
 - Candidates are allowed to apply for jobs anonymously to avoid any unconscious bias.

For the recruitment of officers who fall into the sub-top, additional measures will be taken, such as:

- The selection committee will include at least one woman.
- The aim is for at least 50% of the candidates invited to be women, whether or not they were found through an executive search agency. There is a caveat for this in that it is difficult for certain technical jobs, given the number of women with (certain) technical educations.
- Diversity goals such as KPIs are part of senior management targets.

Supervisory Board

Heijmans is a listed company, and so is bound by the gradual entry quota for supervisory boards. There is therefore no target figure for the Supervisory Board (100% independent supervisory body). As per year-end 2024, the Supervisory Board consisted of four men (66.66%) and two women (33.33%), and therefore achieved the quota of at least one-third men and at least one-third women. In 2024, one supervisory director was due to step down and was eligible for reappointment, namely Ms J.W.M. Knape-Vosmer. She was reappointed for four years at the General Meeting held on 30 April 2024. On 4 November 2024, a sixth supervisory director was appointed, Mr M.C. van Gelder. This expansion from five to six members is temporary, in anticipation of the resignation of the chairman of the board after the conclusion of the General Meeting of Shareholders in April 2025.

In the Profile of the Supervisory Board, established on 12 June 2019, it is stated that the Supervisory Board would draw up a diversity policy with respect to the composition of the Supervisory Board, considering the aspects relevant for the Company, such as nationality, age, gender and background in terms of education and professional experience. With regard to the male/female ratio, the Supervisory Board will act in line with legal requirements and the board endorses the goal of said legal requirements.

If there is a vacancy in the Supervisory Board, the Remuneration and Appointments committee prepares and guides the selection procedure. The selection will always be carried out by an executive search agency. In the commissioning, specific attention is paid to female candidates: at least 50% of the candidates on the longlist should be female. The Supervisory Board also strives to have at least 50% of the candidates on the shortlist be female. The Supervisory Board uses a wide variety of criteria in its assessment during the selection, and if they prove suitable, the female candidate will be given preference. The procedure was followed in the appointment of Mr M.C. van Gelder, as already stated above.

Diversity and inclusion policy

In accordance with best practice 2.1.5 of the Dutch Corporate Governance Code, Heijmans has a company-wide diversity and inclusion policy (D&I policy). This includes the policy that applies to the Supervisory Board, Executive Board and sub-top pursuant to the Dutch Diversity at the Top Act.

The D&I policy can be described as follows:

"All people are equal, but not all people are the same. That said, at Heijmans we do look very much alike. It is striking how frequently the people wearing a 'yellow helmet' are the same age, ethnicity or gender. If we want to create a healthy living environment, it would help Heijmans if our employees were a better reflection of society as a whole. If our workforce were almost as diverse as the people we work for. This is why we consciously recruit a wide range of people in terms of age, gender and cultural background. More diversity within Heijmans means more differences. Differences can be exciting, inspiring or instructive. We harness the power of those differences and ensure a safe workplace for everyone."

As the creators of the healthy living environment, we pay close attention to the world around us. We link social challenges to the needs of residents, consumers and road users. We express this in our promise 'Together, it's possible'.

The Better strategic pillar from our previous strategy also included our ambition to be the best employer in the construction industry. An employer where there is room for people of diverse (cultural) backgrounds and ages. An employer that has an eye for differences in background and skills. This is why Heijmans is working hard to introduce groups of people who are underrepresented in the organisation and to retain them for our company and our industry.

How do we want to make diversity a reality at Heijmans? We have an internal working group that has been holding regular discussions to exchange ideas on the theme of diversity and inclusion for several years now. This has already resulted in a number of recruitment-related actions:

- For example, the recruitment team attended a training course on 'unbiased selection'. They have incorporated the key learning points from this training course in a presentation and shared this with their HR colleagues. They also discuss the findings with the managers of the various units so these findings are disseminated to the rest of the organisation.
- We have made an internal working agreement to the effect that for all vacancies, we first determine how filling the vacancy can contribute to increasing the diversity of the team in question. We then take this into account when recruiting; the language of our vacancy texts is always geared to the desired target group.
- We have a campus recruiter who consults on a regular basis with educational institutions with an above-average diverse population; they are also in regular contact with Jinc, an organisation that focuses on children who, due to their background, are at risk of falling behind on the labour market.
- Our recruiters actively participate in events with the specific aim of recruiting and/or getting women and/or minority groups interested in our industry.
- Our new labour market campaign is also geared towards increasing diversity.

- We have taken the following actions specifically aimed at attracting newcomers:
 - We have cultivated intensive contacts with local councils, WerkgeverServicePunten (WSP) (an organisation that helps employers find talent), Stichting UAF (a refugee organisation) and Refugee Talent Hub (an employers' initiative for refugees).
 - Collaboration with Rotterdam University of Applied Sciences; seven students hired, with plans for a follow-up programme in the coming year.
 - We appointed a refugee with a residence permit as the new coordinator within the recruitment team, working towards the coordinator being responsible for the guidance of newcomers.
 - SharePoint site set up with information for newcomers and their supervisors.
 - We organised a successful 'Together we are one' event, including intercultural training for newcomers and their supervisors. Evaluation is very high (around nine out of ten). Words such as 'highly valuable' and 'educational' are frequently used.
 - Publicity via LinkedIn, newspapers and the Heijmans website; nomination for the AANtWERK prize for inclusivity.
 - Optimised recruitment and selection process and onboarding in Workday to generate uniform reports for newcomers.
 - Presentations given to management teams, the Works Council and other interested parties to increase support.

Besides these recruitment activities, what else did we do?

- We joined the Agora network. This brings together professionals from the field to share knowledge and experiences, to make networks available and to support each other. This promotes the growth, retention and advancement of diverse talent.
- We developed an infographic to raise awareness of this issue within Heijmans.
- With the help of Statistics Netherlands (CBS), we conducted a baseline measurement of cultural diversity within Heijmans, so we can also monitor whether our efforts in this area are producing results.
- In collaboration with Young Heijmans, we organised various webinars over the past two years on topics including gender and generational differences and cultural backgrounds. The goal was to learn from each other, appreciate each other's insights and raise awareness.
- We regularly publish articles on Viva Engage based on a content calendar. For example, articles about different religious holidays or national events (such as Pride Amsterdam) related to the theme of diversity and inclusion. We do all of this to draw attention to the various groups within our Heijmans community and to promote awareness and understanding for each other.



Report of the Supervisory Board

The Supervisory Board has taken note of the report of the Executive Board for the 2024 financial year and has discussed the report in conjunction with the results of the audit by KPMG Accountants N.V. The financial statements and the sustainability report were audited and assessed by KPMG Accountants N.V. and were provided with an unqualified audit opinion and an assurance report respectively on 28 February 2025.

Both statements have been added to the financial statements as an appendix to the Heijmans 2024 annual report. We recommend that the General Meeting of Shareholders adopt the 2024 financial statements and discharge the members of the Executive Board. We agree with the Executive Board's proposal to distribute a dividend of € 1.64 per (depository receipt for an) ordinary share.

Position and tasks of the Supervisory Board

Role and powers of the Supervisory Board

The Supervisory Board supervises the strategy of the Executive Board and the general course of business at the Company and its affiliated enterprise and provides the Executive Board with advice. The Supervisory Board not only focuses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of its financial reporting, but also on its policies regarding sustainability, including CSRD-related topics, and safety. In the performance of its duties, the Supervisory Board acts in the interests of the Company and its affiliated businesses and in doing so takes into account the legitimate interests of the Company's stakeholders. The Supervisory Board also takes into account the social aspects of doing business that are relevant to the Company. The Articles of Association of Royal Heijmans N.V. and the Regulations for the Supervisory Board of Royal Heijmans N.V. include rules with respect to board meetings and decision making. Both of these documents are available on the Royal Heijmans N.V. website in the section 'Corporate Governance: Codes, articles of association and regulations'.

Specific areas of supervision

The Supervisory Board's supervision of the Executive Board includes:

- how the board implements the strategy aimed at sustainable long-term value creation;
- the achievement of both financial and sustainability targets;
- the risks associated with the Company's business operations;
- the design and operation of internal risk management and control systems;
- the financial and sustainability-related reporting process;
- compliance with legal and regulatory requirements;
- the relationship with shareholders - see the Corporate Governance section of the Management Report and other sections;
- the activities of the Executive Board related to the culture within the company;
- the operation of the reporting procedure with regard to abuses and irregularities; and
- the social aspects of doing business relevant to the Company.

Accents and activities in 2024

(Macro-)economic and social context

In 2024, the world was once again confronted with war and political tensions. Ukraine and Russia are still at war and tensions in the Middle East have escalated. The world is also waiting to see what impact the policies of the new president of the United States will have. In addition to geopolitical tensions, there are also underlying tensions in Dutch society. These circumstances are having repercussions on the global economy and are having an impact on the availability and prices of materials and energy costs, for example. Although inflation in the Netherlands and Europe has fallen, it is still higher than the targeted rate. On the other hand, the spending power and thus the borrowing capacity for home purchases increased due to significant wage increases in collective labour agreements. Following the Dutch House of Representatives elections in November 2023, the

Netherlands installed a new government in early July 2024. Heijmans is encouraged by the new cabinet's stated intent to continue the housing policy that had already been initiated by the previous government. Nevertheless, Heijmans continues to call for attention to be paid to the addition of planning capacity (both in and outside urban areas) and the shortening and acceleration of spatial planning procedures and permit granting processes. The shortages on the housing market demands concrete action.

'Together towards 2030' strategy

After the Executive Board had already provided a qualitative explanation of the recalibrated strategy in 2023, Heijmans announced the financial parameters of the recalibrated strategy 'Together towards 2030' at the Capital Markets Day on 22 May 2024. In line with the 'Together towards 2030' strategy, Heijmans launched its new promise 'Together, it's possible' in early October. In doing so, Heijmans is responding to the major social challenges faced by the built environment in the Netherlands. With the 'Together towards 2030' business strategy and the 'Together, it's possible' promise, combined with the financial targets for 2027, Heijmans is setting a clear course for the future. A course in which social responsibility, collaboration and financial targets go hand in hand.

Issues related to the strategy and sustainable long-term value creation are discussed at almost every meeting of the Supervisory Board, which leads to constructive dialogue. The Supervisory Board oversees the implementation of the strategy. Furthermore, the Supervisory Board has taken note of the progress made in a number of areas, including safety, compliance and risk, innovation, product development and innovation, through presentations by knowledge carriers at Supervisory Board meetings.

Safety

The topic of safety is and will remain a fixed agenda item at meetings of the Supervisory Board. All aspects of safety are discussed at Supervisory Board meetings. These include the number and type of accidents, the IF figure and the measurement methodology, but also, for example, environmental safety in projects and constructional safety. In the meeting of the Supervisory Board in June 2024, the board had an intensive thematic discussion with the Executive Board, the chairmen of the business area boards and the Safety director, with specific attention paid to the perception and

culture of safety in the company, because these are decisive factors in any improvement of safety performance. The board also discussed the potential of AI in terms of improving safety performance. The actions discussed in June will be evaluated with the Supervisory Board in early 2025. Both the Supervisory Board and the Executive Board are intrinsically motivated to raise safety to an even higher level, for the safety of their own and contracted colleagues and for the environment in the construction chain in which Heijmans operates. Despite all efforts, the safety figures are not yet at the desired level. We will therefore continue the intensive discussions on other approaches and measures to make additional improvements to the safety programme.

M&A and the integration of the acquired companies

In July 2024, Heijmans announced the acquisition of all development and construction activities of Van Gisbergen, based in Hooge Mierde. Heijmans completed the acquisition on 13 September 2024, after obtaining approval from the Dutch Consumers and Markets Authority (ACM). This acquisition, which is in line with Heijmans' strategy, has further strengthened its position in construction and property development. The Executive Board involved the Supervisory Board in the acquisition process. The Supervisory Board endorses the strategic value of this acquisition. Like the acquisition of Van Wanrooij in 2023, this acquisition is in line with one of the Company's strategic objectives, namely to further strengthen Heijmans' position in property development and residential building.

When Heijmans took over Van Wanrooij Bouw & Ontwikkeling in 2023, the company stated that Van Wanrooij would continue to operate independently in the market for the time being and that, parallel to this, the focus would be on gaining insight into and learning from each other's business models and success factors. After this phase, the Executive Board will decide on the next steps in the integration process and the nature of the collaboration. The Executive Board has given the Supervisory Board frequent updates on its findings.

Financing

In 2023, Heijmans and its banks agreed to adjust the financing arrangement with the ABN AMRO, Rabobank and ING Bank consortium in connection with the acquisition of Van Wanrooij. The adjustment included increasing the bank financing by € 140 million. The expansion consisted of € 60 million in the form of an expansion of the existing revolving credit facility to € 177.5 million, which was also extended to five years starting from 5 September 2023, and a linear loan of € 80 million that was to be repaid over four years. The Supervisory Board is pleased that Heijmans was able to repay the entire linear loan earlier than planned in 2024.

Result development

In 2024, the Executive Board continued to improve working capital and capital ratios and to robustly expand the risk management system. The Company completed the acquisition of Van Wanrooij in 2024. The Supervisory Board monitored the Executive Board's efforts and supported the Executive Board in its work. The 'margin over volume policy' and the continued professionalisation of the organisation and improvement of internal processes were discussed extensively in the meetings. The Executive Board frequently discussed the safeguarding of a healthy risk/return ratio while maintaining healthy entrepreneurship in the management of (new) projects with the Supervisory Board. Both boards are satisfied with the balance and composition of the portfolio. Heijmans is in a good position; it is performing robustly and is a highly predictable company. Thanks in part to the unwavering commitment of its employees, the company completed a successful year in 2024.

Dividend

In early 2024, the Executive Board and Supervisory Board discussed the dividend policy in light of Heijmans' results and objectives. The current dividend policy provides for a payout of 40%, with an optional dividend having been offered in recent years. After intensive consultation between the Executive Board and the Supervisory Board, in which external advice was also sought, a decision was made to change the dividend policy to bring it more in line with the company's financial position and market practice. The Executive Board announced the change in dividend policy at the Capital Markets Day on 22 May 2024. In concrete terms, the change will mean an increase in the

pay-out to 50% from the current 40%, as well as a distribution entirely in cash. In recent years, Heijmans has offered an optional dividend (cash or shares). This proposal will be explained to the General Meeting of Shareholders on 16 April 2025, after which the dividend proposal for the 2025 financial year will be based on the amended policy. Both the Executive Board and the Supervisory Board believe that the proposed dividend policy is well suited to Heijmans' robust current position.

In view of the financial results for 2024 and based on the announced change to the dividend policy, the Executive Board has proposed a dividend on ordinary shares of € 1.64 per (depository receipt for a) share. The Supervisory Board has approved this proposal.

Lifelong learning

The Supervisory Board maintains its knowledge of relevant subjects in various ways. For example, it had a separate meeting with an external party about developments in the field of AI and its possibilities within Heijmans. Time is also regularly set aside in Supervisory Board meetings for those directly involved to explain Heijmans innovations. In addition, the Supervisory Board is kept informed of relevant new and upcoming legal and regulatory developments. Examples include CSRD, CSDDD and the Risk Management Statement (Dutch: VOR).

Capital Markets Day

On 22 May 2024 at its Capital Markets Day event, Heijmans shared an update with the market on its 'Together towards 2030' strategy, which the company recalibrated in 2023. The company also announced its financial targets for 2027, these being revenue of € 3 billion, an underlying EBITDA margin of 7-9% and the above-mentioned plan to adjust the dividend policy to aim for a pay-out ratio of 50% with payment entirely in cash.

The Executive Board kept the Supervisory Board closely involved in the preparations for Capital Markets Day, particularly in the formulation of the aforementioned financial targets. The two boards held intensive discussions on this in a positive atmosphere, which led to a consensus. The Supervisory Board was pleased to note that the Capital Markets Day was very well received by the market and that Heijmans is clearly on track to meet its targets.

Corporate governance

The Supervisory Board is up to date on developments in the field of corporate governance. These include the updated Dutch Corporate Governance Code, which came into effect in 2023, the imminent introduction of the Risk Management Statement (VOR) and relevant new and upcoming (European) regulations in the field of ESG. The board endorses the importance of transparency promoted by CSRD. However, the concerns previously expressed by both the Supervisory Board and the Executive Board regarding the capacity pressures that reporting obligations place on the company and the associated costs were unfortunately not unjustified: the company has had to make a tremendous effort to be able to report in accordance with CSRD for the 2024 financial year. Heijmans' basic principle remains that it aims to achieve ESG compliance in a controlled manner, taking into account the interests of all stakeholders. For more information on governance, please see the 'Corporate Governance' section of the management report.

Meeting frequency and attendance

In 2024, the Supervisory Board held seven regular meetings and four interim meeting to discuss specific topics with the Executive Board. The regular meetings were preceded by internal deliberations of the Supervisory Board and were physical meetings. The other meetings were held entirely digitally. Ms Knape-Vosmer, Ms Jonk and Mr Castelein were all unable to attend one meeting. They had spoken to the chairperson beforehand about the items on the agenda and their views on them. All members were present at the meetings of the Remuneration, Selection and Appointments Committee and the Audit and Risk Committee.

The meeting in June was combined with a working visit to the large-scale Noorderhaven area development in Zutphen.

The company's external auditor was present at the meeting arranged to discuss the 2023 financial statements (audited by EY). The Supervisory Board also consulted with the external auditor without the Executive Board present. The Supervisory Board usually attends the Works Council consultation meeting twice a year. Depending on the specific tasks of the supervisory directors, regular consultations take place with members of the Executive Board. This applies in particular to the chairman of the Supervisory Board and the chairmen of the committees, namely the Remuneration, Selection and Appointments Committee and the Audit and Risk Committee.

Decision-making

The important decisions of the Supervisory Board in 2024 included the following:

- Approval of decisions of the Executive Board to determine and change the operational and financial objectives of the Company;
- approval of the business plan and budget for 2024, which included the formulation of the parameters of the strategic principles of the policy;

- adoption of the details of the criteria for the short- and long-term variable remuneration of the Executive Board;
- nomination for reappointment of Ms J.W.M. Knappe-Vosmer as a member of the Supervisory Board at the Annual General Meeting of Shareholders on 30 April 2024;
- nomination for appointment of Mr M.C. van Gelder as a member of the Supervisory Board at the Extraordinary General Meeting of Shareholders on 4 November 2024;
- approval of the proposal of the Executive Board regarding the appropriation of the result for the 2023 financial year, including a dividend payment on ordinary shares;
- approval of the decision of the Executive Board to acquire Van Gisbergen and the associated investment;
- approval of the proposal of the Executive Board to submit an amendment to the articles of association to an Extraordinary General Meeting of Shareholders.
- decision to award the contract for the assurance audit of the sustainability report to KPMG Accountants N.V. for the 2024 financial year.

Executive Board

The Executive Board consists of two members. Their areas of responsibility are as follows:

- Mr. A.G.J. (Ton) Hillen, Chairman of Executive Board / CEO: General affairs, Safety, Strategy, the Living, Working and Connecting segments, HR & Management Development and Innovation;
- Mr. G.M.P.A. (Gavin) van Boekel, member of Executive Board / CFO: Finance & Tax, Risk office, Investor relations, IT, Heijmans Energy, Legal Affairs, PR & Communications, Procurement, Sustainability, Pensions and Facilities.

Supervisory Board self-evaluation

One of the principles of the Dutch Corporate Governance Code is that the Supervisory Board is collectively responsible for its own performance and lists the self-evaluation as a 'best practice'. It is good practice to periodically conduct the self-evaluation with the help of an external party. That was the case in 2023. In late 2024, the board performed a self-evaluation by means of a written internal survey. All the members of the Supervisory Board took part, with the exception of the supervisory director appointed on 4 November 2024. The members of the Executive Board completed the part of the survey that focused on the cooperation between the Supervisory Board and the Executive Board. The resulting findings were discussed extensively by the members of the Supervisory Board among themselves and between the Supervisory Board and the Executive Board. The evaluation for 2024 showed that the Supervisory Board is functioning properly. Nevertheless, the increasing size and complexity of the company and the internal and external dynamics require alertness from the Supervisory Board. The board must evolve with all the above-mentioned developments if it is to be able to deal with them. This topic will remain on the agenda in 2025.

Diversity

The composition of Heijmans' Supervisory Board is diverse in terms of gender, background and experience. The Diversity at the Top Act came into force on 1 January 2022. Among other things, this envisages a gradual entry quota for supervisory boards. This means that for a balanced composition, the supervisory board of a listed public limited company must consist of at least one-third women, and at least one-third men.

When appointing a new supervisory director, the balance of the m/f ratio on the board must be taken into account. If the board is not balanced, a new appointment will have to contribute to that balance. The General Meeting, the Works Council and the Supervisory Board are then obliged to take into account the diversity quota when making recommendations and nominations.

The Supervisory Board consists of five members: two women and four men. Based on this current composition, the Supervisory Board complies with the new statutory regulation. The diversity policy and plan of action based on the Diversity at the Top Act that applies to the Executive Board and Supervisory Board is included in the management report. For further background information on all members of the Supervisory Board, please see the Management and Supervision section of the Management Report.

Committees

The Supervisory Board has appointed two committees: the Audit and Risk Committee and the Remuneration, Selection and Appointments Committee. Rules have been drawn up for each committee that define the role of the committee in question, its composition and how it carries out its duties. These rules can be found on the Heijmans website in the 'Corporate Governance: codes, articles of association, regulations' section.

Audit and Risk Committee

The Audit and Risk committee comprises three members of the Supervisory Board and its tasks cover a number of financial areas and risk management. The discussions of subjects in the Audit and Risk committee serve as preparation for the discussion of these subjects by the full Supervisory Board. These subjects include the annual report, the financial statements, the external auditor's reports, the internal risk and audit reports, the audit plan of both the external auditor and internal audit, other financial reports, the functioning of internal risk and control systems, the relationship with and evaluation of the external auditor, the pension schemes, the development of the Company's financing requirements and the debt position, as well as the relationship with the Company's financiers.

In addition, the Audit and Risk Committee discussed the Double Materiality Analysis (DMA) in the context of CSRD, the IT landscape, M&A and purchase price allocation (PPA), evaluations of acquisitions, change programmes, the company's fiscal position, the issue list and the replacement of the ERP system. Other topics of discussion included integrity and compliance, risk & audit management, the reports of the risk & audit manager, cybersecurity and privacy. A regular item on the agenda in the context of lifelong learning is the discussion of developments in the field of ESG regulations and how Heijmans can proactively implement them. Concerns were also expressed about the heavy reporting burden and the capacity required in that regard.

At the AGM of 3 April 2023, KPMG was appointed as the external auditor for the 2024 and 2025 financial years. Based on the intended Article 2:393a of the Dutch Civil Code (included in the bill for the Sustainability Reporting (Implementation) Act), the General Meeting of Shareholders must also appoint the external auditor for the assurance audit of the sustainability reporting. In anticipation of the transitional legislation, the Supervisory Board commissioned KPMG to conduct the aforementioned assurance audit for the 2024 financial year. The committee advised the Supervisory Board to nominate KPMG as the external auditor for the sustainability reporting for the financial years 2025 and 2026 at the Annual General Meeting of Shareholders on 16 April 2025. Furthermore, on the advice of the committee, KPMG will be nominated during that meeting as the external auditor for the financial audit for the 2026 financial year.

The Audit and Risk Committee consists of Mr A.E. Traas (chairman), Ms M.M. Jonk and Mr A.S. Castelein. Expertise in the field of financial reporting and auditing of the annual accounts in the committee is guaranteed because Mr Traas is a chartered accountant. In 2024, the committee met with the Executive Board four times. The external auditor also attended a number of meetings. In addition, the committee consulted with the auditor in the absence of the Executive Board.

Where relevant, managers with responsibility for finance, auditing, risk and compliance attended the meetings of the Audit and Risk Committee, together with the CEO and CFO. Relevant topics requiring the approval of the entire Supervisory Board were submitted to the full Supervisory Board together with a recommendation from the Audit and Risk Committee.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment committee consists of Ms M.M. Jonk (Chair), and Ms J.W.M. Knape-Vosmer. The committee's areas of focus include the remuneration of the members of the Executive Board and drawing up the selection criteria and appointment procedure for members of the Supervisory Board and the Executive Board. At least once a year, the committee also assesses the performance of the members of the Executive Board and draws up a succession planning for the Executive Board. In this context, the committee conducts individual performance interviews with the members of the Executive Board at least once a year.

Remuneration

The committee held six meetings in the year under review. The members also consulted with each other regularly in the course of the year.

The remuneration policy for both the Supervisory Board and the Executive Board was adopted by the General Meeting of Shareholders on 30 April 2024 and has been in force since 1 January 2024. In its meetings, the committee paid attention to the implementation of the new remuneration policy. The remuneration for 2024 is in line with the remuneration policy adopted in 2024. Please see the 2024 remuneration report in the Remuneration Report appendix of the Heijmans 2024 annual report.

In addition, the committee discussed and advised the Supervisory Board on a number of topics, including the targets for variable remuneration for 2025, the variable remuneration itself and the adjustment of the fixed remuneration of the members of the Executive Board and of the Supervisory Board itself. In that context, a benchmark study was conducted at the end of 2024 based on the reference group included in the remuneration policies for both boards to test whether the fixed remuneration is still in line with the market.

Finally, the committee drew up the 2024 Remuneration Report and discussed this with both the Executive Board and the Supervisory Board. The result of the advisory vote of the General Meeting of Shareholders regarding the 2023 Remuneration Report was taken into account.

Appointments

After the General Meeting of Shareholders on 30 April 2024, Ms J.W.M. Knape-Vosmer stepped down in accordance with the retirement schedule after a term of more than four years. She was reappointed at the aforementioned meeting and appointed for a term of four years. The nomination was supported by the Works Council.

In accordance with the retirement schedule, Mr Vollebregt will step down from the board after the Annual General Meeting of Shareholders on 16 April 2025; he is not available for a subsequent term. In light of this, the committee, in consultation with the Supervisory Board, started the recruitment procedure for a new supervisory director at the end of 2023. It was a long and careful process, which resulted in the nomination of Mr M.C. van Gelder at the Extraordinary General Meeting of Shareholders on 4 November 2024. Mr Van Gelder was appointed for a period of more than three and a half years, i.e. until after the Annual General Meeting of Shareholders to be held in 2028. Following his appointment, the Supervisory Board temporarily consisted of six members, i.e. until the Annual General Meeting of Shareholders in April 2025. Even after this appointment, the composition of the board complies with the legal quota for a balanced composition (see the Diversity sub-section above).

Composition of the Supervisory Board

The Supervisory Board currently consists of six members. In accordance with the retirement schedule, as described above, one supervisory director will step down in 2025.

The current composition of the Supervisory Board, including personal details and main and other positions, is included in the Management and Supervision chapter of the management report. All members of the Supervisory Board can be considered independent within the meaning of best practice 2.1.8 of the Dutch Corporate Governance Code.

Finally

Last year was a very good year for Heijmans. Heijmans is on track to fulfil its promise of 'Together, it's possible'. The realisation of strategic goals has been achieved through, among other things, the acquisition of Van Gisbergen, which has further strengthened Heijmans' position in construction and property development. As in recent years, the focus of both the Supervisory Board and the Executive Board remains on a strict selection policy, an optimal cost structure, physical and social safety and long-term sustainability. The company has worked on improving results in a broad sense. The economic and political circumstances do present challenges. However, Heijmans is resilient and flexible and uses its capacity for innovation to find solutions. The basis for structural success lies in a robust organisational structure, team excellence and the development of human capital, maintaining the right balance between entrepreneurship, return and risk.

The Supervisory Board not only has great respect for the Executive Board and the good financial results for 2024, but above all for all the employees who made this possible. This is the foundation of Heijmans' good results!

The Supervisory Board would like to thank the Works Council, all Heijmans employees and the Executive Board for their significant contributions during the past reporting year.

Rosmalen, 28 February 2025

Sj.S. (Sjoerd) Vollebregt, chair
M.M. (Martika) Jonk, vice-chair
J.W.M. (Ans) Knape-Vosmer
A.E. (Arnout) Traas
A.S. (Allard) Castelein
M.C. (Marc) van Gelder

Royal Heijmans N.V. 2024 Remuneration report

This report, which must be regarded as a report in the sense of Article 2:135b Dutch Civil Code and in the sense of principle 3.4 of the Dutch Corporate Governance Code, explains the implementation of the remuneration policy for the Executive Board and the remuneration policy for the Supervisory Board. The policy was adopted by the Annual General Meeting of Shareholders (hereinafter: the AGM) on 30 April 2024 and came into effect on 1 January 2024. The remuneration policy of both the Executive Board and the Supervisory Board is published on the company's website and is briefly explained below.

The report is structured as follows:

1. The goal of the remuneration policy for the Executive Board and Supervisory Board
2. Main points of the remuneration policy for the Executive Board
3. Implementation of the remuneration policy for the Executive Board in 2024
4. Main points of the remuneration policy for the Supervisory Board
5. Implementation of the remuneration policy for the Supervisory Board in 2024
6. Evaluation of remuneration policy and intentions for 2025
7. Advisory vote Annual General Meeting of Shareholders

1. The goal of the remuneration policy for the Executive Board and Supervisory Board

The playing field in which Heijmans finds itself is marked by the divergent interests of stakeholders, strong competition and market conditions with considerable risks for companies active in the construction industry. This places high demands on both the supervisory board and the executive board.

Realising the 'Together towards 2030' strategy requires strong and skilful management. Directors with the necessary leadership qualities, knowledge, experience and vision are therefore an essential condition for the company's success. The goal of the remuneration policy is to attract, retain and motivate these directors and thus contribute to the realisation of the business strategy and long-term targets. This creates long-term value for all stakeholders and, in the form of sustainable homes and sustainable construction processes, makes a significant contribution to employment and the economy, and for society as a whole.

The realisation of the strategy in the context outlined above places high demands on the quality of supervision. Recruiting and retaining Supervisory Board members who complement each other and who can support the executive board in word and deed is the key to sound supervision.

One of the principles of the remuneration policy of the Executive Board is that the policy should not create any unwanted incentives, such as behaviour that is focused on self-interest or taking risks that are not in line with the company's risk profile. In that light, part of the remuneration, namely the long-term variable remuneration and the Share Ownership Guideline (SOG), is aimed at creating long-term commitment. Heijmans endorses the principles and best practice provisions relating to the remuneration of directors and supervisory directors, as stated in the Corporate Governance Code, and follows them in both its policy and in this report.

The Supervisory Board performs an annual review of the remuneration policy to assess whether it needs to be adjusted.

For the Remuneration Policy of the Supervisory Board and Executive Board, also see: <https://www.heijmans.nl/en/about-heijmans/corporate-governance/codes-and-regulations/>

2. Main points of the remuneration policy for the Executive Board of Royal Heijmans N.V.

2.1 Remuneration level

One of the basic principles in the determination of the total remuneration (fixed agreed annual salary plus variable remuneration) is appropriate market positioning. This external perspective is the benchmark used to formulate the policy. For the fixed annual salary, the policy principle is a positioning that moves towards the median of the reference group, with the aim of arriving there within a reasonable period of time and based on the development measured in a benchmark in the reference group. The determination of the remuneration mix, i.e. the ratio between fixed and variable remuneration and the ratio between short-term and long-term variable remuneration, takes into account the desired risk profile and the desired relationship between short-term and long-term performance and remuneration, among other things.

The remuneration package must also be balanced and fair from an internal perspective. The internal reference point is determined by the remuneration level of, in particular, the layer below the Executive Board. The internal reference point is taken into account in the sense that a connection is made between the objectives for variable remuneration that apply to members of the Executive Board and members of the management layer below it. The remuneration of the management layer reporting to the Executive Board is determined on the basis of a benchmark that is also used to maintain a proper remuneration ratio between board members and management.

To remain in line with the principles of this policy, a market comparison is periodically carried out at least once every four years to test the remuneration levels of the members of the Executive Board for market conformity.

Scenario analyses were carried out and taken into account in formulation of the remuneration policy.

2.2 Remuneration package

- an agreed fixed annual salary;
- a contribution to the accrual of a pension provision;
- short-term variable remuneration that rewards predetermined performance objectives achieved on an annual basis;
- long-term variable remuneration that rewards predetermined performance objectives achieved over a three-year period;
- share ownership guidelines, to strengthen the long-term focus.

In addition, each member of the Executive Board receives an expense allowance and insurance contributions. They are also provided with a lease car.

2.3 Agreed fixed annual salary

The fixed annual salary agreed for the members of the Executive Board is based on 12 times the monthly salary plus holiday pay. The fixed annual salary is determined in accordance with the principles of this remuneration policy.

The Supervisory Board periodically reviews the level of the fixed annual salary and decides whether circumstances justify any adjustments. When considering possible adjustments to the fixed annual salary, important reference points include the development of structural collective labour agreement increases for Heijmans employees, market conditions and the general movement of salaries in the reference group.

2.4 Variable remuneration

Both the short-term and long-term variable remuneration is paid in cash. The Supervisory Board has the right to a final review of the reasonableness of each award of variable remuneration. In exceptional circumstances in particular, the outcomes may be unfair or unreasonable and the Supervisory Board may adjust the award.

The entire variable remuneration is subject to a clawback clause, which provides that all or part of the awarded variable remuneration can be reclaimed if it later emerges that it was awarded on the basis of incorrect data. In the remuneration report, the Supervisory Board explains whether, why and how it has exercised these powers.

2.4.1 Short-term variable remuneration (STI)

The short-term variable remuneration amounts to 60% of the fixed annual salary if the predetermined performance targets for the year in question are fully met. If the targets are exceeded, the bonus can amount to a maximum of 90%. If the targets are met at the minimum level, the bonus amounts to 45% of the fixed annual salary. If performance remains below a predetermined minimum level, the pay-out will be zero. Variable remuneration is awarded proportionally for a performance score between the minimum and maximum realisation levels.

2.4.2 Long-term variable remuneration (LTI)

Half of the LTI is paid out in depositary receipts for Heijmans shares and half is paid out in cash. The LTI amounts to 60% of the fixed annual salary if the target level is achieved (i.e. a 100% score on the predetermined performance targets over a performance period of three years). The maximum is set at 90% of the fixed annual salary. If the targets are achieved at the minimum level, the LTI will be 45% of the fixed annual salary. If performance remains below the predetermined minimum level, no award will be made. The LTI is awarded proportionally for a performance score between the minimum and maximum realisation levels.

The first three-year term based on this LTI covers the financial years 2024, 2025 and 2026. Therefore, the first payment based on this LTI will be made in 2027.

2.5 Share Ownership Guideline (SOG)

The SOG is part of the remuneration policy and is intended to further strengthen long-term focus and serve as a sign of the Executive Board's confidence in the strategy and performance. The CEO is expected to hold 150% of his fixed annual salary in depositary receipts for Heijmans shares. The CFO is expected to hold 100% of his fixed annual salary in depositary receipts for Heijmans shares. The vesting period for achieving these percentages is set at five years, starting from 1 January 2024. The depositary receipts for shares that are conditionally awarded as payment of the LTI (50% of the payment) are included in the calculation of the percentage of depositary receipts held. As long as the relevant percentage has not been reached, the relevant member of the Executive Board may not sell shares, except if a member of the Executive Board makes use of the sell-to-cover clause included in the LTI scheme, in which case they may sell shares to meet applicable tax obligations.

3. Implementation of the remuneration policy for the Executive Board in 2024

The Remuneration and Appointments committee consists of Ms Martika Jonk, Chair, and Ms Ans Knappe-Vosmer. The Remuneration Committee held six meetings in 2024, at which the usual annual items such as remuneration for the Executive Board members, the targets in the context of the short-term and long-term variable remuneration and the variable remuneration itself. The committee also discussed the current (legal) developments in the field of remuneration in general.

The current remuneration policy was approved by the AGM on 30 April 2024 and came into effect on 1 January 2024. There was no reason to review the remuneration policy in 2024. At the end of 2024, a benchmark was set based on the reference group referred to in the remuneration policy to see if the remuneration was still in line with the principles of the policy.

In its application of the Executive Board remuneration policy in 2024, the Remuneration and Appointments Committee assessed how the Executive Board implemented the company's strategic, financial and sustainability objectives. The assessment of the targets set takes into account not only general, economic circumstances, but also construction industry-specific circumstances, such as slow building permit procedures, which are outside the company's sphere of influence.

On the advice of the Committee, the Supervisory Board decided to award both short-term and long-term variable remuneration to the members of the Executive Board. The calculation of the remuneration was evaluated by the internal audit department. This award is explained in more detail in section 3.3 of this chapter.

3.1 Table with an overview of remuneration by component

The gross fixed and variable remuneration paid in 2023 and 2024 and the amounts to be paid in 2025 to the members of the Executive Board are as follows:

in €	Gross fixed remuneration			Variable remuneration			Total remuneration		
	Payable in 2025	Paid in 2024	Paid in 2023	Payable in 2025	Paid in 2024	Paid in 2023	Payable in 2025	Paid in 2024	Paid in 2023
A.G.J. Hillen	710,000	635,000	566,667	944,124	718,516	648,292	1,654,124	1,353,516	1,214,959
G.M.P.A. van Boekel	530,000	460,000	425,000	706,028	538,887	449,305	1,236,028	998,887	874,305
Total	1,240,000	1,095,000	991,667	1,650,152	1,257,403	1,097,597	2,890,152	2,352,403	2,089,264

The breakdown of the expenses per member of the Executive Board is as follows:

in €	Gross fixed remuneration		Short-term variable remuneration		Long-term variable remuneration		Pension contributions		Signing bonus		Expense allowances including reimbursement of car expenses, compulsory social insurance contributions and costs of the Share Matching Plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
A.G.J. Hillen*	635,000	566,667	554,540	293,516	543,130	430,556	222,058	209,186	-	-	143,645	147,649	2,098,373	1,647,574
G.M.P.A. van Boekel**	460,000	425,000	413,840	220,137	396,168	365,972	69,070	65,000	33,333	50,000	99,485	79,859	1,471,896	1,205,968
Total	1,095,000	991,667	968,380	513,653	939,298	796,528	291,128	274,186	33,333	50,000	243,130	227,508	3,570,269	2,853,542

For a more detailed explanation of the above table, see note 6.29 of Heijmans' 2024 Financial Statements.

3.2 Fixed salary

The agreed gross fixed salary of the members of the Executive Board was adjusted on 1 January 2024. As of that date, the fixed annual salary of Ton Hillen is € 635,000 gross and that of Gavin van Boekel is € 460,000 gross.

The accrual of Ton Hillen's old-age, survivor's and orphan's pension is in accordance with the conditionally indexed average salary sector pension fund scheme, in which pension is accrued on the gross fixed remuneration up to € 69,442 and payment starts at the age of 67. For the portion of the salary that exceeds this amount, up to € 137,800, this Executive Board member participates in a defined contribution scheme. Mr Hillen also receives compensation for the discontinuation of the early retirement top-up and the pension accrual on the salary part that exceeds € 137,800, as well as compensation of € 50,232 for the loss of indexation in the Delta Lloyd average pay scheme. In deviation from what is stated above, Gavin Van Boekel receives a fixed payment for the accrual of a self-managed pension scheme.

There are no early retirement pension schemes for the members of the Executive Board.

The expense allowance, including car costs, social contributions and the costs of the Share Matching Plan, are reported in the table in Section 3.1 of this chapter. For a more detailed explanation, please see the notes to the 2024 Financial Statements in the 'Related parties' section.

3.3 Variable remuneration

The variable remuneration recognises the achievement of the predetermined performance targets over the year to which the report relates or over a period of three years. The short-term remuneration is 50% or 60% dependent on financial targets and 50% or 40% dependent on qualitative targets. The 10% margin is intended to give the Supervisory Board the option, in exceptional cases, to assign a slightly higher weighting to the financial targets. For 2024, the

Supervisory Board chose to do this due to the acquisition of Van Wanrooij in 2023, which temporarily increased the focus on cash generation. In terms of the long-term variable remuneration, half of the award depends on quantitative financial objectives that are essential for the implementation of the strategy and half depends on the qualitative objectives that reflect progress in the implementation of the strategy.

At the start of each year, the Supervisory Board sets a minimum, target and maximum level for the various objectives. At the end of the year or at the end of the three-year period respectively, it is assessed to what extent these targets have been achieved and what amount is awarded on that basis.

On the recommendation of the Remuneration, Selection and Appointments Committee and in consultation with the Executive Board, each year the Supervisory Board selects a maximum of three financial criteria (weighing 50% or 60% of the total STI) and determines the relative weighting of the criteria, with possible differentiation based on the desired strategic focus in the year in question. In line with the strategic goals, performance measures are formulated that are typically related to profit, financing and revenue/operations/projects.

In addition, also on the recommendation of the Remuneration, Selection and Appointments Committee and in consultation with the Executive Board, the Supervisory Board selects a minimum of one and a maximum of eight non-financial criteria (weighting is 50% or 40% of the total STI) and determines the relative weighting, with possible differentiation based on the strategic focus in the year in question. In line with the strategic goals, performance measures are formulated that are typically related to the five pillars on which the 'Together towards 2030' strategy is based, namely: Well-being, Sustainability, Connection, Producibility and Team, and/or to performance criteria that improve the day-to-day operation of the business, such as safety, the company's risk profile and staff-related KPIs.

The Supervisory Board assesses the extent to which the qualitative short-term and long-term targets have been achieved on the basis of a written substantiation for each objective submitted by the Executive Board. That substantiation can consist of a KPI, a bold statement, a description of the status of a particular target with illustrative examples or a combination of these. Because the information on certain targets qualifies as business-sensitive information, this report does not include a description and score for every qualitative target.

3.3.1 Short-term variable remuneration (annual remuneration)

In 2024, the Supervisory Board made use of the option offered by the remuneration policy for the Executive Board to apply a margin of 10% when determining the ratio between the weighting of the financial and qualitative targets. In 2024, the financial targets account for 60%, and the qualitative targets therefore account for 40% of the short-term variable remuneration.

For the year 2024, the Supervisory Board chose underlying EBITDA and average net debt as the most relevant short-term financial targets. The target levels are included in the accompanying table, which shows that the achievement of these targets was maximum, resulting on balance in a pay-out on the financial targets of 54% of the agreed fixed annual salary.

The qualitative short-term targets are focused on the realisation of strategic goals and pertain to safety (TRIR), the integration of Van Wanrooij, the reduction of scope 1 and 2 CO₂ emissions, the production of timber frame houses in the production facility and increasing the number of tenders that Infra wins on the basis of the best plan (most economically advantageous tender, EMVI).

The Supervisory Board has assessed the performance on the aforementioned qualitative targets based on KPIs, other numerical information and explanations provided by the Executive Board. The Supervisory Board has determined that, with the exception of two targets, safety and producibility, the scores were low. On the other hand, maximum scores were achieved for two targets, including the reduction of CO₂ emissions, and at target for another target. This means that on average, the score was at target.

The Supervisory Board is of the opinion that the Executive Board delivered an extraordinary performance with regard to both the integration of Van Wanrooij and the continuity of Van Wanrooij’s business operations, which make a major contribution to Heijmans’ results. For that reason and based on its discretionary powers, the Supervisory Board decided to increase the gross pay-out based on the short-term qualitative targets for both members of the Executive Board by € 44,000. This results in a pay-out on the total short-term remuneration of 87.3% of the agreed fixed annual salary for Mr Hillen and 89.9% for Mr Van Boekel.

Short-term target	Weighting	Minimum	At target	Maximum	Realisation	Pay-out % of the agreed fixed annual salary
Underlying EBITDA	30%	€ 153 mln.	€ 168 mln.	€ 198 mln.	€ 199 mln.	27.0%
Average net debt	30%	€ 147 mln.	€ 127 mln.	€ 87 mln.	€ 25 mln.	27.0%
Qualitative (SB opinion)*	40%	Reasonable progress	In line with ambition	Well above ambition	At target / maximum	26.4%
Total*	100%					80.4%

* This percentage is the score excluding the allocation of the sum of € 44,000 to both members of the Executive Board; see the explanation in 3.3.1.

If the score falls between the different levels, the remuneration is calculated on a straight-line basis. Underlying EBITDA includes IFRS 16. Net debt is the average over four measurement points at the end of each quarter.

3.3.2 Long-term variable remuneration (three-year remuneration)

Award 2022-2024

The targets for the long-term variable remuneration for the period 2022-2024 were assessed after this period.

For 2024, a single financial target applied in the above-mentioned three-year period:

A rolling average growth rate of 5% in the earnings per share over three years.

This target was achieved at a maximum target level, which on balance results in a pay-out of a total of 37.5% on the financial target.

Two qualitative target were set for the three-year period 2022-2024. These were the number of industrially produced houses delivered and a reduction in CO₂ emissions in 2024 compared with year-end 2021, measured in absolute emissions in 2024.

The Supervisory Board has determined on the basis of, among other things, KPIs, other numerical information and explanations by the Executive Board that the scores for these targets were on average between at target and maximum.

On balance, the above results in a pay-out on the qualitative targets of 31.3% of the agreed fixed annual salary.

The financial and qualitative performance achieved results in a total pay-out percentage of 68.8 % of the agreed fixed annual salary.

Long-term target	Weighting	Minimum	At target	Maximum	Realisation	Pay-out % of the agreed fixed annual salary
Earnings per share (3-year avg., rolling)	50%	2.5%	5% per year over 3-year avg.	7.5%	15.0%	37.5%
Qualitative (SB opinion)	50%	Reasonable progress	In line with ambition	Well above ambition	At target / maximum	31.3%
Total	100%					68.8%

The following explanation applies to the above table. The Supervisory Board sets the on-target level for each target and the extent to which these targets were or were not met is determined at the discretion of the Supervisory Board. This methodology does not change the composition of the long-term variable remuneration: this can be a maximum of 90% of the agreed fixed salary and the financial and qualitative targets each still account for 50% of the overall target.

3.4 Share Ownership Guideline (SOG)

As of 1 January 2024, the members of the Executive Board are subject to a SOG based on the current remuneration policy. This SOG is intended to further strengthen long-term focus and serve as a sign of the Executive Board's confidence in the strategy and performance. The CEO is expected to hold 150% of his fixed annual salary in depositary receipts for Heijmans shares, and the CFO is expected to hold 100%. As at 31 December 2024, the CEO held 398% of his fixed salary in depositary receipts for Heijmans shares. The CFO held 71% of his agreed fixed annual salary in depositary receipts for shares as of that date. The fact that the CFO has not yet achieved the required SOG percentage is due to the fact that it only applied as of 1 January 2024 and the relatively short term of the CFO's appointment. No depositary receipts for Heijmans shares may be sold until the SOG percentage has been achieved.

	Number of depositary receipts at 31 December 2024€	Agreed fixed annual salary in 2024	SOG % of agreed fixed salary 2024	Percentage of agreed fixed annual salary based on € 31.55 (closing price 31 December 2024)
A.G.J. Hillen	80,135	€ 635,000	150%	398%
G.M.P.A. van Boekel	10,338	€ 460,000	100%	71%

3.5 Bonus Share Matching Plan

The Bonus Investment Share Matching Plan was in effect until 1 January 2024. Participation in the Plan was voluntary. Members of the Executive Board could invest 50% of (the net equivalent of) their short-term variable remuneration in Heijmans shares or depositary receipts for shares. The shares or depositary receipts for shares are frozen for three years after purchase. Provided that those who hold these depositary receipts for three years are still employed by the company at the end of that period, the company awards one bonus depositary receipt for each depositary receipt in which they have invested, a so-called matching share. The matching shares are frozen for two years after they have been awarded.

Ton Hillen has participated in the plan since taking office, Gavin van Boekel did so for the first time in 2022. Both members of the Executive Board purchased depositary receipts for shares in 2024 on the basis of the short-term variable remuneration for the 2023 financial year, a year in which the Bonus Share Matching Plan was still applicable.

Ton Hillen purchased 4,200 depositary receipts for shares in May 2024. These will be matched in May 2027, provided the conditions are met. Gavin van Boekel purchased 3,100 depositary receipts for shares in May 2024. These will be matched in May 2027, provided the conditions are met.

Ton Hillen was awarded 5,500 matching shares in April 2024 based on his purchase in April 2021. The lock-up period for these matching shares expires in April 2026.

Date investment	No. of depositary receipts purchased		Date matching
	A.G.J. Hillen	G.M.P.A. van Boekel	
Apr-22	5,300	1,500	Apr-25
Apr-23	6,000	4,750	Apr-26
May-24	4,200	3,100	May-27

3.6 Pay ratios and result development

The table below shows the data in accordance with Article 2:135b(3)(e) Dutch Civil Code.

Fixed and variable remuneration		2024	2023	2022	2021	2020
In €						
	Underlying EBITDA	199 mln	€ 157 mln	€ 126 mln	€ 107 mln	€ 85 mln
	Average staff costs employees	102,009	92,174	86,867	84,447	83,237
	Pay ratio CEO:employees	21	18	18	18	17
A.G.J. Hillen	1 Gross fixed remuneration	635,000	566,667	566,667	550,000	500,000
	2 Short-term variable remuneration	554,540	293,516	320,167	314,559	325,284
	3 Long-term variable remuneration	543,130	430,556	347,570	352,083	281,250
	5 Pension expense	222,058	209,186	241,365	203,140	203,086
	6 Expenses allowance	143,645	147,649	128,073	121,034	109,115
	Total	2,098,373	1,647,574	1,603,842	1,540,816	1,418,735
G.M.P.A. van Boekel	1 Gross fixed remuneration	460,000	425,000	425,000	141,667	-
	2 Short-term variable remuneration	413,840	220,137	240,125	81,023	-
	3 Long-term variable remuneration	396,168	365,972	304,257	118,899	-
	4 Pension expense	69,070	65,000	65,000	21,667	-
	5 Signing bonus	33,333	50,000	50,000	16,667	-
	6 Expenses allowance	99,485	79,859	53,576	16,767	-
	Total	1,471,896	1,205,968	1,137,958	396,690	-
J.G. Janssen	1 Gross fixed remuneration	-	-	-	123,958	425,000
	2 Short-term variable remuneration	-	-	-	70,895	276,491
	3 Long-term variable remuneration	-	-	-	-	26,563
	5 Pension expense	-	-	-	25,667	88,000
	6 Expenses allowance	-	-	-	16,591	41,717
	Total	-	-	-	237,111	857,771
Total	1 Gross fixed remuneration	1,095,000	991,667	991,667	815,625	925,000
	2 Short-term variable remuneration	968,380	513,653	560,292	486,477	601,775
	3 Long-term variable remuneration	939,298	796,528	651,827	470,982	307,813
	4 Pension expense	291,128	274,186	306,365	250,474	291,086
	5 Signing bonus	33,333	50,000	50,000	16,667	-
	6 Expenses allowance	243,130	227,508	181,649	154,392	150,832
	Total	3,570,269	2,853,542	2,741,800	2,174,617	2,276,506

1. Agreed fixed annual salary

2. Short-term variable annual bonus in accordance with the remuneration policy as described in section 1 of this report.

3. Long-term variable three-year bonus in accordance with the remuneration policy as described in section 1 of this report.

4. For an explanation of pension costs, please see section 3.2 of this report.

6. Including car expenses, social security contributions and Share Matching Plan contributions. For an explanation of the Share Matching Plan, please see section 3.4 of this report.

Pay Ratio

The term pay ratios according to best practice 3.4.1 sub iv of the Dutch Corporate Governance Code is understood to mean the ratio between (i) the total annual remuneration of the CEO and (ii) the average annual remuneration of the company's employees. The table below shows the remuneration ratios in accordance with the aforementioned best practice for the financial year 2024 and the four preceding financial years. The pay ratio for 2024 can be expressed as 1:20.6 (2023: 1:18.2).

Because the pay ratio on the basis of the current Dutch Corporate Governance Code was calculated for the first time in 2023, for comparison purposes the pay ratios for the financial years 2019 through 2022 have been recalculated on the basis of the calculation methodology of best practice 3.4.1 sub iv of the Dutch Corporate Governance Code.

Pay ratio (in € 1,000)	2024	2023	2022	2021	2020
Staff costs according to financial statements	553,579	477,692	423,004	402,580	394,659
<i>Less: staff costs Executive Board.</i>	<i>-3,570</i>	<i>-2,854</i>	<i>-2,742</i>	<i>-2,175</i>	<i>-2,277</i>
<i>Less: Reorganisation provisions</i>	<i>-1,300</i>	<i>-3,000</i>	<i>-2,000</i>	<i>-3,000</i>	<i>-3,000</i>
Staff costs for the purpose of the pay ratio	548,709	471,838	418,262	397,405	389,382
Average number of FTEs according to annual report	5,381	5,119	4,815	4,706	4,678
<i>Less: average number of FTEs Executive Board</i>	<i>-2</i>	<i>-2</i>	<i>-2</i>	<i>-2</i>	<i>-2</i>
Average number of FTEs excluding the Executive Board	5,379	5,117	4,813	4,704	4,676
Staff costs CEO	2,098	1,648	1,604	1,541	1,419
Staff costs per FTE (excluding Executive Board)	102	92	87	84	83
Pay ratio	20.6	17.9	18.5	18.2	17.0
Staff costs per FTE (excluding the Executive Board) in €	102,009	92,174	86,867	84,447	83,237

The Remuneration, Selection and Appointments Committee takes the pay ratios into account in the proposals it puts to the Supervisory Board with regard to the individual remuneration packages for Executive Board members.

4. Main points of the remuneration policy for the Royal Heijmans N.V. Supervisory Board

The remuneration policy for the Supervisory Board as it applied in the 2024 financial year was adopted by the AGM on 30 April 2024. The aim of the policy is to enable the company to attract experienced and expert Supervisory Board members. That requires a remuneration package in line with then market. The desired market positioning is in line with the median of the reference group benchmark. In accordance with best practice 3.3.1 of the Dutch Corporate Governance Code, the remuneration of Supervisory Board members must also reflect the time commitment and responsibilities of their position. With the Supervisory Board members' independent position in mind, their remuneration does not depend on the company's results and the internal pay ratio is less relevant.

In order to align the remuneration with the time commitment and responsibilities:

- the chair and vice-chair of the Supervisory Board receive a higher fixed base compensation than (ordinary) members;
- Supervisory Board members receive compensation for the work they do in committees on which they serve, in addition to the base compensation that all members receive;
- committee chairs receive higher committee compensation than ordinary committee members.

In accordance with the remuneration policy adopted on 30 April 2024, the following amounts applied in 2024:

	Per annum in €
Chairman Supervisory Board	71,960
Vice-chair Supervisory Board	53,970
Member Supervisory Board	47,975
Chair Audit committee	9,595
Member Audit committee	7,195
Chair Remuneration and appointment committee	8,394
Member Remuneration and appointment committee	5,896

The Supervisory Board periodically assesses the level of remuneration and decides whether circumstances justify any adjustments. In doing so, market conditions and the general movement of remuneration in the reference group, among other things, are consistently taken into account as key reference points.

For the Remuneration Policy of the Supervisory Board, see also: <https://www.heijmans.nl/en/about-heijmans/corporate-governance/codes-and-regulations/>

5. Implementation of the remuneration policy for the Supervisory Board in 2024

In the 2024 financial year, the Supervisory Board members received a fee in accordance with the policy set out in Section 4 of this report. The allocation of duties was as follows in 2024:

- Sjoerd Vollebregt, Chair of the Supervisory Board.
- Ms Martika Jonk, Vice-chair of the Supervisory Board and member of the Audit and Risk Committee. Chair of the Remuneration and Appointments Committee.
- Ms Ans Knape-Vosmer, member of the Supervisory Board and member of the Remuneration and Appointments Committee.
- Arnout Traas, member of the Supervisory Board and Chair of the Audit and Risk Committee as of 13 April 2022.
- Allard Castelein, member of the Supervisory Board and member of the Audit and Risk Committee.
- Marc van Gelder, Marc van Gelder, member of the Supervisory Board (as per 4 November 2024)

In the years 2020 through 2024, the members of the Supervisory Board were compensated as follows:

	in €	2024	2023	2022	2021	2020
1	Sj.S. Vollebregt – chairman	71,960	67,887	64,044	62,360	60,000
2	P.G. Boumeester	-	-	-	-	14,064
3	A.S. Castelein	55,170	52,047	24,017	-	-
4	R. van Gelder	-	-	-	-	15,860
5	R. Icke	-	-	16,029	55,085	54,378
6	M.M. Jonk	69,559	65,622	58,351	55,085	54,078
7	J.W.M. Knape-Vosmer	53,971	50,916	48,034	49,226	45,571
8	A.E. Traas	57,570	54,311	50,614	47,810	-
9	G.A. Witzel	-	-	-	44,344	33,630
10	M. van Gelder	7,996	-	-	-	-
	Total	316,226	290,783	261,089	313,910	277,581
1	Supervisory Director with effect from 15 April 2015, chairman with effect from 13 April 2016					
2	Supervisory Director from 28 April 2010 to 15 April 2020					
3	Supervisory Director with effect from 12 July 2022					
4	Supervisory Director from 1 July 2010 to 15 April 2020					
5	Supervisory Director with effect from 9 April 2008 to 12 April 2022					
6	Supervisory Director with effect from 6 December 2018					
7	Supervisory Director with effect from 15 April 2020					
8	Supervisory Director with effect from 14 April 2021					
9	Supervisory Director with effect from 15 April 2020 to 12 November 2021					
10	Supervisory Director with effect from 4 November 2024					

6. Evaluation of the remuneration policy and intentions for 2025

The review of the remuneration policies for the Executive Board and the Supervisory Board referred to in the 2023 remuneration report resulted in the adoption of an amended policy for both the Executive Board and the Supervisory Board by the AGM held on 30 April 2024. Both the Supervisory Board and the Executive Board consider it important that the remuneration of both bodies is in line with social developments in the field of remuneration and, while the remuneration of the Executive Board should be in line with sustainable long-term value creation. The remuneration policies of both the Supervisory Board and the Executive Board must be submitted to the AGM every four years, in accordance with Article 2:135a of the Dutch Civil Code. As the current policy was adopted by the AGM in 2024, there is no reason to review the remuneration policy for 2025. The remuneration policies for the both the Executive Board and the Supervisory Board will be submitted to the AGM, either amended or not, no later than in 2028.

Intentions for 2025
Executive Board

Based on the option to do so in the remuneration policy for the Executive Board, the Supervisory Board decided to adjust the agreed fixed annual salary of the members of the Executive Board as of 1 January 2025 to € 710,000 gross for Mr Hillen and € 530,000 gross for Mr Van Boekel. The adjustment takes into account the general development of salaries in accordance with the benchmark in the reference group. This adjustment is in line with the current remuneration policy.

The Supervisory Board has set financial and qualitative targets for 2025 for the short-term and long-term variable remuneration of the Executive Board. Short-term financial targets include underlying EBITDA and average net debt. Short-term qualitative targets should help strengthen the company's foundation or contribute to the implementation of the strategy, such as targets in the areas of sustainability, safety and digitalisation.

Long-term financial targets include earnings per share (EPS) and total shareholder return (TSR). As with short-term targets, long-term qualitative targets should help strengthen the company's foundation or contribute to the execution of the strategy. These could include targets in the areas of producibility, sustainability and talent development. Targets are not disclosed in advance due to the sensitivity of the information involved. The remuneration report for the 2025 financial year will report on the extent to which the targets have been achieved.

Supervisory Board
Based on the results of the benchmark study conducted at the end of 2024, the Supervisory Board decided to adjust the remuneration to the median of the benchmark as of 1 January 2025. The benchmark is based on the existing peer group.

As of 1 January 2025, the members of the Supervisory Board will be reimbursed for expenses such as travel expenses and costs related to hotel accommodation in connection with a meeting.

	Per 1 januari 2025 per jaar in Euro
Chairman Supervisory Board	80,000
Vice-chair Supervisory Board	70,000
Member Supervisory Board	55,000
Chair Audit committee	10,000
Member Audit committee	7,500
Chair Remuneration and appointment committee	10,000
Member Remuneration and appointment committee	7,000

Advisory vote Annual General Meeting of Shareholders on report for previous financial year

The 2023 remuneration report was presented to the AGM for an advisory vote on 30 April 2024, in accordance with the provisions of Article 2:135b of the Dutch Civil Code, with the proposal to adopt the 2023 remuneration report. The AGM subsequently adopted the 2023 remuneration report by a majority of 99.84% of the votes cast. In accordance with Article 135b(2) of the Dutch Civil Code, the company has taken this outcome into account in the preparation of the current remuneration report in the sense that it deduced from the outcome that the report was satisfactory. At the AGM held on 30 April 2024, several questions were asked about the 2023 remuneration report. These included questions about the link between the company's performance and its objectives, about the extent to which the various long-term qualitative objectives are taken into account and how they are measured, and whether the Supervisory Board has considered applying a cut to the long-term variable remuneration based on its discretionary powers due to the suboptimal score on the safety target. These questions were answered satisfactorily during the AGM; please see the minutes of the AGM on the company website (Dutch only).

Rosmalen, 28 February 2025



Risk management

Taking risks is an inherent part of doing business. That is why risk management is an essential part of Heijmans' culture, corporate governance, strategy development and operational and financial management. Heijmans is prepared to take certain risks associated with the performance of our core activities, but only within the limits and in balance with our earning capacity, as defined by the Executive Board in consultation with the Group Board and under the supervision of the Supervisory Board. We apply the 'three lines of defence' model.

The limits ensure that the actions of one person do not lead to disproportionate risks or missed opportunities for the entire company. Heijmans' risk management is designed to provide reasonable assurance that objectives are achieved. This is achieved by integrating management control into daily activities (1st line), complying with legal requirements and guaranteeing the integrity of the company's financial and non-financial reporting with the associated provision of information. Heijmans' risk framework is in line with the Dutch Corporate Governance Code. In the year ahead, Heijmans will work toward the further integration of ESG-related risks and controls in this framework.

We face risks and uncertainties due to external and internal developments, such as geopolitical circumstances in the field of energy and the availability of qualified labour, materials and products. The growing regulation related to nitrogen and other emissions and their impact on the natural and living environments also had an impact. At the end of 2022, we also saw the cancellation of the construction exemption related to nitrogen emissions and at the end of 2024, the Council of State restricted the internal netting scheme. In 2024, we saw a further destabilisation of geopolitical conditions inside and outside of Europe and an increase in the impact of climate change, including the growing impact of water. Other risks include the major challenges facing Europe, including climate, energy, supply chains and defence. These require a lot of investment and are putting a brake on inflation. Risks are also becoming more complex and increasingly interconnected, and can therefore have a greater impact when they occur. On top of this, we are seeing a rise in European citizen involvement in a number of social issues (including environmental pollution), a shift in and fragmentation of the political landscape and social pressure on sustainable and socially responsible entrepreneurship.

The transition of the sector is marked by a growing focus on sustainability, technology and digitalisation, the scarcity of personnel and materials, as well as rising cybercrime. To keep up with the dynamics and rapid developments in the construction world, Heijmans is constantly developing new internal initiatives and is investing in the fields of sustainability, industrialisation and digitalisation. We are committed to sustainable, long-term value creation. These developments are creating opportunities, but they are also introducing new risks and therefore have an impact on our risk profile and risk appetite and on safe digital working.

To stay in control, it is important to limit our risk-taking and keep it at a manageable level, and only take risks that we can influence and to make the most of opportunities. We have set up a risk management process for this. Operationally, we focus primarily on the opportunities within our projects. With our (recalibrated) strategy and the initiatives based on the five pillars, we focus on the opportunities in the medium and long term. Our risk management therefore makes an integral contribution to the realisation of our strategic ambitions and the achievement of our goals, and helps ensure the success of our company.

Our take on risk	How do we deal with risks?	Events
Risk profile Risk appetite Principal risks	Risk framework Risk governance Executive Board statement	Development of risk profile Manifestations of risks

Risk profile

Heijmans is active in energy, construction and infrastructure projects, including consultancy, design, development, realisation, management and maintenance. We are also active in property development and integrated area development. These activities are grouped into the business areas Living, Working and Connecting. We use digitalisation to create data-driven services, while industrial automation and software development are increasingly becoming an integral part of our products and services. The decision to be active in the energy, construction, infrastructure, technical services and real estate and integrated area development segments, and the growth of digitalisation and 'as a service' concepts, all have an impact on our risk profile. We have made a conscious decision to increase the share of recurring business as part of our strategy. By focusing on repeat clients and activities, we lower our risk profile as a company.

For construction companies of the size of Heijmans, which often act as main contractor, various risk-mitigating aspects apply in the event of a boom or bust in the economy. The various activities (Heijmans' business areas) do not usually find themselves in an (economic) crisis at the same time. In the case of public clients, the economic cycle lags somewhat behind the private market and the peaks and troughs are less extreme than in the private market. This applies in particular to large infrastructural and utility projects. In addition, there is still pressure on the housing market due to the lack of 'affordable' housing and a shortage of building zones. Although the government regularly launches stimulus measures for the housing market, the measures here are more indirect (aimed at buyers) and the market is largely determined by consumer confidence, which is generally slower to recover. And while institutional investors withdrew from the residential market in 2024, housing corporations actually invested more in the realisation of new projects and in making their existing housing stock more sustainable, thanks in part to the removal of the so-called landlord tax.

There is an additional risk-mitigating factor that is partly linked to this. Although the construction sector is cyclical, for a main contractor like Heijmans the cyclicity differs per sector. This is related to the size and duration of the order portfolio at the moment a crisis occurs. Our management model enables us to anticipate early on, which means that employees are to a large extent interchangeable and we can make adjustments to our cost structure across sectors. In addition, we try to use a flexible workforce to move with the market, while respecting the current regulations regarding the use of freelancers.

To remain at the top of the Dutch construction sector, Heijmans is investing heavily in sustainability, industrialisation, digitalisation and innovation. It is primarily the interplay of these elements, in combination with the complexity and integrated nature of our projects, that determines the risks we are willing to take in each individual project. Our portfolio of projects, contracts and services largely determines Heijmans' risk profile. The acquisition of Van Wanrooij in 2023 and Van Gisbergen in 2024 has brought more balance to the Living portfolio and in turn to the entire Heijmans portfolio. We also embed risk management, systems and reporting in the companies we add to the Heijmans group, while we also consider it essential that entrepreneurship and independence are maintained.

From the selection of an assignment or development to aftercare, our risk management process is aimed at maintaining the right balance between entrepreneurship, return and the risk profile that Heijmans is targeting and finds acceptable. The markets in which we operate are diverse, challenging and often competitive. We carry out projects and service contracts that range from simple and small to extensive and complex. That is why we constantly reconsider which projects suit us and which do not. A responsible balance between risk acceptance and earning capacity should be the general principle.

Risk acceptance

Risk acceptance refers to the level of risk that Heijmans is willing to accept or is exposed to in the pursuit of long-term value creation. Risk acceptance involves risk limits and risk criteria. These are determined by the company's culture, corporate governance and management systems, and are set out in our values, code of conduct, policies and procedures and authorisation schedules.

We generally divide business risks into four categories: strategic, operational, financial position and reporting, and legal and regulatory. We do this for both internal and external risks and it gives us an idea of the impact on the organisation should these risks materialise. A risk matrix lists the main risks per risk category, the estimated likelihood and impact of these risks and the control measures taken. The potential impact of risks is not only determined on the basis of the financial impact on the company value, but also on the basis of the negative impact on our environment (people, the planet and society) and our reputation.

When assessing our risk acceptance, we categorise project risks. This involves looking at a project's annual revenue in relation to the company's overall revenue, the contract type, the client, the cash flow, the competence 'fit', the profitability, the capacity to do the work and the technical risk profile of the chosen solution. Based on the above, each project is categorised into a risk project category (1 to 3). This categorisation is in turn based on the principle that the higher the risk profile, the higher the authorisation in the organisation, the higher the return requirements and the more frequent the project monitoring. A workflow and authorisation are automatically linked to the risk project

category. Depending on the nature, scope and risk profile of a project, it must be approved by the business area management and/or the Executive Board. All projects in the highest risk project category 3 are discussed with the Executive Board and the Chief Risk Officer (CRO). In those cases in which we do choose to go outside the bandwidths of our risk profile and the return requirements, this requires the explicit approval of the Executive Board.

Heijmans uses an integrated CRO report to continuously evaluate project, portfolio and business risks, as well as the business risk profile and risk appetite. The CRO prepares the CRO report every quarter and discusses the report with the Executive Board and the Supervisory Board. The purpose of this report is to provide insight into the development of Heijmans' risk profile. Heijmans distinguishes between risks that involve 'running the business' and those that involve 'changing the business'. This distinction is made to focus not only on risks, but also specifically on opportunities when it comes to the implementation of our strategy for the period to 2030 with its five pillars of Well-being, Sustainability, Connection, Producibility and Team.




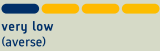
In our view, there is a responsible balance between risk and return when:

- The nature and scope of the project is a good fit with the company's objectives and the necessary experience, capacity and expertise are available.
- The project is covered by a clear and balanced contract, including how the client will finance the project to be acquired. At project level, in the event of unlimited liability, this is manageable and risks are insured where possible and desirable.
- The project is profitable, with a profit and risk mark-up appropriate to the risks and type of contract. Projects with a sales risk have a higher return requirement.
- Financing is assessed for property development activities. Aspects that play a role in this assessment are the method of financing, the term and the result to be accomplished, taking into account this higher risk profile.
- In principle, 70% of the property development project must be sold and/or let before construction starts, in the event that Heijmans bears the risk in the development of the project.

- For projects that are carried out in combination with others (partners), each partner contributes resources in proportion to their contribution, runs a proportionate level of risk and adds value to the project. This is also based on a substantiated assessment that the partner can actually bear their share of the risk.

In addition, Heijmans strives for a good balance in the revenue mix, risk acceptance and earning capacity, both between and within all the business areas. In order to achieve the right risk/return ratio for Heijmans, Heijmans' portfolio has shifted on several fronts in recent years. We take on fewer (very) large projects and more medium-sized projects; we are risk averse with regards to Design Build Finance Maintain Operate (DBFMO) contracts and focus more on construction team and two-phase contracts; plus maintenance projects and services (recurring business) account for a greater share of our portfolio, at the expense of new-build projects. All these shifts have led to a more robust portfolio of projects and services with a lower risk profile. We see examples of this in the Connecting segment, where the ratio of large projects to regional projects, specialised activities and asset management is developing in favour of the second risk category (fewer large and more medium-sized projects). In the Working segment, we strive for a balanced ratio between non-residential projects and service business. In the Living segment, we manage the ratio between development based on our own positions, tenders/competitions and existing relationships with clients, while also maintaining a healthy balance between inner-city and suburban projects. The recent acquisitions of Van Wanrooij and Van Gisbergen have resulted in a better balance in this respect. The acquisitions have also contributed to a better balance between houses and inner-city apartments. We prefer to develop from our own positions and maintain a sustainable relationship with our clients and principals. We use tenders to supplement the portfolio if we feel the need to.

Risk appetite

Category	Appetite	Explanation
Strategic For example, changed economic and/or market conditions, acquisitions, innovation, industrialisation, digitalisation and climate change.	 average (cautious)	To be successful, it is important to look outwards by following developments in the market and society, seizing opportunities (such as acquisitions) and continuing to innovate and invest in the process. To achieve this, Heijmans is prepared to accept a medium level of risk.
Operational For example, project risks, health & safety, availability and cybersecurity.	 low (minimal)	Projects and service contracts are our core business, and Heijmans, as contractor and/or developer, is only willing to accept risks that we can influence and that are manageable. And where there is a balance between risk Appetite and earning potential.
Financial position and reporting For example, credit risks, liquidity, solvency, financial resilience and reliability external and internal reporting.	 low (minimal)	Heijmans is in a strong financial position and gives priority to establishing and maintaining a sound and reliable financial reporting system.
Legal and regulatory requirements For example, non-compliance with external legal and regulatory requirements or internal regulations and processes.	 very low (averse)	Social responsibility and trustworthiness are an essential part of our business. In terms of compliance, integrity and observance of legal and regulatory requirements, Heijmans is not prepared to accept risk.

Main risks







The risk assessment describes the risks that could jeopardise the realisation of our strategic goals or our continuity. The risks are directly related to market developments, our market positioning and our business operations. Based on a benchmark, the risks Heijmans has identified are no different from those to which our industry peers are exposed. The climate-related opportunities and risks and their relevance to Heijmans are described in more detail in the Climate chapter of the sustainability report.







When determining the impact of the risks listed below, we distinguish between very low, low, medium and high.

- **Impact very low:** If the risk manifests itself, the impact on Heijmans' strategy, objectives and image will be zero in both the short and long term.
- **Impact low:** If the risk materialises, the impact on Heijmans' strategy, objectives and image will be limited in the short term and zero in the long term.
- **Impact medium:** If the risk materialises, the impact on Heijmans' strategy, objectives and image will be limited in both the short and long term and still manageable if appropriate control measures are taken.
- **Impact high:** If the risk manifests itself, the impact on Heijmans' strategy, objectives and image could be significant in both the short and long term and immediate control measures are necessary.

Strategic risks	Control measures	
Economic conditions We are faced with uncertainties in our external environment, such as business cycles, financial markets, geopolitical instability and legal and regulatory requirements (such as those related to nitrogen/PFAS) resulting in unwanted fluctuations in revenues and returns that we have no influence over.	Impact: medium Appetite: medium Trend: increasing	Heijmans has a structured crisis management and multidisciplinary business continuity organisation in place to ensure continuity in a safe and healthy manner on project sites, in the office and at home. We continuously monitor (macro-)economic conditions and we define and prepare mitigating measures to optimally anticipate changing economic conditions.
Climate change and the energy transition are vital for the future of our planet. The climate-related risks we have identified are primarily related to the potential consequences of not acting quickly enough in the transition to a low-carbon economy. Major investments and efforts are needed to reduce emissions and work on solutions that reduce the carbon footprint of Heijmans and its clients.	Impact: medium Appetite: high Trend: stable	Heijmans implemented a roadmap to achieve its net CO ₂ targets in 2023 and beyond, primarily by decarbonising our end products, but also our production facilities and/or equipment used to manufacture these end products. In addition, we work on and build climate-adaptive solutions. From 2024 onwards, we are following a roadmap we will use to reduce our scope 1 and 2 emissions to zero (including offsetting), halve our scope 3 emissions by 2030 and reduce the latter to almost zero by 2040 (excluding offsetting).

Strategic risks	Control measures	
In the case of innovative capability , there is a risk that investments, especially in a rapidly changing world in terms of with research and development, will not result in timely, new, sustainable and scalable technologies that provide solutions to tomorrow's challenges and support the net-zero-emission targets of Heijmans and its clients.	Impact: medium Appetite: high Trend: stable	Working together with universities, research institutions and other (high-tech) companies gives Heijmans a network and the ability to make use of third-party knowledge and expertise, resulting in greater effectiveness. Heijmans makes full use of technological developments in digitalisation, industrialisation, electrification, connectivity and advanced analytics to offer safer, faster and higher-quality products and services with a significantly lower carbon footprint. We also provide space for innovation, sharing and learning in our 'Hive building'. Our appetite is high as long as the scope of innovative projects is limited.
Availability of labour is related to the inability to attract, develop and retain sufficient and appropriately qualified employees.	Impact: high Appetite: medium Trend: increasing	Heijmans recognises the value of its employees, as they determine the long-term success of the company. Therefore, we offer our employees opportunities through a diversity and inclusion agenda, training courses, leadership and expertise development, career opportunities and by focusing on attracting (young) people. In addition, Heijmans invests in potentially 'forgotten' labour potential, such as refugees with residence permits, or newcomers. In addition to finding the right workforce, Heijmans invests in industrialisation and digitalisation to make itself less dependent on professional groups that are or are expected to see structural shortages in labour potential.

Operational risks	Control measures	
Inability to guarantee a safe and healthy workplace , safe working environment around work sites and safe construction structures resulting in mental and/or physical harm. Risk of fraud (internal or external) resulting in reputational damage.	Impact: medium  Appetite: low  Trend:  stable	Heijmans makes no concessions in terms of the safety of our employees and the environment in which we build and/or maintain. We work in accordance with applicable (safety) standards and are committed to a proactive safety culture both in the workplace and with regards to social safety. The GO! programme and maintaining level 4 on the Safety Culture Ladder are our guiding principles in this respect. We work with integrity and treat stakeholders as we would like to be treated ourselves. As part of our general compliance programme, we apply the Heijmans Code of Conduct for all employees, we apply the Transaction Register at Heijmans Property development and our employees have all followed the 'Zakeijk Zuiver' business integrity workshop.
Project execution not under control, resulting in loss-making and/or unpredictable projects or dissatisfied clients. Not being able to take mitigating measures early on as a result. With dissatisfied clients, missing references and the loss of follow-up assignments.	Impact: high  Appetite: low  Trend:  stable	Heijmans has taken measures to manage project risk and steer the desired risk appetite versus earning potential. The basic principle is selective tendering and/or bidding with a focus on portfolio management. All projects and service contracts require approval in accordance with the Heijmans authorisation matrix. Projects are categorised (1 to 3), with all category 3 projects and service contracts requiring Executive Board and CRO approval. Contract rules and guidelines are in place to structure projects with mandatory controls. Separately, the Risk Office performs independent reviews of projects and their progress in terms of the risk profile and we have regular Project Status Updates (PSUs). We are implementing an increasing number of performance dashboards that provide continuous insight into project performance.

Operational risks	Control measures	
Failure to control inflation and price rises in the supply chain (subcontractors, materials and services) and insufficient access to qualified and cost-effective suppliers has a major impact on the availability and price of materials and products , which in turn has an impact on projects, both financially and technically.	Impact: medium  Appetite: low  Trend:  declining	We seek to mitigate the risk of price increases by working with established partners and securing procurement at an early stage. Heijmans has a supplier management process that aims for long-term reciprocal relationships with added value for all parties. Heijmans works with selected groups of suppliers and subcontractors at various levels. We assess suppliers on five different themes: safety, quality, total cost, logistics and engineering and process. This assessment leads to a dialogue aimed at improving performance and the continuation of the cooperation, and to look for alternatives (plan B) if necessary.
GDPR and Cybersecurity: asset loss due to theft, improper use or inability to access systems. In addition, confidential and other information may fall into the wrong hands or violate privacy regulations (GDPR).	Impact: high  Appetite: very low  Trend:  increasing	Heijmans applies GDPR and security management measures with respect to the availability and continuity of information, including cybersecurity breaches. Based on this policy, we have embedded control measures, such as the formulation of guidelines and regular risk awareness tests among our employees.

Financial position and reporting risks	Control measures	
Transparent, honest and accurate reporting of our performance and financial results is essential for confidence in Heijmans. The timeliness of our identification of developments in our performance determines the extent to which we can make adjustments. If our solvency and liquidity come under pressure, this limits the scope for enterprise. Not being able to decide on its own finances and not being prepared for setbacks affects Heijmans' financial resilience .	Impact: high 	Heijmans' financing strategy is based on long-term relationships with reputable financial institutions and a well-spread repayment schedule. Heijmans has a guarantee policy with conditions with respect to the types of guarantees, terms and amounts to be guaranteed. Treasury assesses any guarantee requests; these are all placed with various guarantee providers and monitored in terms of any developments in the issued guarantees. We conduct intensive stakeholder management with bilateral financiers. Heijmans has a guarantee policy with conditions in terms of with respect to the types of guarantees, terms and amounts to be guaranteed. Heijmans has a tight planning and control cycle we use to review the financial status in relation to budget, financial and operational progress of projects, short and long-term opportunities and risks.
	Appetite: low 	
	Trend: stable	

Legal and regulatory requirements risks	Control measures	
Failure to comply with legal, fiscal and regulatory requirements . The pace at which new forms of cooperation and contracts, social developments related sustainability and the environment, intellectual property, IT law, cybersecurity, GDPR and energy transition emerge is so rapid that we need to alert to changing legal and regulatory requirements.	Impact: medium 	We always comply with legal and regulatory requirements. In addition, we have embedded integrity in our culture with the 'Zakelijk Zuiver' internal integrity awareness programme. Heijmans has a code of conduct and a compliance framework with an annual fraud risk analysis. Reported compliance risks are discussed in the Executive Board.
	Appetite: very low 	
	Trend: increasing	

Risk framework

To make sure we can recognise and manage all possible risks in time, and be in a position to take advantage of opportunities, we have established and implemented procedures and measures at every level of our organisation. We have placed responsibility for compliance with these procedures right across the entire organisation. The Executive Board creates the frameworks and provides the resources, and is also responsible for the overarching risks at the level of Royal Heijmans N.V. The Chief Risk Officer reports to the Executive Board and the Supervisory Board on the company risk profile. The Risk and Audit Manager reports to the Executive Board and the Audit and Risk Committee of the Supervisory Board on compliance with the control measures and their effectiveness. Relevant findings and recommendations from the Risk Office and Corporate Audit are shared with the participants in the Acquisition, Preparation & Realisation and Service & Maintenance process consultations.

Our risk management system is based on the COSO ERM framework, in which project-related risk management is the common thread. Our internal control system is organised top-down and includes control measures at the strategic, tactical and operational levels of our organisation. Based on this framework, Heijmans continuously assesses how all the components of the COSO ERM framework are embedded within the organisation at the first, second and third lines of defence. We call this the Heijmans Governance, Risk & Compliance model. We recognise that GRC systems can be complex and can overshoot their target. That is why we are continuing to develop our model, with the emphasis on the safeguarding of the twenty building blocks by the key officers to whom the Executive Board has delegated tasks and responsibilities. This model is also in line with the approach expected on the basis of the CSRD guidelines.



Governance & Culture

1. Responsibility Executive Board, oversight Supervisory board
2. Policy structure & operational model
3. Acceptable behaviour
4. Integrity, norms and values
5. Attracting, developing and retaining talent



Strategy & goals

6. Analysis business context
7. Determining risk acceptance
8. Evaluating alternative strategies
9. Formulating business goals



Execution

10. Identifying risks
11. Analysing risks
12. Prioritisation of risks
13. Managing risks
14. Developing portfolio view



Review & revision

15. Assessing changes
16. Risk and performance reviews
17. Implementing improvements in ERM



Information, communication & reports

18. Relevant information (definitions) & information systems
19. Communication of risk information
20. Reports on risk, performance and culture

Culture and risk awareness

Heijmans believes that the culture of the organisation is a significant factor in the management of risks. Due to their inherent risks, projects can entail a certain degree of unpredictability that cannot be entirely mitigated by guidelines and procedures alone. This requires a certain level of flexibility and an open/transparent and action-oriented culture in which people show sufficient ownership to identify and discuss and solve any problems that may arise in a timely manner. The example set by management is crucial in this respect, as is calling each other to account for failing to comply with agreements, but also pointing out things that are going well or not going well. By providing training courses that incorporate conduct and culture-related elements, we make clear to our employees what behaviour we expect of them and what behaviour we find unacceptable. Examples of these include the Heijmans Code of Conduct, the 'Zakelijk Zuiver' business integrity programme, the 'Working safely with data' programme, the Risk Management Masterclass and the GO! Compass.

Privacy compliance

At Heijmans, we devote a great deal of attention to compliance with privacy regulations. All employees regularly follow an e-learning course on this subject and we share a lot of practical information via our internal platform Viva Engage. We provide specific training and lectures for various target groups. In addition, we have appointed General Data Protection Regulation (GDPR) contacts in all business units to advise on any privacy issues that may arise. At a central level, the Privacy Officer deals with policy aspects and is the go-to person for more complex questions.

Given the increasing importance and complexity of privacy and cybersecurity, the privacy office and IT security department launched a long-term awareness programme called 'Working safely with data' in 2023. The emphasis is more on behavioural change and less on knowledge transfer. We use technological tools to actively reduce this risk.

Procedural measures

Management across the company is bound by clear frameworks regarding representation and decision-making. Important aspects of the control framework are:

- Management regulations and instructions for the management of the operating companies/ business units, focusing on authorisations, project acquisition, entering into investment commitments and reporting and accountability obligations.
- Our authorisation matrix provides guidance on this front.
- Conduct-oriented instruments such as the Heijmans Code of Conduct, the GO! Compass and the Transaction Register and the Customer Due Diligence (CDD) check at Heijmans Property Development.
- An Accounting Manual with regulations for internal and external financial reporting and related procedures.
- Business process systems for the primary and secondary processes of the Living, Working and Connecting business areas, aimed at the uniformity of processes across the group and the sharing of best practices.
- Register of statements as an additional guarantee for the integrity of senior management and specific positions. This includes official Certificates of Good Conduct and Certificates of Judicial Background.
- Internal audit programme aimed at compliance, with control measures related to project-specific risks, the management of organisation-wide business process risks and the safeguarding of certifications.

Internal guidelines

The Executive Board determines the operational parameters of the directors and management of the business areas. The authorisations related to project acquisition, entering into investment commitments and reporting and accountability obligations are embedded in management regulations and instructions to the management of the business areas:

- Rules for internal and external financial reporting are laid down in the Accounting Manual, including related procedures such as the procedure for investments and entering into joint ventures with other parties.

- Tender guidelines, tender board, go/no-go process for tenders in project risk category 2 and 3 and all project risk category 3 tenders subject to authorisation by the Executive Board. For each project risk category 3 tender, Heijmans conducts an independent risk review under the guidance of the Chief Risk Officer and this is reported to the Executive Board, both at several moments during the tender process and during the execution.
- The business process systems include descriptions of primary and secondary processes of the Living, Working and Connecting business areas, including risk management systems, which are used to identify and control project-related risks. This promotes uniformity of processes across the entire group. The Heijmans-wide SAP-based ERP platform is making an ever greater contribution to this uniformity.

Planning and control cycle

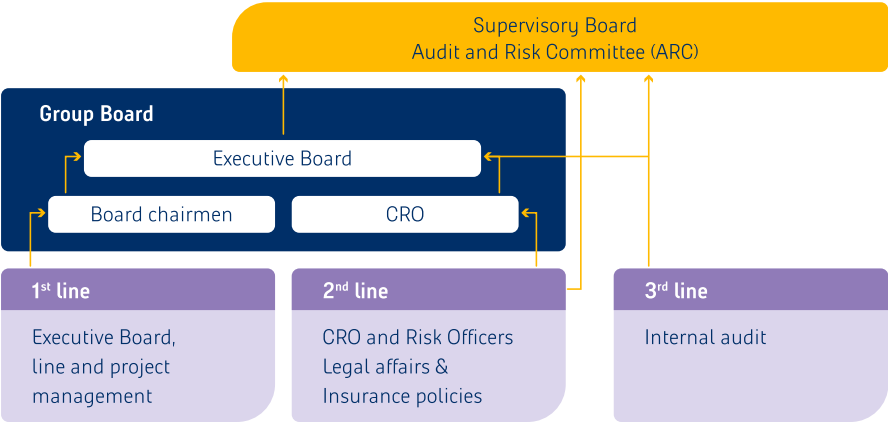
The strategic pillars and the bold statements derived from those pillars are aimed at achieving Heijmans' long-term objectives. The Risk Office performs stress tests to determine the extent to which Heijmans can absorb potential worst-case scenarios in given circumstances (crumple zone). The Executive Board consults on a regular basis – and on an ad hoc basis if necessary – with the management of the business areas and the project management about material themes. In these meetings, they review the developments in relevant markets, the (financial) situation in relation to the budget and targets, the financial and operational progress of projects, sustainability and safety, all based on monthly and quarterly reports. They also focus on impacts, opportunities and risks for the short and long term in relation to the strategy and targets. For projects in progress with an elevated risk profile (particularly project risk category 3), the Executive Board, the CRO and the management of the business areas also conduct regular project reviews, in which they address impacts, opportunities and risks for short-term and long-term risk management. The status of sales, unsold inventory and options for the Living segment are reported to the Executive Board on a weekly basis using a dashboard.

Risk governance

The Executive Board is ultimately responsible for risk management within the company and sets the risk acceptance level. In addition, every Heijmans employee is aware of their role in the management and/or mitigation of the risks to which the company is exposed. Heijmans' risk management and internal control process is essential to our business model and is implemented at three levels in the organisation:

- The first line is the operation responsible for implementing and complying with agreed procedures and managing the associated operational risks and specific project risks. In this respect, we recognise the following gradation:
 - the management of project-level risks from project development, design and construction to completion and maintenance: primary responsibility project and/or line management.
 - the management of business risks of the portfolio of projects and sales, general and administrative costs at business area level: primary responsibility business area management.
 - the management of the portfolio of projects across business areas and business risks at group level: primary responsibility Executive Board.
- The second line includes the Risk Office, Legal Affairs and Compliance and analyses and tests the substance of the risk profile, gives an independent opinion, develops and improves management measures across business areas, codifies lessons learned and ensures that these are fed back to the first line, and reports regularly to the Executive Board, Group Council and the Audit and Risk Committee of the Supervisory Board.
- The third line (Internal Audit) uses an audit programme to monitor the correct compliance and effectiveness of the control measures and reports regularly to the Executive Board, the Group Council and the Audit and Risk Committee of the Supervisory Board.

The Audit and Risk Committee, the Executive Board and the Group Council receive independent information about risk management activities from both the CRO (substantive reporting on Heijmans' risk profile) and Internal Audit (reporting on risk-driven process tests). The Audit and Risk Committee assesses the quality of reporting and the effectiveness of Heijmans' internal risk management and control systems for the purpose of advising and preparing the decision-making of the Supervisory Board. The Audit and Risk Committee reports its observations and findings to the full Supervisory Board.



Risk Office

The Risk Office, led by the CRO, is responsible for the second line of risk management. The Risk Office's goal is to permanently raise risk management and a risk-aware culture to a higher level across the entire organisation. In addition, the CRO and the Risk Office form a second pair of eyes (at a substantive level) on project, portfolio and business risks. The CRO and the Risk Office are independent of the company's operational processes, with the CRO reporting directly to the Executive Board. The Risk Officers come from various Heijmans business units, and are a mix of experienced specialists and management potentials with project-specific knowledge and experience. After a period in the Risk Office, a Risk Officer returns to their business unit and is succeeded by a new experienced specialist from that business unit. At Heijmans, a period of employment as a Risk Officer is an important part of succession planning and leadership development.

Heijmans regularly evaluates the activities of the Risk Office and makes adjustments if this proves necessary. In addition, process meetings deal with and adjust elements on a Heijmans-wide level, which results in the continuous improvement of both risk awareness and risk management. These process meetings discuss and make improvements on issues such as the weighting model for project categorisation, tender board presentations, use of supporting tools, adjustment of formats used, etc.

Risk Officers are involved in categorising projects for pre-qualification and project selection. They provide an independent opinion on the risk profile of all project risk category 3 tenders and the larger and more high-risk project risk category 2 tenders. They are deployed for both the substantive design of second-line risk management and the substantive performance of independent risk reviews of tenders and projects under construction. In the CRO report, the CRO provides a quarterly update on the development of Heijmans' business risk profile.

The CRO is also consulted in the selection of partner choices for larger projects based on a predefined weighting framework and reports their findings to the Executive Board.

Internal Audit

Heijmans has an internal audit team whose primary task is to initiate and realise sufficient risk-driven process audits, including clear feedback to the relevant management and follow-up actions. In 2024, the team performed standard and risk audits in accordance with the audit plan. In addition, the team performed regular conformity audits to ensure that the processes continued to run smoothly at the right level. The findings from the audits are compared with the main risks identified by Heijmans and the associated risk acceptance.



Internal Audit shares the most important findings from the audits with the Audit and Risk Committee of the Supervisory Board, the Executive Board and the management teams of the business areas on a quarterly basis. The entire audit programme is monitored using a tool that records the audit schedule, the audits, the findings and the follow-up actions for the entire company. When the audits result in remedial or improvement actions, these are assigned to those responsible for the actions. A dashboard is now providing us with ever greater insight into the nature and scope of the findings - as well as their interrelationship - and enables us to take risk-based actions on a Heijmans-wide scale. In consultation with the Executive Board and the Supervisory Board, a number of focus areas for the audit programme have been designated for the coming audit year, which runs from April to March. We will determine the focus of the audit programme in the first quarter of 2025. We expect the focus to be on maintaining existing processes (conformity), predictability, compliance with the General Data Protection Regulation (GDPR), the deployment and contracting of freelancers, the evaluation of material investments and the embedding and implementation of the identified improvement actions.

External auditor

The external auditor KPMG audits the annual financial statements. The findings from the management letter are compared with the findings of Internal Audit and included in the improvement register. The auditor also has access to the CRO and audit reports and is present at least once a year for their discussion of these with the Supervisory Board.

External certification audits

Heijmans places a high priority on safety, quality and the environment. The corresponding certifications are regularly subjected to structured audits by external bodies. The relevant findings, deviations and recommendations are included in the quarterly reports of Corporate Audit. Heijmans is certified for the ISO 9001, ISO 14001 and SCC** en SCC-P, (Infra) standards, plus the CO₂ Performance Ladder, FSC/PEFC and various Evaluation Guidelines (Dutch: BRLs). On the safety front, Heijmans is certified at Safety Culture Ladder level 4, with the exception of its recent acquisitions.

Where possible, Heijmans uses uniform processes and methods, with room for customisation when necessary. The recently acquired companies (Van Wanrooij and Van Gisbergen) are still certified according to their own management systems.

Executive Board and the Risk and Audit committee

The Risk Office and Internal Audit prepare quarterly reports and discuss these with the Executive Board, the Group Board and the Audit and Risk committee. The focus in these meetings is on ownership and the follow-up on mitigating measures and improvement actions. In 2024, the Audit and Risk Committee was informed, with the aid of a dashboard, about the tool used to monitor audit planning, the recording of findings and the follow-up on actions. The dashboard enables us to analyse findings more effectively and to focus the audit programme in the future on unwanted risks based on our risk acceptance.

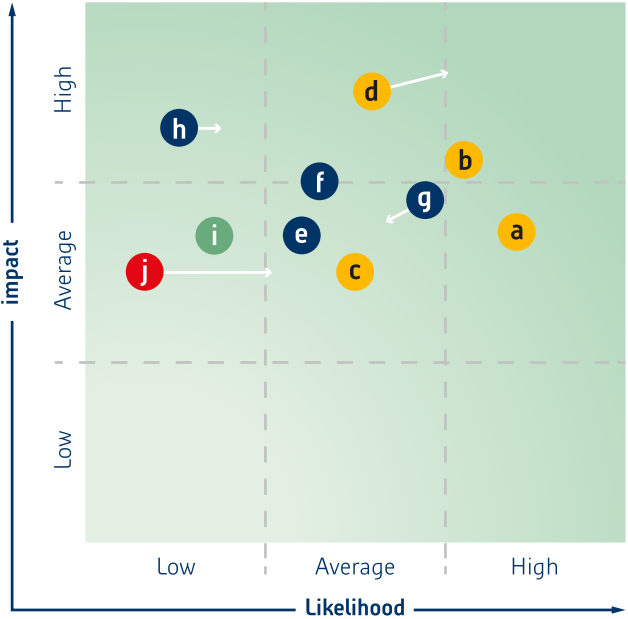
Management statement

The Executive Board is responsible for Heijmans' risk framework and for assessing its effectiveness under the supervision of the Supervisory Board. The Executive Board has delegated responsibilities to the officers/roles described in the framework. The framework, as described above, is designed to manage the main risks that could prevent us from achieving our business objectives. However, the framework does not provide a complete guarantee that all control gaps, material misstatements, cases of fraud or violations of legal and regulatory requirements will be prevented. The risk framework should ensure consistent and reliable financial reporting, both internally and externally. In accordance with the Dutch Corporate Governance Code, we have assessed the design and operational effectiveness of our risk framework. For more information, see the Management Statement appendix.

Development of the risk profile

Heijmans actively monitors both its business risks and its portfolio of project risks. Heijmans monitors its main risks using dynamic heatmaps, both for operational opportunities and risks ('running the business') and for strategic opportunities and risks ('changing the business').

The Executive Board and Supervisory Board regularly map and review the expectation and impact of opportunities and risks.



Risico	Categorie	Trend
a Economic conditions	Strategic	Rising
b Climate change and energy transition	Strategic	Stable
c Innovative capability	Strategic	Stable
d Labour availability	Strategic	Rising
e Safe and healthy workplace	Operational	Stable
f Project execution	Operational	Stable
g Availability of materials	Operational	Declining
h GDPR and cybersecurity	Operational	Rising
i Financial resilience	Financial	Stable
j Compliance with laws and regulations	Compliance	Rising

In 2024, the internal risk profile of Heijmans' business operations rose slightly due to the start-up of large projects and contracts at Working and Connecting. In the project execution in the Living segment, this was offset as a result of the increased share of houses in the mix of projects. Due to our selective project acquisition policy and conservative valuations, the project portfolio does not contain any major surprises. The current project portfolio has been valued adequately, taking into account the risk profile of the various projects.

The external risk profile remained the same in 2024. Although geo-political and national political conditions remain unsettled, procurement markets have stabilised at a new normal and interest rates and inflation fell slightly in the second half of 2024. We did see a further increase in the pressure on the labour market. Despite internal and external challenges, all segments were able to operate successfully in 2024. In addition, the existing crumple zone, the buffer to absorb any setbacks, has grown to a robust level.

Risk manifestation

The main operational risks that Heijmans faced in 2024 were risks resulting from labour shortages, limited capacity to execute projects and uncertain budgets at government level, as well as project delays due to nitrogen emissions issues or objections from local communities (permit applications).

The growing and changing order book at Working and Connecting requires strong tender and project management. Labour market shortages and increased mobility are creating quantitative and qualitative imbalances in staffing capacity, which can pose a portfolio risk. Heijmans mitigates this risk in part by applying a selective tender policy (return-potential and risk-driven) and in part by making extra efforts to recruit, train and retain people.

In the Living segment, we are dealing with prolonged spatial planning procedures and stagnating permit issuance, combined with limited administrative capacity, which is leading to delays. Lengthy objection procedures by stakeholders are causing further delays.

Nitrogen emissions problems have led to delays in projects, particularly new-build projects at the Ministry of Public Works and Water Management's line infrastructure division. This involves the entire traffic infrastructure and related environment intended for the movement and transport of people, goods and communications. This includes motorways, waterways, pipelines, power lines and telecommunications infrastructure. The shortage of government budgets for infrastructure projects has also led to projects being postponed or cancelled.

Heijmans has mitigated these risks by shifting the project portfolio towards the replacement and renovation of infrastructure (roads). In addition to linear infrastructure, we are increasing our commitment to flood protection programmes and the energy transition, as well as putting a greater focus on the replacement and renovation of existing linear infrastructure.

By periodically monitoring our most important projects and contracts, we try to identify undesirable developments in a timely manner, so we can take appropriate management measures at the earliest possible opportunity. In this regard, we learned over the past year that monitoring long-term projects and responding to (weak) signals as soon as possible is essential if we are to intervene in a timely manner.

It is important that the Risk Office is and remains independent of the procurement team in order to bring and maintain sufficient focus in the considerations we make during the tender process.

Heijmans is agile and can respond adequately to changing circumstances. If the market deteriorates or changes substantially in the future, pressure on the order portfolio may increase. We remain vigilant in order to prevent any increase in our risk acceptance and our general cost levels, which could create potential problems for the future. We will therefore continue to prioritise margin over volume.

Integration of CSRD-driven impacts, risks and opportunities

From the 2024 reporting year onwards, Heijmans is also subject to the Corporate Sustainability Reporting Directive (CSRD). Based on the legal and regulatory requirements, which is explained in more detail in the sustainability report, Heijmans will need to continue to integrate ESG-related risks in its existing risk management system in the coming years.

Heijmans is currently improving the management measures for ESG-related reporting. Heijmans prioritised a number of material topics (within ESRS standards E1 - Climate Change and S1 - Own Employees) in the current reporting period. In the Own Employees sub-theme, Health and Safety is currently the most developed topic, and for this we use automated checks in the existing reporting system.

The ESG reporting processes and definitions have been formalised as part of Heijmans' Accounting Manual. The Accounting Manual covers governance, roles and responsibilities, and management review controls for reporting on ESG-related information. It provides guidelines for the collection, consolidation and reporting of data, and describes the relationship to the risk management process (from risk identification to monitoring). We will follow up on this in 2025. Finally, we will integrate the operational impacts, risks and opportunities identified during the double materiality analysis in the existing ERM framework in the coming year. This takes into account the translation of the financial materiality scales to the use of Heijmans' risk prioritisation methodology. The existing documentation currently focuses primarily on risks related to the completeness, scope and timeliness of information, which is substantiated by management review checks. As described above, we are investigating how we can extend this approach to other material themes with different types of checks.

At the moment, we are using the same management lines described in the previous sections. The Executive Board is responsible for Heijmans' risk framework and for the assessment of its effectiveness and compliance under the supervision of the Supervisory Board. There is no formal delegation to functions and committees yet. However, the internal sustainability team and the business areas currently play a leading role in the process of managing impacts, risks and opportunities. As part of this role, they actively communicate with the Executive Board at least once a month about the implementation of legislation and the management of material impacts, risks and opportunities. Topics of discussion include the impact on strategy, the implementation of due diligence procedures and the implementation of policies, targets, actions, and any associated data. We will continue to formalise and integrate this working method in the coming reporting year.

Sustainability report

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General information

About this report

For the first time, the report has been drawn up in accordance with the structure and requirements of the European Sustainability Reporting Standards (ESRS), as prescribed by the EU's Corporate Sustainability Reporting Directive (CSRD), which applies to Royal Heijmans N.V. from 2024. This report marks our first step in complying with the CSRD, for which we have adopted a phased approach. We expect our reporting to grow in maturity and depth in the coming years.

ESRS structure and requirements

According to the ESRS, companies are required to disclose their environmental, social and governance information in a special section called the 'Sustainability Report', which is included in the management report. To comply with this requirement, the section containing sustainability data has been integrated into the chapters on 'Climate', 'Water', 'Biodiversity', 'Resource use and circular economy', 'Social information' and '(Business) Conduct and integrity'.

In the first chapter of the Sustainability Report, we provide a detailed description of our double materiality assessment and an overview of the ESRS topics that we have identified as material. In the following sections, we report on our impact, ambitions, policy, strategies, actions, resources and progress towards targets for each of these material topics. See 'Notes' for more detailed information and a detailed overview of all ESRS disclosure requirements.

Inclusion via references

To streamline our sustainability reporting, we have included certain information by referring to other parts of this integrated report. Below you will find a summary of the ESRS requirements and specific data points that have been included via reference to other parts of the report or the financial statements, so that stakeholders can easily find the relevant information:

- 'In dialogue with stakeholders'
- Information on the composition and diversity of the members of the Executive Board, senior management (sub-top) and the Supervisory Board in Governance – 'Organisation of corporate governance' and 'Diversity'
- 'Risk management'
- Information on the remuneration schemes and the remuneration policy, linked to sustainability themes, in the 'Remuneration report Royal Heijmans N.V. 2024'
- Entity-specific KPI information, related to our strategy, is included in 'KPI table' appendix

Reporting methodology

Scope

Heijmans and its activities are focused entirely on the Netherlands. This annual report presents sustainability information that specifically relates to these activities, with attention paid to the value chain: from the supply chain (upstream) and our own operations to the impact of end users (downstream).

The sustainability information in this report is reported on a consolidated basis. The consolidation scope here is equal to that of the financial statements, supplemented with specific requirements for operational control in sustainability information. This is because the reporting requirements for certain material topics state that Heijmans is responsible for the sustainability impact of entities over which it has operational control, even if it does not fully own these entities.

Definition of operational control according to Annex 2:

Operational control (over an entity, location, activity or asset) is the situation in which the company has the ability to direct the operational activities and relationships of the entity, location, activity or asset. We distinguish four categories of associate, differentiating between full operational control, shared operational control, no operational control and situations without operational control, but with influence. This framework enables transparent and proportional reporting of scope 1, 2 and 3 emissions, and ensures consistency with previous years and future developments. This system lays the foundation for a robust and reliable reporting infrastructure that is flexible enough to be evaluated and adjusted in subsequent cycles.

The information in the sustainability report is in accordance with the information prescribed by the ESRS. There is no (partial) application of other reporting standards or frameworks.

Recent acquisitions

Van Wanrooij

Van Wanrooij has been a 100% subsidiary of Heijmans since the autumn of 2023. The 2024 reporting year should be seen as a transition year with regard to sustainability policy, action plans and targets in view of the relatively recent acquisition of the company. In 2024, Van Wanrooij had no policy, actions or targets available with regard to the material topics in line with CSRD. As a subsidiary of Heijmans, Van Wanrooij is expected to follow Heijmans' policy wherever possible. Heijmans will draw up a plan for policy integration for the 2025 reporting year.

This annual report includes all financial and non-financial data. The data required for the KPIs related to the material topics are largely available to Van Wanrooij, and the remaining data will be supplemented by estimates. The availability of data and estimation methods will be explained in 'Notes'.

Van Gisbergen

Van Gisbergen has been a wholly owned subsidiary of Heijmans since September 2024. Van Gisbergen's financial data is included in these financial statements from the date of acquisition. In view of the fact that the acquisition took place recently, there is currently limited insight into Van Gisbergen's sustainability information. Heijmans will develop a step-by-step plan for further integration of KPIs, action plans, targets and policy in accordance with CSRD legislation in early 2025. The basic principle is to report on a fully consolidated basis for the 2025 reporting year.

Reporting principles applied

Time horizon

Heijmans has deviated from the medium-term and long-term time horizon defined by ESRS 1 6.4 Definition of short, medium and long term for reporting purposes. This is in line with our new strategy, which covers the period 2024-2030. This strategy is at the heart of our vision for the future and our bold statements are also specifically geared to this time frame. Furthermore, to offer transparency and make our progress measurable, when presenting our outlook to the market, we identified an important intermediate moment: the year 2027. This intermediate moment will enable us to carry out interim evaluations and adjust our strategy if necessary, so that we remain on course to achieve our long-term targets.

The definitions of the time horizons used: short, medium and long term, are as follows:

Time horizon	Duration	Definition
Short term	≤ 1 year	An impact, risk or opportunity is short-term if the effect occurs within one year from 2024.
Medium term	> 1 year and < 4 years	An impact, risk or opportunity is medium-term if the effect will occur in the next one to four years from 2024.
Long term	≥ 4 years	An impact, risk or opportunity is long-term if the effect occurs after four years from 2024.

Classified and sensitive information

The company has not used the option not to report specific information elements focusing on intellectual property, know-how or innovation results. In addition, there are currently no developments or issues pending that would require exemption from reporting.

Estimates and sources of uncertainty and assumptions

In the Notes section, we indicate whether there are any elements of estimation, measurement uncertainty and assumptions with regard to our KPIs, including in the value chain. By reporting this information, our aim is to increase transparency and help users to better understand the context of the KPIs. This enables stakeholders to interpret the figures with due caution and to take into account any limitations in the accuracy of the measurements.

Going forward, our aim is to continue to improve the accuracy of these estimates. We will do this by optimising data collection, refining the methods used and applying more advanced analysis techniques. This will enable us to continue increasing the reliability of our KPIs and provide even greater insight into the performance of the value chain.

Comparative figures

For previously reported KPIs, we report comparative figures for the 2023 reporting year. For gross scope 1, 2 and 3 emissions and total greenhouse gas emissions, we also report figures for the 2019 baseline year. There are no comparable data available or published for new KPIs.

Reporting errors in previous years

We report transparently on any reporting errors from previous years. We explain the nature of the material error, the correction and, if a correction is not possible, the circumstances that led to the error. In 2024, one situation occurred that led to a correction in the 2023 figures. This involves the reported impact of delivered infrastructure assets on scope 3 category 11, for which no data was available in 2023. In 2024, this impact was mapped for the first time and applied retroactively to both the baseline year 2019 (+81 ktonnes) and the reporting year 2023 (+79 ktonnes).

Expertise in sustainability issues and the role of the Executive Board and Supervisory Board

Our organisation's Executive Board has a high level of expertise in the field of sustainability, based on knowledge and experience. For the material sustainability themes, there are both internal experts at the holding level and within the business areas, who are consulted as needed on specific impacts, risks and opportunities.

When there is a mismatch between the required and available knowledge, the Executive Board takes proactive steps to bridge this gap. Hiring external experts and working closely with advisory committees and sustainability networks provides valuable input and helps shape sustainability strategies. By actively exerting influence through these bodies, the Executive Board can effectively steer sustainable development and ensure that the organisation continues to excel in terms of its sustainability targets.

Business model and strategy

The overview on the following page aims to provide insight into the differences and similarities between the double materiality analysis (DMA) and the 'Together towards 2030' strategy. In the overview below, the various pillars of Well-being, Sustainability, Team, Connection and Producibility are linked to the various ESRs from the CSRD. In this way, we make the link between what has emerged from the DMA and the strategy we have developed. For the most important information per theme, please see 'Notes'.

Our basis

This applies to everything we do

Safety
Value creation
Quality
Risk management

Specific material themes linked to 'Our basis'

ESRS G1

Protection of whistleblowers

IRO no. **9**

MAIN POLICIES

- Business Integrity
- Reporting procedure
- Code of conduct

ESRS G1

Corruption and bribery

IRO no. **10**

MAIN POLICIES

- Business Integrity
- Reporting procedure
- Code of conduct

ESRS S1

Health and safety

IRO no. **7**

POLICIES

- Human rights policy
- Anti-discrimination
- Heijmans GO!
- Code of conduct
- Reporting procedures

Our strategy

WHAT
WELL-BEING

We make people
happier

WHAT
SUSTAINABILITY

We give more
than we take

WHO
TEAM

We inspire with
surprising talents

HOW
CONNECTION

Together, we ensure the
biggest possible step forward

HOW
PRODUCIBILITY

We work smarter and
get more done

ESRS E1

Climate
adaptation

IRO
no.
1

Link to
bold statement
3

Climate mitigation,
Energy

IRO
no.
2

Link to
bold statement
3 6

MAIN POLICIES

- Climate mitigation and adaptation
- Energy efficiency
- Renewable energy roll-out

ESRS S1

Employment conditions

IRO
no.
6

Link to
bold statement
10 11

POLICIES

- Human rights policy
- Anti-discrimination
- Heijmans GO!
- Code of conduct
- Reporting procedures

ESRS G1

Manage relationships with suppliers, incl. payment practices

IRO
no.
11

Link to
bold statement
7

MAIN POLICIES

- Business Integrity
- Reporting procedure
- Code of conduct

ESRS E3

Water

IRO
no.
3

Link to
bold statement
5

MAIN POLICIES

- Water balance
- Water quality
- Water use
- Water safety

ESRS E4

Direct pressure factors biodiversity loss

IRO
no.
4

Link to
bold statement
4

MAIN POLICIES

- Room for nature
- Species richness
- Environmental conditions
- Nature as a resource

ESRS E5

Resource use and circular economy

IRO
no.
5

Link to
bold statement
3 9

MAIN POLICIES

- Reducing waste
- Identifying secondary and renewable origins in incoming material flows
- Extension useful life of outgoing material flows
- Improving environmental performance by applying circular principles

Our bold statements*

1 2 3 4 5 6 7 8 9 10 11 12

* The dark blue numbers represent a link to the material themes and thus to the 2024 management report.

Strategy in relation to sustainability themes

It is essential that our strategy and reporting focus on the sustainability themes that are most relevant to us and our business. We evaluate whether we are operating in line with the material topics that have the greatest impact on Heijmans, together with the material topics that Heijmans has the greatest impact on in our operating environment. We will evaluate these regularly to ensure that they reflect the most relevant developments within our organisation and in our value chain. We aim for an annual assessment of the impact of the material topics on our business model, value chain, strategy and decision-making. We will also assess how the interests of our own workforce and those of workers in the value chain are incorporated into our strategy and business model. We did not do this in 2024 due to the timing of the double materiality analysis and strategy development. However, in the coming years, a steering committee with representation from the Strategy and Sustainability departments, among others, will oversee this coordination. Actions that influence the strategy and/or the business model will be included under the relevant material topics with the associated methodology and assumptions. Heijmans has currently formulated targets for the themes of Climate change, Biodiversity and Our own workforce. We aim to embed these ambitions more deeply in the business model by making the connection with our products, services and stakeholders and vice versa more explicit.

See the 'Strategy 2030' and 'How we create value' sections for an explanation of our business model.

In the year under review, we did not carry out a formal resilience assessment for all sustainability topics. This process includes a comprehensive evaluation of how our business strategy can withstand and adapt to various challenges and changes in the external environment, including economic, environmental and social factors. We aim to carry out this resilience assessment in the coming years.

We have not identified any direct financial impacts, partly because all the opportunities from the double materiality analysis are medium-term to long-term, and partly because we have not identified any risks.

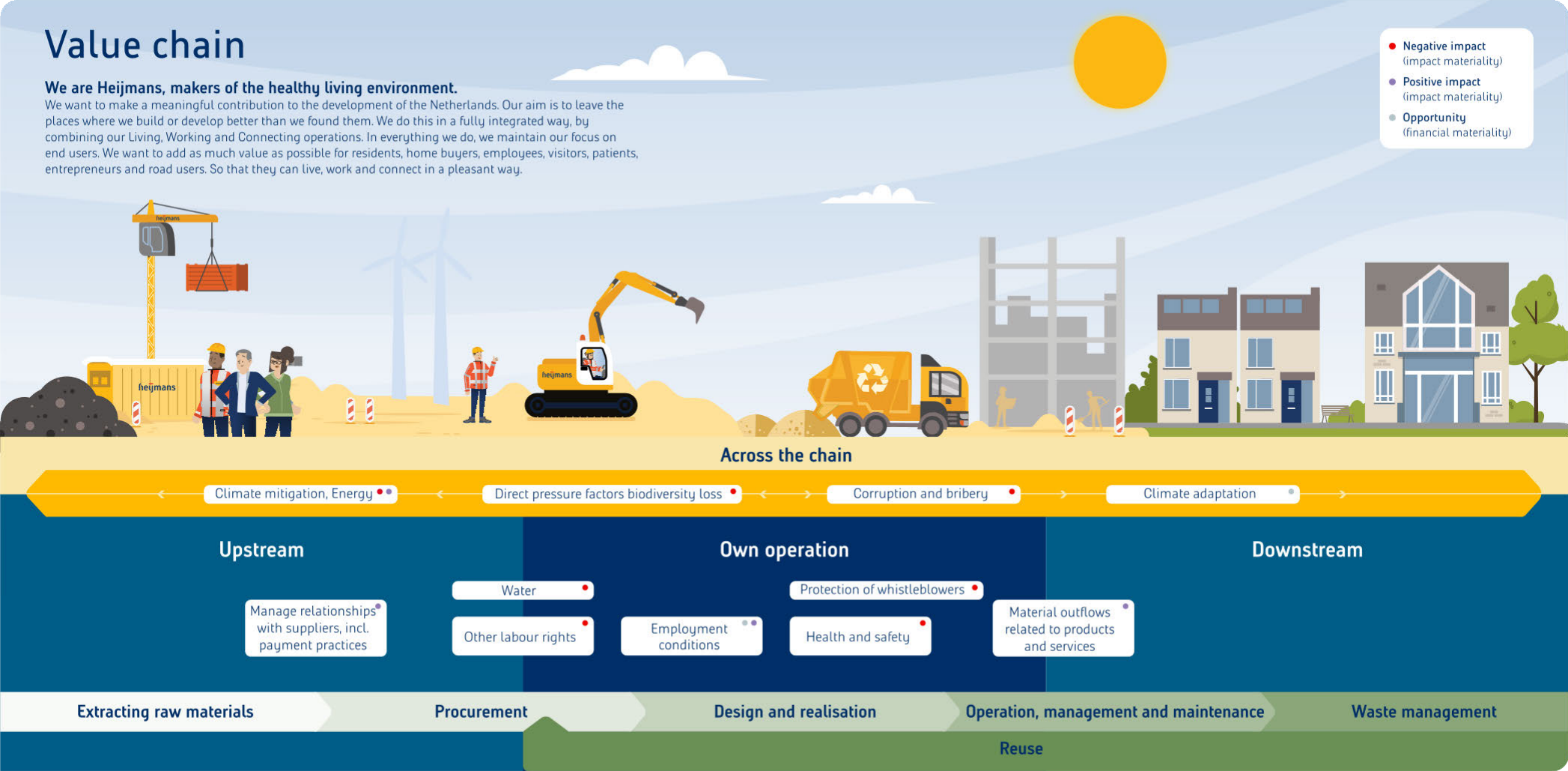
For the year 2024, there were no changes in the material impacts, risks and opportunities compared with the previous reporting period. This is because 2024 is the first year in which we are reporting according to ESRS requirements. Since this reporting obligation was not previously in force, it is not possible to compare these with previous reporting periods.

Value chain

We are Heijmans, makers of the healthy living environment.

We want to make a meaningful contribution to the development of the Netherlands. Our aim is to leave the places where we build or develop better than we found them. We do this in a fully integrated way, by combining our Living, Working and Connecting operations. In everything we do, we maintain our focus on end users. We want to add as much value as possible for residents, home buyers, employees, visitors, patients, entrepreneurs and road users. So that they can live, work and connect in a pleasant way.

- Negative impact (impact materiality)
- Positive impact (impact materiality)
- Opportunity (financial materiality)



We are Heijmans, creators of the healthy living environment

Our role in the chain

Our value chain encompasses a wide range of activities that together contribute to the development, realisation and maintenance of construction projects. This chain extends from the extraction of raw materials to waste management and reuse at the end of a project's lifespan. The value chain is divided into three main segments: upstream, our own operations and downstream.

1. Upstream

In the upstream phase, we focus on the extraction of raw materials and the procurement of required materials and services. This is a crucial link in our value chain, in which sustainability and labour rights are key. We carefully consider the risks surrounding labour rights so that we can operate ethically and contribute to a fair and safe working environment.

In addition, we process various types of materials such as steel, timber, concrete, bricks, asphalt bitumen and installation components. The sustainability of materials is playing an increasingly important role. The majority of these materials are purchased from suppliers in the Netherlands, while a smaller portion comes from other European countries and only a fraction from outside Europe.

Our supply chain consists of a wide range of partners, including suppliers, research institutes, building material producers and employees in the transport and raw materials extraction sectors. To realise our projects, we utilise technical services and know-how that are essential in the preparatory phases of any construction project.

By taking this careful approach in the upstream phase, we are taking steps towards a more sustainable construction process, actively striving for responsible procurement and a positive impact on the environment and society.

2. Our own operations

The phase of our own operations is at the core of our business operations and includes design, engineering and the actual construction. This is the phase in which we combine our expertise and innovative power to realise and manage projects. This phase offers opportunities to integrate sustainable solutions in areas such as water management. At the same time, the health and safety of our employees remains a top priority, as do ensuring fair working conditions, maintaining strong relationships with our suppliers and protecting whistleblowers.

Our operations are carried out by a combination of our own workforce and independent professionals. Various activities in this phase are carried out in close cooperation with business partners. These partners provide support in areas such as project management, strategic advice, process optimisation and the development of sustainable tools.

In addition, the efficiency of material flows plays an important role in reducing waste and optimising processes. By making smart use of resources and innovative techniques, we ensure that our projects are not only economically profitable, but also environmentally friendly and future-proof.

3. Downstream

In the downstream phase, the focus shifts to the management and maintenance of construction projects, or to dismantling or repurposing. This part of the value chain plays a crucial role in extending the lifespan of projects and minimising their ecological impact. Promoting reuse and circular processes remains an important focus. Through responsible waste management (the careful separation of our residual waste streams, which we manage proactively) and the smart reuse of materials (during demolition work, materials are released that can be taken apart and reused; we reuse these materials in the design and realisation phase wherever possible) we contribute to a more sustainable end result and reduce the amount of residual waste.

Upon delivery of the end product, various stakeholders come into play, such as clients, end users, local residents and local communities. Project management and careful delivery are essential to meet the expectations of all parties involved. Our clientele consists of both private homeowners and business clients, such as real estate developers, companies and government bodies. End users, including people and organisations, play a major role in the final utilisation of buildings and infrastructure.

Feedback from end users is very important because it reflects the quality of our projects and has a direct influence on our reputation and client satisfaction. By actively listening and responding to their experiences, we continue to improve our processes and projects and build sustainable relationships with clients and communities.

4. Across the entire chain

Certain themes, such as climate and biodiversity, corruption and bribery, play a role throughout the entire value chain of our construction company. These topics require constant monitoring and close cooperation with various stakeholders to limit risks and minimise the impact on both the environment and wider society. Transparency and ethics form the backbone of our business operations and contribute to trust and integrity in the sector.

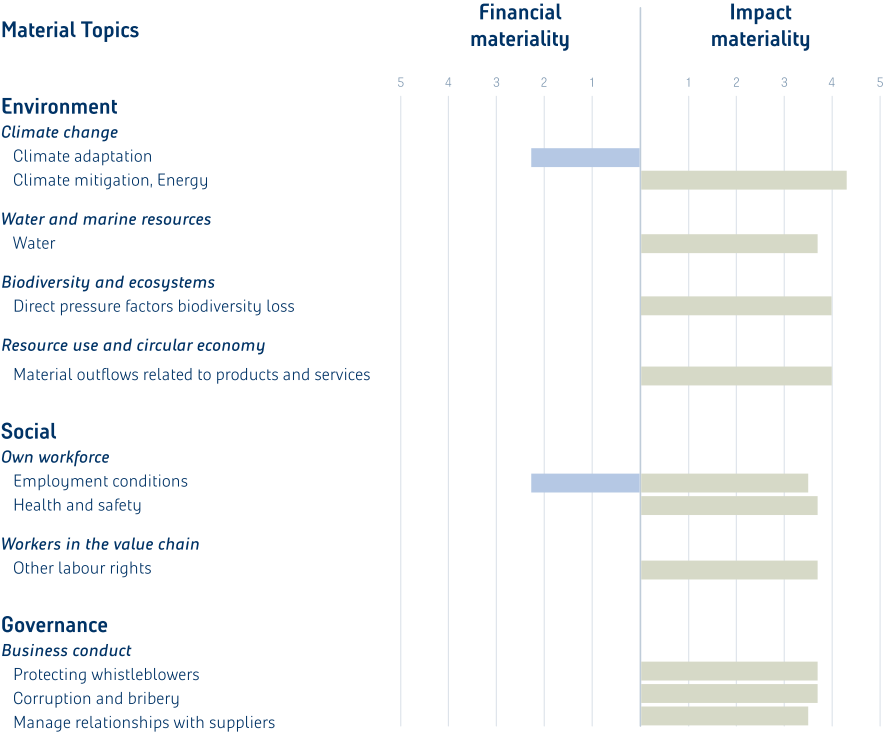
Industry organisations play an essential role in supporting and strengthening the construction chain. Their influence extends across the entire value chain and includes representing interests, sharing knowledge, training and promoting cooperation between parties. These organisations contribute to a well-organised and efficiently functioning construction sector, stimulating innovation and sustainable development.

By taking an integrated approach to the entire chain – from raw material extraction to waste management – we are able to not only reduce our ecological footprint, but also strengthen our competitive position. This enables us to respond to opportunities for sustainable growth, innovation and value creation for all our stakeholders.

Double materiality

The 'Material Topics' figure provides insight into the analysis of material topics for Heijmans. The analysis is displayed based on two dimensions: financial materiality and impact materiality.

Financial materiality indicates the extent to which risks and opportunities related to sustainability topics arise for Heijmans and could have a potentially material financial impact on the company. Impact materiality indicates the extent to which a topic affects people and the environment, both within Heijmans' own activities and in the upstream and downstream value chain, for example through Heijmans' products, services or business relationships.



Definitions of material topics***Climate adaptation***

This represents an opportunity for Heijmans to make communities more resilient by designing climate-adaptive buildings and infrastructure. The growing demand for these types of solutions stimulates investments in sustainable construction, service and maintenance projects. This offers us the opportunity to make a significant contribution to a future-proof living environment and can lead to more construction, service and maintenance activities and higher revenue for Heijmans.

Climate mitigation, Energy

The impact that Heijmans has on climate change consists of two main aspects. The first is the indirect emissions that result from the purchase of raw materials, the design of the built environment and the delivery of products for living, working and connecting. In this regard, we can specifically focus on product concepts aimed at climate mitigation and energy efficiency. Secondly, it involves the direct and indirect emission of greenhouse gases in our own operations, such as the use of electricity and fossil fuels, the production and transport of building materials by suppliers and the emissions that arise during the lifespan of our products.

Water

This is the impact on the water system due to our activities in public areas and in our own offices and building sites in terms of water balance/quantity, water quality, water safety and water use. In addition, there are also impacts further down the chain, for example during the production of materials that we use. These direct and indirect impacts influence the natural environment, agriculture, water supply and the urban climate.

Direct drivers of biodiversity loss

This is the impact on biodiversity and ecosystems through the use of space, natural resources, pollution, greenhouse gas emissions and the introduction of invasive species. This contributes to the loss of biodiversity and ecosystems. Among other things, we look at how our activities near biodiversity-sensitive areas affect the natural habitats of fauna and flora.

Material outflows related to products and services

The impact of buildings and infrastructure designed and built according to circular principles is positive for the natural environment and the climate. Circular principles such as extending lifespan, repairability and recycling contribute to the more efficient use of materials. By choosing CO₂-negative or biobased materials, buildings can store CO₂ for a prolonged period of time. In addition, any environmental impact is reduced even further by using primary raw materials consciously. So sustainable buildings play a key role in creating a more climate-friendly future.

Labour terms and employment conditions

This is the impact that offering equal treatment and opportunities for everyone in the workplace has on employees. Ensuring gender equality and equal pay, promoting equal employment and inclusion of people with disabilities and diversity in age, gender and cultural background creates a working environment in which everyone feels valued. Maintaining this environment is also an opportunity, because it attracts talent, encourages ethical behaviour, reduces absenteeism and ensures more committed and productive employees. All of this ultimately leads to business growth, innovation and higher revenue through the development and retention of a diverse workforce with the skills to meet current and future needs.

Health & Safety

Exposing employees to safety risks at production sites increases their risk of injury. These injuries can range from serious to fatal and can have long-term consequences, including occupational disability. Ensuring safety in the workplace is therefore crucial to protecting the health and well-being of employees.

Other labour rights

This is the impact on the employees of subcontractors and partners who have poor working conditions and terms of employment. This mainly affects the job security of certain groups, such as migrants, vulnerable minorities and part-time employees. These employees can face insecure work, low wages and unsafe working conditions, which can seriously affect their health and well-being.

Protecting whistleblowers

This is the impact on whistleblowers in the company due to the lack of sufficient protective policies and mechanisms. This leads to an unsafe working environment, as a result of which whistleblowers do not feel protected and it is no longer possible to effectively prevent human rights violations.

Corruption and bribery

This is the impact on society due to the risk of corruption and bribery when Heijmans collaborates with suppliers and (public) policymakers. This collaboration can take place through industry associations, personal meetings, written contact or participation in public hearings and conferences. This increases the risk of undue influence and unfair practices.

Managing relationships with suppliers

How Heijmans manages its relationships with suppliers in its own operations has an impact on people and the environment. This includes fair behaviour and fair payment practices, such as paying suppliers on time. In addition, events and programmes are used to promote cooperation and innovation in the field of sustainability within the supply chain, which has a positive impact on both people and the environment.

In dialogue with stakeholders**Stakeholder engagement**

Stakeholder engagement is an essential part of our double materiality analysis. In this process, we identify which stakeholders are most affected by our activities and therefore need to be included when defining our impact on people and the environment. In addition, we identify stakeholders who have a significant influence on Heijmans and therefore entail risks or opportunities. These stakeholders are represented in the process, both directly and indirectly.

Because stakeholder engagement is of great importance to Heijmans, we organised a stakeholder meeting on 1 October 2024 at our head office in Rosmalen. This meeting had a two-fold purpose: to inform our stakeholders about our strategy 'Together towards 2030', and to present and discuss the results of the double materiality analysis within the framework of the CSRD.

Results and integration in our strategy

During this meeting, we asked for input from various stakeholders to validate the results of the materiality analysis from their diverse perspectives. This helps us to ensure that our strategy is not only financially sound, but also focused on creating value for all stakeholders, taking into account their views and interests as identified in the materiality analysis.

This means that stakeholder input is structurally integrated into strategy development and into compliance with other sustainability requirements. We will refine our double materiality analysis in 2025.

In addition, the results of the stakeholder meeting have been fed back to the Executive Board, the Group Council and the Supervisory Board, which means that these insights can now contribute directly to future strategic decisions. The section of the management report entitled 'In dialogue with stakeholders' explains how we engage in a dialogue with our stakeholders.

Double materiality analysis

Introduction

The 2024 annual report will be prepared on the basis of CSRD for the first time.

In early 2024, we performed a double materiality analysis (DMA) in preparation for CSRD-compliant reporting to assess which sustainability impacts, risks and opportunities have a significant impact on our organisation, as well as on people and the environment. This materiality analysis differs from the analysis of previous years because it is based on the concept of double materiality.

Firstly, we identified topics that provide insight into how sustainability affects Heijmans' financial performance, such as profitability, capital utilisation, equity and reputation (financial materiality). Secondly, we included subjects that provide insight into Heijmans' impact on the environment and people (impact materiality). The subjects that are considered material for Heijmans will be explained below based on their impact, risks and opportunities for both the organisation and the world around us.

Results

We combined the results for each ESRS topic and found that Climate Change (E1), Water and Marine Resources (E3), Biodiversity and Ecosystems (E4), Resource use and Circular Economy (E5), Own Workforce (S1), Workers in the value chain (S2) and Business behaviour (G1) are the material sustainability topics for Heijmans.

We also included the topics Affected communities (S3) and Consumers and End users (S4) in the DMA, but they remained below the threshold based on studies and the assessment of impacts, risks and opportunities. This is partly because the sub-topics do not fully align with Heijmans' business operations. Topics such as civil and political rights or the rights of indigenous peoples (S3) and the impact on consumer information (S4) are less relevant to our core activities. In addition, we operate in a sector that is heavily regulated by the government, with product requirements in the B2B market being strictly prescribed. Nevertheless, we feel it is important to take the needs of end users into account in our designs and projects and to make optimal use of the opportunities available to us.

Our DMA in brief

We took the following steps to determine which sustainability topics are most significant for Heijmans:

1. Gain insight into the context
2. Identify impact, risks and opportunities
3. Assess impact, risks and opportunities
4. Prioritise sustainability topics

Material impacts, risks and opportunities

For each theme, we provide an overview of the material impacts, risks and opportunities in the relevant chapter. The general information consists of: the material theme, the shortlisted theme and its place in the value chain. In addition, we describe the impact materiality based on the type of impact (current and intended), the nature of the impact (positive or negative) and the description of the impact. Finally, we describe the financial materiality by outlining the risk and/or opportunity.

Methodology and assumptions

In this section, we explain the methodology we use to identify the relevant sustainability topics.

The process

We start by drawing up a list of sustainability topics, from which we then compile a longlist of potential themes and structure these according to a specific framework. We map out the entire value chain and identify the most important impact areas, risks and opportunities. We then distil a shortlist of the most relevant (material) themes from this. We then assess the impacts, risks and opportunities we have identified using a scoring model. For impacts, we assess the severity of the impact and the likelihood of the impact occurring. For risks and opportunities, we assign a score to assess the magnitude of the risk or opportunity and the likelihood that its financial impact will occur. We then determine the threshold values to establish which sustainability themes are material.

Process steps

We go through the following four steps to identify the material sustainability issues for Heijmans.

1. Gaining insight into the context

The first step in the process is to gain insight into the organisation and our business operations and describe the context. To this end, we drew up an overview of the value chain, with the value creation model playing a central role in determining the upstream and downstream activities. In addition, we have identified and classified stakeholders to determine who the most important stakeholders are. These stakeholders are then involved in the materiality analysis so we can also take their perspective into account.

Employees working in the areas of Sustainable Development, Finance, HR, Procurement, Strategy and Safety are involved in this step.

2. Identification of impacts, risks and opportunities

We start with a longlist of sustainability topics based on the ESRS topics, sub-topics and sub-sub-topics included in the ESRS 1 appendix. We then added insights from ongoing discussions with internal and external stakeholders to this longlist.

We then supplemented the list and assessed its relevance based on Heijmans' strategy, Heijmans' risk assessment, the 2022 materiality analysis, a peer comparison, international examples, sector standards, ESG ratings and benchmarks.

When assessing the relevance of specific topics, it was decided that, in the event of any doubts, these would still be included in the analysis of impacts, risks and opportunities. A more detailed specification would enable us to evaluate, with the appropriate substantiation, which topics are or are not material for Heijmans. All relevant topics have been included on the shortlist for further analysis.

The shortlist was drawn up in collaboration, and we determined in which parts of the value chain the (provisional) material topics manifest themselves. We subdivided the entire value chain into the following categories: upstream, our own operations, downstream and across the entire value chain, highlighting multiple aspects. We completed the mapping of the value chain and validated it with input from subject matter experts from the various business areas.

This step involved employees working in the areas of Sustainable Development and the Risk Office. The Executive Board validated the shortlist.

We identified the impacts, risks and opportunities for all topics on the shortlist. For the impacts, we describe the type of impact (current/intended), the nature (positive/negative), a description of the impact and the timeframe in which the impact will occur (short, medium or long term). For each shortlist topic, we also describe the risks and/or opportunities that may be linked to the impact, indicating whether it is an opportunity or a risk and what the potential financial impact may be.

This step involves employees working in the fields of Sustainable Development, Risk, Safety, HR, Procurement, Legal Affairs and Strategy, as well as internal sustainability experts from the company's various departments. In addition, we involve employees who represent specific projects and external stakeholder groups (for example, affected communities and employees in the value chain), who can contribute their expertise regarding the impacts, risks and opportunities. We did not screen assets, activities or company locations or consult with affected communities to identify impacts on water or pollution. The impacts, risks and opportunities related to business conduct and integrity were identified by internal employees (including those working in the areas of Legal Affairs and Strategy) and their knowledge of Heijmans, using existing policy documents and the Heijmans Code of Conduct.

3. Assessment of impacts, risks and opportunities¹⁾

We assess all impacts, risks and opportunities separately using a scoring model.

Calculation and assessment of the impacts (impact materiality)

When assessing the impacts, we assess factors such as scale, size, remediability (for negative impacts) and likelihood (for intended impacts) and take these into account in the overall score.

Calculation and assessment of sub-risks and sub-opportunities (financial materiality)

When calculating and assessing the risks and opportunities, we take into account the magnitude of the financial impact (such as the impact on resource use and business relations) and the likelihood of its occurrence. The scoring model for risks and opportunities takes into account the risk classification in our Enterprise Risk Management System (COSO).

In addition, we assess the time horizon within which the risk or opportunity arises, as this affects both the magnitude and the likelihood of the financial impact. This ultimately leads to insight into the risk exposure and the financial materiality score per risk and opportunity.

Employees working in the fields of Sustainable Development, Risk, Safety, HR, Procurement, Legal Affairs and Strategy are involved in these above steps. In addition, we involve internal sustainability experts from the company's various departments. The Executive Board validated the results. The Audit & Risk Committee (ARC) was also informed.

4. Prioritisation of sustainability topics

Overview of impacts, risks and opportunities and certain threshold values

We drew up an overview of the impacts, risks and opportunities by first compiling ranked lists for negative impacts, positive impacts, and risks and opportunities. Finally, we generated a table summarising all impacts, risks and opportunities, including categorisation (low, medium, high).

We then defined threshold values to determine the material impacts, risks and opportunities. When assessing impacts, risks and opportunities, we decided to use different threshold values for impact and financial materiality. Using these threshold values, we identified seven material themes.

We then determined the information materiality based on this prioritisation. This revealed which (sub)sections should be disclosed on the basis of the ESRS. For a complete overview of the requirements and their place in the annual report, please see the 'Publication requirements' table in 'Notes'.

This step involved employees working in the fields of Sustainable Development and Risk, as well as members of the Executive Board.

¹ During the identification of the impacts, risks and opportunities, we did not take into account specific elements linked to pollution, as this issue was labelled as not material when moving from the longlist to the shortlist.

Policy, actions, key performance indicators and targets

The 'Climate', 'Water', 'Biodiversity', 'Resource use and Circular Economy', 'Social Information' and 'Business Conduct and Integrity' chapters describe policies and action plans for the management of each material topic. These policies include references to external initiatives, the scope and any exclusions. Heijmans emphasises that all its operations are located exclusively in the Netherlands. The Executive Board is responsible for implementing the policy, action plans, key performance indicators and targets. We monitor our targets based on our reports to the Group Council and other bodies.

In general, we have policies and action plans for the material topics that affect our own operations. At the same time, we still need to understand what resources we allocate to the implementation of our strategy and how we monitor our progress. We do not yet have detailed policies and action plans for topics related to the value chain.

The aforementioned chapters contain brief descriptions of the definitions of the published indicators. The 'Notes' section contains additional information about the methodologies we used, plus any assumptions and limitations and any validation by an external body. The targets set are included in the tables. We are not currently tracking progress in terms of managing impacts, risks and opportunities for themes for which we have not set any targets, but we will devote more attention to these in the coming years. Tracking effectiveness is part of our quarterly reporting. When no quantitative measurements are available, we report on progress based on qualitative information.

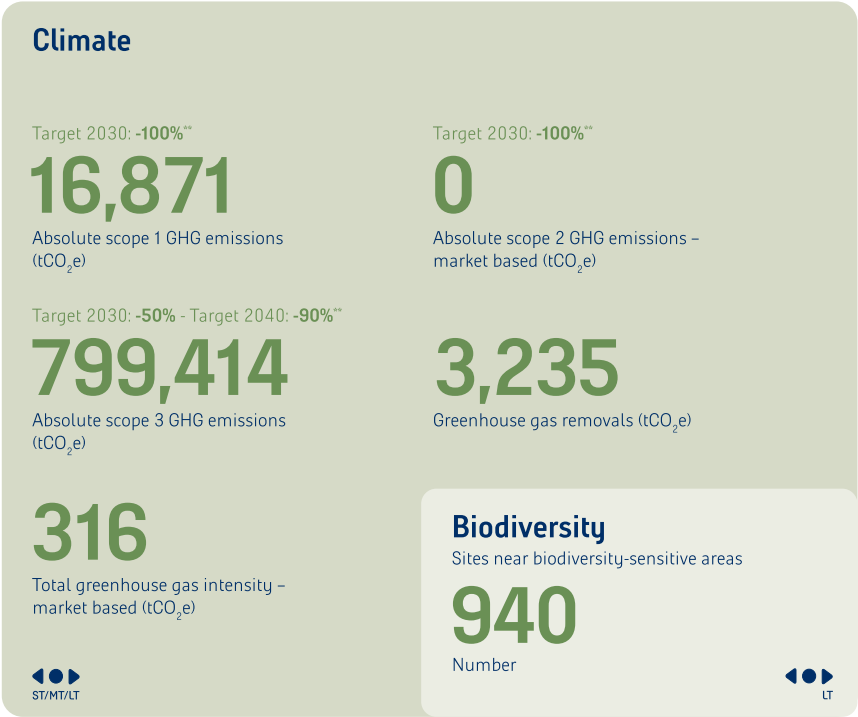
Due diligence statement

The table below shows where in our sustainability report we provide information about our due diligence process, including how we apply the most important aspects and steps of our due diligence process.

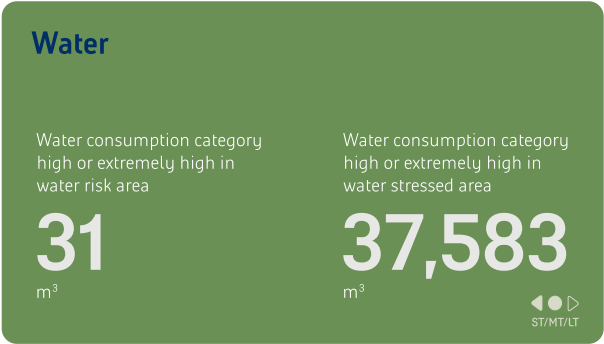
Key elements of Due Diligence	Reference	Page numbers
a) Integration of due diligence in governance, strategy and business model.	Social information	240
b) Involve affected stakeholders in all important steps of the due diligence.	In dialogue with stakeholders, Social information	174, 240
c) Identify and assess negative impacts .	Social information	240
d) Take measures to address those negative impacts.	Social information	240
e) Track the effectiveness of these efforts and communicate about it	Social information	240

Sustainability results*

Environment



Social



Business conduct



◀ Upstream ● Own operations ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

* This is not the complete overview of all our material topics/key performance indicators in our Sustainability Statement.

** Targets refer to a reduction compared with baseline year 2019.



Climate

We are increasingly feeling the impact of climate change, and this is causing growing concern. Long periods of drought and heat stress (higher temperatures in densely built-up cities) alternate with increasingly heavy rainfall, resulting in flooding. This is why it is crucial that we continue to innovate to reduce the impact on the environment and increase the resilience of our society.

The Netherlands has committed to the targets of the Paris Climate Agreement to reduce greenhouse gas emissions. The aim is to emit 95% fewer greenhouse gases by 2050 than in 1990. As a sustainable leader, we are consciously raising the bar even higher to take on our responsibility in this challenge. We want to achieve Net Zero as early as 2040 and operate free of greenhouse gas emissions in both our direct operations and our value chain.

In this chapter, we explain how our climate ambitions and policy came about, how we continue to test them and whether our performance is on track to achieve our targets.

Impacts, risks and opportunities

When determining and scoring the impacts, risks and opportunities, we extensively consider the actual and potential impact on climate change. We screened our activities as a basis and used our greenhouse gas emissions inventory, which provides a clear picture of our impact from 2019 to the present. In addition, we also consider where we stand in relation to the targets we have set and the status of all our planned actions.

We are not yet using scenario analyses, but this will be a significant next step for us in expanding the IRO process. We plan to look at various scenarios as outlined in the likes of the reports of the Intergovernmental Panel on Climate Change (IPCC) or the Network for Greening the Financial System (NGFS).

As input for the double materiality analysis, we looked at the relevant IRO for climate by using the analysis method of the Task Force on Climate Related Financial Disclosures (TCFD). We did this on the basis of a ten-year horizon and in line with the RCP 8.5 scenario. We looked at the potential impact of physical climate risks and opportunities (chronic and acute) and climate transition risks on our activities. At this time, we have not yet used specific geospatial coordinates (NUTS, NL) to determine where activities are at risk, but this is a follow-up step, in addition to applying scenario analyses.

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
1	Climate adaptation	The opportunity for Heijmans to contribute to the resilience of communities by designing climate-adaptive structures.	Sustainability	Current	◀ ● ▶	MT LT			●	
2	Climate mitigation, Energy	The positive impact on climate change, scope 3, through the purchase of raw materials, the design of the built environment and the delivery of products for living, working and connecting, specifically enabling the development of product concepts related to climate mitigation and energy efficiency.	Sustainability	Current	◀ ● ▶	ST MT LT	●			
		The negative impact on climate change caused by greenhouse gases in our own operations (use of electricity and fossil fuels), the production and transport of suppliers' building materials and the delivery of products that generate emissions over their lifespan.						●		

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

Physical climate risks

This is the impact of climate change on the availability of raw materials, the accessibility of building sites and the weather-proofing of projects. Our analysis examines how extreme weather conditions such as floods, heatwaves and storms can affect our business and the products we deliver.

Although climate models provide insight into the potential impact of heat waves, floods and storms, the frequency and intensity of these events in the long term remains uncertain.

Climate transition risks

This pertains to the impact of changes in legislation and regulations, such as stricter requirements in the realm of greenhouse gas emissions, and the transition to renewable energy sources.

These risks are essential to understanding how our business model must evolve to remain compliant and maintain a competitive advantage. It is uncertain how quickly new regulations on greenhouse gas emissions and sustainable building methods will be introduced, which may affect the demand for certain building materials and technologies.

Resilience analysis

We did not perform a resilience analysis of the identified risks in 2024. This is a follow-up step that we intend to take in 2025.

Overview

Physical risks						
			Term	Risk/Opportunity	Description	Impact
Chronic	General	Climate resilience	Medium, Long	Opportunity	The opportunity to contribute to increasing climate resilience in the sector and value chain.	When other actors in the sector and value chain also work on climate adaptation, other actors on which Heijmans relies will also be more resistant to extreme weather conditions and there is less chance that, for example, product deliveries will be delayed. Stabilisation of supplies.
	Greenhouse gas emissions	Climate change	Medium, Long	Risk	The impact of climate change on our activities. This can be in our direct operations, but also through challenges in our chain, for example in the extraction of raw materials for the materials we use.	The negative impact on climate change caused by greenhouse gases in our own operations (use of electricity and fossil fuels), the production and transport movements of suppliers' building materials and the delivery of products that generate emissions over their lifespan
	Water	Rising sea levels	Medium, Long	Risk	Limits the places where building is allowed (for example, is it still allowed to build in areas below sea level).	Delays in the granting of building permits in certain areas
		Water stress	Medium, Long	Risk	A local shortage of available water for use during the construction process and/or delivery of buildings.	Decline in revenue, leading to disruption of construction development/ services, which leads to financial losses.
Acute	Temperature	Extreme weather conditions (heat/cold gulfs/storms)	Medium, Long	Risk	Can cause damage to our own (vulnerable) assets (such as our own office buildings, roads or bridges) or Heijmans distribution infrastructure.	Increase in insurance costs for own assets as a result of the increased frequency and severity of extreme weather conditions. Increase in energy costs related to heating and cooling of our own buildings (our own office buildings and warehouses), as well as for employees working remotely, related to temperature increase.
			Medium, Long	Opportunity	The opportunity for Heijmans to contribute to the resilience of communities by designing climate-adaptive structures. When these infrastructure assets/buildings can withstand extreme weather conditions due to a changing climate, this has a positive impact on residents, businesses and local ecosystems. For example, climaflex, a cooling asphalt, can collect water, which cools the asphalt and thus cools urban environments.	Increased revenue. The need for climate-proof buildings and climate-adaptive infrastructure will lead to greater investments, which in turn can lead to an increase in construction activities and increased revenue for Heijmans.
	Water	Drought	Short, Medium, Long	Risk	The physical risk of climate change as a result of low river water levels due to extreme drought can affect Heijmans' distribution infrastructure. This can result in situations where inventory is not in stock, leading to construction delays.	Revenue decline as a result of the effects of physical climate effects on employees and assets, leading to disruption of construction development/ services, which leads to financial losses. Decline in the valuation of assets in own activities
		Extreme weather conditions (floods)	Short, Medium, Long	Risk	These extreme weather conditions can have a devastating effect on infrastructure and buildings (downstream).	The impact on end users and clients when infrastructure and buildings are not resistant to extreme weather conditions due to climate change.

Transition risks					
		Term	Risk/Opportunity	Description	Impact
Policy and legislation	Higher price for GHG emissions	Medium, Long	Risk	The production of building materials continues to emit greenhouse gases intensively in comparison with other sectors, exposing the sector to higher operating and capital expenses as a result of emission regulations.	Visible in price of purchased products.
	Increasing legislation	Medium, Long	Risk	Clients are demanding that we work with emission-free equipment.	Is it possible that choices have to be made and that reducing emissions from excavators leads to a decline in production and thus a decline in revenue.
Technology	Replacement of products and services	Medium, Long	Risk	Asphalt plants, construction/excavators are depreciated earlier.	Decline in value/replacement of assets due to technological obsolescence
	Transition costs technology	Short, Medium, Long	Risk	The transition to electric vehicles for personnel involves the cost of charging stations at the office and electricity when personnel want to charge their vehicles during working hours. Transition to electric vehicles for construction/excavation machinery.	The costs of charging stations at the office and the power for construction/excavation machinery are high.
	Unsuccessful investments in new technology	Medium, Long	Risk	Innovation pilots do not appear to be scalable in relation to each other.	Failure to keep up with or delays in the adoption of new technologies.
Market	Changing user behaviour	Medium, Long	Risk	Heijmans operates within a structure of requests from clients such as the government, provincial authorities and municipalities. If external stakeholders do not request that Heijmans implement climate-adaptive solutions, Heijmans will not build them. Heijmans has too little influence to implement climate-adaptive building solutions when they are not asked for by its clients.	Decline in revenue due to the loss of projects based on price because the client does not ask for the solution (chance of success).
			Risk	When developing business parks, for example, there is often more than one client (private individuals and other parties). This makes it more difficult to arrive at sustainable solutions because compromises often have to be made to reach decisions.	Social impact that climate-adaptive knowledge and skills cannot be applied.
			Opportunity	The opportunity for Heijmans to contribute with innovative living, working and connecting concepts that can stimulate the sector and create new partnerships and revenue streams.	Increased revenue from business growth thanks to the ability to implement new concepts, which contributes to new projects and possibly attracts new personnel (as an innovative employer).
Reputation	Concerns of stakeholders	Medium, Long	Risk	When infrastructure and buildings prove unable to withstand the more frequent extreme weather conditions that can occur due to climate change.	Declining valuations of real estate assets in the portfolio that have increased exposure to extreme weather conditions.

Locked-in greenhouse gas emissions

Construction machinery and activities on large projects are the most important assets in significant future emissions that are fixed due to existing investments. This is why we analysed how these emissions influence our greenhouse gas emission reduction targets and potentially exacerbate transition risks.

As long as vehicles, construction machinery and equipment are purchased and used without being electrified or replaced by more sustainable alternatives, we will remain bound to a source of locked-in emissions. We are therefore investing in the transition to a fully electric machine fleet. Since 2022, our preference has been to purchase electric equipment, unless there is a valid reason to deviate from this plan.

Policy

We have developed a climate policy that focuses on both climate mitigation and climate adaptation, with the aim of limiting the impact of our business operations on the environment and making them more resilient to the effects of climate change. This policy also focuses on managing the impacts, risks and opportunities that have led to the material themes in the double materiality analysis.

By keeping a close eye on the needs and ambitions of our partners, we can align our own ambitions and strategy. This keeps us on our toes and allows us to contribute to each other's climate successes. In terms of our scope 3 emissions, this is becoming more concrete as we make agreements with our suppliers about our ambitions. We do this by having them sign a sustainability statement and by actively working together to reduce emissions.

Transition plan

We have chosen to integrate our climate transition plan into our broader climate policy. This enables us to present a more holistic picture of our climate strategy and to improve the cohesion of our reporting, in which targets, actions and performance management are interlinked. This plan is reviewed, updated and submitted to the Executive Board on an annual basis. They monitor progress and use the findings as input for a broader risk assessment and investment decision-making.

In 2024, we combined the entire climate policy, including the climate transition plan, into a single comprehensive document. In previous years, information, targets and policy regarding climate change were scattered across various business units, depending on specific needs or certification requirements. This often led to duplication of work and differences between reports. With the help of the guidelines provided by the ESRS, it is now possible for us to collect, coordinate and report everything centrally.

Climate mitigation and adaptation

In 2023, we rolled out a roadmap of climate-mitigating actions to achieve our Net Zero target. We are doing this mainly by decarbonising our end products, but also our production facilities and/or the equipment used to make these finished products. During the design phase, as well as within the 'Water' and 'Biodiversity' strategic themes, we are also working on climate-adaptive solutions. The taxonomy alignment achieved in the economic activities 'Construction of new buildings' and 'Renovation of existing buildings' represents a significant contribution to the sustainability transition in these areas.

Energy efficiency

The speed with which we are scaling up the electrification of our cars, company vehicles and equipment is having a positive impact on our ambitions related to climate change mitigation. However, this also brings with it a new challenge, namely the increasing pressure on the electricity grid and the reduced efficiency of the construction process due to the extra transport movements associated with charging the batteries on heavy equipment.

That is why we monitor our energy consumption to improve our energy efficiency performance and reduce our total energy consumption. The latter is very important, despite the use of renewable energy, because reducing energy consumption means that less energy needs to be generated overall, which can accelerate our progress towards achieving our climate targets.

The trias energetica principle is an important basis for the efficient use of energy:

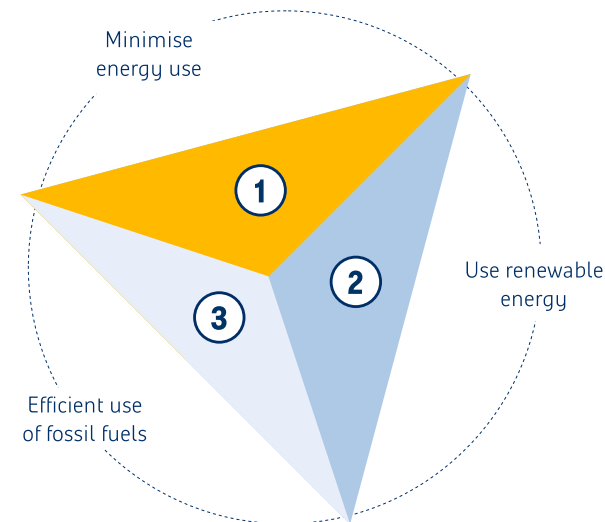
1. Minimise energy use
2. Use renewable energy
3. Use fossil fuels efficiently and offset when possible

Roll-out of renewable energy

All the electricity and gas we use comes from renewable sources, something we guarantee by greening our entire annual consumption with the purchase of Guarantees of Origin (GOs). We have taken this step to accelerate the mitigation of our climate impact.

Although we already purchase gas and electricity from renewable sources, we are simultaneously exploring the possibilities of using these directly and not offsetting them via Guarantees of Origin. We are doing this by, for example, installing solar panels on our offices and building sites.

We are also conducting research into alternative fuels such as hydrogen and have set HVO (hydrotreated vegetable oil) targets since early 2023. The latter means that we aim to use HVO fuel instead of conventional diesel in all our projects, including vehicles with so-called grey licence plates (business vehicles) and lorries. We monitor our progress towards this target via periodic reports on fuel deliveries. Our plan for 2025 is to investigate whether we can extend this initiative to our subcontractors.



Scope

Our own operations

Our climate policy applies to all of Heijmans' operations, namely:

- All construction, infrastructure and property development activities, both new-build and renovation
- The entire design and construction process (from procurement to delivery)
- Internal business processes, such as the use of machinery on building sites and company cars for staff commuting

In addition, the policy applies to all Heijmans projects, but there may be regional deviations in the implementation.

Value chain

On the upstream front, cooperation with (sustainable) suppliers of building materials such as asphalt, concrete or steel is also part of the climate policy. On the downstream front, the policy is also aimed at Heijmans' end users and clients, for example by striving for energy-efficient homes for residents (through EPC standards, among other things) and sustainable infrastructure that takes climate adaptation into account (such as water-permeable roads).

Standards and initiatives

Our policy is in line with various international initiatives that manage the frameworks and guidelines for climate transition plans and the monitoring and management of greenhouse gases. The most important ones we have aligned ourselves with are:

- TCFD: Guidance on Metrics, Targets and Transition Plans
- GHG Protocol Corporate Accounting and Reporting Standard
- SBTi Net-Zero Standard
- CDP Technical Note: Reporting on Transition Plans
- Transform to Net Zero: Climate Transition Action Plans
- Climate Action 100+
- CO₂ Performance Ladder

The above standards largely converge on a common basis in the Greenhouse Gas Protocol.

However, these standards are not set in stone and also try to differentiate themselves from each other. As a result, the comparability of the disclosed information continues to present significant challenges.

Investments in coal, oil & gas activities

We are not excluded from the benchmarks that have been established in the European Commission's delegated regulation 2020/1818, based on the Paris Agreement. In addition, we are not one of the companies listed in Article 12 d to g, and Heijmans does not invest in coal or oil and/or gas-related activities.

Targets

Heijmans' climate change targets are set for the long term (> five years), focusing on 2030 (six years) and 2040 (sixteen years). We have not formulated a target for the medium term, but have planned a moment to take stock, namely in 2027. In that year, we will evaluate our efforts and assess whether they are still sufficient to achieve our targets.

Science Based Targets initiative

During our development of greenhouse gas reduction targets, an important question arose. When will we really be doing enough to limit global warming? And how can we measure that? We have committed to the Science Based Target Initiative (SBTi) to answer these questions. This global organisation of climate scientists assesses the targets we have set and our greenhouse gas emissions inventory to see if they really go far enough to contribute to the Paris Climate Agreement target of keeping global warming below 1.5 degrees.

The Paris Climate Agreement is therefore the starting point for the SBTi. Using 1.5 degrees of warming as a basis, the SBTi calculated the world's 'carbon budget'. In other words, the maximum level to which the greenhouse gas content in the atmosphere can rise before it leads to irreversible climate change. If nothing changes, this budget will be used up within a few years. That is why it is not only important to reduce emissions to zero in the long term, but also to immediately reduce emissions as much as possible. After all, the sooner we start, the longer we have until the carbon budget is completely used up.

The SBTi approved our targets, substantiation, action plans and greenhouse gas emissions inventory in September 2024.

Baseline year

We have chosen 2019 as the baseline year for the formulation of our climate targets. We chose this year because the economic and construction sector situation was stable, which makes it a representative baseline. Furthermore, 2019 marks a time when our sector was already making significant progress in the areas of sustainability and innovation, without being influenced by external circumstances such as the COVID-19 pandemic. Using 2019 as a reference year enables us to monitor progress consistently and formulate realistic, measurable targets to contribute to the national and international climate targets for 2030.

In addition, we conducted an assessment to determine whether 2019 was an exceptional year in terms of weather and temperature, as this could potentially affect emissions (for example, more gas consumption in cold years). For this, we used data from the Royal Netherlands Meteorological Institute (KNMI) from the official measuring station in De Bilt. This assessment showed that 2019 was a fairly average year in terms of weather conditions, with temperatures, hours of sunshine and precipitation close to the 10-year average.

Recalculation policy

To make sure we can continue to work consistently towards our climate targets, even when business circumstances change, we have drawn up a robust and transparent recalculation policy. This policy follows the guidelines set out in the Greenhouse Gas (GHG) Protocol and supports the additional requirements of the Science Based Target initiative (SBTi).

The GHG Protocol requires organisations to recalculate their emission targets firstly in the event of significant structural changes, such as company growth or downsizing (mergers, acquisitions or demergers) that significantly affect the scale of activities and therefore emissions. They do not, however, provide an explicit definition of 'significant'. A second reason for recalculations is methodological improvements, such as changes in data collection methods, the accuracy of emission calculations or improved measurement methods. This also applies to changes in emission factors, when the emission factors used to calculate greenhouse gas emissions change.

The SBTi recalculation policy is in line with the GHG Protocol guidelines and sets additional specifications for companies, such as ourselves, that have scientifically tested climate targets. For example, they require a minimum frequency of every five years to review the targets, even without major structural changes. This ensures that targets remain up to date with the latest climate science. It is worth mentioning here that, in line with the requirements of the CSRD, we have set an additional review moment in 2030, so that we are in line with the EU's reporting steps (2030, 2035, etc.). The SBTi also defines a threshold value for significant structural changes, in other words the aforementioned supplement to the requirement of the GHG Protocol. The SBTi requires that such a change in operating conditions leads to recalculation if the impact on the CO₂e accounting is equal to or greater than 5%.

In addition to the aforementioned policy, we also take into account that if new guidelines or benchmarks are published for specific sectors, these may also give rise to a recalculation to reflect the latest scientific insights.

Monitoring

In order to effectively monitor the progress of our objectives, we set annual targets for the following year after reviewing the objectives and greenhouse gas emissions inventory. These targets are based on linear reduction paths between the baseline year and the year for which the objective is set. They serve as milestones we can use to guide us towards our ultimate goal, but also to assess our annual performance.

Limits

Our targets encompass all categories and emissions for which we are responsible. We are not excluding anything. We have also included land-related emissions and greenhouse gas removals through raw materials for bio-energy.

2030

Our first targets are for 2030, an important intermediate step on the way to our final target in 2040. We have set one target for scopes 1 and 2 together and a separate target for scope 3 emissions.

Heijmans is looking to reduce its absolute scope 1 and 2 emissions in 2030 by 100% compared with 2019.

We will reduce the emissions released by our direct activities to zero by implementing sustainable actions related to our vehicle fleet, equipment, offices and building sites. The main decarbonisation drivers in the reduction of our scope 1 and 2 emissions are the electrification of the vehicle fleet (fossil-free by 2026), the electrification of our company vehicles (grey, light) (fossil-free by 2029), full use of green fuels in offices and on projects, and the electrification of our equipment fleet.

In the years leading up to 2030, we want to go the extra mile in terms of taking responsibility for our impact. That is why we fully offset the emissions from our direct operations by purchasing carbon credits. We will explain this in more detail in the report.

Progress

Since 2019, we have reduced our scope 1 emissions by approximately 55%. The most significant impact we are having is via the electrification of our vehicles and equipment, but we are also greening 100% of the gas used in our offices by purchasing Guarantees of Origin (GOs). We have also already reduced our scope 2 emissions to zero by offsetting the entire amount of electricity we use in our direct activities with GOs. We are well on track to meet our target of reducing all three scopes to zero by 2030.

Heijmans is looking to reduce indirect emissions (scope 3) in 2030 by 50% compared with 2019.

In order to reduce our scope 3 emissions, we are launching a wide range of actions and studies on all the various components of our scope 3 emissions. The primary focus is summarised in the themes of 'sustainable use of materials' (upstream) and 'energy-neutral buildings' (downstream).

Another important step in the reduction of our scope 3 emissions is the construction of a new, innovative asphalt plant. This will be the most sustainable, environmentally friendly asphalt plant in Europe. Construction is expected to start in early 2025 and production will begin in 2026. Innovative techniques will ensure that production is low-emission, odour-free and virtually silent. Furthermore, the asphalt from the plant will be 100% circular. The Asfaltcentrale Lage Weide (ACLW) asphalt plant will recycle old asphalt and reuse it locally. Utrecht is a logical choice due to its central location. This will enable ACLW to quickly and efficiently fulfil a large part of the asphalt demand in the region and the rest of the Netherlands.

Progress

Since 2019, we have reduced our absolute scope 3 emissions by almost 30%, while our revenue has increased by more than 60%. The most significant impact we have had is through the construction of energy-efficient homes. As a result, we have seen a reduction in emissions in category 11, 'Use of sold products', our second largest scope 3 category. Category 1 'Purchased goods and services', which accounts for more than half of the emissions, is increasing due to the rise in our revenue. This category is currently still predominantly based on procurement spend, so if our procurement costs go up, due to growth or even sustainable choices, the reported impact will also automatically increase.

2040**Heijmans will achieve Net Zero greenhouse gas emissions across its entire value chain in 2040**

We are taking our sustainability commitment one step further. By 2040, we want to build and work in a way that has no impact on climate change. This means that our direct activities and all other activities in our chain must be free of greenhouse gas emissions. According to the SBTi definition, net zero means a reduction of at least 90% compared to the baseline year, with residual emissions to be fully offset.

We are the first Dutch construction company to aim to be net zero as early as 2040. This is ten years earlier than many other companies and the ambition the European Union set in its Climate Law.

Actions

Materiality

The first explanation we provide for each action is the material topic to which it contributes. We also state the specific target the action is linked to, the timeframe for this target and the quantity of emissions within the scope of the baseline year it is aimed at.

Specifications

To clarify where in our organisation the action should be implemented and/or have an impact, we have explicitly indicated in the table which pillar of our value chain the action will impact, which business unit will implement it and which activities the action will impact.

We then also indicate the type of solution that the action offers, for example nature-based or technological, and the relevant decarbonisation driver. The latter is the type of action. Heijmans distinguishes between electrification, energy and equipment efficiency and product optimisation.

Governance

A person with final responsibility is assigned to each action. This is often a member of the Executive Board or a business area director. These people are then responsible for achieving the targets that underlie the actions. In addition to this person with final responsibility, there is also always a person with operational responsibility. This is often the sustainability programme manager of the business area in which the action is being implemented, but it could also be a manager of a specific business unit. This person is responsible for the day-to-day progress of the action and reports to the person with final responsibility.

Impact

For actions that make a direct contribution to the target of reducing greenhouse gas emissions, an estimate is expected of the reduction in percentage and tonnes of CO₂e compared with the baseline year 2019. These figures are reviewed annually and recalibrated if necessary, for example when the baseline year is recalculated.

The reduction figures we cite for the actions on scope 1 emissions are determined on the basis of the share that the relevant category accounts for in the scope 1 inventory in the reporting year. For the scope 3 reduction figures, we have had to make estimates by looking at the assignment and adjusting the action accordingly.

Financing

An estimate must be reported for actions that require financial resources in operational (OpEx) or capital (CapEx) expenditure. It is important that the figures can be traced back to the relevant item in the financial statements and, where applicable, that a link is made to the EU Taxonomy. These financial resources will be reviewed annually and recalibrated if necessary.

In the case of our current package of actions, no investments or ongoing financing is required. For the actions to be successful, we will have to adjust working methods and develop new policies. Actions revolving around electrification do not require specific investments, because capital goods are only replaced when they are due for replacement.

Resources

The actions will be realised through the use of various resources. For example, we have specific roles and even dedicated teams within the organisation that are responsible for realising our ambitions on various sustainability themes and compliance with the ESRS. These roles and teams are supported by Heijmans' technological capabilities, smart IT systems and resources for data-driven decision-making and sustainability reporting. We also have operational resources that make a difference during construction, such as new processes we are developing, or the use of energy hubs and electric equipment.

Preconditions

Heijmans cannot implement every action independently and with certainty. For various actions, it is important that we get our supply chain moving or that certain sector agreements are applied. For such cases, we have defined preconditions to maintain insight into what will be required, in addition to our own resources, to successfully implement the action.

Scenario analyses

At this point in time, we are not yet using scenario analyses, but this is an important next step for us to expand the impact of our actions. We plan to look at various scenarios as outlined in the reports of the IPCC or NGFS.

New technology

If we are to reduce scope 3 emissions, we will very much need new technology to achieve our targets, such as more sustainable versions of concrete, steel and asphalt. However, completely reducing scope 1 to zero also depends on technological developments, for example in the electrification of heavy equipment.

Overview

The table below provides a simplified, concise overview of the actions that we have already started or that are still in progress in the reporting year. Complete qualitative descriptions of the actions are included in internal documents, such as the sustainability plans for the various business areas.

Target	Material topic	Action	Decarbonisation lever	Value chain	Year-end	Reduction tCO ₂ e 2030*	Reduction tCO ₂ e 2040*
Reduce Scope 1&2 by 100% in 2030 vs. baseline year 2019.	Climate mitigation	Energy-efficient lighting at offices	Energy efficiency	Own operation	Continuous	-	-
		Optimisation of construction logistics	Energy efficiency		Continuous	-	-
		Use of construction HUBs	Energy efficiency		Continuous	-	-
		Electrification of car fleet	Electrification		2026	16,900	-
		Electrification of commercial vehicles	Electrification		2030	7,200	-
		Electrification of heavy equipment and lorries	Electrification		2030	12,600	-
		Switch grey licence plates (vans) and large equipment that it not (yet) possible to electrify to HVO-100	Switch to alternative fuel		Continuous	-	-
		Guarantee that all gas and electricity comes from renewable sources by purchasing guarantees of origin	Use of renewable energy		Continuous	6,400	-
		Placing solar panels on office locations and building site trailers	Use of renewable energy		Continuous	-	-
		More sustainable building sites by using power from nearby wind farms and solar parks	Use of renewable energy		Continuous	-	-
Reduce Scope 3 by 50% in 2030 vs. baseline year 2019 and achieve Net Zero in 2040.	Climate mitigation	Energy-neutral buildings	Product optimisation	Downstream	2040	180,000	146,000
		Sustainable use of materials, including the use of biobased materials (such as industrial construction of timber houses and hemp-based insulation), circular applications in concrete, geopolymers, asphalt mixtures, reuse.	Material efficiency	Upstream	2040	290,000	231,000
		Zero-emission transport and equipment in the chain (policy on sustainable fuel, facilitating sustainable building sites, chain cooperation)	Switch to alternative fuel, Electrification	Downstream	2040	90,000	70,000
n.a.	Climate adaptation	Construction of climate-adaptive buildings	Product optimisation	Across the entire chain	2040	-	-

* Reduction vs. baseline year 2019.

Energy use

High climate impact

We only operate in sectors with a high climate impact, as specified in the European Commission's NACE list of economic activities, sections A to H, and have additional reporting obligations due to our significant contribution to climate change. We are therefore expected to provide extensive insight into the amount of energy we consume, but more importantly into the various sources from which this energy is extracted.

According to reporting requirements, we also have to report separately on any energy consumption from sectors that are not classified as having a 'high climate impact', but there are no such sectors at Heijmans.

Calculation methodology

The report is compiled using a combination of data exports provided by our suppliers, the reading of building performance data (including energy generation) by the facilities management company and values retrieved from invoices. The sources used are the same as those used to calculate our scope 1 and 2 greenhouse gas emissions. The difference is that we convert our energy consumption to MWh rather than CO₂e.

Indicator

To keep the reports transparent and comparable, and to improve the comparability of companies' energy performances, regardless of their sector or size, each energy source is reported in MWh.

Energy mix

	2024	2024
	Energy (MWh)	Percentage (%)
Energy source		
Fossil		
Coal	-	
Crude oil and petroleum products	46,816	
Natural gas	-	
Other fossil sources	1,269	
E/H/S/C from fossil sources	-	
Total fossil	48,085	42%
Nuclear energy		
Total Nuclear energy	-	0%
Renewable energy		
Fuel from renewable sources	42,064	
E/H/S/C from renewable sources	23,567	
Self-generated energy	989	
Use of self-generated energy	989	
Total renewable energy	66,620	58%
Total energy use	114,705	100%

Energy intensity

In addition to absolute figures, we also present energy intensity figures to give a clearer picture of our efficiency and sustainability efforts. Absolute figures show how much energy we use in total, but say nothing about our production efficiency. We show the amount of energy we emit per million euros in revenue in terms of energy intensity. This makes it easier to compare our performance, regardless of revenue growth or size.

By monitoring energy intensity, we can show that we are producing more efficiently and sustainably, even if absolute consumption increases due to growth in our operations. We make the link to the total consolidated Royal Heijmans N.V. revenue figure, as reported in the consolidated statement of profit or loss, because all our operations fall within the high climate impact sector, as explained in the 'Reporting obligation' section.

	2024
Revenue (in € mln.)	2,584
Total energy (in MWh)	114,705
Energy intensity	44.4

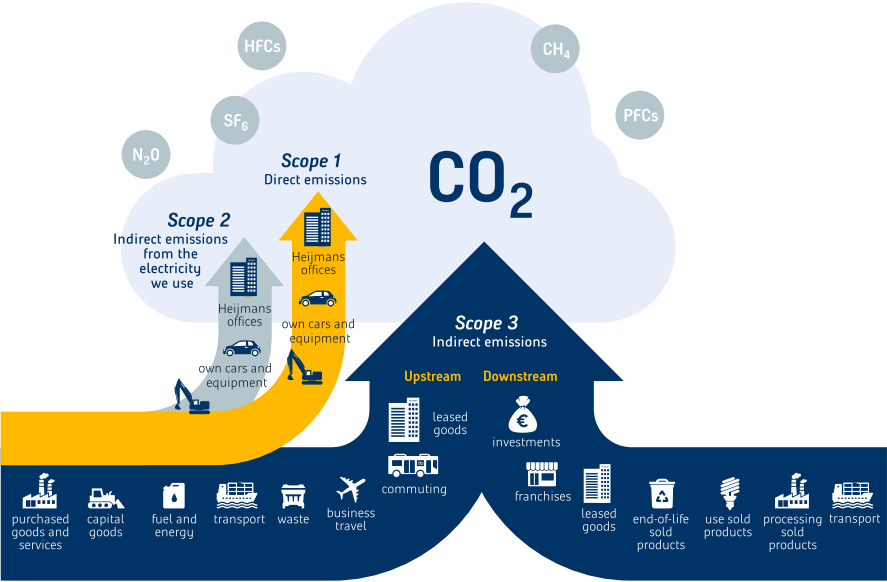
Greenhouse gas emissions

Inventory

We have mapped out our impact on climate change by making an inventory of our greenhouse gas emissions according to the Greenhouse Gas Protocol Corporate Standard (version 2004), as well as the requirements of the SBTi and, where necessary, clarified with the scope 3 guide of the Dutch Green Building Council (DGBC).

In the GHG Protocol, the various emission flows are divided into scopes. Scope 1 includes emissions that are the result of our direct operations, such as the emissions from fuels used by our fleet of vehicles and equipment, or the gas burned to heat our offices. The emissions released during the generation of the electricity we use are an indirect result of our activities and are reported in scope 2. Finally, our scope 3 emissions include all emissions released during all activities that take place before or after our own operations (upstream and downstream). This can therefore be anything from emissions released by the concrete we purchase, for example, to emissions generated by the use of homes throughout their entire lifespan once we have completed them.

The figure below shows the different scopes and their contents.



Consolidation

For our emissions, we consolidate 100% of the greenhouse gas emissions over which we have full operational control. Given the way the construction sector operates, it is not appropriate to fully consolidate entities over which we share control with another party. Therefore, entities in which we do not have a 100% interest or control are included proportionately in the corresponding scope 1, 2 and 3 categories based on the work assignments of the associate in question. An exception to this is Asfalt.nu. This is an associate over which we have no operational control, but which is a relevant player in the value chain. The associated emissions are included in our scope 3 emissions in category 1 'Purchased goods and services'.

Calculation method

Each scope requires different approaches and calculation methods to obtain a thorough picture of the emissions. For example, our direct scope 1 emissions are compiled from data from our own facilities company and various external sources, such as our leasing company and the supplier of fuels for our projects. Indirect scope 2 emissions are determined based on purchased electricity, steam, heat and cooling from utilities firms and other companies. The indirect scope 3 emissions require different calculation methods for each category, ranging from calculations based on procurement spend to exact calculations at project level. The methods used are explained in more detail in the sections on the scopes below.

Global Warming Potential

One challenge in the ESRS is the requirement to report greenhouse gas emissions in accordance with the most recent report of the Intergovernmental Panel on Climate Change (IPCC), which sets out the most recent Global Warming Potential (GWP) of greenhouse gases. Most emission factor databases require time to adjust the emission factors, which means that there are no data sets available that offer an extensive set of emission factors that meet this requirement.

In addition, we believe it is important to use a consistent methodology in a given financial year, so the reported emissions remain comparable and reproducible. We have therefore decided to update the emission factors once a year, in January. Switching to a different or updated dataset in the middle of a reporting year would result in non-sequential breaks, which would make it difficult to interpret trends and monitor impactful actions. In addition, the transition to a new dataset requires extensive validation and adjustments to internal calculation models, both of which are part of a systematic and thorough approach at the start of our reporting cycle.

Recalculations

In 2024, we recalculated our figures based on the recalculation policy explained in the 'Targets' chapter. This was prompted by the acquisition of Van Wanrooij and the switch to a new set of emission factors. We explain exactly how these calculations were carried out for each scope in the sections below.

***Scope 1
Sources***

We measure our scope 1 emissions on the basis of the actual quantities of fuel purchased, which means that we include greenhouse gas emissions from stationary combustion, mobile combustion, process emissions and volatile emissions in our reporting. We have carried out this inventory according to the Greenhouse Gas Protocol Corporate Standard (version 2004), as well as the requirements of the SBTi.

***Calculation methodology
Exact***

Scope 1 emissions are calculated by multiplying the amount of an energy carrier by a conversion factor. These conversion factors are taken from the website www.co2emissiefactoren.nl. Every year in February, we check our conversion table and make adjustments based on the most current factors. The historical data is also adjusted retroactively at that time (including the baseline year).

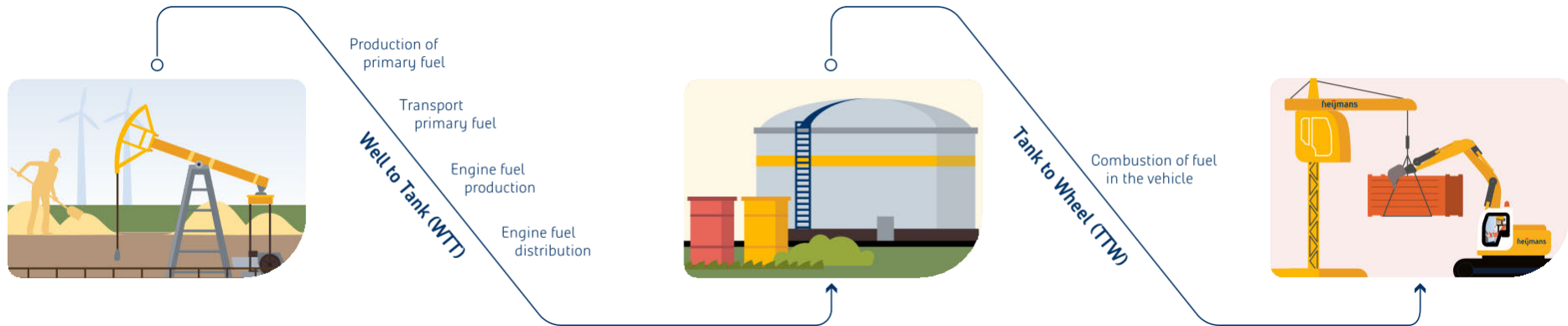
Future changes

When reporting scope 1 emissions, we used the well-to-wheel (WTW) emissions of the energy carriers through 2024. However, this leads to double counting due to the reporting of our scope 3 emissions. We have therefore decided to split these emission factors between scope 1 and 3 as of 1 January 2025, to ensure that the impact components are reported in the correct categories.

From this point on, we will use the tank-to-wheel (TTW) emission factor for scope 1 emissions and the well-to-tank (WTT) emission factor for scope 3. To communicate the consequences of this change clearly and transparently, this year we will also show what the total for scope 1 looks like in the new calculation method in all relevant places. We will do this by adding a footnote to the relevant figure.

Estimates

No assumptions are made in the Heijmans company flow figures, and the full scope 1 footprint can be retrieved using exact data. Van Wanrooij's share of the scope 1 footprint in 2024 is also based on exact data. However, a full estimate has been made for all years prior to 2024 based on the figures for 2024.



Scope 2

Sources

For scope 2 emissions, we report the emissions released from all the electricity, heat, steam and cooling we purchase. We conducted this inventory according to the standard of the Greenhouse Gas Protocol Scope 2 regulations (2015 version), as well as the requirements of the SBTi. We use two approaches, starting with the location-based approach, in which we report the impact of these flows with emission factors based on the national average. In addition, we break down the emissions using a market-based method. Here we present the same underlying data, but apply an emission factor based on what we have actually purchased.

It is relevant to report these two methods side by side. The location method reflects the emissions that actually take place in the network that serves us, regardless of specific energy choices. The market-based method reflects emissions based on contractual agreements with energy suppliers (such as green energy certificates or renewable energy contracts). This enables us to demonstrate how we are actively making our energy consumption more sustainable by choosing less emission-intensive sources.

Calculation method

Exact

We use the same set of conversion factors to calculate our scope 2 footprint as we do for scope 1 emissions. Because scope 2 is reported in a market-based and location-based variant, it is worth noting that the market-based version uses an emission factor of zero (due to the fact that we only use renewable energy) and the location-based version uses the emission factor of the average Dutch grid mix.

Estimates

We do not make any assumptions in the scope 2 figures of the Heijmans business areas. The full footprint can be obtained using exact data by obtaining the amounts of purchased energy from our suppliers. It is important to note that the data for the reporting year is based on the slightly different reporting year of our suppliers. Our scope 2 location-based footprint in 2024 effectively consists of the electricity data from December 2023 through November 2024.

Van Wanrooij's share of the 2024 scope 2 footprint is partly based on exact data (for example, for cars and offices), but also partly estimated when it comes to electricity consumed on building sites. For the latter, we made an estimate by dividing the total expenditure on building site electricity by an average kWh rate. In addition, we also made a full estimate for all years prior to 2024 based on the figures for 2024.

Scope 3

We have mapped out our scope 3 impact by taking an inventory of our greenhouse gas emissions according to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version), as well as the requirements of the SBTi and, where necessary, clarified with the scope 3 guide of the Dutch Green Building Council (DGBC).

Categories

The fifteen categories that make up scope 3 are subdivided into upstream and downstream. Not every category of scope 3 applies to Heijmans. By conducting an extensive analysis of our activities, we have determined in which categories we can measure emissions and in which we cannot. We then classified the applicable categories according to size, influence, risks and stakeholder interests. The categories that we cannot measure are explained in more detail in the next section.

Some of the categories that we can measure are very small and therefore hardly material at this time. However, we believe in the importance of taking responsibility for our total impact. Categories that now appear small or immaterial in terms of screening criteria and impact may become increasingly important in the long term. We have therefore chosen to include them in our ambitions and reporting.

Excluded

There are six scope 3 categories for Heijmans that are not applicable for our report. Heijmans does not supply any leased goods in our upstream (category 8) or downstream (category 13). As a construction company, we deliver products that are anchored at a location and are immediately suitable for use, which means that both category 9 'Downstream transport and distribution' and 10 'Processing of delivered products' do not play a role in our impact. Nor does category 14 'Franchises' apply to us, as we do not have any franchises. Due to the nature of the associations and joint ventures a construction company enters into, it is not clear how to report category 15 'Investments' in line with the GHG Protocol. We also explain this earlier in this chapter in the 'Inventory, consolidation' section.

Calculation methodology

Spend

Categories 1 'Purchased goods and services', 2 'Capital goods', 4 'Upstream transport' and 5 'Production waste' are calculated on the basis of spend. Spend involves exporting data from our procurement system at the supplier level, including the euros spent per product group, which is then linked to supply chain greenhouse gas emission factors from the US-EPA database. This database contains thousands of different greenhouse gas emission factors, enabling us to make links with all our procurement categories (approximately four hundred). To automate this process, we have created a one-off complete conversion table and linked it to a Power BI report that presents the spend data from the procurement system live.

Category	Size	Influence	Risks	Stakeholders
1. Purchased goods and services	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
2. Capital assets	<div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
3. Fuel and energy	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
4. Transport (up)	<div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
5. Waste	<div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
6. Business transport	<div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>
7. Commuting	<div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>
8. Leased goods (up)				
9. Transport (down)				
10. Processing products sold				
11. Use of products sold	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
12. End-of-life products sold	<div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div>
13. Leased goods (down)				
14. Franchises				
15. Investments				

The US-EPA dataset, like the other individual emission factors, is updated annually at the start of the reporting year to provide a consistent picture of our impact and progress. However, in the second half of the year under review, a completely new version was published based on a more recent IPCC Assessment Report (AR5) and therefore an updated Global Warming Potential (GWP). Although, as explained earlier in this report, we have a policy of only applying new emission factors at the start of a new reporting period, we have made an exception in this case because the differences in impact were particularly pronounced, and the old set (based on AR4) was not consistent enough with other emission factors that we use.

Because this means we do not meet the ESRS requirement to report emissions in accordance with the most recent GWP values, we intend to devote attention to this in the coming year and recalibrate our emission factors according to IPCC AR6 where possible. To facilitate this, we are switching to a robust ESG management platform that will manage the emission factors for us. If the transition to the next set of emission factors leads to significant differences in our figures, we will report on this transparently.

Our mitigation efforts are not reflected in generic data, such as spend. For example, circular concrete can be more expensive than regular concrete, so even though using it has a very positive influence on our impact, the number in our report goes up.

We therefore need more specific data to be able to manage and gain insight into the impact of our actions. Various initiatives are underway to achieve this, with the choice of methodology often depending on the activities in our business areas. Infra, for example, is approaching this challenge from the perspective of material flows by entering into dialogue with its largest suppliers of the most impactful materials. Residential Building prefers to analyse its product portfolio using BENG (near energy-neutral buildings) and MPG (environmental performance of buildings) calculations, while Non-residential building is investigating the possibility of calculating the largest projects in detail and using them as a basis for extrapolation.

Exact

We can fill in part of our scope 3 footprint using exact data. To calculate categories 3 'Fuel and energy', 6 'Business transport' and 7 'Commuting', we collect data from Human Resources, our financial administration and the facilities department. Conversion factors can be directly linked to this data from the same set that we use to calculate our scope 1 and 2 emissions.

Category 11 'Consumption of sold products' also consists partly of exact data. We calculated the 2024 figures for Heijmans Property development and Residential building by registering the energy consumption of completed homes from project-specific calculations.

Estimates and exclusions

Unfortunately, in 2024 it was not yet possible to calculate our full scope 3 footprint, including Van Wanrooij, with exact data or based on spend. Some components are estimated or extrapolated because there is insufficient data available. We explain below which estimates are used and how we obtained the data.

Van Wanrooij

For category 1 'Purchased goods and services', Van Wanrooij was able to report a figure for 2024 by applying the same spend method outlined above. In order to make an estimate of category 11 'Consumption of sold products' for 2024, we analysed the OPTIO housing types offered by Van Wanrooij. This yielded an average emission per housing type, taking into account the orientation options. Van Wanrooij has not provided data on the CO₂e impact associated with the number of homes sold in 2019. We estimated this by comparing the figures of Heijmans and Van Wanrooij in 2024 and extrapolating the Heijmans figure in 2019 in the same ratio over the number of homes sold by Van Wanrooij. The latter was calculated by applying a correction to the total number of homes sold for the portion that was realised in combination with other parties (15%). All other categories, and the figures for 2019 and 2023, were calculated by making estimates based on the 2024 figures, revenue ratios and scope 3 ratios of Heijmans.

Use of sold products

The part of category 11 'Consumption of sold products' that cannot be retrieved using exact data is related to the emissions associated with the homes delivered in 2019 and objects that we deliver through our infrastructural and non-residential construction activities.

Non-residential properties are reported by estimating energy consumption using key figures for each type of property, such as office buildings, hospitals and data centres. These key figures are obtained either from project-specific calculations or by obtaining averages with our own research into various external sources. Activities in the area of services and renovation are left out of scope and not registered as delivered products. This is primarily because the definitions for these have not yet been properly determined, and many questions remain unanswered about when a property should be included. In addition, most of these projects involve modifications or renovations that do not affect energy consumption, such as replacing fire or security systems. We calculated the impact of 2024, as well as that of 2019 and 2023, using this method.

For the infrastructural works we have delivered, there are no project-specific calculations available that present a thorough figure for energy consumption. In addition, our ERP system does not have the option to register or retrieve numbers of products that consume energy. To estimate the impact, we had to do a back calculation by dividing a spend analysis by an average purchase price per object in a procurement category. An average energy consumption and an average lifespan were then linked to these numbers. The purchase prices, energy consumption and lifespans were retrieved through our own research in combination with the use of an AI tool when our own research did not yield any results.

End-of-life sold products

Category 12 'End-of-life treatment of sold products' is currently estimated by extrapolating an average key figure from the MPG calculations across all delivered homes. No data is yet available for Infra and non-residential building and we are not yet reporting on this, but processes are underway to change that in 2025.

Total greenhouse gas emissions

Overview

The table below presents the scope totals for the baseline year 2019, 2023 and the last reporting year 2024.

Category (in tonnes CO ₂ e)	Performance						Ambition				
	2019	2023	Target 2024	2024	2023-24 %	2019-24	2025	2030	2035	2040	Reduction per year %
Scope 1-emissions											
Total scope 1 emissions*	38,057	23,031	20,758	16,871	-27%	-56%	16,500	-	-	-	-10%
Biogenic scope 1 emissions	0	0		0							
% scope 1 emissions in ETS	0%	0%		0%							
Scope 2 emissions											
Location-based scope 2	4,956	5,512		7,730							
Market based scope 2	4,956	980	-	-	-100%	-100%	-	-	-	-	0%
Biogenic scope 2 emissions	-	-		-							
Scope 3 emissions											
Total scope 3 emissions	1,119,305	862,238	865,743	799,414	-7%	-29%	814,817	559,653	280,093	-	-5%
1 Purchased goods and services	369,425	411,647		451,137							
2 Capital goods	3,734	7,033		6,306							
3 Fuel and energy	10,441	7,211		5,468							
4 Transport (upstream)	24,367	25,151		33,963							
5 Waste	8,665	10,032		8,784							
6 Business travel	301	130		90							
7 Commuting	3,974	3,787		3,478							
11 Use of products sold **	691,785	391,728		284,881							
12 End of life products sold	6,614	5,518		5,306							
Biogenic scope 3 emissions	-	-		-							
Total location-based GHG	1,162,318	890,780		824,015							
Total market-based GHG	1,162,318	886,248		816,285							
Total biogenic emissions	-	-		-							

* According to the new method, the scope 1 figures are calculated as 29,259 tonnes of CO₂e in 2019 and 12,142 tonnes of CO₂e in 2024. For more information, see the 'Scope 1 - Calculation methods' section in this chapter.

** These figures for 2019 and 2023 in this category have been changed as a result of the inclusion of Infra's emissions. See explanation in ESRS 2, 'Reporting errors in previous years' section.

Greenhouse gas intensity

Explanation

It is often difficult to compare absolute emissions between companies, especially if they operate in different sectors or vary greatly in size. Greenhouse gas intensity offers a standardised benchmark that makes companies comparable. It also helps to gain insight into relative performance and efficiency, even when business operations increase.

Calculation method

To calculate intensity, we divide the total emissions in CO₂e tonnes by the total of Royal Heijmans N.V.'s revenue in millions of euros. For this, see the consolidated statement of profit or loss.

Overview

Greenhouse gas intensity (GHGI)	2023	GHGI	2024	GHGI
Revenue (in € million)	2,117		2,584	
Total GHG location-based (in tonnes CO ₂ e)	890,780	421	824,015	319
Total GHG market-based (in tonnes CO ₂ e)	886,248	419	816,285	316

Greenhouse gas removals

Policy

In Heijmans' current value chain, greenhouse gas removal takes place through biogenic storage in the biobased materials purchased (timber boards/beams, insulation) for new homes. In our reporting of this, we take into account the GHG Protocol Corporate Standard (version 2004), Product Standard (version 2011), Agriculture Guidance (version 2014), Land use, land use change, and forestry Guidance for GHG project accounting (version 2006).

In addition, we apply consensus methods for the administrative processing of greenhouse gas removals (from the EU regulatory framework for the certification of greenhouse gas removals) as soon as these become available.

Overview

In the table below, we explain which greenhouse gas removals we realised in our direct operations and in our value chain in the 2024 financial year.

Removals	2024
Own operations (direct)	
None	-
Total	-
Value chain (indirect)	
Upstream (Horizon project)	3.235
Total GHG removals (tonnes CO ₂ e)	3.235
Reversals	-

Explanation per project

Project Horizon (basic house)	
Greenhouse gases	Carbon dioxide (CO ₂), nitrous oxide (N ₂ O), methane (CH ₄) and fluorinated gases (F-gases).
Technique	Biogenic storage.
Calculation method	The Centrum Hout calculation module CO ₂ storage in timber based on the calculation method from the EN 16449 standard 'Wood and wood-based products - Calculation of sequestration of atmospheric carbon dioxide'.
Nature based	Yes, because it uses natural processes such as the growth of biobased materials, contributes to the preservation and restoration of ecosystems, helps mitigate the effects of climate change by reducing greenhouse gas emissions and promotes biodiversity through the use of various biological materials and the creation of habitats.
Management	Leaks and reversal events are prevented by the conscious strategic choice to focus on modularity and standardisation, so that the chance of achieving the designed useful life (and thus the calculated CO ₂ e sequestration) is realised in even the worst case scenario and is probably surpassed.
Quantity	3,235 tonnes CO ₂ e

Offsetting with carbon credits

Policy

In our strategy, we have agreed to produce in a greenhouse gas emission-neutral manner from 2023 onwards and to reduce our direct (or scope 1) emissions to zero by 2030. The latter is one of the targets that we had assessed by the SBTi.

In the intervening period until 2030, we want to minimise the burden on the climate due to our direct emissions and have chosen to offset these by purchasing certificates from projects in which greenhouse gases are captured for the long term or fossil emissions are replaced by sustainable alternatives.

The offsetting projects meet the standards of Verified Carbon Standard (VCS) or the Gold Standard. Reliability and effectiveness are crucial for Heijmans when choosing offsetting standards. The period for which the certificates have been issued is also important, as is the fact that the projects involved originate from the European Union. For our voluntary greening, we choose renewable energy sources such as wind, solar and hydroelectric power, as well as forestry projects. In 2024, the offsetting involved 16,895 tonnes of CO₂e. We are investigating whether it is possible to purchase certificates from a project by the Dutch Forestry Commission (Staatsbosbeheer) as part of our collaboration to add value to Dutch forests.

We do not purchase credits on the basis of contractual agreements, but through separate annual purchases that we make at the end of the year. If any credits remain after offsetting, we use them to offset the following year.

When we use credits to compensate for CO₂e, the credits are withdrawn via the so-called 'Corresponding adjustments' system in a central database. This prevents a credit from being used multiple times.

Overview

CO ₂ e credits planned	Quantity	Destined for
Total	3,129 tonnes CO ₂ e	2025

CO ₂ credits	2024
Total (in tonnes CO ₂ e)	16,871
Removal projects	0%
Reduction projects	100 % Bulgarian biomass
	The aim of the project is to utilise the available renewable energy sources in the form of biomass residues that are a by-product of the pre-treatment of wood for the production of bleached kraft pulp in the Svilocell pulp factory.
Verified Carbon Standard (gold)	100%
Share of projects in EU	100%
Corresponding adjustments	100%

Net Zero residual missions

Although we will not use greenhouse gas removals and offsetting certificates to achieve our goals, we do intend to use them if there are residual emissions in 2040 that we are unable to neutralise. We made this decision based on current insights to the effect that there is no guarantee that it will be possible to reduce all emissions in all categories to zero (commuting, for example).

When submitting our targets to the Science Based Target initiative, we estimated that this probably accounts for 10% of emissions in the baseline year 2019, or ~110,000 tonnes of CO₂e.

Internal carbon pricing

Heijmans has set up a system for internal CO₂e pricing. The aim of this is to create awareness of CO₂e impact, to provide an extra incentive for sustainable innovations and to distribute the costs associated with neutralising our scope 1 and 2 footprint proportionally across the company's business areas. This pricing will serve as an incentive for those in the business areas responsible for the implementation of climate policy and targets.

Depending on the estimated scope 1 and 2 CO₂e emissions of the consolidated parent company, all business units pay a CO₂e contribution to an internal fund on an annual pro rata basis. This estimate does not take into account planned actions to reduce these emissions. Scope 3 emissions and Van Wanrooij are not (yet) included in this system.

The price of one tonne of CO₂e in 2020 was determined on a one-off basis based on a study of the price of carbon credits. We did not use a direct source in this case, but we did compare prices from different providers and different types of projects that meet our requirements, after which we took an average. Since then, we have adjusted this price annually by following the trend in the price development of carbon credits and then applying a correction based on inflation.

Overview

Carbon pricing	Volume (estimated)	% distribution scope 1&2	Price	Perimeter
Internal CO ₂ e fund	23,616 tonnes CO ₂ e	100% s1, 0% s2*	€ 11.65 p/tonne	Heijmans total, scope 1 & 2

* Our scope 2 CO₂e footprint has been 0 for years because all our electricity comes from renewable sources.

Business area	2024 estimate	2024 levy
	Volume (in tonnes CO ₂ e)	Price (in euros)
Heijmans Netherlands	874 (4%)	€ 10,000
Heijmans Property development	461 (2%)	€ 5,000
Heijmans Residential Building	2.346 (10%)	€ 25,000
Heijmans Non-residential building	6.034 (26%)	€ 70,000
Heijmans Infra	13.901 (58%)	€ 165,000
Total	23.616 (100%)	€ 275,000



Water

Almost a third of the Netherlands lies below sea level. Without dykes, more than half of the country could even be flooded. Fortunately, the Netherlands has a long tradition of dealing with water. It is deeply rooted in our culture. How the country has dealt with water has drastically changed the landscape over the centuries and has resulted in

numerous ingenious structures. As a country, we are constantly inventing new techniques and materials and applying them on a larger scale than ever before. Our knowledge of water is even an export product that we use to help other countries reclaim land and prevent flooding.

Impacts, risks and opportunities

The full process description of the double materiality analysis is described in the 'General Information' section. We used the double materiality analysis to define an impact on water:

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
3	Water	The impact on the water system caused by our activities in public areas and in our own offices and building sites in terms of water balance/quantity, water quality, water safety and water use.	Sustainability	Current	◀●▶	ST MT LT		●		

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

Policy

Heijmans sees water as a broader theme than the impact identified in the double materiality analysis. Our 'Water Matters!' policy applies to the entire Heijmans organisation, its offices and all project locations, both current and future, and focuses on four pillars related to water: **Balance, Quality, Use and Safety**. We developed this policy over the course of 2024 and we will implement this policy from 2025 onwards.

We have described our impact in the policy and in previous chapters of the annual report. In 2025/2026, we want to conduct an in-depth screening (impact analysis) of the impact in the value chain (upstream and downstream), as well as in our own operations. Depending on the results of this in-depth impact analysis, we will be able to continue to refine, expand and implement our current control measures. We can control or repair our impact on the environment by, among other things:

1. Guiding the use of water types (e.g. rainwater, surface water, groundwater or drinking water)
2. Creating awareness

3. Applying our integral scan in the field of Ecology, Soil and Water (ESW) - providing insight into water risk areas (water and soil management map)
4. Applying sustainable design principles and sustainable asset management principles
5. Using the nature ladder

A more fundamental management measure could be whether or not to accept a contract based on its sustainability impact. The theme of water is knowledge-intensive due to legislation and the associated techniques. We set up the Heijmans Water Knowledge Network to gain and maintain a clear picture of all relevant developments. After all, knowledge becomes valuable when it can be applied in practice. The knowledge network ensures that this knowledge is properly secured, enriched and applied across Heijmans.

Heijmans is developing standards for water issues within its various business areas. Examples of these standards and solutions are described in the Heijmans Solutions Platform (HOP), the product quality knowledge base, standard housing products and our standard design solutions. Developments in the field of water issues are primarily driven by national policy, for example in the area of soil and water management-driven area development and permit obligations.

Water balance

The water balance has been disrupted in numerous places in the Netherlands. This is mainly due to human interference in the water system. We have organised the surface water system to drain water as quickly as possible, and we lack the means to buffer and infiltrate water. We also artificially manage the groundwater and surface water levels, and we extract groundwater for drinking water. The water balance is also being disrupted by a rapidly changing climate. This is creating problems related to water safety, drought, water quality, food production, the natural environment and health.

Our activities impact the various components of the water system and can lead to a disruption of the water balance. By viewing the water system as a whole, we can actually have a positive impact on the water balance with natural and technical solutions. We can help restore the water balance at both the building and regional level by applying the following principles, preferably in the following order: ***use and save, retain and infiltrate***, and ***store and discharge***.

Water quality

Water quality focuses on the suitability of surface and ground water for various uses, such as drinking water, water for the natural environment, water for industry, etc. This involves both chemical and biological quality. This differs per location, time and depth.

Our activities have an impact on water quality during the construction and utilisation phases due to, for example, (temporary) pumping, pollution from road runoff, sewage effluent and faulty connections in homes, and the installation of geothermal and energy systems in the ground. We want to improve our current impact on water quality by taking actions during our operations that actually have a positive impact on water quality and prevent or combat water pollution. For example, by applying innovations in road and residential construction. Decentralised purification systems in buildings and areas represent opportunities for us. We do this based on the principles of: ***connecting water, varied transitions from land to water*** and ***source measures***.

When we work in coastal areas, we touch the sea and the life in it. This means we have an impact on water quality. We work with sustainable solutions and contribute to nature-based solutions whenever possible.

Water use

When it comes to water use, we focus on two aspects: the use of drinking water and the use of water for (our) production activities. It is important to take into account water flows of different qualities and to realise that the impact of water use varies from location to location.

Our own activities result in the use of drinking water and other water. We will ensure that we provide insight into this use based on our water footprint and we are committed to reducing our impact in areas at risk of water shortage by using rainwater whenever possible. If the in-depth impact analysis of our water footprint (our own operations and in the chain) shows that we can significantly reduce our impact on water use, then water extraction for our own activities could be one action we take (for example, store rainwater on projects or water storage for water use in the realisation phase). It is not yet clear whether we will have to purify the water we collect. If this becomes a serious option, the quality requirements set for materials such as concrete will be a decisive factor.

Water safety

Water safety is about protection against flooding. We achieve this through flood defences such as dykes and dunes, but also by giving rivers room to flow. Managing our waterways such as rivers and lakes also safeguards our water safety.

To guarantee basic safety, we take actions to prevent flooding from large bodies of water (prevention). In addition to this, we can limit the consequences of a potential flood by making the Netherlands water resistant (water robust). Finally, the government, water boards, safety regions and provinces work together on the flood crisis management front, in the unlikely event that things do go wrong. The combination of prevention, flood-proof construction and crisis management is referred to as multi-layer flood risk management.

The consequences of climate change have an impact on the suitability of infrastructure and areas for regional development. We are creating works for the flood protection programme and we are protecting our works against high water by taking flood risk management into account in our projects:

- Working on flood protection in the Netherlands with delta technology
- Taking into account the impact on our land holdings
- Water-resilient design of the living environment

Initiatives

We are affiliated with a number of initiatives to open up the discussion about the impact of our water consumption. These are:

- **Waterbank**
An initiative of the Dommel water board and various other public and private parties to connect supply and demand between various sources.
- **Construction roundtable for drinking water-efficient residential neighbourhoods**
An initiative of the province of Gelderland and drinking water company Vitens to save drinking water in residential developments.
- **COP water quality**
STOWA is researching the influence of the changing climate on water quality. Governance and implementation will be defined in more detail in the COP.

Actions

We are not yet taking actions to reduce our water consumption in our own operations and we have not set aside any funds for this. We used the year 2024 to formulate our policy and map out our water footprint. We have now gained some initial insights that will help us determine the right actions to take. We use the dashboard to track our own water consumption. The next step is to get an idea of what is happening upstream and downstream. Starting in 2025, we will use our annual report to list the top five specific actions we have applied in our own operations in projects in water risk areas. This will also specifically apply to areas with severe water stress (if we have been active in these areas).

Targets

We set up the Heijmans water policy 'Water Matters!' (Water Raakt!) in 2024 as an integrated policy across all business areas. We will implement this policy from 2025 onwards, when we will draw up concrete transition plans on how to embed this vision in our DNA.

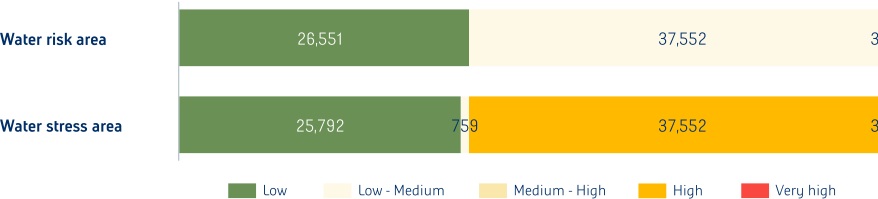
We have set 2019 as the baseline year for our targets and aim to realise these by 2030. We will initially focus on our own business practices and will work towards the upstream value chain targets from 2026. In 2024, we conducted an initial measurement of our drinking water consumption, which we had never (fully) tracked before. In 2025, we will provide insight into drinking water use in 2019 and use that as a basis for setting targets. Furthermore, our water-related ambitions are relatively new to us, and we are not yet able to monitor the effectiveness of individual actions. Once we have identified the right actions based on the planned in-depth analysis, we will continue to develop our monitoring and evaluation.

In 2025, Heijmans will actively share the 'Water Matters!' policy with its stakeholders and strategic partners to engage them in this shared challenge and, above all, to engage them in a dialogue about how Heijmans can continue to reduce its impact.

Metrics

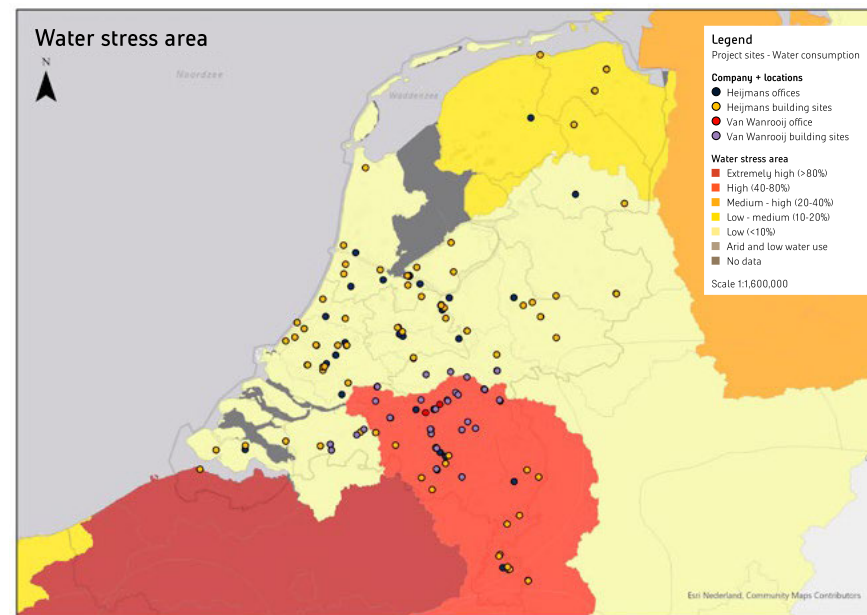
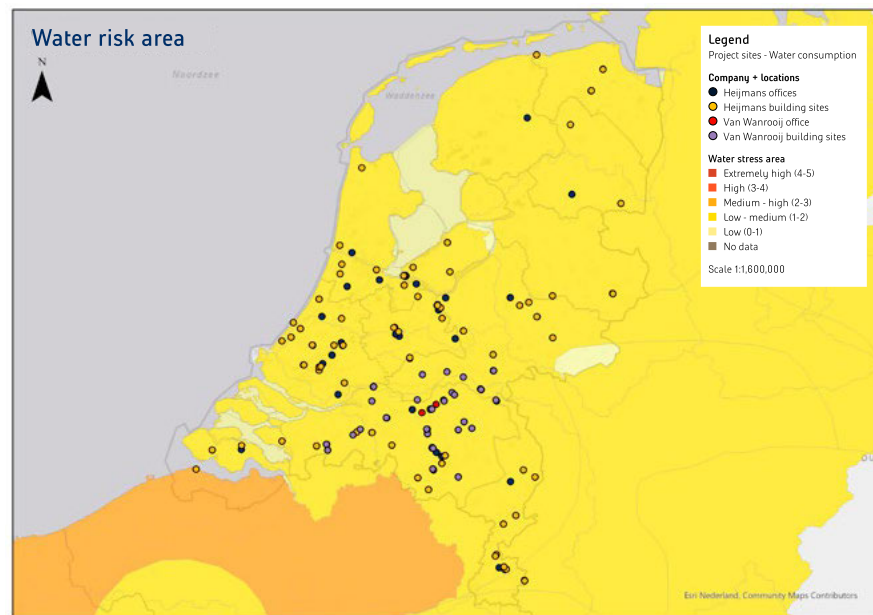
We report our total water consumption in cubic metres (m³) of water. In addition, we report our water use in risk areas and our water use in high-stress areas by risk score. Total water use in 2024 was 64,134 m³, and the figure below shows the use in high-stress areas and high-risk areas. The water intensity was 24.8 m³ per million euros in revenue. We do not store water for use in our current processes and activities. Nor do we reuse or recycle (process) water for our own operations.

Total consumption m³



Heijmans has not been monitoring water use as a standard practice, nor have we measured our consumption using smart water meters. When processing drinking water invoices that are received as PDF files, only the invoiced amount is entered into our records. This means that we have no insight into the cubic metres (m³) of water use stated on the invoices, so we need to use another method to obtain this information. This year, we performed a manual exercise to extract the m³ usage from all invoices and add them up. You will find a more detailed explanation of the assumptions used in 'Notes'. We switched to an automated method on 1 January 2025.

The figure below plots the project locations on a map of the Netherlands. The risk areas shown on the maps below are from the WRI Aqueduct Water Risk Atlas¹.



¹ When drawing up these maps, we excluded the option 'regulatory and reputational risk' based on our definition, which deviates from ESRS requirements. This includes 'unimproved/No Drinking Water', 'Unimproved/No Sanitation' and 'Peak RepRisk Country ESG Risk Index'. However, these filters were applied to our water use.



Biodiversity

The construction sector, including Heijmans, contributes to the Dutch economy and innovation, which improves many things, including living conditions, housing and infrastructure. At the same time, the construction sector is one of the major factors in the decline of biodiversity worldwide.

Society, and Heijmans too, is increasingly aware of the loss of biodiversity and the increasing risks that further decline entails for society, the economy and the business community.

Impacts, risks and opportunities

You will find the full process description of the double materiality analysis in the 'General Information' section. Heijmans has defined the impact on Biodiversity on the basis of the double materiality analysis:

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
4	Direct pressure factors biodiversity loss	The impact on biodiversity and ecosystems through the use of space, natural resources, pollution, greenhouse gas emissions and the introduction of invasive species. This contributes to the loss of biodiversity and ecosystems.	Sustainability	Current	◀●▶	LT		●		

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

We consider biodiversity to be an integral and essential part of our sustainability strategy. The biodiversity policy we have adopted, the actions we have implemented, the targets we have set and the metrics we have defined, as described in this chapter, focus on various drivers of biodiversity loss. We describe our approach to limiting greenhouse gas emissions in detail in the 'Climate' chapter. You will find the scope and limitations of the policy, the actions and the targets in the 'Notes' section.

Biodiversity analysis

In a follow-up to the results of the double materiality analysis, Heijmans developed a new process to map out our impacts, dependencies, risks and opportunities related to biodiversity and ecosystems more effectively. This process, based on the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP approach, will help Heijmans to refresh and refine the double materiality analysis next year. The LEAP approach is based on Locate, Evaluate, Assess and Prepare. Using this method, Heijmans is constantly improving its mapping of material impacts, dependencies, risks and opportunities. The LEAP approach also provides a location-based method that will help us to take location-specific actions, set targets and measure progress.

When we update the double materiality analysis, we will take a closer look at systemic risks in the area of biodiversity. This includes risks of ecosystems deteriorating to the point that a crucial nature area can no longer function, aggregated risk and risk of contamination. We included physical risks and transition risks and investigated them in last year's double materiality analysis. More specifically, these are acute physical risks (e.g. worsening natural disasters due to declining biodiversity) and chronic physical risks (e.g. loss of pollinators or soil degradation). The transition risks are primarily related to 'Policy and legislation', 'Technology', 'Market' and 'Reputation'.

Because Heijmans recognises that its activities in its own operations and its upstream and downstream value chains have an impact on biodiversity and ecosystems, we also realise that we can have an indirect impact on communities that depend on the same biodiversity and ecosystems. To accommodate these potentially affected communities, in the coming years Heijmans wants to discuss the sustainability analyses of the shared organic resources and ecosystems during projects, and to discuss when we need to take mitigating actions to reduce the impact. This was not included in the year under review.

This year, Heijmans started this process by taking an initial step towards a first site-specific analysis according to the TNFD LEAP approach. After determining the scope of the analysis, we made a start on the localisation step last year. During these first steps in the process, we looked at Heijmans' economic activities at specific locations, the size (surface area) of these projects and their potential impact on nearby biodiversity-sensitive areas. Heijmans used the Integrated Biodiversity Assessment Tool (IBAT) and the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) database for this analysis. Based on the results of IBAT, Heijmans can state that it has 940 locations that are close to biodiversity-sensitive areas where, based on the ENCORE database, there are economic activities that have a potentially material negative impact on biodiversity, ecosystems and natural habitats. This may result in a deterioration of the relevant habitats, and Heijmans' activities are disturbing animals in protected areas. The total area of all potential material surface locations together amounts to approximately 23.88 km². You will find more information on the scoping of the biodiversity analysis in the 'Notes' section.

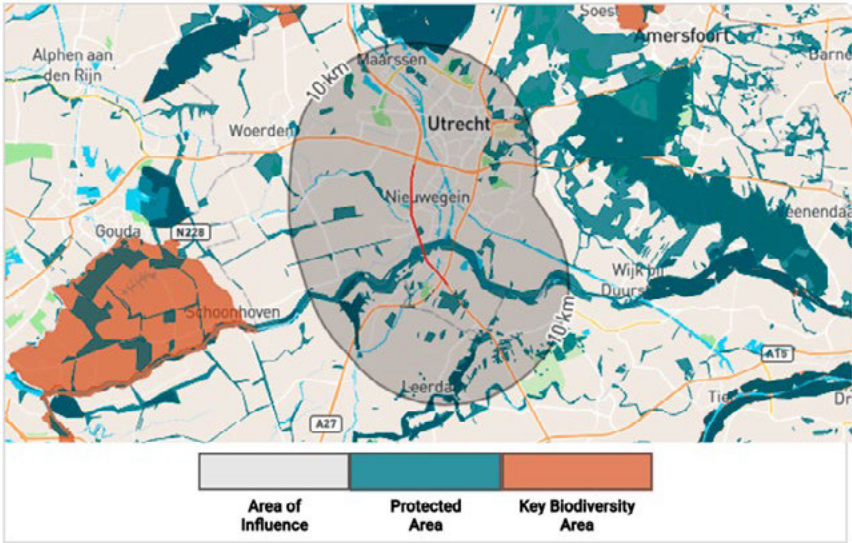
In order to map out the actual impact and dependency, Heijmans wants to go through the full TNFD LEAP approach in the coming reporting years to clarify its impacts and dependencies. Last year's steps provide the basis for this, but are not yet enough to specify our actual impact and dependencies at location level. Based on these results, Heijmans can then conclude whether it is necessary to take mitigation measures to minimise the impact on biodiversity at these locations and to map our dependencies, in addition to the legal measures that are already being taken within our projects.

Location-specific outcomes

Based on the outcomes of the scoping step, we extracted a list of possible locations from our database. This list contains descriptions of our economic activities at possible locations, which were then linked to GPS coordinates. The locations were then loaded into the IBAT tool and we ran a 'Disclosure Report'. Below is an example of the A2/A12 motorway where a location-specific analysis was performed. This analysis showed that our activities on the A2/A12 motorway are close to biodiversity-sensitive areas. Based on the ENCORE database, economic activities are taking place that have a potentially material negative impact on biodiversity, ecosystems and natural habitats.

Site Name: **G.022400.2.4200 - A2 A12 (A2)**

- **Site Area:** 1.3244841825824678 km²
- **Buffer Distance:** 10 km
- **Type of operation:** Construction
- **Sensitive Site:** Yes
- **Country:** Netherlands
- **Distance to area of high biodiversity value:** 0.0 km
- **Area of ecologically sensitive sites within the Area of Influence:** 56.52 km²



Land degradation, desertification and soil sealing

We identified a negative material impact on land degradation, desertification and soil sealing in Heijmans' economic activities. This negative impact is not (yet) linked to the IRO. See below for the definitions and associated types of impacts that contribute to these issues through Heijmans' economic activities.

Term	Definitie	Bijbehorende Impactfactoren
Land degradation	The many processes that drive the decline or loss in biodiversity, ecosystem functions or their benefits to people and includes the degradation of all terrestrial ecosystems.	Area of land use
		Area of freshwater use
		Area of seabed use
		Introduction of invasive species
		Emissions of toxic pollutants to water and soil
Desertification	Land degradation in arid, semi-arid and dry sub-humid areas resulting from various factors, including climatic variations and human activities. Desertification does not refer to the natural expansion of existing deserts.	Emissions of GHG
		Area of land use
		Area of freshwater use
		Area of seabed use
		Introduction of invasive species
Soil Sealing	Covering soil in a way that makes the covered area impermeable (e.g. a road). This non-permeability can create environmental impacts as described in Commission Regulation (EU) 2018/2026 (29).	Emissions of toxic pollutants to water and soil
		Emissions of GHG
		Area of land use

Impact on endangered species

Heijmans' activities also have a potential impact on endangered species. In the year under review, this involved 28.5% of the 940 locations analysed by IBAT. In these cases, the potential impact on endangered species is significant.

Limitations of the outcomes

- The complete method and limitations of these outcomes are described in Heijmans' overarching biodiversity policy document.
- The surface area of the locations was only calculated for the large project locations of Heijmans Infra. For the other locations, point locations were used without surface area calculations because these are relatively small areas compared with the large Infra projects.
- The exact surface areas per location can be found in the full IBAT report in the 'Notes' section.

Resilience analysis

Because this was the first year that Heijmans mapped out its impacts, dependencies, risks and opportunities, we have not yet used the results to conduct a complete resilience analysis. Heijmans therefore assumes that its strategy and business model are vulnerable to the various risks associated with the loss of biodiversity and ecosystems, and that its resilience has not yet been sufficiently mapped out. Nor is Heijmans adjusting its business model at this time based on the outcomes of the impact, dependency, risks and opportunities analysis. However, in the year under review we did draw up a list of material locations where impacts and dependencies are linked to material economic activities. This provides a solid basis for conducting a well-founded resilience analysis in the coming year, which will provide a complete picture.

In order to make an initial assessment of the risks to our business model in the area of biodiversity and ecosystems, Heijmans has plotted the list of material locations from the impact and dependency analysis in the WWF risk filter tool. This tool provides us with an initial insight into ecosystem-related physical and transition risks linked to each material location in our direct operations. This tool does not yet provide insight into possible systemic risks to which Heijmans' business model is exposed. Nor does this tool provide insight into our resilience in relation to these risks.

We made the following assumptions for this analysis:

- The locations deemed material provide an accurate and representative picture of Heijmans' business model in its direct operations.
- The time horizon to which this analysis applies is the past financial year. Heijmans assumes that 2024 is representative of an average financial year in which Heijmans carries out its usual economic activities.
- The WWF risk filter tool provides an accurate assessment of risks related to our locations, using the most up-to-date and best data.

No external stakeholders were included in our direct operations in this resilience analysis.

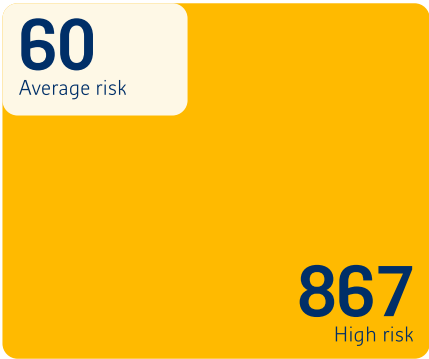
Results

The WWF risk filter tool can be used to identify ecosystem-related physical risks (risk type 'Physical Risk' in the WWF risk filter tool) and transition risks (risk type 'Reputational Risk' in the WWF risk filter tool). The results of this analysis are shown below, with the locations broken down by type of risk and associated risk categories. This shows that Heijmans runs a medium to high risk in terms of physical and transition risks, with commission services, pressure on biodiversity, environmental factors and additional reputation factors playing a particularly significant role. Although this still does not provide a complete picture of all the risks that Heijmans runs in the area of biodiversity and ecosystems, it does provide insight into where the main focus currently lies. This forms a good basis for a more in-depth analysis in the coming year.

Physical risks
(scape physical risks)



Reputational risks
(scape reputational risks)



Policy

In addition to Climate and Water, Biodiversity is one of Heijmans' three sustainability pillars. We are convinced that biodiversity, in conjunction with the pillars of climate and water, plays a crucial role in improving our living environment, so we leave it in a better state than we found it. That is why last year Heijmans developed a biodiversity vision, which will form the basis for an overarching policy document.

Our biodiversity vision consists of two parts, each with a specific target:

1. Strengthen biodiversity: by focusing on four impact factors, reduce the impact on biodiversity and improve it where possible;
2. Nature as a Solution: we use nature as a solution in our projects whenever possible.

Improving biodiversity

To improve biodiversity, Heijmans has identified four impact factors that are closely aligned with our business model and our strategy. We see these four impact factors as the levers that we as Heijmans can pull to minimise our negative impact on biodiversity and ecosystems and maximise our positive impact.

1. Space for nature: this is about how much space is available for nature, not only in specific nature reserves, but also in areas where space is made for nature in combination with other functions, such as living, working or connecting. In addition to size, the connectedness of this nature is also important. Heijmans, for example, has an impact on the space for nature by converting nature and greenery into buildings and the likes of asphalt.
2. Species richness: species richness is about the variety of species in an area. A greater variety of native species ensures more balanced biodiversity. For example, Heijmans has an impact on species richness through the introduction of invasive species or the disruption of habitats due to construction work.

3. Environmental conditions: good environmental conditions such as healthy soil, clean water and air quality are the basis for the flourishing of flora, fauna and people. For example, Heijmans has an impact on environmental conditions through potential pollution and greenhouse gas emissions that damage biodiversity. Our impact on climate change through emissions is described in detail in the 'Climate' chapter.
4. Nature as a resource: all our resources, such as timber, hemp fibre, gravel and metal, come from nature. There is a high risk of biodiversity loss when these resources are extracted. Even when using bio-based materials, Heijmans has an impact on biodiversity in the chain.

We used the five pressure factors identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the TNFD, the CSRD, Science Based Targets for Nature (SBTN) and other organisations as the main causes behind the current global decline in biodiversity as the scientific basis for the development of the Heijmans impact factors.

The table below shows how the Heijmans impact factors relate to these scientific pressure factors.

Heijmans	IPBES	ESRS E4 AR 4	TNFD Main Drivers	SBTN Pressure category
Room for nature	Ecosystem use and use change	Land-use, fresh water-use and sea-use change	Land/freshwater/ ocean-use change	<ul style="list-style-type: none">• Land use and land use change• Freshwater ecosystem use and change• Marine ecosystem use and change
Environmental conditions	Climate change	Climate change	Climate change	GHG emissions
	Pollution	Pollution	Pollution / Pollution Removal	<ul style="list-style-type: none">• Non-GHG air pollution• Water pollution• Soil pollution• Solid waste
Nature as a resource	Resource exploitation	Direct exploitation	Resource use / replenishment	Water use
				Other resource use
Types of richness	Invasive and other	Invasive alien species	Invasive species and other	Other ecological disruptions
				Biological alternations and interferences

Nature as a Solution

At this point in time, we are still developing the 'Nature as a Solution' component. In this part of our vision, Heijmans wants to map out how we can use nature as a solution in our projects. We expect improving ecosystem services to play a major role on this front. However, we are already taking various actions to use nature as a solution. See the chapter on 'Biodiversity actions' for more information.

Traceability of materials

Heijmans is committed to the transparency and traceability of products, components and raw materials within the value chain in order to limit its environmental and social impact. A key example and a first step is the use of FSC and PEFC-certified timber, which guarantees that the timber comes from responsibly managed forests. By preventing logging in irresponsibly managed forests, we also prevent emissions linked to deforestation. Our ambition is to continue to improve the traceability of various materials by working with suppliers in our chain and improving data management and the monitoring of material flows in the coming years.

Project-specific policy

Heijmans does not yet have a location-specific policy for locations in or near biodiversity-sensitive areas, as determined in the impact, dependency risk and opportunities analysis. However, Heijmans does have specific policy components that may have locations in or near biodiversity-sensitive areas:

- The Nature Ladder (Natuurladder) at Heijmans Infra: Heijmans uses the Nature Ladder, which we helped develop, as a guideline for biodiversity in infrastructure projects. This ladder focuses on cultural and behavioural change and offers projects practical steps to enhance biodiversity and climate adaptation. The Nature Ladder has now been transferred to the Delta Plan on Biodiversity Restoration for national implementation.
- Use of NL Greenlabel: for its own area developments, Heijmans applies the NL Greenlabel area label to assess and stimulate sustainability efforts. The label measures these efforts based on themes such as biodiversity, water management and mobility. Since 2021, Heijmans has required each of its area developments to score an A or B. This method is used not only to measure the ecological impact of a project, but also to preserve and enhance local qualities, for example through nature-inclusive construction and the connection with so-called green-blue structures.

This policy supports Heijmans' commitment to the sustainable management of the natural environment around operational locations, with a focus on the conservation and enhancement of biodiversity.

Sustainable land and soil management

Heijmans is developing a sustainable land lease policy aimed at promoting soil health, biodiversity and climate adaptation. This policy strives to reduce nitrogen emissions, increase biodiversity and reduce heat stress through targeted land management actions.

For grassland, the focus is on switching to grass-clover mixtures, a ban on glyphosate and postponing any mowing date until 1 June. For arable land, we are encouraging a switch to biobased cultivation (such as hemp fibre), with a glyphosate ban and non-inversion tillage as key priorities.

Heijmans recognises the importance of sustainable soil management and is working with Wageningen University & Research (WUR) on a framework of seven principles for healthy soil practices in urban development. These guidelines help projects protect and improve soil health through soil research, minimising disruption, preventing compaction and promoting biodiversity. Although these soil principles currently serve as a framework, in the future they will provide a basis for further implementation of policy and conscious soil practices in Heijmans' projects.

Deforestation

Heijmans imports, uses and exports timber for its operations and end products. Realising that the purchase of timber can result in deforestation, Heijmans has been committed to using as much certified timber as possible since 2011. In 2024, this percentage was 99.5%, out of a total of approximately 12,144 m³ of timber¹. When we enter the amount of sustainable timber used into the Forest Stewardship Council's FSC Forest Calculator, we see that in 2024, one year's use of timber protects 468,880 m² of forest for thirty years. We also offer sustainable solutions and promote nature-based solutions whenever possible.

¹ Data are up to and including October 2024.

Actions

Biodiversity actions

Heijmans is implementing various actions to reduce its negative impact on biodiversity and ecosystems. These actions can be roughly divided into four types:

- Measuring instruments
- Partnerships
- Research programmes with external partners
- Cross-project measures

Although Heijmans does not specifically use the mitigation hierarchy as a tool, each action can be categorised using this hierarchy. Each action is also linked to one of the four strategic biodiversity pillars (***Space for Nature***, ***Species Richness***, Environmental Conditions and ***Nature as a Resource***). These actions are just a selection of all the actions that Heijmans is taking to prevent, reduce, repair or compensate for its impact on biodiversity and ecosystems. These actions do not (yet) cover the entire IRO.

Heijmans does not currently have any actions planned for the (near) future, as the impact and dependencies are not yet fully clear (see also reference to the LEAP approach at the start of this chapter).

Type of measure		Explanation	Impact factor	Mitigation hierarchy	Scope	Time horizon
Measuring instruments	Biobuddy	Development of new technology to make biodiversity measurable using sensors and Artificial Intelligence (AI).	Species richness	Avoidance & Restoration/ rehabilitation	Direct operations (several projects)	Indefinite, ongoing measure
	Natuurladder	Measuring instrument that measures the maturity of the biodiversity and climate adaptation themes based on culture, leadership and content. The tool is applied at the very least in all category 2 & 3 Infra and construction teams projects.	Space for Nature, Biodiversity, Environmental Conditions	Avoidance , Minimisation, Restoration/ rehabilitation	Direct operations (all category 2 & 3 Infra and construction teams projects)	Indefinite, ongoing measure
	NL Gebiedslabel	Heijmans applies the NL Area Label, which has a component aimed at biodiversity. The label combines current professional knowledge of ecology and materials use with state-of-the-art applications in the field of geodata and digitalisation.	Space for Nature, Species Richness, Environmental Conditions, Nature as a Solution	Minimisation	Direct operations	Indefinite, ongoing measure
Partnerships	Cooperation Forestry commission	Collaboration with the Dutch forestry commission (Staatsbosbeheer) and the National Tree Planting Day Foundation to promote biodiversity outside the plan's boundaries by planting 24 hectares of forest by 2030. This will absorb greenhouse gases and provide opportunities for education and increasing the involvement of children.	Space for nature	Restoration/ rehabilitation	Direct operations	2030
	Cooperation with Naturalis	This partnership focuses on making biodiversity measurable. This involves both embedding biodiversity targets in business operations and measuring actual biodiversity in the field.	Species richness	Restoration/ rehabilitation	Direct operations	Indefinite, ongoing cooperation
Research programmes	WAB (Wijk Als Biotoop) Rotterdam University of Applied Sciences	The Neighbourhood as Biotope (Wijk as Biotoop - WAB) research project aims to utilise the power of people, smart technology and data from plants and ecosystems to create healthy and resilient cities.	Space for Nature, Species Richness	Restoration/ Rehabilitation	Direct operations	October through December 2024
	Research project with Naturalis – Hidden Biodiversity	Hidden Biodiversity is a four-year research programme with a broad consortium that is conducting research into the presence of 'hidden biodiversity' in the city with the aim of giving it a place in policy and management.	Space for Nature, Species Richness	Avoidance	Direct operations	2022 through 2025
Cross-project measures	Sample gardens	Inspiration for buyers of new homes for the design of biodiverse and climate-adaptive gardens.	Space for Nature, Species Richness	Restoration/ rehabilitation	Direct operations	Indefinite, ongoing measure
	Heijmans Area label	The area label includes various concrete measures for each theme, which are now being used in the area developments of property development projects	Space for Nature, Species Richness, Environmental Conditions, Nature as a Solution	Differs per measure	Differs per measure	Indefinite, ongoing measure

Nature as a Solution

Heijmans also frequently uses nature-based solutions in its projects and area developments. These solutions focus on the use of natural processes and ecosystems to contribute to climate adaptation, biodiversity recovery and the well-being of communities. By combining technical knowledge with ecological principles, Heijmans creates social, economic and ecological value. Some of the themes in which nature is currently used as a solution are:

- **Nature-inclusive building:** Heijmans applies nature-inclusive building principles to promote biodiversity in the built environment. Green roofs are a common feature in our projects, not only adding aesthetic value but also creating habitat space for birds, insects and other species. This Space for Nature initiative also contributes to climate regulation by absorbing heat, retaining rainwater and improving air quality. This not only makes the urban environment more biodiverse, but also more resistant to climate changes such as heat waves and heavy rainfall.
- **Native vegetation and pollinators:** by integrating native plants into project designs, Heijmans supports local biodiversity and enhances pollination services.
- **Nature-friendly banks:** Heijmans incorporates nature-friendly banks along and around water features in its projects, which boosts biodiversity, among other things.
- **Wildlife crossings and ecological connections:** in collaboration with partners, Heijmans creates ecological corridors and wildlife crossings in infrastructure projects to connect fragmented habitats. This promotes the safe movement of animal species, which increases genetic diversity and makes ecosystems more resilient.
- **Green solutions along infrastructure and in paved areas:** Heijmans regularly uses green solutions such as bioswales, green verges and ponds near paved projects such as streets and squares. These help to collect rainwater and prevent surface runoff, which reduces the risk of flooding and helps create a resilient water management system.

In addition to these overarching themes, there are other themes in which we use nature as a solution. Heijmans strives to increasingly use nature as a solution, and wants this to become the normal way of thinking.

Targets

Heijmans has formulated two new specific biodiversity targets to reduce its impact on biodiversity in its direct operations. These targets are linked to the impact factors 'Space for Nature' and 'Species Richness'. These targets are absolute and time-bound. Heijmans did not set any specific biodiversity targets for the 'Environmental conditions' and 'Nature as a resource' impact factors last year. However, it did set specific targets in the areas of climate change and water, which can be found in the respective chapters on 'Climate' and 'Water'. These targets also ensure that our direct operations reduce our impact on biodiversity and ecosystems. They do not (yet) cover the entire IRO.

Impact factor	Target	Link to IRO	Metric	Unit
Space for nature	From 2030, every project found to be material will add a net area of nature.	In this way, we are trying to reduce the negative impact of the use of space.	Percentage of projects found to be material that add to the surface area of nature.	Square metres of added nature (both horizontally and vertically) per project.
Species richness	From 2030 onwards, every project found to be material will contribute to the increase in species richness.	In this way, we are trying to reduce the negative impact of the introduction of invasive species.	Percentage of projects found to be material that add biotopes.	Number of biotopes (habitats) added per project.
Environmental conditions	No specific biodiversity target has been set yet. Climate targets do contribute to this.	To be determined.	Not applicable.	Not applicable.
Nature as a resource	No specific biodiversity target has been set yet.	To be determined.	Not applicable.	Not applicable.

We determine the materiality of a project based on the business activities that take place. We will start taking the first measurements on a number of projects in 2025, but we do not yet have a definitive timeline for reporting on these targets for the entire organisation.

Method for target-setting and assumptions used

We set the targets for the impact factors 'Space for Nature' and 'Species Richness' using the following method:

- Integration with the four impact factors: the first step in the process was to align the biodiversity targets with Heijmans' four biodiversity impact factors.
- Alignment with scientific and international targets: in the next step, we looked at the relevant international targets and frameworks.
- Integration with measurement methods and monitoring: we then looked at the feasibility of measuring and monitoring the targets set.
- Targets were made SMART: the SMART methodology ensures that your targets are clear, achievable and measurable.
- Internal evaluation: we then evaluated the targets internally with subject matter experts, theme leaders, the Executive Board and those responsible for sustainability across the company's business areas.

Alignment with international targets and the mitigation hierarchy

The two new targets are currently well aligned with various international frameworks. The most important is the Kunming-Montreal Global Biodiversity Framework (GBF), which consists of 23 global targets to combat the worldwide decline of biodiversity and ecosystems. Our targets contribute to various targets of the Global Biodiversity Framework (GBF).

Heijmans' targets can be categorised under the 'Restore' step of the mitigation ladder. This step focuses on restoring and improving the biodiversity and ecosystem services that have been affected by human activities.



Resource use and circular economy

Heijmans is striving for complete control of material flows, including the associated revenue models. The target is not only to reduce dependence on scarce raw materials and guarantee security of supply, but also to reduce the negative impact of materials on greenhouse gas emissions, water and biodiversity in the interests of a healthy living environment. The use of materials is, after all, a major cause of climate change, loss of biodiversity and pollution.

The increasing scarcity of raw materials, the growing environmental impact of the use of materials in construction and the changing market demand for sustainable solutions have prompted Heijmans to develop a policy on the use of materials and circularity. We are taking a proactive role in the transition to a circular construction economy. This role is set out in the raw materials and circularity policy, based on our vision and approach to reducing our negative impact and increasing our contribution to a circular economy. The policy applies to Heijmans' own operations, all Heijmans' business areas, and as much of the value chain in which Heijmans operates as possible. This means that not only our own employees, but also subcontractors, suppliers and clients are essential for the implementation and safeguarding of the policy.

Impacts, risks and opportunities

On the basis of the double materiality analysis, Heijmans defined an impact on Material outflows with regard to products and services:

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
5	Material outflows related to products and services	The impact on the natural environment and the climate caused by buildings and infrastructure designed and built by Heijmans according to circular principles (extending useful life, reparability and recycling) and the conscious use of primary materials.	Sustainability	Current	◀ ● ▶	ST MT LT	●			

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

Role in circular ecosystem

Heijmans' policy on resource use and the circular economy is aimed at controlling material flows in order to reduce the proportion of primary, non-renewable raw materials and eliminate the concept of waste. This indirectly leads to a better environmental performance of resource use and a reduction in greenhouse gas emissions.

The circular economy is an important part of Heijmans' value creation. By 2030, we want all our work to have a positive impact on the earth. And we do this in a circular way, in which our use of materials not only reduces our use of primary materials, but also contributes to bold statements on greenhouse gases, water and biodiversity.

The circular economy focuses on reducing the use of primary, non-renewable raw materials, extending the lifespan of materials and eliminating waste in both the biosphere and the technosphere, based on four strategies:

- Narrowing the loop: limiting the use of materials through more efficient production and minimising waste in the production and use phase
- Substituting the loop: replacing primary/finite raw materials with sustainably produced renewable raw materials or alternative primary raw materials with less environmental impact
- Slowing the loop: extending the lifespan of products and materials through maintenance, reuse and repair
- Closing the loop: maximising the reuse of materials and using recycled materials to close the loop

Heijmans devotes particular attention to extending the lifespan (slowing the loop) of biobased materials. This not only helps to reduce the use of primary, non-renewable raw materials, but also contributes to the long-term storage of greenhouse gases, which increases the positive impact on the climate.

Policy

Heijmans' policy focuses specifically on the use of raw materials in the company's own operations and outgoing material flows, and thus also affects the downstream value chain, including clients, waste processors and demolition companies. This corresponds with the double materiality analysis we carried out, which specifically looks at the role of CO₂-negative materials that are applied in a circular manner. We also plan to introduce a policy on incoming materials in the coming years, focusing on products, suppliers and subcontractors in the value chain.

Highlights

Our goal is to gain insight on an organisation-wide level into all incoming and outgoing material flows based on the procurement list (spend) and specific data on products, suppliers and demolition firms. In this list, we pay extra attention to the share of CO₂-negative materials and their circular applications (substituting the loop).

In all projects with a revenue of more than ten million euros, we calculate the environmental performance (for example, MPG/MKI) at the level of the object or material, to determine the environmental impact and in turn weigh the risks of raw materials.

All of Heijmans' waste flows are monitored and displayed in the waste management dashboard, which presents the amount of residual material, separation of residual material at a building site and the reuse of residual material (narrowing the loop).

This policy is in line with the principles of the Raw Materials Agreement, which Heijmans also signed in 2018. Heijmans has also signed The New Normal, a standard developed by clients and contractors with achievable and ambitious circular performance targets for circular construction.

Actions and targets

We have not yet formulated any actions or targets for materials use and the circular economy. While the energy transition is in full swing, Heijmans recognises that the materials transition is still in its infancy. The relationship between the use of materials and greenhouse gas emissions has now been established and clear actions to reduce greenhouse gas emissions from the use of materials (substituting the loop) are being drawn up in the climate plan. However, actually closing cycles in both the biosphere and the technosphere requires a major change in existing chains, which will require support from all parties. On a project basis (such as De Nieuwe Post) or for specific material flows (such as concrete), Heijmans is able to organise chains differently and keep technical and biobased materials in the cycle (closing the loop). However, circular construction is not organised across the sector, which also makes it difficult for Heijmans to scale up. In addition, it is not yet possible to apply circular revenue models successfully, mainly because materials are not measured sufficiently (expressed in residual value or CO₂ tax). For this reason, we have not (yet) set any specific targets for resource use and the circular economy beyond the dependence on reducing CO₂e. Heijmans intends to set targets for waste (tonnes), origin (% of primary raw materials), disassembly of outgoing material flows and the environmental impact (MPG/MKI, or the environmental performance of buildings and structures) of resource use.

In the period 2025-2027, Heijmans will implement measures that, in addition to CO₂e reduction, will also improve resource use and the circular economy within the organisation. The following measures will be central to this effort:

1. Use of material flow analyses for incoming material flows in all Heijmans projects
2. Mandatory disassembly plan when using biobased materials
3. Introducing data-driven sustainability for materials use to link LCA databases, product catalogues and marketplaces to Heijmans' primary processes (substituting the loop)
4. Exploring circular revenue models based on pilots with short-cyclical materials (closing the loop)

Metrics

Looking at our business model, we provide a number of services:

- The sale of new homes
- The construction (possibly including the design) of new homes, buildings and infrastructure
- The maintenance and management of buildings and infrastructure
- The renovation of homes, buildings and infrastructure

A number of basic processes are also linked to this: design, realisation, maintenance and management, renovation and sale. Based on these business activities, we ultimately deliver homes, buildings (including technical installations) and infrastructure as end products. In general, Heijmans' end products are not designed according to circular principles as standard; this only occurs on a project basis.

Useful life

The actual useful life, or possible use, of a home and building can vary greatly. This depends on how the user and/or owner maintains the building. The main rule in the Buildings and Living Environment Decree (article 4.12) is that a building, including a home, should last for at least fifty years. Buildings and homes built using timber or other CO₂-negative materials have the same lifespan of fifty years.

When we talk about infrastructure, we mean roads or engineering structures. Engineering structures are constructions related to infrastructure, such as aqueducts or tunnels. No statutory lifespan has been determined for roads. The design lifespan of roads is often based on guidelines such as those of CROW or the Ministry of Public Works and Water Management's Standard RAW (Rationalisation and Automation of Ground, Water and Road Construction) Provisions. According to the guideline for the assessment of civil engineering structures, a lifespan of one hundred years has been determined for civil engineering structures. Here too, a lifespan of one hundred years applies to infrastructural structures made of timber or other CO₂-negative materials.

Repairability

Making our products repairable is no simple matter, and it involves more than just repairability. In the construction sector, we talk about management and maintenance, and the renovation of structures. Heijmans does this for all three of our product groups. On a project basis, management and maintenance are laid down in the Long-Term Maintenance Plan (LTMP) for a specific period in accordance with NEN 2767. The long-term maintenance plan establishes the planned maintenance for a specific period (10-25 years), so work can be planned in a focused and efficient manner and maintenance budgets can be managed. For structures built of timber or other CO₂-negative materials, we do not yet have a separate approach for management & maintenance or repair.

We have no data to compare the useful life or repairability with the sector average.

Recycling

Heijmans has drawn up a clear circular policy for packaging materials that focuses on recyclability and ensures that all packaging materials are delivered by suppliers and subcontractors in such a way that they can be reused or recycled (narrowing the loop).

It is difficult to determine the recyclable content of complex products such as buildings. At a client's request, we do use a commercial materials passport, but this is not standard practice in all projects. When we prepare this material passport, we map out the end-of-life scenarios in combination with a material flow analysis, and the percentage of recyclable content is determined based on the material weight. Heijmans passports are in line with the guidelines drawn up by the CB'23 platform in Passports for the construction industry.

It is assumed in national databases that any materials used that store greenhouse gases are incinerated after use. At Heijmans, the vast majority of all outgoing materials are recycled or used to generate green electricity. However, we do not know what proportion of this is recycled. Making structures with CO₂-negative materials that can be disassembled is a policy point within Heijmans for the coming years, as we want to reduce the share of incineration and increase the share of recycling and reuse.



EU Taxonomy

In 2020, the EU Taxonomy (EU 2020/852) entered into force. The EU Taxonomy was part of the EU Green Deal, Europe's strategy to become the first climate-neutral continent in 2050. The EU Taxonomy serves as a classification system summarising what activities are and are not considered ecologically sustainable. For information on the content of the Taxonomy, please see the website of the European Union: EU taxonomy for sustainable activities - European Commission (europa.eu).

Heijmans falls within the scope of the EU Taxonomy. In the year under review, the EU Taxonomy required the company to conduct research into which part of the company's turnover/capital expenditure (CapEx)/operational expenditure (OpEx) is eligible for the Taxonomy for all six environmental objectives stated in the EU Taxonomy. Furthermore, for the environmental objectives climate change mitigation and climate change adaptation, the EU Taxonomy required the company to assess which part is actually aligned with the criteria listed in the directive for all six environmental goals.

Eligibility

For the eligibility assessment based on the company's primary business operations, Heijmans used the currently available EU documents that contain the definitions and clarifications for non-financial companies:

- The Climate Delegated Act (2021/2139)
- The Disclosures Delegated Act (2021/2178)
- The Complementary Climate Delegated Act (2022/1214)
- The Environmental Delegated Act (2023/2486)
- The amendments to the Climate Delegated Act (2023/2485)
- The seven Commission notice documents with EU Taxonomy Frequently Asked Questions

Based on the descriptions of activities in the ISO9001 and ISO14001 certificates of the various business areas, Heijmans made the most granular possible breakdown of its business operations (e.g. distinction between construction of infrastructure for rail traffic, road traffic, water traffic, etc.), and then mirrored these against the descriptions of the Taxonomy activities.

In summary, at the highest level of abstraction, Heijmans primarily engages in economic activities - whether or not through its subsidiaries - in the following operational areas:

- The design, realisation and maintenance of above-ground and underground infrastructure for the transport of people, goods and energy by land, air and water.
- The development, design, realisation, maintenance and renovation of (projects in) the built environment.
- The design, realisation and maintenance of energy systems in buildings, linked to the sale and invoicing of energy to users.

Based on this categorisation, Heijmans' business activities have been mirrored against the economic activities within the Taxonomy. The documents published by the EU at the end of 2023 led Heijmans to classify additional environmental targets in which it carries out business activities as applicable when compared with the previous reporting year. Table TAX01 lists the economic activities in which turnover is generated or investments are made.

TAX01 - Eligible economic activities linked to business areas

Economic activities and targets		Business areas
4.1	CCM, CCA Generating electricity using photovoltaic solar energy technology	Connecting
4.8	CCM, CCA Generating electricity from bioenergy	Connecting
4.9	CCM, CCA Transmission and distribution of electricity	Connecting
4.15	CCM, CCA District heating/cooling distribution	Connecting
5.1	CCM, CCA Construction, extension and operation of water collection, treatment and supply systems	Connecting
5.2	CCM, CCA Renewal of water collection, treatment and supply systems	Connecting
5.3	CCM, CCA Construction, extension and operation of waste water collection and treatment	Connecting
5.4	CCM, CCA Renewal of waste water collection and treatment	Connecting
6.5	CCM, CCA Transport by motorbikes, passenger cars and light commercial vehicles	Living/Working/Connecting
6.6	CCM, CCA Freight transport services by road	Living/Working/Connecting
6.13	CCM, CCA Infrastructure for personal mobility, cycle logistics	Connecting
6.14	CCM, CCA Infrastructure for rail transport	Connecting
6.15	CCA Infrastructure enabling low-carbon road transport and public transport	Connecting
7.1	CCM, CCA Construction of new buildings	Living/Working/Connecting
3.1	CE	
7.2	CCM, CCA Renovation of existing buildings	Living/Working
3.2	CE	
7.3	CCM, CCA Installation, maintenance and repair of energy efficiency equipment	Working/Connecting
7.4	CCM, CCA Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Working/Connecting
7.5	CCM, CCA Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Working
7.6	CCM, CCA Installation, maintenance and repair of renewable energy technologies	Working/Connecting
7.7	CCM, CCA Acquisition and ownership of buildings	Living
9.1	CCM Research, development and innovation closely linked to the market	Living/Working/Connecting

Eligibility of turnover

The total turnover to be assessed in the Taxonomy consists of the turnover from projects for third parties of the Group's various business areas, Living, Working and Connecting, including turnover obtained from joint business activities (see financial statements 1. Consolidated statement of profit or loss).

Within the business areas, the turnover per company at project level has been categorised into one of the defined economic activities, based on the description and content of the project in question. Intercompany turnover has been excluded to prevent the double counting of turnover. At the same time, the turnover at project level has been tested for eligibility.

For economic activities that may be eligible for multiple environmental targets, Heijmans chooses to link these economic activities to the environmental target of Climate Change Mitigation (CCM) as much as possible, in line with the strategy aimed at limiting CO₂ emissions.

Unlike in reporting for the 2023 financial year, Heijmans does not report any eligible turnover with respect to the economic activities 6.15 CCA and 6.16 CCA. This is due to a different interpretation of the more detailed explanation of the Climate Delegated Act. This is due to a different interpretation of the delegated regulations and related FAQs, which specifically emphasise that no turnover may be allocated to 'adapted' economic activities without an enabling characteristic in the description of the economic activity.

This means that the share of eligible turnover for 2024 is lower than reported for the previous year, namely 72.0% in 2024 compared with 90.9% in 2023. If the same premises were to be applied, the share of eligible turnover in 2024 is virtually the same as the share of eligible turnover in 2023 (72.7%).

The main economic activities in which Heijmans generates eligible turnover can be categorised as economic activities 6.15 CCA Infrastructure enabling low-carbon road transport and public transport (non-eligible), 7.1 CCM Construction of new buildings and 7.2 CCM Renovation of existing buildings. The environmental activity 7.1 CCM also includes the turnover from the sale of land intended for residential purposes.

The addition of extra environmental targets has created a situation in which turnover can be allocated to multiple economic activities. See table TAX02 for an overview of the allocations.

TAX02 - Eligibility and alignment share per environmental target

Environmental target	Share of turnover/ total turnover		Share of CapEx / total CapEx		Share of OpEx / total OpEx	
	Taxonomy alignment per target	Taxonomy eligibility per target	Taxonomy alignment per target	Taxonomy eligibility per target	Taxonomy alignment per target	Taxonomy eligibility per target
CCM	14.6%	72.0%	1.7%	63.9%	0.0%	43.2%
CCA	0.0%	72.0%	0.0%	63.9%	0.0%	38.7%
WTR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CE	0.0%	61.6%	0.0%	2.9%	0.0%	0.0%
PPC	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

During the eligibility testing, any turnover that should be classified as non-eligible based on the available project information is identified immediately. As described above, Heijmans classifies the turnover in the economic activities 6.15 CCA and 6.16 CCA as non-eligible based on the more detailed explanation in the Climate Delegated Act. In addition, turnover from airside airport infrastructure and runway maintenance is structurally classified as non-eligible because Heijmans cannot demonstrate that the infrastructure in question is only used by aircraft without CO₂ emissions. The turnover of the business unit responsible for electrical installations in road infrastructure within the Connecting business area is classified as non-eligible because these electrical installations are specifically excluded within economic activity 6.15 CCA. In addition, turnover in telecommunications and turnover from work for clients in the petrochemical industry is classified as non-eligible in accordance with the conditions in the regulation.

Eligibility of Capital Expenditure

The Capital Expenditures (CapEx) consist of Lease additions in accordance with financial statement 6.11 Leases, as well as investments in property, plant and equipment (PPE) in accordance with financial statement 6.10 Property, Plant and Equipment and investments in intangible assets in accordance with financial statement 6.12 Intangible assets. In the 2024 financial year, the eligible CapEx consisted of € 47.8 million in lease additions, € 27.4 million in investments in property, plant and equipment, and € 1 million in investments in intangible assets.

In the CapEx-KPI eligibility analysis, Heijmans makes a distinction between leases and investments that are directly attributable to economic activities and other leases and investments. Directly attributable, and therefore eligible, are investments and leases related to passenger cars and light commercial vehicles (economic activity 6.5 CCM), investments and leases that are part of road transport of goods (economic activity 6.6 CCM), investments in the industrial building and housing production facility in Heerenveen (economic activity 7.1 CCM) and investments in housing and commercial buildings (economic activity 7.7 CCM).

The other leases and investments include investments that are related to a plan to make business operations more sustainable. Heijmans has categorised these investments as eligible. Heijmans makes a distinction between electrically and non-electrically powered equipment. Heijmans assumes that the former category contributes to the environmental target and for that reason this is included in the KPI analyses. These include investments in an electric tower crane in the Living business area and electrical equipment in the Living, Working and Connecting business areas. These investments help Heijmans to achieve the strategy targets related to Scope 1 and Scope 2 emissions.

Other leases and investments that cannot be categorised in a sustainability plan are labelled as non-eligible.

All CapEx items assessed have been directly allocated to the Living, Working and Connecting business areas.

On 1 October 2024, Heijmans acquired Van Gisbergen's shares. The acquired property, plant and equipment had a total carrying amount of € 1.7 million at the time of the acquisition (see also 6.2 Business combinations in the financial statements), consisting of € 0.6 million in owned property, plant and equipment and € 1.1 million in rights of use on leased assets. Due to the short period of time available to prepare the financial statements, Heijmans has not been able to complete the substantive analysis for allocation to eligible economic activities. This investment has therefore been classified as non-eligible in its entirety.

Developments in regulations and advancing insight into reporting requirements led Heijmans to review the CapEx eligibility analysis compared with previous reporting years. In the 2023 financial year, Heijmans reported 69.4% of its CapEx as eligible. The CapEx report for the 2023 financial year has been revised to align with the new principles. Assuming the same principles, the 2024 financial year will have a higher proportion of eligible CapEx compared with 2023 (63.9% in 2024 compared with 51.2% in 2023).

Eligibility of Operating Expenditure

The Operating Expenditure (OpEx) consists of short-term leases in accordance with financial statements note 6.11 Leases, as well as Research, Development and Innovation Costs and Management and Maintenance Costs in accordance with financial statements note 6.5 Staff costs, depreciation and costs for research and development. The eligible OpEx in the 2024 financial year consists of € 129.8 million in short-term leases, € 13.2 million in research, development and innovation costs, and € 3.4 million in management and maintenance costs.

In the OpEx eligibility analysis, Heijmans makes a distinction between leases and costs that are directly attributable to economic activities and other leases and costs. Directly attributable, and therefore eligible, are rental and lease costs related to passenger cars and light commercial vehicles (economic activity 6.5 CCM), office rental costs (economic activity 7.7 CCM) and Research, Development and Innovation Costs (economic activity 9.1 CCM).

Within the other leases and costs, the Asphalt Processing item, which covers the maintenance of machines for asphalt processing, is classified as eligible.

Other short-term leases and costs that cannot be categorised under a sustainability plan are labelled as non-eligible. This includes unspecified rental and lease costs for equipment and hardware, as well as costs for the management and maintenance of other business assets.

All OpEx items assessed are directly allocated to the Living, Working and Connecting business areas.

Developments in regulations and advancing insight into reporting requirements led Heijmans to review the eligibility analysis of the OpEx compared with previous reporting years. In the 2023 financial year, Heijmans reported 74.5% eligible OpEx. The OpEx report for the 2023 financial year has been revised to align with the new principles. Assuming the same principles, 2024 shows a higher share of eligible OpEx compared with 2023 (47.8% in 2024 compared with 44.7% in 2023).

Alignment

Heijmans investigated the relevance of the identified economic activities mentioned in the Eligibility section within its own strategy. This investigation revealed that two economic activities emerge as substantial business activities in both the strategy and the eligibility analysis.

These are activities 7.1 CCM Construction of new buildings and 7.2 CCM Renovation of existing buildings. Together, these two activities represent approximately 62% of Heijmans' total turnover. In 2024, Heijmans carried out an investigation into all eligible economic activities to determine whether the alignment criteria had been met.

Turnover, investments and operating costs of activities for which there is as yet no proof and/or this proof is not available centrally are included as non-aligned. In addition, in the Living business area, Heijmans has not investigated the alignment potential of either Van Wanrooij, acquired in 2023, or Van Gisbergen, acquired in 2024, due to the lack of information and documentation. The turnover (a combined € 299 million), as well as the investments and operating expenses of both companies, have been included as non-aligned.

Alignment of turnover

In the case of the economic activity 7.2 CCM Renovation of existing buildings, individual projects have been assessed for alignment. The individual projects within these economic activities are so different that they have been assessed separately for alignment.

In the case of the economic activity 7.1 CCM Construction of new buildings, the projects developed and carried out in the Living business area are homogeneous in nature. This is due to the frequent use of similar housing products. Alignment of this economic activity was examined on the basis of sample projects. The alignment percentage resulting from the example projects assessed was then extrapolated to all similar projects in the Property development and Residential Building business units.

Project-related information is used as much as possible to demonstrate alignment. The main forms of evidence are as follows:

Economic activities 7.1 CCM and 7.2 CCM

- For the economic activities 7.1 CCM and 7.2 CCM, the most important Substantial Contribution Criteria are demonstrated using BENG calculations. For economic activity 7.1 CCM, the legally required calculation is used; for economic activity 7.2 CCM, the calculation has been corrected by omitting the renewable energy generated on the building.
- In addition to the climate adaptation measures prescribed by the competent authority in zoning plans, Heijmans will draw up a climate adaptation report for each DNSH-1 Climate Adaptation project. The report will define the relevant climate risks. In line with Heijmans' housing products, the reports also indicate any applicable control measures.
- For DNSH-4 Circular Economy, the waste dashboard, set up together with waste processing partners, is used to demonstrate that more than 70% of construction and demolition waste is recycled. In addition, a detachability analysis according to ISO 20887 has been carried out for each housing product.
- The construction of new buildings and renovation of existing buildings have DNSH criteria with respect to pollution. Heijmans has assessed these criteria to the best of its ability, but points to the complexity of the requirements of Annex C to the Climate Delegated Regulation and the limitations of collecting data on all substances in all materials, products and equipment used by the company.

Economic activity 7.1 CCM shows a growth in turnover that is aligned with the Substantial Contribution Criteria and the DNSH criteria in absolute value (to € 365 million in 2024 from € 314 million in 2023). The addition of Van Wanrooij's turnover in the 2024 Taxonomy assessment means that the eligible turnover of economic activity 7.1 CCM has increased to such an extent that there is a slight contraction when the aligned turnover in this activity is related to Heijmans' total turnover (from 14.8% in 2023 to 14.1% in 2024).

For economic activity 7.2 CCM, alignment was achieved for the first time in 2024 for two projects. Together, these projects account for a 0.5% contribution to Heijmans' total alignment score.

In the coming years, Heijmans is committed to expanding both its own information collection systems at project and group level as well as information requests to clients with a view to increasing the inclusion of EU Taxonomy requirements in its business activities, in order to achieve the highest possible alignment percentage.

Table TAX03 shows the results of the eligibility and alignment analysis of Heijmans' turnover-KPI.

Financial year 2024	Code	Year		Substantial contribution criteria						DNSH ('do no significant harm') criteria						Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, year 2023	Category enabling activities	Category transitional activities	
		Turnover	Share of turnover 2024	Climate mitigation	Climate adaptation	Water	Pollution	Circular economy	Biodiversity	Climate mitigation	Climate adaptation	Water	Pollution	Circular economy	Biodiversity					
																				€ x 1,000
Economic activities																				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Ecologically sustainable activities (taxonomy-aligned)																				
Construction of new buildings	CCM 7.1	€ 365,103	14.1%	Y	N	i	i	N	i	Y	Y	Y	Y	Y	Y	Y	14.8%			
Renovation of existing buildings	CCM 7.2	€ 12,009	0.5%	Y	N	i	i	N	i	Y	Y	Y	Y	Y	Y	Y	0.0%	T		
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1.)		€ 377,112	14.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	14.8%			
Of which facilitating		€ 0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%			
Of which transition support		€ 12,009	0.5%	0.5%							Y	Y	Y	Y	Y	Y	0.0%			
A.2. Taxonomy-eligible but environmentally unsustainable activities (non-taxonomy-aligned activities)																				
Electricity generation using solar photovoltaic technology	CCM 4.1 CCA 4.1	€ 628	0.0%	e / i	e / i	e / i	e / i	e / i	e / i										0.0%	
Electricity generation from bioenergy	CCM 4.8 CA4.8	€ 1,187	0.0%	e	e	i	i	i	i										0.0%	
Transmission and distribution of electricity	CCM 4.9 CCA 4.9	€ 157,149	6.1%	e	e	i	i	i	i										5.2%	
District heating/cooling distribution	CCM 4.15 CCA 4.15	€ 17,958	0.7%	e	e	i	i	i	i										1.1%	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1	€ 8,824	0.3%	e	e	i	i	i	i										0.6%	
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2	€ 10,468	0.4%	e	e	i	i	i	i										0.2%	
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3	€ 4,070	0.2%	e	e	i	i	i	i										0.4%	
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4	€ 13,009	0.5%	e	e	i	i	i	i										0.1%	
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	€ 29,457	1.1%	e	e	i	i	i	i										0.7%	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	€ 1,733	0.1%	e	e	i	i	i	i										0.3%	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	€ 664,776	25.7%	e	e	i	i	e	i										25.2%	
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	€ 549,641	21.3%	e	e	i	i	e	i										23.1%	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	€ 9,075	0.4%	e	e	i	i	i	i										0.6%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 CCA 7.4	€ 3,601	0.1%	e	e	i	i	i	i										0.1%	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	€ 1,645	0.1%	e	e	i	i	i	i										0.1%	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	€ 8,091	0.3%	e	e	i	i	i	i										0.2%	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€ 1,611	0.1%	e	e	i	i	i	i										0.0%	
Close-to-market research, development and innovation	CCM 9.1	€ 177	0.0%	e	e	i	i	i	i										0.0%	
Turnover from taxonomy-eligible but environmentally unsustainable activities (non-taxonomy-aligned activities) (A.2.)		€ 1,483,100	57.4%	57.4%	1.2%	0.0%	0.0%	0.0%	0.0%										57.9%	
A. Turnover from taxonomy-eligible activities (A.1. + A.2.)		€ 1,860,212	72.0%	71.7%	19.2%	0.0%	0.0%	0.0%	0.0%										72.7%	
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY				Legend:																
Non-taxonomy-eligible turnover (B)		€ 723,955	28.0%	Y Yes; the environmental activity meets the criteria for this climate target																
Total (A + B)		€ 2,584,167	100.0%	N No; the environmental activity has not been assessed against the substantial contribution criteria for this climate target or the environmental activity does not meet the GEAD criteria and/or																

Legend:

Y Yes; the environmental activity meets the criteria for this climate target

N No; the environmental activity has not been assessed against the substantial contribution criteria for this climate target or the environmental activity does not meet the GEAD criteria and/or minimum guarantees

e eligible; this environmental activity can be assessed against this climate target within the taxonomy

i ineligible; this environmental activity cannot be assessed against this climate target within the taxonomy

Alignment of Capital Expenditure (CapEx)

The CapEx-KPI eligibility analysis shows that Heijmans' eligible CapEx is divided into two categories. The first category includes CapEx items that are directly linked to an economic activity. The second category consists of investments linked to a plan to develop activities that are aligned with the Taxonomy.

In the first category, investments in three of the four economic activities are not aligned. The investments and leases related to passenger cars and light commercial vehicles (economic activity 6.5 CCM), investments and leases related to road transport of goods (economic activity 6.6 CCM) and investments in housing and commercial buildings (economic activity 7.7 CCM) are not aligned. There is insufficient evidence available to meet the Substantial Contribution criteria and the DNSH criteria. The investments in the fourth economic activity are aligned. These are investments in the industrial building and housing production facility in Heerenveen (economic activity 7.1 CCM) and are aligned with the Substantial Contribution criteria and the DNSH criteria.

For the investments categorised in the second category, which are related to a plan to develop activities that are in line with the Taxonomy (an electric tower crane in the Living business area and electrical equipment in the Living, Working and Connecting business areas), there is insufficient administrative evidence to show in which projects or economic activities these were used. Because it has been established that investments in electric vehicles designated as sustainable by Heijmans are used for EU Taxonomy activities, but the exact use per economic activity cannot be sufficiently proven, the investments in question are allocated proportionally to the eligible turnover within Living (the electric tower crane) and Living, Working and Connecting (the electric equipment), respectively. For economic activities where aligned turnover has been achieved, the investments are allocated proportionally as aligned. This results in a limited CapEx alignment for the economic activities 7.1 CCM Construction of new buildings (1.6%) and 7.2 CCM Renovation of existing buildings (0.1%).

Table TAX04 shows the results of the eligibility and alignment analysis of Heijmans' CapEx.

Financial year 2024		Year		Substantial contribution criteria						DNSH ('do no significant harm') criteria						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activities	Category transitional activities		
		Code	CapEx	Share of CapEx 2024	Climate mitigation	Climate adaptation	Water	Pollution	Circular economy	Biodiversity	Climate mitigation	Climate adaptation	Water	Pollution	Circular economy					Biodiversity	
																					€ x 1,000
Economic activities																					
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Ecologically sustainable activities (taxonomy-aligned)																					
Construction of new buildings	CCM 7.1	€ 1,236	1.6%	Y	N	i	i	N	i	Y	Y	Y	Y	Y	Y	Y	0.2%				
Renovation of existing buildings	CCM 7.2	€ 57	0.1%	Y	N	i	i	N	i	Y	Y	Y	Y	Y	Y	Y	0.0%		T		
CapEx from environmentally sustainable activities (taxonomy-aligned) (A.1.)		€ 1,293	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.2%				
Of which facilitating		€ 0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%				
Of which transition support		€ 57	0.1%	0.1%							Y	Y	Y	Y	Y	Y	0.0%		T		
A.2. Taxonomy-eligible but ecologically unsustainable activities (non-taxonomy-aligned activities)																					
				e / i	e / i	e / i	e / i	e / i	e / i												
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	€ 27,535	36.1%	e	e	i	i	i	i												
Freight transport services by road	CCM 6.6 CCA 6.6	€ 687	0.9%	e	e	i	i	i	i												
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	€ 583	0.8%	e	e	i	i	e	i												
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	€ 337	0.4%	e	e	i	i	e	i												
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	€ 2	0.0%	e	e	i	i	i	i												
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	€ 1	0.0%	e	e	i	i	i	i												
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€ 18,253	23.9%	e	e	i	i	i	i												
CapEx from taxonomy-eligible but environmentally unsustainable activities (non-taxonomy-aligned activities) (A.2.)		€ 47,399	62.2%	62.2%	0.0%	0.0%	0.0%	0.0%	0.0%												
A. CapEx from taxonomy-eligible activities (A.1. + A.2.)		€ 48,691	63.9%	63.9%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%				
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																					
Non-taxonomy-eligible CapEx (B)		€ 27,559	36.1%																		
Total (A + B)		€ 76,250	100.0%																		

Legend:

Y Yes; the environmental activity meets the criteria for this climate target

N No; the environmental activity has not been assessed against the substantial contribution criteria for this climate target or the environmental activity does not meet the GEAD criteria and/or minimum guarantees

e eligible; this environmental activity can be assessed against this climate target within the taxonomy

i ineligible; this environmental activity cannot be assessed against this climate target within the taxonomy

Under A.2, fewer environmental activities were assigned CapEx in 2024 than in 2023. The environmental activities that were not assigned CapEx in 2024 are not included in the table. The percentages shown for 2023 have been recalculated based on the calculation method used for 2024.

Alignment of OpEx

The OpEx eligibility analysis shows that eligible OpEx is divided into two categories. The first category contains OpEx items that are directly linked to an economic activity within an environmental target. The second category consists of leases and costs linked to a plan to develop activities that are aligned with the Taxonomy.

In the first category, rental and lease costs related to passenger cars and light commercial vehicles (economic activity 6.5 CCM), office rental costs (economic activity 7.7 CCM) and Research, Development and Innovation Costs (economic activity 9.1 CCM) are classified. The rental and lease costs in these three economic activities are not aligned with the Taxonomy. There is insufficient evidence available to meet the Substantial Contribution criteria and the DNSH criteria.

In the second category, the Asphalt Processing item, which covers the maintenance of machines for asphalt processing is classified as eligible. The relevant expenditures are allocated proportionally to the asphalt-related economic activities 6.13 CCM and 6.15 CCA.

An alignment percentage of 0% applies to both the 2023 and 2024 financial years.

Table TAX04 includes the results of the eligibility and alignment analysis of Heijmans' OpEx.



Financial year 2024		Year		Substantial contribution criteria						DNSH ('do no significant harm') criteria										
Economic activities	Code																			
		OpEx	Share of OpEx 2024	Climate mitigation	Climate adaptation	Water	Pollution	Circular economy	Biodiversity	Climate mitigation	Climate adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activities	Category transitional activities	
		€ x 1,000	%	Y/ N / i	Y/ N / i	Y/ N / i	Y/ N / i	Y/ N / i	Y/ N / i	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Ecologically sustainable activities (taxonomy-aligned)																				
OpEx from environmentally sustainable activities (taxonomy-aligned) (A.1.)		€ 0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%			
Of which facilitating		€ 0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%			
Of which transition support		€ 0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%			
A.2. Taxonomy-eligible but ecologically unsustainable activities (non-taxonomy-aligned activities)																				
Transport using motorcycles, passenger cars, and light commercial vehicles	CCM 6.5 CCA 6.5	€ 23,199	15.8%	e / i	e / i	e / i	e / i	e / i	e / i									11.4%		
Infrastructure for personal mobility, cycle logistic	CCM 6.13 CCA 6.13	€ 468	0.3%	e	e	i	i	i	i									0.1%		
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€ 26,362	18.0%	e	e	i	i	i	i									21.8%		
Close-to-market research, development and innovation	CCM 9.1	€ 13,216	9.0%	e	e	i	i	i	i									9.6%		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	€ 6,689	4.6%	e	e	i	i	i	i									1.9%		
OpEx from taxonomy-eligible but environmentally unsustainable activities (non-taxonomy-aligned activities) (A.2.)		€ 69,934	47.8%	43.2%	4.6%	0.0%	0.0%	0.0%	0.0%									44.7%		
OpEx from taxonomy-eligible activities (A.1. + A.2.)		€ 69,934	47.8%	43.2%	4.6%	0.0%	0.0%	0.0%	0.0%									44.7%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Non-taxonomy-eligible OpEx (B)		€ 76,523	52.2%																	
Total (A + B)		€ 146,457	100.0%																	

Legend:

Y Yes; the environmental activity meets the criteria for this climate target

N No; the environmental activity has not been assessed against the substantial contribution criteria for this climate target or the environmental activity does not meet the GEAD criteria and/or minimum guarantees

e eligible; this environmental activity can be assessed against this climate target within the taxonomy

i ineligible; this environmental activity cannot be assessed against this climate target within the taxonomy

Minimum Social Safeguards

The EU Taxonomy requires Heijmans to at least guarantee that due diligence processes related to human rights (including labour and consumer rights), taxes, fair competition, bribery, requests for bribes and extortion are in place and complies with. Heijmans meets this criterion. For the justification of the Minimum Social Safeguards, see the 'Social information' section of the Sustainability Report.

Accounting policy

The KPIs turnover/CapEx/OpEx have been calculated in line with the requirements of Art. 8 of the EU Taxonomy legislation for the financial year 2024 (01/01/2024 - 31/12/2024). The tables are designed in line with the requirements in Delegated Regulation (EU) 2023/2486.

Turnover

The denominator comprises total turnover and the numerator comprises Taxonomy-eligible turnover. Total turnover is the turnover as shown in the consolidated statement of profit or loss (Financial statements 1).

The taxonomy-eligible turnover is the portion of the consolidated turnover from products or services, including intangible assets, that are related to economic activities aligned with the taxonomy and as such have been allocated to an economic activity.

CapEx

The denominator includes additions to property, plant and equipment and intangible fixed assets in the course of the financial year, before depreciation, amortisation and any revaluations, including those arising from upward revaluations and impairments, for the relevant financial year and excluding changes in fair value. The denominator also includes additions to property, plant and equipment and intangible fixed assets resulting from business combinations.

The numerator includes the portion of the CapEx related to economic activities aligned with the Taxonomy and as such allocated to an economic activity, as well as that portion of the CapEx linked to a plan to make business operations more sustainable in alignment with the requirements of the Regulation.

OpEx

The denominator comprises direct non-capitalised research and development costs, building refurbishment measures, short-term leases, maintenance and repair, and all other direct expenses related to the day-to-day maintenance of property, plant and equipment. Excluded expenses are overheads, raw materials, employees operating machinery, management costs and project development required to operate property, plants and equipment.

The numerator includes the part of the OpEx that is related to economic activities aligned with the Taxonomy and as such has been allocated to an economic activity, as well as that part of the OpEx that is linked to a plan to make business operations more sustainable in alignment with the requirements of the Regulation.



Social information

At Heijmans, we create healthy living environments. This means that we not only build sustainable infrastructure and homes, but we also take responsibility for the people who contribute to this. In this chapter, we will discuss our own operations and the role of employees within our value chain. We will address issues such as working conditions, diversity and inclusion, equal treatment and fair labour practices. We will also explain what Heijmans' value chain looks like and how our human rights due diligence is organised.

This chapter uses various terms:

Our own personnel: our own personnel consists of our own employees and self-employed workers.

Our own employees: employees with a direct employment contract with Heijmans, including employees working at joint ventures and special purpose vehicles.

Self-employed workers: these employees do not have an employment contract, but have a contract with a party that is involved in job placement, for example, or have a contract for services. These are hired-in employees such as those on secondment, temporary agency workers, self-employed workers, etc. Subcontracting is not part of this group.

Employee in the value chain: a person who performs work within the Heijmans value chain, regardless of the existence or nature of any kind of contractual relationships with that company.

Heijmans' value chain

Below you will find an overview of the most important groups of people who perform work within the entire Heijmans value chain, both in the company's own operations and upstream. These are employees and workers on whom Heijmans has a material impact, regardless of the existence or nature of any contractual relationships with Heijmans. This overview is based on the results of the stakeholder analysis conducted for the double materiality analysis. You will find Heijmans' value chain and activities in the 'General Information' section.

Upstream

Our supply chain consists of a wide range of partners, including suppliers, research institutes, building materials producers, and employees in transport and raw materials extraction. In the year under review, we focused on the parties in tier 1 that we have insight into. These are contract parties that work at Heijmans locations, suppliers and subcontractors at our own company locations.

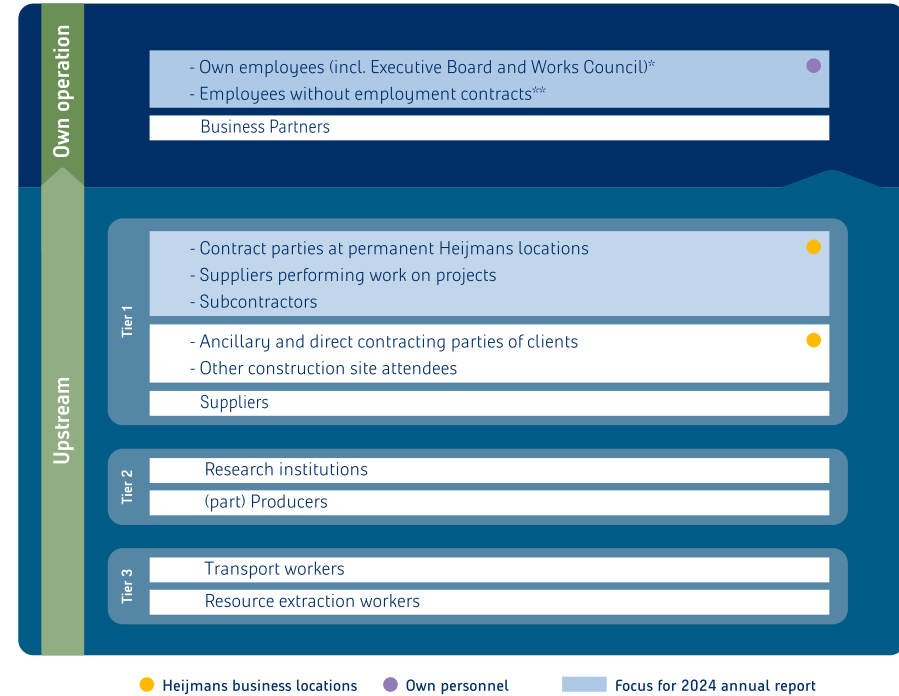
Our own operations

Our own personnel consists of our own employees and self-employed workers. In addition, we have various activities in our own operation that we perform in collaboration with business partners, but these fall outside the scope used for this year.

Downstream

Our downstream includes clients and end users, local communities and those living in the vicinity. At the moment, we are not focusing on the downstream value chain.

In the year under review, we focused on the employees of partners and subcontractors in the upstream value chain and our own operations. Due to the phased introduction of the new reporting requirements, we are not reporting any information on self-employed workers for 2024.



* Employees, including employees working at joint ventures and special purpose vehicles.

** These are hired-in employees, such as seconded workers, agency workers, self-employed people, etc.

Human rights due diligence

The process

In 2023, Heijmans started a due diligence on human rights in the value chain. We focused on our own operations and employees in the value chain. The DMA performed in 2024 confirmed the importance of these themes, so we continued our efforts targeting these groups. This means that issues such as local communities and clients have been left out of consideration. This pertains to both our own operations and the employees in the value chain. We identify human rights risks based on the principles of the human rights due diligence process and supporting measures as described in the OECD guidelines. The due diligence report distinguishes between human rights in the areas of labour, safety and the environment. These are in line with the principles of the Universal Declaration of Human Rights, which emphasises fundamental human rights.

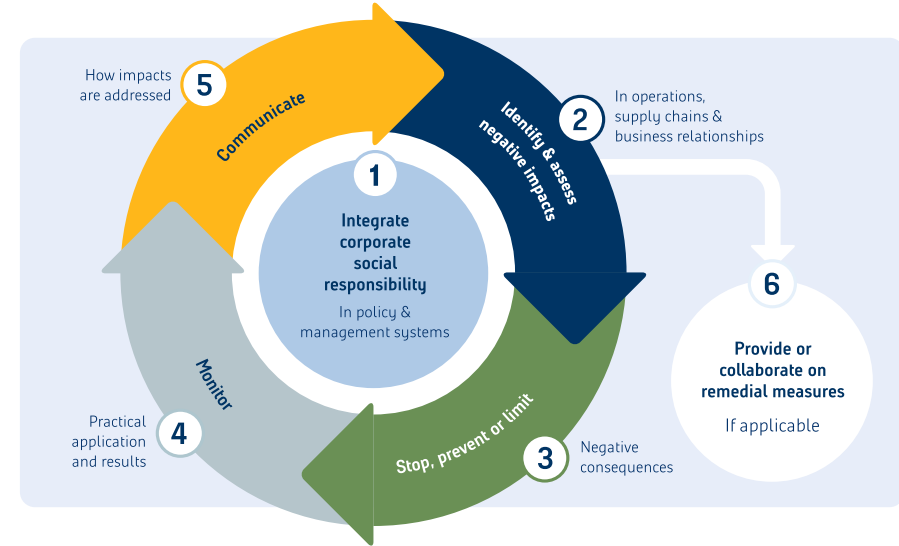
Integrating our human rights policy is a dynamic process. Our (human rights) policy will be adjusted when necessary as Heijmans gains more experience in identifying human rights.

For our extensive report, please see our corporate website.

1. Governance

Many topics related to human rights receive daily attention from management and are embedded in various policy documents. We integrate due diligence into decision-making, facilitated by the Risk Office and Audit and formally raised in the management teams, Group Council and the Executive Board. This means that human rights risks are assessed in the standard risk register. When addressing risks, we discuss the implementation of (management) measures, the monitoring and follow-up of the (management) measures taken. Furthermore, we assess the effectiveness of the (management) measures taken and, if necessary, we tighten these (management) measures.

The Due Diligence Process & supporting measures



2. Risk analysis

Heijmans has been working to gain a better understanding of the risks associated with purchased products since 2018. The most recent assessment of potential risks for due diligence purposes was in 2023. We used a spend analysis to determine our most important types of materials, namely concrete, metal and steel, asphalt and plastic. To get a more complete picture of possible risks, we included natural stone and timber in the analysis. We also included these materials based on knowledge from the sector. This analysis looks at Heijmans' own activities, as well as the activities in our chain. We used the CSR risk checker to identify the potential risk factors relevant to these

specific types of materials from specific regions. This is an online tool that helps provide insight into the risks associated with corporate social responsibility (CSR). We then formulated control measures to manage the identified risks. The results provide initial insights into the types of risks, as well as their prioritisation. We can then use this analysis as the basis for a systematised approach from 2025 and to help compile the CSRD's double materiality analysis.

Heijmans sees the fact that Dutch suppliers must adhere to Dutch legislation and any signed agreements as risk-mitigating factors. However, the rest of the value chain may be exposed to such risks. Heijmans tries to reduce the risk by purchasing certified products and working with certified suppliers. One example of this is the aim to only purchase sustainably certified timber, where specific human and labour rights are also guaranteed (both FSC and PEFC). You can read more about our policy on certified timber in the 'Biodiversity' chapter.

3. Measures to prevent, avoid or limit risks

We used the risk analysis to make an initial assessment of which actions are necessary to prevent, avoid and/or limit risks as part of the human rights due diligence process. One risk-mitigating factor for Heijmans is that our organisation only works in the Netherlands and most raw materials and products are sourced in Europe.

4. Monitoring

We monitor the practical application and results, including the extent to which the negative impacts have been adequately addressed, by establishing and measuring quantitative and qualitative indicators. Examples of this are the internal employee engagement survey, external independently conducted audits at building sites and at subcontractors (Safety Culture Ladder) and external supplier assessments. We do this periodically, as an integral part of our reporting process. The responsibility for monitoring has been assigned to various officers, under the supervision of the Group Council and the Executive Board. Monitoring enables us to assess whether the measures taken within our organisation are effective or whether improvements are needed.

5. Communications

We will keep stakeholders informed of our due diligence process via our website www.heijmans.nl. Communications will remain a key focus in the coming years, with the involvement, informing and active participation of employees and external stakeholders as our main priorities. We will also keep stakeholders informed via our annual report, which is drawn up according to CSRD guidelines.

6. Remediation measures

Affected stakeholders, including employees, can report abuses to the company under the existing Procedure for Reporting Inappropriate Behaviour and Abuses, which includes provisions for violations of EU law. You can read more about this in the (Business) Conduct and Integrity section.



Own workforce

Our people make the difference. We know that each employee makes a unique and valuable contribution. Our efforts create an environment that is healthy, safe and attractive. We do this together, with our own operation and employees in the value chain.

Impacts, risks and opportunities

As described in the 'General Information' section, for the CSRD we performed a double materiality analysis. Based on the double materiality analysis, we defined impacts and an opportunity for Our own workforce:

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
6	Employment conditions	The impact on employees by offering equal treatment and opportunities for all.	Team	Current	◀ ● ▶	ST MT	●			●
		Opportunities in the areas of employee engagement and attracting and retaining talent that can lead to business growth.								
7	Health and safety	Exposing employees to safety risks at production sites has an impact on them, causing them to suffer injuries. These injuries can be fatal, but can also be long-term, rendering people unfit for work.	Safety	Current	◀ ● ▶	ST MT		●		

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

Policy

Because we recognise the employees in our own operation as the most important driving force behind the success of our organisation and as one of our most important stakeholders, we have implemented policies to manage potential negative impacts, to stimulate positive impacts and make use of opportunities. We describe all policy documents for the management of our most important IROs for our own employees in this chapter. We have also linked this to policies that focus on employees of subcontractors and partners, as shown in the table. All policies are available on our website.

The following policy documents are relevant to our own operation:

- 1. Code of Conduct
- 2. Reporting Procedures
- 3. Human Rights
- 4. Anti-Discrimination
- 5. Heijmans GO!

Policy	Employee engagement [S1]	Equal treatment [S1]	Safety risks [S1]	Employment conditions [S2]
Code of Conduct	x	x	x	x
Reporting Procedures		x	x	x
Human Rights	x	x	x	x
Anti-Discrimination		x		
Heijmans GO!			x	x

Code of conduct | This is how we work

We safeguard human and labour rights in our company's fundamental policy documents. Heijmans has a code of conduct that is mandatory for everyone who has anything to do with Heijmans: the Executive Board, our colleagues and temporary staff, as well as our partners, subcontractors and suppliers. The policy is based on four principles:

- 1. We treat others equally and with respect.
- 2. We work safely or we do not work at all.
- 3. We are honest and have integrity.
- 4. We make things better, smarter and more sustainable.

All internal employees follow an e-learning course on business integrity (Zakelijk Zuiver), which deals extensively with these themes. For more information, please see the (Business) Conduct and Integrity' section.

Reporting procedures | inappropriate behaviour, Integrity and misconduct

Any affected stakeholders, including subcontractors' employees and partners' employees, can report abuses to Heijmans under the existing Reporting Procedure for Inappropriate behaviour and Misconduct, which includes provisions for violations of EU law. The reporting procedure for external stakeholders can be found on the Heijmans website, and for employees it can be found on an internal portal. Heijmans uses this reporting procedure to address human trafficking, forced or compulsory labour and child labour. The procedure offers the opportunity to take remedial measures and/or to mitigate the consequences of human rights violations. For more information, please see the (Business) Conduct and Integrity' section.

The reporting procedure also includes the Whistleblower Protection Act, which deals with the protection of those who report misconduct, breaches of integrity and abuses.

For a more detailed explanation of this policy, please see the '(Business) Conduct and Integrity' section. The Remedial Measures for negative impacts section in the Employees in the value chain chapter below explains in more detail how the employees of subcontractors and partners are familiarised with this procedure and its effectiveness.

Human rights policy

At Heijmans, we are committed to ensuring the welfare and fair treatment of employees throughout the value chain, including our own operations and the employees of subcontractors and partners. Human rights cover a wide range of topics, including employment, health and safety, education, participation, diversity, social security, living wages and fair contracts.

These policies stipulate, among other things, that Heijmans uses the general principles of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business & Human Rights (UNGPs) as a framework, thereby endorsing the Universal Declaration of Human Rights and the core principles of the International Labour Organization (ILO).

Anti-discrimination policy

In 2024, Heijmans drew up an anti-discrimination policy to prevent discrimination and intimidation, which applies to our entire operation. By offering equal treatment and equal opportunities to employees, we promote diversity and inclusion across the organisation.

At Heijmans, discrimination is defined as making direct or indirect distinctions based on personal characteristics. These include race and ethnicity, skin colour, sexual orientation, gender identity, disability, religion, political beliefs, national or social origin, age or other forms of discrimination that fall under the regulations of the European Union and national law.

Heijmans' position on discrimination is as follows:

- We reject all forms of discrimination and intimidation. We want to ensure that everyone feels safe at work and is treated fairly and equally.
- Nor do we tolerate our employees being subjected to discrimination or intimidation by third parties.

Heijmans GO! policy

Policies related to safety risks are firmly embedded in the Heijmans organisation through various documents and procedures. They apply to all staff and employees who fall under the coordination of the Health & Safety department. Safety is part of all of our processes.

Heijmans has the H&S coordination for all employees at its own company locations, apart from subcontractors and the direct contractors of our clients. It is possible that we may have a coordinating role at our building sites with regard to subcontractors. Heijmans appoints a dedicated H&S coordinator who is present at our building sites for a predetermined period of time and who is responsible for all health and safety aspects.

Heijmans is committed to **'the right to a healthy and safe working environment'** as a human right, as it has endorsed the UN Guiding Principles on Business & Human Rights. In our human rights policy, we refer to our Heijmans GO! (No Accidents) programme, which focuses on developing proactive safety behaviour, and our vision on safety.

The Heijmans GO! policy consists of the GO! Compass and our GO! strategy. The GO! Compass is a concise explanation of the agreements we make on the work floor. The GO! strategy includes the safety targets and principles. The policy applies to all employees who perform work on our building sites. This policy was not drawn up with the ESRS in mind, which is why we have not tested the targets against CSRD standards. However, it does reflect how risk management is embedded in Heijmans' business operations. We recognise that the work we do involves safety risks. This is why we want to continue to improve our risk management and care. We use our control measures to try to make the benefits of working safely more concrete to prevent so-called safety fatigue.

Within our organisation, safety is also considered from the perspective of health and well-being. We have a Safety Vision: 'Safety. The Heijmans Vision' and a Royal Heijmans N.V. Quality-Safety-Sustainability Policy Statement, which is endorsed and signed every three years.

Limitations of our policy

- There are safety risks in most of our activities at production sites. We do our utmost to mitigate these risks. That is why we have detailed policies, which are often fleshed out in the form of work instructions. Because there are so many policies, it is possible that not everyone is equally aware of each policy's implications. We try to compensate for this with training.
- Safety is the foundation of our strategy and our work, so the actions we take to reduce safety risks are certainly in place. However, these actions, or targets, were not formulated with the CSRD in mind.
- In 2024, we developed an anti-discrimination policy, which has not yet been widely distributed internally. This policy is an umbrella for previous policy documents and actions to prevent discrimination. Employees are familiar with the underlying processes and actions.

We are developing a diversity and inclusion programme. This programme focuses on promoting equal treatment in the organisation. We may continue to develop the policy in 2025 to support equal treatment in line with the positive impact. In this programme, we want to work out how we can embed positive measures for equal treatment in our working methods. We hope this will help us gain a better understanding of how we recognise and monitor the positive impact on equal treatment. In addition to this programme, we also offer a training course on this subject.

How we involve employees in the process and decision making

The Works Council is Heijmans' employee representation body. The Works Council discusses various topics including safety and working conditions. They also have various committees that actively focus on themes such as safety, strategy and more. These committees (indirectly) represent the voices of our employees. Our employee representatives have not concluded a Global Framework Agreement or any other agreement regarding the observance of the human rights of their own staff. A dialogue model has been set up with the Works Council that establishes how the Works Council and the management discuss topics from the Works Councils Act. The Works Council is also in regular contact with its own personnel. This represents an opportunity to share signals noticed during work visits in consultation meetings that the CEO attends as a board member. We do not measure the effectiveness of the dialogue between the works council and our own employees.

We try to keep the dialogue between the employees and the Works Council as accessible as possible. The Works Council does this through workplace visits, among other things. We have not developed a specific approach for approaching potentially highly vulnerable groups. We also conduct an employee engagement survey every two years, in which employees can anonymously give their opinion on various topics, including safety and working conditions. The Executive Board has final responsibility for this survey and employee engagement. If an employee has a complaint, they can report it via our complaints mechanism.

With specific regard to safety risks, we encourage our employees to discuss safety. They can do this with a manager, but also via our GO! programme. This has the aim to lower the threshold for reporting incidents.

Actions

Heijmans has taken various actions to cover the identified impacts and opportunities. These are explained in more detail in this section.

Employee engagement

One reason to increase engagement is to develop talent. One of Heijmans' bold statements is: "By 2030, 50% of our employees will have a job that did not yet exist in 2020". We use this statement to try to encourage our employees to grow with the activities that are changing due to our efforts to become more climate neutral. For example, by harnessing the power of digitalisation and production technology. This is why transitions are currently taking place within our company.

The following are a number of the specific actions that we take to increase employee engagement, which apply to all our employees:

Action	Explanation
Two introductory days	Introduction to Heijmans and our way of working.
Business integrity e-learning course	Encouraging and communicating appreciated behaviour.
Encouraging new colleagues to join	To create greater commitment and as an incentive to remain employed for a longer period of time.
Heijmans academy	Offering a wide range of professional training courses, as well as leadership and talent programmes.
Progress and development interviews	Time for personal development, safety and work.

We conduct an employee engagement survey once every two years. The survey is completely anonymous. We use this survey to monitor the effectiveness of our actions, but also to look for new ways to increase engagement. The survey was last conducted in 2023 and will be repeated in 2025. The survey looks at employee satisfaction, engagement, happiness at work and commitment to the organisation (eNPS; score 2023: +35). The survey devotes a great deal of attention to inappropriate behaviour, diversity and inclusion and whether employees experience equality and equal opportunities. Following the survey, the results are discussed per department and we identify actions/areas for improvement. Some areas for improvement are addressed centrally, others by managers and the teams.

We also believe it is important to have insight into the preferences of various (vulnerable) groups within our workforce. This is why we can also create reports based on age and gender in the engagement survey. Due to privacy-related legal requirements, we choose not to request more variables from our employees. These could include cultural background or physical limitations.

Equal treatment

We believe that equal treatment begins with the prevention of discrimination. This applies to our own operations. In line with the positive impact, the *right to equal treatment (non-discrimination)* is also included in our human rights policy.

We try to promote equal treatment through positive behaviour. This is interwoven into our code of conduct and the accompanying business integrity e-learning course (Zakelijk Zuiver). At Heijmans, we work together to create a healthy living environment. For Heijmans, a healthy living environment also means healthy and sustainable business operations. We are currently developing a Diversity and Inclusion programme, and on the basis of this programme, we want to develop actions relating to equal treatment in 2025. This means that we did not define actions for 2024 related to this positive impact as defined by the ESRS. In the 'Diversity' chapter of the management report, we discuss how we shape diversity and inclusion in our organisation. Below, we would also like to highlight some actions we have taken to increase the positive impact:

Action	Explanation
Internal working group	A working group has been meeting regularly for years to discuss equal treatment (diversity and inclusion), to incentivise and exchange new ideas.
Diversity in recruitment	We take diversity into account when recruiting new employees.
Diversity and inclusion training	Increase awareness among employees about treating each other equally (diversity and inclusion).

To also increase equal opportunities outside the workplace, we believe it is important to support employees in various situations. Our employees can call on the services of Bouwend Nederland Social Support (formerly Stichting Sociale Bemiddeling). Here, advisors offer a helping hand with a wide range of problems. These include financial problems (debts), divorce or separation, social issues related to disability, illness and death, and personal or psychological problems (including those of family members). They also have specific knowledge in the areas of debt counselling and mediation (divorce). Where necessary, they refer people to relevant support organisations. These advisors do not handle matters related to employment conditions or other issues directly related to the work situation.

Our agreements are recorded in the HR manual so that employees can also view them. They can also access our intranet to view the code of conduct, the reporting procedure for inappropriate behaviour and misconduct and the information about anonymous reporting via SpeakUp.

Exposing employees to safety risks

With every assignment we take on (sale), we increase the impact on the safety risks of our employees. However, we demand certain safety standards before we start work, to limit the actual risks. We consider it important that our employees return home safely from work, every single day. We are the creators of a healthy living environment. A healthy living environment is also a safe working environment. We do this in a number of different ways, which apply to all employees and workers who fall under our H&S coordination.

We have various actions in place to manage safety risks. In 2013, we developed a programme to motivate our employees to develop proactive safety behaviour. This programme is called Heijmans GO! (Géén Ongevallen, or No Accidents). Part of this programme is the GO! App or geenongevallen.nl, where our employees can submit reports or make suggestions to improve safety. Any reports submitted are sent directly to the project manager. In addition, we can take actions based on trend analyses of the reports. The principle of our GO! Compass is: We work safely or we do not work at all. In 2024, we trained more than 1,250 employees in the organisation in various aspects of safety. That represents an increase of 25% compared with 2023.

Heijmans as a whole is SCC (VCA in Dutch) certified, which stands for Safety, Health and Environment Checklist for Contractors. It is a list of points for attention and working methods and the most common way to demonstrate that as both a company and as an employee you meet the requirements of the Working Conditions Act. At Heijmans, we therefore also apply a safety policy in line with the SCC. This means, among other things, that:

- Every project has a toolbox meeting at least once a month in which employees actively participate.
- Every project and every supervisor carries out a Workplace Inspection (WPI) at least once a month. Managers do this once every quarter.
- Every employee is obliged to use the personal protective equipment (PPE) they are provided with and to maintain it properly.
- Unsafe situations should always be reported to a supervisor. These can be recorded using the 'GO! App' or at geenongevallen.nl.

We have carried out a Risk Inventory and Evaluation at all Heijmans work locations, and we drew up a Health and Safety Plan based on this evaluation. This plan includes the risks that exist and how to deal with them. Every employee has insight into this and Heijmans has appointed prevention officers to organise the health and safety policy. Periodic reports are made to the various management levels on the occupational health and safety performance, such as absenteeism due to sickness, accidents and the frequency index, toolbox meetings, workplace inspections, etc. This information is available to everyone. If an accident does occur, Heijmans has procedures in place. For example, there is an action list for emergencies and online information is available on the GO! App or at geenongevallen.nl. For each emergency and incident, there are separate procedures for each person responsible for taking action that are detailed in this action list. These actions are also subdivided into the different stages of dealing with a disaster or incident. These include providing assistance, informing, investigation and action, and reporting and handling.

When an accident occurs that results in injury, a number of remedial actions are taken. We obviously provide first aid and call in emergency services when necessary. If an employee is unable to continue working as a result of an accident, we will always look for other suitable work. In addition, we offer absenteeism counselling, mediation on the waiting list and victim support if necessary. Our colleagues in the Safety department are closely involved in these procedures and their handling. We evaluate the effectiveness of the remediation offered per incident by conducting evaluation interviews with those involved. The lessons learned are included in the structural consultations that are planned between the Safety department and the operational management teams. In addition, employees can always file a complaint via our reporting procedure. These complaints and reports are monitored by our confidential counsellors and the compliance officer. To test whether employees are satisfied with our safety actions, this topic is also included in our biennial employee engagement survey.

Targets

To respond to the material impacts and opportunities, we set a number of targets for our own employees for 2024. The targets were set for one year (without a baseline year) and can be linked to our 'Team' strategic pillar. They were drawn up by Human Resources and progress is monitored every quarter. The Works Council is also involved to ensure that our employees' perspectives are included in this process.

Impact or opportunity	Target	Result 2024	Target 2025
Equal treatment (impact)	At least 15.5% of our employees is female .	15.02%	15.75%
	We add 50 newcomers to our workforce in 2024.*	31	-
Employee engagement (opportunity)	The rolling rate of absenteeism in 2024 is 4.75%..	5.10%	4.95%
	25% of our new colleagues came to us via a referral.	23.55%	25%

* This ambition has been set to draw additional internal attention to the issue. Ambitions regarding newcomers will be revised in 2025.

We do formulate ambitions and assess our policies in terms of the negative impact on safety, but in line with the ESRS, we have not set targets for the negative impact. Our goal is to minimise the number of safety incidents. The focus is therefore on policy and actions. In 2025, we want to look at how we can better harmonise our ambitions to align with the ESRS. The 'Safety' chapter in the management report provides additional information on safety beyond the requirements of the ESRS.

Metrics

Heijmans has 5,844 employees, which is equivalent to 5,650 FTEs. These employees all work in the Netherlands. In total, 525 employees left us during the year, which means our employee turnover was 8.98%. There were no (major) fluctuations in employee turnover over the course of the year.

Gender*	Woman		Man		Other		Not reported	Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount/ FTE	Headcount	FTE
Number of permanent employees	856	753	4,827	4,738	1	1	-	5,684	5,492
Number of temporary employees	22	20	138	138	-	-	-	160	158
Employees with non-guaranteed hours	-	-	-	-	-	-	-	-	-
Total employees	878	773	4,965	4,876	1	1	-	5,844	5,650

* Gender as reported by the employee.

Above is the gender distribution of our employees with a more detailed breakdown based on employment status, with the reference date of 31-12-2024. At Heijmans, we have employees with temporary contracts or permanent contracts. We do not have any employees with non-garanteed hours.

Employees younger than 30	Employees between 30-50	Employees older than 50
716	2,888	2,240

A total of 18.1% of our senior management are women. Senior management is defined as all employees who have a senior management contract and are therefore entitled to a variable income for senior managers. This involves a total of 116 employees.¹

Senior management	Man	Woman	Other	Total
Headcount	95	21	0	116
Percentage	82%	18%	0%	100%

Remuneration

In the autumn of 2024, we used a benchmark study to monitor the market conformity of our remuneration. All (relevant) personal data is stored in our HR system, such as gender, age, position and salary. The pay gap looks at the difference in salary between men and women. The total remuneration ratio looks at the median (average salary sorted from low to high) in relation to the highest paid person at Heijmans.

	Result 2024
Gender pay gap	5.62%
Total remuneration ratio	24.31

1 This figure differs from the one in the management report due to the reporting methodology used for the CSRD.

Representation

All Heijmans employees work exclusively in the Netherlands and all employees except the CFO are represented by a Dutch collective labour agreement (CLA or 'CAO' in Dutch). At Heijmans, we have four different collective labour agreements: the CLA for the construction and infrastructure sector, the CLA for technical installation companies, the CLA for the wholesale trade in building materials and the CLA for the carpentry industry. The collective labour agreement an employee falls under is determined on the basis of their position.

Converted into a percentage, this means that 99.98% of employees are covered by a collective labour agreement. A trade union, such as the FNV and/or CNV, is always present at the collective bargaining table for the collective labour agreement. We do not have an overview of the total number of employees who are a member of a trade union.

A total of 95.62% of our employees are represented by our Works Council. The Social Dialogue column covers the Works Council's representation of employees. This percentage is not 100% because van Wanrooij and Brabotech do not have their own Works Councils and were unable to nominate candidates for the Heijmans Works Council.

Coverage	Collective bargaining coverage		Social dialogue
	Employees – EEA*	Employees – non-EEA**	Staff representation***
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	The Netherlands	-	The Netherlands

* For countries with >50 employees who represent >10% of the total workforce.
** Estimate for regions with >50 employees representing >10% of total employees.
*** Only EEA, for countries with >50 employees that represent >10% of the total number of employees.

Our employment conditions are aimed at protecting and improving human rights for all employees. We focus on suitable work, freedom of association, sustainable employability, holidays, measures to close the gender pay gap, works councils, collective labour agreements and policies on absenteeism and reintegration. Part of this is an adequate wage. That is why Heijmans always pays its employees at least in accordance with the applicable collective labour agreement (the CLA for the construction and Infrastructure sector, the CLA for technical Installation companies and the CLA for the carpentry industry). The wages in the CLAs are determined during the CLA negotiations by the employers' organisation and employees' organisations (unions). If the wage is not sufficient, and below a government-determined limit, employees can also receive government benefits (such as healthcare and housing allowance) to achieve a living wage. We use the wages prescribed by the collective labour agreement as a living wage.

Accidents and sickness

Our goal is zero accidents in the workplace. We are proud that, as of 2023, all business units – with the exception of recently acquired companies – have been certified on the Safety Culture Ladder at level 4 (out of 5). We encourage our employees to report all (minor) accidents. All of our own employees (100%) fall under the Heijmans management system for health and safety. You can read more about this in the chapter on 'Our basis'.

The ESRS requires us to divide the accident data for our own employees into the groups 'our own employees' and 'self-employed workers'. Our accident register is organised differently. The group of our own employees is the same, but in the group of self-employed workers we are not fully in line with the ESRS. As soon as an accident occurs, we look at which party is in charge¹ and not at the type of employment contract. When Heijmans is in charge, the accident will be registered as involving a self-employed worker, otherwise it may fall under subcontractors. This means we can present the total number of accidents in these three categories. In 2025, we started looking into how the breakdown according to the ESRS can be tracked in our administration. The total number of accidents in the table below differs from the number in the management report due to the reporting methodology applied for the CSRD.

Key performance indicator	Own employees	Self-employed workers	Subcontractors	Total
Number of accidents*	27.3	13.3	42	83.0
Number of fatal accidents	0	0	0	0

* If an accident occurs at an associate, we include our share. This results in figures with decimal places.

We calculate an accident rate² based on the total number of accidents and the hours worked by our own employees. Our accident rate for our own employees was 2.75 in 2024. To determine recordable work-related ill health, we consider acute, recurring and chronic health problems caused or aggravated by working conditions, among other things. For this, we use the list of occupational sicknesses of the International Labour Organization (ILO). In 2024, we had 28 registered cases of our own employees with work-related ill health treated by our company doctor, which was 0.48% of the number of employees.

Incidents and complaints

Currently, the number of reports is reported quarterly to the Executive Board and every six months to the Supervisory Board, divided into the following categories:

- Fully work-related conflict
- Mixed case: inappropriate behaviour in relation to work conflict/disturbed relationship
- Private problems
- Bullying/intimidating behaviour
- Sexual intimidation, unacceptable behaviour
- Verbal aggression
- Physical aggression
- Violence
- Discrimination

1 Here we adhere to Article 1, section a of the Working Conditions Act.

2 We cannot calculate the accident rate for self-employed workers for 2024, as the accidents for these groups are divided among both temporary employment agencies and subcontractors. In addition, we cannot make an accurate estimate because there is not enough information available for 'self-employed workers'.

The compliance officer and our confidential counsellors received a total of 54 reports of integrity issues and inappropriate behaviour in 2024. For each case, the Executive Board first considered the seriousness of the matter and then conducted a fact-finding investigation. The reports led to, among other things, written warnings, including final warnings. All reports were also discussed (anonymised where necessary) in Executive Board meetings and evaluated afterwards with the managers involved. In 2024, the reports did not result in fines, penalties or damages for Heijmans.

Of the 54 reports, three were related to discrimination. In 2024, we did not break down the reports of discrimination by gender, race or ethnic origin, nationality, religion or belief, disability, age or sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders in all activities during the reporting period. It is therefore not possible to report on this for 2024. For 2025, the compliance officer will work with our confidential counsellors to keep track of this breakdown. After that, it will also be possible to report on this aspect.

1 Heijmans received three reports and 0.12 reports were added for Van Wanrooij.

2 Van Wanrooij does not currently have a system for reporting complaints or incidents and has not yet been integrated into the Heijmans system. We have added extra reports based on the number of employees. The number of reports in 2024 was 52, with 2.14 reports added for Van Wanrooij.

Workers in the value chain

We feel responsible for ensuring that our services and activities have no adverse impact on employees throughout our chain. This includes the impact on employees of subcontractors and partners who have poor working conditions and terms of employment. This has a particular impact on the job security of certain groups, such as migrants, vulnerable minorities and part-time employees. These employees can face insecure work, low wages and unsafe working conditions, which can seriously affect their health and well-being.

Impacts, risks and opportunities

As described in the 'General Information' section, we performed a double materiality analysis, as required by the ESRS. The double materiality analysis defined an impact on Employees in the value chain:

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
8	Other labour rights	The impact on the employees of subcontractors and partners who observe poor working conditions and employment conditions (related to job security for (some of) their employees, particularly migrants and vulnerable minorities and part-time employees).	Connection	Intended	◀●▶	ST MT LT		●		

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

Policy

Heijmans strives to mitigate the impact on employees of subcontractors and partners who use poor working conditions and terms of employment by drawing up policies aimed at the employees in the value chain. Partners are stakeholders with whom Heijmans works directly or indirectly, including suppliers, for the realisation of its products and services. In addition to the aforementioned policy regarding its own workforce, Heijmans also has a policy that specifically focuses on the value chain. This policy takes into account employees in vulnerable positions, which includes migrants, vulnerable minorities and part-time employees.

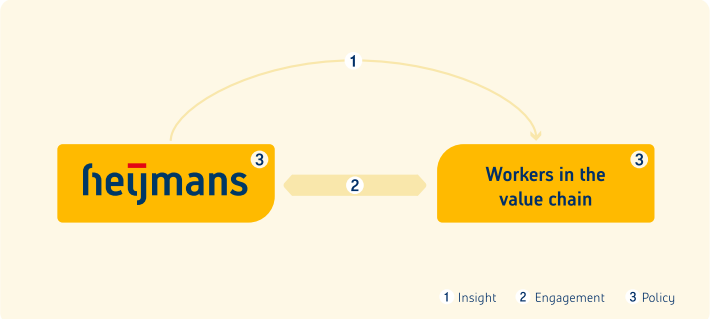
Suppliers, subcontractors, ancillary and contract partners are involved in our procurement and chain responsibility. They sign a framework or project contract containing the Sustainability Statement and the General Purchasing and Subcontracting Conditions (Dutch acronym: AIOV), which include our code of conduct. Both the sustainability aspects that are guaranteed in our AIOV, as well as the code of conduct and the Sustainability Statement are part of our negotiations and discussions with suppliers, subcontractors, consultants, etc. The Sustainability Statement recognises that truly sustainable business operations can only be achieved when the three aspects of sustainability – People, Planet and Profit – are respected and a proper balance is struck between them. It includes rules for improving social aspects, working conditions and health, safety and the environment. These include refraining from the direct or indirect employment of children and any form of forced labour.

In addition to the Sustainability Statement, the AIOV and our code of conduct, the reporting procedure for undesirable behaviour and integrity and abuses, our human rights policy and the Heijmans GO! policy also apply to employees of subcontractors and partners. You can find these in the 'Our own employees' section.

For the full Sustainability Statement, please see our corporate website.

In control of the value chain

With its 'In control of the value chain' (*Grip op de Keten*) policy, Heijmans confirms its dedication to promoting respect for human and labour rights throughout the value chain and we contribute to sustainable and inclusive growth for all parties involved. We have formulated three principles to this end: [1] gain insight, [2] increase involvement and [3] refine policy. 'In control of the value chain' refers to the impact Heijmans has on the employees of subcontractors and partners who have poor working conditions and terms of employment.



To make improvements in the value chain, it is important to first gain a clear picture of the current situation (gaining insight). Gaining insight is related to involving employees throughout the value chain. By actively involving employees in the value chain, we can better embed human and labour rights in our business operations (increasing involvement). This enables Heijmans to act in accordance with human rights. Finally, having clear and effective policies is crucial to ensuring a sustainable and fair value chain. We want to ensure that policies do not just exist on paper, but are actually integrated into our organisation. This strengthens internal compliance and helps us to achieve a genuinely lasting positive impact (refining policy).

This policy complements the Heijmans human rights document, which describes Heijmans' human rights policy and human rights due diligence. The UNGPs emphasise companies' responsibility to respect human rights and prevent negative impacts in their value chain. This includes improving working conditions and guaranteeing job security, with special attention for employees in vulnerable positions. Guiding Principle 13 requires that companies contribute to both the prevention of violations through their own activities and address impacts that arise from the activities of their partners, even if they have not directly contributed to them. Heijmans used the above principles and legislation to formulate its policies in this respect. We are not aware of any incidents involving non-compliance with human rights in the value chain.

In addition, Heijmans has not yet entered into any other agreements with Global Union Federations (GUFs) regarding respect for the human rights of employees in the value chain.

The 'In Control of the Chain' policy is monitored and safeguarded by the procurement and safety department. In the coming years, it will become clearer how responsibilities are allocated within the departments. It will also become clear which stakeholders are needed to help implement the policy. To this end, the policy will be made available to potentially affected stakeholders.

Involving employees in the value chain in the process and decision making

Heijmans is committed to listening to the voices of employees throughout the value chain and to including them in decisions that affect their well-being and working environment. By involving our contractors in taking on this responsibility, we want to help improve social aspects, working conditions and health, safety and the environment, both within our own company and among our contractors and in our contractors' chains. We do this by facilitating open communications and encouraging cooperation. Contact takes place between Heijmans and authorised representatives (account managers or directors) at the party of the client/contractor with whom Heijmans works or with the H&S contact person (H&S coordinator). They are seen as the representatives of subcontractors' employees. Taking these perspectives into account contributes to a strong, transparent value chain. This enables Heijmans to gain insight into the impact on employees of subcontractors and partners with poor working conditions and terms of employment.

The type of dialogue conducted, how often it occurred and the topics discussed for each stakeholder group within the scope last year are listed below.

Stakeholder group	Type of dialogue	Frequency	Topics of discussion
Subcontractors	The account manager or director of the company	Several times a year, frequency differs per subcontractor	Innovation, sustainability, chain responsibility, market developments, safety and income security
Suppliers who perform work on projects	H&S contact point/ account manager or director of the company	Standard consultation moments are included in the H&S coordination, the frequency varies per project.	Innovation, sustainability, chain responsibility, market developments, safety and income security
Contract parties at permanent Heijmans locations		Several times a year, frequency differs per subcontractor	Innovation, sustainability, chain responsibility, market developments, safety and quality

The Chief Procurement Officer is responsible for ensuring that stakeholder groups are included in Heijmans' approach.

Currently, it is not clear what the positions of subcontractors' and partners' employees are, as they may be particularly vulnerable to impacts and/or marginalised. We also have no direct contact with these employees regarding the development of policy documents. In the coming years, Heijmans will focus on trying to gain insight into this aspect.

Actions

Heijmans has taken various actions to mitigate the identified impact. These involve ensuring good working conditions for subcontractors' and partners' employees. Because parts of the value chain have been under-examined in previous years, we are still in the initial phase of this process. In 2024, we looked at the majority of the employees present at Heijmans business locations. This included: [1] contract parties at fixed Heijmans locations, [2] suppliers who carry out work on projects and [3] subcontractors.

Heijmans is responsible for the coordination of health and safety for employees and workers at its own business locations, with the exception of subcontractors and direct contractors of clients and those present at the building sites of subcontractors. It is possible that we play a coordinating role with regard to subcontractors at our own building sites. Heijmans appoints a dedicated H&S coordinator who is present at a building site for a pre-determined period and who is responsible for all health and safety aspects. This role is limited to our own building sites.

Working conditions and compliance with employment conditions are strictly monitored in Heijmans' own operations. In the chain, this is guaranteed by the sustainable procurement policy. Nevertheless, Heijmans has limited insight into compliance with this policy in the case of the employees of subcontractors and partners, which means that this group runs an increased risk of suffering adverse impacts.

For the actions listed below, the focus is on employees of subcontractors and partners who are part of the upstream value chain. We use the various actions to address any negative impact of our own practices and then mitigate them. Both actions have a rolling time horizon.

Measure	Explanation
Audits	Monitoring of behaviors in violation of the code of conduct and/or Sustainability Statement.
GO! App/ geenongevallen.nl	Identification of safety risks.

Audits

In the event of serious suspicions of behaviour that is in violation of the code of conduct and/or the Sustainability Statement, Heijmans is entitled to have an audit carried out by an independent party. This is laid down in article 2.2 of the General Purchasing and Subcontracting Conditions. We use this action to try to avoid non-compliance with working conditions and terms of employment for employees of subcontractors and partners. You will find a more detailed explanation in the 'Dealing with suppliers and subcontractors' section of the 'Business Conduct and Integrity' chapter.

GO! App | [geenongevallen.nl](#)

In addition, the GO! App and [geenongevallen.nl](#) offer employees an accessible option for filing a report; depending on where the colleague who makes a report is working at the time, their colleagues in the same workflow are informed about the report. We work with a dashboard (IRES), with an enforcement policy that is linked to the report. This action allows us to identify potential safety risks, which we can mitigate after. You will find a more detailed explanation in the 'Safety' chapter.

In 2025, we will make a start on the development of the three principles from the 'In control of the Chain' policy. We will first focus on tier 1, and then eventually look at tiers 2 and 3. The first step will be to focus on gaining insight into our value chain.

To ensure we can make an effective contribution to remediation in the event of an impact on employees of subcontractors and partners with poor working conditions and employment terms, we will assess each situation separately. Affected stakeholders can report abuses to the company under the existing Reporting Procedure for Inappropriate Behaviour and Misconduct, which includes a regulation for violations of EU rights. We use this reporting procedure to explicitly address human trafficking, forced labour, compulsory labour and child labour. Due to the diverse nature of these

situations, an uniform approach is not possible. If reports are made, we will investigate them thoroughly and discuss them - on an anonymous basis - in the Executive Board. We will determine which actions are necessary to prevent or limit the negative impact. The compliance officer will keep a register of all reports. We will assess each individual case to determine whether the report has been handled to the employee's satisfaction.

Every quarter, confidential counsellors provide an anonymised overview of the number of reports received, classified by nature. This overview is reported to the Executive Board, the Supervisory Board and the auditor every six months. The Integrity Committee evaluates the effectiveness of the actions taken, taking into account any signals on this subject from the Works Council.

Geographical dimensions

Heijmans is only active in the construction sector in the Netherlands. Our largest suppliers of the largest material flows (concrete, metal and steel, asphalt and plastic) are based in the Netherlands. Our aim is to gain more insight into the entire supply chain, including sub-suppliers and the origin of materials. In 2025, Heijmans aims to develop an approach to the identification of geographical areas, raw materials and services in our value chain that pose a significant risk of child labour or forced labour. We are still working out the details of this approach. We are investigating whether these risks are widespread, systemic or incidental in nature.

Based on this information, we can determine which employees in the value chain are at a greater risk of harm (for example due to demographic or geographical circumstances), so we can then act to uphold human rights.

Remediation actions for any negative impact

There are no known or reported cases of actual negative impacts affecting Heijmans' employees in the value chain. This also means that there have been no reports of serious human rights issues or incidents relating to Heijmans' value chain. The company's own operations are subject to both supervision and monitoring, and this has been incorporated in the sustainable procurement policy in the chain. When a report is made by an affected stakeholder, it will be handled as described in the 'Reporting procedure inappropriate behaviour and misconduct' section.

Targets

Although we are devoting attention to this issue and it is reflected in various policy areas, Heijmans has not set any specific targets with respect to any identified material impacts. We have not yet set any concrete targets, as we first want to gain a more in-depth understanding of our value chain and the associated risks. This means that we are not (yet) actively monitoring the effectiveness and results of the policy and the actions to manage the impact.

Actively investing in and managing human and labour rights within the value chain represents a broadening of Heijmans' focus. Currently, our focus is on the employees of subcontractors and partners who work at Heijmans' own locations. Looking to the future, our ambition is to expand this to the entire value chain.

The Chief Procurement Officer is responsible for ensuring that we communicate with stakeholder groups and that these are included in Heijmans' approach.

At present, it is not clear what the views are of employees of subcontractors and partners who may be marginalised and/or particularly vulnerable to impacts. In the coming years, Heijmans will focus on trying to gain more insight into this aspect.



(Business) Conduct and Integrity

Acting with integrity is a fundamental condition for Heijmans to be successful. Heijmans has standards and values governing how we act with integrity and take responsibility, towards each other but also towards third parties such as clients, subcontractors and suppliers. We therefore look at conduct and integrity from a broad perspective and set standards in the areas of (social) safety, behaviour towards colleagues

and third parties, and handling confidential and price-sensitive information. Of course, we work in accordance with applicable legal and regulatory requirements, paying particular attention to competition rules and risks of fraud, bribery, corruption and conflicts of interest. This is how we maintain the foundation of ethical (business) conduct.

Impacts, risks and opportunities

We have defined impacts on business conduct on the basis of the double materiality analysis:

IRO no.	Topic	Description	Strategy	Type of impact	Value Chain	Time Horizon	Impact Materiality		Financial Materiality	
							Positive	Negative	Opportunity	Risk
9	Protection of whistle-blowers	The impact on whistleblowers in our own operations due to insufficient protection policies and mechanisms, which means that a safe working environment is not provided and human rights violations are not prevented.	Risk management	Intended	◀●▶	ST MT LT		●		
10	Corruption and bribery	The impact on society due to the risk of corruption and bribery due to Heijmans' cooperation with suppliers and public policymakers, among others, through industry associations, personal meetings, written contact, participation in public hearings or conferences.	Risk management	Intended	◀●▶	ST MT		●		
11	Management of relationships with suppliers, including payment practices	The impact on people and the environment due to the management of relationships with suppliers in our own operations, including fair behaviour and fair payment practices with suppliers (e.g. timely payments), promoting cooperation and innovation (in the field of sustainability) within the supply chain through events and programmes.	Connection	Current	◀○▶	ST MT LT	●			

◀ Upstream ● Own operation ▶ Downstream ST = Short Term MT = Medium Term LT = Long Term

Bribery and corruption have emerged through: cooperation with public policymakers via industry associations such as Bouwend Nederland and NEPROM, personal meetings, written contact, participation in public hearings or conferences aimed at supporting greater efforts for a healthier and more sustainable society and environment. Heijmans views bribery and corruption in a broader context than the ESRS indicates, and considers business conduct as a broader theme, with the risks related to bribery and corruption as a subtheme.

Heijmans recognises that the setting of the aforementioned (lobbying) activities could give rise to potential risks related to corruption and bribery, which would have a negative impact on society. However, incidents related to corruption and bribery can also occur in other activities. This includes, among other things, the awarding of contracts to suppliers and subcontractors. We will include this broader scope in the reassessment of the double materiality analysis.

Culture and structure

Heijmans attaches great importance to integrity. Openness is a basic condition for this. We encourage an open work ethic by having the Executive Board and our management set a good example. We also discuss integrity issues in the Executive Board meetings and the Group Council meetings. In addition, there are review meetings with the management of the business units. This is how we try to safeguard our open culture to the best of our ability. We have also set up a structure in which employees can report conduct and integrity issues. If necessary, we will investigate and take action.

Business conduct and the role of the Executive Board and the Supervisory Board

In terms of good governance, both the Executive Board and the Supervisory Board play an important role in the company's business conduct and culture. The Executive Board is responsible for propagating the values and standards that Heijmans applies and for ensuring compliance with them. These values and standards are laid down in the 'This is how we work' code of conduct. In accordance with the Dutch Corporate Governance Code, the Executive Board informs the Supervisory Board of its findings and observations regarding the operation of the code of conduct and compliance with it.

'Tone at the top' is important and we promote this. In the information that the Executive Board presents to staff, for example regarding the annual or semi-annual figures, regular reference is made to the possibility of reporting (suspected) misconduct and inappropriate behaviour to the compliance officer or confidential counsellors. It is also stated that reports will be investigated seriously and that, where necessary, measures will be taken in the event of any violations of the 'This is how we work' code of conduct or legal and regulatory requirements. This increases awareness of the need to act with business integrity and encourages conduct that is in line with Heijmans' standards and values.

Members of the Executive Board and Supervisory Board have the expertise to recognise and assess undesirable business conduct in order to fulfil their role in terms of business conduct. This expertise is not only part of the search profile for a member of the Executive Board or Supervisory Board, but is also gained through participation in training programmes, most recently the Zakelijk Zuiver business integrity programme. In addition, members of the Executive Board and Supervisory Board familiarise themselves with topics such as fraud and risks related to corruption and bribery by discussing these with the auditor, the Chief Risk Officer and the internal audit department, among others. The discussion between the Executive Board and Supervisory Board about the integrity reports is also useful to gain an understanding of the culture within the company and to determine whether additional measures are needed to improve certain aspects of that culture. Both the Executive Board and the Supervisory Board can consult external experts to gain specific expertise.

Integrity committee

The Integrity Committee advises the Heijmans Executive Board on integrity issues and met twice in 2024. The committee discusses issues, dilemmas and themes related to integrity and all related topics. Based on these discussions, the committee makes recommendations about the policy to be pursued. The Executive Board determines the policy and decides what actions will be taken. The CEO is the chair of the committee. Other core members include the Compliance Officer, the Chief Procurement Officer, the Chief Human Resources Officer, the chair of the Works Council and the Property development integrity officer. Topics of discussion include the details of training courses in the field of integrity and conduct, the effectiveness of the code of conduct, improving the reporting structure and how to make sure integrity can be kept top of mind for employees.

Reporting structure: compliance officer and confidential counsellors

Working safely is the top priority at Heijmans. This also includes a safe environment for reporting, a (working) environment in which all employees feel free to report matters that contravene the Code of Conduct and/or our core values, without having to worry about their job security. This means that they feel safe to approach a supervisor or confidential counsellor without fearing for their job. Heijmans facilitates this safe environment through a robust reporting procedure, which also offers the option to report anonymously, as well as by taking all reports seriously. Heijmans also actively demonstrates the consequences of unacceptable behaviour, for example by discussing the issue on our internal communications platform Viva Engage, in management team and work meetings and in video messages from the Executive Board.

Heijmans has appointed a compliance officer as a central point of contact and reporting centre for (suspected) misconduct and integrity issues. Reports can be made anonymously, and the compliance officer determines what actions are necessary and which procedures apply. The compliance officer also discusses any reports made on an anonymous basis during meetings of the Executive Board. In many cases, issues are resolved in the workplace, for example through a conversation between the employee and their manager.

In addition, we have appointed eight confidential counsellors whom employees can turn to if they are confronted with inappropriate behaviour, such as discrimination, sexual harassment, bullying, aggression, violence or other inappropriate behaviour. The group of confidential counsellor is diverse and consists of men and women who differ in terms of their position, background, place and physical location in the organisation. Employees can turn to the confidential counsellor of their choice.

Both the compliance officer and confidential counsellors undergo annual training to keep their knowledge and skills related to handling reports up to date. Employees are trained in all aspects of integrity and conduct in the Zakelijk Zuiver business integrity programme, including the options for reporting. These options are also regularly brought to the attention of employees through Viva Engage and other channels.

If employees are unable or unwilling to approach the compliance officer or confidential counsellors, they can report misconduct anonymously. They can do this by telephone or via a secure website without the intervention of a human operator (SpeakUp).

Reporting procedures

Heijmans has procedures in place for reporting inappropriate behaviour and (suspected) misconduct. These are summarised in the Reporting Procedures for Inappropriate Behaviour and Misconduct, the current version of which was adopted in January 2022.

In these procedures, we distinguish between reports of inappropriate behaviour that someone experiences and reports of misconduct or suspicions to that effect. All reports, including suspicions of misconduct or incidents, are investigated in a manner appropriate to the nature and seriousness of the report. Investigations may include interviews, data analysis, internal audits and investigations by an external party.

The procedure regarding inappropriate behaviour and unacceptable behaviour is open to employees, former employees and other workers who work for Heijmans, such as freelancers, interns and temporary workers.

The procedure for reporting integrity violations and (suspected) misconduct is open to employees, former employees, persons who work for Heijmans on another basis, such as graduates, self-employed persons and temporary workers, as well as anyone who does or has done business with Heijmans in any way, such as clients, suppliers, subcontractors and other service providers. When speaking of (suspected or threatened) misconducts, we refer to matters that could jeopardise Heijmans' reputation, integrity and business operations. It comes to situations that transcend the level of one case or a few individual cases.

Examples of integrity violations and misconduct include corruption and bribery, fraud, violation of competition laws, unauthorised ancillary positions, contacts with unreliable associates or the leaking of confidential company information. This also includes violations of national and European legal and regulatory requirements. A breach of integrity is a situation in which Heijmans' standards and values are violated, i.e. in which employees fail to adhere to the Heijmans Code of Conduct. This also includes (suspected) violations of other internal Heijmans procedures. These may be (potential) violations that also jeopardise Heijmans' reputation and integrity, but they may also involve unacceptable behaviour towards colleagues or others. Such irregularities involve errors in execution, processes or procedures within Heijmans that are so serious that they exceed the responsibility of the immediate supervisor. Reports about the aforementioned cases are handled by the compliance officer.

When confidential counsellors and compliance officers are appointed, they each are given written confirmation that they cannot suffer any adverse consequences under labour law as a result of their activities in the aforementioned roles.

The employee who makes a report or lodges a complaint may not suffer any negative consequences either. This means that they cannot be dismissed, involuntarily transferred or refused a promotion for making a report. Nor may they be bullied, ignored or intimidated in their work environment.

This so-called non-discrimination clause, which is included in the reporting procedures, also applies to other employees who play a role in the report, for example by making a statement. The accused also has the right to protection. After all, a person is innocent until proven guilty. Managers and HR play an important role on this front. Together, we ensure that Heijmans offers a safe environment in which everyone feels able to speak up.

Investigations by the compliance officer are carried out in accordance with the reporting procedure. The basic principle is to conduct a quick, but above all thorough investigation in a discreet manner. The compliance officer has an independent role and sets out the lines of investigation and can call in external expertise if this is deemed necessary. Internal Audit can also be involved in an investigation.

No members of the management who are involved in the matter under investigation will be involved in the investigation.

The compliance officer reports on any reports, their nature, the investigations carried out and any outcomes to the General Counsel, who in turn reports to the Executive Board. The Executive Board is responsible for discussing relevant reports with the Supervisory Board. An anonymised overview of reports, their nature, the investigations conducted and their outcomes is included in the CRO (Risk) report that is compiled on a quarterly basis.

Zakelijk Zuiver business integrity programme

Heijmans attaches great importance to the integrity of its employees, which is a prerequisite for any successful company. This is why we set up the Zakelijk Zuiver business integrity programme, which consists of e-learning courses and physical dialogue sessions in which colleagues discuss dilemmas with each other. These dialogue sessions were completed at the end of 2023 and almost all employees participated. Direct employees follow a Zakelijk Zuiver module during the collective labour agreement training days. This e-learning training course is a fixed part of the onboarding programme for new employees. To keep the theme of conduct and integrity top of mind for employees, the Executive Board addresses this topic in video messages, we organise workshops and toolboxes and the Viva Engage section of our intranet devotes attention to this topic on a continuous basis.

Heijmans does not currently have a specific policy regarding training for specific target groups, learning resources and training frequency. This is the subject of consultations between the Executive Board and HR.

The components of the Zakelijk Zuiver business integrity programme are mandatory for all employees. This means that employees in high-risk positions are also offered the programme, which means that 94.06% of these high-risk positions are covered. The members of the Executive Board have also participated in the programme. The chairman of the Executive Board and members of senior management have organised dialogue sessions as part of the Zakelijk Zuiver programme and are therefore in an even better position to have meaningful discussions about dilemmas in the area of business conduct and to promote a consistent line in the conduct Heijmans expects.

Positions that are more exposed to the risks of bribery and corruption than others include procurement staff who have a lot of contact with suppliers and managers who have the authority to award contracts and/or who have access to sensitive company information. In 2024, we used authorisation matrices to determine which positions can be labelled as high-risk. We have not, so far, offered separate programmes to employees in high-risk positions, apart from the Zakelijk Zuiver programme.

The Zakelijk Zuiver e-learning course uses dilemmas to focus on various aspects of business conduct, such as handling confidential information and the use of company resources and inappropriate conduct. The latter could include (sexual) intimidation, bullying, discrimination and violence. We also focus on acting honestly and ethically, as we want to prevent (the appearance of) conflicts of interest and also avoid exposing employees to risks such as corruption and bribery as much as possible. We do not currently have any separate training courses on anti-corruption and bribery. All new employees, including those in high-risk positions, were invited to take part in the onboarding programme in 2024, which includes the Zakelijk Zuiver e-learning course. Of the employees in high-risk positions, 94.06% took part in the onboarding programme in 2024. Naturally, we would like to stress that we abide by the law and that we do not tolerate the likes of fraud and anti-competitive behaviour.

The standards that Heijmans applies in the area of business conduct are included in the 'This is how we work' code of conduct, which applies to every employee and is addressed in the onboarding programme. Employees of suppliers and subcontractors are also bound by these standards or their own code of conduct through Heijmans' standard terms and conditions.

Members of the Supervisory Board have completed the Zakelijk Zuiver e-learning course and have been informed about how the programme works by the Executive Board.

Heijmans Code of Conduct

The Heijmans Code of Conduct is mandatory and applies to everyone who has dealings with Heijmans: the Executive Board, our (temporary) colleagues, but also our partners, subcontractors and suppliers.

Dilemmas and conduct

Heijmans is convinced that conduct has a major impact on the quality and the results of the company. For example, consider the impact of conduct in the area of safety; in the construction industry, this can make all the difference.

Heijmans is still confronted with integrity and conduct issues. Not everyone has the same opinion about what is and is not permissible. A large proportion of the reported issues are related to the following dilemmas:

To speak out or not speak out

By calling each other to account for inappropriate behaviour – in accordance with the standards we are striving for – we encourage more openness and ultimately the behaviour we expect. Calling each other to account is a form of ownership and of feeling responsible. For example, you can call each other to account about (not) wearing personal protective equipment, separating waste on building sites or knowingly submitting incorrect expense claims, using company resources for private use and inappropriate behaviour towards each other or third parties. To make it easier for employees to call each other to account, we organise dilemma meetings, we have toolbox meetings and the subject of integrity and conduct is regularly discussed in work meetings. In these meetings, certain issues or certain kinds of behaviour are discussed in complete openness.

Acceptable versus unacceptable behaviour

The line between acceptable and unacceptable behaviour is sometimes difficult to define, but this is crucial for the culture in the workplace. Heijmans considers a safe working environment – in which everyone is treated with respect – a prerequisite. Unacceptable behaviour will not be tolerated. Where necessary, we will take appropriate measures.

Self-determined rules versus applicable rules

Not everyone abides by the rules of our Code of Conduct. This may apply to expense claims, allowances or the use of company resources. It can be difficult for (new) employees to point out the actual rules to their colleagues. That is why the theme of conduct and integrity is addressed in work meetings, toolbox meetings, management meetings, progress meetings and in the Zakelijk Zuiver business integrity programme. Along with the importance Heijmans attaches to a safe working environment in which everyone dares to speak up.

Additional and separate regulations

In some policy documents, the values from the Code of Conduct are laid down in additional and separate regulations:

- ***Internal reporting procedures for inappropriate behaviour and misconduct***

Internal procedures for reporting inappropriate behaviour and misconduct apply in situations where it is difficult to find a solution within the daily work situation. These procedures outline the steps for reporting inappropriate behaviour and (suspected) misconduct. They also describe how a report is investigated and what role management plays in this.

- ***Royal Heijmans N.V. Insider Trading Regulations***

These regulations contain provisions that apply to officers as specified by law and to other Heijmans employees. The regulations were amended after the introduction of the European Market Abuse Regulation in mid-2016.

- ***Private Investment Regulations***

We have private investment regulations for the Executive Board and the Supervisory Board. The chairman of the Executive Board is the compliance officer for transactions in (depository receipts for) shares and options for the member(s) of the Executive Board. The chairman of the Supervisory Board acts as compliance officer for the chairman of the Executive Board.

Integrity and conduct

The demands we place on our employees in the area of integrity and conduct are laid down in a number of regulations and guidelines:

Dossier statement: this statement involves the responsible manager explicitly declaring that there was no anti-competitive behaviour in the creation of a tender. The statement is part of the so-called final page, the calculation of the tender price that is signed off on by the Executive Board and management.

Positions sensitive to integrity issues: Heijmans applies the 'procedure for positions sensitive to integrity issues'. These positions include members of the Executive Board, members of the Group Council, members of senior management and a number of specifically appointed officers. Screening is required for these positions. Employees in these positions – or applicants – must submit a Certificate of Good Conduct and a Certificate of Good Behaviour.

Reviews: the Executive Board discusses integrity issues and shares them anonymously in the management teams. In consultation with the Integrity Committee, the Executive Board ensures that reports and issues are translated into appropriate policy.

Heijmans Code of Conduct: the 'This is how we work' code is about respectful interaction with each other, safety, integrity, honesty and abiding by the rules. The Code of Conduct applies to everyone who works at or for Heijmans. A sanctions policy is linked to the Code of Conduct. We expect managers to set an example. The Code of Conduct is an integral part of the employment contract for both permanent and temporary staff and also applies to any self-employed workers with whom Heijmans works.

Integrity is a fixed topic in job interviews and introduction programmes.

In 2009, Heijmans Property development set up a **Transaction Register** in accordance with the NEPROM Code of Conduct to promote integrity in project development. This is an addition to the quality management system and the Heijmans Code of Conduct. The Transaction Register is used to examine, record and document the relevant details of each business-to-business property transaction in advance. This enables us to check these transactions for correctness, integrity and legality. This is also laid down in the Heijmans Procurement Policy.

Procurement policy: we ask new suppliers to sign a 'Sustainability Statement'. This statement includes rules for minimum requirements and improvements in social aspects, working conditions and safety, health and the environment.

Prevention and detection of corruption and bribery

The trust that clients, partners, shareholders and employees have in our company is crucial to our licence to operate. That trust can be damaged by corruption or bribery. This is why we have made combating corruption part of our general compliance programme. Heijmans has an anti-corruption and bribery policy that applies to all employees and other workers. This policy takes into account the purpose and intent of the United Nations Convention against Corruption, which is binding on all member states. The messages about integrity and conduct that we publish internally on a regular basis also specifically address the anti-corruption and bribery policy, to ensure that all employees are aware of this policy. The Heijmans Code of Conduct applies to every employment contract of every employee and its content is also covered in our onboarding programme. This states that Heijmans expects employees to avoid actual or apparent conflicts of interest between personal and business interests. Employees may not accept gifts or invitations that could compromise their independence. Even offering them can compromise the independence of

Heijmans or the recipient. Our company and our employees must adhere strictly to the legal rules and generally accepted standards that apply to business operations and that are expressed in our own guidelines, such as the Transaction Register that is used at Heijmans Property development. We also impose the Code of Conduct – or an equivalent code – on subcontractors and partners with whom we do business.

If an employee could be confronted with corruption and bribery due to the nature of their job, we devote extra attention to this aspect, for instance by offering these employees extra training. Our Zakelijk Zuiver business integrity e-learning course deals with these kinds of situations. You can read more about this in the section on the Zakelijk Zuiver programme. This applies to the Procurement department, among others. We have taken actions in this department to minimise the risk of bribery or corruption. For example, the department is organised centrally, which allows for more direct supervision. There is a division of duties, and we apply the four-eyes principle. Standard contracts are used and exchanged digitally. Preferred suppliers are also selected and evaluated centrally and very thoroughly based on a transparent assessment system. Suppliers that do not meet Heijmans' standards can no longer be preferred suppliers. This approach has proven very successful. The indicators associated with this theme are 'Procurement spend with preferred suppliers' and 'Procurement spend with preferred suppliers with framework contracts with signed sustainability statements'.

The procedure for reporting integrity violations and (suspected) misconduct, including corruption and bribery, is open to all employees, former employees, persons who work for Heijmans on another basis, such as graduates, self-employed workers and temporary workers, as well as anyone who does or has done business with Heijmans in any way, such as clients, suppliers, subcontractors and other service providers. When speaking of suspected or threatened misconduct, we refer to matters that could jeopardise Heijmans' reputation, integrity and business operations. This involves situations that transcend the level of one case or a few individual cases. Suspicions or cases of bribery and corruption qualify as such.

Corruption and bribery, or suspicions thereof, are investigated by the compliance officer in accordance with the reporting procedure described in the 'Reporting Procedures' section. The compliance officer reports on this in the manner described in the 'Reporting Procedures' section.

In the 2024 financial year, we did not identify any cases of corruption or bribery. In the event of violations of procedures and standards for combating corruption and bribery, measures will be taken to minimise the risk of future violations. These measures may include tightening up the four-eyes principle, paying extra attention to internal authorisations, such as those based on the authorisation matrices, and providing information about the impact these kinds of violations could have on Heijmans.

Dealing with suppliers and subcontractors

Heijmans requires its suppliers and subcontractors to comply with the Heijmans Code of Conduct and to act in accordance with the principles and requirements included in the 'Sustainability Statement'. If the suppliers' own code of conduct meets Heijmans' standards, this is also permitted. The sustainability criteria are included in the requests for quotes sent to suppliers/subcontractors by the Procurement department or 12Build, a SaaS platform that connects main contractors and construction specialists to make the quotation process in the construction sector more efficient. In addition, it includes a reference to the applicable general procurement conditions and the mandatory SHE (Safety, Health and Environment) plan in the event of subcontracting. In addition, the supplier/subcontractor is asked to provide an ECI (Environmental Cost Indicator) calculation in the event of a request for a quote. This is requested as follows: ***Shadow costs: every product has shadow costs. To gain a better understanding of the impact of a product, it is our ambition to gain more insight into the ECI values. ECI stands for Environmental Cost Indicator and is derived from the LCA (Life Cycle Analysis), indicating shadow costs. We request that you add a shadow price indication per product (type) when submitting your quote.***

In the case of preferred suppliers, we have regular account meetings in which we discuss topics such as sustainability, safety (including social safety) and innovation. Sustainability is also addressed in the Evaluator application, which measures supplier performance. When necessary, the outcome of the evaluation is discussed with the supplier.

If it appears, based on the quote and/or information supplied by the supplier/subcontractor, that this party cannot meet the sustainability requirements set by Heijmans, we may decide to exclude this party, unless there is a justifiable reason to purchase services from the party in question.

Payment terms

Heijmans uses payment terms that are legally valid, such as the SME payment term of thirty days, or terms that have been contractually agreed upon with parties. The latter payment terms can vary from fourteen to sixty days. The terms used are included in the table below. The third column shows the percentage of payments related to the various terms.

As can be seen from the table below, Heijmans pays later on average than Van Wanrooij. This is mainly because Heijmans uses a weekly payment process, which means that many payments fall a few days outside the set payment term. If the set payment term + seven days is taken as the basis, 91% of invoices are paid on time. Other reasons for delayed payments (payment term + seven days) are:

- Subcontractors or suppliers submit invoices for milestones or services that have not yet been fully delivered. These invoices are initially rejected by Heijmans, which means the original payment term cannot be met.
- If an invoice is incomplete and/or contains missing information, for example due to the requirements of the Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act, it will be returned. If the invoice is resubmitted later with the original invoice date, this will result in a later payment than the set payment term.

Furthermore, an internal payment term of 14 days is used for utility company invoices to ensure that we pay on time. However, the official payment term is 30 days, and almost all invoices are paid within this official payment term.

Although the aim is to pay invoices within the agreed terms, the above factors can lead to delays in processing.

Type of supplier van Wanrooij	payment term	percentage on time
Suppliers; SMEs; self-employed professionals; local authorities / government agencies; educational institutions; insurance companies; Hospitality industry; Temporary employment agencies; subcontractors and temporary workers	payment within 30 days	70%
Subcontractor and temporary workers; utility companies	payment within 14 days	51%
Intercompany	payment within 7 days	88%
One-off (up to € 2,000)	Other	80%
Other	payment within 30 days	100%
Type of supplier Heijmans	payment term	percentage on time
SMEs; self-employed professionals; one-off; local authorities / government agencies; training organisations; insurance companies; intercompany; hospitality industry; temporary employment agencies	payment within 30 days	17%
Temporary employment agencies; suppliers; subcontractors and temporary workers	payment within 60 days	21%
Technische Unie - wholesaler	payment within 14 days	97%
Temporary employment agencies	payment within 45 days	19%
Utility companies	payment within 14 days	29%
Other	0-90 days	11%

The average term for the payment of an invoice, calculated from the date on which the legal or contractual payment term starts to run, is 38 days. This calculation is based on actual dates.

The company has a procedure in place to prevent late payments.

To ensure realistic and consistent payment processing, our organisation is expressly requested not to use payment terms of eight or fourteen days. Using such short terms can create expectations among suppliers that are not always feasible in practice, which can lead to dissatisfaction and disruptions in the collaboration.

Adhering to standard payment terms and following a realistic payment schedule avoids unnecessary pressure on the process and guarantees the reliability of payments. This contributes to stable and transparent financial processing.

Purchasing Support uses the SME criteria to determine whether or not the supplier is an SME. If two of the criteria below apply, the company is considered an SME:

- Revenue < €40 million
- Assets < €20 million
- Fewer than 250 employees

If the supplier meets the SME criteria, the payment term is set at thirty days and this is indicated as SME in the system. In other cases, the standard payment terms are fourteen to sixty days, depending on the type of supplier, as shown in the table.

Van Wanrooij currently still uses their own systems and policies. The above only applies to Heijmans. Van Wanrooij does of course apply the statutory payment terms for SMEs.

In the 2024 financial year, no legal proceedings were brought or completed against Heijmans for late payments.



Notes

Publication requirements

European Sustainability Reporting Standards (ESRS) covered by the Royal Heijmans N.V. Sustainability Report

Norm	Description	Section	Page numbers
ESRS 2			
ESRS 2 BP-1	General basis for the preparation of sustainability statements	About this report; Reporting principles applied; Business model and strategy	163, 165, 166
ESRS 2 BP-2	Disclosures in relation to specific circumstances	Reporting principles applied; Metric requirements	165, 281
ESRS 2 GOV-1	The role of administrative management and supervisory bodies	Executive Board; Supervisory Board; Reporting principles applied	116, 117, 165
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Integration of CSRD-driven impacts, risks and opportunities; Double materiality analysis; Policy, actions, key performance indicators and targets	161, 175, 178
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration report ; Inclusion via references	133, 164

Norm	Description	Section	Page numbers
ESRS 2 GOV-4	Statement on due diligence	Due diligence statement ; Human rights due diligence	178, 242
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	Integration of CSRD-driven impacts, risks and opportunities	161
ESRS 2 SBM -1	Strategy, business model and value chain	Business model and strategy; Value creation model; We are Heijmans, creators of the healthy living environment	166, 169, 170
ESRS 2 SBM -2	Interests and views of stakeholder	In dialogue with stakeholders	174
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Business model and strategy	166
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Integration of CSRD-driven impacts, risks and opportunities; In dialogue with stakeholders; Double materiality analysis	161, 174, 175
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Policy, actions, key performance indicators and targets; List of data points derived from other EU legislation; Metric requirements	178, 274, 281
ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	Policy, actions, key performance indicators and targets; Thematic chapters - Policy	178, 185, 206, 217, 225, 245, 255, 259
ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	Policy, actions, key performance indicators and targets; Thematic chapters - Actions	178, 190, 208, 219, 225, 247, 257, 259
ESRS 2 MDR-M	Metrics in relation to material sustainability matters	Requirements of the criteria; Thematic chapters - Metrics	209, 226, 250, 259, 281
ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	Policy, actions, key performance indicators and targets; Thematic chapters - Targets	178, 187, 209, 221, 225, 250, 258, 259
ESRS E1			
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration report; Inclusion via references	133, 164
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Climate - Impacts, risks and opportunities	181
ESRS 2 IRO-1	Description of the processes to identify and assess material climate impacts, risks and opportunities	Climate - Impacts, risks and opportunities	181
ESRS E1 -1	Transition plan for climate change mitigation	Climate - Policy; Targets; Actions	185, 187, 190
ESRS E1 -2	Policies related to climate change mitigation and adaptation	Climate - Policy	185
ESRS E1- 3	Actions and resources in relation to climate change policies	Climate - Actions	190
ESRS E1 -4	Targets related to climate change mitigation and adaptation	Climate - Targets	187
ESRS E1 -5	Energy consumption and mix	Climate - Energy use	193
ESRS E1 -6	Gross scope 1, 2 and 3 and total GHG emissions	Climate - Greenhouse gas emissions	194
ESRS E1 -7	GHG removals and GHG mitigation projects financed through carbon credits	Climate - Greenhouse gas removals; Offsetting with carbon credits	202, 203
ESRS E1 -8	Internal carbon pricing	Climate - Internal carbon pricing	204
ESRS E1 -9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phasing-in applied	-
ESRS E3			
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Double materiality; In dialogue with stakeholders	172, 174
ESRS E3 -1	Policies related to water and marine resources	Water - Policy	206
ESRS E3 -2	Actions and resources related to water and marine resources	Water - Actions	208
ESRS E3 -3	Targets related to water and marine resources	Water - Targets	209



Norm	Description	Section	Page numbers
ESRS E3 -4	Water consumption	Water - Metrics	209
ESRS E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not material	-
ESRS E4			
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Biodiversity - Impacts, risks and opportunities	212
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Biodiversity - Impacts, risks and opportunities	212
ESRS E4 -1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Biodiversity - Resilience analysis	215
ESRS E4 -2	Policies related to biodiversity and ecosystems	Biodiversity - Policy	217
ESRS E4 -3	Actions and resources related to biodiversity and ecosystems	Biodiversity - Actions	219
ESRS E4 -4	Targets related to biodiversity and ecosystems	Biodiversity - Targets	221
ESRS E4 -5	Impact metrics related to biodiversity and ecosystems	Phase-in applied	-
ESRS E4 -6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Phase-in applied	-
ESRS E5			
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Double materiality; In dialogue with stakeholders;	172, 174
ESRS E5 -1	Policies related to resource use and circular economy	Resource use and circular economy - Policy	225
ESRS E5 -2	Action and resources related to resource use and circular economy	Resource use and circular economy - Actions and targets	225
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ESRS E5 -5	Resource outflows	Resource use and circular economy - Metrics	226
ESRS E5 -6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in applied	-
ESRS S1			
ESRS 2 SBM-2	Interests and views of stakeholder	In dialogue with stakeholders	174
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Social information	240
ESRS S1 -1	Policies related to own workforce	Own workforce - Policy	245
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ESRS S1 - 12	Persons with disabilities	Phase-in applied	-
ESRS S1 - 13	Training and skills development metrics	Not material	-
ESRS S1 - 14	Health and safety standards	Own workforce - Metrics - Accidents and sickness	252
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ESRS 2	SBM-1	40 (d) ii	<i>Strategy, business model and value chain disclosure</i>	Phase-in applied	SFDR & BRR	-
ESRS 2	SBM-1	40 (d) iii	<i>Strategy, business model and value chain disclosure</i>	Phase-in applied	SFDR & BRR	-
ESRS 2	SBM-1	40 (d) iv	<i>Strategy, business model and value chain disclosure</i>	Phase-in applied	BRR	-
E1	E1-1	14	Transition plan for climate change mitigation	Climate - Policy; Targets; Actions	EU Climate Law	185, 187, 190
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E1	E1-9	66	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in applied	BRR	-
E1	E1-9	66 (a) & 66 (c)	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in applied	Pillar 3	-
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E1	E1-9	69	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in applied	BRR	-
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E3	E3-1	9	Policies related to water and marine resources	Water - Policy	SFDR	206
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E4	E4-2	24 c	Policies related to biodiversity and ecosystems	Biodiversity - Policy	SFDR	217
E4	E4-2	24 d	Policies related to biodiversity and ecosystems	Biodiversity - Policy	SFDR	217
E5	E5-5	37 (d)	Resource outflows	Not material	SFDR	-
E5	E5-5	39	Resource outflows	Not material	SFDR	-
S1	S1.SBM-3	14 f	Material impacts, risks and opportunities and their interaction with strategy and business model	Not material	SFDR	-
S1	S1.SBM-3	14 g	Material impacts, risks and opportunities and their interaction with strategy and business model	Not material	SFDR	-
S1	S1-1	20	Policies related to our own workforce	Own workforce - Policy	SFDR	245
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S1	S1-1	22	Policies related to our own workforce	Own workforce - Policy	SFDR	245
S1	S1-1	23	Policies related to our own workforce	Own workforce - Policy	SFDR	245
S1	S1-3	32 c	Processes to remediate negative impacts and channel for own workers to raise concern	Own workforce - Actions	SFDR	247
S1	S1-14	88 b & 88 c	Health and safety metrics	Own workforce - Metrics - Accidents and sickness	SFDR & BRR	252
S1	S1-14	88 e	Health and safety metrics	Own workforce - Metrics - Accidents and sickness	SFDR	252
S1	S1-16	97 a	Compensation metrics (Pay gap and total remuneration)	Not material	SFDR & BRR	-
S1	S1-16	97 b	Compensation metrics (Pay gap and total remuneration)	Not material	SFDR	-
S1	S1-17	103 a	Incidents, complaints and severe human rights impacts	Own workforce - Metrics - Incidents and complaints	SFDR	252
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S2	S2.SBM-3	11 b	Material impacts, risks and opportunities and their interaction with strategy and business model	Workers in the value chain - Impacts, risks and opportunities	SFDR	254
S2	S2-1	17	Policies related to value chain workers	Workers in the value chain - Policy	SFDR	255
S2	S2-1	18	Policies related to value chain workers	Workers in the value chain - Policy	SFDR	255



ESRS	DR	Requirement	Description	Section	Legislation	Page number
S2	S2-1	19	Policies related to value chain workers	Workers in the value chain - Policy	SFDR & BRR	255
S2	S2-4	36	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Workers in the value chain - Actions	SFDR	257
S3	S3-1	16	Policies related to affected communities	Not material	SFDR	-
S3	S3-1	17	Policies related to affected communities	Not material	SFDR & BRR	-
S3	S3-4	36	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Not material	SFDR	-
S4	S4-1	16	Policies related to consumers and end-users	Not material	SFDR	-
S4	S4-1	17	Policies related to consumers and end-users	Not material	SFDR, BRR	-
S4	S4-4	35	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Not material	SFDR	-
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G1	G1-1	10 d	Corporate culture and business conduct policies	(Business) Conduct and Integrity - Culture and structure	SFDR	261
G1	G1-4	24 a	Confirmed incidents of corruption or bribery	(Business) Conduct and Integrity - Prevention and detection of corruption and bribery	SFDR, BRR	266
G1	G1-4	24 b	Confirmed incidents of corruption or bribery	(Business) Conduct and Integrity - Prevention and detection of corruption and bribery	SFDR	266
					BRR = Benchmark Regulation Reference	

Key data CSRD

ESRS E1

Climate adaptation

Climate mitigation, Energy

IRO
no. **1** Link to
bold statement **3**

IRO
no. **2** Link to
bold statement **3 6**

MAIN POLICIES

Climate mitigation and adaptation
Energy efficiency
Renewable energy rollout

TARGETS (INCL. BASELINE AND YEAR)

Scope 1 & 2 emissions (in tonnes CO₂e)

Baseline 43,013 (2019)
Target 100% reduction (2030)

Scope 3 emissions (in tonnes CO₂e)

Baseline 1,119,305 (2019)
Target 50% reduction (2030)

Greenhouse gas emissions across the value chain

Baseline n/a
Target Net Zero (2040)

KEY DATA (INCL. PROGRESS)

Scope 1 & 2 emissions (in tonnes CO₂e)

2023 24,011
2024 16,871

Scope 3 emissions (in tonnes CO₂e)

2023 862,238
2024 799,414

Greenhouse gas intensity (in tonnes of CO₂e per € million revenue)

2023 419
2024 316

Energy intensity (in MWh per € million revenue)

2024 44.4

ESRS E3

Water

IRO
no. **3** Link to
bold statement **5**

MAIN POLICIES

Water balance
Water quality
Water use
Water safety

TARGETS (INCL. BASELINE AND YEAR)

Currently no targets

KEY DATA (INCL. PROGRESS)

Water consumption (in m³)

2023 n/a
2024 64,134

Water intensity - own operation (in m³ per million € turnover)

2023 n/a
2024 24.8

ESRS E5

Resource use and circular economy

IRO
no. **5** Link to
bold statement **3 9**

MAIN POLICIES

Reducing waste
Identifying sustainable origins in incoming material flows
Extension useful life of outgoing material flows
Improving environmental themes through application of circular principles

TARGETS (INCL. BASELINE AND YEAR)

Currently no targets

KEY DATA (INCL. PROGRESS)

Useful life of products (50 years, assumption)

2023 50
2024 50

ESRS E4

Direct pressure factors biodiversity loss

IRO
no. **4** Link to
bold statement **4**

MAIN POLICIES

Space for nature
Species diversity
Environmental conditions
Nature as a raw material

TARGETS (INCL. BASELINE AND YEAR)

Net area addition of each project found material (in m²)

Baseline n/a
Target >0 (2030)

Increase in species richness of each project found material (in number of biotopes)

Baseline n/a
Target >0 (2030)

KEY DATA (INCL. PROGRESS)

Business and project sites owned, leased or managed by Heijmans in or near protected areas:

In numbers

2023 n/a
2024 940

In km² area

2023 n/a
2024 23.88



ESRS S1

Employment conditions

IRO
no. **6** Link to
bold statement **10 11**

Health and safety

IRO
no. **7**

VARIOUS POLICIES

Human rights policy
Anti-discrimination
Heijmans GO!
Code of conduct
Reporting procedures

TARGETS (INCL. BASELINE AND YEAR)

Diversity: male/female ratio in %

Baseline 15.06% (2024)
Target 15.75% (2025)

Hiring newcomers in number

Baseline 31 (2024)
Target Review in 2025

Rolling absenteeism rate in %

Baseline 5.10% (2024)
Target 4.95% (2025)

New employees employed via referral in %

Baseline 23.55% (2024)
Target 25% (2025)

KEY DATA (INCL. PROGRESS)

Diversity (male/female)

2023 14.8%*
2024 15.1%

Pay gap (increase male vs. female)

2023 n/a
2024 5.82%

Number of accidents

2023 72 accidents*
2024 83 accidents

Deaths from accidents and occupational sickness

2023 1
2024 0

Reports of discrimination (via confidential advisor)

2023 n/a
2024 3

* Not the same definition used in creation of figure in 2023.

ESRS G1

Protection whistleblowers

IRO
no. **9**

Manage relationships with suppliers incl. payment practices

IRO
no. **11** Link to
bold statement **7**

Corruption and bribery

IRO
no. **10**

MAIN POLICIES

Business Pure
Reporting procedure
Code of conduct

TARGETS

Currently no targets

KEY DATA (INCL. PROGRESS)

Convictions for corruption and bribery

2023 n/a
2024 0 convictions

Average payment term invoices

2023 n/a
2024 38 days on average

ESRS S2

Other labour rights

IRO
no. **8**

MAIN POLICIES

Insight
Involvement
Policy

TARGETS

Currently no targets

SUSTAINABILITY

TEAM

CONNECTION

OUR BASIS

Biodiversity appendices

Results of biodiversity analysis scoping

Heijmans first looked at which economic activities occur in our direct operations. We compared our own operations from SAP with the International Standard Industrial Classification of All Economic Activities standard. We then performed an analysis in the ENCORE database based on our economic activities. The ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database maps the relationship between sectors, subsectors and activities, and records the potential impacts on and dependencies of nature. ENCORE assigns a materiality level to each economic activity, ranging from 'Not Material' to 'Very High Materiality', for different impact and dependency categories. To determine whether a location with economic activity is considered potentially material and requires a more detailed analysis, Heijmans has taken the averages of all the materiality scores of the impacts and dependencies. This enabled us to determine an overall score for the potential impacts and dependencies, and determine potential materiality. Based on these overarching materiality scores, we have identified seven economic activities within our direct operations that require a more detailed impact analysis because they have the potential to have a materially negative effect on biodiversity-sensitive areas. We have also identified three economic activities that require a more thorough dependency analysis because they have the potential to be materially dependent on biodiversity and ecosystems.

ISIC Group	Impact score	Dependency score
Construction of buildings	3,0	2,4
Construction of roads and railways	2,9	2,8
Construction of utility projects	3,1	2,6
Construction of other civil engineering projects	3,1	2,8
Demolition and site preparation	2,9	2,2
Electrical, plumbing and other construction installation activities	2,5	2,3
Building completion and finishing	2,7	2,4
Other specialized construction activities	2,9	2,2
Real estate activities with own or leased property	1,6	1,7
Real estate activities on a fee or contract basis.	1,6	1,7
Activities of head offices	1,4	1,1
Architectural and engineering activities and related technical consultancy	1,2	2,0
Other land transport	2,3	2,3
Cargo handling	2,1	1,3
Other transportation support activities	2,2	1,4
Warehousing and storage	1,7	1,4

Materiality score	Result
Higher than 2.5	Material Economic Activity
Lower than or equal to 2.5	Non-Material Economic Activity

Although ENCORE only considers something to be material with an impact or dependency score of Medium, High or Very High (score 3 or higher), Heijmans takes a different approach and considers an average score of the economic activities above 2.5 to be material. This is because combining the scores per impact or dependency category often dampens outliers by working with averages, while these can actually be relevant.

Scope & limitations of the policy and the vision

- Our current policy is not linked to material dependencies, risks and opportunities.
- Our current policy is not yet geared towards ensuring that the production, purchase or consumption of products originating from ecosystems are managed in such a way as to maintain or improve the conditions for biodiversity. The only exception to this is the purchase of FSC-certified and PEFC-certified timber, which guarantees that the timber comes from responsibly managed forests.
- Heijmans does not currently take into account the social consequences of biodiversity and ecosystem-related impacts.
- The vision and associated policy have been created with an eye to the future and are therefore relevant to the entire Heijmans value chain. However, for the time being, the policy is only being implemented in our direct operations. Because Heijmans only carries out its direct operations in the Netherlands, the vision and its impact factors are therefore also geographically limited to the Netherlands.
- Heijmans does not currently have a specific policy on sustainable oceans, seas and waterways related to biodiversity and ecosystems. However, Heijmans does adhere to the latest legal and regulatory requirements for coastal protection areas and waterways, where we are currently carrying out a number of projects.

Scope and limitations of actions

- Heijmans does not currently have any specific actions in place, apart from the climate actions in the climate chapter, to alleviate, support or compensate for impacts on biodiversity that are deemed material.
- Heijmans does not currently have any insight into whether the measures involve significant operational costs and/or capital expenditures. The reason for this is that the financial year under review is the first time that all actions have been combined in one place. Heijmans aims to identify these costs for the coming years.
- Heijmans does not currently use biodiversity offsets to compensate for its impact on biodiversity and ecosystems. Nor does Heijmans make use of local and indigenous knowledge when devising and setting up actions.

Method for setting targets and assumptions used

The targets for the Space for Nature and Species Richness impact factors were set using the following method:

- **Integration with the four impact factors:** the first step in the process was to align the biodiversity targets with Heijmans' four biodiversity impact factors. These impact factors served as a guideline and ensured that the targets were anchored in Heijmans' established biodiversity vision. Consequently, the targets are also aligned with the scientific pressure factors on which these pillars are based.
- **Alignment with scientific and international targets:** in the next step, we looked at relevant international targets and frameworks, such as the Global Biodiversity Framework and the Science Based Targets for Nature (SBTN) framework, to inspire us when setting our own targets. For example, target 1 aligns well with SBTN targets under 'No Conversion of Natural Ecosystems' and 'Land Footprint Reduction', and target 2 aligns well with Target 1 of the Global Biodiversity Framework 'Plan and Manage all Areas To Reduce Biodiversity Loss'.
- **Integration with measurement methods and monitoring:** we then looked at the feasibility of measuring and monitoring the set targets. Heijmans has estimated the available resources and how we can use these optimally to actually measure progress to achieve the targets we have set. This includes the use of satellite data, the biobuddy and other relevant resources.
- **Targets have been made SMART:** as a final step, the targets have been made SMART. SMART methodology ensures that your targets are clear, achievable and measurable, and enables you to work systematically towards achieving those targets. We have chosen the year 2030 as the timeframe, because this is in line with the 'Nature Positive Initiative' of, among others, the WWF and the Global Biodiversity Framework, and our own bold statement on sustainability: 'We give more than we take'.
- **Internal evaluation:** the targets were then evaluated internally by subject experts, theme leaders, the Executive Board and those responsible for sustainability within the company's processes. So far, we have not involved external stakeholders in setting the targets.

Scope and limitations of the targets

- When setting our biodiversity and ecosystem targets, Heijmans did not use ecological thresholds. However, we recognise the importance of integrating ecological thresholds into future targets and ambitions and we will continue to explore how we can effectively implement these concepts to continue to increase our contribution to the conservation of biodiversity and ecosystems.
- As these targets have only recently been set and we have not yet conducted a full impact analysis, we have not yet determined the baseline value or the baseline year. However, Heijmans does not consider this information necessary for setting the targets, as they are aimed at realising a positive impact in relation to the specific situation of each project.
- The geographical scope of the defined targets is limited to the Netherlands, as our direct operations are also exclusively within Dutch borders. This means that the targets are specifically aimed at the context of the Dutch market and the business activities carried out within it.
- Heijmans has not made use of biodiversity offsets in setting its targets. The targets set are based on the four pillars of biodiversity and underlying scientific insights as mentioned above, with a focus on reducing the negative impact on biodiversity through other actions. The targets are thus primarily aimed at preventing damage to ecosystems and promoting biodiversity in the long term, rather than compensating for losses after the fact.

Method used for targets related to our own employees

IRO	Target	Methodology	Assumptions
Equal treatment	At least 15.5% of our employees are women.	We look at the total number of employees and determine how many of them are women.	In this case, we using the gender as stated by the employee themselves.
	In 2024, we will add 50 newcomers to our workforce	We record the type of residence permit when the person starts working. We can filter these based on the definition set for the annual report.	We only look at employees who started working in 2024.
Employee engagement	The rolling rate of absenteeism in 2024 is 4.75%.	The rolling absenteeism rate means that the average absenteeism rate of the past 12 months is used (in this case, every month of 2024). The absenteeism rate is calculated by dividing the total number of days missed in a month by the potentially available days in a month. This number is then multiplied by 100%.	None.
	25% of our new colleagues joined the company via a referral.	When an employee introduces a new colleague, they receive a referral bonus. We keep track of how many new colleagues have been hired through referrals based on the payment of these bonuses.	We assume that everyone who refers a new colleague will receive the referral bonus.

Metric requirements

We did not use an external assurance provider for any of our metrics, except for data points 48, 49 and 51, related to climate change E1. KIWA tests these annually for our CO₂ Performance Ladder certification and they were tested once in 2024 by the Science Based Targets Initiative (SBTi).

Climate change (ESRS E1)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
E1-5 37 (a)	Total energy consumption from fossil sources. Energy consumption from fossil sources refers to the total energy consumption by Heijmans of fossil fuels such as coal, petroleum and natural gas.	The total energy consumption from fossil fuels is calculated as the sum of the various fossil energy sources. Specifically, invoice information is used for Van Wanrooij data.	No assumptions are made for the calculation of this data point.	No specific limitations identified on this data point; additional explanations are mentioned in DR 38 A to E
37 (b)	Total energy consumption from nuclear energy. Heijmans' energy consumption from nuclear sources	Checking Guarantees of Origin has led to the conclusion that no nuclear energy was used in 2024.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
37 (c) i.	Total energy consumption from renewable fuels (fuel). Energy consumption from renewable sources refers to Heijmans' consumption of green gas and HVO100 fuel. Green gas is CO ₂ -neutral and comes from sources including organic waste, manure and sludge. HVO, or Hydrotreated Vegetable Oil, is a synthetic diesel made from 100% renewable raw materials such as waste oils and vegetable fats.	Underlying data for Green Gas and HVO 100 is obtained from the respective suppliers. The conversion from litres to MWh is done on the basis of the energy intensity per unit of fuel (Klimaatkoord.nl), whereby the unit is converted to Joules and then to the relevant unit.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
37 (c) ii.	Total energy consumption from renewable fuels (purchased). Energy consumption from renewable fuels specifically for purchased or acquired electricity, heat, steam and cooling	The Shared Service Centre collects invoices from energy suppliers, which are then converted to MWh. A small portion of the figures cannot be retrieved based on invoice data and are specifically estimated using data from energy supplier Engie. For the specific energy consumption of Van Wanrooij's offices, estimated figures are used based on the number of floors rented in its buildings.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
37 (c) iii.	Total energy consumption from renewable fuels (non-fuel). Total energy consumption from renewable fuels (non-fuel): energy consumption from solar panels. For Heijmans N.V., this comes from the solar panels installed at its locations.	Energy consumption from solar panels: Sum of generated energy supplied by the facilities department based on the reading of consumption data at the various locations.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
38 (a)	Fossil fuel consumption from coal and coal products. Fuel consumption refers to consumption by Heijmans. Consumption from coal and coal products is consumption from solid fossil fuel, which consists of carbonised plant remains.	Heijmans is not involved in coal consumption. This figure is therefore 0.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
38 (b)	Fossil fuel consumption from crude oil and petroleum products. At Heijmans, fossil fuel consumption from crude oil and petroleum products is the consumption based on petrol and diesel.	Invoicing data from suppliers (e.g. LeasePlan and Oliecentrale Nederland) is used to calculate how much fossil fuel is consumed. This is received in litres and converted to MWh. The conversion from litres to MWh is done on the basis of the energy intensity per unit of fuel (Klimaatkoord.nl), whereby the unit is converted to Joules and then to the relevant unit.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
38 (c)	Fossil fuel consumption from natural gas. Fuel consumption refers to consumption by Heijmans. Fossil fuel consumption from natural gas, which is used in heating systems in offices and sometimes building sites	Natural gas consumption is compensated with Guarantees of Origin, so this figure is 0.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.

Climate change (ESRS E1)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
38 (d)	Fossil Fuel consumption from other non-renewable sources. For Heijmans, fuel consumption from other non-renewable sources refers to the consumption of propane and LPG.	Invoicing data from suppliers (e.g. LeasePlan and Oliecentrale Nederland) is used to calculate how much fossil fuel is consumed. This is received in litres and converted to MWh. The conversion from litres to MWh is done on the basis of the energy intensity per unit of fuel (Klimaatakkkoord.nl), whereby the unit is converted to Joules and then to the relevant unit.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
38 (e)	Fossil Fuel consumption from purchased or acquired electricity. Energy consumption from fossil sources specifically for purchased or acquired electricity, heat, steam and cooling	The consumption of fossil fuels for purchased or acquired electricity is compensated with Guarantees of Origin, so this figure is 0.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
39	Production of (non-)renewable energy. Fossil energy production refers to the process of generating energy by burning fossil fuels for Heijmans, such as natural gas, coal and fuel oil.	Heijmans does not produce any fossil energy. This figure is therefore 0.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
40	Energy intensity of activities in activities with a major impact on the climate. Energy intensity refers to the total energy consumption in MWh divided by the revenue in millions.	Energy intensity: Total energy consumption in MWh divided by revenue in millions of euros. Energy consumption based on DR 38. Revenue is taken from the 2024 financial statements.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
E1-6	48 (a) Gross scope 1 emissions. Scope 1 includes emissions that are a direct result of our activities, such as emissions from our vehicle fleet, our equipment or heating our offices. Specifically, the office, project locations and vehicle fleet's gas and fuel consumption are added up.	Heijmans measures scope 1 emissions based on the actual quantities of purchased fuels, which means that we include greenhouse gas emissions from stationary combustion, mobile combustion, process emissions and fugitive emissions in our reporting. We have carried out this inventory according to the Greenhouse Gas Protocol Corporate Standard (version 2004), supplemented by the requirements of the SBTi. Data is retrieved from energy suppliers, leaseplan and oil plants, multiplied by the CO ₂ emission factor of https://www.co2emissiefactoren.nl/lijt-emissiefactoren/	In scope 1, the tank-to-wheel (TTW) emission factor will be used from 2025, and in scope 3, the well-to-tank (WTT) factor will be used. To communicate the consequences of this change clearly and transparently, this year we will also show in all relevant places what the total of scope 1 looks like in the new calculation method. We will do this by adding a footnote to the relevant figure.	There are no limitations when calculating this data point.
	48 (b) Percentage of scope 1 emissions as part of ETS. Indicates how much of the emissions falls under the Emission Trading System (ETS).	Not applicable, Heijmans is not subject to an ETS system.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	49 (a) Gross location-based scope 2 emissions. Heijmans reports its scope 2 emissions released from all purchased electricity, heat, steam and cooling in accordance with GHGP and SBTi. This applies to the location-based method using a national average in conversion calculations.	For Heijmans, gross location-based scope 2 emissions occur in the emissions related to purchased electricity, kerosene consumption when flying and fuel consumption of private cars. Data is obtained from energy suppliers, leaseplan and oil companies and multiplied by the CO ₂ emission factor of https://www.co2emissiefactoren.nl/lijt-emissiefactoren/ Specifically for Van Wanrooij, the scope 2 footprint is partly based on exact data (for example, for cars and offices), but also partly estimated when it comes to electricity consumed on building sites. For the latter, an estimate is made by dividing the total expenditure on building site electricity by an average kWh rate.	Specifically for Van Wanrooij data, a full estimate has been made for all years prior to 2024 based on the figures for 2024. In addition, an assumption was applied to correct the extraction for VAT and an average price based on underlying invoice data.	There are no limitations when calculating this data point.
	49 (b) Gross market-based scope 2 emissions. Heijmans reports its scope 2 emissions released from all purchased electricity, heat, steam and cooling in accordance with GHGP and SBTi. This applies to a market-based method using a specific emission factor based on the purchased product.	See calculation for 49(a). Specifically, a separate conversion factor is used (market-based vs. location-based)	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	50 (a) Breakdown of scope 1 and 2 emissions by scope of consolidation and underlying subsidiaries. Requires a breakdown of scope 1 and 2 emissions. Not applicable to Heijmans for the reason that everything is consolidated within the N.V. and there are no significant separate subsidiaries.	See the methodology for scope 1 and 2 emissions.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.

Climate change (ESRS E1)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
50 (b)	Breakdown of scope 1 and 2 emissions by collaborations not fully part of consolidation. Requires a breakdown of scope 1 and 2 emissions. Not applicable for Heijmans, for the reason that everything is consolidated within the N.V. and there are no significant collaborations that need to be mentioned.	See the methodology for scope 1 and 2 emissions.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
51	Breakdown of scope 3 emissions by category. Our scope 3 emissions include all emissions released from everything that takes place before or after our activities. This ranges from the emissions released from the concrete we purchase, for example, to emissions from the use of homes throughout their entire lifespan after we have delivered them. This is done using the Green Gouse Gap Protocol Corporate Value Chain standard, requirements from SBTi and, where necessary, clarified using the scope 3 guide from the Dutch Green Building Council (DGBG).	<p>Total scope 3 emissions = 1. Purchased goods and services + 2. Capital goods + 3. Fuel and energy + 4. Transport (up) + 5. Waste + 6. Business transport + 7. Commuting + 11. Use of sold products + 12. End-of-life of sold products.</p> <p>Other categories do not apply to Heijmans.</p> <p>Specifically, 11 can be broken down into:</p> <ul style="list-style-type: none"> - 3.11: Residential building: number of completed buildings * emission factor BENG report - 3.11: Non-residential building: estimated lifespan * number sold in reporting period * estimated electricity consumption (Kwh) * emission factor for electricity (kg CO₂e/KWh) - 3.11: Infra: for each product group in this category, the following calculation is made: EUR amount / estimated average price per item * estimated average consumption * emission factor for electricity - 3.11: Van Wanrooij: Average emissions per housing type * estimated number of homes per housing type <p>For each category of scope 3, the basis on which the data point is calculated is divided: spend or SSC method. Spend is an expenditure analysis and the SSC method is done by requesting expense reports and registering kilometres driven.</p> <ul style="list-style-type: none"> - 1 spend (x USEPA emission factors), - 2 spend (x USEPA emission factors), - 3 fuels and energy x WTT emission factor, - 4 spend (x USEPA emission factors), - 5 spend (x USEPA emission factors), - 6 average business transport emission factor of https://www.co2emissiefactoren.nl/lijt-emissiefactoren/ multiplied by expense claims and km registration - 7 average commuting emission factor of https://www.co2emissiefactoren.nl/lijt-emissiefactoren/ multiplied by the commuting kilometres of all personnel without lease cars, - 11 see above - 12 property development/residential building by extrapolating an average key figure from MPG calculations over all completed homes. <p>For Van Wanrooij, estimates are made for all categories except 1 and 11, and the figures for 2019 and 2023. To be made on the basis of the 2024 figures, revenue ratios and scope 3 ratios of Heijmans.</p>	<p>Exclusion of categories: Six scope 3 categories do not apply to Heijmans. Leased goods do not occur at Heijmans in either our upstream (category 8) or downstream (category 13). As a construction company, we deliver products that are anchored at a location and are immediately suitable for use, which means that both category 9 'Downstream transport and distribution' and 10 'Processing of delivered products' do not play a role in our impact. Category 14 'Franchises' does not apply to us, as we do not have any franchises. Category 15 'Investments' is difficult to report clearly in line with the GHG Protocol due to the nature of the associations that a construction company enters into. We also explain this later in this chapter in the 'Inventory, consolidation' section.</p> <p>Spend analysis:</p> <p>Various conversion factors are used in the conversion tables for categories 1.2.4 and 5. Van Wanrooij categories 2, 3, 4, 5, 6, 7, 12: The assumption is that the estimates made for the above categories are accurate.</p> <p>Van Wanrooij categories 2, 3, 4, 5, 6, 7, 12: The assumption is that the estimates made for the above categories give an accurate picture of reality.</p> <p>Consumption of products sold: Utilities are reported by estimating energy consumption using key figures for each type of object, such as office buildings, hospitals and data centres. These key figures are obtained either from project-specific calculations or by obtaining averages with our own research into various external sources. The assumption is that these are good indicators for this.</p>	<p>Category 3.11 Property development: BENG analysis is carried out on homes developed by property development. This figure is extrapolated across all projects completed by residential building.</p> <p>Consumption of products sold: No project-specific calculations are available for the infrastructural works we have completed that present a thorough figure for energy consumption. Furthermore, our ERP system does not have the capacity to register or retrieve the number of products that consume energy.</p> <p>Van Wanrooij: The Van Wanrooij data is not available for all categories.</p> <p>Category 3.12 End of life of sold products: Currently, not all business areas are included. For Infra and Non-Residential building, no data is available yet and nothing is being reported at this time.</p>
53	Greenhouse gas intensity. Totals in tonnes of CO ₂ e divided by revenue in millions of euros. The net revenue refers to Heijmans' revenue for the year 2024.	Greenhouse gas emission intensity (total greenhouse gas emissions per net revenue) : [total greenhouse gas emissions]/[net revenue in millions of euros]. Total greenhouse gas emissions: [Scope 1 emissions] + [Scope 2 emissions] + [Scope 3 emissions].	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
54	Greenhouse gas intensity. Totals in tonnes of CO ₂ e divided by revenue in millions of euros. The net proceeds refer to Heijmans' revenue for the year 2024.	Greenhouse gas emission intensity (total greenhouse gas emissions per net revenue) : [total greenhouse gas emissions]/[net revenue in millions of euros]. Total greenhouse gas emissions: [Scope 1 emissions] + [Scope 2 emissions] + [Scope 3 emissions].	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.

Climate change (ESRS E1)						
Disclosure requirement		KPI Definition	Methodology	Assumptions	Limitation	
E1-7	58 (a)	Total amount of greenhouse gases sequestered and removed. Greenhouse gas removal refers to the process of reducing the concentration of greenhouse gases in the atmosphere. This can be achieved in various ways, such as removing greenhouse gases from industrial emissions, promoting natural processes that extract greenhouse gases from the atmosphere, or developing technologies that can extract greenhouse gases directly from the air. In Heijmans' current value chain, greenhouse gas removal takes place through biogenic storage in the biobased materials (wooden boards/beams, insulation) purchased for new homes.	Greenhouse gas removal is carried out within projects. The removal is calculated using the Centrum Hout calculation module CO ₂ storage in wood based on the calculation method from the EN 16449 standard 'Wood and wood based products - Calculation of sequestration of atmospheric carbon dioxide'.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.	
	59 (a)	The total number of carbon credits outside the company's value chain that have been tested against recognised quality standards (in tonnes of CO₂e). Carbon credits refer to the purchase of certificates from projects where CO ₂ is captured for the long term or fossil emissions are replaced by sustainable alternatives.	Total number of carbon credits: [total number of purchased credits including credits not yet destroyed] We only purchase carbon credits that have been verified by recognised quality standards and will destroy them based on the total amount of CO ₂ in scope 1&2 from 2024.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.	
	59 (b)	The total number of carbon credits outside the company's value chain that are planned for the future. Carbon credits refer to the purchase of certificates from projects where CO ₂ is captured for the long term or fossil emissions are replaced by sustainable alternatives.	Planned carbon credits: CO ₂ credits purchased in 2024 - [scope 1 consumed in 2024 + scope 2 consumed in 2024]. We only purchase carbon credits that have been verified by recognised quality standards and will destroy them based on the total amount of CO ₂ in scope 1&2 from 2024.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.	
E1-8	63 (c)	Price for a tonne of CO₂e in euros. Internal CO ₂ pricing at Heijmans is done through a central fund to which business units contribute annually in euros based on estimated scope 1 and scope 2 emissions.	The price in 2020 was determined once on the basis of a study into the price of carbon credits. No direct source was used here, but prices were compared from different providers and project types. The distribution is 100% on scope 1 and 0% on scope two, since the scope 2 footprint is 0 due to the exclusive use of electricity from renewable sources.	No assumptions are made for the calculation of this data point.	This estimate does not take into account planned measures to reduce these emissions. Scope 3 emissions are not included in this system.	
	63 (d)	Approximate gross volumes of scope 1, 2 and 3 emissions related to internal carbon pricing expressed in tonnes of CO₂e.	Gross emissions volumes related to internal carbon pricing: [estimated scope 1 emissions] + [estimated scope 2 emissions for 2024]. Emissions based on explanations as provided in previous rows.	No assumptions are made for the calculation of this data point.	This estimate does not take into account planned measures to reduce these emissions. Scope 3 emissions are not included in this system.	

Water and marine resources (ESRS E3)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
E3-4 28 (a)	Total water use. We focus on two aspects of water use: the use of drinking water in offices and project locations and the use of water for (our) materials.	Total water usage is calculated and extrapolated from period invoices from the water suppliers in the accounting programme. Total water usage is then the sum of the water usage from 1 January to the end date of the invoice period and the end date of the invoice period up to and including 31 December of the reporting year. Total water usage: [Total number of m3 of water withdrawn]. Usage is missing for some office locations. For the locations where water usage is missing, we have made an estimate based on m2. This was done based on the locations where water usage is known. We determined an average water usage per m2 for these locations.	For the offices where we do not use water, we assume that the water consumption is comparable to our other office locations. For this purpose, we have calculated the usage back to water consumption in m3 per m2. Usage for invoices for the year 2024 has been extrapolated, because the annual invoices often do not apply exactly to 2024, but rather to part of it.	Water use for production is out of scope for the year under review.
28 (b)	Total water use in water risk areas (including areas with severe water stress). Water risks are the physical properties of water that have a negative impact on the environment. These physical properties of water include quantity (for use and balance), quality and the associated safety for the environment. For Heijmans, water risk areas are areas that bear all water risks. The relevant water risks are: water stress, water depletion, interannual variability, seasonal variability, decline in the groundwater level, risk of river flooding, risk of coastal flooding, drought risk, untreated wastewater discharge and potential for coastal eutrophication, untreated/no drinking water, untreated/no sanitation and ESG risks. Water stress refers to high water use in areas where water availability is low.	The total water use has been calculated as equal to DR 28a, and for each location, an Excel workbook is loaded into a GIS programme. This contains maps from Aqueduct, namely Water Stress Areas and Water Risk Areas. The total use is then added up per risk or stress area per category: Low, Low-Medium, Medium-High, High, Extremely High.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
28 (c)	The total amount of recycled and reused water. Water and (treated or untreated) wastewater that has been used more than once before being discharged outside the company's boundary, thus reducing the demand for water. This can happen within the same process (recycling) or in another process within the same facility (owned by the company or shared with other companies) or in another facility of the company (reuse).	Heijmans does not reuse water, so this figure is 0.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
28 (d)	Stored water. Water of a desired quality that is collected and stored for later use in a business process.	Heijmans does not engage in water storage, so this figure is 0.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
29	Water intensity. A measure to indicate the relationship between a volumetric aspect of water and a created unit of activity (products, sales, etc.). Scope based on own use in the operation.	Water intensity: [total water use] / [million euros net revenue]. The revenue is taken from the 2024 financial statements.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.

Biodiversity and ecosystems (ESRS E4)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
E4-5 35	<p>Number and surface area of company locations that are located in or near biodiversity-sensitive areas that they have a negative impact on.</p> <p>Number of company locations that are within a 10-kilometre radius of a biodiversity-sensitive area.</p> <p>Surface area expressed in hectares: number of business locations that lie within a 10-kilometre radius of a biodiversity-sensitive area x number of hectares per business location that lies within a 10-kilometre radius of a biodiversity-sensitive area according to IBAT.</p>	<p>Biodiversity-sensitive areas refer to the Natura 2000 network of protected areas, UNESCO World Heritage Sites and Key Biodiversity Areas (KBAs), as well as other protected areas as referred to in Annex II, Appendix D, to Commission Delegated Regulation (EU) 2021/2139. A company site is in or near a biodiversity-sensitive area if it is located within a radius of 10 kilometres.</p> <p>All Heijmans projects and sites from the previous reporting period up to and including November 2024 are filtered based on biodiversity impact and dependencies, and economic activity using the https://www.encorenature.org/en database. The IBAT tool https://www.ibat-alliance.org/ is used to calculate the surface area of the locations that remain from the materiality analysis.</p>	Number: All projects with revenue are active projects.	<p>The GPS coordinates are not known for a very limited number of locations, so there may be a small margin of error in the final figures.</p> <p>If projects have been added since the last IBAT analysis (November '24), they are not immediately included in the analysis. This limited number may also have a minimal impact on the final data points.</p> <p>The Van Wanrooij locations have not been included.</p>
Resource use and circular economy (ESRS E5)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
E5-5 36 (a)	<p>The expected sustainability of products.</p> <p>For Heijmans, the lifespan of products is the period of time that a home, road, infrastructural structure (road or viaduct), engineering structure or building built by Heijmans will remain standing.</p>	A qualitative approach was used. For more information, see Use of materials and circular economy - Criteria - Lifespan.	Key products: buildings, homes, houses, infrastructure and engineering structures.	Tailor-made agreements that are recorded at project level are not included.
36 (b)	<p>Repairability of products.</p> <p>At Heijmans, repairability of products refers to the management, maintenance and renovation of construction works.</p>	A qualitative approach was used. For more information, see Use of materials and circular economy - Criteria - Repairability	Key products: buildings, homes, houses, infrastructure and engineering structures.	Tailor-made agreements that are recorded at project level are not included.
36 (c)	<p>Recyclability of products.</p> <p>Recyclability ensures that all packaging materials supplied by suppliers and subcontractors can be reused or recycled.</p>	A qualitative approach was used. For more information, see Use of materials and circular economy - Criteria - Recycling	Key products: buildings, homes, houses, infrastructure and engineering structures.	Tailor-made agreements that are recorded at project level are not included.

Own workforce (ESRS S1)				
Disclosure requirement	KPI Definition	Methodology	Assumptions	Limitation
S1-6	50 (a) Total headcount of employees, broken down by gender and country. The total number of employees, and breakdowns by gender. All our employees work in the Netherlands, so we do not break this down further.	Total headcount of employees: [total headcount/FTE men in the Netherlands] + [total headcount/FTE women in the Netherlands] + [total headcount/FTE other in the Netherlands]. This information has been consolidated from the HR systems used within Heijmans.	We use gender as indicated by the employee themselves.	There are no limitations when calculating this data point.
	50 (b) i. Total headcount of employees, broken down by gender and FTE. Permanent employees are employees with a contract for an indefinite period.	Total headcount of staff members with a permanent contract: [total headcount/FTE men] + [total headcount/FTE women] + [total headcount/FTE other] We are looking at permanent contracts; the information has been consolidated from the HR systems used within Heijmans.	We use gender as indicated by the employee themselves.	There are no limitations when calculating this data point.
	50 (b) ii. Total headcount of temporary employees, broken down by gender and FTE. Temporary employees are employees with a fixed-term contract.	Total headcount of staff members with a temporary contract: [total headcount/FTE men] + [total headcount/FTE women] + [total headcount/FTE other] We are looking at fixed-term contracts, excluding interns. The information has been consolidated from the HR systems used within Heijmans.	We use gender as indicated by the employee themselves.	At the moment, there are still a number of employees for whom we have no data. These are employees who have yet to start and have yet to fill in their gender.
	50 (b) iii. Total headcount of non-guaranteed hours employees, broken down by gender and country. Non-guaranteed hours employees are employees with a zero-hour contract.	Total headcount non-guaranteed hours employees: [total number of male non-guaranteed hours employees] + [total number of female non-guaranteed hours employees] + [total number of other non-guaranteed hours employees]	We use gender as indicated by the employee themselves.	There are no limitations when calculating this data point.
	50 (c) Headcount and percentage of employee turnover in the reporting period. Headcount and percentage of our own employee who left the company during the reporting period. This can be due to the end of a contract, cancellation of a contract, dismissal, retirement or death.	Headcount and percentage of employee turnover in the reporting period: Percentage of employee turnover in the reporting period: [Total headcount of people who left Heijmans in 2024] / [total headcount of employees as of 31-12-2024]	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	S1-8 60 (a) Percentage of employees covered by a collective labour agreement (CLA). An employee is covered by a collective labour agreement when he or she works for an employer that falls within the scope of the collective labour agreement in question. Based on differences in industry/activities, Heijmans may be covered by different collective labour agreements. Four collective labour agreements apply to Heijmans employees: the CLA for Construction & Infra sector, the CLA for the Metal & Technology sector, the CLA for the wholesale trade in building materials (Hibin), and the CLA for the carpentry sector.	Percentage of collective labour agreement (CLA) coverage = [employees covered by the CLA for the construction & infrastructure sector + employees covered by the collective CLA for the metal & technology sector + employees covered by the CLA for the wholesale trade in building materials (Hibin) + employees covered by the CLA for the carpentry sector] / [total number of own employees]	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	60 (b) Percentage of CLA coverage per country. Breakdown of the CLA coverage percentage per country.	The percentage of collective labour agreement coverage is calculated as stated in 60 (a). We break this down per country, which in our case is only the Netherlands.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.

	63 (a)	Percentage of employees covered by workers' representatives. Employee representation at Heijmans takes the form of the works council. For this KPI, we indicate the percentage represented by our works council.	Percentage of employees with employee representation: [employees with employee representation] / [total number of employees]	By active representation, we mean the departments or teams at Heijmans that actively receive a call to sign up for the works council when (re)elections take place.	There are no limitations when calculating this data point.
S1-9	66 (a)	The number and percentage of men and women in Heijmans' senior management. Senior management is defined as all employees who have a senior management contract and are therefore entitled to a variable income for senior managers.	Number of men and women in Heijmans' senior management: [men in Heijmans' senior management] / [total number of senior managers] and [women in Heijmans' senior management] / [total number of senior managers].	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	66 (b)	Distribution of employees by age group. Age groups = breakdown into categories under 30 years; 30-50 years and over 50 years.	Distribution of employees by age group: [number of employees] and [age], taken from HR systems.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
S1-10	70	Adequate wages. For the definition of an adequate wage, we use the minimum wage that must be paid according to the collective labour agreement.	We determine whether the employee will be paid in accordance with the collective labour agreement based on the collective labour agreement, contract type and age.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
S1-14	88 (a)	Percentage of our own personnel who are covered by the health and safety management system. For personnel covered by the health and safety management system, we look at where we have health and safety coordination. We have this coordination for all employees at our own company locations, apart from subcontractors and the direct contracting parties of our clients.	The Heijmans safety policy applies to everyone. According to the policy, everyone who falls under the category of our own employees is entered into the HR systems. The percentage was calculated as [number of our own employees who fall under the Heijmans health and safety management system] / [total number of our own employees] * 100.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	88 (b)	Number of fatalities as a result of recordable work-related accidents. The number of fatalities is recorded in the incident system, which is a separate category in the safety dashboard.	All cases are registered via the incident system based on the safety policy, specifically a subcategory based on the number of deaths. This is entered into the safety dashboard in PowerBI. This information pertains to Heijmans employees. Van Wanrooij keeps track of its reports via a different system and submits them separately at the end of the year.	No assumptions are made for the calculation of this data point.	The fatalities at Brabotech do not fall under the category of 'own employees', but rather under 'subcontractors'.

S1-16	88 (c)	<p>Number of recordable work-related accidents.</p> <p>Recordable work-related accidents is defined as any accident that occurs in the workplace. These must be reported by the employee, after which they are categorised based on management as 'own employee', 'temporary worker' or 'subcontractor'.</p> <p>In addition, we categorise industrial accidents based on the type of absenteeism. The categories used for this KPI are: SILT, SILA, LWC, RWC and MTC</p> <p>SILT: life-threatening injury SILA: life-changing injury/permanent disability LWC: accident resulting in absence from work RWC: accident resulting in alternative work MTC: treatment - no absence from work</p>	<p>We make a printout from the incident register of the total number of reports with filtering based on categories as stated in the definition. Van Wanrooij keeps track of its reports via a different system and submits these separately at the end of the year. Van Wanrooij classifies its reports based on the above accidents. The accidents are categorised as 'own employee' (salaried employees), 'temporary staff' and 'subcontractors'.</p> <p>We use this to calculate the percentage of occupational accidents among salaried employees = $(\text{Number of occupational accidents among salaried employees} / \text{Number of hours worked}) \times 1,000,000$.</p> <p>Formula for the accident ratio = $(\text{Number of industrial accidents}) / (\text{Number of hours worked})$</p>	<p>Hours worked have been estimated by extrapolating them using the number of FTEs employed by Heijmans. We calculate this as $(\text{Number of FTEs}) \times 40 \times (\text{total number of weeks} - \text{holidays})$.</p> <p>If an accident occurs at an associate, we include our share.</p>	<p>We cannot make the division between our own employees and employees who are not our own, as requested by the ESRS, with the current categorisation in our incident register. As a result, we can only report on the categories 'our own employee', 'temporary worker' and 'subcontractor'. These categories are based on how the work is directed and are therefore not the same as the contractual agreement. We are currently unable to extract the hours of salaried employees from our systems, which means we cannot make an estimate for this target group. The incidents at BraboTech (25 FTEs) are not included in the 'our own employees' category, but in 'subcontractors'. It is possible that an incident occurs and that an employee does not report it.</p>
	88 (d)	<p>Number of recordable work-related ill health cases.</p> <p>Recordable work-related ill health is (long-term) sickness reported to the company doctor.</p>	<p>The number of reports to the company doctor is obtained from the relevant occupational health and safety service.</p>	<p>No assumptions are made for the calculation of this data point.</p>	<p>This information is not available for non-salaried employees via the company doctor. This group does not go to the Heijmans company doctor, but if there is a case of an occupational sickness in the workplace, HR and H&S will include them in the occupational sickness reporting procedure as described in the HRM Manual.</p> <p>We cannot process reports of occupational sicknesses of temporary workers/freelancers in connection with the GDPR guidelines.</p>
S1-16	97 (a)	<p>Pay gap between men and women (%).</p> <p>The pay gap between men and women is the measurement of the difference in pay between men and women based on hourly wages.</p>	<p>Pay gap = $(\text{Average gross hourly wage M} - \text{Average gross hourly wage F}) / (\text{Average gross hourly wage M})$</p> <p>Full-time gross monthly wage incl. (full-time) bonus: WAGR or variable income senior management, per month), converted to hourly wage.</p>	<p>No assumptions are made for the calculation of this data point.</p>	<p>The 100% subsidiary BraboTech (25 FTEs) is not part of this calculation.</p>

97 (b)	<p>Pay ratio (not including the highest paid person).</p> <p>This data point pertains to information about the pay ratio between the highest paid and the median total pay (not including the highest paid employee) of all employees. This is how we indicate the pay inequality within the organisation.</p>	<p>We obtain the information for this KPI from our personnel and payroll records with reference date 31-12-2024. The annual remuneration per employee is calculated on gross salary including all bonuses and allowances. The highest paid person is the CEO. For this, we use the total remuneration package received by the CEO, which is explained in detail in the existing management report and remuneration report. All salaries are ranked from high to low (excluding the highest paid person), which is used to calculate the median.</p> <p>Once the median and highest paid person are known, we apply the following formula: [Total remuneration of highest paid person] / [median annual total remuneration for all employees]</p>	<p>No assumptions are made for the calculation of this data point.</p>	<p>There are no limitations when calculating this data point. The 100% subsidiary Brabotech is not included in this calculation.</p>
103 (a)	<p>Number of incidents of discrimination, including inappropriate behaviour, in the most recent reporting period.</p> <p>Number of incidents related to discrimination: Discrimination is defined as when someone is treated less favourably than another person in a comparable situation is (or would be) treated, and the reason for this is a specific characteristic that the person has and that is one of the 'grounds for protection'. This also includes indirect discrimination, which disadvantages entire groups of people.</p>	<p>Number of incidents related to discrimination: (Reports in the category of discrimination, as reported to the risk office for the 2024 financial year). For the 2024 financial year (and prior to that) confidential counsellors must report all reports they have received to the compliance officer. The statement to the compliance officer contains the numbers per category of report (i.e. the nature of the report). The compliance officer provides a quarterly statement of the number of (anonymised) reports in the quarterly CRO report.</p> <p>Van Wanrooij and BraboTech are not part of this reporting procedure. We extrapolate the incidents for these two subsidiaries based on the number of incidents of discrimination and the ratio of employees.</p>	<p>No assumptions are made for the calculation of this data point.</p>	<p>However, the statement on discrimination does not distinguish between the types of discrimination, something the ESRS requests in Article 102.</p>
103 (b)	<p>Number of complaints submitted through channels for persons who are among Heijmans' own employees to raise concerns (including complaint mechanisms).</p> <p>Number of reports received via Heijmans' reporting procedures (e.g. via confidential counsellors or compliance officers) by its own employees in the reporting period. It is also possible to make a report via an external and anonymous reporting programme.</p>	<p>For the 2024 financial year (and prior to that) confidential counsellors must report all reports they have received to the compliance officer. The report to the compliance officer contains the numbers per category of report (i.e. the nature of the report). The compliance officer provides a quarterly report of the number of reports (to the compliance officer and confidential counsellors combined) to the Risk department for inclusion in the quarterly CRO report.</p> <p>Van Wanrooij and BraboTech are not part of this reporting procedure. We extrapolate the incidents for these two subsidiaries based on the number of incidents and the ratio of employees.</p>	<p>No assumptions are made for the calculation of this data point.</p>	<p>The only limitation is when a colleague does not report an incident to Heijmans.</p>
103 (c)	<p>Total amount in fines related to reported incidents and complaints. Complaints and incidents as in line with 102 (a) and (b).</p>	<p>As soon as a fine is imposed, we add up the amount in euros to arrive at a total.</p>	<p>No assumptions are made for the calculation of this data point.</p>	<p>There are no limitations when calculating this data point.</p>

Business conduct (ESRS G1)					
Disclosure requirement		KPI Definition	Methodology	Assumptions	Limitation
G1-3	21 (b)	The percentage of high-risk positions covered by training programmes. Number of high-risk positions: The following high-risk positions have been identified in the authorisation matrices: - Executive Board - Chairman of the business area management board - Member of the business area management board - Financial director of the business area - Supplemented by the following for Residential Building and Property development: regional director and deputy director - Supplemented by the following for Building & Technology, Non-residential and Infra: Manager	Percentage of high-risk positions covered by training programmes: [high-risk positions who have participated in training programmes (Zakelijk Zuiver business integrity programme)] / [total number of high-risk positions].	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
G1-4	24 (a)	The number of convictions and the amount in fines for violations of anti-corruption and anti-bribery legislation. Conviction for bribery refers to a criminal offence related to bribery. Fines are mandatory amounts of money linked to a conviction.	The number of convictions and the amount in fines for violations of anti-corruption and anti-bribery legislation: number of convictions: [number of convictions for corruption or bribery] amount in fines: [amount in fines for conviction of corruption or bribery].	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
G1-6	33 (a)	The average payment term from the start of the contractual payment term. The contractual payment term at Heijmans starts at the invoice date.	Average payment term: [number of days in which each invoice was paid] / [total number of invoices].	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
	33 (b)	Percentage of payments that are made in accordance with standard terms. The invoices paid within the contractually agreed payment term, compared to the total number of invoices.	Percentage of payments made within the standard terms: [total number of invoices paid on time] / [total number of invoices]	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.
			Total number of invoices paid on time: all invoices paid within the term agreed upon with the supplier. The agreed payment term has been retrieved per category from the procurement department. This shows whether or not each invoice was paid on time, and this number is converted into a percentage per supplier category.		
	33 (c)	Number of legal proceedings for late payments. A legal proceeding is a structured series of steps taken to resolve a dispute or deal with a legal matter.	The total number of legal proceedings initiated by a contracting party to bring a civil action against Heijmans for late payment, which were then referred to the Legal Affairs department.	No assumptions are made for the calculation of this data point.	There are no limitations when calculating this data point.

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1. Consolidated statement of profit or loss

x € 1 million		2024	2023
6.3	Revenue	2,584.2	2,117.3
6.5	Cost of sales	-2,245.8	-1,828.6
Gross profit		338.4	288.7
6.4	Other operating income	14.0	1.9
6.5	Selling expenses	-36.1	-39.8
6.5	Administrative expenses	-194.7	-179.0
6.6	Other operating expenses	-10.6	9.2
Operating result		111.0	81.0
6.7	Finance income	7.7	5.8
6.7	Finance expense	-13.9	-8.5
6.13	Results of joint ventures and associates	12.2	2.8
Result before tax		117.0	81.1
6.8	Income tax	-27.0	-21.4
Result after tax		90.0	59.7
The entire result after tax is attributable to the shareholders of the parent company			
Earnings per share (in €)			
6.21	Earnings per ordinary share after tax	3.31	2.40
6.21	Earnings per ordinary share after tax and dilution effects	3.31	2.39

2a. Consolidated statement of comprehensive income

x € 1 million		2024	2023
1. Result after tax		90.0	59.7
Other comprehensive income that will never be reclassified to the statement of profit or loss:			
6.23	Changes in actuarial results on defined-benefit plans	0.0	-5.0
6.15	Tax effect on changes in actuarial results on defined-benefit plans	0.0	1.3
Other comprehensive income (after tax)		0.0	-3.7
Total comprehensive income		90.0	56.0

2b. Consolidated statement of changes in equity

2024 x € 1 million	Issued capital	Share premium reserve	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total equity
Balance at 1 January 2024	8.1	300.2	-64.0	0.2	79.4	59.7	383.6
Result after tax			0.0			90.0	90.0
Other comprehensive income			0.0				0.0
Comprehensive income for the reporting period:			0.0			90.0	90.0
<i>Transactions with owners of the group:</i>							
Bonus Investment Share Matching Plan				0.0			0.0
Appropriation of result for 2023							
Retained earnings					59.7	-59.7	0.0
Dividend payments	0.2	13.1			-23.9		-10.6
Issuance of shares							
Total transactions with owners	0.2	13.1	0.0	0.0	35.8	-59.7	-10.6
Total movements in equity	0.2	13.1	0.0	0.0	35.8	30.3	79.4
Balance at 31 December 2024	8.3	313.3	-64.0	0.2	115.2	90.0	463.0

2023 x € 1 million	Issued capital	Share premium reserve	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total equity
Balance at 1 January 2023	7.1	266.7	-60.3	0.3	43.6	59.6	317.0
Result after tax						59.7	59.7
Other comprehensive income			-3.7				-3.7
Comprehensive income for the reporting period:			-3.7			59.7	56.0
<i>Transactions with owners of the group:</i>							
Bonus Investment Share Matching Plan				-0.1			-0.1
Appropriation of result for 2022							
Retained earnings					59.6	-59.6	
Dividend payments	0.3	10.7			-23.8		-12.8
Issuance of shares	0.7	22.8					23.5
Total transactions with owners	1.0	33.5	0.0	-0.1	35.8	-59.6	10.6
Total movements in equity	1.0	33.5	-3.7	-0.1	35.8	0.1	66.6
Balance at 31 December 2023	8.1	300.2	-64.0	0.2	79.4	59.7	383.6

3. Consolidated statement of financial position (before appropriation of results)

x € 1 million

ASSETS	31 December 2024	31 December 2023
Non-current assets		
6.10 Property, plant and equipment	123.3	114.7
6.11 Right-of-use assets	106.0	89.6
6.12 Goodwill	164.8	165.1
6.12 Other intangible assets	2.2	10.9
6.13 Joint ventures and associates	105.7	100.8
6.14 Loans granted to joint ventures	64.7	36.6
6.15 Deferred tax assets	11.8	19.7
	578.5	537.4
Current assets		
6.16 Strategic land holdings	232.9	158.6
6.16 Other inventories	141.6	230.6
6.17 Work in progress debit	93.5	139.2
6.9 Income tax assets	3.3	0.1
6.18 Trade and other receivables	213.4	229.3
6.19 Cash and cash equivalents	105.4	40.4
	790.1	798.2
Total assets	1,368.6	1,335.6

EQUITY AND LIABILITIES	31 December 2024	31 December 2023
Equity		
2b Issued capital	8.3	8.1
2b Share premium reserve	313.3	300.2
2b Reserve for actuarial results	-64.0	-64.0
2b Reserve for Bonus Investment Share Matching Plan	0.2	0.2
2b Retained earnings	115.2	79.4
1 Result for the year after tax	90.0	59.7
	463.0	383.6
Non-current liabilities		
6.22 Interest-bearing loans and other non-current financing liabilities	8.2	65.5
6.11 Lease liabilities	74.9	62.4
6.23 Provision for employee benefits	22.0	22.4
6.24 Provisions	38.5	45.2
6.15 Deferred tax liabilities	24.0	29.3
	167.6	224.8
Current liabilities		
6.22 Interest-bearing loans and other current financing liabilities	0.4	21.8
6.11 Lease liabilities	31.7	27.5
6.25 Trade and other payables	367.3	346.1
6.17 Work in progress credit	301.5	304.6
6.9 Income tax liabilities	5.4	6.8
6.23 Provision for employee benefits	1.5	0.8
6.24 Provisions	30.2	19.6
	738.0	727.2
Total equity and liabilities	1,368.6	1,335.6

4. Consolidated statement of cash flows - indirect method

x € 1 million	2024	2023
1. Operating result	111.0	81.0
Adjustments for:		
6.4 - Gain on sale of property, plant and equipment	-0.7	-0.5
6.10 - Depreciation property, plant and equipment	15.0	12.4
6.11 - Depreciation right-of-use assets	35.6	29.2
6.12 - Amortisation- and impairment of of intangible assets	10.6	4.3
6.07/6.22 - Capitalised interest and accrual/amortization interest-bearing loans and other non-current financing liabilities	0.8	-0.2
6.16 Changes in: strategic land holdings and other inventories	14.7	-0.1
Change in: other working capital	93.6	-24.9
6.24 Change in: provisions	3.9	-4.8
Cash generated from operating activities	284.5	96.4
Interest paid	-13.0	-9.4
Interest received	6.7	6.4
Income tax paid	-29.0	-8.9
Cash flow from operating activities	249.2	84.5

x € 1 million	2024	2023
6.10 Investment in property, plant and equipment	-29.4	-43.9
6.10 Proceeds from sale of property, plant and equipment and intangible assets	5.1	1.8
6.12 Investment in intangible assets	-1.0	-1.3
6.2 Net cash outflow business combinations	-8.1	-262.1
6.13 Capital contributions to joint ventures and associates	-17.6	-12.5
6.13 Capital repayments from joint ventures and associates	4.8	4.8
6.13 Dividends received from joint ventures and associates	14.3	0.5
6.14 Loans granted to joint ventures and associates, (other) long-term lending and deposits	-32.9	-3.1
6.14 Loans repaid by joint ventures and associates, (other) long-term lending and deposits	5.7	2.0
Cash flow from investing activities	-59.1	-313.8
6.11 Principal portion of lease payments	-34.6	-29.1
2. Dividend payments	-10.6	-12.8
6.22 Interest-bearing loans drawn down	0.0	82.1
6.22 Interest-bearing loans repaid	-79.9	-7.5
Cash flow from financing activities	-125.1	32.7
Net cash flow in the period	65.0	-196.6
6.19 Cash and cash equivalents at 1 January	40.4	237.0
6.19 Cash and cash equivalents at 31 December	105.4	40.4

5. Accounting policies

Royal Heijmans N.V. (the Company) has its registered office in Rosmalen, the Netherlands, and is a public limited company. The Company's consolidated financial statements for the 2024 financial year include the Company and its subsidiaries (collectively referred to as the Group) and the Group's investments in associates and interests in jointly controlled entities. The Group carries on construction and development activities in the Netherlands. The address of its headquarters is Graafsebaan 65, Rosmalen, the Netherlands.

Approval of the financial statements

The Executive Board prepared the financial statements on 28 February 2025. These will be submitted for adoption by the General Meeting of Shareholders on 16 April 2025.

(1) Statement of compliance

The consolidated financial statements for 2024 were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

(2) Basis of preparation

Presentation in millions of euros

The financial statements are presented in millions of euros, unless otherwise stated.

Historical cost

The financial statements are based on historical cost, unless otherwise stated.

Going-concern basis

The financial statements were prepared on a going-concern basis.

Estimates and judgements

The preparation of the financial statements in accordance with EU-IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and of income and expenses. The estimates and their underlying assumptions are based on experience and other factors that are considered reasonable. The estimates form the basis for calculating the carrying amounts of assets and liabilities that cannot easily be derived from other sources. Actual results could differ from these estimates. See also note '6.30 Management estimates and judgements'.

The estimates and underlying assumptions are continually reassessed. Revised estimates are recognised in the period in which the estimate was revised, provided that the revision only affects that period. Revisions are recognised in the reporting period and future periods if the revision also affects future periods.

Changes in accounting policies

The accounting policies described below have been consistently applied to all periods presented in these consolidated financial statements and to all entities in the Group, except for the item described in 'change in accounting policy' below.

The classification of the comparative figures from the previous financial year has been adjusted where necessary for comparison purposes. Such changes have been incorporated in the following notes:

- The 'new in consolidation' column in note '6.10 Property, Plant and equipment' with respect to the assets acquired in 2023 is presented net in the 2024 financial statements (namely as the fair value of the acquired property, plant and equipment), while in the 2023 financial statements it was presented gross with a (historical) cost and cumulative depreciation. This adjustment only impacts the presentation in the notes and has no impact on valuation in the statement of financial position.

- The amortisation of the linear loan is presented separately in the statement of changes in '6.22 Interest-bearing loans and other financing liabilities', while in the previous year it was netted in the 'borrowed' amount due to the immaterial amount involved. Therefore, this adjustment has no impact on the valuation of the linear loan in the statement of financial position.
- The aforementioned amortisation, together with capitalised interest expenses, is also presented in section '4. Consolidated statement of cash flows - indirect method' as a non-cash adjustment to the operating result (cash generated from operating activities), while the previous year it was included in respectively the balance of the interest-bearing loans drawn down (financing cash flow) and the line item related to changes in other working capital (cash generated from operating activities).

Change in accounting policy

The presentation of the revolving credit facility has changed when compared with the 2023 financial statements, with the amounts in both '4. Consolidated statement of cash flows - indirect method' and in '6.22 Interest-bearing loans and other financing liabilities' being presented on a net basis rather than on a gross basis. This has no impact on the amount of the financing cash flows, because this pertains solely a classification within this category. The comparative figures were revised to account for this change in accounting policy. The Group believes that the changed presentation provides better insight to the users of the financial statements and is more aligned with accounting practices for similar credit facilities in the market.

(3) Implications of new standards

New standards with an effective date of 1 January 2024 or in the course of 2024 will have no significant impact on the 2024 consolidated financial statements. This pertains to the amendments to IAS 1 (classification of liabilities as current or non-current), IAS 7 and IFRS 7 (supplier finance arrangements) and IFRS 16 (lease liability in a sale and leaseback).

New standards and interpretations that have been issued but not yet effective

For the reporting period starting on or after 1 January 2025, the following new standards, amendments and interpretations have been published that have not been applied (early) in the consolidated financial statements for this financial year. After a preliminary evaluation, we anticipate that of these future regulations, only the implementation of IFRS 18 will have a material impact on the Group's consolidated financial statements, subject to the standard's approval within the European Union (EU-endorsement). The other future regulations are not expected to have a material impact on the Group's consolidated financial statements.

- Amendments to IAS 21 Lack of Exchangeability, effective 1 January 2025;
- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments, effective 1 January 2026;
- The new standard IFRS 18 'Presentation and disclosure in financial statements' will replace IAS 1 'Presentation of financial statements', effective from 1 January 2027. This standard is expected to have a significant impact on the content and structure of the Group's consolidated financial statements, for instance due to new requirements in the context of the presentation in the statement of financial position and the statement of profit or loss (such as new categories and subtotals), requirements in the context of management-defined performance measures and new guidance for the (dis)aggregation of information; and
- The new IFRS 19 standard 'Subsidiaries without public accountability: disclosures', effective from 1 January 2027.

(4) Accounting policies used for consolidation

(4a) Subsidiaries (full consolidation)

A subsidiary is an entity over which the Group has direct or indirect control.

Control exists if and only if the Group:

- a. has power over relevant operations of the entity;
- b. is exposed or has rights to variable returns because of its involvement with the entity; and
- c. can use its power over the entity to affect the size of these returns.

Each of these three criteria has to be satisfied to establish that the Group has control over an entity in which it owns an interest. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

Business combinations

In the event of an acquisition, the Group determines whether control has been obtained over a 'company' and if so, the purchase is recognised as a business combination. Business combinations are recognised according to the acquisition method, as from the date on which control is transferred to the Group. The purchase price of an acquisition is recognised at fair value, as are the net identifiable assets acquired. Any resulting goodwill is tested for impairment every year. Any gain from a favourable purchase is recognised directly in profit or loss. Transaction costs are recognised in profit or loss when these are incurred, unless they relate to the issue of debt or equity instruments. The transfer sum includes no amount for settling existing account balances. Such amounts are generally recognised in the statement of profit or loss. The fair value of a contingent payment is recognised on the date of acquisition. If this conditional payment is classified as equity, it is not subsequently remeasured. Instead, the settlement figure is recognised in equity. In other cases, adjustments after initial recognition are recognised in profit or loss.

If this does not involve obtaining control over a 'company', the purchase is recognised as the acquisition of individual assets (or a group of assets).

(4b) Joint ventures (equity method)

A joint venture is a joint arrangement in which the Group has joint control together with other parties, and has a right to the net assets of the joint venture. The parties involved have agreed contractually that control is shared and that decisions concerning relevant activities require unanimous approval from the parties having joint control over the joint venture. A joint venture is recognised from the date on which the Group shares control until the date on which this ceases.

Joint ventures are recognised in accordance with the equity method and are initially recognised at acquisition cost. The investments of the Group include the goodwill determined during acquisition. The consolidated financial statements include the Group's proportionate share of the comprehensive income determined in accordance with the Group's accounting policies. If the Group's share of the losses is greater than the value of the interest in a joint venture, the value of the interest is written down to nil. Any further losses will no longer be recognised except to the extent that the Group has made a commitment or intends to recover the losses.

(4c) Associates (equity method)

An associate is an entity over which the Group has significant influence over the business and financial strategy, but cannot exercise control. Significant influence is presumed to exist when the Group holds 20% or more of the voting rights. An associate is recognised from the date on which the Group has significant influence until the date it ceases.

Associates are recognised in accordance with the equity method and are initially recognised at acquisition cost. The investments of the Group include the goodwill determined during acquisition. The consolidated financial statements include the Group's proportionate share of the comprehensive income determined in accordance with the Group's accounting policies. If the Group's share of the losses is greater than the value of the interest in an associate, the value of the interest is written down to nil. Any further losses will no longer be recognised except to the extent that the Group has made a commitment or intends to recover the losses.

(4d) Joint operations (proportionate recognition)

Joint operations are arrangements over which the Group exercises control jointly with third parties. For its share in a joint operation, the Group recognises its assets (including its share of the assets held jointly), liabilities (including its share of the liabilities incurred jointly), revenue (including its share of the revenue from the output of the joint operation) and expenses (including its share of the expenses incurred jointly). In practice, the method for recognising joint operations is comparable to that used for proportionate consolidation.

(4e) Elimination of transactions upon consolidation

Intragroup balances and any unrealised income and expense arising from intragroup transactions are eliminated when preparing the consolidated financial statements.

Unrealised income from transactions with associates, joint ventures and joint operations are eliminated in proportion to the Group's interests in the entities concerned.

(5) Revenue from contracts with customers

Revenue is recognised if the Group has entered into a contract with a customer in which it can identify each party's rights regarding the goods or services to be transferred, where payment terms can be identified and the contract has commercial substance. It must also be probable that the Group will collect the consideration to which it is entitled. Revenue is recognised per individual contract. Revenue from portfolios of contracts with similar features is recognised on a portfolio basis if the result is not materially different from the revenue measured on an individual contract basis.

If a contract involves several performance obligations, revenue is separately attributed to the performance obligations concerned based on the relative stand-alone selling prices. Revenue is recognised when or as the customer obtains control over a promised good or service.

Variable consideration is only recognised if it is highly probable that a significant revenue reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved:

- Revenue from additional work is included in the total contract revenue if the client has accepted the amount involved in any way.
- Revenue from claims and incentives is included in the total contract revenue to the extent that these derive from enforceable rights, it is highly probable that they will result in revenue and can be measured reliably.
- Insofar as it is not highly probable that a penalty will not be levied, the expected amount of any penalties will be deducted from the total revenue.

If the results from a contract cannot be reasonably measured, the revenue is only recognised insofar as it is probable that the costs incurred can be covered by revenue.

If a contract contains a significant financing component, the Group adjusts the transaction price accordingly, except if the time between the fulfilment of the performance obligation and the payment of the consideration is less than one year.

Expected contract losses are recognised immediately in the statement of profit or loss. In determining the amount of such loss provisions, the Group proceeds on the basis of the economic benefits expected to be received compared with the attributable costs of the contract.

(5a) Revenue from the sale of goods - mainly land

Revenue from the sale of goods - mainly land - is recognised at the agreed consideration or attributed consideration (for instance, when the transfer of title to the land forms part of a combined purchase/construction contract in the case of residential projects). The revenue from the land is recognised at the time of legal conveyance.

(5b) Work in progress – projects

The revenue relating to work in progress is recognised in the statement of profit or loss when control is transferred to the client. Since the Group executes projects on land owned by the client, the client obtains control by accession according to progress made in completion of the project. For all project activities - with the exception of a few specific activities in the Living segment, as explained below - the progress of the attributable result is determined on the basis of the proportion of costs recorded in relation to the total expected costs (cost-to-come) to the extent that the costs incurred are representative of the progress made in the transfer of goods/services to the client. This takes in to account any unsold units. Inefficiencies are disregarded in determining the stage of completion.

In addition, in the case of property development activities, the stage of completion is determined in proportion to the total invoiced instalments (per individual project). The same applies to construction work insofar as there are split purchase/construction contracts in which case the group invoices strictly on the basis of progress according to established milestones. If the invoicing does not form a good basis for the measurement of progress (for example if the full invoice is sent upon delivery), the progress will be measured in accordance with the first paragraph and the revenues will be recognised on this basis.

(5c) Services

Revenue from the provision of services, mainly servicing and maintenance activities, is recognised in the statement of profit or loss in proportion to the work performed, since the client receives the benefits from and has use of the services at the same rate. The stage of completion is determined from assessments of the work already carried out.

(6) Costs**(6a) Cost of sales**

The cost of sales is made up of the carrying amount of goods sold and the costs allocated to the fulfilled performance obligations, including the expected losses on projects that are recognised immediately in the statement of profit or loss.

(6b) Selling expenses

Selling expenses are the costs of sales activities that are not charged to projects.

(6c) Administrative expenses

The administrative expenses represent general expenses that are not costs of sales and are not charged to projects.

(6d) Finance income and expenses

Net financing costs comprise interest due on borrowings and lease liabilities and interest income on funds invested.

Financing expenses that can be directly allocated to the acquisition, construction or production of a qualifying asset are capitalised as part of the costs of that asset during the period that the asset is under development.

The interest component of the lease payments, as well as on funds withdrawn, is recognised in the statement of profit or loss and is calculated using the effective interest method.

(7) Income tax**(7a) Income tax**

Income tax recognised in the statement of profit or loss during the financial year comprises the income tax owed or refundable over the reporting period and the deferred income tax. The income tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income. In that case, the relevant portion of the income tax is recognised in other comprehensive income.

The income tax owed or refundable over the financial year is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted on the reporting date, as well as adjustments to tax payable in respect of previous years.

Additional income tax that arises from the distribution of dividends is recognised at the same time as the liability to pay the related dividend is recognised.

(7b) Deferred tax

Deferred tax assets and liabilities are recognised in respect of available tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the values used for taxation purposes. A deferred tax asset or liability is not recognised to the extent that it arises from initial recognition of goodwill or initial recognition of assets or liabilities in a transaction that is not a business combination or which, at the time the transaction, does not affect accounting or taxable profit. The amount of the deferred tax assets and liabilities is based on the manner in which the expected asset and liability carrying amounts will be realised or settled, based on the income tax rates that have been enacted or substantively enacted on the reporting date.

Deferred tax assets and liabilities are netted if there is a right enforceable by law, and if these tax assets and liabilities are associated with income tax levied by the same tax authority on the same taxable entity, or on different taxable entities that intend to net them or that will be realising the tax assets at the same time as the tax liabilities.

A deferred tax asset (net of any deferred tax liability) is recognised only to the extent that it is probable that future taxable profits will be available that can be utilised towards realising the deferred asset. The amount of the deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(8) Property, plant and equipment

(8a) Assets in ownership

Items of property, plant and equipment are measured at cost or estimated cost less accumulated depreciation (see below) and impairments. The cost includes costs that can be directly allocated to the acquisition of the asset.

(8b) Expenses after initial recognition

The Group includes the cost of replacing part of an asset in the carrying amount of items of property, plant and equipment when the cost is incurred. This occurs if it is likely that the future economic benefits of the asset will accrue to the Group and the cost of the asset can be reliably determined. All other expenses are taken to the statement of profit or loss when these are incurred.

(8c) Depreciation of property, plant and equipment

Depreciation is recognised in the statement of profit or loss using the straight-line method over the estimated useful life of each part of an item of property, plant or equipment. The residual values are reassessed on an annual basis. Depreciation is not applied to land. The estimated useful lives are as follows:

- Buildings: main load-bearing structures and roofs: 30 years
- Buildings: technical equipment: 15 years
- Buildings: interior walls: 10 years
- Office equipment: 3-10 years
- Machines: 5-10 years
- Installations: 5-10 years
- Large-scale equipment and other capital assets: 3-10 years

(9) Right-of-use assets

On the commencement date (the date on which the asset concerned becomes available for use), the Group recognises a corresponding right-of-use asset. The right-of-use asset is measured at cost less accumulated depreciation and impairment, adjusted for any revaluation of the lease liability. Cost is made up of the recognised amount of the lease liability, initial direct costs and lease instalments paid prior to the commencement date, less lease incentives received. Unless the Group is reasonably certain that it will acquire ownership of the underlying asset at the end of the lease period, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the following two dates: the end of the period of use or the end of the lease period. Improvements made to leased assets are depreciated over a period that is shorter than or the same as the period used for the leased asset concerned. Right-of-use assets are subject to impairment testing.

Non-lease components, specifically amounts for maintenance and fuel that are included in the lease instalments for cars, are separated from the lease components split if these amounts are significant and readily determined. For the other leases, use is made of the practical expedient of treating the non-lease components in the same manner as lease components.

The Group makes use of the practical expedient of not recognising short-term leases (with a lease period of less than 12 months and no purchase option) on its statement of financial position and the same applies to leases where the new value of the underlying asset is low (less than € 5,000). The lease instalments for such leases are recognised in the statement of profit or loss over the lease period concerned.

The lease period relates to the non-cancellable period of the lease, together with the periods covered by a renewal option if it is reasonably certain that the Group will exercise this option and periods covered by a termination option if it is reasonably certain that the Group will not exercise this option.

(10) Intangible assets**(10a) Goodwill**

All business combinations are recognised using the acquisition method. Goodwill is the amount that arises from the acquisition of subsidiaries. Goodwill represents the excess of the transaction price of the acquisition over the net fair value of the identifiable assets and liabilities at the time of acquisition. Regarding goodwill, an impairment test is systematically performed every year at the reporting date to determine whether there are any impairments.

For impairment testing purposes, goodwill acquired in business combinations is allocated, at the acquisition date, to a cash-generating unit (CGU) or group of CGUs expected to benefit from that business combination. Each unit to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Negative goodwill arising from an acquisition is recognised directly in the statement of profit or loss.

(10b) Other intangible assets

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairments.

(10c) Amortisation of other intangible assets

The other intangible assets are amortised through the statement of profit or loss on a straight-line basis over the expected useful lives of the intangible assets and undergo periodic impairment testing (see accounting policy 17). The estimated useful lives of the intangible asset categories are as follows:

- Customer base: 5-20 years
- Order book: 1-4 years
- Brand name: 5-10 years

(10d) Expenses after initial recognition

Expenditure on intangible assets, other than goodwill, is only capitalised after initial recognition if it is expected to increase the future economic benefits that are inherent in the specific asset to which the expenditure relates. All other items of expenditure are recognised as costs in the statement of profit or loss when these are incurred.

(11) Financial instruments

A financial instrument is a contract that leads to a financial asset for one party and a financial liability or an equity instrument for another party.

(11a) Financial assets

The Group's main financial assets are:

- Loans granted (see accounting policy 12)
- Trade and other receivables (see accounting policy 15)
- Cash and cash equivalents (see accounting policy 16)

These financial assets are classified as assets that are:

- carried at amortised cost after initial recognition. The valuation after initial recognition is performed on the basis of the effective interest method and the financial assets are subject to impairment. Gains and losses are recognised in profit or loss when the asset is terminated, settled, adjusted or impaired; or
- carried at fair value with gains and losses included in the other components of comprehensive income; or
- carried at fair value with gains and losses accounted for in profit or loss.

This classification is based on the Group's business model for the management of the financial assets and the features of the contractual cash flows from the financial asset. For instance, the financial assets are measured at amortised cost if the following conditions are met:

- i. the financial asset is held as part of a business model aimed at holding financial assets for the purpose of receiving contractual cash flows; and

- ii. the contractual terms of the financial asset result exclusively in cash flows from repayments of principal and interest payments on the outstanding principal amount.

Financial assets are no longer recognised in the statement of financial position if and only if:

- the contractual rights to the cash flows from the financial asset expire; or
- the Group transfers the financial asset and the transfer qualifies for derecognition due to the fact that substantially all the risks and rewards have been transferred.

Taking into account the applicable conditions, the aforementioned categories of financial assets held by the Group are valued at amortised cost.

Provision for expected credit losses

The Group holds various types of financial assets that are measured at amortised cost and are therefore subject to the IFRS 9 ECL model (expected credit loss model). This provision is determined on the basis of the expected credit losses for the coming twelve months, taking into account the creditworthiness of the customer. As long as there is no significant deterioration in credit risk, the provision continues to be based on the expected credit losses over twelve months. However, if a significant increase in credit risk is identified on an individual or collective basis, the provision is increased to the expected credit losses over the full term of the financial instrument. This is the case, for example, when a debtor has serious financial problems, fails to comply with a repayment arrangement, or shows other observable signs of increased credit risk.

For trade receivables and work in progress debit, the Company has used the simplified approach offered by IFRS 9, in which the provision for expected credit losses is always determined on the basis of the expected credit losses over the full term of these receivables.

The results of the analysis are included in note '6.26 Financial risks and risk management'.

(11b) Financial liabilities

The Group has the following financial liabilities:

- Interest-bearing loans (see accounting policy 19)
- Trade and other payables (see accounting policy 22)

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.

Exchanging debt instruments involving the same lender on substantially different terms is treated as a settlement of the original financial liability and recognition of a new financial liability. The same applies when the terms of an existing financial liability are substantially altered.

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.

(11c) Netting of financial assets and liabilities

Financial assets and financial liabilities are netted and presented as a net amount in the statement of financial position if:

- the Group has a legally enforceable right to settle the financial asset and the financial liability on a net basis; and
- the Group intends to settle on a net basis or simultaneously (to recover the receivable at the same time as the liability is settled).

(12) Loans granted

Loans granted form part of the financial assets (see accounting policy 11a). Loans granted that do not meet both conditions cited in accounting policy 11a are carried at fair value with gains and losses accounted for in profit or loss. Loans granted that meet both conditions referred to above are measured at amortised cost using the effective interest method, less impairment losses.

(13) Inventories**(13a) Strategic land holdings**

The strategic land holdings represent the reported land holdings that are managed centrally in the Company's strategic land portfolio. These holdings are acquired and held for future property development. The interest and development costs for land holdings under development are capitalised. The land holdings are measured at the lower of cost and net realisable value.

(13b) Other inventories

Other inventories include unsold residential property and land holdings in preparation and under construction (including development and construction rights) and other inventory (such as raw materials, ancillary materials and inventories of finished products, including land and premises for sale

Inventories are measured at cost, or at net realisable value if lower. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs. The cost of inventories 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. The cost of inventories includes an appropriate share of production overheads based on normal operating capacity, as well as the attributable financing expenses. For fungible inventories the first-in, first-out (FIFO) principle applies.

Land and premises for sale concerns land and premises that have been technically delivered as developed but which on the reporting date were not sold to third parties. The inventories of land and premises for sale is valued at cost (including interest and allocated overhead costs), less any write-downs relating to a lower net realisable value as a consequence of the risk of inability to sell or rent.

(14) Work in progress debit

Work in progress debit (also referred to as contract assets) pertain to the right to consideration for work on projects carried out and transferred to the client. In practical terms, this line item consists of the revenue (see also accounting policy 5) in proportion to the progress in fulfilling the performance obligation less invoiced instalments. Total expected project losses, if any, are directly recognised as expenses in the relevant period and are accounted for on the statement of financial position in provisions (see also accounting policy 21d). The work in progress debit is measured taking into account expected credit losses in a way similar to the method used for trade and other receivables (see accounting policy 15).

(15) Trade and other receivables

Trade and other receivables form part of the financial assets (see accounting policy 11a). Trade and other receivables are carried at amortised cost less a provision for expected credit losses. In measuring the amount of the provision for expected credit losses, use is made of the simplified approach involving consistent recognition of an allowance at an amount equal to lifetime expected credit losses. Amounts still to be invoiced relating to concluded projects are recognised under trade and other receivables.

(16) Cash and cash equivalents

Cash and cash equivalents form part of the financial assets (see accounting policy 11a). Cash and cash equivalents comprise cash and bank balances and other call deposits.

(17) Impairments

The carrying amounts of the Group's non-financial assets, excluding work in progress debit (see accounting policy 14), inventories (see accounting policy 13) and deferred tax assets (see accounting policy 7), are reviewed each reporting date to determine whether there are any indications of impairment. If there are such indications, an estimate is made of the recoverable amount of the asset concerned.

For goodwill and intangible assets that are not yet ready for use, the recoverable amount is estimated at the reporting date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

(17a) Determination of the recoverable amount

The recoverable amount of an asset is equal to the higher of its net selling price and its value in use. To determine the value in use, the discounted value of the estimated future cash flows is calculated using a discount rate that reflects current market rates as well as the specific risks associated with the asset. For any asset that does not generate cash inflows and is largely independent of other assets, the recoverable amount is determined on the basis of its cash-generating unit.

(17b) Reversal of impairments

Impairment losses in respect of goodwill are never reversed.

In respect of other assets, impairments recognised in other periods are reversed if there is an indication that the impairment no longer exists or has decreased and if there has been a change in the estimates used to determine the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(18) Share capital**(18a) Costs of issuing ordinary shares**

Costs directly attributable to the issuance of ordinary shares are charged to equity, after deduction of any tax effects.

(18b) Dividend

Dividends are recognised as a liability in the period in which these are declared.

(19) Interest-bearing liabilities

Interest-bearing liabilities form part of the financial liabilities (see accounting policy 11b), except for lease liabilities (see accounting policy 19b).

(19a) Loans

Interest-bearing loans are initially recognised at fair value, less attributable transaction costs. After initial recognition, interest-bearing loans are measured at amortised cost, with any difference between the amortised cost and the redemption amount being recognised in the statement of profit or loss over the term of the loans using the effective interest method.

(19b) Lease liabilities

On the commencement date of the lease, the Group measures the liability at the net present value of the lease payments that have to be made in the future. These include fixed lease payments (including in-substance fixed lease payments) less lease incentives still to be received, variable lease payments depending on an index or interest rate and amounts expected to be payable under residual value guarantees. The lease payments also include the purchase option price if it is reasonably certain that the Group will exercise this option. The lease payments also include penalties for termination of the lease if the lease period reflects the exercise by the Group of an option to terminate the lease. Variable lease payments not depending on an index or rate are expensed in the period in which the event or circumstance giving rise to these payments occurs.

When calculating the net present value of the lease payments, the Group uses the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the liability is increased in respect of interest and reduced by the lease payments made. The Group re-measures the liability in the event of a change in the lease agreement, an adjustment of the lease period, a review of an in-substance fixed lease payment or a change in the assessment thereof or use is made of a purchase option.

(20) Employee benefits**(20a) Defined contribution plans**

Commitments for contributions to defined-contribution pension plans are recognised as an expense in the statement of profit or loss when they are due.

(20b) Defined benefit plans

The Group's net obligation in respect of defined-benefit pension plans is calculated separately for each plan by estimating the amount of future pension benefit that employees have earned in return for their service in the reporting period and in previous periods. The discounted present value of these pension benefits is determined, and is reduced by the fair value of the plan assets. The discount rate is the market yield at the reporting date on high-quality corporate bonds of which the term is consistent with the term of the Group's pension plans. The calculation is performed by a qualified actuary using the projected unit credit method. This method takes into account future salary increases resulting from employee career opportunities and general salary increases, including adjustments for inflation.

If the entitlements under a plan are changed, or a plan is curtailed, the resulting change in entitlements relating to past service, or the gain or loss on the closure, as the case may be, is recognised directly in the statement of profit or loss.

Actuarial gains and losses are recognised directly as other comprehensive income that will never be reclassified to the statement of profit or loss.

If the result of the calculation is a potential asset for the Group, recognition of the asset is limited to the present value of the economic benefits available as possible future refunds from the plan or lower future contributions. When calculating the present value of the economic benefits, possible minimum financing obligations that apply are taken into account.

(20c) Long-term employee benefits

The Group's net liability in respect of non-current employee benefits, other than pension plans, is the amount of future benefits that employees have accrued in return for their service in the reporting period and in previous periods, such as long-service payments, bonuses and incentives. The liability is calculated using the projected unit credit method and is discounted to determine its present value. The discount rate is the market yield at the reporting date on high-quality corporate bonds of which the term is consistent with the term of the Group's pension plans. Actuarial gains and losses on these benefits are recognised in the statement of profit or loss.

(20d) Severance payments

Severance payments are recognised as an expense if the Group has shown that it is committed to terminating the employment contract of an employee or group of employees before the normal retirement date, by producing a detailed, formal plan, without there being a realistic option of the plan being withdrawn.

(20e) Share-based payments to be settled in equity instruments

Part of the remuneration of the members of the Executive Board is the Bonus Investment Share Matching Plan, which provides members of the Executive Board the opportunity to purchase depositary receipts for shares in Royal Heijmans N.V. For each depositary receipt purchased, a conditional depositary receipt is awarded pursuant to the Share Matching Plan. Provided that they hold those depositary receipts for three years (performance-related condition) and are still in service at the end of that period (service-related condition), the Group will award one bonus depositary receipt for each depositary receipt in which the members of the Executive Board invested, a so-called matching share.

On the grant date, the fair value of the equity-settled share-based payments is recognised as an expense in the statement of profit or loss with a corresponding increase in equity. During the vesting period – up to the date on which all conditions have been met – a periodic review takes place to determine the extent to which the associated service-related and/or performance-related conditions will be met, so that the final recognised amount is based on the number of awards that meet the conditions on the vesting date.

(20f) Share-based payments to be settled in cash

The Group has share-based payments that are settled in cash (share appreciation rights or SARs). The fair value of the amount due to employees, which is settled in cash, is recognised as an expense with a corresponding increase in the provision over the period in which the employees become unconditionally entitled to payment. This provision is included in the balance of other provisions. The liability is remeasured periodically including on the settlement date based on the fair value of the award. Any changes in the liability are recognised in the statement of profit or loss.

(21) Provisions

A provision is recognised in the statement of financial position if the Group has a present legal or constructive obligation that is the result of a past event and it is probable that its settlement will require an outflow of funds. The provisions are recognised at nominal value, unless the time value of money is material. In such cases, the expected cash flows are discounted on the basis of a pre-tax discount rate that reflects current market estimates of the time value of money and, where necessary, the specific risks related to the liability. The accrued interest on provisions is recognised as a financing expense.

(21a) Warranties

A provision for warranties is recognised after the underlying products or services have been sold and delivered. The provision is made for costs that must be incurred to correct deficiencies that appear after delivery but during the warranty period.

(21b) Restructuring

A restructuring provision is recognised when (i) the Group has approved a detailed and formal restructuring plan and (ii) the restructuring has either commenced or been publicly announced.

(21c) Environment

A provision for restoration of contaminated land is recognised in accordance with the Group's environmental policy and applicable legal requirements.

(21d) Onerous contracts

A provision for onerous contracts is recognised if the economic benefits (i.e. the probable revenues) that the Group expects to receive from a contract are lower than the costs of meeting the contractual obligations, unless the net costs of terminating the contract are lower. For contracts related to the execution of works, these costs are the costs attributable to the outstanding performance obligations. Where appropriate, the Group recognises any impairment losses on any assets associated with the contract prior to forming the provision.

(22) Trade and other payables

Trade and other payables form part of the financial liabilities (see accounting policy 11b). Trade and other payables are recognised at amortised cost.

(23) Work in progress credit

The work in progress credit (also referred to as contract liabilities) relate to the obligation to perform work for clients on projects for which the Group has received a consideration from the client (or the client owes an amount). In practical terms, this item comprises the invoiced instalments less the revenue in proportion to the progress in fulfilling the performance obligation (see also accounting policy 5). Total expected project losses, if any, are directly recognised as expenses in the relevant period and are accounted for in the statement of financial position in provisions (see also accounting policy 21d).

(24) Statement of cash flows

The statement of cash flows is prepared using the indirect method. In accordance with the accounting policy choice offered in IAS 7, interest received and paid (including interest pursuant to IFRS 16), as well as income taxes paid and received, are classified as cash flow from operating activities. Dividends received from joint ventures and associates are recognised as cash flow from investing activities, while dividends paid by the Group are classified as cash flow from financing activities

(25) Segment reporting

A segment is a clearly distinguishable operation of the Group. The segments are identified in accordance with the classification used by the Executive Board when taking operational decisions. The Group distinguishes the following operating segments: Property Development (Living), Residential building (Living), Van Wanrooij (Living), Van Gisbergen (Living), Non-residential building (Working) and Infra (Connecting).

6. Notes related to the consolidated financial statements

6.1 Segment information

From 2024 onwards, the segment information will be reported on the basis of the business areas of **Living**, **Working** and **Connecting**. This classification is in line with the changes in how the Group is managed by the Executive Board, which acts as the 'chief operating decision maker' (CODM). The comparative figures have been restated in line with this new segment structure to ensure consistency and comparability.

In accordance with the internal reporting to the Executive Board, the Group has identified the following operating segments: Property Development, Residential Building, Van Wanrooij (acquired in 2023), Van Gisbergen (acquired in 2024), Non-residential Building and Infra. After an extensive analysis of the nature of the activities, economic characteristics and clients, it was concluded that Property Development, Residential Building, Van Wanrooij and Van Gisbergen are sufficiently similar to be aggregated as one operational segment: Living.

This aggregation is based on the similarities in the nature of the products and services (construction and property development activities related to homes), economic characteristics (the underlying EBITDA-margins and the number of homes sold as key performance indicators) and clients (private individuals, real estate investors and housing corporations). In addition to this aggregated operational segment, separate disclosure is provided for Working (consisting of the operational segment Non-residential building) and Connecting (consisting of the operational segment Infra). The nature of the products and services with which each reportable segment realises its turnover is explained in more detail in the 'Our organisation' chapter of the management report. The segments are primarily managed on the basis of underlying EBITDA.

The segment results include revenues and expenses that can be allocated directly, or indirectly on a reasonable basis, to the segments. Assets and liabilities are also recognised per segment insofar as they are assignable. The segment figures are aligned with the consolidated figures as recognised in the rest of the financial statements.

Condensed statement of profit or loss per business segment**2024**

Business segments x € 1 million	Living	Working	Connecting	Subtotal business segments	Other / elimination	Total
Revenue						
Third parties	994.3	620.9	968.8	2,584.0	0.2	2,584.2
Intercompany	-	13.7	27.8	41.5	-41.5	-
Total revenue	994.3	634.6	996.6	2,625.5	-41.3	2,584.2
Underlying EBITDA	88.6	47.0	70.4	206.0	-7.2	198.8
EBITDA joint ventures	-6.8	-2.6	-6.1	-15.5	-0.1	-15.6
Write-down of land holdings / real estate	-4.4	-	-	-4.4	-	-4.4
Restructuring costs	-0.2	-0.6	-0.3	-1.1	-0.2	-1.3
Acquisition costs / book result on divestments	-	-	-	-	-0.6	-0.6
Long term incentive bonuses	-4.7	-	-	-4.7	-	-4.7
Total exceptional items	-16.1	-3.2	-6.4	-25.7	-0.9	-26.6
EBITDA	72.5	43.8	64.0	180.3	-8.1	172.2
Depreciation and amortisation	-18.1	-10.8	-26.2	-55.1	-6.1	-61.2
Operating result	54.4	33.0	37.8	125.2	-14.2	111.0
Finance income						7.7
Finance expense						-13.9
Results of joint ventures and associates	6.1	2.4	3.4	11.9	0.3	12.2
Result before tax						117.0
Income tax	-10.6			-10.6	-16.4	-27.0
Result after tax						90.0

2023

Business segments x € 1 million	Living	Working	Connecting	Subtotal business segments	Other / elimination	Total
Revenue						
Third parties	820.0	522.3	774.8	2,117.1	0.2	2,117.3
Intercompany	-	13.2	25.2	38.4	-38.4	-
Total revenue	820.0	535.5	800.0	2,155.5	-38.2	2,117.3
Underlying EBITDA	58.3	34.5	66.3	159.1	-12.0	147.1
EBITDA joint ventures	-0.8	-0.3	-4.1	-5.2	-0.2	-5.4
Write-down of land holdings / real estate	-	-	-	-	-	-
Restructuring costs	-1.3	-0.5	-0.6	-2.4	-0.6	-3.0
Acquisition costs / book result on divestments	-	-	-	-	-9.4	-9.4
Long term incentive bonuses	-2.4	-	-	-2.4	-	-2.4
Total exceptional items	-4.5	-0.8	-4.7	-10.0	-10.2	-20.2
EBITDA	53.8	33.7	61.6	149.1	-22.2	126.9
Depreciation and amortisation	-10.7	-7.3	-22.1	-40.1	-5.8	-45.9
Operating result	43.1	26.4	39.5	109.0	-28.0	81.0
Finance income						5.8
Finance expense						-8.5
Results of joint ventures and associates	-0.3	0.4	2.2	2.3	0.5	2.8
Result before tax						81.1
Income tax	-3.6			-3.6	-17.8	-21.4
Result after tax						59.7

Corporate income taxes charged to the Living segment include the amounts recognised for the fiscal units Van Wanrooij Bouwontwikkeling B.V. and PeVaGis B.V. The corporate income taxes of the fiscal unity Royal Heijmans N.V. are segment-transcending and therefore have not been specifically allocated to one of the reporting segments.

Underlying EBITDA is the operating result before depreciation, including EBITDA of joint ventures, excluding any impairments of property and/or goodwill, restructuring costs, acquisition costs, including retention bonuses and gains or losses on the acquisition/sale of entities. Underlying EBITDA defined in this way is also used as the basis for the calculation of the financial covenants reported to the bank consortium.

Condensed statement of financial position and breakdown per business segment 2024

Business segments	Living	Working	Connecting	Subtotal business segments	Other	Eliminations	Total
x € 1 million							
Assets	826.9	353.2	467.8	1,647.9	328.8	-609.7	1,367.0
Not allocated					1.6		1.6
Total assets	826.9	353.2	467.8	1,647.9	330.4	-609.7	1,368.6
Liabilities	327.3	269.9	302.9	900.1	301.9	-381.6	820.4
Not allocated					85.2		85.2
Total liabilities	327.3	269.9	302.9	900.1	387.1	-381.6	905.6
Equity							463.0
Total equity and liabilities							1,368.6
Property, plant and equipment							
Depreciation	-2.2	FALSE	-9.1	-11.3	-3.7		-15.0
Investments	2.0	FALSE	18.2	20.2	7.1		27.3
Right-of-use assets							
Depreciation	-9.2	-7.6	-17.0	-33.8	-1.8		-35.6
Intangible assets							
Amortisation	-6.7	-3.2	-0.1	-10.0	-0.6		-10.6
Joint ventures and associates							
Carrying amount	75.7	1.9	20.7	98.3	7.4		105.7

2023

Business segments	Living	Working	Connecting	Subtotal business segments	Other	Eliminations	Total
x € 1 million							
Assets	730.8	285.2	393.7	1,409.7	371.8	-467.5	1,314.0
Not allocated					21.6		21.6
Total assets	730.8	285.2	393.7	1,409.7	393.4	-467.5	1,335.6
Liabilities	397.2	235.7	265.7	898.6	259.8	-360.6	797.8
Not allocated					154.2		154.2
Total liabilities	397.2	235.7	265.7	898.6	414.0	-360.6	952.0
Equity							383.6
Total equity and liabilities							1,335.6
Property, plant and equipment							
Depreciation	-1.4	-	-7.0	-8.4	-4.0		-12.4
Investments	3.7	-	21.2	24.9	19.0		43.9
Right-of-use assets							
Depreciation	-6.5	-6.3	-14.6	-27.4	-1.8		-29.2
Intangible assets							
Amortisation	-2.8	-1.0	-0.5	-4.3	-		-4.3
Joint ventures and associates							
Carrying amount	75.7	1.0	18.1	94.8	6.0		100.8

The unallocated assets consist primarily of deferred tax assets. The unallocated liabilities consist primarily of interest-bearing loans and other non-current financing liabilities, deferred tax liabilities, income tax liabilities and VAT payable.

Given the nature of its activities, the Connecting segment is heavily dependent on contracts from the public sector.

All revenue in 2024 and 2023 was realised in the Netherlands.

The Group's property, plant and equipment are located in the Netherlands.

6.2 Business combinations**Van Gisbergen**

On 13 September 2024, the Group acquired all shares in PeVaGis B.V. (hereafter: Van Gisbergen). This acquisition strengthens the Group's position as a developing construction company with land holdings in the Greater Eindhoven region. Van Gisbergen mainly builds and develops single-family homes on its own land holdings. In the full-year 2024, Van Gisbergen recorded revenue of € 39.0 million and a net profit of € 1.4 million. The effects of the acquisition on the statement of financial position are summarised below.

2024 - Van Gisbergen

x € 1 million	Carrying amount before acquisition	Fair value adjustments	Recognised acquisition value
Property, plant and equipment	0.6	-	0.6
Right-of-use assets	1.1	-	1.1
Intangible fixed assets	-	0.3	0.3
Financial fixed assets	0.6	-	0.6
Inventories	9.8	1.5	11.3
Work in progress debit	1.2	-	1.2
Trade and other receivables	2.3	-	2.3
Cash and cash equivalents	5.4	-	5.4
Lease liabilities	-1.1	-	-1.1
Provisions	-0.2	-	-0.2
Deferred tax liabilities	-	-0.5	-0.5
Work in progress credit	-3.7	-	-3.7
Income tax payable	-0.8	-	-0.8
Trade and other payables	-3.7	-	-3.7
Balance of identifiable assets and liabilities	11.5	1.3	12.8
Goodwill upon acquisition			0.6
Total purchase price in cash			13.4
Cash acquired			5.4
Net cash outflow			8.1

Van Wanrooij

At year-end 2023, the Group presented the fair value of the acquired identifiable assets and liabilities resulting from the Van Wanrooij acquisition on a provisional basis. The Group finalised the accounting for this acquisition in the course of 2024. This did not result in an adjustment to goodwill. The fair value of the Van Wanrooij Bouw order book was fully amortised at the end of 2024.

Details of the purchase price, the net assets acquired and the goodwill are as follows:

2023 - Van Wanrooij

x € 1 million	Carrying amount before acquisition	Fair value adjustments	Recognised acquisition value
Property, plant and equipment	13.0	-	13.0
Right-of-use assets	9.0	-	9.0
Intangible fixed assets	-	6.0	6.0
Deposits	25.0	-	25.0
Inventories	94.0	122.0	216.0
Deferred tax assets	3.0	-	3.0
Work in progress on balance	1.0	-	1.0
Joint ventures and associates	7.0	14.0	21.0
Trade and other receivables	21.0	-	21.0
Cash and cash equivalents	9.0	-	9.0
Provisions	-5.0	-11.0	-16.0
Lease liabilities	-9.0	-	-9.0
Deferred tax liabilities	-2.0	-33.0	-35.0
Income tax payable	-3.0	-	-3.0
Trade and other payables	-56.0	-	-56.0
Balance of identifiable assets and liabilities	107.0	98.0	205.0
Goodwill			91.0
Purchase price			296.0
Purchase price to be paid when 'earn out' is achieved			-
Pay-out in (depository receipts for) shares			-25.0
Total purchase price in cash			271.0
Cash acquired			-9.0
Net cash outflow			262.0

6.3 Revenue

The disaggregation of revenue into categories that reflect the nature, the amount, the timing and the uncertainty of revenues and cash flows are affected by economic factors, is in line with the recognition of revenue per segment.

Revenue per segment

x € 1 million	2024	2023
Living	994.3	820.0
Working	620.9	522.3
Connecting	968.8	774.8
Other	0.2	0.2
	2584.2	2117.3

Living

The revenue from the Living segment includes revenue from residential building and property development projects developed by the Group, which generally involve the delivery of both the land and the buildings. Projects executed for private buyers amounted to € 591 million (2023: €383 million) and projects developed for real estate investors and housing corporations amounted to € 403 million (2023: €437 million).

The projects for private buyers are generally only started once at least 70% of the homes have been sold. Developments are invoiced on the basis of predefined milestones according to the Woningborg (Homeownership Guarantee Fund) or SWK (Homeownership Guarantee Fund Foundation) schedule. In practice, the Group works with both combined and separate (land) purchase/construction contracts. Depending on the contract form, the delivery of the land is invoiced separately or included in the first instalment.

Construction work on projects for property investors and housing associations does not start before

the sale has been completed. The invoicing schedule is agreed with each client and, as in the case of private buyers, is generally linked to the completion of milestones, the first instalment being invoiced upon conveyance of the land. Revenue from the land is recognised at the time of conveyance at the notary, while the revenue from the buildings is recognised during the course of the construction period.

Working

The revenues from the Working segment are primarily related to service activities performed on clients' buildings and technical installations. The revenues of €424 million (2023: €347 million) are recognised as these service and maintenance activities are performed.

In addition, Working realised non-residential buildings and technical installations for clients, mostly in the public and semi-public sector, in the amount of € 197 million (2023: € 175 million), with construction only starting after the contract has been awarded. The revenue is recognised during the construction period. Invoicing follows a schedule linked to predefined milestones that can vary per contract.

Connecting

The revenue generated by the Connecting segment is primarily related to the construction of roads and other civil engineering works on behalf of public sector authorities and amounted to € 639 million (2023: € 469 million). Construction only commences when orders have been confirmed. Invoicing is according to a schedule based on pre-defined milestones, which may differ per contract. Revenue is recognised during the course of the construction period. Connecting also carries out service and maintenance work on pieces of infrastructure. Revenue from these activities amounted to € 330 million (2023: € 306 million) and is recognised in proportion to the work performed.

Additional information on revenue

During 2024, the Group recognized € 269 million (2023: € 196 million) in revenues that had been included in the 'work in progress credit' as at 1 January.

In 2024, € 3 million (2023: expense of € 3 million) in revenues related to performance obligations fulfilled in earlier periods was recognized.

The amount of the transaction price attributed to performance obligations that have not been fulfilled (in whole or in part) was approximately € 2.6 billion (2023: € 2.6 billion). Of this, 59% will be fulfilled in 2025, 26% in the period 2026 and 2027 and 16% in 2028 and beyond (2023: 58% in 2024, 26% in the period 2025 and 2026 and 16% in 2027 and beyond). The disclosed amounts are related to contracted revenue and include only revenue that is highly probable. Future revenue generated by contracts for which the unit price have been agreed, but not the volumes, have not been included in the disclosed amounts. The Group has not made use of the practical option of not disclosing performance obligations that are part of a contract with an originally expected completion date of one year or less.

The Group has not adjusted revenue for significant financing components among other things because the period between fulfilment of the performance obligations and payment by the client is less than one year.

6.4 Other operating income

	2024	2023
Gain on sale of non-current assets	0.7	0.5
Other	13.3	1.4
	14.0	1.9

The gain on the sale of non-current assets relates to the sale of machinery and equipment. Miscellaneous includes fees for managing sold subsidiaries where the Group is (temporarily) still performing administrative activities.

In the accounting for the acquisition of Van Wanrooij in 2023, Heijmans recognised a provision of € 11 million for certain risks related to development positions of land acquired by Van Wanrooij in the period prior to the acquisition by Heijmans (transaction date). New information obtained since then indicates that the risk has now been eliminated, as a result of which the full provision was released in 2024 and recognised in other operating income under 'other'.

6.5 Staff costs, depreciation, and research and development expenses**6.5a Staff costs**

Staff costs included in the statement of profit or loss are broken down as follows:

x € 1 million	2024	2023
Wages and salaries	-439.4	-379.9
Social security contributions	-67.6	-57.3
Defined contribution premiums	-45.4	-38.3
Defined benefit plans and long-service payments	-1.2	-2.2
	-553.6	-477.7

The statement of profit or loss includes an amount of approximately € 1 million (2023: € 3 million) relating to restructuring provisions.

Staff costs include an amount of € 4 million (2023: € 1 million) for additions to the other provisions for share-based payments settled in cash (share appreciation rights or SARs). The fair value of this commitment is periodically revised up to and including the settlement date on 1 May 2028. The increase in costs compared with the previous year is mainly the result of the increased Royal Heijmans N.V. share price compared with the previous financial year.

Staff costs are included in the cost of sales, administrative expenses and selling expenses.

6.5b Number of employees

At the end of 2024, the total number of employees expressed in full-time equivalents (FTEs) stood at 5,650, an increase from 5,316 in 2023. Of this total, 1,179 FTEs work at Living (2023: 1,140), 1,698 FTEs at Working (2023: 1,528) and 2,413 FTEs at Connecting (2023: 2,312). The remaining 360 FTEs work for the holding company (2023: 336). The average number of employees expressed in FTEs during the financial year was 5,381, compared with 5,119 in 2023. No employees work outside the Netherlands.

6.5c Depreciation

Depreciation recognised in the statement of profit or loss is broken down as follows:

x € 1 million	2024	2023
Depreciation property, plant and equipment	-15.0	-12.4
Depreciation right-of-use assets	-35.6	-29.2
	-50.6	-41.6

Depreciation is included in the cost of sales and administrative expenses in the statement of profit or loss.

6.5d Research & development costs

The costs for research and development recognised in the statement of profit or loss are:

x € 1 million	2024	2023
Research and development costs	-13.2	-11.8

Research and development costs pertain primarily to digitalisation and industrialisation. Project work also involves research and development activities, which are recognised in the cost of sales. These costs are not included in the figures stated above.

6.6 Other operating expenses

Other operating expenses are broken down as follows:

x € 1 million	2024	2023
Amortisation- and impairment of of intangible assets	-10.6	-4.3
Benefit Wintrack II provision	0.0	13.5
	-10.6	9.2

See note '6.12 Intangible assets' for additional information on amortisation and impairment of intangible assets.

6.7 Finance income and expense

The net financing income and expense is broken down as follows:

x € 1 million	2024	2023
Interest income	7.7	5.8
Finance income	7.7	5.8
Interest expense	-10.2	-6.5
Interest expense lease liabilities	-4.1	-2.8
Capitalised interest expense	0.4	1.0
Other financial results	0.0	-0.2
Finance expense	-13.9	-8.5
Net	-6.2	-2.7

The interest and development costs for land holdings under development are capitalised. The applicable interest rate used to determine the financing costs to be capitalised was 3.0% in 2024 (2023: 3.0%). No interest is capitalised for projects under construction.

The cumulative financial expenses in 2024 amounted to € 6.2 million (2023: € 2.7 million). This increase was mainly driven by the interest expenses on the linear loan taken out on 5 September 2023 for the acquisition of Van Wanrooij. In 2024, these interest charges related to the entire financial year, while in 2023 these interest charges were only calculated for a few months. In addition, the capitalised financing costs associated with this linear loan have been fully amortised as the loan was repaid early at the end of 2024.

6.8 Income tax

Recognised in the statement of profit or loss:

x € 1 million	2024	2023
Current tax income (current tax expense)		
Current financial year	-24.8	-14.6
	-24.8	-14.6
Deferred tax income (deferred tax expense)		
Relating to temporary differences	6.7	0.9
Prior financial years	-0.1	-0.2
Relating to tax loss carryforwards	-8.8	-8.5
Effect of recognising previously unrecognised losses	0.0	1.0
	-2.2	-6.8
Total tax expense in the statement of profit or loss	-27.0	-21.4

The tax charges per country are as follows:

x € 1 million	2024	2023
Netherlands	-27.0	-21.4
	-27.0	-21.4

Analysis of the effective tax rate:

x € 1 million	2024		2023	
	%	€	%	€
Result before tax		117.0		81.1
Based on local tax rate	25.8%	-30.2	25.8%	-20.9
Non-deductible expenses	0.9%	-1.0	2.1%	-1.7
Tax exempt Investee results	-3.7%	4.3	0.1%	-0.1
Losses not recognised in current financial year and other deferred tax assets and the reversals thereof	0.2%	-0.2	0.1%	0.0
Prior-year adjustment	0.1%	-0.1	0.3%	-0.3
Effect of recognising previously unrecognised losses	0.0%	-	-1.2%	1.0
Effect of miscellaneous items	-0.2%	0.2	-0.8%	0.6
Overall tax burden	23.1%	-27.0	26.4%	-21.4

The effective tax rate for 2024 was 23.1% (2023: 26.4%).

The main differences between the effective tax rate and the local tax rate in the Netherlands are related to the effect of tax-exempt results from investees. The other differences are related to non-deductible transaction costs related to the Van Gisbergen share transaction, the general restrictions on the deductibility of expenses, unrecognised tax losses in the financial year under review and the deduction for environmental investments.

The Group falls within the scope of the OECD Pillar Two regulations. These regulations came into force on 1 January 2024 in the Netherlands, Belgium and Germany, where the Group has legal entities. According to the legislation in these countries, the Group is obliged to pay an additional tax for the difference between the GloBE effective tax rate for each jurisdiction and the minimum rate of 15%. The Group's effective tax rate is higher than 15% in all jurisdictions or an exemption applies, so that no additional tax needs to be paid. The Group has applied the mandatory exemption not to recognise deferred taxes relating to Pillar Two income taxes. The Group recognises pillar two income taxes in the reporting period in which they are payable or recoverable.

6.9 Income tax receivables and payables

x € 1 million	31 December 2024		31 December 2023	
Geographical segment	Receivables	Payables	Receivables	Payables
Netherlands	3.3	5.4	0.1	6.8
	3.3	5.4	0.1	6.8

Income tax receivables relate to outstanding income tax claims for financial years that have not yet been settled and for which excessive provisional assessments were paid. Income tax payables relate to outstanding income tax payments for financial years that have not yet been settled, supplemental to provisional income tax assessments already paid, and taking account of applicable loss relief rules. The receivables and payables in the Netherlands are related to the fiscal units: Royal Heijmans N.V., Van Wanrooij Bouwontwikkeling B.V. and PeVaGis B.V. (Van Gisbergen).

6.10 Property, plant and equipment

Cost

x € 1 million	Land and buildings	Machinery, installations and large-scale equipment	Other equipment	Assets under construction	Total
Balance at 31 December 2022	60.9	78.3	50.2	13.0	202.4
Investments	10.5	14.0	6.8	12.6	43.9
Disposals	-0.2	-3.1	-8.7	-2.6	-14.6
New in consolidation	5.8	0.4	5.7	-	11.9
Reclassifications	0.4	8.2	-	-7.8	0.8
Balance at 31 December 2023	77.4	97.8	54.0	15.2	244.4
Balance at 31 December 2023	77.4	97.8	54.0	15.2	244.4
Investments	4.8	12.2	2.7	7.6	27.3
Disposals	-3.3	-5.0	-7.1	-	-15.4
New in consolidation	-	0.2	0.1	0.3	0.6
Reclassifications	0.2	11.6	-	-11.8	-
Balance at 31 December 2024	79.1	116.8	49.7	11.3	256.9

Depreciation and impairment losses

x € 1 million	Land and buildings	Machinery, installations and large-scale equipment	Other equipment	Assets under construction	Total
Balance at 31 December 2022	40.4	42.8	45.6	-	128.8
Investments	1.7	7.6	3.1	-	12.4
Disposals	-	-3.2	-8.6	-	-11.8
Reclassifications	-	0.3	-	-	0.3
Balance at 31 December 2023	42.1	47.5	40.1	-	129.7
Balance at 31 December 2023	42.1	47.5	40.1	-	129.7
Investments	2.0	9.1	3.9	-	15.0
Disposals	-1.2	-3.7	-6.2	-	-11.1
Reclassifications	-	-	-	-	-
Balance at 31 December 2024	42.9	52.9	37.8	-	133.6

Carrying amount

x € 1 million	Land and buildings	Machinery, installations and large-scale equipment	Other equipment	Assets under construction	Total
Balance at 31 December 2022	20.5	35.5	4.6	13.0	73.6
Balance at 31 December 2023	35.3	50.3	13.9	15.2	114.7
Balance at 31 December 2023	35.3	50.3	13.9	15.2	114.7
Balance at 31 December 2024	36.2	63.9	11.9	11.3	123.3

At year-end 2024, the contractual obligations relating to the acquisition of property, plant and equipment amounted to € 8.0 million (2023: € 7.0 million).

6.11 Leases

The movements in right-of-use assets were as follows:

	31 December 2022	New in consolidation	Depreciation	Additions	Changes in lease period and other changes	31 December 2023
2023						
x € 1 million						
Office buildings	38.7	8.5	-9.8	0.2	3.3	40.9
Car fleet	26.2	0.6	-13.9	26.5	0.6	40.0
Other equipment	7.1	-	-5.5	5.3	1.8	8.7
Total	72.0	9.1	-29.2	32.0	5.7	89.6
	31 December 2023	New in consolidation	Depreciation	Additions	Changes in lease period and other changes	31 December 2024
2024						
x € 1 million						
Office buildings	40.9	0.9	-10.7	13.5	1.4	46.0
Car fleet	40.0	0.2	-17.0	27.5	-0.6	50.1
Other equipment	8.7	-	-7.9	6.8	2.3	9.9
Total	89.6	1.1	-35.6	47.8	3.1	106.0

The amounts in the column headed 'Changes in lease period and other changes' are mainly related to extensions and indexations of office leases and adjustments in lease terms of other contracts.

The movement in the lease liabilities was as follows:

	31 December 2023	New in consolidation	Additions	Lease payments	Interest	Changes in lease period and other changes	31 December 2024
2023 x € 1 million							
Office buildings	38.1	8.5	0.2	-11.0	1.3	2.5	39.6
Car fleet	26.7	0.6	26.5	-14.8	1.1	0.6	40.7
Other equipment	7.5	-	5.3	-6.1	0.4	2.5	9.6
Total	72.3	9.1	32.0	-31.9	2.8	5.6	89.9

	31 December 2022	New in consolidation	Additions	Lease payments	Interest	Changes in lease period and other changes	31 December 2023
2024 x € 1 million							
Office buildings	39.6	0.9	13.5	-11.5	1.5	1.1	45.1
Car fleet	40.7	0.2	27.5	-18.4	2.0	-0.8	51.2
Other equipment	9.6	-	6.8	-8.8	0.6	2.1	10.3
Total	89.9	1.1	47.8	-38.7	4.1	2.4	106.6

The maturity of the lease liabilities (based on due dates of the lease instalments) per category of underlying asset was as follows:

31 December 2023	Total lease instalments payable	< 1 year	1-5 years	> 5 years
x € 1 million				
Office buildings	45.4	8.4	30.7	6.3
Car fleet	42.9	15.9	26.9	0.1
Other equipment	10.0	5.1	4.9	0.0
Total	98.3	29.4	62.5	6.4

31 December 2024	Total lease instalments payable	< 1 year	1-5 years	> 5 years
x € 1 million				
Office buildings	51.4	9.8	34.5	7.1
Car fleet	53.5	18.8	34.7	0.0
Other equipment	12.0	6.2	5.5	0.3
Total	116.9	34.8	74.7	7.4

As per the reporting date, the Group is committed to meeting future lease obligations that are still outstanding. This amounted to approximately € 18 million (2023: € 11 million), primarily for lease cars that are still on order.

The office building category in particular includes extension options, for which any future cash flows have not been included in the measurement of the lease liabilities because the Group is not reasonably certain that it will exercise the options.

The interest expenses on the lease liabilities amounted to € 4 million in 2024 (2023: € 3 million).

The lease instalments payable of leases that have not been capitalised based on the practical expedient for short-term leases and leases with a low value are recognised in the operating expenses pro rata (on a time basis) over the lease period. The expenses for such non-capitalised leases amounted to € 129 million in 2024 (2023: € 109 million). This was largely related to the short-term leasing of equipment for projects.

The total cash outflow relating to lease agreements amounted to € 169 million (2023: € 143 million), including the cash flows for the aforementioned non-capitalised leases and the interest and principal cash flows for capitalised leases.

The weighted average marginal interest rate used to determine the liability was 4% (2023: 4%).

6.12 Intangible assets

Intangible assets consist of goodwill and other intangible assets.

Cost

x € 1 million	Goodwill	Other intangible assets	Total
Balance at 31 December 2022	164.3	51.7	216.0
New in consolidation	90.8	6.4	97.2
Investments	-	1.3	1.3
Balance at 31 December 2023	255.1	59.4	314.5
Balance at 31 December 2023	255.1	59.4	314.5
New in consolidation	0.6	0.3	0.9
Investments	-	1.0	1.0
Other movements	-	-	-
Balance at 31 December 2024	255.7	60.7	316.4

Impairment losses and amortisation

x € 1 million	Goodwill	Other intangible assets	Total
Balance at 31 December 2022	-90.0	-44.2	-134.2
Impairment losses	-	-	-
Amortisation	-	-4.3	-4.3
Balance at 31 December 2023	-90.0	-48.5	-138.5
Balance at 31 December 2023	-90.0	-48.5	-138.5
Impairment losses	-0.6	-	-0.6
Amortisation	-	-10.0	-10.0
Other movements	-0.3	-	-0.3
Balance at 31 December 2024	-90.9	-58.5	-149.4

Carrying amount

x € 1 million	Goodwill	Other intangible assets	Total
Balance at 31 December 2022	74.3	7.5	81.8
Balance at 31 December 2023	165.1	10.9	176.0
Balance at 31 December 2023	165.1	10.9	176.0
Balance at 31 December 2024	164.8	2.2	167.0

The composition of the carrying amount for goodwill and other intangible assets at year-end 2024 was as follows:

Acquisition

x € 1 million		2024		2023	
Acquisition	Cash generating unit	Goodwill	Other intangible assets	Goodwill	Other intangible assets
IBC (NL-2001)	Non-Residential	21.2	-	21.2	-
Burgers Ergon (NL-2007)	Non-Residential	31.1	-	31.1	3.1
Dynniq Energy (NL-2022)	Infra	5.9	-	5.9	-
Van Wanrooij (NL-2023)	Van Wanrooij	90.7	-	90.9	4.3
Other goodwill	Infra/Holding	15.9	2.2	16.0	3.5
Carrying amount at 31 December		164.8	2.2	165.1	10.9

Other goodwill is mainly related to the cash-generating unit (CGU) Infra (€ 13 million). Other intangible assets is mainly related to self-developed intangible assets, software licences and the fair value of the Van Gisbergen order book.

In 2024, the Group acquired Van Gisbergen, see note '6.2 Business combinations'. The goodwill resulting from this transaction is the difference between the acquisition price and the fair value of the acquired net identifiable assets and amounted to € 0.6 million. The goodwill is due to the fact that with this acquisition, the Group further strengthened its position in property development and construction. Due to the low value of the goodwill, it was decided to immediately write this down in full, resulting in an impairment of € 0.6 million. The fair value of Van Gisbergen's order book on the acquisition date was € 0.3 million and is included under the item 'Other intangible assets'. This will be amortised over a period of one year.

At the end of 2023, the Group presented the fair value of the acquired identifiable assets and liabilities resulting from the Van Wanrooij acquisition on a provisional basis. In the course of 2024, the Group finalised the accounting for this acquisition. This did not result in an adjustment to goodwill. The fair value of the order book of Van Wanrooij Bouw was fully amortised at the end of 2024.

In 2024, the client portfolio of Burgers Ergon, acquired in 2007, was fully amortised because the mix of the client portfolio had changed over time. The full amortisation of € 3.0 million was recognised in the item 'Other intangible assets' in 2024.

The amortisation of other intangible assets and any impairments of goodwill and other intangible fixed assets have been recognised in the statement of profit or loss under the item 'Other operating expenses'.

Impairment tests

An impairment test is carried out annually for each relevant cash-generating unit (CGU). See the 'accounting policies' for a more detailed explanation of how the recoverable amount is calculated. The assumptions explained in the remainder of this section are identical for all CGUs.

The impairment tests are based on the valuation calculated using the discounted cash flow method, in which future cash flows are discounted using the WACC after taxes. In 2024, the WACC after taxes was 8.8% (2023: 9.6%). The WACC after taxes is calculated using various components on the basis of publicly available information. This includes both macro-economic indicators, as well as data from other listed companies used as a 'peer group'.

The value in use of the CGUs is based on their expected future cash flows shown in the budgets for 2025 and 2026. Revenue and gross profit in the budget are based on the order book, past experience and the Group's strategic ambitions. For the period from 2027 to 2031, the Group is assuming a growth rate of 1.2% (2023: 1.2%), which is based on estimates for economic growth in the Netherlands. For the period after 2031 (the so-called terminal value in the discounted cash flow method), the Group is also assuming a growth rate of 1.2% (2023: 0%) is assumed. The gross profit for the period after 2026 was assumed to be constant from a conservative point of view and based on an average of the budget and past margins.

The Group also performs a sensitivity analysis on the basis of the three most significant key parameters that have an impact on impairment tests: WACC, growth rate and gross profit. On the basis of this sensitivity analysis, changes that can reasonably be expected in key variables would not result in an impairment.

6.13 Joint ventures and associates

The line item joint ventures and associates can be broken down as follows:

x € 1 million	2024	2023
Joint ventures	100.6	96.4
Associates	5.1	4.4
Total	105.7	100.8

When the Group's financial statements are prepared, the figures for joint ventures and associates for the financial year may not yet be available. In such cases, the Group uses interim figures to determine the measurement of such joint ventures and associates.

6.13a Joint ventures

The amounts below represent the Group's interest in the equity of the continuing activities of joint ventures:

x € 1 million	2024	2023
Share in the capital of joint ventures in Living	75.7	75.6
Share in the capital of other joint ventures	24.1	20.2
	99.8	95.8
Negative asset values recognised in other provisions	0.8	0.6
Total	100.6	96.4

The amounts below represent the Group's interest in the net result of the continuing activities of joint ventures:

x € 1 million	2024	2023
Share of the net results of joint ventures in Living	6.1	-0.2
Share of the net results of other joint ventures	5.0	2.3
Total	11.1	2.1

On the basis of an analysis of the share in the equity, the net result and the revenues of joint ventures, it has been established that none of the joint ventures individually is of material significance to the Group.

The joint ventures in the Living segment realised revenue of € 54 million in 2024 (2023: € 51 million) and at the end of the financial year had a total of € 89 million (2023: € 65 million) in inventories on the statement of financial position, consisting primarily of land holdings. The amounts stated are the Group's share. Furthermore, the Group made purchases of € 11 million (2023: € 11 million) from and sales of approximately € 8 million to these joint ventures, both consisting primarily of land holdings. The Group recognised an impairment of € 4.4 million in 2024 in the Zuidplaspolder area development.

In the other joint ventures, namely those relating to the Group's other business segments (Working and Connecting), projects are carried out in combinations, as is the case with the asphalt company AsfaltNu (a collaboration with Royal BAM Groep N.V.). Over the course of the financial year, the Group made purchases of approximately € 65 million (2023: € 32 million) from these joint ventures, consisting entirely of purchased asphalt. In addition, the Group made sales of approximately € 5 million (2023: € 2 million) to these joint ventures.

In joint ventures, dividend distributions must always be decided in consultation with the other partner(s). In addition, several joint ventures are subject to restrictions on dividend payments based on articles of association and/or other agreements, amounting to approximately € 7 million (2023: € 10 million), as a result of which certain reserves are not freely distributable. These restrictions are often related to the priority given to repaying the debts of the joint ventures.

The Group undertook no commitments to joint ventures in 2024 (2023: none) relating to the granting of subordinated loans. Apart from the commitments and contingent liabilities disclosed in notes '6.27a Contractual commitments joint ventures' and '6.28a Contingent liabilities joint ventures', the Group has no commitments or contingent liabilities related to joint ventures.

In 2024, the Group recognised a total of € 2 million in trade and other receivables due from joint ventures (2023: € 6 million) and recognised a total of € 0 million in trade and other payables to joint ventures (2023: € 3 million). Heijmans also granted loans to joint ventures (see note '6.14 Loans granted and other receivables').

6.13b Associates

The amounts shown below are related to Heijmans' interests in the equity and net results from the continuing operations of associates:

x € 1 million	2024	2023
Share in the equity of associates	5.1	4.4
Share in the net results of associates	1.1	0.7

In the year under review, the Group made purchases of approximately € 15 million (2023: € 11 million) from associates. The group made no sales to associates.

6.14 Loans granted and other receivables

x € 1 million	2024	2023
Loans granted to joint ventures	32.2	9.1
Other long-term lending	3.9	1.9
Deposits	28.6	25.6
Balance at 31 December	64.7	36.6

The deposits are related to prepayments already made for development positions where ownership has not yet been transferred.

None of the loans granted to joint ventures falls due within one year (2023: nil), € 1 million falls due between one and five years (2023: € 1 million) and € 31 million falls due after more than five years, including those with indefinite maturity (2023: € 7 million). The weighted average interest rate is approximately 4.7% (2023: 4.8%). The loans are repayable and are secured by pledged assets and by cash flows from projects being executed by the joint ventures in question. The Group made an appraisal of the expected credit losses on the loans granted and this led to no material implications for the carrying amount of the loans.

6.15 Deferred tax assets and liabilities

The net amount of the deferred tax assets and liabilities related to temporary differences between the carrying amounts for tax purposes and for reporting purposes of items in the statement of financial position, together with recognised tax-loss carry-forwards, can be broken down as follows:

x € 1 million	Receivables		Payables		Net amount	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	2.7	2.5	-	-	2.7	2.5
Inventories	-	-	-25.1	-29.2	-25.1	-29.2
Right-of-use assets	28.3	23.9	-27.3	-23.2	1.0	0.7
Intangible fixed assets	0.1	-	-	-1.6	0.1	-1.6
Employee benefits	4.7	4.7	-	-	4.7	4.7
Recognised tax-loss carryforwards	4.4	13.3	-	-	4.4	13.3
Deferred tax assets and liabilities	40.2	44.4	-52.4	-54.0	-12.2	-9.6
Netting deferred tax assets and liabilities	-28.4	-24.7	28.4	24.7	-	-
Net deferred tax assets and liabilities	11.8	19.7	-24.0	-29.3	-12.2	-9.6

The movement in the statement of financial position of the deferred tax assets and liabilities in 2024 can be broken down as follows:

	Net amount at 31 December 2023	Recognised in income tax	Recognised in other comprehensive income	Other movements	Net amount at 31 December 2024
x € 1 million					
Property, plant and equipment	2.5	0.2	-	-	2.7
Inventories	-29.2	4.5	-	-0.4	-25.1
Right-of-use assets/lease liabilities	0.7	0.3	-	-	1.0
Intangible assets	-1.6	1.8	-	-0.1	0.1
Employee benefits	4.7	-	-	-	4.7
Other items	-	-0.1	-	0.1	-
Recognised tax-loss carryforwards	13.3	-8.9	-	-	4.4
Total	-9.6	-2.2	-	-0.4	-12.2

The movement in the statement of financial position of the deferred tax assets and liabilities in 2023 can be broken down as follows:

	Net amount at 31 December 2022	Recognised in income tax	Recognised in other comprehensive income	Other movements	Net amount at 31 December 2023
x € 1 million					
Property, plant and equipment	2.8	-0.3	-	-	2.5
Inventories	-	2.5	-	-31.7	-29.2
Right-of-use assets/lease liabilities	0.6	0.1	-	-	0.7
Intangible assets	-0.7	0.8	-	-1.7	-1.6
Employee benefits	4.8	-2.2	1.3	0.8	4.7
Other items	-	-	-	-	-
Recognised tax-loss carryforwards	21.0	-7.7	-	-	13.3
Total	28.5	-6.8	1.3	-32.6	-9.6

6.15a Measurement of deferred tax assets

At year-end 2024, the recognised loss carry-forward stood at € 4.4 million (2023: € 13.3 million). The recognised loss carry-forwards relate almost entirely to the Dutch fiscal unity Royal Heijmans N.V. The utilisation of tax loss carry-forwards changed on 1 January 2022. On the basis of the new loss relief rules, from the financial year 2022 it has only been possible to utilise 50% of profits above € 1 million against past losses or future losses. On the other hand, from the financial year 2022 it is possible under the new loss relief rules to carry forward all losses against future profits indefinitely.

A deferred tax asset is recognised to the extent that it is probable, based on forecasts, that sufficient future taxable profits will be available to be utilised for the realisation of the deferred asset. The majority of activities are performing as planned. The forecasts are based on the order book, the 2025 business plan, and the long-term forecast, which are also the basis for the measurement of the recoverable amount of goodwill (impairment tests). The long-term forecast is based on the assumption that the average EBIT margin of the Dutch fiscal unity will grow slightly. A factor inherent in the measurement of the deferred tax assets is that the utilisation of losses depends on the realisation of the 2025 business plan and the long-term forecasts, which are the Group's best estimates. Based on the projected results for 2025 and the current tax rate of 25.8%, there will be sufficient taxable profits to enable the Group to realise the tax asset recognised as at 31 December 2024.

The netting of deferred tax assets with deferred tax liabilities is allowed as long as there is a legally enforceable right to net current tax assets against current tax liabilities, together with an intention to do so, and the deferred taxes relate to income taxes levied by the same tax authority for the same entity or for the same fiscal unity. The deferred tax asset has not been netted with the deferred tax liability because they are not attributable to the same fiscal unity.

The movement in the deferred tax assets was as follows:

x € 1 million	2024	2023
Balance at 1 January	13.2	20.9
Prior-year adjustment	-0.1	-0.2
Charge for the financial year	-8.8	-8.5
Recognition of previously unrecognised losses	-	1.0
Balance at 31 December	4.3	13.2

6.15b Measurement of deferred tax liabilities

For determining the amount of the deferred tax liabilities, the value for tax purposes of the work in progress in the Netherlands (including residential building projects) is treated as being equal to the value under IFRS.

Deferred tax assets or liabilities are recognised for any temporary differences originating at subsidiaries, joint operations or joint ventures. In 2024, Royal Heijmans N.V. completed the acquisition of Van Gisbergen. The application of IFRS 3 resulted in the fair value adjustment of intangible assets (€ 0.3 million) and inventories and strategic land holdings (€ 1.5 million). This positive difference of € 1.8 million from the carrying amount of the acquired assets results in an increase in the tax base of those assets. The future reversal of this difference gives rise to a deferred tax liability totalling € 0.5 million on the opening statement of financial position in September 2024.

The majority of the deferred tax liabilities have a term of more than one year.

Tax losses not recognised in the statement of financial position

At year-end 2024, the tax losses not recognised in the statement of financial position amounted to € 45.2 million (2023: € 44.8 million). These are primarily related to Dynniq Energy BV, which was acquired in 2022 (2024: € 1.7 million) and three foreign subsidiaries (in Belgium and Germany) that perform no operational activities (2024: € 42.8 million). These unrecognised tax losses can be carried forward indefinitely and do not expire.

6.16 Inventories

x € 1 million	31 December 2024	31 December 2023
Strategic land holdings	232.9	158.6
Unsold residential property and land holdings in preparation and under construction (including development and construction rights)	124.6	208.1
Other inventories	17.0	22.5
Total	374.5	389.2
Carrying amount of inventories pledged as security	33.3	42.0

Strategic land holdings

The strategic land holdings are measured at the lower of cost or net realisable value, with the net realisable value of these holdings being the higher of either the direct realisable value or the indirect realisable value. The net realisable value depends on the expected manner and time horizon of realisation and in most cases, therefore, is measured using an indirect realisable value method. The indirect realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, the expected cash flows usually being discounted to net present value using a discount rate of 5% (2023: 5%) unless a different rate has been agreed, for example on the basis of favourable financing arrangements available within a joint arrangement. In fixing the discount rate, account is taken of the expected capital structure, operational risks and circumstances specific to either Heijmans or the project in question.

Determining the indirect realisable value involves the use of judgements and estimates. The strategic land holdings are affected by several elements of uncertainty, such as demographic changes, location and details and implementation of development plans and administrative decisions, with as local a focus as possible. This provides a location-specific forecast of developments in land and house prices and other variables, which ultimately determine the indirect revenue value of the land holdings. The Group makes an internal integral assessment of the value of its land holdings twice a year.

In general, the risk of deviations from the judgements and estimates is greater for strategic land holdings without planning permission than for those with. Moreover, this risk further increases the longer it takes before development is started.

In 2024, the net realisable value of the strategic land holdings was calculated and compared with the carrying amount. This did not result in an impairment (2023: nil). In addition, the Group recognised an impairment of € 4.4 million in a joint venture (2023: nil).

For more information on the pledging of land holdings in connection with the financing agreements, see note '6.22 Interest-bearing loans and other financing liabilities'.

In 2024, the item other inventories included € 6.2 million (2023: € 9.7 million) for a number of homes that have been completed but had not yet been sold.

Term

In principle, the 'strategic land holdings' and the 'Unsold residential property and land holdings in preparation and under construction (including development and construction rights)' have terms of more than 12 months after the reporting date (mostly two to 10 years). In principle, the other items have a term of less than 12 months.

Impact Van Gisbergen acquisition

With the acquisition of Van Gisbergen, the Group expanded its portfolio by approximately 2,200 land holdings, consisting of both strategic land holdings and unsold residential property and land holdings in preparation and under construction (including development and construction rights). In the context of the allocation of the purchase price to the identifiable assets and liabilities, the development positions have been valued at fair value. On the acquisition date, the total inventory at Van Gisbergen represented a fair value of € 12 million. For a breakdown of these items, see also note '6.2 Business combinations'.

6.17 Work in progress

x € 1 million	31 December 2024	31 December 2023
Work in progress debit (positive balance of work in progress)	93.5	139.2
Work in progress credit (negative balance of work in progress)	-301.5	-304.6
Balance of work in progress	-208.0	-165.4

The project owner and the management of the unit involved perform a periodic assessment of the carrying amount of work in progress for each project. This assessment is essentially performed on the basis of the figures in the project files, the project accounts and the knowledge and experience of those involved. Inherent in this process and the project-related activities is that estimates have to be made and that the Group is involved in negotiations and discussions related to the financial progress of projects, such as contract savings or extras, claims, incentives and penalties, completion dates and the quality standard of the work. It may turn out at a later stage that actual results differ from the estimates. This will be particularly true for long-term projects that include considerable custom-made work. It can also occur if there are unsettled claims or discussions with clients about additional work that are still ongoing on the reporting date.

The degree of uncertainty surrounding these estimates will be greater the more:

- types of contract and associated specific agreements involve increased risks for the Group. In a DC (Design and Construct) contract, for example, the Group also assumes the design risk. DBMO (Design, Build, Maintain, Operate) contracts also include responsibility for maintenance and operation;
- projects are still at the design stage. It is possible for substantial changes to occur in the process of turning a provisional design into the final design, leading to both upward and downward adjustments compared with the initial projection.

In addition, projects also entail a number of opportunities and risks during execution. For example, there may be extra work, claims or unforeseen circumstances, potentially for the account of the Group.

A variable consideration is only recognised if it is highly probable that a significant revenue reversal will not occur:

- Revenue from additional work is included in the overall contract revenue if the client has accepted the sum involved in any way.
- Claims and incentives are recognised in the amount for work in progress when they derive from enforceable rights, it is highly probable that they will lead to revenue and can be measured reliably.
- Unless it is highly unlikely that a penalty will be applied, the amount of any penalties will be deducted from the transaction price.

Bonuses are recognised in the transaction price if the project is advanced far enough and it is highly probable that the performance indicators specified will be met (and it is highly probable that no significant reversal will occur), and the bonus amount can be determined reliably. If the bonus can only be received after expiry of a predetermined period following completion of the project, then that bonus is only recognised when it is highly probable that the bonus will be received (and it is highly probable that no significant reversal will occur).

Work in progress debit is related to the right to a consideration in respect of work on projects carried out and transferred to the client. No material amounts in respect of expected credit losses have been deducted from this amount.

Work in progress credit is related to the obligation to carry out work on projects for clients for which the Group has received a consideration from the client (or the client owes that amount). This means that in practice the invoiced instalments run ahead of the project revenue, so on balance the work is funded in advance by the client.

Work in progress debit and credit generally have a term of less than 12 months.

Work in progress debit and credit do not include any items of a material nature relating to marginal costs for securing or fulfilling a contract.

6.18 Trade and other receivables

x € 1 million	31 December 2024	31 December 2023
Trade receivables	179.4	196.2
Amounts still to be invoiced on closed projects	12.6	11.5
Receivables from joint operations	10.5	7.5
Prepayments	8.4	9.4
Other receivables	2.5	4.7
Total trade and other receivables	213.4	229.3

Trade and other receivables are presented after deduction of a provision for expected credit losses of € 0.8 million (2023: € 0.7 million). This impairment for expected bad debts is recognised in the statement of profit or loss under administrative expenses. For an analysis of the movements in this provision, see note '6.26 Financial risks and risk management'.

Trade and other receivables are mainly short-term.

6.19 Cash and cash equivalents

x € 1 million	31 December 2024	31 December 2023
Bank balances	102.6	37.1
Cash in hand	-	-
Funds in blocked accounts	2.8	3.3
Total cash and cash equivalents	105.4	40.4

Cash and cash equivalents are utilised to reduce the Group's financing to the extent contractually and practically permitted.

6.19a Restricted cash and cash equivalents

Of the total cash and cash equivalents, € 80 million (2023: € 58 million) is held by joint operations. This amount was higher in 2024, largely due to the fact strong increase in the cash and cash equivalents in the joint operations of the Working and Connecting business segments. These cash and cash equivalents are only available in consultation with the joint venture partner(s) concerned.

The funds in blocked accounts amount to € 3 million (2023: € 3 million) and are primarily related to the obligatory G accounts (guarantee accounts) held pursuant to the Chain Liability Act (WKA - Wet ketenaansprakelijkheid).

6.20 Equity

Paid-up and called-up share capital

In millions of ordinary shares	2024	2023
Ordinary shares outstanding at 1 January	26.8	23.5
Ordinary shares issued in May 2024/2023	0.7	1.0
Ordinary shares issued in September 2023	-	2.3
Outstanding at 31 December	27.5	26.8

See statement 2b for disclosures on the changes in equity, and the company-only financial statements for disclosures on the authorised share capital, the legal reserve for participating interests, the appropriation of results and other figures.

6.21 Earnings per share

Basic earnings per ordinary share

In 2024, earnings after tax per weighted average share amounted to € 3.31 (2023: € 2.40). The calculation is based on the result after tax attributable to the holders of (depository receipts for) ordinary shares and the weighted average number of ordinary shares that were outstanding in the financial year.

Result attributable to holders of ordinary shares (all operations)

x € 1 million	2024	2023
Result attributable to holders of ordinary shares after tax	90.0	59.7

Weighted average number of ordinary shares

In millions of ordinary shares	2024	2023
Ordinary shares outstanding at 1 January	26.8	23.5
Ordinary shares issued in May 2024/2023	0.4	0.6
Ordinary shares issued in September 2023	-	0.8
Weighted average number of ordinary shares at 31 December	27.2	24.9

Diluted weighted average number of shares

In millions of ordinary shares	2024	2023
Weighted average number of ordinary shares at 31 December	27.2	24.9
Dilution effect related to the award of deferred bonus ordinary shares under the Bonus Investment Share Matching Plan.	0.0	0.0
Weighted average number of ordinary shares at 31 December after dilution effects	27.2	24.9

The calculation of earnings after tax per ordinary share is based on the weighted average number of ordinary shares during the year, which was 27,210 thousand in 2024. The calculation of diluted earnings after tax per ordinary share takes into account the dilution related to the conditional award of 24 thousand deferred bonus shares under the Bonus Investment Share Matching Plan (see note '6.29 Joint operations and related parties').

Dividend distributed per ordinary share in the financial year

In 2024, a dividend payment of € 0.89 was made per issued share at the end of the previous financial year (2023: € 1.01 dividend over the number of shares issued at year-end 2022).

6.22 Interest-bearing loans and other financing liabilities

Heijmans has various financing arrangements in place, both at group and project level. Following the refinancing in 2023 and the accelerated repayment in 2024, Heijmans' current financing arrangement amounts to € 177.5 million, runs until 1 September 2028 and consists of the following components:

- Linear loan amounting to € 80 million, which was repaid early in 2024, which meant that the outstanding amount of this loan stood at zero at year-end 2024 (2023: € 75 million) (see note 6.22a) and this is not revolving
- Revolving credit facility in the amount of € 177.5 million, € 30 million of which is in the form of a overdraft facility (see 6.22b).

Established securities

At the time of the refinancing in 2023, no changes were agreed to the collateral package provided to financiers and this was also the case in 2024. These securities are recorded in pledges, with an intercreditor agreement regulating in what situations and in what way securities can be recovered. As long as Heijmans continues to comply with the banking covenants, including the financial covenants (see 6.22c), these situations do not arise.

The securities established consist of pledged receivables, bank accounts and any insurance proceeds. This criterion only applies insofar as Heijmans is the 100% owner of the companies concerned and, measured by revenue, at least 95% of the revenue must be represented by the subsidiaries that co-sign the financing facility (the so-called guarantor cover). Finally, the financiers have established mortgage securities on a number of land holdings with a carrying amount of € 39.9 million at year-end 2024. These securities will be released as the land holdings are developed.

The total breakdown of interest-bearing loans and other financing liabilities is shown below:

31 December 2024	Non-current portion	Current portion	Total
x € 1 million			
Linear loan	-	-	-
Revolving credit facility	-	-	-
Project financing	7.6	-	7.6
Other non-current liabilities	0.6	0.4	1.0
Total liabilities	8.2	0.4	8.6

31 december 2023	Non-current portion	Current portion	Total
x € 1 million			
Linear loan	53.8	20	73.8
Revolving credit facility	-	-	-
Project financing	10.5	1.7	12.2
Other non-current liabilities	1.2	0.1	1.3
Total liabilities	65.5	21.8	87.3

6.22a Linear loan

At the time of the refinancing in 2023 in connection with the Van Wanrooij acquisition, a distinction was made between acquisition financing in the form of a linear loan and a revolving credit facility, as the revolving credit facility offers more flexibility to absorb fluctuations in working capital over the course of the year.

The linear loan was provided in equal parts by ABN Amro, ING and Rabobank. The linear loan amounted to € 80 million at the time of the acquisition and was supposed to be repaid in four years on a straight-line quarterly basis. Heijmans was entitled to make early repayments at any time. Heijmans made repayments in March (€5 million), June (€40 million) and December (€30 million) 2024, as a result of which the outstanding sum at year-end 2024 was zero.

6.22b Revolving credit facility

The revolving credit facility amounted to € 177.5 million at year-end 2024. This amount is fully committed until 1 September 2028 on the understanding that from 30 September 2027 the total commitment will be reduced in four quarters on a straight-line basis to € 150 million. Of this facility, € 30 million has been provided in the form of a committed overdraft facility with ING Bank. ABN Amro Bank and Rabobank (each) provided € 52.5 million of the remainder of the revolving credit facility, while ING Bank provided € 42.5 million. A feature of the revolving credit facility (and thus the overdraft facility) is that the facility can be used according to need. The revolving character ensures that repaid amounts are available again in the future within the limits of the total commitment, enabling Heijmans to absorb working capital fluctuations during the year.

In terms of interest conditions, the basic interest rate is one-month Euribor plus a margin that depends on the outcome of the leverage ratio and lies between 1.9% and 2.9%. In 2024, and also expected in 2025, the margin premium will be 1.90% or 2.15%. The unused portion of the revolving credit facility is subject to a commitment fee linked to the margin payable. Heijmans is allowed to voluntarily reduce the revolving credit facility prematurely at any time.

The margin grid is linked to a bonus/malus system of plus or minus five basis points on the basis of four sustainability criteria. In effect, Heijmans is raising its sustainability ambitions by committing to improvements in terms of reducing (CO₂) emissions, the number of accidents (drop in IF rate), the average CO₂ emissions of the homes it delivers, and increasing the share of electric cars in its total fleet. Heijmans had achieved all four of these criteria by year-end 2024, which means the company obtained a bonus of 5 basis points and that the applicable margin for the revolving credit facility will be adjusted as soon as the compliance certificate is approved by ABN Amro, ING and Rabobank.

It should be noted that at the time of the acquisition of Van Wanrooij, Heijmans did not yet have sufficient insight into Van Wanrooij's score in terms of the agreed sustainability criteria. In that context, it was agreed that Heijmans has until the annual results for 2024 to map out these scores, and on that basis to agree adjusted sustainability objectives with the banks, including Van Wanrooij's contribution.

6.22c Bank covenants related to the syndicated facility

The syndicated facility is subject to several covenants, consisting of information obligations, general obligations and minimum financial requirements (so-called financial covenants). If Heijmans fails to meet these financial covenants, the facility is repayable on demand. The financial covenants are measured on the basis of the reported figures based on IFRS. Certain matters are subject to adjustments, for instance if project financing is on a non-recourse basis. The covenants are also adjusted for IFRS 11, which means that Heijmans will not use the equity method for joint ventures but will instead report financial results on the basis of proportionate recognition.

The covenants are subject to a solvency ratio, which is measured at the end of each year to check whether this meets the required minimum of 21%. This ratio is the solvency ratio reported in the annual report on the basis of the capital base. As the cumulative financing preference shares B were fully redeemed (in 2022), the capital base equals group equity. The covenants are also subject an interest cover ratio, calculated at the end of each quarter and a minimum value of 5 is required. In addition, a leverage ratio is also calculated each quarter and this must not exceed 3. The interest cover ratio is calculated by dividing EBITDA (earnings before interest, tax, depreciation and amortisation) by net interest expenses calculated over the past 12 months. The leverage ratio is obtained by dividing net debt by EBITDA, with both criteria calculated over the past 12 months. The definitions of these items include several adjustments to the reported figures, as agreed with the bank consortium in the credit agreement. Significant adjustments compared with the net debt for accounting purposes are an increase in respect of the net debt from joint ventures and certain project financing arrangements where there is no recourse against Heijmans. Significant

adjustments compared with the EBITDA for accounting purposes are related to the capitalised interest, results related to business units that have been sold off, fair value adjustments, restructuring costs and EBITDA results from joint ventures. The main adjustment to the net interest expense for accounting purposes is related to the exclusion of interest expense on non-recourse project financing. Heijmans operated well within the agreed covenants throughout the year.

Compliance with the covenants is actively monitored within Heijmans. Based on the 2025 business plan and its solid financial starting position at year-end 2024, the Group expects to be able to continue operating well within the covenants in the year ahead, the key parameters here being the developments in terms of EBITDA and net debt. Changes in the net debt position are a function of fluctuations in working capital, which are due to seasonal effects and fluctuations driven by specific projects. The working capital requirement is generally higher during the course of the year than at year-end, and this can lead to an increase in net debt by as much as € 10-50 million. Heijmans funds these fluctuations in working capital via the headroom offered by the revolving credit facility.

Amounts x €1 million	Note	2024	2023
Interest-bearing debt	6.22	8.6	87.3
Lease liabilities (IFRS 16 Leases)	6.11	106.6	89.9
Cash and cash equivalents	6.19	-105.4	-40.4
Net debt		9.8	136.8
Adjustments for:			
Net debt of joint ventures		-2.0	4.8
Non-recourse net debt for project financing		-15.6	-18.3
Other		2.8	3.4
Covenant net debt (A)		-5.0	126.7
Reported EBITDA	6.1	172.2	126.9
EBITDA of joint ventures	6.1	15.6	5.4
Exceptional items	6.1	11.0	14.8
Underlying EBITDA		198.8	147.1
Adjustments for:			
Capitalised interest	6.7	0.4	1.0
Fair value step-up Van Wanrooij		17.5	10.9
EBITDA for project with non-recourse financing		-1.0	-1.2
Other		1.1	-8.3
Covenant EBITDA (B) - Interest Cover		216.8	149.5

Amounts x €1 million	Note	2024	2023
EBITDA attributable to disposals		0.0	30.5
Covenant EBITDA (C) - leverage Ratio		216.8	180.0
Net interest expense		6.2	2.7
Adjustments for:			
Capitalised interest	6.7	0.4	1.0
Fair value step-up Van Wanrooij		-0.5	-0.6
Non-recourse project financing interest expense		-0.5	-0.6
Other		-1.2	-0.9
Net covenant interest expense (D)		4.4	1.7
Equity	2.	463.0	383.6
Capital base (E)		463.0	383.6
Total assets covenants (F)	3.	1,368.6	1,335.6
Leverage ratio (A/C) <3		0.0-	0.7
Interest cover ratio (B/D) >5 (if interest charges are negative, then not applicable)		49.3	89.2
Solvency ratio (E/F) >21%		33.8%	28.7%

6.22d Project financing

Project financing arrangements have been entered into in connection with specific (property development) projects. This pertains to property development projects at Heijmans Property Development for a total amount (pro rata share of Heijmans) of € 7.6 million (2023: 12.2 million). The project financing repayment schedules are usually related to the progress on projects. Project financing generally expires no later than the date of completion and/or sale of the projects. Recourse is limited to project assets only, including future positive cash flows from these projects, as well as the contracts and mortgage collateral related to the project / project company in most cases. In principle, Heijmans N.V. (or group companies belonging to it) does not issue parent company guarantees for the payment of instalments and/or interest for any of project financing facilities.

6.22e Other liabilities

The other liabilities pertain to financing arrangements provided by related parties in a number of specific land holdings. As security for these financing arrangements, amounting to € 0.9 million (2023: € 1.4 million), Royal Heijmans N.V. has provided guarantees in respect of repayments/ payment of interest.

6.22f Average interest rate

	2024	2023
Linear loan	5.9%	6.1%
Revolving credit facility*	5.8%	6.1%
Project financing	2.3%	1.0%
Other non-current liabilities	2.2%	2.1%

* The disclosed percentage is exclusive of amortised refinancing costs and fees.

6.22h Movements in interest-bearing liabilities

The movements in the interest-bearing liabilities were as follows:

x € 1 million	31 December 2023	Borrowed	Accrual/ amortization	Redeemed	31 December 2024
Linear loan	73.8	-	1.2	-75.0	0.0
Revolving credit facility	-	-	-	-	-
Project financing	12.2	-	-	-4.6	7.6
Other non-current liabilities	1.3	-	-	-0.3	1.0
Total	87.3	-	1.2	-79.9	8.6

x € 1 million	31 December 2022	Borrowed	Accrual/ amortization	Redeemed	31 December 2023
Linear loan	-	80.0	-1.2	-5.0	73.8
Revolving credit facility	-	-	-	-	-
Project financing	11.7	2.1	-	-1.6	12.2
Other non-current liabilities	2.2	-	-	-0.9	1.3
Total	13.9	82.1	-1.2	-7.5	87.3

The cash flows related to the revolving credit facility are presented on a net basis in both the above movement table and the cash flow statement. This is because it pertains to (very) short-term financing involving large amounts and short terms. For example, the drawings during 2023 were mainly used as part of the Van Wanrooij acquisition financing and the drawings in 2024 were used to cover working capital movements. The highest amount drawn on the revolving credit facility in 2024 was € 40 million (2023: € 110 million), which was then repaid in full over the course of the financial year.

6.23 Provision for employee benefits

Movement in the liability for defined-benefit plans and long-service payments

x € 1 million	Liability		Fair value of assets		Net liabilities to defined-benefit rights and long-service payments	
	2024	2023	2024	2023	2024	2023
Balance at 1 January	176.6	163.8	153.4	140.7	23.2	23.1
New in consolidation	-	3.7	-	0.4	-	3.3
Recognised in profit or loss						
Service cost	0.3	0.3	-	-	0.3	0.3
Interest expense/income	5.5	5.7	4.8	5.2	0.7	0.5
Actuarial result on long-service payment liabilities	0.2	0.9	-	-	0.2	0.9
Administrative and other expenses	-	-	-	-0.5	-	0.5
Recognised in other comprehensive income						
Actuarial result, experience	0.4	3.1	0.7	0.6	-0.3	2.5
Actuarial result, life expectancy	-0.5	-	-0.5	-	-	-
Actuarial result, indexing	1.0	1.8	-	-	1.0	1.8
Actuarial result, discount rate	-3.1	7.4	-2.4	6.7	-0.7	0.7
Contributions and benefits						
Employer contributions	-	-	0.8	10.3	-0.8	-10.3
Pension and long-service payments	-10.4	-10.1	-10.3	-10.0	-0.1	-0.1
Total at 31 December	170.0	176.6	146.5	153.4	23.5	23.2

The total liability arising from defined benefit-pension plans and long-service payments is recognised in the statement of financial position as follows:

x € 1 million	31 December 2024	31 December 2023
Non-current employee benefits	22.0	22.4
Current employee benefits	1.5	0.8
	23.5	23.2

Liability for defined-benefit plans in the Netherlands

Insured plans

As at year-end 2024, the Group has some 15 insured pension plans in the form of guarantee contracts. The Group is only required to meet the costs of indexation, not to fund increased liabilities due to adverse changes in life expectancy, so the pension plan risk is largely borne by the insurers. Responsibility for holding sufficient funds to pay out all benefits rests with the insurers. Regulatory responsibility lies with Dutch central bank (DNB). The amount of the additional contribution required to meet annual increases is calculated on the basis of the assumptions contained in the insurance contract. The average term of the pension liabilities is approximately 11 years.

Industry-wide pension funds

The majority of the pensions have been placed with industry-wide pension funds, the main ones being the pension fund for the construction industry (Bpf Bouw) and the pension fund for the engineering, mechanical and electrical contracting sector (Metaal en Techniek or PMT). Both these funds operate average pay plans with annual indexed increases. The policy funding ratio reported by Bpf Bouw stood at 126.3% at year-end 2024 (year-end 2023: 109.8%). The Group has a share of approximately 2% (2023: 2%) of the total number of members of this pension fund. The policy funding ratio for PMT stood at 108.5% at year-end 2024 (year-end 2023: 109.8%). The Group has a share of approximately 0.5% (2023: 0.5%) of the total number of members of this pension fund. These policy funding ratios are calculated on the basis of the actuarial assumptions used by the industry-wide pension funds, in accordance with the requirement set for these funds (including the

Dutch Pensions Act and the Dutch Financial Assessment Framework). Since contribution adjustments have a marginal effect on the funding ratio's, these plans qualify as defined-benefit pension plans. Despite this, in the financial statements they are treated as defined-contribution plans because the administrations of the industry-wide pension funds are not designed to supply the required information.

With regard to these plans, the Group is only required to pay the predetermined contributions. The Group has no obligation to make up any deficit, other than through future contribution adjustments. The Group has no claim to any surplus in the funds.

Long-service payments

The long-service payments are a month's salary, or a portion thereof, for employment periods of 25, 40 and 50 years.

Expense items recognised in connection with defined-benefit plans and long-service payments

x € 1 million	2024	2023
Service cost	-0.3	-0.3
Interest expense	-5.5	-5.7
Interest income	4.8	5.2
Subtotal	-1.0	-0.8
Administrative and other expenses	0.0	-0.5
Actuarial result on long-service payment liabilities	-0.2	-0.9
Total expense for defined-benefit plans and long-service payments	-1.2	-2.2

The principal actuarial assumptions as at year-end were:

	31 december 2024	31 december 2023
Discount rate	3.35%	3.20%
Future wage inflation	2.25% for 2025 and beyond	7.12% and € 100 for 2024, 2.25% for 2025 and beyond
Future pay increases	0-1.5%	0-1.5%
Future annual increase	0.0% in 2025 for schemes following the indexation of the industry-wide pension fund for the Construction Industry and 0-1.7% for the other schemes. 0-1.7% for all schemes for 2026 and later years.	0.0% in 2024 for schemes following the indexation of the industry-wide pension fund for the Construction Industry and 0-1.6% for the other schemes. 0-1.6% for all schemes for 2025 and later years.
Staff turnover	3.5-12.5%	3.5-12.5%
Life expectancy	Projection table AG 2024 0/0	Projection table AG 2022 0/0

The discount rate is based on high-quality corporate bonds adjusted for the term of the payment obligation. This also applies to the expected yield.

The future indexation is based on the indexation that is expected to be granted by Bpf Bouw. For schemes that follow the indexation of Bpf Bouw one-to-one, future indexation is based on the indexation that Bpf Bouw is expected to grant. For the year after the reporting date, this includes the indexation of 1.70% actually granted by Bpf Bouw.

Financing liability for defined-benefit plans and long-service payments

	31 december 2024	31 december 2023
Fully funded defined-benefit plans	163.0	169.5
Long-service payments (unfunded)	7.0	7.1
Liability for defined-benefit plans and long-service payments at 31 December	170.0	176.6

As in 2023, all the fully-funded defined-benefit plans are insured schemes. There are no fund investments in equities, fixed-income securities or liquid assets.

Reasonably possible changes in one of the relevant actuarial assumptions on the reporting date, with the other assumptions remaining unchanged, could potentially affect the liabilities associated with defined-benefit plans and long-service payments.

x €1 million	2024		2023	
	Increase	Decrease	Increase	Decrease
Change of 0.5%-points in the discount rate	-10.0	11.0	-11.1	12.3
Change of 0.25%-points in wage and price inflation and rate of annual increase-	5.5	-2.7	6.1	-2.8
Change of 1 year in life expectancy	7.6	-7.6	7.9	-8

The above effects were determined by the actuary who performed the calculations. The combined effect of changes to more than one of the assumptions is likely to differ from the sum of the corresponding individual effects due to interactions.

The effects presented apply only to the liabilities and not to the fair value of the investments. For a plan in the form of an insurance contract, the guarantee provided by the insurer means that the effects of these changes are largely mitigated by an equal effect on the plan assets.

The indexation of defined benefit plans in the first subsequent year after the reporting date has already been explained above in the actuarial assumptions. In addition, the Group expects expenses of approximately € 47 million in 2025 in connection with its defined contribution plans (including the above-mentioned industry-wide pension fund plans). The contributions for later years are expected to be in line with this amount, and will partly depend on changes in the above actuarial assumptions and in particular on the development of the policy funding ratio of Bpf Bouw. It cannot be ruled out the Group will have to make supplementary contributions in the future.

6.24 Provisions

General

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation that is the result of a past event and when it is probable that any settlement will result in an outflow of funds. The provisions are recognised at nominal value, unless the time value of money is material.

x € 1 million	31 december 2023	New in consolidation	Reversal of unused amounts	Additions to provisions	Provisions used	31 december 2024
Work in progress losses	15.5	-	-0.9	15.4	-10.7	19.3
Warranty obligations	31.0	0.2	-0.4	7.3	-8.1	30.0
Restructuring costs	1.3	-	-0.2	1.6	-1.9	0.8
Environmental risks	2.4	-	-	2.2	-0.2	4.4
Provision for loss-making interests	0.6	-	-	0.2	-	0.8
Other provisions	14.0	-	-	10.6	-11.2	13.4
Total provisions	64.8	0.2	-1.5	37.3	-32.1	68.7

Ageing of provisions

x € 1 million	31 December 2024	31 December 2023
Non-current portion	38.5	45.2
Current portion	30.2	19.6
Total	68.7	64.8

Work in progress losses

If a contract with a client for the execution of a project becomes onerous, 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. The projects to which these losses relate will be completed within two years.

Provision for warranty obligations

The provisions relate to complaints and deficiencies that become apparent after the delivery of projects and that fall within the warranty period. The magnitude of the costs provided for is dependent partly on the estimated allocation of the claim to the related construction partners. It is expected that most of the obligations will materialise in the next two years.

Provision for restructuring costs

The provision for restructuring costs relates to the expected severance costs related to organisational changes. Most of the provision will be used in 2025.

Provision for environmental risks

This item represents possible site reinstatement costs. The costs have been estimated by site, based on government regulations concerning the clean-up method and soil investigation. The periods within which restoration needs to take place vary by site. In the event that the restoration does not have to take place for another few years, there is an obligation to monitor the pollution. The expected monitoring costs have also been included in the provision.

Provision for loss-making interests

The provision for loss-making interests relates to joint ventures in which the Group's equity share is negative and for which the Group has guaranteed all or part of the liabilities of that interest (or has the firm intention to enable the interest to pay (the Group's share) of its liabilities).

Other provisions

The other provisions consist primarily of a provision for share appreciation rights (SARs) granted to employees that becomes unconditional five years after grant date and are settled in cash, plus a provision for the second year of employees' sick leave.

6.25 Trade and other payables

x € 1 million	31 December 2024	31 December 2023
Suppliers and subcontractors	128.6	125.5
Invoices due for work in progress	28.7	29.4
Invoices due for work completed	49.6	35.3
Pension related payables	1.0	0.7
Staff costs payable	31.8	30.6
VAT payable	71.2	64.8
Wage tax and social security contributions payable	21.4	22.2
Administrative expenses and costs of sales payable	20.8	22.4
Interest payable	2.7	3.0
Payables to joint operations	3.5	2.8
Other liabilities	8.0	9.4
Total trade and other payables	367.3	346.1

The trade and other payables are predominantly of a short-term nature. The other payables include amounts of a non-current nature of approximately € 4 million (2023: € 2 million).

6.26 Financial risks and risk management**General**

In the normal course of business, Royal Heijmans N.V. is exposed to various financial risks, including credit, liquidity, market, price and interest-rate risks. This section describes the degree to which these risks manifest themselves, the objectives set regarding the risks and the policy and procedures for measuring and managing them, as well as the management of capital.

The risk policy is focused on the identification and analysis of the risks to which the Group is exposed and the determination of acceptable (credit) limits. The risk policy and systems are assessed on a regular basis and then modified if necessary for changes in market conditions and the operations of the Group.

The objective is to create a disciplined and constructive approach to risk management, with the aid of training, standards and procedures whereby all employees are aware of their roles and responsibilities.

The Audit and Risk Committee periodically reviews the risk management policy and procedures. In addition, the Committee reviews the risk policy used in the light of the risks to which the Group is exposed.

Credit risk

Credit risk is the risk that the Group will be exposed to financial loss if a party (against which the Group has a claim) fails to meet its contractual obligations. Credit risks arise primarily from receivables due from clients and consortium partners. The Group also assess the creditworthiness of suppliers as part of its assessment of the security of supply. The carrying amount of the financial assets subject to credit risk can be specified as follows:

x € 1 million	31 December 2024	31 December 2023
Loans granted to joint ventures and other receivables	64.7	36.6
Cash and cash equivalents	105.4	40.4
Work in progress debit	93.5	139.2
Trade and other receivables	213.4	229.3
Total	477.0	445.5

There is no concentration of credit risk in view of the large number of clients and the significant share of private individuals and (semi) public sector authorities.

The assessment of creditworthiness is part of the standard procedure, and involves using company-specific reports produced by rating agencies. Credit risk is mitigated by pre-financing arrangements and payments in instalments. Risks are insured with a credit insurer if considered necessary:

- The credit risk in residential building projects is limited because future residents cannot take possession of their new homes until all obligations have been met. Moreover, the construction phase is pre-financed.

- For commercial property development, construction contracts and infrastructure projects, the Group assesses the creditworthiness of the parties involved and may request additional securities. This is particularly important in the case of turnkey purchases, for which payment is made in arrears. However, business-to-business transactions are usually also pre-financed.
- In the Working and Connecting segments, the Group carries out numerous projects for government bodies, for which the credit risk is considered to be extremely low. Large-scale, integrated projects often involve the formation of consortia. The more specialised the expertise of a consortium partner, the more important that partner's creditworthiness is to the Group. In some cases, insufficient creditworthiness can lead to exclusion from the consortium, because a financial guarantee does not ensure that the necessary expertise will be retained.
- Cash and cash equivalents are held at various banks that have been assessed for creditworthiness. The credit risk is further limited by concentrating cash in a cash pool as much as possible.

Ageing trade receivables and provision for expected credit losses

Trade receivables are assessed for expected credit losses. The ageing of receivables from invoices past their due date for which no impairment has been applied was as follows:

x € 1 million	31 December 2024	31 December 2023
< 30 days	14.8	6.2
30-60 days	2.9	2.2
60-90 days	0.5	1.3
> 90 days - ≤ 1 year	1.1	2.6
> 1 years	1.9	1.8
Total	21.2	14.1

At year-end 2024, the balance of trade receivables stood at € 179 million (2023: € 196 million). This was the balance of invoices not yet due, invoices due for which no impairment has been applied (see table above) and the provision for expected credit losses on trade receivables (see table below).

The due dates of the other financial assets have not been exceeded.

Provision for expected credit losses from trade receivables

Trade receivables are presented after the deduction of impairments (expected credit losses). As soon as a significant deterioration in the credit risk of trade receivables is identified on an individual or collective basis, the provision is increased to the expected credit losses over the full term of the receivables in question. This is the case, for example, when a debtor has serious financial problems, does not comply with a repayment arrangement, or shows other observable signs of increased credit risk. The movements in the provision for expected credit losses were as follows:

x € 1 million	2024	2023
Balance at 1 January	0.7	0.6
Additions	0.5	0.4
Withdrawals	0.0	-0.2
Release	-0.3	-0.1
Balance at 31 December	0.9	0.7

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations at the time it is required to do so. See also note '6.22 Interest-bearing loans and other financing liabilities'. The liquidity-risk management assumption is that sufficient liquidity levels will be maintained to meet current and future financial obligations, in both normal and exceptional circumstances, without incurring unacceptable risks and without endangering the reputation of the Group.

Weekly three-month rolling and annual 12-month rolling liquidity forecasts are among the tools used to determine whether the Group has sufficient liquidity available. In addition, the availability of credit, including in the form of headroom available from credit insurers or providers of guarantees, is continuously monitored by regularly making projections of the score in relation to financial covenants and engaging in an active dialogue with all financial stakeholders. Based on this forecast, the Group considers that sufficient liquidity is available to conduct operations and to meet its financial obligations (see table hereafter).

To secure the availability of financial resources for both the long term and the short term, at year-end 2024 Heijmans has access to the following facilities:

- € 177.5 million committed revolving credit facility, with € 30 million of this committed in the form of an overdraft facility (see also section '6.22 Interest-bearing loans and other financing liabilities');
- project financing facilities for property developments; and
- leases of assets.

In order to satisfy clients' requirements for bank guarantees, the Group has access to guarantee facilities with various institutions. These facilities, insofar as they are not with ABN Amro, ING or Rabobank, are not committed. Every month, the Group draws up a projection of the use of the available bank guarantee facilities, based on current tenders and expectations regarding the discharge of existing bank guarantees. Based on these projections, the Group believes that the present size of the facilities is adequate.

At year-end 2024, the bank guarantee facilities totalled € 290 million (2023: € 276 million) provided by a total of nine parties. In 2024, the overall amount of the facilities was increased by € 15 million with one party. Total use of the facilities declined last year to stand at € 138 million at year-end 2024 (2023: € 147 million, with almost € 0.2 million of this for guarantees relating to the international activities that Heijmans disposed of in 2017. The remainder was exclusively related to guarantees for the Netherlands. The decline in use was largely due to the delivery of a major project in the Connecting segment.

The contractual maturity dates of the financial obligations, including interest payments, were as follows:

31 December 2024	Carrying amount	Contractual cash flow	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
x € 1 million							
Linear loan	-	-	-	-	-	-	-
Revolving credit facility	-	-	-	-	-	-	-
Project financing	-7.6	-8.3	-0.1	-2.5	-0.2	-5.5	-
Other non-current liabilities	-1.0	-0.9	-	-0.4	-0.1	-0.4	-
Trade and other payables	-367.3	-367.3	-367.3	-	-	-	-
Total	-375.9	-376.5	-367.4	-2.9	-0.3	-5.9	0.0

31 December 2023	Carrying amount	Contractual cash flow	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
x € 1 million							
Linear loan	-73.8	-88.5	-11.7	-12.6	-24.2	-40.0	-
Revolving credit facility	-	-	-	-	-	-	-
Project financing	-12.2	-13.6	-0.2	-0.2	-5.9	-7.3	-
Other non-current liabilities	-1.3	-1.4	-	-0.2	-0.7	-0.4	-0.1
Trade and other payables	-346.1	-346.1	-346.1	-	-	-	-
Total	-433.4	-449.6	-358.0	-13.0	-30.8	-47.7	-0.1

Market risk

Market risk is the risk that the income of the Group or the value of financial instruments is adversely affected by changes in market prices, for example, due to movements in exchange rates, interest rates and share prices. The objective of managing market risk is to keep the market risk position within acceptable limits while achieving optimum returns.

To manage market risk, derivatives may be bought and sold, and financial commitments may be undertaken. Transactions of this nature are carried out within established guidelines. As at year-end 2024, the Group's subsidiaries and joint operations had not contracted any derivative instruments (2023: none).

Price risk

Price risk associated with the purchase of raw materials and consumables as well as with outsourced work is primarily mitigated by making price indexation agreements with clients, or where possible by making price agreements with suppliers at an early stage, mainly in the case of long-term contracts. If necessary, derivatives may be used occasionally to hedge the price risk of procuring raw materials. Over the past years the Group has reduced its focus on large, integrated projects, and such the structure of the order book has become somewhat more short-cyclical. This mitigates inflation risk.

Interest-rate risk

The Group's interest rate policy is focused on limiting the impact of changes in interest rates on the Group's results. For the majority of the project financing arrangements, Heijmans opts for fixed interest rates, which provides greater certainty with respect to results from the various projects. With respect to the use of the syndicated loan, this is subject to a floating rate, in the form of a fixed margin plus the one-month Euribor rate (revolving credit facility). The revolving credit facility is primarily used to finance working capital. This is generally not required at the end of the year, so there are no benefits in fixing interest rates for longer periods.

If the interest rate for 2024 had been 2% higher on average on the floating interest-bearing loans, receivables and the average position, the result before tax would have been approximately € 1.0 million higher (2023: approximately € 2.4 million higher). The impact of a 2% difference in interest rates on the Group's equity (assuming all other variables had remained constant) would have resulted in € 0.8 million higher group equity (2023: € 1.8 million higher group equity). Due to the fact that the average level of cash and cash equivalents was positive, the calculations show that higher interest rates had a positive impact on the result development.

The table below shows the periods after which interest rates for interest-bearing financial assets and financial liabilities are revised:

31 December 2024			0-6	6-12	1-2	2-5	> 5
x € 1 million	Note	Total	months	months	years	years	years
Loans granted to joint ventures and other receivables	6.14	64.7	31.9	1.1	-	1.3	30.4
Cash and cash equivalents	6.19	105.4	105.4	-	-	-	-
Linear loan	6.22	-	-	-	-	-	-
Revolving credit facility	6.22	-	-	-	-	-	-
Project financing	6.22	-7.6	-5.2	-2.4	-	-	-
Other non-current liabilities	6.22	-1.0	-	-0.3	-	-0.7	-
Total		161.5	132.1	-1.6	0.0	0.6	30.4

31 December 2023			0-6	6-12	1-2	2-5	> 5
x € 1 million	Note	Total	months	months	years	years	years
Loans granted to joint ventures and other receivables	6.14	36.6	6.2	-	1.7	0.8	27.9
Cash and cash equivalents	6.19	40.4	40.4	-	-	-	-
Linear loan	6.22	-73.8	-73.8	-	-	-	-
Revolving credit facility	6.22	-	-	-	-	-	-
Project financing	6.22	-12.2	-6.6	-	-5.6	-	-
Other non-current liabilities	6.22	-1.3	-	-	-0.5	-	-0.8
Total		-10.3	-33.8	0.0	-4.4	0.8	27.1

As at year-end 2023, 39% (2023: 8%) of the interest-bearing gross debt had been negotiated at a fixed rate of interest, and 61% (2023: 92%) at a floating rate. The major change compared with the previous year is due to the repayment of the syndicated loan at a floating interest rate.

The average weighted term to maturity of project financing is 2.5 years (2023: 2.8 years). In recent years, Heijmans has concluded few if any new project financing facilities and has primarily occasionally extended financing arrangements. As a result, the average weighted term to maturity is generally declining.

The interest-bearing loans that were granted and drawn are measured at amortised cost rather than at fair value. The carrying amount of the loans is therefore not affected by changes in interest rates.

Currency risk

The Group's exposure to currency risk on sales, purchasing and loans is extremely limited, since by far the greater part of the cash flows within the Group are in euros. There are virtually no transactions in another currency.

Fair values

The table below shows the fair values and the carrying amounts of the financial instruments. The fair values are allocated to different levels of the fair-value hierarchy, depending on the inputs used to determine the measurement methods. The levels are defined as follows:

Level 1: quoted (unadjusted) market prices available to the Group on the measurement date, in active markets for identical assets or liabilities.

Level 2: input that is not a quoted market price at level 1 but is obtainable for the asset or liability concerned, either directly (as a price) or indirectly (derived from a price).

Level 3: input for the asset or liability not based on data available in a market (unobservable input).

The Group has no financial assets or liabilities measured at fair value.

Loans and receivables

x € 1 million			31 December 2024		31 December 2023	
	Note	Level	Carrying amount	Fair value	Carrying amount	Fair value
Loans granted to joint ventures and other receivables	6.14	2	64.7	63.1	36.6	36.2
Trade and other receivables	6.18	*	213.4	213.4	229.3	229.3
Cash and cash equivalents	6.19	*	105.4	105.4	40.4	40.4
Linear loan	6.22	2	-	-	-73.8	-73.8
Revolving credit facility	6.22	2	-	-	-	-
Project financing	6.22	2	-7.6	-7.6	-12.2	-11.9
Other non-current liabilities	6.22	2	-1.0	-0.9	-1.3	-1.3
Trade and other payables	6.25	*	-367.3	-367.3	-346.1	-346.1
Net loans and receivables			7.6	6.1	-127.1	-127.2

* The carrying amount is a reasonable approximation of the fair value.

The above values are based on the present value of future cash flows. The loans with a fixed interest rate are discounted using the yield curve for 31 December 2024, plus the relevant risk mark-up.

All loans with a variable interest rate are assumed to have a fair value equal to their carrying amount. Credit risk has no significant effect on the carrying amount of these loans.

Capital management

The Group's capital management policy has been designed to achieve a sound capital position with sufficient availability of credit to be able to ensure continuity for stakeholders. A sound long-term capital structure is based on operating with sufficient headroom within both the covenants as the headroom in the syndicated loan. The financial covenants are the leverage ratio, which is net interest-bearing debt after deduction of non-recourse financing divided by EBITDA not exceeding 3, plus an interest cover ratio of at least 5 and a solvency ratio of at least 21% (see also note '6.22 Interest-bearing loans and other financing liabilities' for a description of the financial ratios in the conditions agreed with the banks).

6.27 Investment commitments

x € 1 million	31 December 2024	31 December 2023
Contractual commitments for:		
- acquisition of property, plant and equipment	8.1	7.0
- acquisition of land	16.1	11.0
	24.2	18.0

Contractual commitments for acquisition of property, plant and equipment are related to commitments to purchase electric equipment for the Connecting segment.

In general, the contractual commitments to purchase land will materialise in 1 to 10 years.

No group guarantees have been issued to secure the investment commitments (2023: none).

No investment commitments have been entered into by joint operations in which Heijmans participates (2023: none).

6.27a Investment obligations joint ventures

Joint ventures in which the Group participates have entered into investment commitments amounting to € 20 million (2023: € 23 million) (Heijmans share). This is primarily related to the acquisition of land on which homes will be realised in the foreseeable future.

6.28 Contingent liabilities

General

Contingent liabilities are potential liabilities resulting from events prior to the reporting date. The liabilities are potential because the outflow of economic resources depends on the occurrence of uncertain events in the future.

Contingent liabilities can be divided into bank guarantees, Group guarantees and other contingent liabilities.

Bank and Group guarantees

x € 1 million	31 December 2024	31 December 2023
Bank guarantees relating to:		
Execution of projects (including guarantee obligations)	130.6	136.4
Tenders	0.0	0.4
Other	7.5	10.2
	138.1	147.0
Group guarantees relating to:		
Execution of projects (including guarantee obligations)	330.6	326.0
Credit and bank guarantee facilities	1.1	12.1
	331.7	338.1
Total	469.8	485.1

A bank guarantee is a bank's conditional promise to pay a beneficiary (usually the client) a specified amount. This is an independent commitment made by the bank to the beneficiary that the bank must fulfil without Heijmans' intervention. For each bank guarantee issued, the bank requires a counter-guarantee from Royal Heijmans N.V. (meaning that any payment made by the bank to the client must be repaid by Royal Heijmans N.V.). The bank guarantees are mainly issued for the execution of projects (including warranty obligations).

Royal Heijmans N.V. guarantees the obligations of subsidiaries, joint operations and joint ventures by means of a group guarantee. These group guarantees have mainly been issued for the purpose of project realisation (including warranty obligations). The Group has guaranteed its share of the debt arrangement of various joint operations and real estate joint ventures, which amounts to a total of € 1 million (2023: € 12 million). The Group does not expect to incur material credit losses on this.

The Group guarantees issued for divested operations (Leadbitter) are not included in the above table. They amount to € 22 million (2023: € 32 million). With regard to work completed and work in progress, the guarantees have been taken over by the buyer. The buyer has provided a bank or corporate guarantee for cases where this was not possible.

Other contingent liabilities

The other contingent liabilities amounted to a total of € 343 million at year-end 2024 (2023: € 214 million) and were primarily related to commitments to acquire land at the moment that a zoning plan has been finalised or when a building permit is obtained and/or a certain sales percentage is achieved. Of these commitments, € 319 million (2023: € 191 million) is expected to have a significant cash impact and € 24 million (2023: € 22 million) is expected to have a limited cash impact. Of this, € 5 million (2023: € 5 million) is included in joint operations.

No group guarantees have been issued for the other contingent liabilities (2023: none).

6.28a Contingent liabilities joint ventures

The contingent liabilities of joint ventures in which the Group participates amounted to € 18 million (2023: € 34 million) and were primarily related to purchase commitments for land at the moment a building permit is obtained and/or a certain sales percentage is realised. Of these liabilities, € 4 million (2023: € 18 million) is expected to have a significant cash impact and € 14 million (2023: € 16 million) is expected to have a limited cash impact. The aforementioned amounts are the Group's share in the joint ventures.

6.29 Joint operations and related parties

6.29a Joint operations

Some of the Group's operations are carried out in joint operations in which the Group exercises joint control with third parties. This occurs in various segments in which the Group is active. These arrangements remain in force until a project is completed.

The Group's share in the revenues, expenses and statements of financial position of joint operations in each segment is shown below:

2024					
x € 1 million	Living	Working	Connecting	Eliminations	Total
Revenue	134.0	25.0	117.0	-24.4	251.6
Expenses	-111.4	-24.3	-103.3	24.4	-214.6
Non-current assets	3.8	-	0.6	-	4.4
Current assets	49.8	19.2	58.9	-	127.9
Total assets	53.6	19.2	59.5	-	132.3
Non-current liabilities	5.4	-	2.9	-	8.3
Current liabilities	14.8	16.0	59.3	-	90.1
Total liabilities	20.2	16.0	62.2	-	98.4
Equity	33.4	3.2	-2.7	-	33.9

2023					
x € 1 million	Living	Working	Connecting	Eliminations	Total
Revenue	91.7	15.5	94.0	-40.3	160.9
Expenses	-79.8	-13.3	-76.7	40.3	-129.5
Non-current assets	5.8	-	0.6	-	6.4
Current assets	73.1	12.1	44.6	-	129.8
Total assets	78.9	12.1	45.2	-	136.2
Non-current liabilities	20.3	-	2.8	-	23.1
Current liabilities	33.6	8.2	40.5	-	82.3
Total liabilities	53.9	8.2	43.3	-	105.4
Equity	25.0	3.9	1.9	-	30.8

6.29b Related parties

Related parties can be divided into subsidiaries, associates, joint ventures, the members of the Supervisory Board and the members of the Executive Board.

Transactions with subsidiaries, associates and joint ventures

Transactions with subsidiaries are completely eliminated in the consolidated financial statements and therefore will not be addressed in any more detail.

Royal Heijmans N.V. undertakes a number of operating activities together with related parties, including in the form of joint arrangements. Significant transactions in this context are the contribution of land holdings to joint arrangements and/or their financing. In addition, large and complex projects are carried out in partnership with other companies. For information on relationships with joint ventures and associates, please see to note '6.13 Joint ventures and associates'.

Apart from the remuneration explained below, there are no other transactions with the members of the Supervisory Board and the members of the Executive Board.

Remuneration of Supervisory Board members

All Supervisory Board members receive a fixed annual fee that is not dependent on the results in any single year. They also receive a fixed or variable expense allowance. They have not been allocated any options or depositary receipts for shares. As at year-end 2024, one of the members of the Supervisory Board, Mr Vollebregt, owned a total of 28,001 depositary receipts for Royal Heijmans N.V. shares (2023: 27, 334). None of the Supervisory Board members has any business links to Heijmans from which they could derive personal gain.

The total payments granted to Supervisory Board members in 2024 and 2023 were as follows:

in €	2024	2023
Sj.S. Vollebregt– chairman*	71,960	67,887
Mr. M.M. Jonk**	69,559	65,622
J.W.M. Knape-Vosmer MBA***	53,971	50,916
Drs. A.E. Traas RA****	57,570	54,311
A.S. Castelein*****	55,170	52,047
M. van Gelder*****	7,996	-
Total	316,226	290,783

* Supervisory Board member since 15 April 2015 and Chairman since 13 April 2016.

** Supervisory Board member since 6 December 2018.

*** Supervisory Board member since 15 April 2020.

**** Supervisory Board member since 14 April 2021.

***** Supervisory Board member since 12 July 2022.

***** Supervisory Board member since 4 November 2024.

Remuneration of members of the Executive Board

Fixed and variable remuneration paid to members of the Executive Board

The amounts paid out to the members of the Executive Board in 2023 and 2024 and the amounts payable in 2025 in respect of fixed and variable remuneration are as follows:

in €	Gross fixed remuneration			Variable remuneration			Total remuneration		
	Payable in 2025	Paid in 2024	Paid in 2023	Payable in 2025	Paid in 2024	Paid in 2023	Payable in 2025	Paid in 2024	Paid in 2023
A.G.J. Hillen	710,000	635,000	566,667	944,124	718,516	648,292	1,654,124	1,353,516	1,214,959
G.M.P.A. van Boekel	530,000	460,000	425,000	706,028	538,887	449,305	1,236,028	998,887	874,305
Total	1,240,000	1,095,000	991,667	1,650,152	1,257,403	1,097,597	2,890,152	2,352,403	2,089,264

The gross fixed remuneration to be paid in 2024 will change, subject to the approval of the remuneration policy for the Executive Board by the General Meeting of Shareholders on 30 April 2024.

The variable remuneration payable in 2025 includes the long-term variable remuneration for the period 2022-2024 (see below).

Expenses recognised in the statement of profit or loss relating to the remuneration of the members of the Executive Board

The composition of the remuneration paid to each member of the Executive Board is as follows:

in €	Gross fixed remuneration		Short-term variable remuneration		Long-term variable remuneration		Pension contributions		Signing bonus		Expense allowances including reimbursement of car expenses, compulsory social insurance contributions and costs of the Share Matching Plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
A.G.J. Hillen*	635,000	566,667	554,540	293,516	543,130	430,556	222,058	209,186	-	-	143,645	147,649	2,098,373	1,647,574
G.M.P.A. van Boekel**	460,000	425,000	413,840	220,137	396,168	365,972	69,070	65,000	33,333	50,000	99,485	79,859	1,471,896	1,205,968
Total	1,095,000	991,667	968,380	513,653	939,298	796,528	291,128	274,186	33,333	50,000	243,130	227,508	3,570,269	2,853,542

* Chairman of the Executive Board since 1 December 2016 and member of the Executive Board since 18 April 2012.

** Member of the Executive Board since 1 September 2021.

Based on its discretionary powers, the Supervisory Board has decided to increase the payout based on the short-term qualitative targets for both members of the Executive Board by €44,000 gross due to the extraordinary performance of the Executive Board with regard to both the integration of Van Wanrooij and the continuity of Van Wanrooij's business operations. This results in a payout on the total short-term variable remuneration of 87.3% for Mr Hillen and 89.9% for Mr Van Boekel, respectively, of the agreed fixed base salary. For the period 2022-2024, a long-term variable remuneration of 68.8% of the base salary has been awarded for the objectives achieved over this period. For further details, see the remuneration report in the annual report.

For variable remuneration over the periods 2023-2025 and 2024-2026, € 753,360 has been reserved for the members of the board of directors (2023: € 495,834 for the periods 2022-2024 and 2023-2025). A total of € 436,880 has been reserved for Mr Hillen (2023: € 283,334) and € 316,480 has been reserved for Mr Van Boekel (2023: € 212,500).

When he joined Heijmans, Mr Van Boekel was awarded a signing bonus of € 150,000, which vested in September 2024. The expense is recognised in the statement of profit or loss on a straight-line basis during the period until vesting.

Members of the Executive Board are free to choose to participate in the Bonus Investment Share Matching Plan, which is designed to motivate directors for the long term and to bind them to the company. Pursuant to this plan, they can invest up to 50% of (the net equivalent of) the short-term variable remuneration they receive in any given year in Heijmans (depository receipts for) shares. The (depository receipts for) shares are frozen after purchase for a period of three years. Provided that they hold these depository receipts for three years and are still employed by the company at the end of that period, the company will award one bonus depository receipt for shares for each depository receipt in which they have invested, a so-called matching share. Once awarded, the matching shares are frozen for a period of two years.

In April 2021, Mr Hillen, exercising 23% of his short-term bonus awards for 2020, purchased 5,500 and 8,700 depositary receipts for Royal Heijmans N.V. shares. In the context of the Share Matching Plan, a conditional depositary receipt was granted for each depositary receipt acquired. Mr Hillen's depositary receipts for shares vested after three years. In April 2024, the Group purchased 5,500 depositary receipts for shares and granted them to Mr Hillen; these depositary receipts for shares are subject to a mandatory lock-up period of two years. The total charge associated with the granting of the depositary receipts for shares is calculated at the time the shares are awarded and is recognised on a straight-line basis in the statement of profit or loss during the period in which the awarded depositary receipts for shares are vested. In the statement of profit or loss for 2024, Heijmans recognised an amount of € 8,327 (2023: € 25,117) as a charge related to the depositary receipts for shares granted in April 2021.

In April 2022, Mr Hillen and Mr Van Boekel, exercising 23% and 25% respectively of their short-term bonus awards for 2021, purchased 5,300 and 1,500 depositary receipts for Royal Heijmans N.V. shares. In the context of the Share Matching Plan, a conditional depositary receipt was granted for each depositary receipt acquired. These depositary receipts for shares vest after three years. In the statement of profit or loss for 2024, Heijmans recognised an amount of € 30,408 (2023: € 30,408) as a charge related to the depositary receipts for shares granted in April 2022.

In April 2023, Mr Hillen and Mr Van Boekel, exercising 24% and 25% respectively of the gross short-term bonus granted for 2022, purchased 6,000 and 4,750 depositary receipts for Royal Heijmans N.V. shares. In the context of the Share Matching Plan, a conditional depositary receipt was granted for each depositary receipt acquired. These depositary receipts for shares vest after three years. In the 2024 statement of profit or loss, the Group recognised an amount of € 45,738 (2023: € 34,304) as a charge related to the depositary receipts for shares granted in April 2023.

In May 2024, Mr Hillen and Mr Van Boekel, both exercising 24% of the gross short-term bonus granted for 2023, purchased 4,200 and 3,100 depositary receipts for Royal Heijmans N.V. shares. In the context of the Share Matching Plan, a conditional depositary receipt was granted for each depositary receipt acquired. These depositary receipts for shares vest after three years. In the 2024 statement of profit or loss, the Group recognised an amount of € 27,772 (2023: nil) as a charge related to the depositary receipts for shares granted in April 2024.

The pension scheme for Mr Hillen pertains to the pension scheme of the industry-wide pension fund and a defined-contribution plan. Mr Hillen also received annual compensation of € 0 (2023: € 6,538), adjusted for possible collective labour agreement salary increases, for the lapse of the early retirement pension scheme. Mr Hillen also received compensation of € 142,696 in 2024 (2023: € 125,665) for the loss of pension accrual on his salary over and above € 137,800, plus compensation of € 50,232 (2023: € 50,232) for the loss of the indexation in the Delta Lloyd average salary scheme. Mr Van Boekel received a payment equal to the employer's contribution that would apply if he participated in the regular pension scheme for employees in the Construction & Infrastructure collective labour agreement. The contribution of € 69,070 comprises the premium for the Bpf Bouw pension plan in the amount of € 7,839, the defined contribution scheme in the amount of € 10,001 and the compensation for the loss of pension accrual on his salary above € 137,800 in the amount of € 51,230.

The pension charge is calculated in accordance with accounting policy 23.

As at year-end 2024, the members of the Executive Board owned a total of 90,473 depositary receipts for Royal Heijmans N.V. shares (2023: 91,578). The ownership of these depositary receipts for shares is partly a consequence of the Share Matching Plan as described above and partly the result of the purchase of depositary receipts for shares by members of the Executive Board. The ownership of depositary receipts for Royal Heijmans N.V. shares by the individual members of the Executive Board at year-end 2024 was as follows:

Depository receipts for shares owned on 31 December

In numbers of shares	2024	2023
A.G.J. Hillen	80,135	84,771
G.M.P.A. van Boekel	10,338	6,807
Total	90,473	91,578

6.30 Management estimates and judgements

The accounting information in the financial statements is partly based on estimates and assumptions. The Group makes these estimates and makes assumptions about future developments, based on factors such as experience and expectations about future events that may reasonably be expected to occur given the current state of affairs. These estimates and assumptions are continually reassessed.

Revisions of estimates and assumptions, or differences between estimates and assumptions and actual outcomes, may lead to material adjustments to the carrying amounts of assets and liabilities.

The most significant uncertainties, judgements and estimates in the preparation of the consolidated financial statements are related to:

- determining the best estimate for the valuation of work in progress (both debit and credit), including the determination of the progress of the projects and the estimate of the total cost-to-come and related revenues;
- determining the best estimate for the valuation of the strategic land positions, including the determination of the net realisable value; and
- determining the lowest cash generating unit and the annual tests for impairment of goodwill.

In addition to the nature of the estimates already described in the financial statements, the key elements of estimation uncertainty are explained below.

Macro-economic developments and the nitrogen emissions problem

The Executive Board continuously monitors the consequences of macro-economic developments.

In 2024, the Dutch economy grew more strongly than in 2023, despite persistent inflationary pressure and an increasingly tight labour market. The European Central Bank (ECB) is endeavouring to achieve a neutral interest rate level, which has led to a less restrictive interest rate policy. Over the past year, incomes have risen faster than inflation, increasing purchasing power. Combined with falling interest rates, this has created favourable market conditions in the housing sector. Geopolitical developments, such as possible import duties, are casting a shadow over an initially positive economic outlook for 2025.

Despite rising construction costs, the Group managed to keep sales prices at a high level, partly thanks to clear indexation agreements with clients. Although we are seeing an upward trend in the number of building permits issued, we have also seen is that the problems related to permit procedures have now reached a new low (due to appeal and objection procedures on permits), which is having a negative impact on the speed of project realisation within the Group's portfolio (approx. 4,000 homes).

Although the financial impact of the nitrogen emissions problem remained limited over the past year, recent rulings by the Council of State on internal netting may create further challenges in obtaining permits. In addition, the court has ruled in favour of Greenpeace in a case brought against the State, which could set a precedent and possibly influence the legal frameworks regarding biodiversity. This is increasing the uncertainty in the sector. Despite this, the Group's outlook for the coming years is good due to its diversified order book, which is healthy in terms of both size and quality.

Impairment test for goodwill

Changes in market interest rates lead to movements in the discount rate (WACC) used in the annual impairment test for goodwill. Given the considerable headroom between the carrying amount and the value in use of the relevant cash-generating units, there is very limited risk of a future impairment as a result of potential increases in market interest rates (see note '6.12 Intangible assets').

Climate-related matters

Climate change brings both risks and opportunities for the Group. These may have consequences for the medium-term forecasts that underlie the measurement of assets. The Sustainability Statement section of the annual report lists the opportunities and risks related to climate change. This statement shows that the opportunities are greater than the risks. The Group does not see any reason to adjust its medium-term projections downwards. The considerations for each type of asset in the consolidated statement of financial position (in the order in which they appear in the statement of financial position) are as follows:

Property, plant and equipment

There is a limited likelihood of an impairment because of climate-related risks. Property, plant and equipment comprises relatively new material that meets environmental standards and investments in, among other things, the electrification of equipment. The Group also has older equipment (with a low carrying amount), which eventually may be less useable, including older lorries with excessive greenhouse gas emissions. There is a second-hand market for the older material (at least for the time being), largely in second-world and third-world countries, which means that the current residual values can often still be realised. In addition, older material that cannot, for example, be used in town centres may still be used outside these areas. There is a plan to replace this equipment with cleaner equipment.

Right-of-use assets

There is a limited impact of climate-related risks on the measurement due to the short-term nature of the leases.

Intangible assets

As the opportunities are greater than the risks for all the Group's segments (including the cash-generating units to which the intangible assets are allocated), climate-related risks do not lead to a greater risk of an impairment.

Joint ventures and associates

This item consists primarily of joint ventures and associates with land holdings. For a more detailed explanation, see 'strategic land holdings' below. As such, the risk of an impairment of joint ventures and associates with lands holdings is limited.

Joint ventures and associates also includes the 50% holding in AsfaltNu. It is not expected that the demand for roads will decline over the long term. A more environmentally friendly alternative for asphalt is currently not available. The requirements on greenhouse gas emissions and other hazardous materials will become more and more strict, so existing asphalt manufacturing plants will eventually require addition investments in cleaner solutions. There is therefore a medium-level risk of an impairment of the interest in the equity of AsfaltNu because of the impact of climate-related risks. The Group intends to mitigate this risk by investing in a new asphalt plant via AsfaltNu (the new European standard) in Utrecht.

Loans granted and other receivables

This item consists primarily of loans granted to joint ventures and associates with land holdings. As explained above, there is a limited likelihood of an impairment of these joint ventures and associates as a result of climate-related risks, and such the risk of impairment on the loans granted to these joint ventures and associates is also limited.

Strategic land holdings

All land holdings are located in the Netherlands. There is continuing high demand for housing and consequently also for land on which to build them. In the very long term there is a risk that land could become unusable because of the consequences of climate change, such as flooding. The Group is confident that the Netherlands, as a prosperous country, will take measures against this, as there is still enough time to do this. There is a limited likelihood of a write-down of land holdings because of the impact of climate-related risks.

Other inventories

Other inventories mainly concern unsold residential property and land holdings in preparation and under construction (including development and construction rights). Given the short realisation period, the likelihood of an impairment due to climate-related risks is modest.

Work in progress debit

There is a modest likelihood of an impairment because of the impact of climate-related risks given the short realisation period. Specific climate-related targets have been agreed with principals for certain projects. In some cases these are difficult to achieve because of the limited availability of low-emission equipment, which may result in penalties. Where necessary, these penalties have already been discounted in the measurement of work in progress.

Deferred tax assets, income tax assets, trade and other receivables and cash and cash equivalents

Given the nature of these assets and the extremely short realisation period, the likelihood of an impairment due to climate-related risks is limited.

Measurement of projects

For more information on the key assumptions used in the measurement of projects, see note '6.17 Work in progress'.

Financing

Note '6.22 Interest-bearing loans and other financing liabilities' discloses the conditions attached to the financing in greater detail. One important condition involves satisfying the banking covenant ratios, specifically the interest cover ratio, the leverage ratio and the solvency ratio. Proper management of project risks (see above) is crucial to complying with these ratios. The same applies to the realisation of the order book, the business plan and multi-year projections.

Pensions

The key actuarial assumptions for the calculation of the pension liabilities are outlined in note '6.23 Provision for employee benefits'. There is an increased risk that the Group will be required to make additional contributions to the insured schemes that follow the indexation of the Bpf Bouw pension fund. The Group will have to make additional contributions in 2025, due to the fact that Bpf Bouw has decided to index pensions. It is possible that further contributions may be required in the future.

Deferred tax assets

See note '6.15 Deferred tax assets and liabilities' for more information on the key assumptions used in the measurement of deferred tax assets.

Strategic land holdings

See note '6.16 Inventories' for more information on the key assumptions used in the measurement of the strategic land holdings.

Intangible assets

See note '6.12 Intangible assets' for the main principles used in the annual determination of the recoverable amount of intangible assets.

Business combinations

The Group applies the acquisition method for the measurement of business combinations. The consideration transferred for the acquisition is generally measured at fair value, as are the net identifiable assets acquired. This is explained in more detail in note '6.2 Business combinations'.

6.31 Auditor's fees

The following fees for KPMG Accountants N.V. have been charged to the Company, its subsidiaries and other companies included in the consolidated figures, in accordance with the provisions in Section 382a Book 2 of the Dutch Civil Code.

2024

x € 1 million	KPMG Accountants NV	Other KPMG network firms in the Netherlands	Other KPMG network firms	Total KPMG
Audit of the financial statements	2.0	-	-	2.0
Other audit (and assurance) fees	0.5	-	-	0.5
Tax consultancy services	-	-	-	-
Other non-audit services	0.0	-	-	-
	2.5	-	-	2.5

In 2024, in addition to the statutory audit of the financial statements, KPMG accountants N.V. provided various permitted services. These included issuing statements related to the revenue statements and key figures, performing assurance activities on non-financial information for the sustainability report, and conducting specifically agreed-upon procedures for the 'Compliance Certificate' required by the banking consortium.

2023

x € 1 million	Ernst & Young Accountants LLP	Other EY network firms in the Netherlands	Other EY network firms	Total EY
Audit of the financial statements	2.2	-	-	2.2
Other audit (and assurance) fees	0.1	-	-	0.1
Tax consultancy services	-	-	-	-
Other non-audit services	0.0	-	-	-
	2.3	-	-	2.3

In 2023, in addition to the statutory audit of the financial statements, Ernst & Young Accountants LLP provided various permitted services. These included issuing statements related to the revenue statements and key figures, performing assurance activities on non-financial information for the sustainability report, and conducting specifically agreed-upon procedures for the 'Compliance Certificate' required by the banking consortium.

6.32 Events after the reporting date

In the period prior to signing, no significant events occurred that would have an effect on these financial statements.

7. Subsidiaries and joint operations

The following entities - subsidiaries and joint operations - are included in the consolidation. Wholly-owned entities are subsidiaries and the remaining entities are joint operations. For practical reasons, entities of only minor significance and dormant subsidiaries, are not included in this list. A complete list of subsidiaries and other consolidated interests has been filed with the Trade Register of the Chamber of Commerce in Eindhoven.

The Group has no individual material joint arrangements (i.e. joint ventures and joint operations) and/or associates that would require the disclosure of separate financial information.

	31 December 2024	31 December 2023
Heijmans Nederland B.V., Rosmalen	100%	100%
Heijmans Energie B.V., Rosmalen	100%	100%
Heijmans Facilitair Bedrijf B.V., Rosmalen	100%	100%
Heijmans Materieel Beheer B.V., Rosmalen	100%	100%
Heijmans Vastgoed B.V., Rosmalen	100%	100%
Heijmans Vastgoed Deelnemingen B.V., Rosmalen	100%	100%
V.O.F. Ooster-Linge 2, Rosmalen	50%	50%
VOF Westergouwe, Nieuwegein	50%	50%
Terra Ontwikkeling C.V., Rosmalen	100%	100%
Heijmans Woningbouw B.V., Rosmalen	100%	100%
Bouwcombinatie Hoogdalem V.O.F., Rosmalen	50%	50%
Bouwcombinatie Nieuw Kralingen V.O.F., Zoetermeer	50%	50%
Van Wanrooij Bouwontwikkeling B.V., 's Hertogenbosch	100%	100%
Van Wanrooij Bouwbedrijf B.V., 's Hertogenbosch	100%	100%
Van Wanrooij Projectontwikkeling B.V., 's Hertogenbosch	100%	100%
Bouwmateriëlehandel Bevers B.V., Rosmalen	100%	100%
VOF Land van Coudewater	50%	50%
PeVaGis B.V., Hooge Mierde	100%	0%
Heijmans Utiliteit B.V., Rosmalen	100%	100%
Bouwcombinatie RIK V.O.F.	50%	50%
Heijmans Infrastructuur B.V., Rosmalen	100%	100%
Heijmans Infra B.V., Rosmalen	100%	100%
Combinatie Waddenkwartier V.O.F., Rosmalen	75%	75%
Waalensemble V.O.F., Rosmalen	33%	33%
v.o.f. TriAX KNM, Rosmalen	33%	33%

8. Company-only financial statements

8.1 General

The company-only financial statements are part of the 2024 financial statements of Royal Heijmans N.V.

Please see the notes to the consolidated statement of profit or loss and statement of financial position for items in the company-only statement of profit or loss and statement of financial position for which no additional explanations are provided.

8.2 Accounting policies for financial reporting

Royal Heijmans N.V. applies the option provided in Article 2:362(8) of the Dutch Civil Code when determining the principles for the recognition and measurement of assets and liabilities and the determination of results in its company-only financial statements. This means that the basis for the measurement of assets and liabilities and the determination of results (valuation principles) applied in the company-only financial statements of Royal Heijmans N.V. are the same as those applied in the consolidated EU-IFRS financial statements. Investees over which significant influence is exercised are valued based on the net asset value. Any impairment on receivables from group companies due to expected credit losses are eliminated within the respective item. As a result, these impairments do not affect the statement of profit or loss or the statement of financial position in any way.

Royal Heijmans N.V. is registered with the Chamber of Commerce under number 16004309.

The share in the result of investees consists of the share of Royal Heijmans N.V. in the results of these participations. Results from transactions involving the transfer of assets and liabilities between Royal Heijmans N.V. and its participations, as well as between participations themselves, have not been recognized to the extent that they can be considered unrealized.

For details on the remuneration of the members of the Supervisory Board and the Executive Board, see note '6.29 Joint operations and related parties' to the consolidated financial statements.

Corporate income tax is charged to and/or allocated to the subsidiaries that are part of the fiscal unity as if they were independent taxable entities. Tax receivables and liabilities with respect to the subsidiaries in question are included under current assets and other current liabilities.

8.3 Company-only statement of profit or loss 2024

x € 1 million	2024	2023
Administrative expenses	-4.1	-3.4
Operating result	-4.1	-3.4
Finance income	0.1	2.8
Finance expense	-9.9	-6.1
Result before tax	-13.9	-6.7
Income tax	2.3	-0.3
Share in profit or loss of investees	101.6	66.7
Result after tax	90.0	59.7

The effective tax rate for 2024 amounted to a negative 16.6% (2023: 4%). For both years, this was lower than the nominal rate of 25.8%. This is almost entirely because Royal Heijmans N.V., as the parent of the fiscal unity for corporate income tax, settled its result for the year with the entities that are part of the same fiscal unity.

The remuneration for the members of the Supervisory Board, the Executive Board and the Board's Secretariat are recognised in the company-only financial statements (see notes '6.5a Staff costs' and '6.9 Joint operations and related parties' to the consolidated financial statements).

On average, 4 people were employed at Royal Heijmans N.V. during the year (2023: 4). There were no employees working outside the Netherlands.

8.4 Company-only statement of financial position at 31 December 2024 (before appropriation of result)

x € 1 million	31 December 2024	31 December 2023
Assets		
Non-current assets		
8.5 Intangible assets	21.2	21.2
8.5 Financial assets	1,036.4	946.4
	1,057.6	967.6
Current assets		
Receivables	4.0	27.0
Cash and cash equivalents	0.1	1.3
	4.1	28.3
Total assets	1,061.7	995.9
Equity and liabilities		
Equity		
8.5 Issued capital	8.3	8.1
8.5 Share premium reserve *	250.8	237.7
8.5 Legal reserve for participating interests *	164.3	141.9
8.5 Reserve for actuarial results	-64.0	-64.0
8.5 Reserve for Bonus Investment Share Matching Plan	0.2	0.2
8.5 Retained earnings *	13.4	0.0
8.5 Result after tax for the current financial year	90.0	59.7
	463.0	383.6
8.5 Non-current liabilities	0.0	55.0
8.5 Current liabilities	598.7	557.3
Total equity and liabilities	1,061.7	995.9

* The comparative figures have been adjusted. For more background information, we refer to the explanation on equity.

8.5 Notes to the company-only statement of financial position Intangible assets (goodwill)

x € 1 million	2024	2023
Carrying amount		
Balance at 1 January	21.2	21.2
Balance at 31 December	21.2	21.2

Intangible assets comprise goodwill purchased on the acquisition of IBC in 2001. Historical cost was € 47.2 million and accumulated impairment is € 26 million.

Financial assets

x € 1 million	2024	2023
Investments in Group companies	554.5	452.9
Loans granted to group companies	478.1	481.0
Deferred tax asset	3.8	12.5
Total financial assets	1,036.4	946.4

Investments in Group companies

x € 1 million	2024	2023
Balance at 1 January	452.9	93.0
Share in results of investees after tax	101.6	66.7
Capital contribution	-	296.9
Other comprehensive income (after tax): Changes in actuarial results on defined-benefit plans	-	-3.7
Balance at 31 December	554.5	452.9
Set off against receivables from Group companies	0.0	0.0
Recognised under financial assets	554.5	452.9

The investments in Group companies relate to direct or indirect interests in group companies. The principal Group companies are listed in section 7 of the consolidated financial statements.

Loans granted to group companies

x € 1 million	31 December 2024	31 December 2023
Balance at 1 January	481.0	491.7
Loans granted	15.7	16.2
Loans repaid	-18.6	-26.9
Balance at 31 December	478.1	481.0

Loans granted to group companies predominantly have a maturity of more than one year.

Deferred tax assets

Deferred tax assets relate to losses of the Royal Heijmans N.V. fiscal unity which have been recognised but not yet utilised. The movements in the financial year were as follows:

x € 1 million	2024	2023
Balance at 1 January	12.5	20.7
Prior-year adjustment	-0.1	-0.2
Charge for the financial year	-8.6	-8.0
Balance at 31 December	3.8	12.5

See note '6.15 Deferred tax assets and liabilities' to the consolidated financial statements for details of the deferred tax asset related to the losses of the Royal Heijmans N.V. fiscal unity that have not yet been utilised.

Cash and cash equivalents

Cash balances are at the free disposal of the Company.

Equity

	Issued capital	Share premium reserve	Legal reserve for participating interests	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
2024								
x € 1 million								
Balance at 1 January *	8.1	237.7	141.9	-64.0	0.2	-	59.7	383.6
Share issue	-	-	-	-	-	-	-	-
Dividend payments	0.2	13.1	-	-	-	-23.9	-	-10.6
Reclassification	-	-	22.4	-	-	-22.4	-	-
Bonus Investment Share Matching Plan	-	-	-	-	-	-	-	-
Appropriation of result for 2023	-	-	-	-	-	59.7	-59.7	-
Total result	-	-	-	-	-	-	90.0	90.0
Balance at 31 December	8.3	250.8	164.3	-64.0	0.2	13.4	90.0	463.0

	Issued capital	Share premium reserve	Legal reserve for participating interests	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
2023								
x € 1 million								
Balance at 1 January *	7.1	210.8	99.5	-60.3	0.3	-	59.6	317.0
Share issue	0.7	22.8	-	-	-	-	-	23.5
Dividend payments	0.3	10.7	-	-	-	-23.8	-	-12.8
Reclassification *	-	-6.6	42.4	-	-	-35.8	-	-
Bonus Investment Share Matching Plan	-	-	-	-	-0.1	-	-	-0.1
Appropriation of result for 2022	-	-	-	-	-	59.6	-59.6	-
Total result	-	-	-	-3.7	-	-	59.7	56.0
Balance at 31 December *	8.1	237.7	141.9	-64.0	0.2	-	59.7	383.6

* The comparative figures have been adjusted. For more background information, we refer to the explanation on equity.

When preparing the 2024 financial statements, it was identified that the legal reserve for participating interests was understated in the 2023 financial statements. Not all participating interests for which the Group cannot distribute dividends without restrictions had a legal reserve formed. This omission only affects the composition of equity and not its size or the result for the 2023 financial year. As of January 1, 2023, the legal reserve for participating interests was understated by €80.3 million, retained earnings were overstated by €24.3 million, and the share premium reserve was overstated by €56 million. As of December 31, 2023, the legal reserve for participating interests was understated by €105.6 million, retained earnings were overstated by €43.1 million, and the share premium reserve was overstated by €62.5 million. The comparative figures have been adjusted accordingly.

Authorised share capital

The composition of the authorised share capital is as follows:

in €	31 December 2024	31 December 2023
35,100,000 ordinary shares, each with a nominal value of €0.30	10,530,000	10,530,000
4,900,000 cumulative financing preference shares B, each with a nominal value of €0.30	1,470,000	1,470,000
8,000,000 protective preference shares, each with a nominal value of €1.50	12,000,000	12,000,000
	24,000,000	24,000,000

As at 31 December 2024, the number of ordinary shares issued stood at 27,478,005 (2023: 26,825,860). All the outstanding shares are paid up, which represents a value of € 8,243,401 (at € 0.30 per share) (2023: 8,047,758 at € 0.30 per share). Depositary receipts are issued for ordinary shares. Holders of depositary receipts have the option to convert these into shares under certain conditions. At year-end 2024, this option was exercised for 2,615 depositary receipts (2023: seven depositary receipts). The holders of depositary receipts are entitled to dividend and have the right to exercise 30 votes per share at meetings of the Company's shareholders.

A more detailed explanation of the rights, preferences and restrictions with regard to the preference shares is included in the Heijmans Preference Shares Trust (Stichting Preferente Aandelen Heijmans) appendix.

Share premium reserve

The share premium reserve consists of the capital paid up in excess of the nominal value of the shares.

Legal reserve for participating interests

The legal reserve for participating interests represents the difference between the retained earnings and the direct changes in equity as calculated using the parent company's accounting policies on the one hand and that portion for which the parent company can determine distribution on the other hand. The legal reserve is determined for each participating interest individually. This reserve is not freely distributable.

Reserve for actuarial results

The reserve for actuarial results represents the actuarial results on employee-benefits (see note '6.23 Provision for employee benefits' to the consolidated financial statements).

Reserve for Bonus Investment Share Matching Plan

For information on the reserve for the Bonus Investment Share Matching Plan, see note '6.29 Joint operations and related parties' to the consolidated financial statements.

Appropriation of result

Of the realized result after taxes amounting to €90 million, it is proposed that 50% be distributed in cash as a dividend on (depositary receipts for) ordinary shares, with the remaining portion being added to the reserves in accordance with the 'allocation of results' section in the other information.

Liabilities

x € 1 million	31 December 2024	31 December 2023
Non-current liabilities		
Linear loan	-	55.0
	-	55.0
Current liabilities		
Group companies	388.2	388.3
Linear loan	-	20.0
Banks	208.1	146.4
Other liabilities	2.4	2.6
	598.7	557.3

Related parties

The company has entered into financing agreements with a number of its subsidiaries and affiliated companies in the context of its business operations.

Furthermore, the short-term liabilities to group companies include a liability to a group company that arose in the past from the sale of the Group's foreign operations. No written agreement is available regarding this debt position, and no repayment schedule or interest payment has been agreed between Royal Heijmans N.V. and the associate

8.6 Liabilities not disclosed in the statement of financial position**Contingent liabilities**

x € 1 million	31 December 2024	31 December 2023
Bank guarantees	138.1	147.0
Group guarantees to clients	330.6	326.0
Group guarantees to credit institutions	1.1	12.1
	469.8	485.1

For information on the guarantees, see note '6.28 Contingent liabilities' to the consolidated financial statements.

Joint and several liability and guarantees

With the exception of Heijmans Deutschland B.V., Heijmans Technology B.V., Brabotech Metselwerken B.V., Heijmans Management Deelnemingen B.V., Heijmans Infra A27/A1 B.V., Heijmans Energie B.V., Matching Materials B.V., Interterra Beheer B.V., Heijmans Infra Commandiet B.V., Heijmans Infra Groeves B.V., Heijmans Euro poles B.V., Hezon B.V., Hezon Holding B.V. and Riederwaard Beheer B.V., statements of joint and several liability as referred to under Section 403(1) (f) of Book 2 of the Dutch Civil Code have been filed with the Trade Register of the respective Chamber of Commerce.

A list of subsidiaries and other consolidated interests is listed in section 7 of the consolidated financial statements.

Fiscal unity

Together with almost all of its Dutch subsidiaries, Royal Heijmans N.V. forms a fiscal unity for the purposes value added tax. As a result of this, each subsidiary is jointly and severally liable for the value added tax liabilities of the fiscal unity.

The Heijmans group has three fiscal unity's for the levying of value added tax. These are:

- Royal Heijmans N.V.;
- Van Wanrooij Bouwontwikkeling B.V.; and
- PeVaGis B.V.

Each subsidiary is jointly and severally liable for the corporate income tax liabilities of the fiscal unity to which it belongs.

Share in results of investees

This is the company's share in the results of its investees, all of which are Group companies.

Events after reporting date

In the period prior to signing, no significant events occurred that would have an effect on these financial statements.

Signing financial statements

Rosmalen, 28 February 2025

The members of the Executive Board

A.G.J. Hillen

G.M.P.A. van Boekel

The members of the Supervisory Board

Sj.S. Vollebregt

M.M. Jonk

J.W.M. Knape-Vosmer

A.E. Traas

A.S. Castelein

M.C. van Gelder



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Profit appropriation

Pursuant to Article 31 of the Articles of Association, the profit shall be distributed as follows:

- The Executive Board shall reserve as much of the profit as it deems necessary, subject to the approval of the Supervisory Board.
- Insofar as the profit is not reserved, it is at the disposal of the General Meeting of Shareholders, which can decide to reserve the profit in whole or in part, or to distribute it in whole or in part to holders of ordinary shares in proportion to their holdings of ordinary shares.

With the approval of the Supervisory Board, the Executive Board has decided to distribute 50% of the realised profit after taxes of € 90 million as dividend on the ordinary shares and depositary receipts therefor, and to add the remainder to the reserves.

Dividend policy

Heijmans has until now pursued a dividend policy in which – barring exceptional circumstances – the pay-out ratio amounts to 40% of the profit after tax from ordinary business operations.

Heijmans intends to adjust the dividend policy, to the effect that the pay-out ratio will increase to 50% and that the dividend will be paid exclusively in the form of cash. This amendment will be explained to the General Meeting of Shareholders on 16 April 2025. The dividend proposal put to the vote at the meeting will be based on the amended dividend policy.

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Royal Heijmans N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Royal Heijmans N.V. as at 31 December 2024 and of its result and its cash flows for 2024, in accordance with International Financial Reporting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company-only financial statements give a true and fair view of the financial position of Royal Heijmans N.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2024 of Royal Heijmans N.V. based in Rosmalen. The financial statements include the consolidated financial statements and the company-only financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2024;
2. the following consolidated statements for 2024: the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

The company-only financial statements comprise:

1. the company-only balance sheet as at 31 December 2024;
2. the company-only statement of profit or loss for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Royal Heijmans N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (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).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 22 million
- 0.9% of Revenue

Group audit

- Performed substantive procedures for 92% of total assets
- Performed substantive procedures for 97% of revenue

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: revenue recognition and valuation of construction contracts and service contracts, valuation of strategic land positions and land positions under development, the risk of corruption and/or bribery in obtaining contracts through sponsorships and the presumed risk of management override of controls identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no going concern risks identified.
- Climate risks: We have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matters

- Revenue recognition and valuation of construction contracts and service contracts
- Valuation of strategic land positions and land positions under development

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 22 million. The materiality is determined with reference to revenue (0.9%). We consider an activity-based benchmark to be the most appropriate basis to determine materiality. Given the current market conditions, we consider revenue to be a stable and appropriate basis, also as it best reflects the size and performance of Royal Heijmans N.V.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 880,000 would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Royal Heijmans N.V. is at the head of a group of components (hereafter "Group"). The financial information of this group is included in the consolidated financial statements of Royal Heijmans N.V.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We as group auditor audited the entire group and as such, did not involve any other audit firms. Through our centralized audit approach, direction and supervision of the audit, the team operates as an integrated unit.

We have performed substantive procedures for 97% of Group revenue and 92% of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter 'Governance & riskmanagement' and 'Sustainability' of the annual report, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit we have gained insights into Royal Heijmans N.V. and its business environment and Royal Heijmans N.V.'s risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the code of conduct, whistleblowing procedures, incidents register and Royal Heijmans N.V.'s procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Executive Board, the Supervisory Board and other relevant functions, such as Legal Counsel and Internal Audit and included correspondence with relevant supervisory authorities in our evaluation.

We have also incorporated elements of unpredictability in our audit, such as alternative criteria to identify and test journal entries with a higher risk of fraud and testing representation costs.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance: laws and regulations regarding contract acquisition (due to the nature of the business as a construction company) and laws and regulations regarding corruption and bribery.

Based on the above and on the auditing standards, we identified the following risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Revenue recognition and valuation of construction contracts and service contracts

Risk

In a construction company like Royal Heijmans N.V., estimating the progress and results of construction contracts and service contracts is an integral part of revenue and result recognition. We recognize a higher risk that the result of construction and service contracts may be materially misstated. The extent to which this risk is present, depends on the size and complexity of construction contracts and service contracts. In the financial statements, this risk pertains to the valuation of work-in-progress and provisions for work in progress losses in the statement of financial position and the completeness of revenue in the statement of profit or loss.

Audit approach

We describe our audit procedures to address this fraud risk as part of the key audit matter "Revenue recognition and valuation of construction contracts and service contracts".

Valuation of strategic land positions and land positions under development

Risk

We recognize the significant risk that the valuation of strategic land positions and lands under development may be incorrectly estimated. The extent to which this risk is present depends on quantitative and qualitative factors and is influenced by developments in the housing market and other subjective elements. In the financial statements, this risk pertains to the valuation of strategic land positions and land positions under development in the statement of financial position.

Audit approach

We describe our audit procedures to address this fraud risk as part of the key audit matter "Valuation of strategic land positions and land positions under development".

Bribery and/or corruption**Risk**

Due to the nature of the business activities and the characteristics of related transactions, we identify an increased risk of bribery and/or corruption regarding contract acquisition and obtaining permits from (local) governments. Bribery and/or corruption can cause damage to the company, for example, through fines and/or exclusion from tender procedures. Such bribery could take place or be concealed in various ways, for instance, through sponsorship. We specifically recognize this risk for the business areas 'Connecting' and 'Working'.

Audit approach

Our audit procedures designed to address this fraud risk include, among others:

- We evaluated the design and implementation of internal controls related to the tendering process;
- We performed detailed testing over sponsorship contracts and specific cost types following our risk assessment, including sponsorship costs. As part of our testing, we assess, for example, whether there is an arm's length reason for the sponsorship. We reconcile these costs with source documentation, including contracts, invoices, bank statements, and financial records.

Furthermore, we performed data analyses on journal entries with a higher risk related to bribery and/or corruption. Where we identified unexpected journal entries or other risks through our data analysis, we performed additional audit procedures, including tracing transactions back to source information.

Management override of control**Risk**

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, such as in estimates related to the valuation of construction contracts and service contracts and the valuation of strategic land positions and land positions under development.

Audit approach

We evaluated the design and implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates.

Furthermore, we performed data analyses on journal entries with a higher risk related to revenue recognition, including journal entries with certain descriptions. Where we identified unexpected journal entries or other risks through our data analysis, we performed additional substantive audit procedures, including tracing transactions back to source information.

Additionally, we evaluated significant estimates as well as judgments and assumptions made by management, including performing a retrospective review of judgments included in the financial statements of the previous financial year.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did lead to the key audit matters as described hereafter.

We communicated our risk assessment, audit responses and results to the Executive Board and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As explained in the accounting policies of the financial statements, the financial statements were prepared on a going concern basis. The Executive Board has performed its going concern assessment and has not identified any going concern risks.

To assess the Executive Board's assessment, we have performed, inter alia, the following procedures :

- we considered whether the Executive Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analyzed the market developments, financial position as at year-end and in comparison to the previous financial year, obtained and evaluated budgeted operational results and related cash flows for the upcoming financial year and considered whether they indicate a going concern risk;
- we inspected the financing agreement's terms of conditions that could lead to going concern risks, including the maturity date and any covenants.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to climate-related risks

Royal Heijmans N.V. has set out its ambitions relating to climate change in the chapter 'Our Strategy Together towards 2030' (section 'Sustainability') of the annual report. By 2030, Royal Heijmans N.V. has set the ambition to be 100% CO₂e neutral in their direct business operations and electricity consumption (known as scope 1 and 2) and to have reduced greenhouse gas emissions in the chain by at least 50% (scope 3) compared to 2019. In addition, Royal Heijmans N.V. has set the goal to operate in a CO₂e-neutral manner by 2040.

The Executive Board has assessed, how climate-related risks and opportunities and Royal Heijmans N.V.'s own ambitions could have an impact on its business or could impose the need to adapt its strategy. The Executive Board has also considered the impact of climate-related risks on the financial statements. As described in note 6.30 ('section climate-related matters') of the financial statements the risks and potential negative financial impacts for the financial statements particularly concern the valuation of joint ventures and associated participations, and to a lesser extent the valuation of old equipment in tangible fixed assets, with the recognized risk being greatest for the valuation of the participation in AsfaltNu.

As part of our audit we performed a risk assessment of the impact of climate-related risk and the ambitions made by Royal Heijmans N.V. in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

- Understanding the Executive Board's assessment of the impact of climate-related risks on the financial statements including the identified risk for the valuation of the participation in AsfaltNu.
- Royal Heijmans N.V. has disclosed that it has prepared its sustainability report in accordance with the European Sustainability Reporting Standards (ESRS). We have read, and considered as part of our risk assessment, these sustainability statements, which includes information over material sustainability matters relating to material impacts, risks and opportunities relating to climate change. As part of this, we have read and considered the information reported over the connectivity of the sustainability statements with the financial statements.
- We have evaluated the business strategy in which the climate ambitions of Royal Heijmans N.V. are described.
- Together with our forensic specialists, we have evaluated climate-related fraud risk factors, including sustainability performance linked to executive remuneration, in relation to climate-related risks to determine whether these factors indicate a risk of material misstatement in the financial statements.

Based on the procedures performed above we found climate related risks have no material impact on the current financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Revenue recognition and valuation of construction contracts and service contracts**Description**

In a construction company like Royal Heijmans N.V., estimating the progress and results of construction contracts and service contracts is an integral part of revenue and result recognition. We recognize a higher risk that the result of construction and service contracts may be materially misstated. The extent of the risk depends on the size and complexity of construction contracts and service contracts. In the financial statements, this risk pertains to the valuation of work-in-progress and provisions for work in progress losses in the statement of financial position and the completeness of revenue in the statement of profit or loss.

Our response

We have evaluated the design and implementation of internal controls relevant for revenue recognition and valuation of construction contracts and service contracts.

For construction contracts and service contracts, we have performed substantive audit procedures for incurred costs, progress billings, trade receivables, and revenue from completed projects through comprehensive analyses and statistical sampling.

For the valuation of and revenue from construction contracts and service contracts, we applied a risk-based audit approach where, based on size and risk profile, construction contracts and service contracts were selected for further testing procedures. For the selected construction contracts and service contracts, we have performed some of the following testing procedures:

- Discussions with project management and project controllers regarding the elements of estimation in the contracts;
- Evaluating and reconciling with underlying documentation, such as contracts, agreed-upon additional work and quotations to test the assumptions made in the estimated contract results;
- Analysing the reported estimated contract results individually and across multiple contracts to test consistency of measurements and identify trends;
- Retrospective analysis of the contract results estimated in the previous year;
- Data analyses on the contract administration regarding developments in estimated contract results as the culmination of our risk-based approach.

We also tested whether the disclosures are adequate and provide sufficient insight into the uncertainty and choice of valuation assumptions.

Our observation

In our opinion, the applied principles regarding the valuation of construction contracts and service contracts are acceptable and sufficiently disclosed. The assumptions and estimates made by the Executive Board fall within the acceptable range.

Valuation of strategic land positions and land positions under development**Description**

We recognize the significant risk that the valuation of strategic land positions and lands under development may be incorrectly estimated. The extent of the risk depends on quantitative and qualitative factors and is influenced by developments in the housing market and other subjective elements. In the financial statements, this risk pertains to the valuation of strategic land positions and land positions under development in the statement of financial position.

Our response

We have evaluated the design and implementation of internal controls relevant for the valuation of strategic land positions and land positions under development.

For the valuation of strategic land positions and land under development, we applied a risk-based audit approach where, based on size and risk profile, land positions were selected for further testing procedures. For the selected land positions, we have performed the following testing procedures:

- Discussions with management and controllers regarding the elements of estimation in determining the net realizable value, such as the formulation and realization of development plans and the expected development of land- and housing prices;
- Evaluating and reconciling with underlying documentation, such as contracts, plans, and decisions from government authorities and market data to test the assumptions made in determining the net realizable value;
- Evaluating the calculation models used in the valuation and the inputs applied therein;
- Retrospective analysis of the net realizable value estimated in the previous year.
- We have engaged our own specialists for the valuation of the most high-risk positions to verify whether the valuation by Royal Heijmans N.V. falls within the range of our independent valuation.

We also tested whether the disclosures are adequate and provide sufficient insight into the uncertainty and choice of valuation assumptions.

Our observation

In our opinion, the applied principles regarding the valuation of strategic land positions and land positions under development are acceptable and sufficiently disclosed. The assumptions and estimates made by the Executive Board fall within the acceptable range.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these 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 the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF**Engagement**

We were initially appointed by the General Meeting of Shareholders as auditor of Royal Heijmans N.V. on 3 April 2023, as of the audit for the year 2024.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Royal Heijmans N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Royal Heijmans N.V., complies in all material respects with the RTS on ESEF.

The executive board is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the executive board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board 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. Furthermore, the Executive Board is responsible for such internal control as 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 that respect the Executive Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the ability of Royal Heijmans N.V. to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate Royal Heijmans N.V. or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the financial reporting process of Royal Heijmans N.V.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and 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 these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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 included among others:

- 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 the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 internal control of Royal Heijmans N.V.;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board;
- concluding on the appropriateness of the executive board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Royal Heijmans N.V. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in 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. However, future events or conditions may cause a 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.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

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 findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 28 February 2025

KPMG Accountants N.V.

J. van Delden RA

Limited assurance report of the independent auditor on the sustainability statement

To: the Executive Board of Royal Heijmans N.V.

Our conclusion

We have performed a limited assurance engagement on the (consolidated) sustainability statement for the book year 2024 of Royal Heijmans N.V. based in Rosmalen (hereinafter: the company) in section sustainability report of the accompanying annual report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement on the sustainability information' section of our report.

We are independent of Royal Heijmans N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matters

Emphasis on the context of the new sustainability reporting standards

We draw attention to paragraph 'About this report' in the chapter 'General information' on page 163 of the sustainability statement. This disclosure sets out that the sustainability statement has been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations and addressing inherent measurement or evaluation uncertainties.

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section 'Estimates and sources of uncertainty and assumptions' in the paragraph 'Reporting principles applied' in the chapter 'General information' on page 165 in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Emphasis on the double materiality assessment process

We draw attention to 'Results and integration in our strategy' in section 'In dialogue with our stakeholders' in the paragraph 'Double materiality' in the chapter 'General information' on page 174 in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the

company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect to these matters.

Corresponding information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the sustainability statement of prior year. Consequently, the corresponding sustainability information and thereto related disclosures for the period ending 31 December 2023 have not been subject to reasonable or limited assurance procedures in the context of the new sustainability reporting standards (ESRS).

Our conclusion is not modified in respect to this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the Executive Board of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Executive Board and Supervisory Board for the sustainability statement

The Executive Board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The Executive Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company

Our responsibilities for the assurance engagement on the sustainability statement

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Executive Board appears consistent with the process carried out by the company;
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends;

- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Executive Board's estimates;
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures;
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement;
- Considering whether:
 - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement;
 - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
 - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEA OB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024, and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented;

- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation); and
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Rotterdam, 28 February 2025

KPMG Accountants N.V.

J. van Delden RA

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Executive Board statement

To fulfil their legal obligation pursuant to Section 2:101 (2) of the Dutch Civil Code and Section 5: 25c (2)(c) of the Dutch Financial Supervision Act (Wft), each member of the Executive Board states that to the best of their knowledge:

- the financial statements give a true and fair view of the assets, the liabilities, the financial position and the results of the Company and the companies included in the consolidation, and;
- the annual report provides a true and fair view of the situation as at 31 December 2024 and the developments at the Company and its affiliated companies during the 2024 financial year, and of the data presented in its financial statements, and that the annual report describes the material risks the issuing institution faces.

Supplementary to the above, each member of the Executive Board states that, to the best of their knowledge:

- the report provides sufficient insight into any deficiencies in the effectiveness of the Company's risk management and control systems (see Risk management chapter);
- the above-mentioned systems provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies (see Risk management chapter);
- that on the basis of the current state of affairs it is justified that the financial reporting was prepared on a going-concern basis (see Financial statements chapter – explanatory notes), and;
- the report cites the material risks and uncertainties that are relevant in terms of the expectations regarding the continuity of the Company for the period of twelve months after the preparation of the report (see The world around us chapter, Financial results chapter and Risk management chapter).

Rosmalen, 28 February 2025

A.G.J. Hillen
G.M.P.A. van Boekel

Heijmans Share Administration Trust 2024

The following report is presented in line with the best practice provision 4.4.6 in conjunction with provision 4.4.7 of the Dutch Corporate Governance Code.

Methods

To emphasise the independence of the Heijmans Share Administration Trust (hereinafter referred to as 'the SA Trust'), its Board of Trustees first meets in the absence of the members of the Company's Executive Board. The members of the Executive Board and the Chairman of the Supervisory Board subsequently join the meeting.

Number of shares for which depositary receipts have been issued

The SA Trust has issued depositary receipts for ordinary shares of Heijmans N.V. with the Company's cooperation. The SA Trust is an independent legal entity, as defined in Section 5:71 (1)(d) of the Financial Supervision Act.

As at 31 December 2024, the SA Trust had depositary receipts for ordinary shares with a nominal value of € 8,242,617.30 in administration, for which 27,475,391 bearer depositary receipts with a nominal value of € 0.30 had been issued.

Number of meetings of the Board of Trustees and most important agenda items

The Board of Trustees of the SA Trust met on three occasions during the year under review.

Meeting of 26 March 2024

The following subjects were discussed during this scheduled meeting of the Board:

- Heijmans N.V.'s 2023 annual report and Heijmans N.V.'s full-year press release of 1 March 2024.
- Discussion of the items on the agenda for the General Meeting of Shareholders of Heijmans N.V. to be held on 30 April 2024.
- The annual report related to the financial reporting of the SA Trust for 2023.
- The evaluation of the Meeting of Depositary Receipt Holders of 23 November 2023 and the questions asked at said meeting.
- The appointment of the board members.

During the meeting, the SA Trust made a number of comments and asked questions of the Executive Board with respect to subjects including:

- The status of the acquisition of Van Wanrooij, in particular the Purchase Price Allocation.
- The strategy the company launched, Together towards 2030.

In the spring of 2024, two board members were due to step down. These were Messrs J.J.G.M. Sanders and R.H. Hooghoudt, who had completed two terms of four years and one term of two years and two terms of four years respectively. Both were eligible for reappointment. The Meeting of Depositary Receipt Holders of 24 November 2023 did not make a recommendation for filling the vacancies. The board then decided to reappoint both Mr Sanders and Mr Hooghoudt as members of the board, both for a period of two years. In accordance with best practice 4.5.3, a reappointment after a period of eight years is explained in the board's report. Both reappointments are motivated by the desire to guarantee continuity in the board, partly in view of the intention of the current chairman, Mr P.W. Moerland, to step down after the spring meeting in 2025. Mr J.J.G.M. Sanders stepped down as a member of the board on 9 December 2024 due to personal circumstances.

Meeting of 1 November 2024

Subjects discussed in this scheduled meeting included:

- The 2024 interim results of Royal Heijmans N.V.
- The resolution to hold a Meeting of Depositary Receipt Holders on Thursday, 21 November 2024, to be held in person.
- Composition of the board: Mr P.W. Moerland intends to step down after the 2025 spring meeting.
- Mr M.C. van Gelder resigned as of 20 September 2024. The board has decided to create two vacancies and to give the Meeting of Depositary Receipt Holders the opportunity to make recommendations on 21 November 2024.

During the meeting, the board of the SA Trust made a number of comments and asked questions of the chairman of the Executive Board and the chairman of the Supervisory Board on subjects including:

- Electrification of equipment: is there sufficient availability and room for investment?
- What role does Heijmans want to play in the energy market?

Meeting of van 21 November 2024

This board meeting focused on the preparations for the Meeting of Depositary Receipt Holders of 21 November 2024.

Meeting of Depositary Receipt Holders of 21 November 2024

On 5 November 2024, the SA Trust convened a physical meeting to be held on 21 November 2024 at the Heijmans head office.

As per 21 November 2024, the SA Trust had issued a total of 27,475,391 depositary receipts for shares. Five depositary receipt holders registered with a total of 246 depositary receipts (representing rounded 0%), one of whom actually attended the meeting.

During the Meeting of Depositary Receipt Holders, the board determined that no recommendations had been received for the vacancy that arose after the resignation of Mr Van Gelder and the vacancy that will arise in the spring of 2025 after the intended resignation of Mr Moerland. The board provided an explanation of the activities of the Trust. The minutes of the meeting will be published on the Heijmans website in accordance with best practice provision 4.5.6 in conjunction with 4.5.7 of the Dutch Corporate Governance Code.

Participation SA Trust in the General Meeting of Shareholders of 30 April 2024

All four members of the board of the SA Trust were present at the General Meeting of Shareholders on 30 April 2024. After hearing the explanation from the Executive Board and having heard the Supervisory Board, the board voted in favour of all agenda items put to the vote.

The board of the SA Trust did not ask any questions because all relevant questions had already been asked by depositary receipt holders. It is good practice that the board is not the first to ask a question.

Depositary receipt holders who wanted to participate in the meeting in person or through a proxy were granted a proxy by the SA Trust to independently cast their vote for the number of depositary receipts registered for the meeting, all in accordance with the articles of association and administration conditions.

In 2024, as in 2010 through 2023, the board of the SA Trust offered depositary receipt holders who are unable to attend the shareholders' meeting the opportunity to express their views on certain topics via email or in writing in the notice of the General Meeting of Shareholders to depositary receipt holders. This allows the board of the SA Trust to take this into consideration when determining its voting position. No responses were received.

Votes cast at the General Meeting of Shareholders of 30 April 2024

Of the 26,825,853 depositary receipts for shares issued by the SA Trust as of the registration date for this meeting, 9,723,613 depositary receipts for shares were registered and present, or approximately 36.25%, including 9,617,537 (depositary receipts for) ordinary shares for which a voting instruction had been issued. The SA Trust represented approximately 63.75% of the depositary receipts at the General Meeting of Shareholders.

Participation SA Trust Board in the Extraordinary General Meeting of Shareholders of 4 November 2024

One item was on the agenda for this physical meeting, namely the appointment of Mr M.C. van Gelder as a supervisory director. The board of the SA Trust was represented at this meeting by Mr P.W. Moerland, chairman of the board. After hearing the explanation from the Executive Board and the Supervisory Board, he voted in favour of the appointment on behalf of the board.

Votes cast at the Extraordinary General Meeting of Shareholders of 4 November 2024

Of the 27,475,391 depositary receipts for shares issued by the SA Trust as of the registration date for this meeting, 11,094,638 depositary receipts for shares were registered and present at this meeting, which is 40.38%, including 11,070,720 depositary receipts for shares for which a voting instruction had been issued. The SA Trust represented approximately 59.6% of the depositary receipts at the Extraordinary General Meeting of Shareholders.

Activities

The activities related to the administration of the shares or depositary receipts for shares are carried out by the administrator for the SA Trust, IQ EQ Netherlands N.V. in Amsterdam.

Costs

The costs associated with the activities of the SA Trust are primarily related to the costs of administration (which are charged by IQ EQ) and the fees charged by the auditor KPMG for the audit of the financial statements. Other expenses relate to the remuneration of the trustees (see the section Board of Trustees and Remuneration below).

External advice

The Board did not seek any external advice in the 2024 reporting year.

Board of Trustees and Remuneration

The board of the SA Trust consists of:

Mr P.W. Moerland (chair)

Mr R.H. Hooghoudt

P.W. Moerland was a member of the Executive Board of Rabobank Nederland from 2003 to October 2013, the last four years as chairman. From 1980 to 2003, he was Professor of Business Administration and Professor of Corporate Finance at the University of Groningen, and from 1999 also Professor of Corporate Governance at Tilburg University. Mr Moerland was appointed as a trustee of the SA Trust with effect from 25 March 2015, reappointed in the spring of 2019, and for a term of two years in the spring of 2023.

R.H. Hooghoudt is a member of the Supervisory Board of IBS Capital Management B.V. and a member of the Supervisory Board of IBS Fund Management B.V. He was a lawyer and partner at NautaDutilh, where he currently acts as an advisor. Mr. Hooghoudt was appointed as a trustee of the SA Trust on 23 March 2016, reappointed in the spring of 2020, and reappointed in the spring of 2024 for a term of two years.

The remuneration of the Board of Trustees in 2024 amounted to € 12,000 for the Chairman and € 10,000 for each other trustee.

Contact details

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Heijmans N.V.

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The Heijmans Preference Share Trust

The Heijmans Preference Share Trust (hereinafter: 'the Trust') is an independent legal entity as defined in Section 5:71 (1)(c) of the Dutch Financial Supervision Act.

As stated in its articles of association of 16 July 2021, the purpose of the Trust is:

- To promote the interests of Royal Heijmans N.V. (the Company) and of the business that is maintained by the Company and the companies affiliated with the Company in a group, in such a way that the interests of the Company and of that business and of all those involved are optimally safeguarded, and in such a way that influences that could compromise the independence and/or continuity and/or the identity and/or the strategy of the Company and of those businesses are defended against to the greatest extent possible, as well as to take any action connected with or possibly conducive to the above;
- The Trust endeavours to attain its goal by, among other things, acquiring and managing shares, in particular preference shares, in the capital of the Company and by exercising - in court proceedings or elsewhere - the rights granted to it pursuant to the law, the articles of association or by virtue of agreement; and
- The Trust is authorised to dispose of the shares it has acquired or to pledge them, provided that the voting rights associated with the shares in question do not transfer to the pledgee, or are not otherwise encumbered, on the understanding that the Company's approval is necessary for any disposal of shares.

The Trust has the right (a call option) to acquire preference shares in the capital of Heijmans N.V. up to a maximum of (close to) 100% of the nominal value of the capital issued in ordinary shares.

The Trust was granted the right of inquiry in 2008.

In 2024, no board members were due to step down.

The Board of Trustees consists of:

S.C.J.J. Kortmann

B. van der Veer

B.J. Noteboom

Heijmans Tax policy

Heijmans' Tax policy, approved by the Royal Heijmans N.V. Executive Board on 10 January 2023 and reviewed once every two years, aims to establish principles and provide direction regarding tax behaviour for all entities controlled by Heijmans N.V. ('the Group'). With this policy, we safeguard Heijmans' integrity and reputation in the long term. These principles are important to us and are also supported by our overall strategy and sustainability strategy.

Heijmans' fiscal code of conduct provides guidance and direction, is not voluntary and applies to everyone involved with Heijmans: the Executive Board, our (temporary) colleagues, our partners, subcontractors and suppliers. If Heijmans employees are confronted with tax dilemmas in the performance of their work, the internal reporting procedure described in section 15.8 also applies here.

Heijmans' fiscal core values

Collaboration

Honest and ethical cooperation on all tax matters with other experts within Heijmans. Ensure fruitful collaborations with relevant stakeholders and maintain a constructive and transparent dialogue based on reciprocity and transparency, without compromising the confidentiality that is part and parcel of business operations.

Ownership

Take reciprocity and solidarity seriously and pay a 'fair share' of taxes and comply with all applicable tax obligations in countries and regions where Heijmans operates or will operate.

Result focus

Organise tax matters to achieve the most favourable tax treatment within the limits set by the spirit of the law and in line with the other core values.

Heijmans' Tax policy

Based on the above core values, all entities that are part of the Heijmans Group have set up their tax governance management by adhering to the following five commitments:

1. Tax compliance

As creators of a healthy living environment, we know better than anyone how important it is to contribute to the general amenities in the countries and regions where we operate or will operate in the future. This is why Heijmans feels a high level of responsibility to pay a 'fair share' of taxes and be transparent about the tax position of the Heijmans business model in line with the VNO-NCW Tax Governance Code and Corporate Governance Code section 1.1.1 sub vii. Heijmans does this on the basis of the following principles:

- Tax follows the business. Tax positions are taken on the basis of sound business principles and by refraining from aggressive tax structures aimed at avoiding or evading tax. Should Heijmans become active outside the Netherlands in the future, in principle this will not be in countries on the European Union's black list.
- We follow both the letter and the spirit of the law.
- We apply the arm's length principle in intra-group transactions.
- We disclose complete and accurate information on our activities in a timely manner and refrain from structures that hide and/or reduce transparency.
- We expect any advice given by our (tax) advisers to be in compliance with the above principles.

2. Tax efficiency

Heijmans must pay tax, but will try to limit its tax burden wherever possible. In other words, within the limits of the other four commitments and more specifically the first commitment, Heijmans aims to create value through effective management of tax expenses and legitimate use of tax benefits, exemptions and/or subsidies.

3. Tax certainty & comfort

Heijmans strives to develop strong and reciprocal relationships with local tax authorities based on transparency and trust. All of this has the goal of achieving the correct application of the law, increasing legal certainty and reducing the number of disputes. To this end, Heijmans applies the following principles:

- In the event that tax legislation is unclear or subject to different interpretations, the Heijmans Tax department obtains written advice.
- We provide the tax authorities with all necessary information and relevant documentation as quickly as possible.
- Dialogue takes precedence over dispute. We have a strong preference for resolving disputes in an atmosphere of mutual consultation - if possible - by focusing on constructive consultation and building sustainable relationships with relevant tax authorities.
- In the event of new and/or amended legal and regulatory requirements, Heijmans representatives promote our interests with (local) authorities through industry associations, in compliance with our fiscal code of conduct.
- We build up a case file in defence against disputes and conflicts relating to differences of opinion and the interpretation of tax legislation, but always with the primary aim of reaching an amicable settlement and/or solution.

4. Tax risk management

Heijmans currently operates almost exclusively in the Netherlands. Nevertheless, the current public debate regarding the tax policy of multinationals and Heijmans' public sector clients give us all the more reason to identify and manage our tax risks.

Heijmans is exposed to the following tax risks:

- Tax compliance & reporting risks. These risks include late or incorrect filing of tax returns, late or incorrect claiming of exemptions or reliefs, and financial or operational systems and processes that are not robust enough to support compliance & reporting obligations. Heijmans' risk appetite for tax compliance & reporting risks is low.
- Transactional risks. This is the risk of undertaking (legal) actions without first identifying the tax consequences, or tax planning that is not properly implemented. Heijmans' risk appetite for transactional risks is low to medium.
- Reputational risks. This includes the overall impact that tax-related business operations may have on our relationships with stakeholders, clients, tax authorities and society. Heijmans' risk appetite is moderate. In the event of an uncertain tax position, we take a defensible position ('more likely than not').

Heijmans manages its risks on the basis of the following principles:

- Tax risk management is an integral part of the Heijmans risk policy. This means that the Heijmans Tax department should be consulted in advance to determine the tax consequence of significant business transactions.
- Heijmans sets up and manages the Tax Control Framework and Risk Matrix per tax asset in close consultation with the Tax Authorities under an Individual Supervision Plan (Horizontal Supervision).
- We contribute to compliance with and optimisation of tax processes, including the use of automation software and technology where possible.
- Maintain and improve the tax knowledge level and signalling function of employees involved in tax processes with respect to compliance with legal and regulatory requirements through internal or external training courses.
- We prevent surprises by being closely involved in quarterly and annual closings.
- We inform the Audit and Risk Committee about the implementation of our tax policy (and strategy) and urgent issues, including tax risks, at least once a year.

5. Tax governance

The Heijmans Executive Board is responsible for the tax policy (and strategy). The management teams of the business areas are responsible for implementing and executing the tax policy. The Heijmans Tax department is the point of contact for all tax-related matters. The Heijmans Tax department consists of highly trained tax experts who are in continuous dialogue with internal and external stakeholders. The Heijmans Tax department reports periodically to the CFO and Group Controller on compliance with the tax policy (and strategy).

Tax contribution report

One of our principles is that Tax follows our business. In short, our business is the design, construction and maintenance of buildings, homes and infrastructure, including related goods and services. This is grouped into the Living, Working and Connecting business areas, with a head office in Rosmalen and office locations spread across the rest of the Netherlands.

Heijmans currently has almost no activities abroad and all employees, including senior management, are employed in the Netherlands. This fact is important in understanding the tax position of the Heijmans business model and the reason why 100% of the result achieved with our business model is allocated to the Netherlands [1]. In addition to regular consultations, whenever possible we will also reach agreements with the tax authorities on the determination of taxable profit.

Heijmans has tax processes and control measures in place to manage its various tax assets, such as VAT, payroll taxes and corporate income tax. In addition, we perform regular monitoring activities, such as spot checks and internal audits (with or without external parties) to determine whether the control measures are still effective. In addition, we provide relevant employees with regular tax training courses and updates to maintain and improve their tax knowledge level and their signalling function with regard to compliance with legal and regulatory requirements.

We provide information on tax payments and taxes withheld in the annual financial statements. Heijmans shares an annual country-by-country report with the Dutch Tax Authorities.

Below we have included the most important tax data for the Netherlands (100% of operating activities).

Tax Jurisdiction	Fiscal financial year: 2024 (EUR '000)					
	External revenue	Internal revenue*	Total revenue	Profit before taxes	Income tax paid **	Tax expense (actual) ***
The Netherlands	2,584,240	70	2,584,310	117,006	29,284	24,862
Belgium	0	40	40	(80)	0	0
Germany	0	0	0	(20)	0	0

* Internal revenue refers to cross-border revenue, excluding internal revenue within a jurisdiction.

** Income tax paid refers to the actual income taxes paid in 2024.

*** Tax expense (actual) concerns the total current tax expense, excluding the deferred tax expense/income.

Taxes paid / withheld 2023

(€ in million)

Corporate income tax	€ 29.3	
VAT	€ 181.4	€ -35.5
Payroll tax	€ 207.9	
Dividend tax	€ 1.3	

This overview represents Royal Heijmans N.V. and all its 100% (in)direct subsidiaries.

¹ Heijmans still has a number of inactive foreign companies in its structure, stemming from past foreign operations and that are currently awaiting liquidation (i.e. 'dormant' companies).

Joint ventures

Name	Term
Coalitie Gezond Binnen	Continuous
VWB Asfalt	Continuous
Governance Code Veiligheid in de Bouw	Since 2014
Taskforce Veiligheid Bouwend Nederland	Since 2017
NL Greenlabel	Since 2018
Platform CB'23	2018 - 2023
Beton Akkoord	2018 - 2030
Versterking Biodiversiteit Midden Brabant	2020 - 2030
Klimaatadaptief bouwen KAN	Since 2020
Green Deal Convenant Houtbouw	2021 - 2025
Living LAB bouwlogistiek en mobiele werktuigen	Since 2022
NWA-ORC onderzoekstraject Naturalis: Hidden biodiversity	Since 2022
Het Nieuwe Normaal - Cirkelstad	Since 2023
City Deal 'Een slimme stad zo doe je dat'	2023 - 2024
Bouwakkoord Staal	2023 - 2030
Convenant Schoon en Emissieloos Bouwen	2023-2030

Membership and partnerships	Term
MVO Nederland	Continuous
Dutch Green Building Counsel (DGBC)	Continuous
Bestuur CO2 prestatieladder SKAO	Continuous
Stichting SPARK Campus	Since 2014
Stroomversnelling	Since 2015
Universiteit Utrecht samenwerking Maanwijk	Since 2020
Emissieloos Netwerk Infra (ENI)	Since 2020
Netwerk Conceptueel Bouwen	Since 2020
Wageningen University & Research: Natuurlijk Basissysteem klimaatadaptieve stedelijke ontwikkeling	2020 -2024
Data en KennisHub gezond stedelijk leven	Since 2021
Duurzaam Netwerk 's-Hertogenbosch	Since 2021
Samenwerking Staatsbosbeheer	Since 2021
Partnerovereenkomst stichting Struikroven	Since 2022
Nationale Bijenstrategie	Since 2022
Partnerschap The Pollinators	Since 2022
Fietsersbond	Since 2022
De Natuurladder	Since 2022
Lenteakkoord 2.0 Circulair Industrieel Bouwen	2022 - 2026
Van Gogh Nationaal Park	Since 2023
Wijk als Biotoop	Since 2023
City Deal Fietsen voor Iedereen	Since 2023
Vogelbescherming Nederland	Since 2023
De Waterbank	Since 2023
Werklandschappen van de Toekomst	Since 2023
Naturalis Smart monitoring Biodiversiteit	Since 2023
WoningBouwersNL	Since 2024

KPI table

Key Performance Indicator	Bold statements	SDG	Actual 2023	Actual 2024	Explanation / definition	Sources / Reference
Client rating Central Government Real Estate Agency	7	9.11	7.5	8	Score awarded by the Real Estate Agency consisting of a weighted average based on a method they have validated.	Real Estate Agency
Client rating Schiphol	7	9.11	8.0	8.8	Score awarded by Schiphol consisting of a weighted average based on a method they have validated.	Schiphol
Client rating private residential building	7	9.11	7.2	7.4	Average score from surveys sent out by Heijmans.	GrowPromotor
Procurement spend on subcontractors with a valid SSC certificate		12	100%	100%	Percentage of total procurement spend on subcontractors with a valid SCC certificate. This does not include procurement spend on joint projects.	ESIZE/SAP
Procurement spend with preferred suppliers		12	62%	66%	Percentage of procurement spend with preferred suppliers, not including the non-procurement category.	ESIZE/SAP
Expenditure on innovation (x mln.)	8	9.11	13.0	13.0	Expenditure on innovation for the group and business areas in millions of euros.	SAP
Total absenteeism		8	5.07%	4.75%	Number of days of absenteeism versus the number of available calendar days. Guidelines of the Occupational Health and Safety Service for measuring absenteeism percentages.	VerzuimSignaal
Training costs in mln. (total)		8	5.1	6.1	Training costs (out-of-pocket) in accordance with Heijmans Academy registration.	SAP
Average CO2 emissions of homes delivered		11.13	1,061	657	Average CO2 emissions of the completed homes, developed under our own management. In kilograms of CO2.	EPC and BENG software
Home delivered with zero snagging items		11.12	35%	77%	Percentage of the total number of homes completed with zero snagging items in the reporting year.	SMILE
Area developments with A or B Greenlabel	4	11	100%	100%	All our own developments in the design or realisation phase (and where we are part of the area exploitation) have NL Area Label A or B/ NL Site Label A or B.	VG Report Q4
% sustainable timber used		12	99.80%	99.50%	Percentage of sustainably certified timber (FSC/PEFC) compared with total timber purchased according to suppliers.	Procurement spend
Total amount of residual materials		12	16,979	26,132	ENCORD Construction Waste Measurement Guide for definitions (including commercial waste, no excavations), measurement in tonnes.	Statement waste processors
Waste separation at building sites		12	71%	82%	ENCORD Construction Waste Measurement Guide for definitions (including commercial waste, no excavations), measurement in tonnes.	Statement waste processors
Reuse residual materials after removal		12	88%	93%	Sustainable recycling is defined as recycling as a raw material or for the generation of green energy. Based on Renewi's waste profile; including quantities from PreZero and other processors. Based on tonnage. Excluding landfilled waste and grey energy.	Statement waste processors
Reusable or recyclable packaging materials		12	90%	89%	The recycled portion of the total waste flow of packaging materials, presented as a percentage of the total waste flow.	Statement waste processors

Explanation KPI table:

Actual 2023: the non-financial information excludes Van Wanrooij and Van Gisbergen.

Actual 2024: the non-financial information excludes Van Gisbergen.

Waste: the specified quantities of residual materials are from waste processors. This pertains to the period from January through November 2024. As in previous years, the December figures are estimates.

Alternative performance indicators (APMs)

Invested capital

Invested capital is a financial measure that indicates how much capital a company has invested on average during a certain period. This capital is used to generate income and is calculated as the invested capital at the beginning and end of the period.

x € 1 million	2024	2023
Fixed assets	578.5	537.4
Working capital	-21.2	79.9
Capital employed at the end of the period	557.3	617.3

Working capital

Working capital is an indicator that shows how the short-term operation is financed. Working capital is calculated as the total of current assets (excluding cash and cash equivalents) less the total of current liabilities (excluding short-term interest-bearing loans and other financing obligations - and lease obligations that are part of the net debt/net cash

x € 1 million		2024	2023
Current assets	+/+	790.1	798.2
Excluding cash and cash equivalents	-/-	-105.4	-40.4
Current liabilities	-/-	-738.0	-727.2
Excluding (current) interest-bearing loans and other current financing liabilities	+/+	0.4	21.8
Excluding (current) lease liabilities	+/+	31.7	27.5
Working capital		-21.2	79.9

Return on capital employed (ROCE)

The return on capital employed (ROCE) is a financial ratio used to measure the efficiency with which capital is used to generate profit. The ROCE indicates how much return the Group generates on the average amount of capital invested during a certain period. The calculation is based on the average invested capital over a four-quarter period.

x € 1 million	2024	2023
Operating result (EBIT)	111.0	81.0
Average four-quarter capital employed	579.3	423.2
Return on average capital employed (ROCE)	19.2%	19.1%

Net debt / (Net cash)

Net debt / (Net cash) is a metric used to assess financial health. It is calculated by subtracting total cash and cash equivalents from total interest-bearing loans and borrowings and other financial liabilities and lease liabilities. Depending on the balance, we refer to either net debt or net cash. This metric is determined as follows:

x € 1 million		2024	2023
Non-current interest-bearing loans and other non-current liabilities	+/+	8.2	65.5
Current interest-bearing loans and other current liabilities	+/+	0.4	21.8
Cash and cash equivalents	-/-	105.4	40.4
Current lease liabilities	+/+	31.7	27.5
Non-current lease liabilities	+/+	74.9	62.4
Net debt / (Net cash)		9.8	136.8

Underlying EBITDA

Underlying EBITDA is the operating result before depreciation and amortisation, including EBITDA from joint ventures, excluding any impairment of real estate and/or goodwill, restructuring costs, acquisition costs, including retention bonuses and book results on the sale or purchase of entities. The underlying EBITDA defined as such also forms the basis of the calculation of the covenants to the banking group. It can be broken down as follows:

x € 1 million	2024	2023
Underlying EBITDA	198.8	147.1
EBITDA joint ventures	-15.6	-5.4
Impairment on land holdings / real estate	-4.4	0.0
Restructuring expenditures	-1.3	-3.0
Acquisition costs / book results on investments	-0.6	-9.4
Retention bonuses	-4.7	-2.4
EBITDA	172.2	126.9
Depreciation property, plant and equipment	-15.0	-12.4
Depreciation right-of-use assets	-35.6	-29.2
Amortisation- and impairment of of intangible assets	-10.6	-4.3
Operating result (EBIT)	111.0	81.0

Underlying EBITDA-margin

The underlying EBITDA-margin refers to the calculated underlying EBITDA divided by revenue.

x € 1 million	2024	2023
Underlying EBITDA	198.8	147.1
Revenue	2,584.2	2,117.3
Underlying EBITDA-margin	7.7%	6.9%

Net margin

The net margin is the ratio that measures profitability by comparing profit after tax to revenue. It can be broken down as follows:

x € 1 million	2024	2023
Revenue	2,584.2	2,117.3
Profit after tax	90.0	59.7
Net margin	3.5%	2.8%

Operating margin

Operating margin is the ratio used to measure operational efficiency and profitability. It indicates how much profit is generated in relation to revenue, net of operating costs. It can be broken down as follows:

x € 1 million	2024	2023
Operating result (EBIT)	111.0	81.0
Revenue	2,584.2	2,117.3
Operating margin	4.3%	3.8%

Profit after taxes as a % of equity

'Profit after tax as a percentage of equity' is the ratio that measures profitability relative to equity.

x € 1 million	2024	2023
Result after tax	90.0	59.7
Equity	463.0	383.6
Result after tax: as % equity	19.4%	15.6%

Profit after tax as a % of revenue

'Profit after tax as a percentage of revenue' is the ratio that indicates what percentage of revenue remains as profit after tax.

x € 1 million	2024	2023
Result after tax	90.0	59.7
Revenue	2,584.2	2,117.3
Result after tax: as % of revenue	3.5%	2.8%

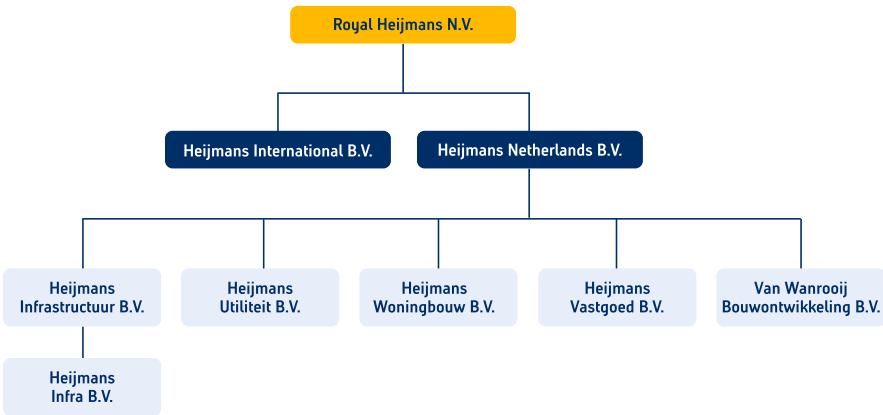
Solvency ratio

Solvency is the financial term that describes the degree to which a company is able to fulfil its financial obligations.

x € 1 million	2024	2023
Equity	463.0	383.6
Total assets	1,368.6	1,335.6
Solvency ratio	33.8%	28.7%



Overview legal structure



Glossary

Aerius calculation

The AERIUS calculation tool is part of the Dutch integrated approach to nitrogen emissions (or PAS, from the Dutch Programmatische Aanpak Stikstof). It is used to calculate the nitrogen deposition on Natura 2000 areas as a result of projects and plans. Pursuant to the Dutch Nature Conservation Act, these calculations are mandatory for permit granting.

BENG (near energy neutral building) standard

This standard sets criteria for the energy performance of a building and expresses this using three indicators: energy demand, primary energy use and share of renewable energy.

BIM (Building Information Model)

A central, digital platform that combines all relevant information during the construction process and which is used by all parties involved to achieve consistent interpretation and to steer the construction process in the right direction. This leads to a digital (3D) model of the structure to be realised.

Biobased materials

These are building materials that are made from animal material or from fungi, plants and bacteria that are ecologically responsibly cultivated, harvested, used and reused.

Civil engineering structures

Bridges, tunnels, locks and viaducts

Climate adaptation

Climate adaptation combats the effects of climate change and could help the Netherlands become resistant to climate change. Adaptation is made possible by setting climate buffers.

Climate neutral

If you are climate neutral, then what you do does not contribute to global warming. This means that as a country, organisation or company, you do not emit greenhouse gases, nor do you remove them from the air.

CO₂ budget

The CO₂ budget indicates the maximum level to which the CO₂ content in the atmosphere may rise before it leads to irreversible climate change.

CO₂ credits

A CO₂ credit is a tradable unit that corresponds with the reduction or removal of one tonne of CO₂ equivalent. This allows an organisation to (partly) offset its own CO₂ emissions by investing in projects that reduce or absorb CO₂ emissions

CO₂ emissions

CO₂ (carbon dioxide) emissions measured over a period of time.

CSRD

Corporate Sustainability Reporting Directive (CSRD). The CSRD is a European guideline for sustainability reporting.

Custodians

Financial parties that act as custodians for shares.

DBFMO contract

DBFM stands for Design, Build, Finance and Maintain, a type of contract under which the contractor is responsible for both the design and building of the project, as well as financing and total maintenance. It frequently involves long-term, large infrastructural projects in groundwork, road building and waterway construction (such as roads, locks and bridges) and property development.

De Natuurladder

Heijmans uses 'de Natuurladder' (the Nature Ladder), which we helped develop, as a guideline for biodiversity in infrastructural projects. This ladder focuses on a change in culture and behaviour and offers practical steps to strengthen biodiversity and climate adaptation in projects. The Nature Ladder has now been transferred to the Delta Plan for Biodiversity Recovery to be used on a national scale.

Double materiality analysis

This is an analysis to determine which topics are considered relevant for reporting by the stakeholders and due to business activities. It is part of the reporting guidelines (CSRD). Double materiality looks at two angles: impact materiality and financial materiality. A sustainability topic meets the double materiality criterion if it is material from an impact or financial perspective, or both.

Downstream

Downstream refers to groups or products from our value chain. This can be a person, product or activity that takes place later in the process, outside of our operation. An example of this could be a completed motorway, but also a buyer of our homes.

Energy transition

The transition from fossil fuels (such as natural gas, coal and oil) to sustainable energy sources such as wind, solar, biomass and water. Goals and measures to achieve this have been laid down in the Dutch Climate Agreement and are in line with the Paris Climate Accords and the European Green Deal.

ESG

This means that factors such as energy consumption, climate, availability of raw materials, health, safety and good corporate governance are taken into account in the selection and management of shareholdings in companies.

Financial materiality

Indicates the extent to which Heijmans is exposed to risks and opportunities relating to sustainability issues and how these could have a potentially material financial impact on the company.

GO!

An internal safety improvement programme designed to eliminate accidents ('No accidents') and improve safety and safety awareness in the organisation.

Greenhouse Gas Protocol

This is a protocol initiated by the World Business Council for Sustainable Development and the World Resources Institute, together with a number of NGOs, including the WWF and a number of companies, including Royal Dutch/Shell. The aim is to develop procedures and instruction manuals for the calculation and reporting of greenhouse gas emissions.

Grid congestion

Grid congestion occurs when more electricity is transmitted over the electricity grid than it can handle. This is also referred to as a traffic jam on the electricity grid.

Heijmans B'woond

Renovation concept for existing/occupied homes targeted at housing corporations and investors.

Heijmans Horizon

Timber-frame homes that Heijmans builds in its own production plant in Heerenveen.

Heijmans Huismerk

This is a concept home with a high level of standardisation, intended for the rental market, commissioned by housing corporations and investors. The production process is largely industrialised. Prefab sections are assembled at the building site.

Heijmans ONE

These are moveable one-person homes for specific target groups that are poorly served in the current housing market, such as starters, people in urgent need of a home and refugees with residence permits.

Heijmans TWO

High-end variant of the Heijmans ONE that complies with the building code for permanent housing, which means it is not mandatory to relocate the home after ten years.

IF figure

The Injury Frequency (IF) index figure is the number of accidents resulting in absenteeism that occur in a particular timeframe, divided by the number of work hours.

Impact materiality

Indicates the extent to which a topic affects people and the environment, both within Heijmans' own operations and in the upstream and downstream value chain, for example, through Heijmans' products, services or business relationships.

KPI

Key performance indicators, or KPIs, are variables used to analyse the performance of companies.

LEAP approach

We use the LEAP approach to analyse the topic of biodiversity. The LEAP approach consists of Locate, Evaluate, Assess and Prepare. This allows us to look at suitable measures, monitoring or goals on a location-specific basis.

Machine learning

Machine learning (ML) is a form of artificial intelligence (AI) aimed at building systems that can learn from processed data or use data to improve performance.

Nature-inclusive construction

Nature-inclusive construction is an approach – tailored to the area due to be developed – that combines the design of the construction project with the strengthening of the natural green areas. The aim is to create a healthy, future-proof living environment for both people and animals.

Newcomers

At Heijmans, we use the term *nieuwkomers* (newcomers) to refer to people with a recognised refugee status. This can be both primary applicants (refugees with work permits) and following family members..

NL Greenlabel

An independent certification system that assesses the sustainability of products, materials and plants in the construction and green sectors. The label helps people make sustainable choices by providing insight into the ecological impact, biodiversity and circularity of products, projects and areas.

Porthos ruling

Porthos is a collaboration between the Port of Rotterdam, Gasunie and EBN. Porthos is developing a project in which CO₂ from the industry in the port of Rotterdam will be transported and stored in empty gas fields under the North Sea. In November 2022, the Council of State issued an interim ruling on Porthos' use of the statutory construction exemption. This exemption means that no permit is required for nitrogen emissions that occur during project construction. The Council of State ruled that the construction exemption may not be used, as it cannot be ruled out that it could damage nature in Natura 2000 areas. This ruling has major implications for construction, infrastructure and sustainability projects in the Netherlands.

Procurement

Procurement is the process of finding, agreeing on terms and acquiring goods, services or works from external parties.

Procurement spend

Heijmans' annual spend on suppliers.

Science Based Targets initiative (SBTi)

A non-profit organisation that helps companies set and test scientifically based CO₂ reduction targets within a global framework. These targets must be in line with the Paris Climate Agreement in order to limit global warming.

SDGs

Sustainable Development Goals (SDGs): 17 sustainable development goals with 169 sub-goals, formulated by the United Nations, with the aim of eliminating poverty, inequality and climate change in 2030. The goals constitute an international agenda for governments, companies, NGOs and knowledge institutes.

SpeakUp system

This is a procedure with a related system to make anonymous reports regarding abuses within the company by telephone or online via a website. Both the procedure and the system run via an external, independent and specialised party that Heijmans has hired for this purpose.

Upstream

Upstream refers to groups of people or products from our value chain. These are activities or processes that take place before they enter our own operation. Examples include the bricks we use to build new homes, but also the supplier who delivers them.

Value creation model

This is a schematic visualisation of how a company creates value for its stakeholders and society as a whole. The model provides insight into capital flows, business model and concrete results as output and the impact and broad-based value that is created for society.

Water balance

The water balance is the ratio between the amount of water entering an area and the amount of water leaving an area. We look at the natural water system, which consists of groundwater, surface water and rainwater. A healthy water balance means that this ratio is in equilibrium, so there are no shortages or surpluses that are harmful to the urban environment, nature, agriculture, industry, drinking water supply, safety or health.

Water quality

In terms of water quality, we look at the suitability of surface water and groundwater for various uses, such as drinking water, water for nature and water for industry. This involves both chemical and biological quality, which differ per location, time and depth.

Water safety

Water safety is about protection against flooding. This is achieved by using flood defences such as dykes and dunes, but also by allowing space for a river. Managing our waterways such as rivers and lakes also safeguards our water safety.

Water use

In terms of water use, we focus on two aspects: the use of drinking water and the use of water for (our) production (food and goods). It is important to consider water flows of different qualities and to realise that the impact of water consumption varies per location.

Colophon

You will find the Heijmans N.V. 2024 annual reports on the Heijmans corporate website.

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