

Compliance with the VNO NCW Tax Governance Code

In February 2021, VNO-NCW announced in its agenda for 2030 'Ondernemen voor brede welvaart' that the business community would develop a Tax Governance Code. This Tax Governance Code should lead to more transparency on the tax position of Dutch listed companies. In May 2022 VNO NCW has published the first Tax Governance Code.

In this overview you will find the full text of the Tax Governance Code and the way Royal BAM Group applies these as per 31 December 2022. In the explanations we regularly refer to our Tax Report and our Tax Policy, which can be found here:

- Tax Report [Annual Reports | Koninklijke BAM Groep / Royal BAM Group](#)
- Tax Policy [BAM Tax policy statement | Koninklijke BAM Groep / Royal BAM Group](#)

Royal BAM Group nv

10 October 2023

	Principle and best practice determination	Comply or explain	Explanation
A.	Approach to Tax: Tax Strategy & Tax Principles The company sees tax not as a cost factor only, but as a means for social economic cohesion, sustainable growth and long-term prosperity.		
A.1.	The company's approach to tax is based on a tax strategy and set of principles approved by the board of directors, the supervisory board, or delegated sub-committee (the board).	Comply	Our approach to tax is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. Furthermore, the approval by the Executive Committee and Audit Committee is explained in the governance paragraph (5.2).
A.2.	The company reports at least annually to the board on tax risks and adherence to the tax strategy and principles.	Comply	How we report to the Board is explained in the governance paragraph of our Tax Report (par. 5.2).
A.3.	The company's tax strategy and principles apply to all group entities.	Comply	The scope of our Tax Policy is stated in the Tax Policy itself, which is published both in our Tax Report (par. 4) and on the company's website.
A.4.	The company's tax principles apply to how the company operates in its relationships with employees, customers and contractors.	Comply	The scope of our Tax Policy is stated in the Tax Policy itself, which is published both in our Tax Report (par. 4) and on the company's website.

B.	Accountability & Tax governance Tax is a core part of corporate social responsibility and governance and is overseen by the board.		
B.1.	The board is accountable for the tax strategy, principles and tax risk management.	Comply	The accountability and governance is included in Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. In addition, our CFO has co-written the introduction of our Tax Report, committing to the importance of our transparent approach to tax, contributing to our corporate social responsibility.
B.2.	The company has a tax control framework that sets out the tax controls and risk management.	Comply	In our Tax Report (par 5.1) we elaborate on how we manage our tax risks.
B.3.	Internal or external auditors regularly review the company's tax controls as part of the audit of its financial results.	Explain	Controls are shared and discussed with Dutch tax authorities. Furthermore, we consider to involve internal audit in the near future.

C.	Tax Compliance The company is committed to comply with the letter, the intent and the spirit of the tax legislation of the countries in which it operates and to pay the right amount of tax at the right time.		
C.1.	The company prepares and files all tax returns required, providing complete, accurate and timely disclosures to all relevant tax authorities.	Comply	Our approach to Compliance is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. Furthermore, our relationships with tax authorities (par. 6) also explains how we disclose information to tax authorities.
C.2.	The company's responsible tax planning is based on reasonable interpretations of applicable law and is aligned with the substance of the economic and commercial activity of its business.	Comply	Our approach to tax planning is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website.
C.3.	The company will not undertake transactions or engage in arrangements of which the sole purpose is to create a tax benefit that is in excess of a reasonable interpretation of relevant tax rules.	Comply	Our tax approach to transactions is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. In the Tax Policy we make a statement on which business structures we use.
C.4.	The company will only claim tax incentives in line with the policy intent of such tax incentives and provided such incentives are generally available.	Comply	The tax features and tax incentives that are relevant for BAM are listed in our Tax Report (par. 7). We also make a statement on when we apply for tax incentives.

C.5.	If the company seeks certainty in advance from tax authorities to confirm an applicable tax treatment, it does so based on full disclosure of all relevant facts and circumstances.	Comply	Our relationships with tax authorities (par. 6) states when and how we seek certainty in advance with tax authorities. Furthermore, it also explains how we disclose information to tax authorities.
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D.	Business structure The company will only use business structures that are driven by commercial considerations, are aligned with business activity and have genuine substance.		
D.1.	The company does not use so-called tax havens for tax avoidance. All entities in tax havens exist for substantive and commercial reasons.	Comply	Our tax approach to transactions is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. In the Tax Policy we make a statement on which business structures we use (par. 12).
D.2.	The company pays tax on profits according to where value is created within the normal course of commercial activity.	Comply	Our tax approach to transactions is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. In the Tax Policy we make statements on business structures and compliance.
D.3.	The company uses the arm's length principle, in line with guidelines issued by the OECD, and applies this consistently across its businesses, contingent on local laws.	Comply	Our tax approach to transactions is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. In the Tax Policy we make a statement on transfer pricing.

E.	Relationships with Tax Authorities and Other External Stakeholders Mutual respect, transparency and trust drive the company's relationships with tax authorities and other relevant external stakeholders.		
E.1.	The company seeks to develop cooperative relationships with tax authorities, and relevant other authorities, based on mutual respect, transparency and trust.	Comply	In our Tax Report we elaborate on our relationship with tax authorities (par. 6).
E.2.	The company seeks to engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.	Comply	BAM is actively participating in tax groups at VNO-NCW and Bouwend Nederland, which groups are engaged in dialogues on development of and changes in (international) tax laws and regulations.
E.3.	The company will work collaboratively with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible. Where there is controversy, the company will strive to resolve the controversy by applying these principles.	Comply	In our Tax Report we elaborate on our relationship with tax authorities (par. 6).

F.	Tax Transparency & Reporting The company regularly provides information to its stakeholders, including investors, policy makers, employees, civil society and the general public, about its approach to tax and taxes paid. The company will therefore publish the following information:		
F.1.	A tax strategy or policy and its tax risk management strategy.	Comply	Our approach to tax is stated in the Tax Policy, which is published both in our Tax Report (par. 4) and on the company's website. Furthermore, the approval by the Executive Committee and Audit Committee is explained in the governance paragraph (5.2).
F.2.	A list of entities, with ownership information and a brief explanation of the type and geographic scope of activities.	Comply	A list of main legal entities within our structure is disclosed in our Tax Report (par. 12). A full list of legal entities is filed with the Dutch Commercial Register.
F.3.	Annual information on the corporate income tax the company accrues and pays on a cash basis at a country level.	Comply	An overview of cash contributions is included in our Tax Report (par. 10).
F.4.	The total tax borne and collected by the company, globally or per country, including corporate income taxes, property taxes, (non-creditable) VAT and other sales taxes, employer/employee-related taxes, and other taxes that constitute costs to the company or are remitted by the company on behalf of customers or employees, by category of taxes.	Comply	An overview of taxes borne and collected is included in our Tax Report (par. 10).
F.5.	Information on financially material tax incentives (e.g. tax holidays), including an outline of the incentive requirements and when it expires.	Comply	Information on the tax features and incentives we use are disclosed in our Tax Report (par. 7).
F.6.	An outline of the advocacy approach the company takes on tax issues, the channels through which the company engages in regard to policy development, and the overall purpose of its engagement.	Comply	BAM is actively participating in tax groups at VNO-NCW and Bouwend Nederland, which groups are engaged in dialogues on development of and changes in (international) tax laws and regulations.