sustainable. performance.

annual report 2024

aalberts
mission critical technologies

the impact we are making

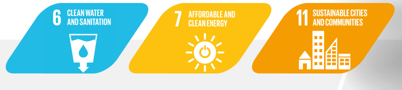
building

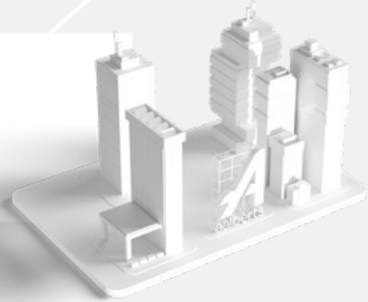
at the heart of every great building, we engineer integrated systems for heating, cooling and sanitary applications

we bring buildings to life by achieving energy and resource efficiency

how we serve our customers

- enabling energy efficiency
- providing safe and clean drinking water
- mitigating labour shortages





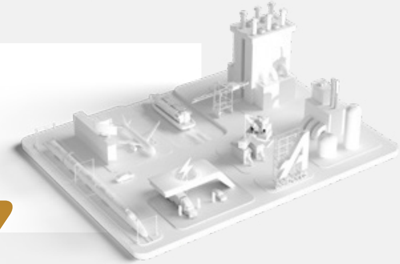
industry

at the forefront of decarbonising industries, we engineer durable, lightweight technologies and improve material characteristics

we enable industrial customers to extend product lifetime and realise energy efficiency

how we serve our customers

- enhancing product lifetime
- enabling weight reduction
- reducing CO_2



semicon

in a world connected by microchips, we engineer leading-edge, tailor-made technologies together with semicon OEM's

we support OEM growth by accelerating technological breakthroughs

how we serve our customers

- delivering ultra-precision and ultra-cleanliness
- enabling accuracy and control
- facilitating nanometer precision

highlights 2024

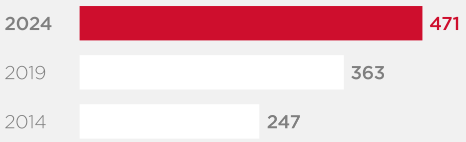
Aalberts delivers resilient performance in challenging markets

revenue
(in EUR million)

3,149

EBITA
(in EUR million before exceptionals)

471

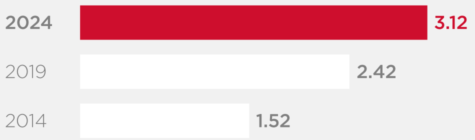


net profit before amortisation
(in EUR million before exceptionals)

345

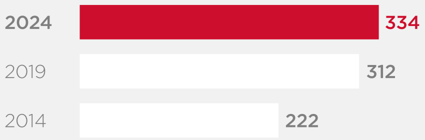
earnings per share before amortisation
(in EUR before exceptionals)

3.12



free cash flow (before interest and tax)
(in EUR million before exceptionals)

334



return on capital employed
(in % before exceptionals)

14.7

explanation of alternative performance measures in this report ↗

Aalberts at a glance

Aalberts (AMS: AALB) engineers mission-critical technologies enabling a clean, smart and responsible future. Aalberts is where technology matters and real progress can be made. Humanly, environmentally and financially.

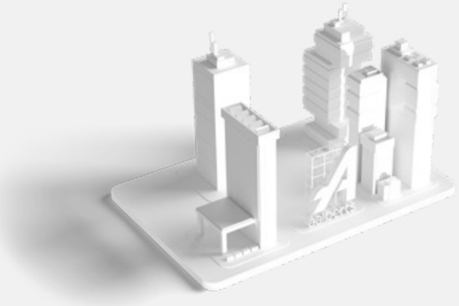
aalberts.com ↗

revenue (EUR million)	mission-critical people
3,149	13,124
nationalities	**locations worldwide**
40+	125

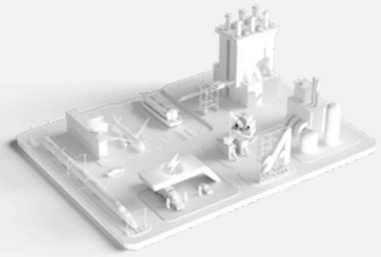
America
22%
of total revenue

Europe
72%
of total revenue

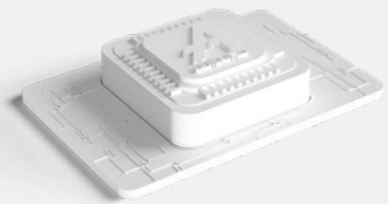
APAC, Middle East, Africa
6%
of total revenue



building
51%
of total revenue



industry
33%
of total revenue



semicon
16%
of total revenue

SDG impact

6 Clean water and sanitation	16%
7 Affordable and clean energy	32%
12 Responsible consumption and production	8%
9 Industry, innovation and infrastructure	15%

message of the CEO
strategy
progress and performance
sustainability statement
risk & governance
report of the Supervisory Board
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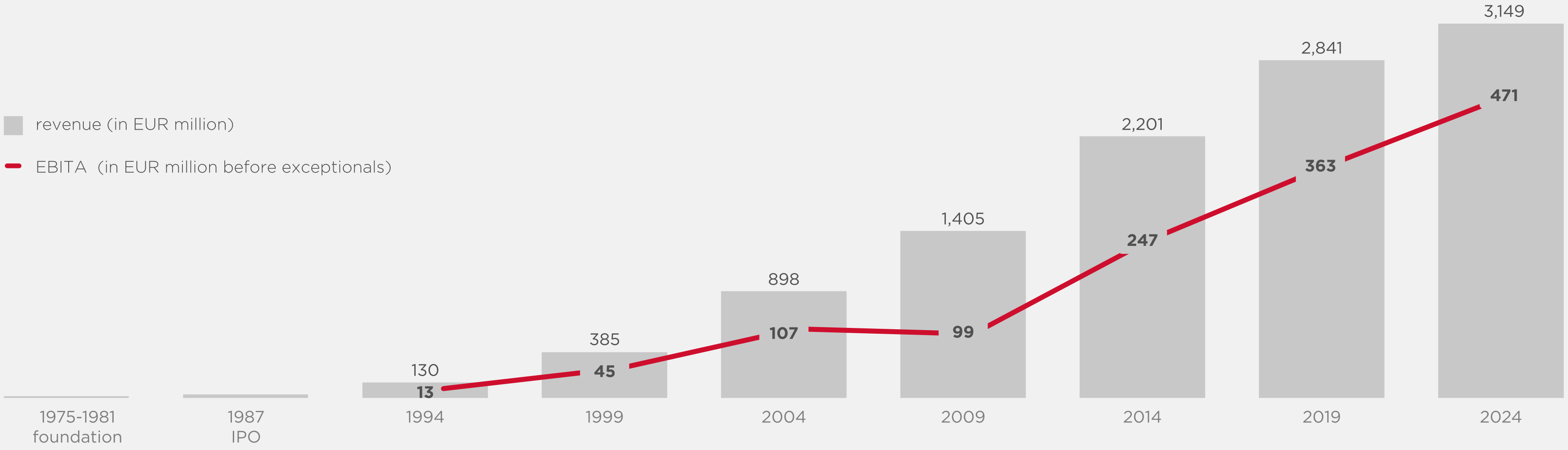
supplementary information

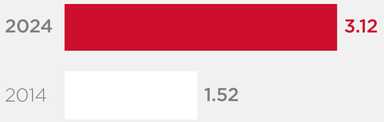
shareholder value creation

50 years of sustainable growth



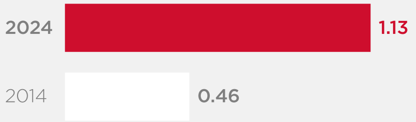
multi-industry focus → portfolio growth focus → mission-critical technology focus

earnings per share
(in EUR before exceptionals)



CAGR ↗ 8%

dividend per share
(in EUR before exceptionals)



CAGR ↗ 9%

return on incremental capital employed (ROICE)
(in % before exceptionals)

EBITA		capital employed
247	2014	**1,854**
471	2024	**3,203**
(4)	IFRS 16	**(191)**
220		**1,158**

19.0%

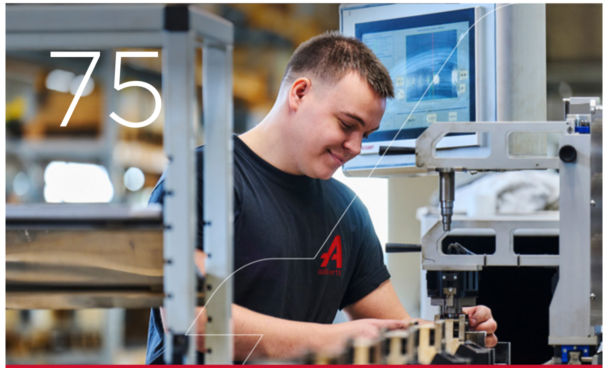
long-term shareholders
(>3% holdings)

~40%

in this report

progress and performance

environment



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This document is the PDF version of the Aalberts N.V. annual report 2024. A European single electronic format (ESEF) reporting package is available at aalberts.com/investors

message of the CEO

Dear shareholders, customers, partners and colleagues,

I am delighted to introduce the Aalberts annual report 2024 as my first full year as CEO. Since entering this role, I am excited to work with all that is good at Aalberts and use my experience to add even more brilliant chapters to an already successful story. After spending time visiting many of our locations, talking to our employees, meeting key customers and shareholders, it has become increasingly clear to me that with our products, systems, and solutions in building, industry and semicon, we are making an impact in everyday life. Our end markets remain attractive for the long term, driven by four global tailwinds: urbanisation, technology acceleration, reshoring and decarbonisation. Energy and resource efficiency in buildings remain a long-term growth driver, our industrial customers will continue to require innovative solutions and the semiconductor industry remains strong.

2024 has been a challenging year for Aalberts marked by short-term macroeconomic uncertainties, end markets headwinds and disruption in geopolitics. While our financial results reflect these pressures, this year we also laid the foundation for an exciting new chapter, the third evolution phase of Aalberts.

Under a newly formed leadership team, using the Aalberts way as our differentiator, we have taken actions to address short-term challenges and position Aalberts for the long-term success. With our new strategy 'thrive 2030', we remain committed to our 2026 targets and we have set up new ambitious objectives for 2030 to unleash the full potential of the company. Through strategic capital deployment, relentless focus on organic growth, operational excellence and innovation, with our sustainable commitments, and our continuous portfolio optimisation, we are confident in our ability to create sustainable value for all stakeholders for both the short-term and the long-term.

2024 Performance

In 2024, we managed to deliver a resilient performance with a revenue of EUR 3,149 million, an EBITA before exceptionals of EUR 471 million or 15% of revenue and free cash flow before exceptionals of EUR 334 million despite the challenging end markets environment. But we faced headwinds resulting in negative organic growth of 3.4% and a return of capital employed (ROCE) down to 14.7%.

We improved our added value margin with cost saving actions and robust price levels. We reduced inventories by EUR 23 million and managed cost inflation and lower volumes. Capital expenditure was EUR 231 million to support additional capacity, geographical expansions, innovation, and business development plans.

We are pleased to deliver an earnings per share of EUR 3.12. Despite the difficult market in 2024, we are confident to be on the right track, hence stabilising our dividend and starting a share buyback programme. Therefore, to the General meeting, we propose a cash dividend of EUR 1.13 equal to last year and are launching a share buyback programme of EUR 75 million commencing on 28 February 2025 and running until 24 October 2025.

Our innovation rate stabilised at 19%. We remain committed to accelerate operational excellence, and to invest in innovation and digitalisation to increase revenues and reduce operating costs. Our SDG rate stabilised at 71%. We are delivering on our net zero carbon roadmap by reduction of CO_2 intensity of 38% versus base year 2018. We have provided additional disclosures on our scope 3 footprint and set targets for 2030 on raw materials and waste, focusing on reduction of scope 3 and circular economy.

We have set clear roadmaps to improve the health and safety of our employees. Lost time injury frequency ratio reduced to 4.3. Through our Aalberts development programmes we trained 427 talents of which 28 were promoted. Gender diversity remains our focus, we have 30% female leaders in our senior leadership. Employee net promoter score and employee motivation surveys have been conducted in 2024, providing insights where and how we can further improve. We will continue to invest in our people.

reflections on the Aalberts performance

Reflecting on 2024, I am humbled by the challenges we faced but energised by the opportunities ahead. The year tested industries worldwide and our business segments – building, industry and semicon – were no exception. Despite these headwinds, we continue to adapt, innovate and position Aalberts for a stronger future by deploying our strategic actions.

In 2024 we faced a mix of challenges and good progress across our three segments. While we face headwinds on our organic growth, many of our product lines and markets had positive growth thanks to the deployment of our business development plans and supply chain improvement. France and Germany were challenging markets for our building and industry segment, while we grew sales in North America, United Kingdom, and APAC. On the semicon side, 2024 was as expected with mid-single digit growth.

short-term challenges and strategic actions to reach 2026 objectives

In response to our end market dynamics, we accelerated operational excellence programmes and actions to address immediate challenges and **drive cost-out excellence and inventory optimisation**.

At the same time our **portfolio** was further optimised to focus on market attractiveness and ability to win, with the divestment of Elkhart Products Corporation (EPC) for our building segment and the decision to leave Russia for our building and industry segment. We have made progress with our US growth expansion for our industry segment with the acquisition of Steel Goode Products LLC (SGP) and the agreement reached to acquire 100% of the shares of Paulo Products Company.

We keep focusing on **increasing organic revenue growth** in our three end markets with our business development plans. We continued to invest in the long term with many new site openings and expansions of current sites.

We are **optimising our footprint** and are on track to reach 108 locations by 2026. We have closed six locations and announced one additional closure during 2024. Our operations organisation keeps working on higher automation and lean activities to improve, safety, quality, reduce inventories and increase productivities. We created a new group function focusing on continuous improvement under our new COO and launched a new operational excellence network to drive cost out and optimise inventory. Major improvements were realised in our Americas operations. Standardised lean tools are being defined and deployed across all our sites.

In 2024, we made further progress in **innovation**. In **building**, we introduced new components, systems and technologies to achieve energy and resource efficiency. We see also high growth potential for our prefab solutions for data centres, boiler rooms, heat water treatment, IOT enabled systems, grooved technologies, connection systems and press technology. In **industry**, we innovated new processes and services for our customers to help them improve product lifetime and realise energy efficiency. We see high growth potential for our technologies offerings like Hot Isostatic Pressing for the aerospace and power generation industry. In **semicon**, we launched a new reuse service centre to help our customers for refurbishment activities and our Dronten greenfield factory will be ready to support long-term growth of our customers.

Finally, on **sustainable entrepreneurship**, we will be executing our net zero carbon transition plan alongside our six decarbonisation levers for scope 1 and 2 as well as scope 3, and increasing our efforts on circular economy as explained in our environmental policy. Our human rights due diligence framework will be deployed through our value chain. We will also further strengthen our focus on health & safety, by executing our health & safety policy and roadmap, increasing safety awareness, training and risk assessments.

"As we are entering the third evolution phase of the company, our goal is to unleash the full potential of Aalberts. We are committed to increase organic growth and rebalance our portfolio. We will invest in a future-proof workforce, a customer-centric supply chain, innovate to differentiate and realise our sustainability commitments. These efforts will ensure we achieve both our short-term and long-term objectives."

new leadership teams

We implemented new leadership teams and added capabilities to our head office and in our segments. A new Executive Team is in place with the appointment of a new chief people & culture officer, chief operations officer, chief strategy officer and chief marketing and digital officer. We installed new leadership teams in Aalberts integrated piping systems Americas and EMEA & APAC with two new CEO's internally promoted. Additionally, we have been promoting great internal talents and bringing fresh expertise from outside to our business segments with new leaders in operations, business development and strategy deployment while continuously reinforcing our support functions (finance, people & culture IT, sustainability). The appointment of these new leadership teams marks a turning point for Aalberts. With fresh perspectives and extensive industry expertise, we are focusing on executing our clear strategy to navigate today's challenges while unlocking tomorrow's opportunities.

Overall, we are on track to reach our 2026 objectives as shared in the Capital Markets Day in December 2024.

Aalberts 2026 objectives

organic revenue growth (% annually) 4-6%	**EBITA margin** (% of revenue) 16-18%
ROCE 18-20%	**innovation rate** (%) >20%
SDG rate (%) >70%	**leverage ratio** <2.5

'thrive 2030' - prepare for the future

While the organic growth remains uncertain in the short term, we are confident in the potential growth of our long-term strategy. Driven by four global tailwinds, urbanisation, technology acceleration, reshoring, and decarbonisation, we have set four strategic actions towards 2030:

- **profitable growth:** delivering customer centric solutions in our three end markets, with organic growth > 4% , innovation rate > 20% and doubling our revenues in North America
- **leadership positions:** active portfolio management focusing on market attractiveness and ability to win strengthening our position with acquisitions in building (North America, source to emitter portfolio), industry (North America, end market diversification) and semicon (South East Asia, portfolio).
- **the Aalberts way:** invest in customer centric supply chain, improve plants performance, invest in future-proof workforce and drive functional excellence across segments
- **sustainable commitments:** drive health & safety and well-being for our employees, develop talents, sustain SDG impact > 70% and commit to net zero carbon in 2050 or earlier

looking forward to 2025

I am excited about the opportunities ahead of us, helping our customers solve their challenges and pursuing growth opportunities. Aalberts is entering 2025 with renewed energy, a new and clear strategy, and a new leadership team dedicated to build a stronger, more agile and more innovative company. Our portfolio is well positioned for growth and we have the right strategy to achieve our 2030 objectives with a revenue of more than EUR 4.5 billion sales, a free cash flow conversion higher than 65% and an EBITA margin higher than 18%. We expect to continue to return cash to our shareholders through growing dividends and share buybacks as of 2025. We will also start reporting our results by business segments every quarter and increase transparency about our performance.

2025 also marks an important milestone for our company as we will celebrate the 50 years anniversary of our company! We are planning to celebrate this event with our employees and key stakeholders during the year.

I want to thank our employees for their resilience, hard work and unwavering dedication during a challenging year. To our customers: your trust, collaboration and partnerships remain the foundation of our success. And to our shareholders: thank you for your ownership, continued belief in our vision and your continued support. Together, we will navigate this period of transformation and emerge stronger, more innovative and better positioned to lead our markets and ultimately unlock shareholders value. We will continue to do what we say and enable a clean, smart and responsible future.

Let's thrive in 2025!

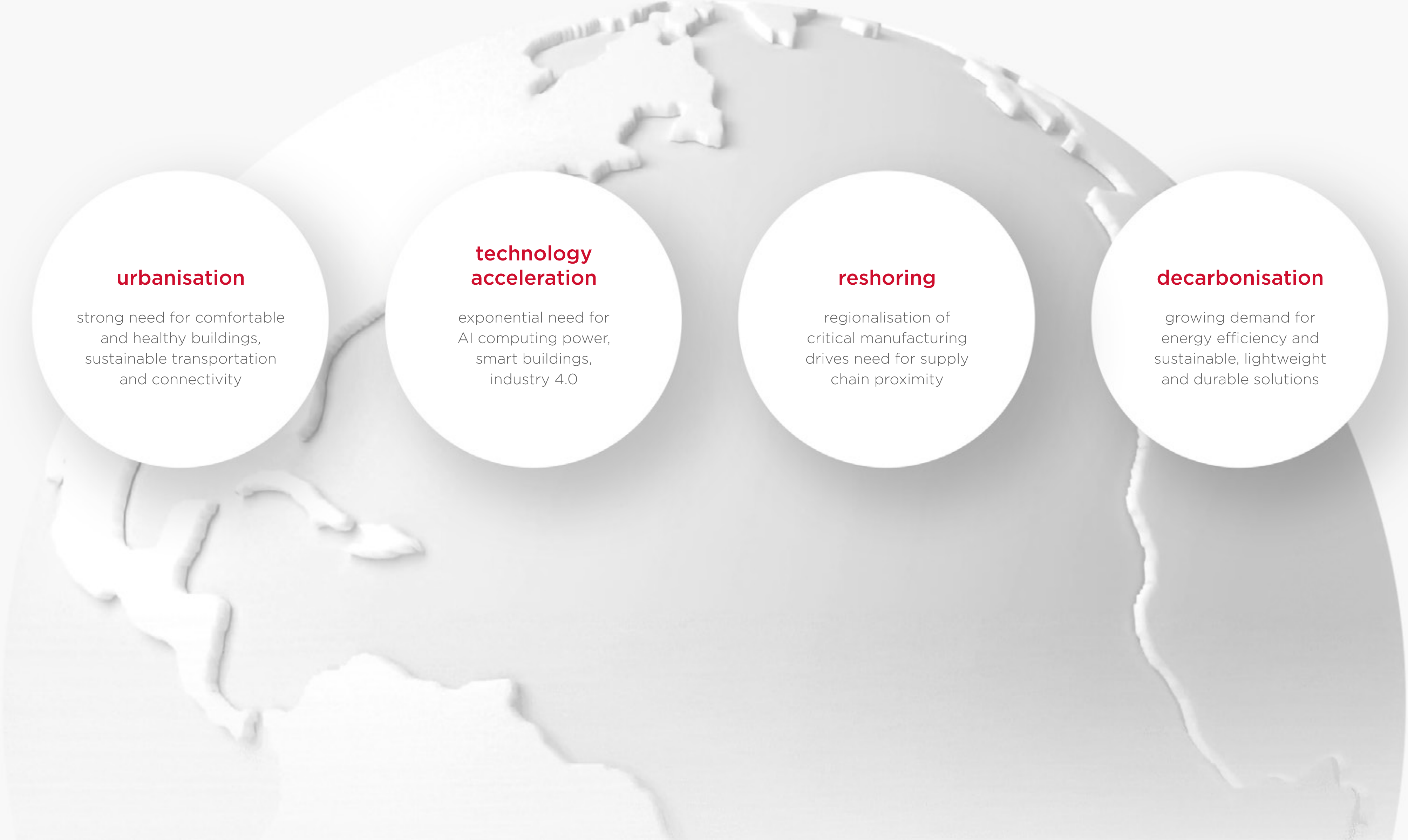
Sincerely,
Stéphane Simonetta

strategy

our playing field

we engineer mission-critical technologies enabling a clean, smart and responsible future

four global tailwinds



urbanisation

strong need for comfortable and healthy buildings, sustainable transportation and connectivity

technology acceleration

exponential need for AI computing power, smart buildings, industry 4.0

reshoring

regionalisation of critical manufacturing drives need for supply chain proximity

decarbonisation

growing demand for energy efficiency and sustainable, lightweight and durable solutions

'thrive 2030'

strategy

accelerating leadership positions in three attractive end markets with a balanced portfolio

realising sustainable profitable growth with enhanced offerings, differentiated technology and innovation

driving customer-centric supply chain converting into margin and free cash flow improvement

allocating capital in a disciplined way supporting our profitable growth and high shareholder returns

realising sustainable commitments towards net zero carbon, using sustainability as a growth driver

enhancing the Aalberts way with our values, lean and effective structure and functional excellence

objectives

revenue
(in EUR billion)
>4.5

EBITA margin
(% of revenue)
>18%

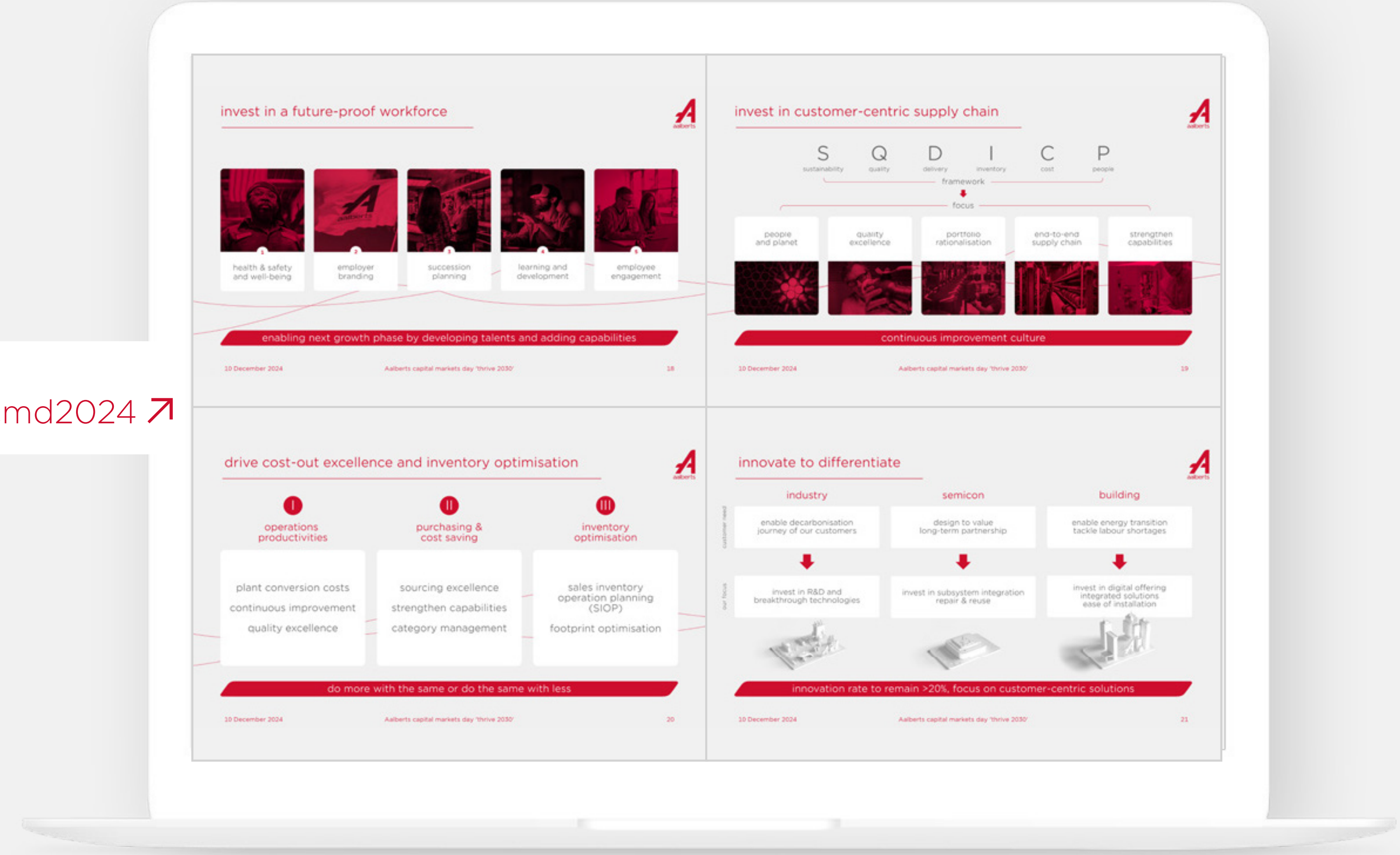
free cash flow conversion ratio
>65%

ROICE
(10-year period)
>18%

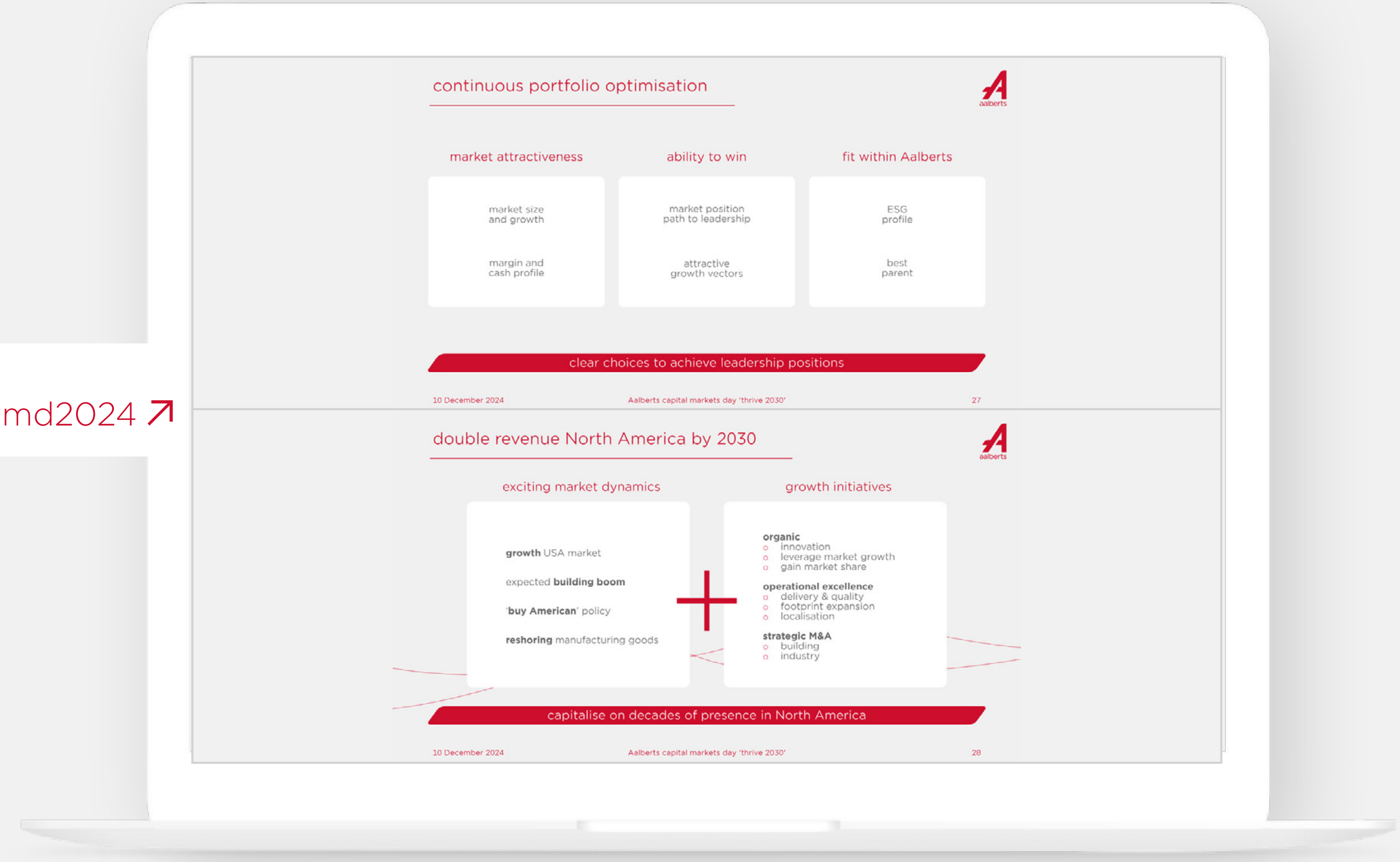
leverage ratio
<2.5

refocus.

find out more on
aalberts.com/cmd2024



rebalance.



find out more on
aalberts.com/cmd2024 ↗

our structure

With a total workforce of 13,124 FTE, 125 locations and activities in over 50 countries, Aalberts operates in three mission-critical end markets - building, industry and semicon - with different developments and dynamics. This divergence contributes to long-term, balanced and sustainable profitable growth. It gives us the opportunity to accelerate and develop our mission-critical technologies, end markets and regions simultaneously.

The Management Board is statutorily responsible for the overall management and strategy and policy of the company, while considering the interests of stakeholders. They ensure continuity of the company and enable sustainable long-term value creation, through financial administration and record-keeping, capital allocation, identifying and managing business risks, M&A processes and business leadership, including culture and succession planning.

The Executive Team is responsible for the day-to-day leadership of the business teams and group functions, driving our strategy, unleashing the full potential of our company. The business teams are end-to-end accountable for performance, customer centricity and innovation and business development.

The group functions are working closely together with the business teams and are driving the Aalberts fundamental networks (people & culture, HSR & sustainability, legal & governance, finance, IT & cyber security, operational excellence, digitalisation, M&A and business development) ensuring functional excellence, global scale and synergies while stimulating teamwork, rapid growth, end-to-end accountability and improving the performance.

Through a multidisciplinary, audit approach, we continuously improve our processes, including exchange of best practices between the business teams, countries and regions. A lean and effective structure with a continuous share and learn approach, guided by 'the Aalberts way' as our differentiator – 'winning with people'.

segments

- segment strategy
- end-to-end accountability
- customer centricity
- business development
- innovation
- sustainability, EMS[1]
- SQDICP[2]

group functions

- group strategy
- functional excellence
- strategic business partners
- long-term capabilities building
- group policies and standards
- training and coaching

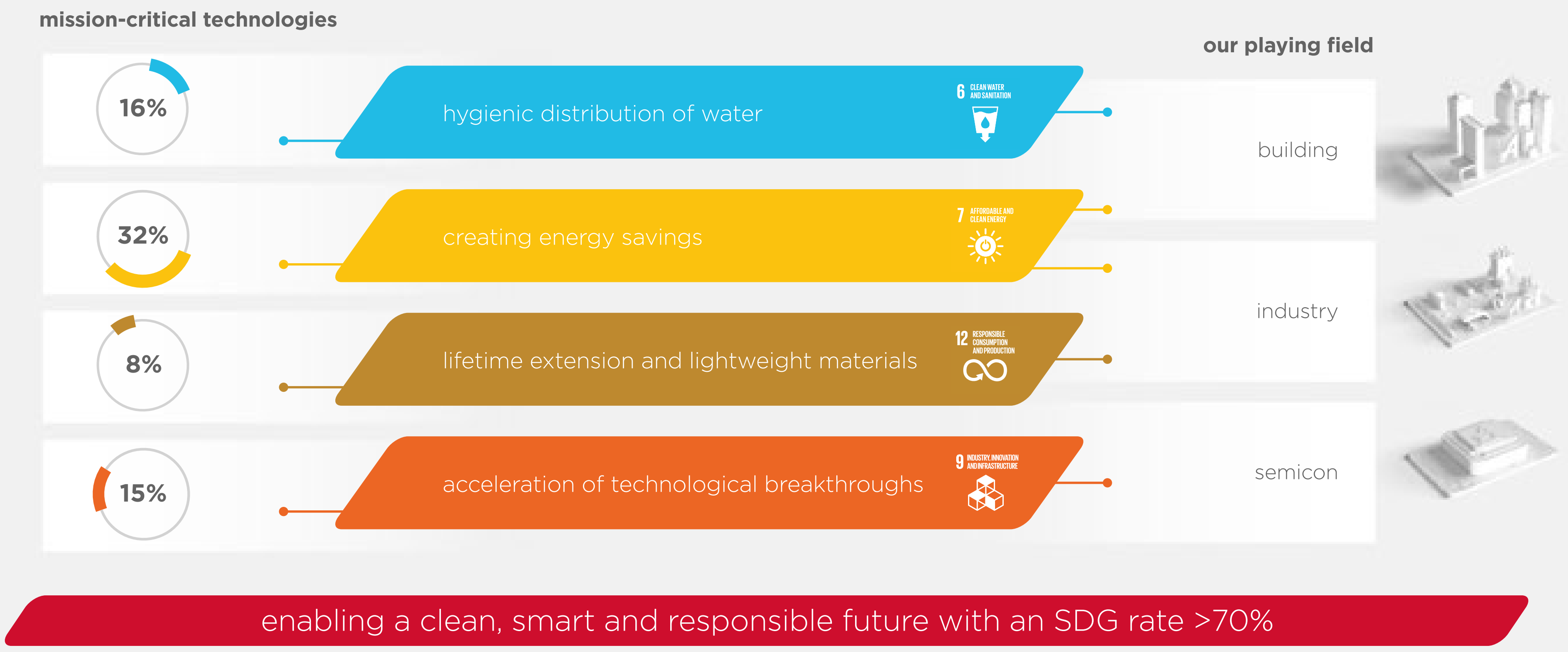
[1] EMS: employee motivation and satisfaction [2] SQDICP: sustainability, quality, delivery, inventory, cost, people

Executive Team (fltr): Maarten van de Veen, Moncef Tanfour, Stéphane Simonetta, Anne-Lize van Dusseldorp, Arno Monincx, Oliver Jäger, Thijs van der Lugt, Roland Voermans, Suzanne Verzijden, Luca Labriola, Jacob Speight, Patrick de Groot, Mattijs Planken

our sustainable impact

With our technology portfolio we make social and environmental impact. We express this impact by our SDG rate: revenue that is contributing to the Sustainable Development Goals (SDGs). Under our strategy 2022-2026 Aalberts 'accelerates unique positioning' we set a target of a SDG rate above 70% in 2026.

In 2024 we achieved this target as 71% of our revenue contributes to those subgoals of the SDGs that are material to us. Our target under Aalberts' strategy 'thrive 2030' is to maintain an SDG rate above 70%, while executing our growth agenda (page 12).



hygienic distribution of water by opening a new state-of-the-art production facility dedicated to providing safe and clean drinking water allowing us to enhance our capacity to deliver high-quality purified drinking water

aalberts.com/SDG6 ↗

creating energy savings by optimising vessel efficiency, both at sea and in harbours through engineering maritime ship performance and monitoring solutions

aalberts.com/SDG7 ↗

acceleration of technological breakthroughs by investing in a new, sustainable manufacturing facility to produce precision frames for semicon machinery, driving innovation

aalberts.com/SDG9 ↗

lifetime extension and lightweight materials by precision extrusions, reducing CO_2 emissions and enhancing aerospace sustainability

aalberts.com/SDG12 ↗

hygienic distribution of water

6 CLEAN WATER AND SANITATION

more efficient use and sustainable water management are critical in addressing the growing demand for water, threats to water security and the increasing frequency and severity of droughts and floods resulting from climate change. Currently, around 2.2 billion people lack safely managed drinking water. Aalberts contributes to the hygienic distribution of water in buildings, as we engineer solutions for safe and clean drinking water, water quality improvement and water efficiency.

impact 16% of total revenue
contributes to SDG6 and its relevant subgoals: clean water and sanitation

SDG 6.1: we engineer solutions for safe and clean drinking water
Each year, we deliver millions meters of pipes and connections for the hygienic distribution of drinking, potable and wastewater in buildings. We offer customers a single sourced and complete integrated piping solution. This is how we contribute to the access to safe and clean drinking water for all.

SDG 6.3: we improve water quality with our technologies
A high potable water quality begins with the planning and selection of the right material. Chemical substances must not be present in concentrations that are harmful for human health. We address such topics by offering lead-free piping systems, for example using lead-free alloy or by using other materials such as composite. We engineer our valves to be cavity free: they are continuously flushed to avoid stagnant water in valve and growth of bacteria. Our piping systems have relevant national and international quality certifications, approvals (e.g, NSF/ANSI, KIWA, DVGW) and quality for green building rating systems (e.g., LEED, DGNB and BREEAM). Also, we offer technologies to protect and improve water quality including filtration, purification and softening.

SDG 6.4: we create water efficiency in eco-friendly buildings
Our solutions ensure clean water and sanitation for millions of households worldwide and focus on efficient water use and water savings. For example, the Airfix vessel, an expansion vessel for domestic hot water saves up to 1,200 litres of drinking water per household per year when installed.

creating energy savings

7 AFFORDABLE AND CLEAN ENERGY

urbanisation and decarbonisation reinforce the need for more energy efficient, comfortable and healthy buildings and sustainable industry. Roughly half of the energy use in buildings globally is used for space heating installations. Aalberts contributes to the creation of energy savings in buildings and industry, as we engineer technologies for heating and cooling systems, facilitate renewable energy installations and provide improved energy efficiency.

impact 32% of total revenue
contributes to SDG7 and its relevant subgoals: affordable and clean energy

SDG 7.1: we engineer technologies for heating and cooling systems
Aalberts hydronic flow control and Aalberts integrated piping systems engineer a wide range of mission-critical building technologies that can be combined with heat pumps. When installed, our tailor-made solutions enable the transition to low carbon energy systems (e.g., valve, connection, fastening and piping technology) and provide improved energy efficiency (e.g., pump groups, buffer tanks and underfloor heating) in heating and cooling systems in residential, commercial and industrial buildings.

SDG 7.2: we make renewable energy installations possible
We empower the energy transition by providing solutions needed for renewable energy systems, such as solar panels and hydrogen installations. We manufacture expansion vessels for solar powered installations and thermal batteries for domestic water, powered by solar. Also, our fittings and piping systems have a very high temperature resistance and are therefore suitable for use in solar installations.

SDG 7.3: we provide improved energy efficiency
We provide improved energy efficiency in buildings through hardware and digital products and services. Our VacuStream for example is a pumpless degasser that protects sealed low temperature water systems from corrosion, dirt and failure and removes gases from the system with expected energy savings up to 15%. Also, digital products and services such as intelligent thermostats, smart radiator heads and remote services can make heating and cooling in buildings more energy efficient by up to 15%. Lastly, we engineer products that enable e-mobility and provide energy efficiency in maritime transport.

acceleration of technological breakthroughs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

in a world connected by microchips, we engineer leading-edge, tailor-made technologies together with semicon OEMs. We support OEM growth by accelerating technological breakthroughs for smart homes, autonomous driving and industry 4.0. Breakthrough innovation is necessary to address large-scale challenges and embrace digital solutions. Aalberts contributes to the acceleration of technological breakthroughs in semicon, by delivering ultra-precision and ultra-cleanliness, enabling accuracy and control and facilitating nanometer precision.

impact 15% of total revenue
contributes to SDG9 and its relevant subgoals: industry, innovation and infrastructure

SDG 9.4: we facilitate the growth of sustainable industries
Aalberts delivers leading-edge innovative, tailor-made and future-proof technologies, enabling the roadmaps and manufacturing challenges of high-end customers. With our technologies and innovations, we are part of the high-tech development and manufacturing infrastructure needed for technological breakthroughs. These breakthroughs enable the manufacturing of low-carbon technologies and the world's shift towards decarbonisation.

SDG 9.5: we accelerate technological breakthroughs
Aalberts accelerates technological breakthroughs from precision frames & modules and machining conditions to mechatronic technologies in high-end OEM equipment and installations. We continuously focus on long-term innovation and disciplined investments in R&D. R&D and process innovations enable us to refurbish and reuse as-new of installed base (end-of-life) modules and support responsible usage of materials for the semiconductor industry.

lifetime extension and lightweight materials

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

urbanisation and decarbonisation reinforce the need for solutions that reduce CO_2, lower waste and make materials more lightweight and durable. These solutions are crucial for the transition to more sustainable mobility by land, sea or air. Aalberts contributes to the lifetime extension and lightweight materials in industry, as we extend material lifetime and minimise (hazardous) waste.

impact 8% of total revenue
contributes to SDG12 and its relevant subgoals: sustainable consumption and production

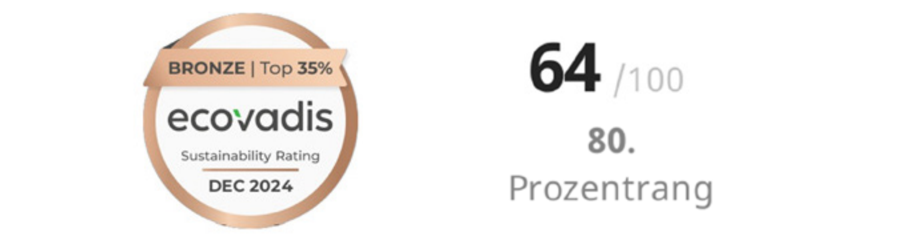
SDG 12.2: we extend material lifetime and engineer solutions for lightweight materials
At the forefront of decarbonising industries, we engineer durable, lightweight technologies and improve material characteristics. We enable industrial customers to extend product lifetime and realise energy efficiency. Aalberts partners with industrial customers worldwide to develop, produce and finish functional and highly durable surface designs of metals through sophisticated heat and surface treatments. We also extrude high-tech, lightweight aluminium and magnesium components that are both strong and light. The improved strength and stiffness of the materials improves product quality and reliability, while extending the lifetime of the manufactured parts (due to increased corrosion protection) and reducing the material footprint. They are of great importance for the automotive, e-mobility and aerospace industries.

SDG 12.4: we minimise hazardous waste
Aalberts develops and applies alternatives for hazardous substances, for example IVD coatings as substitute for chrome and cadmium coatings.

SDG 12.5: we minimise waste with our solutions
Aalberts engineers a 'fit to last' strategy and applies lifetime, quality and reliability improvements to our products. By extending the lifetime of materials, we reduce the need to replace products resulting in a decrease of natural resource use and less waste. Aalberts' advanced heat and surface treatments ensure that coatings make lightweight products just as strong as untreated, material-intensive products.

our recognition

We are recognised for the progress we make in various benchmarks. Given our lean and effective structure we only actively participate in the most leading sustainability ratings and benchmarks that are most useful for us and our stakeholders. We rather focus on performance improvement and managing our human, environmental and financial impact. However, the benchmarks help us assessing the topics that are most important to our stakeholders and prioritising our efforts. As you cannot manage what you do not measure, we set KPIs and measure and disclose data accordingly. We are acknowledged by ethical investors for our strong Environment, Social and Government (ESG) practices in equity indices such as the FTSE4Good.



In 2024 Aalberts surface technologies received an ecovadis bronze medal for their ESG efforts. A great recognition for their sustainability approach and this is a strong signal to their customers.

our recognition

ESG rating	2023	2024
CDP	B	B[1]
MSCI	A	BBB
CSA (S&P)[2]	93%	91%
Sustainalytics	21.4	21.5
FTSE4GOOD	certified	certified

1. 2023 score in anticipation of the final 2024 score
2. percentile

Last October, we hosted an Aalberts sustainable entrepreneurship event in Paris for our investor community, engaging them as a key stakeholder in an open dialogue about our sustainability progress and the impact of our technologies on achieving SDG goals. Through an interactive presentation using videos, infographics, and real products, we took our investors along the Aalberts story, demonstrating how we enable a clean, smart, and responsible future. This session allowed us to align expectations, showcase our mission-critical solutions, and highlight our contributions to accelerating semicon leading edge technologies, bringing eco-friendly buildings to life and transforming sustainable industries. The exchange provided valuable insights into investor perspectives while reinforcing their understanding of our mission-critical solutions.

the Aalberts way

speed and agility
end-to-end accountability

rapid growth
local presence and customer proximity

global scale
expertise and financial strength

functional excellence
drive synergies

our values

- be an entrepreneur
- take ownership
- go for excellence
- share and learn
- act with integrity

progress and performance

strategy deployment - 2026 targets

organic revenue growth
(% annually)

4-6%

2026	4-6%
2024	**-3.4%**
2023	4.5%

EBITA margin
(% of revenue)

16-18%

2026	16-18%
2024	**15.0%**
2023	15.7%

ROCE

18-20%

2026	18-20%
2024	**14.7%**
2023	16.8%

innovation rate
(%)

>20%

2026	>20%
2024	**19%**
2023	20%

SDG rate
(%)

>70%

2026	>70%
2024	**71%**
2023	70%

leverage ratio

<2.5

2026	<2.5
2024	**1.0**
2023	0.9

all figures before exceptionals

strategic actions 2025-2030

1 profitable growth

- focus on three end markets, delivering customer-centric solutions
- drive organic growth with business development and footprint optimisation
- sustain >20% innovation rate with new products, solutions and digital offerings
- double revenue in North America by organic growth, operational excellence and M&A

2 leadership positions

- active portfolio management focusing on market attractiveness and ability to win
- strengthen positions in industry (USA), semicon (South-East Asia, portfolio) and building (USA, portfolio) through acquisitions, EUR 800-1,000 million revenue
- additional divestment programme EUR 400-500 million revenue

3 the Aalberts way

- invest in customer-centric supply chain with continuous improvement culture
- improve plants SQDICP performance (Safety, Quality, Delivery, Inventory, Cost, People)
- drive operations productivities, purchasing cost savings and inventory optimisation
- drive functional excellence, global scale and synergies across business segments

4 sustainable commitments

- drive health & safety and well-being for our employees
- invest in a future-proof workforce by developing talents and adding capabilities
- sustain SDG impact >70% total revenue, capitalise market opportunities
- commit to net zero carbon in 2050 or earlier, execute sustainability improvement plans

refocus. rebalance. recharge.

strategy in action

In 2024, we continued to deploy our four strategic actions from our former strategy Aalberts 'accelerates unique positioning' focus on organic revenue growth, operational excellence, portfolio optimisation and sustainable entrepreneurship to enable a clean, smart and responsible future.

1 profitable growth

organic revenue growth: We keep focusing on **increasing organic revenue growth** in our three end markets with our business development plans. We continued to invest for the long term with many new site openings and expansions like **Almere** (hydronic flow control), **Raunheim** and **Dronten** (advanced mechatronics), **Monterrey**, **Eindhoven** and **Tatabánya** (surface technologies), and **Raufoss** (Isiflo).

Innovation remains at the heart of our vision to achieve leadership positions in attractive end markets. In 2024, in building, we introduced new components, systems and technologies to achieve energy and resource efficiency. We see also high growth potential in our prefab solutions for data centres, boiler rooms, supermarkets, IOT enabled systems, grooved technologies and CoolPress technology. In industry, we innovated new processes and services for our customers to help them improve product lifetime and realise energy efficiency. We see high growth potential with our technologies offerings like Hot Isostatic Pressing for the aerospace and power generation industry. In semicon, we launched a new reuse service centre to help our customers for refurbishment activities and our Dronten factory will be ready to support long-term growth of our customers.

During 2024, we launched new technology and innovation, digitalisation networks focusing on our building segment to drive commercial, go to market and marketing synergies while improving our new product introduction processes. A specific focus has been on new technologies like AI for process improvements and digital offerings for our customers.

We are committed to accelerate investments in **innovation and digitalisation** to increase revenues and reduce operating costs.

2 leadership positions

portfolio optimisation: Our **portfolio** was further optimised to focus on market attractiveness and ability to win, with the divestment of Elkhart Products Corporation (EPC) for our building segment and the decision to leave Russia for our building and industry segment. We have made progress with our US growth expansion for our industry segment with the acquisition of Steel Goode Products LLC (SGP) and the agreement reached to acquire 100% of the shares of Paulo Products Company.

3 the Aalberts way

operational excellence: We are optimising our footprint and are on track to reach 108 locations by 2026. We have closed six locations and announced one additional closure during 2024.

Our operations organisation keeps working on higher automation and lean activities to improve, safety, quality, reduce inventories and increase productivities. We created a new group function focusing on continuous improvement under our new COO and launched a new operational excellence network to drive cost out and optimise inventory. Major improvements were realised in our Americas operations. Standardised lean tools are being defined and deployed across all our sites.

4 sustainable commitments

sustainable entrepreneurship: We will be executing our net zero carbon transition plan alongside our six decarbonisation levers for scope 1 and 2 as well as scope 3, and increasing our efforts on circular economy as explained in our environmental policy. Our human rights due diligence framework will be deployed through our value chain. We will also further strengthen our focus on health & safety, by executing our health & safety policy and roadmap, increasing safety awareness, training and risk assessments.

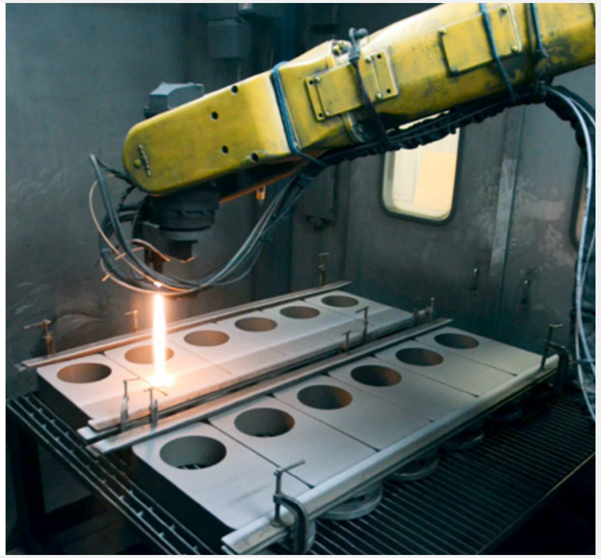
See our strategic actions 2025-2030 on previous page

1

Aalberts hydronic flow control prepares for **business expansion** in North America. Plans are underway to implement new manufacturing in our Fishers, Indiana facility including warehouse consolidation, reconfiguring Nexus valve assembly lines, and installing new automation

2

we further optimised our portfolio with the acquisition of Steel Good Products, operating two facilities in Texas and one in Ohio, USA, and expands our geographic footprint



3

to continue the relentless pursuit of **operational excellence** a new group function was created. Under the leadership of the new chief operations officer, the operational excellence network was formed

4

as part of our **sustainable entrepreneurship** we are further strengthening our focus on health & safety. To share and learn between all the companies we hosted a safety day at one of our factories in the Netherlands which brought together health & safety experts from across our business teams

highlights 2024

revenue (in EUR million)	**EBITA** (in EUR million before exceptionals)	**net profit before amortisation** (in EUR million before exceptionals)	**capital expenditure** (in EUR million)
3,149	471	345	231
-5%	**-10%**	**-8%**	**+3%**
added value (in % before exceptionals)	**EBITA margin** (in % before exceptionals)	**earnings per share before amortisation** (in EUR before exceptionals)	**ROCE** (in % before exceptionals)
63.4	15.0	3.12	14.7
2023: **62.4**	2023: **15.7**	2023: **3.38**	2023: **16.8**

explanation of alternative performance measures in this report ↗

financial development

Revenue decreased by EUR 175.4 million to EUR 3,148.6 million. The acquisition in 2024 (SGP) caused a positive effect of EUR 3.7 million. Divestments in 2023 (DISPTEK) and 2024 (EPC) caused a negative effect of EUR 75.2 million. Currency translation impact amounted to EUR 8.1 million positive, mainly PLN. Overall, we faced an organic revenue decline of EUR 112.0 million or 3.4%.

EBITA before exceptionals decreased by EUR 49.9 million to EUR 471.1 million or 15.0% of revenue (2023: 15.7%). There was a positive effect of EUR 0.4 million from the acquisition in 2024 (SGP). Divestments in 2023 (DISPTEK) and 2024 (EPC) caused a negative effect of EUR 7.0 million. Currency translation impact amounted to EUR 0.8 million positive, mainly PLN, resulting into an organic EBITA decline of EUR 44.1 million. Our holding/ eliminations is reported EUR 4.0 million negative (2023: EUR 5.1 million negative).

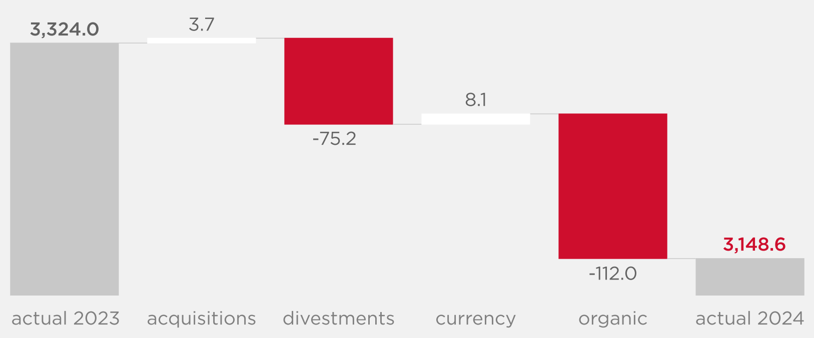
The exceptional costs of EUR 120.5 million are related to accelerated operational excellence programmes (EUR 54.8 million), with an annual benefit of approximately EUR 30 million (2024: EUR 10 million), the decision to leave Russia (EUR 37.0 million) and the outcome of an arbitral award (EUR 28.7 million).

Free cash flow before exceptionals finished at EUR 334 million (2023: EUR 423 million), including CAPEX cash out for EUR 241 million (2023: EUR 219 million). Net working capital increased to EUR 681 million or 80 days (2023: EUR 675 million or 74 days). Inventories finished EUR 23 million lower at EUR 800 million or 94 days (2023: EUR 823 million or 90 days).

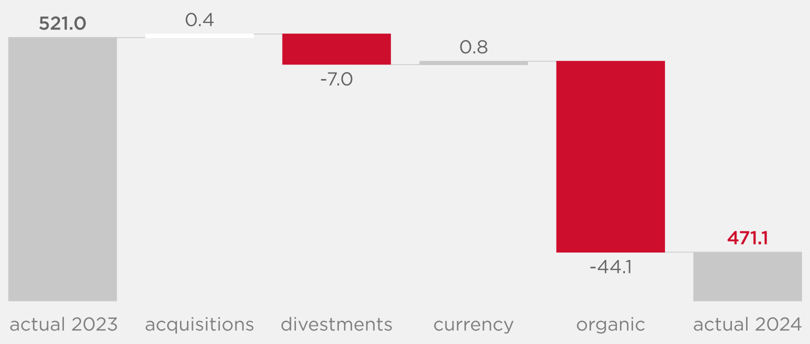
Net debt increased to EUR 597 million (2023: EUR 583 million) with a leverage ratio of 1.0 (2023: 0.9). Our net finance costs decreased with EUR 8.6 million to EUR 30.8 million. Effective tax rate before exceptionals was 22.9% against 24.4% last year. Net profit before amortisation and exceptionals decreased to EUR 344.5 million (2023: EUR 373.4 million), per share to EUR 3.12 (2023: EUR 3.38).

Return on capital employed before exceptionals decreased from 16.8% to 14.7%. Capital employed increased with EUR 103 million to EUR 3,203 million. Solvability (total equity as % of total assets) increased to 61.6% of the balance sheet total (2023: 60.8%).

revenue bridge



EBITA bridge
before exceptionals



operational development

Aalberts realised an organic revenue decline of 3.4% compared to last year, for building segment -3.0%, industry segment -7.5% and semicon segment +4.7%. The added value margin of 63.4% before exceptionals was on a higher level due to our unique positioning, cost saving actions and robust price levels.

Capital expenditure at EUR 231 million in line with guidance, to support additional capacity, geographical expansions, innovation and business development plans.

Our innovation rate was 19%. We are committed to accelerate investments in innovation and digitalisation to increase organic revenues and reduce operating costs. We have made great progress on CO_2 intensity reduction, waste management and circular economy, with an SDG rate of 71%.

Lost time injury frequency ratio reduced to 4.3, thanks to our increased focus on health and safety. Through our Aalberts development programmes we trained 427 talents of which 16% were promoted. Gender diversity remains our focus, we have 30% female leaders in our senior leadership. Employee net promoter score and employee motivation surveys have been done in 2024, providing insights where and how we can further improve. We will continue to invest in our people.

Our Aalberts people did an excellent job in creating value for our customers, delivering operational performance and driving the long-term business development plans.

We have entered the third evolution phase of the company with our strategy 'thrive 2030' with a diverse and experienced Executive Team, realising our objectives for 2026 and beyond. We have a strong funnel of targets for acquisitions as per our three priorities in building (America, portfolio), industry (America, end market diversification) and semicon (South-East Asia, portfolio).

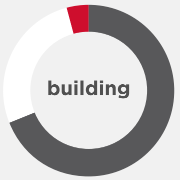
We will continue to focus on organic revenue growth, operational excellence, portfolio optimisation and sustainable entrepreneurship to enable a clean, smart and responsible future.

short term actions to realise 2026 objectives

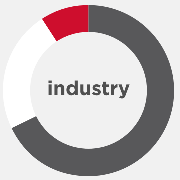
In response to our end market dynamics, we have implemented several actions to address immediate challenges and drive cost out excellence and inventory optimisation:

- accelerated operational excellence programmes of EUR 54.8 million with an annual benefit of EUR 30 million
- drive cost out excellence for our building segment with operations productivity, purchasing & cost saving
- continued inventory optimisation programmes across our three segments to reduce DIO below 85
- deploy lean capex approach across our three segments to improve our capital employed and remain within EUR 200-250 million CAPEX during next two years

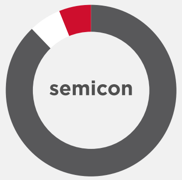
revenue per region
in %



- Europe 69%
- America 27%
- APAC, Middle East, Africa 4%



- Europe 68%
- America 23%
- APAC, Middle East, Africa 9%



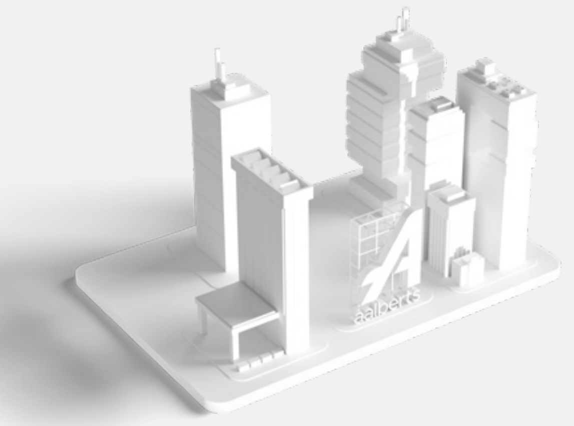
- Europe 88%
- America 6%
- APAC, Middle East, Africa 6%

revenue per product line
in %

- connection systems 49%
- valves 22%
- boiler room technology 29%

- surface technologies 62%
- stamping and extrusion 21%
- industrial products 17%

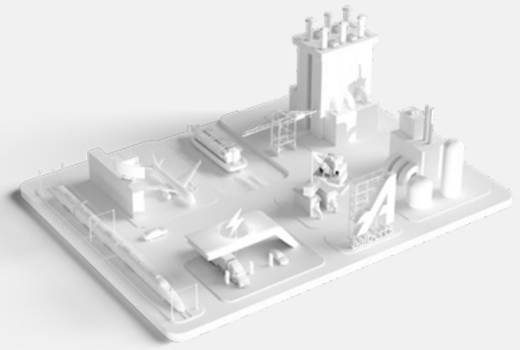
- machine conditioning 43%
- frames & modules 19%
- mechatronic technologies 38%



in **building** we saw better activity in the last quarter of the year with new build end market continue to have low activity especially in Germany and France, driven by macroeconomic uncertainty. Our connection product lines have faced negative growth in these markets. We also faced challenging market conditions in the Nordics and in Poland. On the other hand, we had better activity in America, United Kingdom and APAC where we continued to have high single digit positive organic growth and win market share.

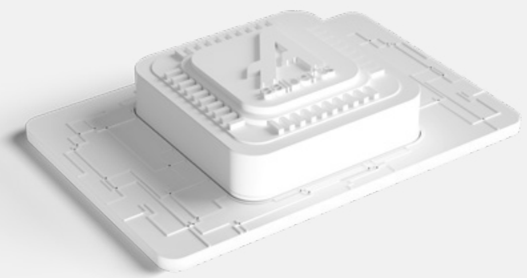
Our supply chain situation improved in America and bookings are up for our valves and grooved product lines.

We continue to see growth for our water treatment offering for heating systems in Europe and have managed positive growth in the Benelux, United Kingdom and Germany for our boiler room equipment. Our latest innovations for resource efficiency and ease of use have been key growth drivers. We continue to see strong potential for renovation projects, datacentres and smart buildings. Several leadership changes were done to add capabilities for the future. We made major financial improvements in our integrated piping systems business and continued to push innovation across our product lines. We have taken corrective actions to improve profitability and reduce inventories further.



in **industry** we saw lower activity in the last quarter of the year especially for automotive, machine build and French and German industrials. Aerospace, maritime, power generation and defence continued to be growth markets. Our capacity and geographical expansion plans are on track, and we keep investing in new technologies and services where we see attractive growth.

The electrification trend continues to provide exciting growth opportunities and we are well positioned to support this transition with our components and services. We managed to sustain a solid financial performance thanks to the great work of our teams and the cost synergies driven across our footprint. Our business development plans are well in progress for the future organic growth. Our corrective actions have contributed to sustain profitability despite lower volumes.



in **semicon** the growth slowed down in the second half of the year due to inventory adjustments from our customers, while activity for our mechatronic technologies continued to stay high. Our capacity expansions are on track and we keep investing in new technologies, adding new talents and deploying our operational excellence programmes.

While the semicon market experienced cyclical softness, the demand for advanced chips tied to AI and electrification technologies, together with higher demand for refurbishment remains promising. The growing demand for AI, 5G, and electric vehicles represent and exciting runaway for growth. We continue to see the semicon market in transition.

Aalberts hydronic flow control offers prefabricated solutions. We are solving the time and labour shortage with these prefabricated container and skids, filled with Aalberts products like boiler room technology, connection systems and heating water treatment solutions

aalberts.com/prefabskids

Aalberts integrated piping systems secured a contract with a big mechanical, leveraging our design services teams expertise. The contract comprises delivery of seven mechanical rooms across three towers in phase 1, including Western Canada's tallest tower

aalberts.com/v-port

Aalberts advanced mechatronics held the inauguration ceremony for the new production facility extension in Raunheim. The extension plays a key role in increasing productivity, improving working conditions, and promoting the company's growth

aalberts.com/raunheim

Aalberts surface technologies expanded 1,500m² production hall in Eindhoven, featuring state-of-the-art machinery and HIP technology, strengthens Aalberts' commitment to precision and material integrity, for critical applications

aalberts.com/eindhoven

innovation

driving innovation for sustainable growth

At Aalberts, innovation is at the heart of everything we do. It fuels our organic growth, enhances our differentiation, and ensures long-term value creation for all stakeholders. In a constantly evolving technological landscape, our strategy is to innovate with purpose—focusing on customer-centric solutions that address real-world challenges.

To catalyse breakthrough innovation, we set bold aspirations, act swiftly, and mobilise resources at scale to create a lasting impact. Aalberts delivers vital innovation to pioneering industries and everyday life. Innovation is the foundation of our long-term growth strategy, helping our customers solve complex challenges and strengthening our sustainable technology portfolio.

We drive long-term innovation roadmaps and commit to continuous investment in R&D. Our lean organisational structure is an advantage, ensuring that customer-facing business teams can drive innovation with autonomy. In a fast-changing technological world with increasing demands, this setup enables us to act swiftly on new opportunities while maintaining our differentiation.

capital allocation priorities

To ensure sustainable long-term growth, our capital allocation strategy is structured around three key priorities:

- growth and margin expansion – investing in initiatives that drive profitable growth and improve operational efficiency.
- new products, solutions, and digital offerings – strengthening our technology portfolio to anticipate and exceed customer expectations.
- business development – expanding into new markets, leveraging synergies across business units, and fostering strategic partnerships.

We focus on the innovation rate to measure and continuously improve our performance. The dilligent execution of our innovation projects, coupled with successful product launches and technology developments realised an innovation rate of 19% and reaffirmed our commitment to staying ahead in the ever-evolving technological landscape.

customer centric-innovation

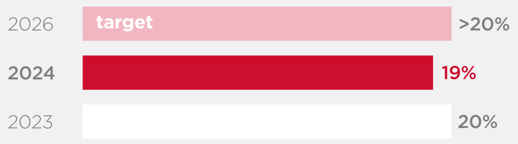
Our R&D and investment efforts are strategically aligned with the key challenges faced by our customers in our three segments; building, industry and semicon as showed on the next page.

a commitment to sustained innovation

As we look to the future, we remain committed to prioritising innovation, making timely investments in new opportunities, and unlocking sustainable growth. Our focus on digitalisation, customer-centric solutions, and breakthrough technologies ensures that Aalberts remains a strong, agile, and forward-thinking partner—driving cutting-edge solutions that make a meaningful impact on industries and everyday life.

innovation rate

LTM revenue from products launched in the last 48 months / LTM total revenue



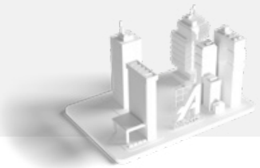
The Henco telescopic repair fitting push fit Pro-fit is unique because it eliminates the need for a press machine, making it a quick and easy solution for repairing multi-layer pipes. It's especially useful in tight spaces or when a press tool is unavailable. The design allows for a simple installation process: just cut the damaged pipe, remove burrs, and insert it into the fitting. The telescopic feature removes the need for precise distance measurements, making the repair even faster and more flexible. Perfect for applications like underfloor heating or water piping where space and time are limited.

innovate to differentiate

customer need

our focus

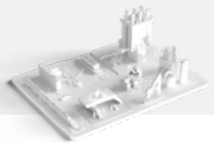
building



enable energy transition
tackle labour shortages

invest in digital offering
integrated solutions
ease of installation

industry



enable decarbonisation
journey of our customers

invest in R&D and
breakthrough technologies

semicon

design to value
long-term partnership

invest in subsystem integration
repair & reuse

the **Heaty Complete PROfessional** is a fully automatic IoT replenishment system that ensures optimal efficiency in heating systems with constant pressure and leakage protection to prevent water damage. Its user-friendly interface reduces errors, while integrated cloud documentation (UWS Master Cloud) tracks every step and refill for protection against claims. Proactive communication minimises service calls, and the automatic eSIM connection offers an overview of all replenishments and customers

HART-COAT®-SIL / HART-COAT®-GL-SIL is a variant of our hard anodised coatings, where a subsequent sealing is applied. Its main purpose is to reduce the coefficient of friction and increase the non-stick effect. Other advantages are the even higher corrosion resistance and the improved chemical resistance. This sealant does not contain any perfluorinated or polyfluorinated alkyl compounds, making it 100% PFAS-free

from design and engineering to production, qualification, installation and end-of-life, Aalberts advanced mechatronics covers the complete lifecycle of ultra-high purity liquid and gas supply systems and is single sourcing partner for a complete External Interface Module. This reduces operational load, supply chain complexity and assembly lead time and ensures consistent quality

strengthening innovation & digitalisation

To further accelerate innovation and enhance collaboration, we launched two key network initiatives in 2024.

1. innovation & technology network

The innovation & technology network is a share and learn platform that allows colleagues to exchange best practices and collaborate on transformative ideas. This initiative contributes to a unified building innovation strategy.

key achievements 2024

- defined clear personas for our core customer groups
- developed a high-level standardised innovation process.
- created a concept version of an NPI-scorecard, categorising innovations into core, transactional, and transformational.
- mapped end-user applications to enhance customer alignment.
- proposed a roll-up reporting structure for NPI-scorecards to provide clear steering insights.

This network fosters strong engagement and collaboration, with colleagues highly energised and confident that innovation will be the key driver of our future toward thrive 2030 success.

2. digitalisation network

Recognising the immense potential of digitalisation, we focused our roadmap efforts on our building segment, where digital transformation has the greatest impact. This network provides a structured overview of digital initiatives and is linked with the innovation network to drive synergies in IoT and app development. We have also initiated early-stage artificial intelligence explorations.

key achievements 2024

- strengthened marketing synergies and collaboration between digital teams.
- identified mutual personas for the building segment, ensuring aligned customer engagement.
- advanced app development collaborations across business units.
- Implemented IoT Proof of Value initiatives, enabling all building companies to leverage a shared platform.

people & culture

Our key strength is not the technology we produce, but the mission-critical people who create it. “Aalberts is built on entrepreneurship. We believe the more space people are given, the greater their chance of finding brilliant solutions for our customers. That is why we encourage everyone to take ownership, think independently yet work as one team. Our people are in charge today of what happens tomorrow: for themselves, our company, and our planet. We work the future at Aalberts.” Embodying our DNA, this is our employer brand statement as part of our new employer branding campaign.

go ahead
work the future

At Aalberts, our success is driven by our people. Every day we blend boundary pushing engineering with silo-breaking entrepreneurial business sense. This is how we keep our eyes open for technological opportunities and how we manage to capitalise on them in a profitable way. Regardless of the challenge, we assemble the right team to innovate and deliver mission-critical technologies to ground-breaking industries. Working as one, we improve the world of today and invent it for tomorrow.

'The Aalberts way' embodies our company's DNA, representing our values and daily practices. Our five core values are integral to our identity: be an entrepreneur, take ownership, go for excellence, share and learn and act with integrity. It is the common language within our organisation, our enduring strength since inception, and the foundation for future growth. This approach guides us in attracting and developing talent.

To ensure a future-proof workforce we will continue our efforts, focusing on the health and safety of our employees, ensuring a strong employer brand to attract the right people, identifying & developing the leaders of the future, and driving overall employee engagement.

As an example, we identify talent through the offering of our traineeship programme.

photo: Ruben Schoonwater at Aalberts advanced mechatronics

Ruben Schoonwater joined Aalberts in 2024 with a master’s degree in Innovation management. He started his traineeship programme at Aalberts advanced mechatronics, where he worked on developing strategy management processes. Now for his second part of the programme, he has started at Aalberts' head office to work on employee experience processes. He found Aalberts’ graduate traineeship programme looking for an organisation where he would be able to pursue his interests in different departments while expanding his knowledge and capabilities. With also room to explore opportunities outside the Netherlands during a 6 months-international assignment. By providing a traineeship that goes beyond a single industry or environment we work towards building a dynamic future workforce. “The trainee programme is a very valuable way of starting my professional career. By working on different projects, in various departments and organisations, it provides me the opportunity to discover my interests and strengths, while at the same time enabling me to explore the organisation in its entirety.”

As an example, we develop the leaders of the future through enabling career moves within the company.

"Aalberts offers the perfect environment for me to grow, bring my experience to the table, and embrace new perspectives"

photo: Diem Kemper at technology fair

After 12 years at Aalberts hydronic flow control, Diem Kemper, product manager, decided it was time for a change. While he was not yet finished with his role, Diem recognised that the moment had come to move on - not only for his personal growth but also to bring a fresh perspective to Aalberts hydronic flow control.

Diem was drawn to Aalberts for several reasons. He values the company's focus on production, a field that deeply resonates with him. The entrepreneurial culture at Aalberts was also an appealing factor, alongside the company's strong international presence and market position. Joining Aalberts integrated piping systems felt like the ideal next step for him - a place where he could leverage his experience in a new setting while embracing fresh challenges.

Although the two business teams share similarities in terms of market and culture, the way things are done at Aalberts integrated piping systems is different. Diem looks forward to broadening his knowledge with the renewed focus and approach that Aalberts offers. and is excited to apply the valuable lessons learned at Aalberts hydronic flow control.

As Diem reflects, "After so many years in the same role, I realised it was time to challenge myself again. Aalberts offers the perfect environment for me to grow, bring my experience to the table, and embrace new perspectives. It is all about moving forward, evolving, and contributing to something bigger."

To celebrate team's strong work and create an engaging work environment, we have several initiatives in place.

Aalberts award programme

Since a few years, we have Introduced our Aalberts annual award programme, designed to celebrate the exceptional contributions of our teams. This programme exemplifies our commitment to fostering a culture of appreciation and acknowledgment within our organisation. The programme runs annually, ensuring a regular recognition of outstanding achievements. Teams across all levels and departments are eligible to participate, creating an inclusive environment that values contributions from every corner of the organisation.

Our programme embraces a multi-level recognition approach, acknowledging achievements at various organisational tiers. The cross-functional and cross-locational approach allows for a diverse range of accomplishments to be celebrated in four categories: sustainability, people & culture, innovation and performance. In essence, our all-employee recognition programme is more than just a campaign – it is a commitment to appreciating the diverse talents and contributions that make Aalberts a thriving community. Through this initiative, we aim to inspire a culture where everyone feels valued and recognised for their dedication and hard work.

diversity, equity and inclusion

As employees are key for our success, Aalberts recognises and respects the differences between individuals and understands that these differences can include ethnicity, religion, nationality, age, gender, sexual orientation, physical ability, experience, and perspective. Diversity ensures that we reinforce each other, bring out the best in each other and cooperate optimally. Providing an inclusive workplace makes diversity work. For example, in our Almere site we offer language lessons in both Dutch and English to our employees to support communication and collaboration. Similarly, across many of our sites we provide work instructions in multiple languages - for example in our Nijmegen site we offer Dutch, English and Polish to enable a successful inclusive workplace. With our diversity, equity and inclusion policy covering the entire workforce and our diversity policy covering our Management Board and the Supervisory Board, we express Aalberts' commitment to an open, pragmatic culture that focuses on entrepreneurship and personal growth at all levels throughout the organisation. For more information, please see our **diversity, equity & inclusion policy ↗**

Recruiting and developing a diverse and inclusive workforce gives us a wide range of perspectives and allows us to explore and adopt fresh ideas and technological innovations. It also allows us to better understand and meet the needs of our diverse customer base and communities. At all levels of our organisation, we encourage diversity by ensuring a workforce with employees of different ages who have different backgrounds and genders. We believe that diversity drives better performance.

By 2026, Aalberts aims to have at least 30% of its senior leadership positions filled by women. Senior leadership is defined as the top 100+ consisting of key position holders of Aalberts business teams. A baseline was set in 2022 at 25%. Ensuring a balanced representation at the highest levels of leadership is designed to promote gender equality throughout the organisation and ensure attraction of a diverse workforce.

senior leadership	total employees	supervisory board
30%	24%	33%

It is widely acknowledged that gender imbalance is more common in operational industries. 'The Aalberts way' is to focus our efforts on improving gender balance by putting gender diversity on top of all conversations related to attracting, developing and retaining talents. As a key priority, gender diversity is driven by our people & culture network. We already see more women entering various management levels, through attraction and retention efforts: job rotation, coaching, leadership development programmes and succession planning. In parallel, we continue to enhance our brand and unique culture, as this greatly contributes to enhancing gender diversity. This is a long-term approach, and we believe that this is what makes us so special: Aalberts is a company that truly wins with people 'the Aalberts way'.

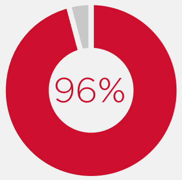
We believe in creating shared value for our stakeholders by supporting progress in society in various manners. That is why we engage in partnerships at both the head office level as well as with local business teams, with a focus on technological progress and sustainable entrepreneurship. Besides this, we are involved in countless regional and local philanthropic and community engagement initiatives, such as donations to charities and partnering with schools and universities to share knowledge.

Since 2018 we have developed 1,410 professionals (office employees and production workers with management responsibilities) of which we have retained 96% and internally promoted 16%.

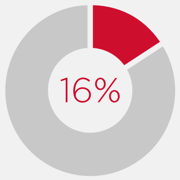
developed

1,410

retained



promoted



community engagement & partnerships

At Aalberts we engage with our communities through many different channels, as well as through different layers within the organisation. At a global level, we support Non Profit Organisations and engage with our community through our website news page, as well as through our LinkedIn page.

As entrepreneurs, we see a shared value proposition in working with people with disabilities, refugees or un (and under)-employed people. For instance, the assembly of a part of our products takes place in sheltered workshops at multiple locations in France, Germany and the Netherlands and at some locations people from sheltered workshops work in-house. We have several business locations that integrate refugees into their workforce to increase capacity, for example a labour training centre in Norway. They receive language training combined with other education.

Furthermore, in 2024, Aalberts continued to strengthen its commitment to social responsibility and community support. We are proud to have contributed to impactful organisations such as the Salvation Army and UNICEF, reflecting our dedication to making a positive difference in the lives of those in need. Through these contributions, we strive to foster a sense of global solidarity. Also at a local level, our business teams actively engage with and support their communities by sponsoring and collaborating with local clubs and initiatives.

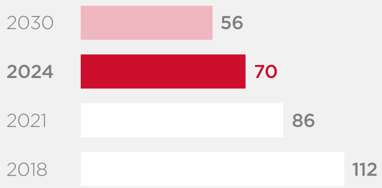
With our partnership projects we aim to support sustainable progress in society. Based on our policy, projects should match our strategy and values, focus on technology and sustainability and impact the SDGs that are material for Aalberts. Alongside our financial backing, we offer our knowledge and technologies to the respective projects. Amongst other initiatives, we supported the Electric Superbike Twente, a student team of the University of Twente, and the Forze Hydrogen Racing team. We are also a solid partner of the Delft University of Technology to explore sustainable building opportunities at the Green Village, these collaboration efforts allow us to test our products, and to get insights into the impact of our sustainable solutions over a longer period of time.


the team in the training labour centre in Norway

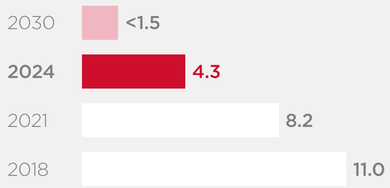
environmental and social KPIs

SDG rate
(in %)

scope 1 & 2 CO_2 intensity
tonnes of CO_2 / EUR million revenue



LTIFR
LTIs / million working hours



number of Lost Time Injuries
LTIs

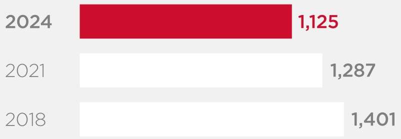
scope 3 CO_2 intensity[1]
tonnes of CO_2 / EUR million revenue

waste intensity
kg disposed / EUR million revenue

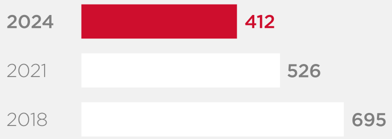
absenteeism rate
days of absence / total working days

employee turnover
% leavers / employees

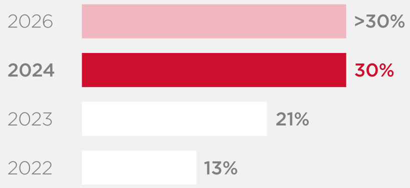
energy intensity
GJ / EUR million revenue



water intensity
m^3 / EUR million revenue



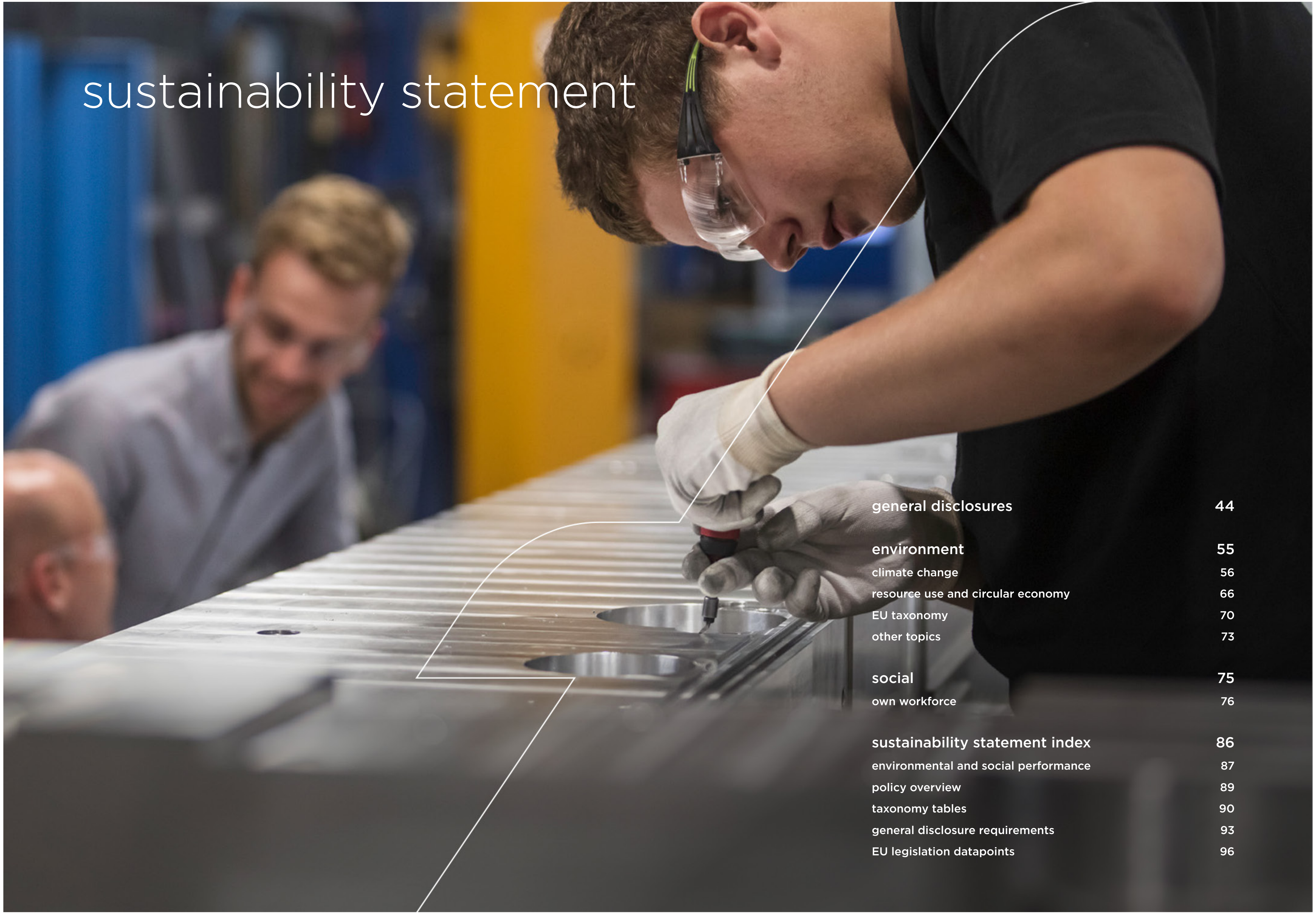
employee development
% of target group employees



gender diversity of senior leadership
% female

[1] related to raw materials - measured

sustainability statement



general disclosures

Our sustainability statement has been structured in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the applicable European Sustainability Reporting Standards (ESRS). It includes disclosures on the material topics resulting from the Double Materiality Assessment (DMA). Please find an overview of the disclosure requirements complied with in the sustainability statement based on page 93-95. In addition, the statement addresses some environmental and social topics that are considered to be important for Aalberts and/or its stakeholders, but not material, like water or biodiversity. Please refer to page 73 for more information on these topics.

basis for preparation

consolidation and time horizons

The sustainability statement is prepared on a consolidated basis. The scope of the non-financial data consolidation is equal to the scope of consolidation for the financial statements, reference is made to note 2.4 of the financial statements. If data is excluded, this is specifically mentioned. The option to omit specific pieces of information or disclosures related to intellectual property, know-how or the results of innovation has not been used. The reporting period that is applicable to the sustainability statement is equal to the reporting period for the financial statements, covering Aalberts' activities from 1 January 2024 to 31 December 2024. The reporting scope on impacts, risks and opportunities that are material for Aalberts covers the entire value chain, as shown on page 50. The time horizons used align with our financial reporting on page 138 and the definition of ESRS 1 section 6.2.

estimations and outcome uncertainty

The preparation of the sustainability statement requires estimations and assumptions, that are based on experience and various other factors that are believed to be reasonable under the circumstances. The majority of our quantitative data has been obtained directly from our systems. The collection of data through alternative means, such as estimations within our value chain, is explicitly indicated.

spend-based approach for upstream scope 3 categories

To identify which scope 3 category had the largest share in our upstream footprint, we performed a spend-based analysis, using the DEFRA conversion factors. Assumptions were necessary to perform the spend-based analysis on upstream scope 3 emissions (page 64), which is a complex exercise with a level of measurement uncertainty. The assumptions are related to converting spend to reality, where we made the assumption that the spend on materials can be a substitute for volume and accurately calculate the CO_2 emitted. For further information on the key estimates, judgements, and assumptions applied, please refer to the accounting policies per topic.

spend-based approach for scope 3 category 1: purchased goods and services (raw materials)

To calculate the scope 3 emissions related to category 1: purchased goods and services, measurements were done on business team level using the spend-based- and activity-based approach. We measured the volume where possible and used the EcoInvent database to convert tonnes purchased into CO_2 emissions. If an activity-based approach was not feasible, we used the Environmentally-Extended Input-Output (EEIO) emission factors (database 2021) to convert the spend on materials used into CO_2 emissions. The companies spend based evaluations are calculated as the direct cost including VAT associated with a specific type. The direct cost has been converted to USD using the average exchange rate for each month. We are committed to further improve the data quality of our scope 3 emissions through activity-based measurements and working towards using supplier-specific conversion factors instead of industry-average conversion factors in the coming years.

presentation of information

Starting January 2024, Aalberts reports on the ESRS requirements as per the CSRD. In anticipation of the implementation of the CSRD in Dutch law, we have voluntarily revised the reporting structure and content of annual report 2024, to ensure better alignment with the ESRS requirements. There were no material reporting errors in prior periods identified. To provide a comprehensive understanding of our sustainability approach, our annual report includes topics that are not considered material, but are considered important in our sustainability statement. The auditor's limited assurance report can be found on page 185-186.

In addition to CSRD reporting, we report on the EU taxonomy on page 70-72 and the environmental and social impact of our technologies by applying the framework of the United Nations Sustainable Development Goals (SDGs) on page 16-19. Wherever we incorporate information by reference to other parts of the management report, this is clearly indicated. Wherever we present data in tables, empty cells indicate that no data was measured and (-) symbol indicates that a 'zero' was reported.

risk management and internal controls

For a general description of our risk and internal control processes, reference is made to the paragraph risk and opportunity management (page 103). In addition to our overall risk and opportunity management, a DMA was performed to identify material ESG topics for Aalberts and the corresponding impacts, risks and opportunities in accordance with the CSRD methodology, as shown on page 52. The link between material risks and opportunities resulting from the DMA and our overall risk and opportunity management is shown on page 53, in the last column of the IRO table.

The sustainability data for our reporting is obtained and validated by our local business teams, based on global definitions and control principles provided on group-level. Periodically, the sustainability data is reported via our global consolidation and reporting system. Reported data is consolidated, reviewed and validated by the ESG reporting manager and the finance/group control team, in order to support accurate and complete reporting on ESG-related metrics. Furthermore, ESG reporting is supervised by the director sustainable entrepreneurship, whom is part of the Executive Team and discusses this at least quarterly with the Management Board.

sustainability governance

Sustainable entrepreneurship, including Aalberts' commitments and objectives, is integrated in the strategy 'thrive 2030'. The Supervisory Board continuously supervises the sustainable long-term value creation strategy, the establishment and implementation thereof by the Management Board and the Executive Team and the impacts, risks and opportunities and associated targets, related to sustainable entrepreneurship, people & culture and governance topics, as presented on page 47. The Audit Committee monitors the ESG reporting process and risks associated with it, the internal control systems and implementation of the CSRD. The NSR Committee monitors the implementation of the sustainable entrepreneurship and people & culture strategy. The Supervisory Board can leverage the expertise of the director sustainable entrepreneurship and chief people & culture officer, whom directly engage with the impacts, risks and opportunities in daily strategy implementation. Please refer to page 114-120 for more information about the diversity and experience of the Supervisory Board.

The Management Board and Executive Team establish and implement the sustainable entrepreneurship and people & culture strategy, driven by the director sustainable entrepreneurship and chief people & culture officer and manage and monitor performance. Health & safety, sustainability and people & culture are monthly topics on the agenda of the Executive Team meetings.

Given Aalberts' focus on sustainability, overall ownership of sustainability is with the CEO. The Management Board and Executive Team take the impacts, risks and opportunities into consideration while overseeing strategy and risk management. These were taken into account in the development of the updated strategy 'thrive 2030', leading to updated action plans and targets on sustainability, health and safety, innovation and people & culture topics and are taken into account for long-term financial planning and scenario analysis.

The day-to-day development of health & safety, risk and sustainability (HSRS) strategies, policies and roadmaps for Aalberts, and CSRD compliance and implementation of internal controls on ESG metrics, are done by the sustainability team at the head office headed by the director sustainable entrepreneurship. The execution of those strategies, policies and roadmaps is done via the HSRS network, driven by the director sustainable entrepreneurship and endorsed by the CEO. Each business team is represented by its COO or an equivalent position. Long-term HSRS improvement plans including net zero carbon roadmaps are developed per business team, with targets supporting Aalberts' targets. Performance and progress of the HSRS improvement plans are monitored via quarterly HSRS network meetings and more frequently where deemed necessary.

Best practices on how to act on our decarbonisation levers, such as implementing energy efficiency measures, using Life Cycle Assessments (LCAs) for adjusted product design and creating Environmental Product Declarations (EPDs) are shared throughout the businesses via webinars and through other means. Ongoing interactions with and between the group companies enable fast-learning and adaptation. Risk management, including physical climate risks and transition risks is included in the HSRS improvement plans. Opportunities and risks are included in the innovation roadmaps of the various business teams to create technological innovation with sustainable impact, including solutions for energy efficiency.

The day-to-day development of people & culture (P&C) strategies, polices and roadmaps for Aalberts are done by the P&C team at the head office. The P&C network is similarly organised as the HSRS network, headed by the chief people & culture officer. Each business team is represented in the network by a P&C lead that drives human resource development in the different business teams.

The P&C network meets on a quarterly basis to discuss the execution of strategies, policies and roadmaps and share and learn on topics such as the Aalberts company passport and unique culture, diversity, employee attraction, development and retention and more. Topics such as employee representation are managed locally. Progress and performance on selected KPIs (page 83-85) is measured quarterly. Long-term HSRS and P&C improvement plans and innovation roadmaps are discussed and challenged by the Management Board during the annual strategy meetings with the business teams.

In 2024, performance under the STI or the LTI is not being assessed against specific sustainability-targets and/or impacts.

Supervisory Board
supervises the sustainable long-term value creation strategy, the implementation thereof by the Management Board and Executive Team and the principal risks associated with sustainable entrepreneurship and ESG related topics.

Audit Committee
monitors the ESG reporting process and risks associated with the internal control system and implementation of the CSRD.

NSR Committee
monitors the implementation of the sustainable entrepreneurship and people & culture strategy.

Management Board
charged with the management and statutory leadership of the company

Executive Team
manages and monitors performance of the technology clusters, establishes and implements the sustainable entrepreneurship and people & culture strategy supported by the director sustainable entrepreneurship and chief people & culture officer.

head office sustainability team
develops the sustainable entrepreneurship strategy, develops policies and roadmaps for Aalberts and monitors and manages performance.

head office people & culture team
develops the people & culture strategy, develops policies and roadmaps for Aalberts and monitors and manages performance.

HSR & Sustainability network
business team members execute the sustainable entrepreneurship strategy and develop HSRS improvement plans per business team.

people & culture network
business team members execute the people & culture strategy and develop P&C improvement plans per business team.

sustainability due diligence

Our diverse portfolio and presence in various value chains requires a robust and coordinated approach to due diligence. We are actively working to align our due diligence on human and environmental risks with the Corporate Sustainability Due Diligence Directive (CSDDD), expected to be required by 2027. This process is still ongoing. In 2024, we initiated the transition from a business team-level approach to a group-level framework for organising due diligence. We also enhanced awareness of human and environmental rights due diligence, integrating it more deeply within our organisation. We have laid the foundation to take the next steps towards a structured, group-wide due diligence process, for instance, by automated software. This will enable us to execute and monitor due diligence consistently across all our activities.

due diligence in our operations

In 2024, we strengthened our due diligence processes by working towards alignment with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises. Based on the third-party gap assessment conducted in 2023 and the recommendations that followed, we integrated due diligence as a key topic in our governance network and all our governance visits, with special attention to salient risks. To illustrate, during our last governance visit to our factory in Taiwan various human rights topics were discussed and evidence was submitted to ensure compliance with local laws. At our site in Taiwan, challenges related to our diverse workforce were mitigated with full time employment of an on-site translator to prevent language barriers and inform employees about contracts, rights and other HR related topics. These steps underline our commitment to ensuring ethical practices and compliance within our operations, as emphasised in our **human rights policy↗**. In 2024, we received no evidence of any human rights violations or abuses.

due diligence in our supply chain

As a global manufacturing company we acknowledge our responsibility and recognise that collaboration is the key to address systemic issues across supply chains. We can only assure our integrity if our suppliers also subscribe to our business principles. To further improve integrity and sustainability throughout the entire value chain we partner with suppliers who live by the same main principles as our Code of Conduct (safe place to work, respect human rights, treat employees with respect and work in an environmentally friendly way). When selecting suppliers, we consider sustainability factors, such as quality, health and safety and environmental performance.

We also ask our suppliers to sign our Supplier Code of Conduct. By signing this Supplier Code of Conduct, suppliers agree to comply with our principles. Our Supplier Code of Conduct includes the principles of the Code of Conduct and the principles of the UN Global Compact and the OECD. In 2024, we integrated human- and environmental rights due diligence into our established supply chain management assessments. We organised a group-wide webinar to kick-start structured supplier engagement on identifying, preventing and ceasing adverse impacts in our supply chains, based on the UNGP and OECD guidelines. In 2025, we expect to further develop our processes and reporting as we envisage streamlining due diligence with an automated software.

stakeholder engagement

We believe that long-term value creation can only be achieved by maintaining a company culture that embraces transparency and trust. By engaging with stakeholders, Aalberts is able to capture multiple perspectives, gain broader insight into value creation and ensure that business strategy and decision-making aligns with the needs, expectations and concerns of stakeholders to make a positive and lasting impact. In addition, it helps Aalberts to carefully balance the different interests of stakeholders. The topics on which Aalberts engages with its stakeholders include environmental, social and governance related topics, but are not limited thereto.

Aalberts identifies its key stakeholders as parties directly or indirectly affected by our activities or those who have a direct interest in or who can have an impact on our long-term business success. Through stakeholder mapping, Aalberts has identified five main stakeholder groups with highest impact and/or influence: (i) shareholders covering investors, financial analysts and other financial stakeholders; (ii) customers; (iii) employees; (iv) suppliers and partners and (v) society covering regulatory bodies, governmental agencies, local communities and other organisations.

Aalberts engages with its stakeholders on a daily basis, creating dialogues to share the Aalberts vision and strategy and learn about their interests and views on Aalberts. Engagement occurs with each category of stakeholders. The frequency, level and method of engagement is tailored to the goal of the dialogue and the relationship with the stakeholder. For more information, please see our stakeholder engagement policy.

The results of stakeholder engagement are, as appropriate: (i) communicated to and discussed by the Management Board and Supervisory Board; (ii) used to identify possible impacts, risks and opportunities that could impact Aalberts' ability to create value in the long-term and respond to these in a timely manner; (iii) used to determine the materiality of ESG topics for the Aalberts sustainable entrepreneurship and people & culture strategy and reporting; (iv) used to set ESG targets and (v) used to conduct and improve sustainability due diligence.

sustainable entrepreneurship

At Aalberts, we engineer mission-critical technologies enabling a clean, smart and responsible future. We strive to unleash the full potential of the environmental and societal impact of our technologies, to leverage current global tailwinds and to support our customers in their sustainability journey. While we are dedicated to deliver on our own commitments to be net zero carbon by 2050, use natural resources as efficient as possible and reduce water use, we continue to focus on the positive impact of our technologies for our customers. We call this the multiplier effect. By engineering products and services that enable our customers to enhance their own business and save resources, we help them reducing CO_2 emissions throughout the lifecycle of their operations. This is how we amplify sustainability, not just by improving what we do, but by empowering others to reduce their environmental footprint. These solutions ripple across industries, driving meaningful change beyond what we could achieve alone. That is how we make an impact, by working together in the value chain and through innovation that serves both our customers and the planet.

We enable our stakeholders to move forward sustainably. We see sustainability as a business opportunity and use it as a growth driver, that is why we rather call it sustainable entrepreneurship. To create shared value for all our stakeholders, sustainable entrepreneurship is fully embedded in our strategy 'thrive 2030', accelerating our unique positions with high growth potential and sustainable impact. General information about our strategy and business model can be found on page 25.

We identify four global tailwinds that are shaping our future: urbanisation, technology acceleration, reshoring and decarbonisation (page 11). Those global tailwinds are anchored in legislation such as the EU Green Deal with the expected renovation wave and the focus on a carbon neutral economy in 2050 and the US Inflation Reduction Act with the focus on reducing carbon emissions by around 40% in 2030, compared to 2005. Driven by the tailwinds, we see many opportunities for growth in the Aalberts playing field, where we are accelerating semicon leading edge technologies, bringing eco-friendly buildings to life and transforming sustainable industries.

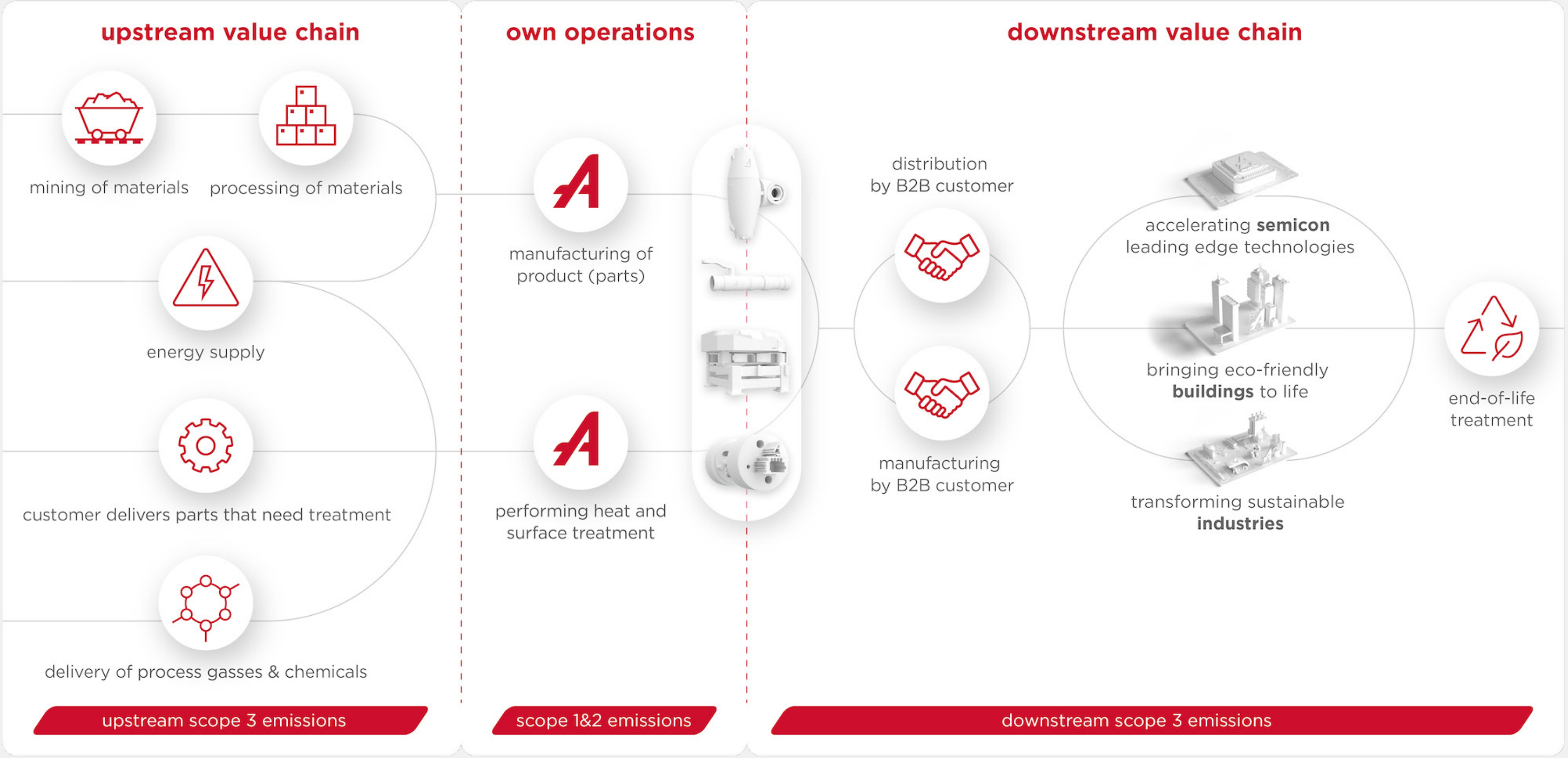
In our end-markets, we innovate to differentiate. In industry, we enable the decarbonisation journey of our customers by investing in R&D and breakthrough technologies. In semicon, we design to value long-term partnerships by investing in subsystem integration and focus on repair and reuse. In building, we enable the energy transition and tackle labour shortages by investing in digital offering, offer integrated solutions and improve the ease of installation. By innovating in customer-centric solutions, we realised an innovation rate of 19%. We use sustainability as a growth driver to accelerate our innovation and execute our strategy.

For an overview of our main products and services offered and revenue by end-market, please refer to page 2 and 3. We illustrate the environmental and social impact of our products and services using the SDG framework on page 16. We do not present additional information such as activities or revenue breakdown in ESRS sectors, sustainability-targets or assessments on products and services, other than what is presented under 'our sustainable impact'. For our approach on risk and opportunity management related to sustainability topics, please refer to the corresponding chapters 'climate change', 'resource use and circular economy' and 'own workforce'. Lastly, please refer to page 84 to for the geographical spread of our employees, measured in FTE instead of headcount.

our value chain

We recognise that systematic change demands value chain collaboration. To provide transparency into the complexity of value chains, we mapped a simplified overview. Our upstream value chain supplies the essential inputs, like raw materials and energy, to manufacture products and perform services such as heat and surface treatments. Our key raw materials are reported on page 68.

To accelerate the sustainable transition, we actively engage with our value chain partners on key initiatives such as decarbonisation (page 61) and driving a circular economy (page 67). Our downstream value chain illustrates how the Aalberts mission-critical technologies enable our customers to make impact in the respective end-markets. These outcomes are further explained in 'our sustainable impact' on page 16.



double materiality assessment

In 2023, Aalberts performed a Double Materiality Assessment (DMA) in accordance with the ESRS 1 of the CSRD. In 2024, the DMA was reevaluated, leading to no changes in the results. The purpose of the DMA was to identify the material impacts, risks and opportunities for Aalberts from an impact- and financial materiality perspective and determine the disclosures Aalberts needs to report on in the sustainability statement. The DMA was performed at Aalberts level in order to prepare a consolidated sustainability statement. Aalberts is a technology company with industrial manufacturing processes. The application of our technologies differ per end market, but have much overlap in stakeholders and material topics, resulting in an overall Aalberts strategy, including ESG. In performing the DMA, the involvement of stakeholders per business segment and geographical distribution was taken into account. The material topics, resulting from the DMA, are presented in the materiality matrix. The corresponding current and anticipated effects of the material impacts, risks and opportunities for Aalberts and how we approach these effects, is discussed in the 'climate change', 'resource use and circular economy' and 'own workforce' chapters of the annual report. Reporting on the financial effects of the material impacts, risks and opportunities will be phased-in in the coming years. As a result of the DMA, Aalberts reports on (parts of) ESRS E1 Climate Change, E5 Resource Use and Circular Economy and S1 Own Workforce. The topics in the bottom left corner of the matrix did not reach the materiality threshold as described in the methodology, these topics are therefore not material but considered important for Aalberts. Please refer to page 93-95 for an overview of the disclosure requirements included in the sustainability statement.

materiality matrix

message of the CEO
strategy
progress and performance
sustainability statement
risk & governance
report of the Supervisory Board
financial statements 2024
supplementary information

methodology

The DMA methodology was developed with reference to the principles in the draft ESRS from November 2022 and available guidelines at that time. Learnings from the 2023 process, dialogues with peers, and the final ESRS and regular updates and guidance will help further refine the DMA process in the coming years. Application of the learnings and updated methodology may influence the outcome of the DMA.

The DMA process was conducted to identify impacts, risks and opportunities for our own operations and in our upstream and downstream value chain. The assessments were based on the stakeholders we engaged during the process. For our own operations we engaged Aalberts employees and for value chain assessments we engaged (first-tier) suppliers, customers and investors. Dependencies were not taken into account during the 2023 DMA, this is a learning that we will take into account during our next DMA. However, dependencies are interconnected with impacts risks and opportunities and are therefore integrated sporadically.

We engaged internal subject-matter experts from both business teams and head office. We have not included direct consultation with affected stakeholders to understand how they may be impacted by our business activities, except for employee attraction and retention and employee health and safety, as multiple Aalberts employees were engaged.

The assessment focused on the residual risks and opportunities rather than the inherent risks and opportunities, considering the organisational context and policies in place. Residual risks assess the remaining risk after considering the effectiveness of existing controls. This assessed our resilience to material topics and provided a more accurate picture of the actual risk exposure and the potential impact on financial materiality. No other topics were evaluated 'material' if the organisational context was excluded from the risk assessment conducted.

The materiality threshold was determined by plotting the different aspects of the double materiality assessment. Scale, remediability, scope, likelihood and financial magnitude were all scored on a scale of 0 to 5 where 0 refers to no outcome and 5 referred to an absolute outcome. A topic was considered material when it scored a total of 2.5 points or higher. The threshold of 2.5 was selected because it is the mid-point. The midpoint was taken as the materiality threshold based on moderation, promoting a nuanced understanding of the significance of different topics and consistency, a standardised approach among peers.

process

We defined process steps for conducting the DMA. We followed the three key steps below and further elaborate on it:

1. identify the baseline and topic list
2. perform stakeholder engagement
3. plot results of the assessment

identifying the baseline and topic list

A draft list of potentially relevant ESG topics for Aalberts was drafted based on internal, external and sector development analysis. Internal analysis assessed our current strategy and previously identified ESG topics. External analysis assessed the market environment in which we conduct our activities. Sector development analysis obtained a broader understanding of the operational contexts in which we operate. Each identified ESG topic was linked to the various underlying sub-topics described in the ESRS.

performing stakeholder engagement

A stakeholder mapping was executed to gain a better understanding of the relationship between Aalberts and its primary stakeholders, based on influence and impact. Multiple stakeholders (customers, shareholders, employees and suppliers) were engaged through online interviews and in-person workshops. Stakeholders were selected based on their area of expertise to discuss the impact and financial perspective as well as considering representation of organisational geographical variation (activities mainly in the EU and North-America) and the main Aalberts technologies. The purpose of the interviews was to identify which topics on the long-list were considered relevant and/or important by the interviewees and why. Based on the interview findings, the topics were prioritised and a shortlist was drafted. The shortlist was discussed with the sustainability team and representatives from Aalberts finance, internal audit, people & culture network and governance. The short-list served as the basis for the in-person workshops. During the workshops, each topic on the short-list was discussed on operational context, triggers and impacts, resulting in the main impacts, risks and opportunities per topic.

plotting the results of the assessment

Based on the findings resulting from stakeholder engagement, the final scoring of impact and financial materiality was plotted per short-list topic. Positive and negative impacts were considered as equally important. Impact materiality was assessed on severity and likelihood, stemming from the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Human Rights. Severity was measured in scale, scope and remediability. Financial materiality was assessed on financial magnitude and likelihood. Based on these parameters, the topics were awarded a score between 0 and 5 and plotted in the materiality matrix. The results of the materiality assessment has been reviewed and validated by the Management Board. The material ESG risks resulting from the DMA process are linked to the overall risk management progress, as shown in the figure on the next page.

standard	material topic	value chain	impacts, risks and opportunities	materiality: √ impact √ financial	time horizon	link to overall risk management
ESRS E1: climate change	emission reduction from own operations	own operations	reducing the CO_2 emissions in our operations by transitioning to sustainable production mitigates the effects of climate change and lowers operational costs due to improved energy efficiency. this transition also comes with potential risks, such as increased initial costs for energy efficient equipment, slow down of electrification due to net congestion, lack of technological solutions, low availability of renewable energy and alternative fuels or more stringent legislation and carbon taxes. these challenges may lead to the transition risk of losing competitive ground if we fail to meet evolving customer demands, potentially impacting our market position or leading to reputational damage. On the other hand, proactively advancing towards sustainable production offers an opportunity to gain a competitive edge to meet customer and other stakeholder expectations.	√ √		(3) climate change & resource efficiency
	emission reduction from supply chain	upstream, own operations	reducing the CO_2 emissions in our supply chain mitigates the effects of climate change and can gain a competitive edge to meet customer and other stakeholder demands. the transition to a sustainable value chain presents potential financial risks such as increased costs in procurement due to a higher demand of sustainable resources and switching costs of suppliers.	√ √		(3) climate change & resource efficiency
	solutions for energy efficiency	own operations, downstream	engineering mission-critical technologies that provide improved energy efficiency mitigates the effects of climate change, by reducing the CO_2 emissions of our customers. we see solutions for energy efficiency as an opportunity in terms of increased sales and reputational benefits.	√ √		(2) technological innovation with sustainable impact
ESRS E5: resource use and circular economy	circular economy	upstream, own operations, downstream	integrating circular economy principles throughout our value chain can have a positive impact on the environment by minimising waste disposal and preventing resource depletion. it provides the opportunities of raw material costs savings and higher turnover from circular solutions and business models. the transition also presents potential financial risks such as transition costs in product design, manufacturing and logistics, increased procurement costs of sustainable alternatives and changing customer and other stakeholder expectations.	√ √		(3) climate change & resource efficiency
ESRS S1: own workforce	employee health and safety	own operations	health and safety measures in our operations present opportunities to reduce accidents as well as increased productivity and decreased absenteeism. workplace accidents can pose risks for both individuals and the company, such as unsafe work situations, illness, permanent injuries, disabilities or death as well as legal complaints, extraordinary costs, dissatisfaction and a damaged reputation as an employer, supplier or company to invest in.	√ √		(6) responsible work environment
	employee attraction and retention	own operations	building a diversified future-proof workforce, attracting a blend of experienced leaders and young talents and challenging them to convey the Aalberts strategy in every day practice is what can keep Aalberts ahead of the game. successful attraction and retention programms can result in a resilient workforce, increased employee well-being, innovation and increased productivity. poor execution could present risks such as missing out on (young) professionals, higher personnel and recruitment costs, employees leaving, lower productivity and lost sales, low level of professional and personal growth for employees, decreased employee well-being, illness and absenteeism and a damaged reputation as an employer or preferred partner.	√ √		(5) future-proof workforce

upstream own operations downstream

disclosure requirements

As a result of the DMA, Aalberts reports on (parts of) ESRS E1 Climate Change, E5 Resource Use and Circular Economy and S1 Own Workforce. Please refer to page 93-95 for an overview of the disclosure requirements reported on in our sustainability statement. While reporting on E1 Climate Change, we omit disclosure requirement E1-7 on carbon credits and E1-8 on internal carbon pricing as these are currently not applied on significant scale within our organisation. We closely monitor developments in these areas and expect that they will become more relevant while progressing in our transition plan to net zero carbon by 2050, or earlier.

reporting on non-material ESRS

Irrespective of the results of the DMA, we report on the disclosure requirements from the remaining immaterial ESRS E2 Pollution, E3 Water and Marine sources, E4 Biodiversity and ecosystems and G1 Business Conduct, as specified in ESRS 2 Appendix C.

As pollution is not a material topic, we have not performed additional analyses, other than the DMA, to identify possible impacts, risks or opportunities and we have not conducted consultations with possible affected communities. The same reasoning was followed for business conduct matters.

Although climate change adaptation, water and biodiversity are not material topics, we have conducted site-specific assessments to identify risks related to our own operations. More information about this can be found on page 73. The scope of the risk-assessments was limited to desktop research and did not involve engagement with potentially affected stakeholders. The biodiversity assessment did not cover dependencies or systematic risks.

environment

climate change

At Aalberts, engineering solutions enabling a clean, smart and responsible future, goes hand in hand with a responsible way of doing business and addressing the risk of climate change.

impacts, risks and opportunities

Following the results from the DMA, an overview of the climate-related material impacts, risks, and opportunities is provided on page 53, with the identification process detailed on page 51 and 52. While challenges are anticipated across short-, medium-, and long-term horizons in our journey to achieve net zero carbon by 2050 or earlier, we strive to contribute to the shift towards sustainable production across our value chain.

transition risks

On the short term, market-driven transition risks such as energy grid congestion and the shortage and cost of renewable energy could hamper the ability to shift from fossil fuels to cleaner energy sources. Challenges in energy security highlight the importance of investments in renewable energy, energy efficient solutions, grid modernisation and energy storage. Although we are dependent on external factors to transform national energy grids, we seek to mitigate this transition risk by limiting our grid dependency through efficiency and storage solutions. In the Netherlands, we build resilience by collaborating with local business parks in energy hubs to use local solar energy and invested in energy storage to avoid net congestion. The risk of shortage of availability and cost of renewable energy does mainly relate to our operations in North America and Europe. As a manufacturer of energy efficient solutions, we also approach this transition risk as an opportunity to enable energy efficiency of our customers in the building-market, referring to page 18.

On the medium term, external pressures such as policy and legal regulations present a possible transition risk for Aalberts. For example, global carbon taxations could financially impact our organisation. We have quantified the potential impact by multiplying our scope 1 and 2 carbon footprint with the internal price scenarios as defined in the Net Zero Emissions by 2050 Scenario (NZE2050) by the International Energy Agency (IEA). We have chosen for the NZE2050 Scenario as it is in line with our commitment to be net zero carbon by 2050 or earlier and consistent with limiting the global temperature rise to 1.5°C as defined by the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report during the Paris Agreement. The key assumption of NZE2050 is that advanced economies reach net zero emissions earlier than developing economies and there is global access to electricity and clean cooking by 2030 in line with established SDGs. We calculated the impact using a carbon price of 75 EUR (per tonnes CO_2e) in 2025 up to 250 EUR in 2050. Assuming Aalberts would continue reducing its emissions alongside the net zero carbon by 2050 trajectory, the impact of carbon taxation would remain during the execution of the roadmap towards 2050 well below 1% of our revenues. Our partners might face similar challenges, driving value chain collaboration on sustainable solutions.

We recognise that reputational-driven transition risks, such as increasing stakeholder expectations and shifting customer preferences, may lead to increased competition on products and services. To address this challenge, we continue to innovate our agnostic technology portfolio. The mission-critical technologies we engineer are independent of the power source and cover a broad range of possible applications. In the transition to clean energy, our building products can be integrated in HVAC systems running on gas, district heating and/or electricity. Also, the industry solutions we offer enable the decarbonisation journey of our customers in aerospace and automotive, independent of the power source. We mitigate the risk by prioritising innovation and remaining a competitive player in our end-markets and seek to approach shifting stakeholder expectations as an opportunity by responding to the demand for sustainable products and services while serving current market needs.

On the long-term, we expect to face technology-driven transition risks related to the substitution of existing products and services with lower emission options and the availability and cost adoption of low-carbon technologies in our operations.

Aalberts is a manufacturing company and a provider of heat and service treatment solutions. As a manufacturer, we are reliant on the supply of raw materials for our products. In addition to efficient resource use, we will have to integrate materials manufactured with low-emission production processes, such as recycled materials or low -carbon materials such as green steel or green aluminium, to reduce our CO_2 footprint associated with purchased goods and services. The availability of low-carbon materials remains limited and the quality does not reach the required material characteristic levels yet. The World Economic Forum (WEF) notes that material decarbonisation depends on the increased use of scrap, clean hydrogen for primary material production and Carbon Capture Utilization and Storage (CCUS) technologies. The wide-spread adoption of these solutions is enabled by long-term technology advancements and economies of scale driving down renewable energy- and material costs. As the decarbonisation of our materials depends on these technology advancements and sector developments, we consider this an innovation gap, as visualised on page 62.

In our heat and service treatment activities, some of our processes are reliant on a natural gas-powered infrastructure. Industrial equipment and machinery is designed for long-term use and expected to run for several decades, resulting in locked-in greenhouse gas (GHG) emissions, which decelerates the pace with which we can work towards net zero carbon by 2050. Transitioning to electricity-powered alternatives is challenging due to high capital investments and the regional price disparities between gas and electricity. Furthermore, some of our processes depend on process gases to achieve the required product characteristics, such as strength, which cannot be eliminated. On the long-term, the affordability and accessibility of low-carbon technologies that enable electrification, energy efficiency and CCUS, as well as favorable energy pricing trends, will be critical in overcoming these barriers.

Currently, we prioritise phasing in low-carbon alternatives when investing in new assets and we actively monitor the availability of renewable energy, energy market pricing trends, and developments in technology to position ourselves for a more sustainable future. By aligning our efforts with these long-term developments, we aim to minimise reliance on fossil fuels and accelerate progress toward decarbonisation.

We build resilience and continue to monitor our gross transition risks by our commitment to collaborate with our partners on decarbonising our value chain, monitoring relevant policies and investing in low-carbon technologies where possible. Our existing risk profile with a broad spread in businesses, technologies, end markets and geographical regions reduces the impact because it limits our dependence on specific markets or customers and strongly benefits our strategic objective to create sustainable and profitable growth.

physical risks

Aalberts recognises that increased severity and frequency of extreme weather events such as extreme precipitation or hurricanes can affect our operations and supply chain. Therefore, climate risk and vulnerability assessments were carried out for our sites in 2024, based on their geospatial coordinates. The acute and chronic physical risks and the potential financial implications were assessed using climate scenarios for the time horizons 2030, 2050 and 2100. The time horizons were based on a distributed future outlook rather than their link to asset lifetime, strategic planning or capital allocation plans. The Intergovernmental Panel on Climate Change (IPCCC) warming scenarios RCP 2.6, RCP 6.0 and RCP 8.5 were utilised. Representative Concentration Pathways (RCP) describe the future evolution of CO_2 concentration in the atmosphere in response to GHG emissions. RCP 2.6 considers the best case scenario with a major turnaround in climate policies and actions to reduce GHG emissions drastically, RCP 4.5 assumes a stabilisation of GHG emissions by 2050 and declining afterwards and RCP 8.5 represents a high emissions climate scenario with continued rise of GHG emissions. The acute physical risks analysed were extreme precipitation and wind. The chronic physical risks analysed were temperature rise, drought and sea level rise. Financial implications relate to direct damage to property value and business interruption. The findings indicate that our current exposure primarily pertains to climate perils such as flooding, hail, and roof collapses. The 2030 assessment shows an increased exposure to chronic risks, including drought and sea level rise, which will elevate operational risks and exacerbate climate perils such as flooding, storms and wildfires. By 2050 and 2100, these trends are expected to persist, with the disparity between scenarios becoming more pronounced. The assessment enables us to identify our gross physical risks and strengthen our climate resilience. The next step is to assess the climate risks in our value chain.

Climate change risk management is included in the HSRS improvement plans. Our business teams evaluate risks for their operations and assess their resilience annually in cooperation with our property risk insurer, using the IPCCC warming scenarios. Once risks are identified and resilience is assessed, they follow-up climate related recommendations. These consist of human behavior, engineering and technological solutions, such as implementing flood emergency plans or physical flood protection in areas with flooding or extreme precipitation or roof securement in hurricane zones. In addition to climate change adaptation policies (e.g., flood emergency plans), physical climate change risks and climate adaptation measures are integrated in the business continuity plans of our business teams to ensure proper adaptation where necessary.

targets

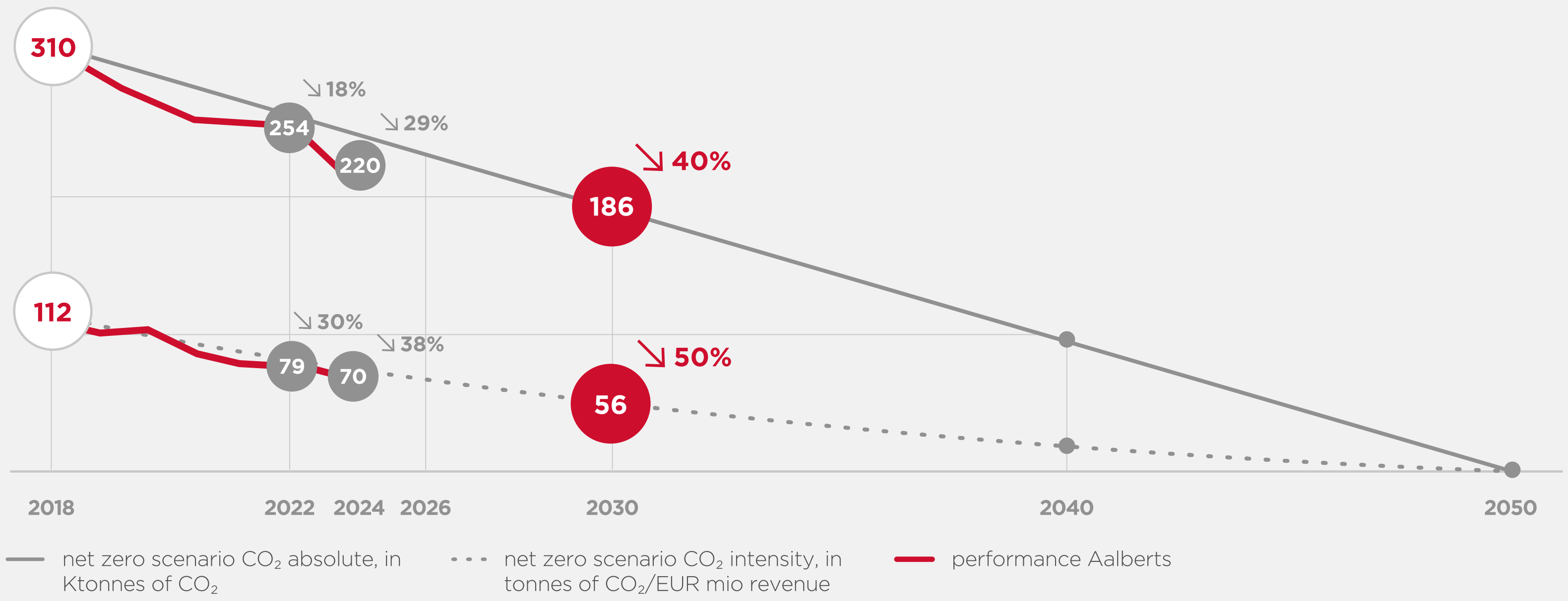
Aalberts is committed to be net zero carbon by 2050 or earlier. In alignment with our strategy ‘thrive 2030’, we have established ambitious targets to significantly reduce our carbon footprint while supporting our growth agenda. These targets are based on the sustainability improvement plans developed by our business teams and approved by the Executive Team. Progress is reviewed quarterly in the HSRS network, and plans are adjusted if necessary to reach our targets. The targets enable Aalberts to remain focused on the key drivers of carbon reduction and actively engage the decarbonisation levers outlined on page 59-61.

In 2023, we reached our target to decrease our scope 1 and 2 CO_2 intensity by 30% by 2026. To further mitigate the impacts and risks related to emissions from our own operations and our supply chain, we updated our targets in 2024. For scope 1 and 2 (market-based) combined, our targets are to decrease CO_2 intensity by 50% by 2030 and decrease absolute emissions by 40% by 2030, taking 2018 as a base year.

Our scope 3 primarily consists of category 1: purchased goods and services. Therefore, we set a target to decrease our CO_2 intensity related to scope 3 category 1: purchased goods and services (raw materials - measured) by 30% by 2030, taking 2024 as a base year. Please refer to page 64 for more information about our methodology and performance on scope 3 emissions.

The targets are set to support our commitment to be net zero carbon by 2050 or earlier, calculated with the tools and methodology provided by the Science Based Target initiative. The targets follow a net zero carbon by 2050 trajectory. As the 1.5°C trajectory follows an exponential decay curve with steeper reductions by 2030, the reference target for absolute emissions is a reduction of 50% by 2030. The targets have not been externally validated and we are not included in the EU Paris-aligned Benchmarks. We consider future developments such as new technologies and shifts in energy prices to mitigate long-term transition risks such as electrification of our machinery and equipment and an innovation gap. We will work towards achieving our targets by acting on our decarbonisation levers. The expected CO_2 reductions per decarbonisation lever are visualised on page 62.

our net zero carbon trajectory



policies

The Aalberts environmental policy shows our commitment to sustainable entrepreneurship by reflecting on the themes on our sustainability agenda: SDGs, net zero carbon, circular economy and water use. The policy addresses the material impacts, risks and opportunities related to climate change mitigation in our value chain and presents the main actions we take on topics such as: energy efficiency, renewable energy, electrification, product design, circular solutions and value chain collaboration.

Our approach to become net zero carbon by 2050 or earlier, is further elaborated in our net zero carbon transition plan. Net zero carbon is a key pillar of sustainable entrepreneurship, which is integrated in the overall strategy 'thrive 2030' (page 12). The transition plan consists of group targets, actions and progress to reach net zero by 2050 or earlier. The progress of our transition plan is shown in the graph visualising our CO_2 emission reductions. The net zero carbon transition plan and the environmental policy have been approved by the Management Board and the Executive Team and will be annually reviewed.

actions

Aalberts identified six decarbonisation levers that can be applied in our own operations and our supply chain to achieve our CO_2 emission targets and mitigate the climate-change impacts and risks. Please find the decarbonisation levers and how Aalberts has acted upon them in 2024, below. Time horizons of the decarbonisation levers will be integrated in future reporting. The actions taken are in line with the priorities set in the sustainability improvement plans and the resources available of the Aalberts business teams, relating to the availability of human capital and financial investments. We envisage to give more insight on allocation of resources in the coming years.

climate mitigation in own operations

improving energy efficiency

We believe that the most sustainable long-term solution for the planet and our company is energy efficiency. We focus on working more energy efficient, by improving processes and looking for new energy efficient solutions. Using smart sensors, we map energy flows within our operations and identify where we can improve. We reduce our energy use and corresponding CO_2 emissions by investing in more efficient machinery, implement waste heat recovery systems and drive behavioral change within our factories. Energy use, energy intensity, CO_2 emissions and CO_2 intensity are KPIs for all our sites and locations. Energy and CO_2 efficiency action plans are integrated in the sustainability improvement plans of the business teams covering all locations of Aalberts. Where applicable, those energy efficiency plans are in line with the energy efficiency directive and requirements of ISO 14001 and ISO 50001 certifications.

We achieve energy efficiency through a combination of addressing easily attainable opportunities and making strategic, substantial investments. We highlight the following actions taken to improve energy efficiency in 2024:

- We installed our own technology to reduce gas consumption in our factory in the Netherlands. The Flextherm Eco 6 salt battery heats the tap water in our factory, canteen and showers in the changing rooms. The batteries installed result in a reduction of 648 m^3 in gas consumption over five months.
- We invested in a hyper-efficient air ventilation system while building our advanced mechatronic cleanrooms in the Netherlands, which is seven times more energy efficient than a traditional air ventilation system.

increasing renewable energy use

Aalberts is committed to increase the renewable share of its energy mix. We reduce scope CO_2 emissions by purchasing more renewable energy and generating renewable energy ourselves. This includes integrating renewable energy into long-term investments, such as installing solar panels and designing new buildings with sustainable features certified by third-party initiatives like BREEAM and DGNB. Generating our own energy reduces dependence on volatile energy markets and possible transition risks of renewable energy shortages. In addition to reducing our own footprint, we enable our customers to reduce their CO_2 emissions through renewable energy use, as we manufacture parts used in renewable energy installations.

Some of our plants already run on 100% renewable electricity. Across the Aalberts group, 41% of electricity is renewable. Additionally, we highlight this frontrunner on increasing renewable energy use in 2024:

- We installed 1,121 solar panels on the roofs of three of our integrated piping systems factory buildings in Hungary. The solar panels are expected to generate around 520 MWh of electricity to be used at these locations.

Aalberts hydronic flow control's manufacturing and distribution centre, office and academy, was officially opened this year by His Majesty King Willem-Alexander. The building is BREEAM outstanding certified and was nominated as one of the top 10 most sustainable buildings in the world and our own products and solutions have been applied and are demonstrated 'live'. The facility is fully powered by renewable electricity, of which approximately 27% is generated by on-site solar panels. This new location facilitates the production of our Flamco-branded pressurisation and storage technology for the fast-growing eco-friendly building market. This state-of-the-art facility enables us to even better service our customers, streamline and improve our production and supply chain and gain more efficiency and growth. This new location perfectly represents what we stand for; realising one of the most sustainable buildings in the world proves our commitment to innovation and shows our concern for eco-friendly buildings.

driving electrification

Aalberts drives the process of converting industrial processes to electricity-based power sources. Electrification relates to a wide range of industrial processes and equipment, including heating systems, transportation vehicles, production machinery and material handling systems. We reduce scope 1 and 2 emissions through electrification as it enables us to increase energy efficiency and the renewable share of our energy mix. Currently, not all our operational processes can be transitioned to electricity-based power sources. This innovation gap depends on external factors driving technological development and energy security and might pose a risk for decarbonisation on the long-term.

We highlight the following actions taken to advance electrification across our operations in 2024:

- We replaced gas boilers for industrial processes with electric boilers in our integrated piping factory in the Netherlands, saving approximately 140 tCO_2. Further electrification of this plant is currently challenging due to the shortage of electricity grid capacity in the Netherlands.
- We installed 17 new electric vehicle charging stations at our location in our hydronic flow control plant in the Netherlands, which are fully powered by electricity generated from our own solar panels.

climate mitigation in our value chain

smart product design

Aalberts adjusts product design to use less- or low-carbon materials in manufacturing, ensure durability during use, and facilitate reusability and recycling at the end of life. Through LCAs, we eliminate redundant materials and reduce product weight, minimising resource use and corresponding CO_2 emissions. Where material reduction is not feasible, we seek to substitute materials with low-carbon alternatives, such as recycled materials or green steel, to achieve further CO_2 savings (related to category 1: purchased goods and services). Furthermore, Aalberts engineers technologies that are made to last. We integrate circular principles in product design and reduce the need for replacements. By designing our products for durability, reusability and recycling, we support that materials are used as long as possible.

We highlight the following frontrunner on smart product design in 2024:

- We redesigned our brass fittings to composite fittings at our plant in Norway, reducing the weight per fitting by 70%. The weight reduction resulted in CO_2 savings related to raw materials and transportation weight.

acting on circular solutions

Aalberts acts on circular solutions in our own operations. We are committed to improve waste management and recover the materials. We monitor waste flows to identify opportunities for waste prevention and for adopting circularity measures. We focus on reducing waste and reusing and recycling where possible, so minimum waste ends up in incineration or landfill, resulting in CO_2 savings (related to category 5: waste in own operations).

We highlight the following actions taken by several business teams on circular solutions in 2024:

- We collected chemical waste, emulsion for brass machines, into a spillage container and recover it so it can be reused again at our integrated piping systems plant in Hungary. In 2024, we did it for six months, saving 1,400 liters of oil. We launched this initiative in our integrated piping systems factory in the Netherlands in November 2024.
- We invested in a drum crusher to crush empty hazardous waste drums on-site at our polymer plant in the United States, allowing us to eliminate a hazardous waste stream by crushing our empty drums on site and converting them to recyclable metal.

value chain collaboration

Aalberts acknowledges that a sustainable transition requires us to collaborate with our business partners. We reduce CO_2 emissions in our value chain with our customers by co-engineering low-carbon design specifications and setting up take-back systems to repair, refurbish and remanufacture products to prevent materials from becoming waste. Value chain collaboration enables smart product design and acting on circular solutions.

We highlight the following actions taken by several business teams to drive value chain collaboration in 2024:

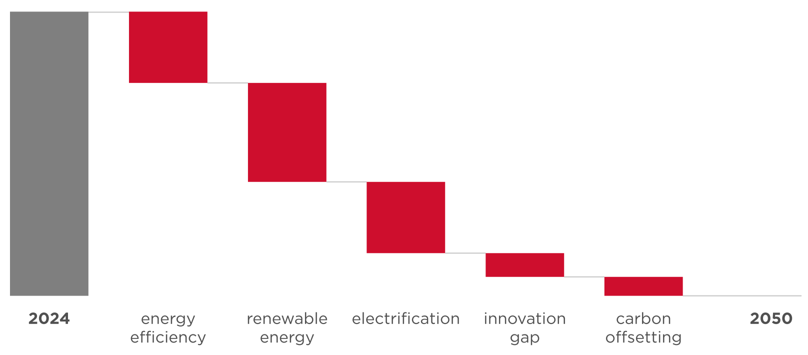
- We worked together with our polymer customer in the United States, to develop a coating process to extend the lifetime of their products. This coating will allow the user to use the product for a longer period of time, before it needs to be replaced.
- We collaborated with our supplier on the forging design of our supplied raw materials. By changing the design more efficiently, this enabled us to reduce the weight of the supply by 20% at our machining plant in the United States. The weight reduction saves approximately 19 tonnes of material and 117.2 tonnes CO_2.
- We further developed the reuse programme we have set up with one of our OEM customers in the Netherlands. We take-back product parts to reuse, refurbish and repair and deliver as new in the semicon solutions we provide. For more information on this, please refer to case.

We are proud to collaborate with a key semicon customer to advance sustainability through our reuse programme. We reuse and refurbish subcomponents from returned lithography machine modules—such as bolts and panels—reducing waste by approximately 200 kg per module while decreasing our reliance on virgin materials.

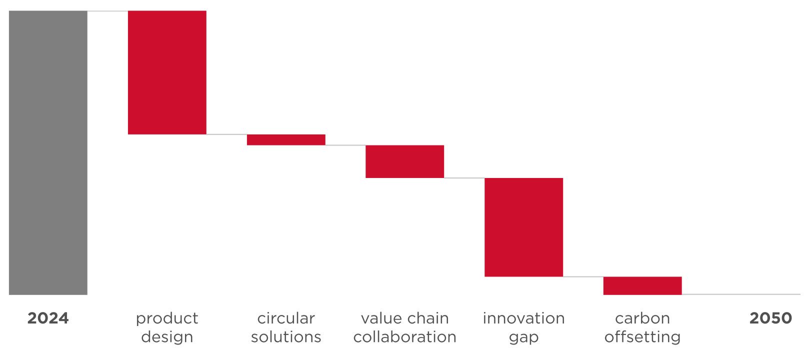
“Until recently, when these were returned they were checked to see what could still be repaired, for example by removing components for use as spare parts. But most components were scrapped. The programme’s aim is to replace broken equipment on end-of-life modules, and reuse or refurbish subcomponents to produce modules that achieve as good as new quality or even an upgrade of the module to the latest standards. These can then be reused in complete machines” says Roy Peters, business development director at Aalberts advanced mechatronics. "This programme not only meets the highest quality standards but also inspires us to explore similar opportunities within our own supply chain."

By promoting the use of secondary resources, we’re driving responsible resource use and circularity in our value chain, contributing to the sustainability goals of our customers and reducing our carbon footprint related to virgin materials.

expected effect of decarbonisation levers on scope 1 and 2



expected effect of decarbonisation levers on scope 3



carbon offsetting

We approach carbon offsetting as a last resort, in case further reductions are not feasible. We are taking part in a CO_2 offset programme through Verified Carbon Units (1,738 tonnes CO_2 in 2024) to mitigate our emissions related to scope 1 and 2 (market-based). To ensure quality of the offset projects, our Verified Carbon Units are verified under the Verra (VCS) standard. The offset is not taken into account calculating the gross carbon emissions as disclosed on page 65.

performance

To understand our figures, see a trend, follow our progress and look for options to improve, we report the environmental figures within Aalberts on a quarterly base. We use accepted standards and protocols to compile, measure and disclose our GHG emissions related to our entire company using the operational control approach. In doing so, we aim to ensure the reliability of our reported data by performing internal reviews and thoroughly checking our data before we disclose it. The main KPIs are shared and discussed within the HSRS network every three months. The scope 1 and 2 emissions and the (renewable) energy use cover 100% of our locations, as prescribed by ESRS 1 data requirement 5.2.

energy consumption and mix

In 2024, our total energy consumption reflects a decrease of 8.5% compared to 2023. Our renewable and self-generated electricity increased to 41% of our total electricity consumption, compared to 36% in 2023.

The energy intensity is calculated by dividing total energy consumption (GJ) by total revenue (EUR million). The revenue of EUR 3,149 million equals the revenue as stated in the consolidated income statement on page 131. In 2024, the energy intensity was 1,125 Giga Joules (GJ) per EUR million revenue, decreasing by 3.4% compared to 2023.

accounting policies

Aalberts measures and monitors energy in Terra Joules (TJ) and reports in Megawatt-hour (MWh). Our energy consumption primarily comprises of electricity and natural gas. We conduct an annual review and update of our energy conversion factors to ensure alignment with the latest guidelines and best practices, using DEFRA conversion factors.

	reported in TJ				reported in MWh[3]			
energy consumption and mix	**2018**	**2022**	**2023**	**2024**	**2018**	**2022**	**2023**	**2024**
energy intensity[1,4]	**1,401**	**1,258**	**1,165**	**1,125**	**0.00039**	**0.00035**	**0.00032**	**0.00031**
non-renewable energy	**3,659**	**3,404**	**3,252**	**2,895**	**1,016,389**	**945,556**	**903,333**	**804,167**
fuel	28	18	17	9	7,778	5,000	4,722	2,500
natural gas	1,523	2,202	2,092	1,893	423,056	611,667	581,111	525,833
district heating	263	56	57	45	73,056	15,556	15,833	12,500
electricity	1,845	1,128	1,086	948	512,500	313,333	301,667	263,333
share of non-renewable energy (%)	95%	84%	84%	82%	95%	84%	84%	82%
renewable energy	**206**	**658**	**621**	**647**	**57,222**	**182,778**	**172,500**	**179,722**
renewable electricity	206	658	616	640	57,222	182,778	171,111	177,778
self-generated electricity	-	-	5	7	-	-	1,389	1,944
share of renewable energy (%)	5%	16%	16%	18%	5%	16%	16%	18%
total energy consumption[2]	**3,865**	**4,062**	**3,873**	**3,542**	**1,073,611**	**1,128,333**	**1,075,833**	**983,889**

1. we report two types of energy intensity. In the column 'reported in TJ', we report energy intensity calculated as GJ divided by EUR million revenue, as Aalberts steers on this KPI internally. In the column 'reported in MWh', we report energy intensity calculated as MWh divided by EUR revenue, for the purpose of CSRD reporting
2. we do not report a split in energy consumption from nuclear sources or fuel consumption from biomass, as this is not available
3. conversion factor from Terra Joules (TJ) to Mega Watt hours (MWh): 277.777777778
4. we do not use the NACE system to categorise its business activities and therefore do not disclose additional information on energy in high climate impact sectors

scope 1 and 2 CO_2 emissions

As a result of implementing actions and investments as defined in the improvement plans and upgrading to 'world-class' operations, our absolute scope 1 and 2 emissions decreased by 12.3% compared to 2023.

Aalberts set a target on CO_2 intensity for scope 1 and 2 (market-based) (page 58). The CO_2 intensity is calculated by dividing tonnes scope 1 and 2 emissions combined by total EUR million revenue. The revenue is stated in the consolidated income statement on page 131. The scope 1 and 2 CO_2 intensity in 2024 was 70 tonnes CO_2 per EUR million revenue, resulting in a 6.7% decrease compared to 2023. In order to align with CSRD reporting, we additionally report CO_2 intensity for scope 1, 2 and 3 (market-based: 551, location-based: 556).

accounting policies

The GHG emissions we measure relate to CO_2, other GHG emissions such as CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3 are not material for Aalberts and are not reported. Our scope 1 and 2 CO_2 emissions primarily consist of electricity and natural gas. Scope 2 is calculated via the location-based and the market-based approach. The market-based approach reflects our supply choices in the renewable electricity purchased, taking into account bundled and unbundled Energy Attribute Certificates. Our CO_2 emissions are calculated and disclosed in line with the guidance set out in the GHG Protocol. We annually review and update our carbon emission factors to have these aligned to the latest guidance and best practices using sources such as AIB and DEFRA.

scope 3 CO_2 emissions

Last year we disclosed our scope 3 emissions for the first time. As a manufacturing company, we started measuring and disclosing our upstream scope 3 emissions, as these constitute of the majority of our carbon footprint. A spend-based analysis on upstream scope 3 categories enabled us to identify which scope 3 category has the largest share in our upstream footprint. Category 1: purchased goods and services is the largest category, mainly caused by the materials used to manufacture our products.

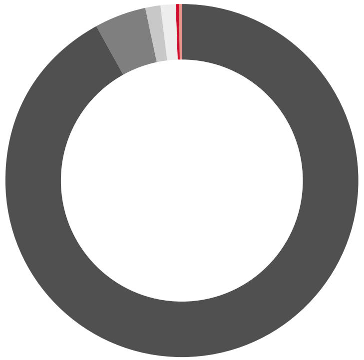
Based on the findings, we initiated detailed measurements (page 65) for the three specific upstream categories below. In 2024, we increased the coverage of our measurements in these categories. Scope 3 category 1: purchased goods and services increased to 79% of our revenue (compared to 50% in 2023). Scope 3 category 3: fuel- and energy-related activities remained 100% of our revenue and scope 3 category 5: waste generated in operations increased to 100% (compared to 60% in 2023). In 2024, the share of our scope 3 emissions using activity-based data is 5.7%.

- category 1: purchased goods and services
- category 3: fuel- and energy-related activities
- category 5: waste generated in operations

accounting policies

The spend-based analysis on upstream scope 3 categories was performed using DEFRA conversion factors. For the accounting policies per scope 3 category, please refer to the individual paragraphs. We calculate our scope 3 emissions using guidance from the GHG Protocol and we continuously seek to improve the data quality, accuracy and reliability of our scope 3 calculations. We seek to increase the share of activity-based measurements (instead of spend-based) and the use of supplier-specific conversion factors (instead of industry-average conversion factors).
We performed a spend-based analysis including category 1: purchased goods and services, category 3: fuel-and energy-related activities, category 4: upstream transportation and distribution, category 5: waste generated in operations, category 6: business travel, category 7: employee commuting and category 8: upstream leased assets. Our focus is on the upstream categories, as we expect this covers most of our scope 3 footprint. Category 2: capital goods, category 9: downstream transportation and distribution, category 10: processing of sold products, category 11: use of sold products and category 12: end of life treatment of sold products have not been assessed yet, but are expected to be relevant. Category 13: downstream leased assets, category 14: franchises and category 15: investments are not applicable to Aalberts. We continue working on improving the availability of the data used and have the ambition to include additional scope 3 data in next year's annual report.

scope 3 upstream estimation



category 1: purchased goods and services (raw materials)

In 2024 we started to report the most common procured raw materials that are considered material within Aalberts on a quarterly base. Raw materials are defined as the volume or spend of procured materials and semi-manufactured products. Emissions from raw materials are calculated based on actual raw materials volumes or spend, multiplied by relevant emission factors. We make use of the EcoInvent database to convert the tonnes purchased into CO_2 emissions. The Environmentally-Extended Input-Output (EEIO) emission factors are used to convert the spend on materials used into CO_2 emissions. Non-common procured raw materials are not measured separately but are included based on the estimated total cost and reported as 'raw materials - other estimated' for which a generic EEIO conversion factor is applied to convert the spend on materials used into CO_2 emissions.

category 3: fuel- and energy-related activities (not included in scope 1 or 2)

For fuel- and energy-related activities, we adopted a more detailed approach using the average-data method. Whereas the scope 1 and 2 energy sources are converted into emissions using the tank-to-wheel (TTW) conversion factors, category 3 is calculated using the well-to-tank (WTT) and transmission and distribution (T&D) conversion factors of DEFRA and CO_2 Emissiefactoren.

category 5: waste generated in operations

In 2024 we started to report waste figures within Aalberts on a quarterly base. Emissions from waste are calculated based on actual waste volumes, multiplied by relevant emission factors. We make use of the EcoInvent database to convert the tonnes of waste into CO_2 emissions. To avoid the double counting of emissions, we follow the recycled content method or 100-0 approach recommended by the GHG protocol Technical guidance for calculating scope 3 emissions. 100-0 means that 100% of the material impact is accounted for at purchasing and zero% is accounted for at waste or the end of life.

scope 1, 2 and 3 CO_2 emissions[1]	2018	2022	2023	2024	% N/N-1
gross scope 1[2]	88,600	125,168	119,211	107,321	-10.0%
gross scope 2 (market-based)[3]	221,056	128,580	131,653	112,658	-14.4%
gross scope 2 (location-based)[3]		143,555	139,421	128,411	-7.9%
gross scope 1 and 2 (market-based)	309,656	253,748	250,864	219,979	-12.3%
gross scope 3[4]				1,807,773	
1. purchased goods and services				1,731,756	
1a. raw materials - measured				1,439,019	
1b. raw materials - other measured				292,737	
3. fuel and energy related activities				31,515	
5. waste generated from operations				44,502	
gross scope 1, 2 and 3 (market-based)				**2,027,752**	
gross scope 1, 2 and 3 (location-based)				**2,043,505**	

1. reported in tonnes CO_2e
2. we do not use scope 1 emissions from regulated emission trading schemes
3. no GHG emissions other than CO_2 was taken into account in the location-based grid average emission factors or with the market-based method information
4. we do not measure biogenic emission of CO_2e, as this is not relevant for our operations

CO_2 intensity[1]	2018	2022	2023	2024	% N/N-1
scope 1 and 2 CO_2 intensity (market-based)	112	79	75	70	-6.7%
scope 1 and 2 CO_2 intensity (location-based)		83	78	75	-3.8%
scope 3 CO_2 intensity (related to raw materials - measured)				457	
scope 1,2 and 3 CO_2 intensity (market-based)				644	
scope 1,2 and 3 CO_2 intensity (location-based)				649	

1. CO_2 intensity is calculated by dividing tonnes CO_2 by EUR million revenue, using gross revenue as disclosed in the financial statement on page 131

resource use and circular economy

impacts, risks and opportunities

Aalberts makes a material difference by looking at material differently. As a manufacturing company we are reliant on the supply of raw materials and aware of our responsibility to use natural resources as efficient as possible. Growing pressures on global supply chains such as resource scarcity and rising material costs drive the need for circular practices. The transition to a circular economy presents potential financial risks such as transition costs in product design, manufacturing and logistics and increased procurement costs of sustainable alternatives.

We recognise that increasing stakeholder expectations and shifting customer preferences, may lead to increased competition on products and services. We mitigate the risk by prioritising innovation and remaining a competitive player in our end-markets and seek to approach shifting stakeholder expectations as an opportunity by responding to the demand for sustainable products and services while serving current market needs.

We see the circular economy as an opportunity, as circular practices can lead to raw material costs savings and higher turnover from circular solutions and business models. Our aim is to provide high-quality technologies while minimising the use of natural resources and maximising the value of the resources we do use. Basically, do more with the same or do the same with less. In 2024, the main materials we used were steel and brass. These materials are primarily related to the products we manufacture. Through smart product design, acting on circular solutions and collaboration with our business partners, we can drive circularity across our entire value chain.

Certain impacts, risks and opportunities may be more relevant for certain business teams depending on the different business activities within our organisation. Aalberts acknowledges that circular economy is a material topic for the business teams that manufacture products rather than providing services. Our heat and surface treatment businesses provide services to our industrial customers, and therefore not involved in sourcing raw materials on a large scale. For an overview of our material impacts, risks and opportunities related to circular economy, please see the results of our DMA on page 53.

targets

Aalberts is committed to use natural resources as efficient as possible. In 2024, we have further improved our measurements of resource inflows and outflows. We monitor resource inflows by measuring raw materials and resource outflows by measuring waste. In alignment with our strategy 'thrive 2030', we have established targets on raw materials and waste to drive our commitment on circular economy throughout the value chain and counter resource depletion. These targets are based on the sustainability improvement plans developed by our business teams and approved by the Executive Team. Progress is reviewed quarterly in the HSRS network, and plans are adjusted if necessary to our targets. The targets enable Aalberts to remain focused on the key drivers of carbon reduction and actively engage the decarbonisation levers outlined on page 67.

As approximately 92% of our upstream scope 3 footprint relates to category 1: purchased goods and services (page 64), we monitor material use through scope 3 CO_2 intensity. We manage intensity to balance our ambitions to grow our business while efficiently using the materials we need to do so. Managing resource inflows with a focus on scope 3 CO_2 emissions allows Aalberts to take a comprehensive approach to circularity—such as innovative product design, implementing circular solutions, and collaborating across the value chain—into our net zero carbon roadmap. This approach highlights the nexus between circularity and CO_2 reduction, as circular actions like designing durable products and reducing reliance on primary raw materials lead to a significantly lower CO_2 footprint throughout the product lifecycle. We set a target to decrease our scope 3 CO_2 intensity related to raw materials - measured by 30% by 2030, taking 2024 as the base year. This is measured in tonnes CO_2 related to raw materials divided by total revenue in EUR million. Please refer to page 58 for more information on this target. The scope of the target relates to the entire Aalberts group, the measurements of the heat and surface treatment businesses will be added in the coming years.

For resource outflows, we set a target to decrease waste disposed intensity by 30% by 2030, taking 2024 as the base year. This is measured in kg waste disposed divided by total revenue in EUR million. With this target we steer on reducing the most harmful layer of the waste hierarchy: waste disposed. Waste disposed is defined as waste incinerated with or without energy recovery, waste ending up at landfill or handled by other disposal operations.

We have voluntarily committed to these targets, covering all layers of the waste hierarchy. On business team level, operational KPIs have been set based on their specific products and services, such as the percentage of recycled resources purchased, carbon footprint of new product design, and more.

policies

To support the implementation of circularity and waste management in our business, circular economy is a key topic in the Aalberts environmental policy. The main impacts, risks and opportunities related to circular economy and the key actions we take to mitigate those risks across our value chain are presented in the policy. The policy illustrates our approach to reducing use of virgin resources and stimulating the use of renewable resources.

actions

At Aalberts, we employ a comprehensive and tailored approach to circularity, reflecting the diverse nature of our business portfolio. Through smart product design, acting on circular solutions and collaboration with our business partners, we mitigate the risks and realise the opportunities related to circular economy. Our approach is shaped by three considerations: the intrinsic value of our products and the benefits of retrieval, the feasibility of retrieval based on where the products are deployed, and the structure of the value chain, which determines the extent of our control over product lifecycles.

When close collaboration with our value chain partners is feasible, we collaborate to set up take-back systems that enable the return, reuse, refurbishment, and repair of product components. This approach is particularly effective for high-value products, where recovery delivers clear economic and environmental benefits. A notable example is our semiconductor business, where we work closely with OEM customers to facilitate the reuse of critical components, as detailed in the case on page 61.

Conversely, when our products are embedded in long-term infrastructure—such as our valves and fittings that are installed in buildings designed to last for decades—retrieval at the end of their lifecycle presents a significant challenge. In these cases, we exercise our influence during the design phase, prioritising durability, longevity, and material recyclability to ensure that products remain functional for extended periods while maintaining their potential for sustainable end-of-life processing and recyclicity.

Our approach to circularity is both structured and adaptable, recognising the varying levels of control we have across different value chains. Where direct recovery is viable, we collaborate with our partners and act on circular solutions, facilitating closed-loop systems to minimise waste. Where retrieval is impractical, we focus on smart product design and proactively embed circular principles into the design and material selection process. Through this multi-faceted strategy, the actions we take result in more efficient use of natural resources and a lower CO_2 footprint related to raw materials and waste, contributing to reaching our targets.

smart product design

At Aalberts, we prioritise material efficiency by performing LCAs to identify and eliminate unnecessary materials in product designs. By optimising designs and reducing product weight, we minimise our resource consumption. LCAs are performed for many of our products and processes, in accordance with standardised and internationally recognised methods (ISO 14040 and ISO 14044 standards), resulting in Environmental Product Declarations (EPDs). If we cannot reduce our absolute natural resource use, we use LCAs to determine whether we can substitute materials with environmentally-friendly alternatives where possible, such as recycled materials or green steel. These innovative choices enable us to use less virgin resources while maintaining quality and reliability. Co-engineering with our customers enables us to innovate product design, saving virgin resources and operational costs. Furthermore, we drive circularity outside of our operational control by embedding circular principles into product design. By ensuring durability during use, we reduce the frequency of replacements. When products reach the end of their life cycle, our design enables material recovery and recycling to extend resource usability, mainly in our building segment.

we highlight the following frontrunners on product design in 2024:

- We adjusted the design of next generation BROEN ballomax valve by cutting material consumption by 40% and reducing the weight of the product by 30%, resulting in a greener, leaner valve with a carbon footprint reduction of 45% and no compromise on performance. Due to our one-weld laser technology, our precision technology can guarantee strength and reduced risk of corrosion.
- We ensured that 100% of cardboard packaging is made from 100% recycled materials at our integrated piping systems plant in France.

acting on circular solutions

Aalberts is committed to responsible waste management and recover materials as meaningful as possible. By closely monitoring waste streams, we identify opportunities to minimise waste, recycle materials, and adopt circular solutions. At our production locations scrap, for example brass, is separated and sent to a recycling company or melted down in our own foundries as a raw material for reuse in our production process. The emulsion used in the process of turning and milling is also generating waste. We are investing in closed loop systems to recycle the emulsion internally, so the waste generated will be reduced. This drives valuable resources being reused, with less waste disposed to landfill or incineration. Aalberts collaborates with business partners to take back products and repair, reuse, or refurbishment, where possible. Value chain collaboration enables us to extend the lifespan of products and components, ensuring materials remain in circulation for as long as possible and reducing our reliance on virgin resources. This innovative approach supports sustainable material use while maintaining high-quality performance.

we highlight the following frontrunners on circular solutions in 2024:

- We recycle all scrap metal, paper and cardboard at our hydronic flow control facility in Fishers, United States. Cardboard is recycled by using a compactor.
- We eliminate paper made assembly manuals by creating a QR code that can be scanned for the necessary information, across multiple Aalberts businesses. We have a laser printer in the assembly line which can print QR codes or Matrix codes to include the necessary information of the product.

performance

resource inflows

Resource inflows are measured by raw materials, defined as the volume of procured materials and semi-manufactured products. Raw materials are measured over eight material streams: brass, copper, aluminium, steel, plastic, wood packaging, composite and other. Together with a third-party, we identified these material streams as the most common procured materials in our group. Non-common procured materials are not measured.

Following a pilot conducted last year, 2024 marks the first year that our locations are reporting quarterly on raw materials. In 2024, approximately 2.4% of the CO_2 emissions related to raw materials was collected through activity-based data. In 2025, we aim to enhance our reporting by increasing the weight proportion and expanding the scope of our materials usage to deliver a more comprehensive analysis.

accounting policies

For the purpose of calculating the corresponding CO_2 emissions of the material streams, data is collected in tonnes purchased from suppliers or in spend on materials used. For the purpose of calculating the corresponding CO_2 emissions of non-common procured materials an estimate is applied in spend. For the material streams a distinction is made between the raw material origin (virgin or recycled). These figures are derived from actual data sources, such as invoices and financial records. The category split may involve assumptions depending on the information availability, for instance, in cases where full information on material categorisation is not available, a conservative approach is applied by defaulting to virgin rather than recycled materials. The non-common procured materials are all considered virgin.

	percentage (%)		weight (tonnes)	
(activity-based approach)[1]	**virgin**	**recycled**	**virgin**	**recycled**
copper	79.4%	20.6%	5,767	1,497

1. we do not use biological materials to manufacture our products and services

	percentage (%)	
(spend-based approach)[1]	**virgin**	**recycled**
brass	48.0%	52.0%
aluminium	95.0%	5.0%
steel	79.8%	20.2%
plastic	100.0%	0.0%
wood packaging	99.0%	1.0%
composite	97.9%	2.1%
other - measured	98.4%	1.6%
other - estimated	100.0%	0.0%

1. we do not use biological materials to manufacture our products and services

resource outflows

products and materials

We do not report on a consolidated basis on the expected durability, reparability and rates of recyclable content per product group, due to large number of different products across our group. This information is available for several products across our business teams. For example, we have refined the product design of the Flexon expansion vessel, manufactured for our building customers. By incorporating alternative materials and utilising advanced manufacturing techniques, we enhanced its service life and improved durability, reducing CO_2 emissions by approximately 66% over its lifecycle, compared to competing products.

waste

Following a pilot in 2023, 2024 marks the first year that our business teams are reporting quarterly on waste. Primary data from waste handlers is available for most Aalberts locations. Where unavailable, we measure the waste ourselves. In 2024, waste measurements cover 100% of our revenue. We continuously seek to improve the data quality of waste generated in our own operations. We are dedicated to reduce waste and to reuse and recycle where possible, so minimum waste ends up in incineration or landfill or disposed in another way.

In 2024, 75% of the total waste generated was recovered. The main category of recovered waste was of metal scrap, resulting from turning and milling within our locations processes, which is recycled in most cases. For more information on how we reuse metal scrap, please refer to page 67.

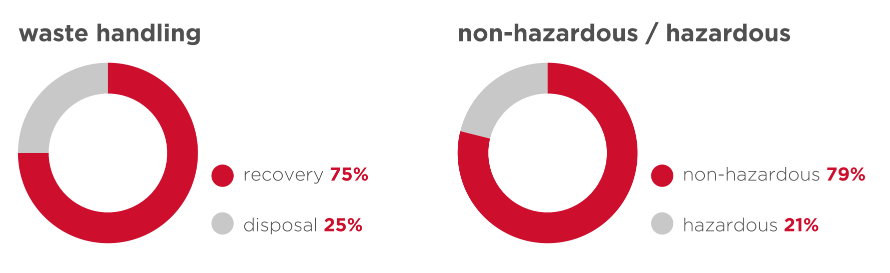
25% of the total waste generated was disposed. The main categories of disposed waste were chemical waste and emulsions. For some of our processes, hazardous waste like chemical or emulsions, which are more challenging to recycle are unavoidable. As waste disposed is the most harmful to the environment, we have set a target on waste disposal intensity. For more information, please refer to page 66. Action plans for reduction or elimination of hazardous substances, such as CMR substances are in place. We also develop and apply alternatives for hazardous substances, for example IVD coatings as substitute for chrome and cadmium coatings.

accounting policies

Our increased focus on material flows provides insights into waste generation and management. Resource outflows are measured by waste. Waste generated in our company's operations in the reporting year is divided into several categories, such as paper/cardboard, wood, plastic, electronic waste, metal scrap, chemical waste, emulsions and other. A distinction is made between hazardous and non-hazardous waste. Waste management concerns the treatment of waste by a third-party, either by recovery (preparation for reuse, recycling, other recovery operations) or disposal (incineration with or without energy recovery, landfilling, other disposal operations).

waste[1]	generated	non-hazardous	hazardous[3]
waste intensity[2]	**4,587**		
total disposal	**14,444**	**45%**	**55%**
incineration with energy recovery	2,672	52%	48%
incineration without energy recovery	995	17%	83%
landfilling	6,283	58%	42%
other disposal operations	4,494	28%	72%
total recovery	**43,863**	**91%**	**9%**
preparation for reuse	13,099	98%	2%
recycling	27,745	95%	5%
other recovery operations	3,019	22%	78%
total waste[4]	**58,307**	**79%**	**21%**

1. reported in tonnes
2. waste intensity is calculated based on gross revenue as disclosed in the financial statement on page 131
3. in reporting hazardous waste, we do not have a split available in radioactive waste
4. we do not disclose waste streams per sector or activity, as this is not relevant for our operations



EU taxonomy

In accordance with European Regulation 2020/852, Aalberts is disclosing the part of its revenue, its capital expenditures and operating expenditure resulting from products or services associated with economic activities considered to be environmentally sustainable. This classification system, is known as the 'EU taxonomy'.

Aalberts reports its percentage eligibility related to revenue, capital expenditures and operational expenditures and alignment on these three subjects. We defined the business activities within Aalberts, which are clustered by technologies and/or markets. Further we determined per business activity whether the activity fits one of the six objectives as described in the EU taxonomy. In case the business activity is covered by Annex I to Annex VI the activity is considered eligible. In 2023 we reconsidered the eligibility of all our activities and formalised the process of alignment. Working from eligibility to alignment is done by applying the technical screening criteria, investigate whether the activities meet the 'do not significant harm' criteria and check if the activities comply with the minimum safeguards. This alignment process was performed together with the applicable business team. We consider the EU taxonomy a continuous process and monitor possible changes and/or future additional guidance.

eligibility

In 2023 we changed our view on the enabling activities. Due to the detailed formulation of the technical screening criteria in combination with the focus on the end-producers, we narrowed down our interpretation of enabling activities. This applies for example to activities within hydronic flow control and integrated piping systems. Therefor most of our economic activities are non-eligible. In 2024 we used the same approach.

The Aalberts way of value creation is to achieve unique positions with high growth potential and sustainable impact. As the scope of the EU taxonomy is limited, not all our activities are covered by the EU taxonomy and are therefore not eligible. Activities where we see a fit are described in the annex related to climate change mitigation and environmental delegated act on 27 June 2023 (delegated regulation (EU) 2023/2486) related to sustainable use and protection of water and marine resources. However, the products and services we manufacture and deliver are often enabling activities. Such activities play a crucial role in the decarbonisation of the economy by directly enabling other activities to be carried out at a low carbon level. In accordance with the EU taxonomy, many of these activities are not disclosed, as only the manufacturers of the end products themselves can report revenue under this economic activity.

Some of our products fit within economic activity 3.5 Manufacture of energy efficiency equipment for buildings. Currently, we see a partial fit for those products, as energy-saving categories are missing within the technical screening criteria. According to the International Energy Agency (IEA), almost half of the energy use in buildings globally is used for space and water heating. Significant energy saving can be realised by products that are not yet covered by any of the current technical screening criteria, such as balancing valves and equipment to balance the flow in systems, installation to treat the water in the system (by additives or by air and dirt separation) and low temperature emitting systems like underfloor heating components and low temperature radiators. An economic activity in category 3.5 is an enabling activity in accordance with Article 10(1), point (i), of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section. The described activities were taken into account previous years as they are enabling activities. But as these energy saving categories are not specifically described in the technical screening criteria, the products are considered as non-eligible as of 2023. Examples of products and their key components that are eligible are smart homes, heatmeters and transfer stations.

The eligibility percentages are presented in three KPIs: revenue, capital expenditures and operating expenditure. The revenue equals the revenue as presented in the consolidated income statement on page 131 and covers all business activities of Aalberts. Capital expenditures concerns the additions to the property, plant and equipment, intangible assets and right-of-use assets (see notes 5, 6 and 7). The operating expenditure covers direct non-capitalised costs in accordance with the EU taxonomy. These expenses are part of the expenses within the consolidated income statement on page 131. The numerator of the revenue KPI is calculated as the part of the revenue derived from products associated with taxonomy eligible/aligned economic activities. The numerator of the other two KPIs equals to the part of the capital/operating expenditure included in the denominator that is related to processes that are associated with taxonomy-eligible/aligned economic activities. Allocation formulas have been used for the capital/operational expenditure to approximate the eligibility on these two subjects. The business activities as defined do not have overlap, so risk of double counting is avoided.

alignment

We investigated the technical screening criteria, do not significant harm criteria and the minimum safeguards criteria for our eligible activities. The results are described in the alineas below.

technical screening criteria

To fulfil the technical screening criteria related to economic activity 3.5, the economic activity manufactures one or more of the products and their key components as listed (a/q). We manufacture one or more of the following products and their key components related to:

- m. energy-efficient building automation and control systems for residential and non-residential buildings;

- o. products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building, and for central heating systems;
- q. products for smart monitoring and regulating of heating system, and sensoring equipment.

As there are no further technical requirements defined, we consider us aligned on the technical screening criteria.

do not significant harm criteria (DNSH)

climate change adaptation (CCA) - alignment with the DNSH criteria for climate change adaptation is based on the climate risk and vulnerability assessment including multiple scenarios (page 57). The physical risks of Appendix A that have been included in the assessment are acute, such as extreme precipitation and wind, or chronic, such as temperature, drought and sea level rise. The locations – located in Germany and France – that manufacture products related to activity 3.5 Manufacture energy efficiency equipment for buildings have been assessed and no immediate adaptation measures were identified. Based on the outcome of the analysis, we conclude that we meet the DNSH criteria for climate change adaptation.

sustainable use and protection of water and marine resources (WTR) - alignment with the DNSH criteria for sustainable use and protection of water and marine sources is based on the water-stressed area assessment we have performed with the WRI Aqueduct tool and the WWF Water Risk Filter (page 73). The relevant locations are not located in extremely high water stressed areas. No significant changes occur in the 2030 scenario. Although the locations have a relatively low water consumption, water management systems are addressed in ISO 14001 certifications, which are in place for two of the three locations. All in all, the water risk and impact is considered negligible. Therefore we meet the DNSH criteria for sustainable use and protection of water and marine sources.

transition to a circular economy (CE) - alignment with the DSNH criteria for circular economy is based on the presence of a circular economy strategy where feasible. All products related to activity 3.5 Manufacture of energy efficiency equipment for buildings have a circular economy strategy in place or are designed along circular principles (page 67). Aalberts focuses on minimising the use of natural resources and maximising the value of natural resources used. Where feasible, Aalberts assesses the possibility to optimise of product housing, the use of alternative or biodegradable materials, material weight reduction and reduction of packaging materials. Therefore, we meet the DNSH criteria for circular economy.

pollution prevention and control (PPC) - alignment with the DNSH criteria for pollution prevention and control is based on the absence of substances in our processes and products, as described in Appendix C of the delegated regulation (EU) 2021/2139. The manufacturing of energy efficient products contains brass which consists more than 0.1% lead. However, the products containing lead are not electrical or electronic equipment and thus do not violate Criteria D: Annex II of the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment. For the products that can be considered electrical or electronic equipment containing lead, we regard the lead boundaries set by the Restriction of the use of certain Hazardous Substances (RoHS) regulation. Therefore we meet de DNSH criteria for pollution prevention and control.

protection and restoration of biodiversity and ecosystems (BIO) - alignment with the DNSH criteria for the protection and restoration of biodiversity and ecosystems is based on the results of the Integrated Biodiversity Assessment Tool (IBAT) and the WFF Biodiversity Risk Filter (page 73). No products related to 3.5 Manufacture of energy efficiency equipment are manufactured in locations that are situated in a 1-kilometer radius proximity of a Key Biodiversity Area. Therefore, we meet de DNSH criteria for the protection and restoration of biodiversity and ecosystems.

minimum safeguards criteria

In 2024 we have further developed our value chain due diligence on human- and environmental rights. Although we have made progress in integrating due diligence into our organisation (page 48), we are not yet fully compliant with the minimum safeguards. In 2025 we expect to further develop due diligence with automated software tools and strengthen our approach to ensure due diligence reporting. Therefore, we currently do not comply with the minimum safeguards criteria and expect to comply once the due diligence programme is fully rolled out.

proportion of revenue/total revenue

	taxonomy-aligned per objective intangibles	taxonomy-eligible per objective
CCM	0.0%	1.9%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

proportion of CapEx/total CapEx

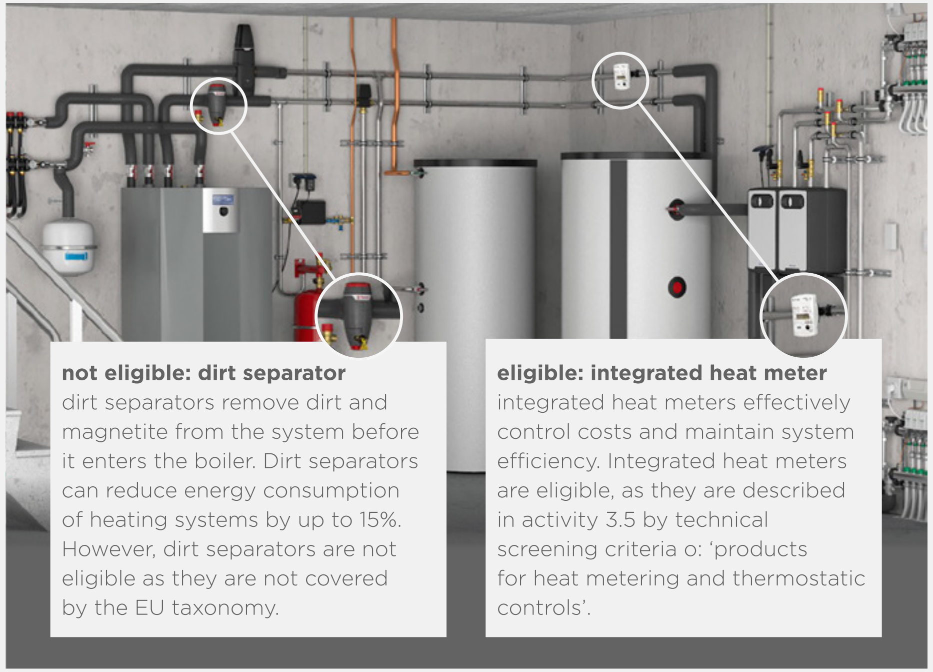
	taxonomy-aligned per objective intangibles	taxonomy-eligible per objective
CCM	0.0%	0.9%
CCA	0.0%	0.0%

proportion of OpEx/total OpEx

	taxonomy-aligned per objective intangibles	taxonomy-eligible per objective
CCM	0.0%	1.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

conclusion

As we do not fulfil all criteria, we consider ourselves not aligned yet in terms of the EU taxonomy. Please see the results in the table on page 90-92.



not eligible: dirt separator
dirt separators remove dirt and magnetite from the system before it enters the boiler. Dirt separators can reduce energy consumption of heating systems by up to 15%. However, dirt separators are not eligible as they are not covered by the EU taxonomy.

eligible: integrated heat meter
integrated heat meters effectively control costs and maintain system efficiency. Integrated heat meters are eligible, as they are described in activity 3.5 by technical screening criteria o: 'products for heat metering and thermostatic controls'.

other topics

The disclosures on other topics are not based on disclosure requirements under the ESRS E3 Water and marine sources and E4 Biodiversity and ecosystems, as these are non-material topics.

reduce water use

Due to climate change, droughts have become more extreme and unpredictable, which may lead to water becoming a scarce resource in certain areas causing risk for society. Although Aalberts' operations do not require significant amounts of water for production or processes, we can play a role in mitigating this risk by optimising water management in such areas. With help of the WRI Aqueduct tool, we have assessed our operational sites on water withdrawal availability. The assessment performed in 2022 showed that approximately 20% of our operational sites is either located in 'high' or 'extremely high' water stressed regions. Building upon the WRI Aqueduct tool assessment, we developed our water risk assessment in 2024. By using the WWF Water Risk Filter, we gained additional insights into the possible risks related to water availability, measured by water depletion, baseline water stress, blue water scarcity and groundwater levels. The baseline water stress assessment showed similar results to the WRI Aqueduct assessment.

The analysis enable Aalberts to proactively act on the risks related to water-stressed areas which is part of business continuity management. Aalberts seeks to promote responsible use of water throughout the company. Efficient water management is a KPI for all our operational locations. Our water management policy focuses on reducing water withdrawal and increasing water recycling. These measures contribute to reducing our water use intensity. For instance, one way to increase our water recycling is through the installation of closed-loop water systems for cooling processes. This also prevents the discharge of legionella and avoids treatment of water with chemicals. These closed water circuits save up to 80% of water use. Another example is the use and recycling of rainwater for use in CNC production and other internal processes. To minimise our impact, we remove solids, pollutants and organic matter from the water before it is discharged back to the source. This way, the water withdrawn holds the same or a higher level of water quality before it enters back into the water cycle. Particularly in water stressed regions, there is a high focus on responsible use of water and there are many initiatives in place for water recycling and treatment to mitigate risks, like own water treatments stations.

Water withdrawal is defined as the sum of third-party, surface and ground water withdrawn. Water consumption is the sum of all water withdrawn minus water discharged. It is our policy to reduce water withdrawal and to recycle and treat water where possible. The definition used for water treated is the total amount of water returned to the source of extraction at similar or higher quality as water withdrawn, treated by our own locations onsite. Most of our water withdrawal is third-party water. The total water withdrawal decreased by 14.1% and water consumption decreased by 16.2% compared to 2023. We are investing in water saving through multiple projects.

water[1]	2022	2023	2024
water intensity[2]	**466**	**454**	**412**
water withdrawal	**1,505**	**1,508**	**1,296**
third-party water	1,166	1,131	986
groundwater and surface water	339	377	310
water consumption (%)	79%	78%	76%
water treated (%)	21%	22%	24%
water consumption	**1,186**	**1,175**	**985**
water consumption intensity[3]	367	353	313

1. reported in 1,000 m^3
2. water intensity is calculated by dividing water withdrawal by EUR million revenue, as disclosed in the financial statement on page 131
3. water consumption intensity is calculated by water withdrawal minus water treated, divided by EUR million revenue, as disclosed in the financial statement on page 131

biodiversity

A responsible way of doing business includes an awareness of our surroundings. Healthy ecosystems and biodiversity are a prerequisite for a clean future. In 2022, we assessed the biodiversity impacts of our own operations. Using the Integrated Biodiversity Assessment Tool (IBAT), we concluded that approximately 10% of our operational sites are in a 1-kilometer radius proximity of a Key Biodiversity Area. In 2024, we further analysed to what extend the presence of our operations pressures biodiversity, using the WWF Biodiversity Risk Filter. The WWF Biodiversity Risk Filter assesses a broad range of biodiversity indicators, including physical risks (consisting of the types of ecosystem services and the potential pressures on biodiversity) and the reputational risks, to determine the potential impact from the presence of our sites. The results of the risk assessment show that potential negative impact on biodiversity impact caused by our sites remains limited, as less than 2% of our operational sies was flagged a potential high risk from a physical or reputational risk perspective. The presence of our operational sites near Key Biodiversity Areas remains approximately the same, resulting in 12%.

Aalberts seeks to mitigate the risk biodiversity loss by reducing energy and CO_2 emissions and the use of natural resources. We limit the pressure on biodiversity by actively working with the natural environment around our new locations and create space around the buildings where the local plant and animal could thrive. For example at our location in Almere where we have several green spaces and biodiversity friendly initiatives like a sedum roof, insect hotels and kestrel boxes. Aalberts did not receive any fines or sanctions related to environmental issues in 2024. We will continue to monitor the impact of our operations on our surroundings, and find ways to contribute to supporting biodiversity and ecosystem services.

social

own workforce

health and safety

Your safety first! Our safety together. Aalberts strives for an accident free, secure and healthy working environment for all its employees and expects its employees to do their utmost best to ensure the same. Aalberts strives to enable a culture fostering growth and ensuring safety and well-being for its employees. Employee health and safety is a material topic for Aalberts, as presented in our DMA (page 51). We focus on preventing incidents that may be harmful to our own people but are also committed to the safety of our non-employees, property and neighboring communities. Non-employees is a highly fluctuating and flexible part of our total workforce with whom we do not have direct employment agreements.

impacts, risks and opportunities

Most of our employees work in our factories and may be exposed to health and safety risks resulting from the machinery and harmful substances used in operations. We identified the most common health and safety risks within Aalberts, such as manual handling and slips, trips and falls. Workplace accidents, due to unsafe work situations can have significant impacts on both the individual and the company, resulting in illness, permanent injuries, disabilities or death as well as legal complaints, extraordinary costs, dissatisfaction and a damaged reputation as an employer, supplier or company to invest in. Managing these health and safety measures effectively, enables us to reduce accidents, decrease absenteeism and increase productivity.

Aalberts' performance is dependent on a healthy and safe workforce, to be able to design, develop, and produce our solutions. We have implemented numerous measures to minimise health and safety accidents, reducing reliance on unpredictable factors associated with human elements or employee behaviour. We categorise, monitor and review Lost Time Injuries (LTIs) resulting from these risks quarterly through our HSRS network (page 46). In 2024, we appointed a global director health and safety to oversee health and safety performance on a group-wide level. Health and safety risk management is embedded in the improvement plans of the business teams. As part of the plans, business teams evaluate risks for their operations and assess their implemented prevention measures with the help of risk prevention experts.

When mitigation is insufficient to reduce the criticality of a risk to a minimal level, new prevention measures are identified, planned, implemented and validated. A new analyses of the criticality then makes it possible to confirm the effectiveness of the prevention system. This process is particularly re-engaged when an incident has occurred and affected the physical integrity of one of our employees. In addition to learning from real incidents, we emphasise reporting unsafe situations and potential hazards. To facilitate this, local channels are established to report on unsafe situations and near misses. In addition, local grievance mechanisms are present to make sure that our employees can raise concerns or flag safety issues that are not properly addressed by management. Given our global presence and diverse workforce, we prioritise accessible health and safety communication, particularly for employees in our factories who may experience language barriers. We provide translations or use visual aids to ensure clarity and mitigate risks.

targets

In order to mitigate the impacts and risks related to unsafe situations in our operations, Aalberts has set multi-year health and safety targets. Targets vary per business team given the specifics of the operations. The business teams have a joint responsibility to realise the group-wide average of a Lost Time Injury Frequency Ratio (LTIFR) target. In 2024, we have reached our target of a LTIFR below 5 in 2026 and we have set a target of a LTIFR below 1.5 in 2030, with the ambition to work towards zero accidents.

At the same time, Aalberts is committed to avoid any fatalities and to drastically reducing the number of serious accidents that have a lasting impact on the physical integrity of the injured party and which consequently may lead to a long period of inactivity for the employee following the incident. The reporting process regarding the number of lost days due to LTIs is insufficient for comprehensive data reporting. We are committed to phase-in the reporting on the number of lost days due to LTIs in the coming year.

Targets are set by the business teams in their health and safety improvement plans and monitored and reviewed through the HSRS network. Root-cause analyses are discussed in the quarterly HSRS network meetings for the purpose of share and learn.

policies

Providing a safe and healthy work environment is our key priority and safety is non-negotiable. This is the core objective of our health, safety and well-being policy. The policy covers all our employees. This policy is the foundation on which we prevent, mitigate, and remediate all of the impacts and risks related to health and safety. The policy have been approved by the Management Board and the Executive Team and will be annually reviewed.

actions

We structure our health and safety management across five pillars. All strategic plans are based on a long-term vision that focuses on safety leadership and exemplarity, behavioural safety, embedding a culture of safety across our operations. We act on the following five health and safety pillars to mitigate the impacts and risks and cease the opportunities on health and safety. Under each pillar, we illustrate an action we have taken in 2024. The impact of our actions taken are monitored through the health and safety performance measurement on page 78.

monitoring: measure to improve

We can only improve what we can measure. Measurement is the foundation of informed decision-making, as it enables us to track progress, identify weaknesses, and make data-driven improvements. Aalberts maintains monthly measurements on KPIs such as LTIs and absenteeism rate (page 78). We further accelerate measurements and monitoring to achieve excellence.

- We implemented a standardised "ONE Aalberts" format for LTIs. Following a notification flow directly to the CEO, an initial root cause analysis is conducted within the subsequent days. The "ONE Aalberts" format serves as a tool for sharing insights and lessons learned, helping to prevent similar incidents across the organisation.

awareness: talk safety

Strengthening communication on health and safety within our group illustrates that it is a top priority of our management. It enables us to share and learn from best practices and enables communication on behavioural change towards a strengthened safety culture. In addition to health and safety communication through the HSRS network (page 47), we have further accelerated communication as follows:

- We employed a specific community channel for our factories' H&S officers to ensure we learn and improve from safety incidents. All safety incidents are reported and classified by type and severity. Incident assessments are performed to understand root causes and launch effective corrective actions. Learning reviews are performed periodically to drive wider organisational learning.
- We started a Code of Conduct campaign, with safety as the first topic. The background of the campaign is to emphasise on three important topics of the Code of Conduct to the entire organisation, from the office to the shopfloor. Main message of the first poster is that safety is a top priority within Aalberts and that is a shared responsibility.

organisation: lead by example

We believe that enhancing health and safety performance relies on strong leadership commitment, ensuring that safety remains a top priority on our leadership agenda. By advancing exemplary management practices, we shape a workplace environment where context influences employee behaviour positively and serves as preventive risk mitigation.

- We hosted a health and safety day at one of our factories in the Netherlands, featuring a 'walk and talk' training session led by the director health and safety. The event was attended by the CEO, the director of sustainable entrepreneurship, and health & safety experts from all our business teams.

compliance: stop and think

We continuously learn from past incidents to enhance our ability to identify safety risks. Through comprehensive risk assessments and the establishment of clear standards, our management teams are equipped with actionable strategies to improve safety within their facilities. Effective prevention begins with thorough risk evaluation. We are committed to integrating practical and straightforward techniques into factory management practices and providing targeted training to ensure managers can guide their teams in effectively implementing the new safety protocols.

- We introduced the ONE Aalberts root cause analysis format to systematically identify the causes of accidents, document preventive measures, and share lessons learned within the HSRS network.

action: good is never good enough

Many accidents stem from habitual behaviours and established practices. Creating awareness and providing the necessary tools are critical first steps, but it is equally essential to take decisive action based on these insights.

- We performed health and safety visits in 2024 at our facilities in France, the Netherlands, and Germany. These visits, led by our director health and safety, resulted in detailed risk reports with recommendations and a planned follow-up in coordination with local health and safety experts. We counter health and safety risks of our employees by improving operational excellence and find opportunities for automation of operations.

performance

Our health and safety performance and management system covers 100% of our own employees. We have set clear health and safety KPIs including LTIFR and absenteeism rate to monitor our performance. For the fourth consecutive year, there were no fatalities at Aalberts.

LTIFR

We measure work-related accidents through recording the Lost Time Injuries (LTIs) and the Lost Time Injury Frequency Rate (LTIFR). We measure the LTIFR as the number of lost time injuries per one million working hours. In 2024, health and safety was given higher priority within Aalberts, as set out under 'actions', leading to a significant decrease in number of LTIs (2024: 109 vs 2023: 166) and a lower LTIFR (2024: 4.3 vs 2023: 6.2). With this performance we made progress towards our target of achieving an LTIFR of <1.5 in 2030.

absenteeism rate

In 2024, the absence as a result of sickness was 3.8%, which is a comparable to last year (2023: 3.9%).

health and safety[1,2,3]	2022	2023	2024
number of fatalities	-	-	-
Lost Time Injury Frequency Ratio (LTIFR)	7.3	6.2	4.3
number of Lost Time Injuries (LTIs)	197	166	109
absenteeism rate	3.8%	3.9%	3.8%

1. Aalberts employed 12,525 FTE in 2024
2. health and safety measurements cover lost time injuries, defined as work-related injuries that result in absence of an employee for a day or longer. Work-related ill health is not in scope of our health and safety measurements
3. the health and safety measurements are not yet measured and disclosed for non-employees

attraction and retention

At Aalberts, we are committed to ensuring a diversified, future-proof workforce by attracting and retaining a blend of experienced leaders and early career talents. Aalberts faces potential risks in attraction and retention of leaders, engineers, skilled professionals and young talent to warrant a diversified, future-proof workforce, which could impact its strategic goals and business model. However, attraction and retention also provides us with opportunities to enhance our workforce through strong brand awareness, development programmes, and equal treatment initiatives, ultimately supporting innovation, operational excellence, and sustainable growth. By managing our attraction and retention risks and opportunities we build a diversified, future-proof workforce, which fosters our culture, winning with people.

impacts, risks and opportunities

The own workforce-related impacts, risks and opportunities resulting from the DMA are presented in the table on page 53. In the DMA we have identified possible risks in employee attraction and retention within our operations that could challenge us in building a diversified future-proof workforce.

Following the results of the DMA, the potential risks regarding employee attraction and retention apply to all employees working at Aalberts. Aalberts may face several risks in the long-term related to workforce attraction and retention that could impact its strategic goals and business model. Within Aalberts we are organised with a high accountability at our business segments, due to a high variety in the end-markets where we operate, the diversity of products that we handle, and the subsequent organisational structure of the respective business segments. Therefore, we require a solid organisational backbone of leaders who are responsible for the management of their workforce, and the design, development, and production of their respective solutions. Potential risks include missing out on early career professionals, which can create a talent gap, hindering the company's ability to innovate and stay competitive. Higher personnel and recruitment costs, along with the potential loss of employee knowledge, can strain financial resources and disrupt business continuity. In combination with the challenge to find technically skilled employees, Aalberts requires to focus on more efficient production, supply chain, and business processes.

Therefore, an increased focus has been made on operational excellence by the start of our new COO. Additionally, decreased health & safety performance, employee wellbeing and increased absenteeism can lower productivity and sales, ultimately damaging Aalberts' reputation as a preferred employer and partner. These risks can also lead to delays and inefficiencies in the downstream supply chain, as a less resilient workforce may struggle to meet production and delivery targets, affecting overall operational excellence. Due to the Aalberts way of working, with high ownership within the different parts of the organisation, these impacts can be both applicable in a single location as well as the organisation as a whole. Addressing these risks is therefore crucial for maintaining the company's strategic direction and ensuring long-term success.

On the other hand, Aalberts has numerous own activities with opportunities it will focus on, to enhance its workforce attraction and retention, which align with its strategic objectives. These include building strong brand awareness, offering attractive development programmes to early career professionals, establishing close relationships with (vocational) colleges and universities, and implementing leadership development programmes. Furthermore, we ensure equal treatment and opportunities through focusing on building a positive work environment for all employees, aligned with Aalberts values and operational excellence. By capitalising on these opportunities, Aalberts is able to strengthen its workforce, drive innovation, and achieve its strategic goals, leading to a more robust and efficient downstream supply chain that supports timely production and delivery.

Aalberts is building a future-proof workforce. We anticipate external developments by training our workforce on the necessary skillsets to keep us ahead of the game. As an example, as part of our transition to net zero carbon emissions by 2050 or earlier, we provided one of our sales team with the necessary information to engage with customers on life cycle assessments and EPDs of our products. The workforce-related impacts, risks, and opportunities are integral to Aalberts' strategy and business model, as they directly influence the company's ability to innovate, maintain operational excellence, and achieve sustainable growth. Due to the highly adaptive nature, and the relatively small representation of non-employees as part of the total workforce, they are immaterial for our retention and attraction activities. While all our initiatives are specifically aimed at Aalberts employees, the non-employees, self-employed individuals, and employees provided by third-party undertakings will also benefit from the attraction and retention improvements.

Aalberts strives for equal opportunities for its employees, including the recruitment, promotion, compensation, training and development. By following the **stakeholder engagement policy ↗**, we warrant an understanding of the potential vulnerable groups in the organisation. At Aalberts, we do not differentiate our engagement approach with employees based on individual characteristics. Our efforts are applicable globally, with no differentiation based on geographical location, ensuring a consistent and inclusive approach across all regions. However, we do differentiate our approach based on its goals; we focus our leadership development efforts on a global scale, while skill-based development initiatives are primarily concentrated locally. This strategic focus on workforce development supports Aalberts' long-term objectives and reinforces its commitment to sustainable entrepreneurship.

targets

Aalberts is committed to ensuring a diversified future-proof workforce, who are engaged with what we do. Therefore we set clear targets to mitigate risks related to attraction and retention. These targets have been set in collaboration with the people & culture network within Aalberts and approved by the Executive Team. For more information about the people & culture network, see page 46. Beside these targets, we also evaluate our local business segments on topics such as turnover, and availability of local training programmes. Specific targets are not set on these topics, due to the high variety of business segments within Aalberts. Current targets are quarterly measured, consolidated, and reviewed against progress. Programmes are adjusted when needed to ensure we reach our targets. This process has enabled putting additional focus on certain programmes, for example, facilitating the growth of our internal leadership development programmes.

In addition to gender diversity, Aalberts is focused on enhancing the skills and knowledge of its employees through comprehensive leadership development programmes. The goal is to develop 30% or more of both production workers with management responsibilities as well as all office employees by 2026 in leadership programmes, starting from 2018. These programmes not only improve workforce capabilities but also enhance employee retention. For more information on our performance, see page 83-85.

In 2024 multiple local engagement surveys were performed (page 83). Their findings helped us focus our local engagement improvement actions. In 2025 we aim to extend these practices by developing an One Aalberts engagement survey, with a corresponding metric. The complete survey results will then allow us to create action plans in order to improve the engagement metric. Over time this will be valuable with regards to retention of our employees, as it is important to make sure they are engaged, and satisfied with Aalberts as their employer.

policies

Aalberts has implemented several policies to mitigate the risks associated with employee attraction and retention while leveraging opportunities to enhance its workforce. All group policies apply to the complete Aalberts workforce, for which the accountability lies with the Executive Team.

To promote employee retention, Aalberts has established a comprehensive human rights policy that ensures a pleasant and safe working environment, in compliance with UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, as further elaborated in our business integrity section (see page 101). This policy shows our commitment to equal treatment and opportunities for our workforce, which are crucial for maintaining employee satisfaction and loyalty including policies against child labour, forced labour, and human trafficking. Similarly, we hold a strong standard for our suppliers following our Supplier Code of Conduct, which includes ensuring the health and safety of its employees, no child labour or forced labour, a commitment to the principle of the International Labour organisation (ILO), no harassment and discrimination, and equal opportunities. Additionally, Aalberts has implemented a global speak up! policy. This system provides employees to voice their concerns regarding human rights as well as business integrity. Our workforce engagement and case follow up is explained in the corporate governance section (page 112).

Aalberts fosters a positive work environment that attracts a wide range of talent. This commitment to diversity not only aligns with Aalberts' values of sustainable entrepreneurship and operational excellence but also helps in building a resilient and innovative workforce. Overall, all our efforts regarding attracting new employees help us to ensure that skilled professionals are ready to join us on our mission of engineering mission-critical technologies for a clean, smart and responsible future. The company's **diversity, equity, and inclusion policy ↗** is central to promoting a diverse workforce. To ensure our policy commitment we focus on succession planning and on equal opportunities in both recruitment and our development programmes. By striving for equal treatment and opportunities for all employees.

Aalberts is committed to addressing any material negative impacts on its workforce through a structured approach that includes both local and global mechanisms. Locally, we utilise internal and external confidentiality advisors and speak-up/whistleblower processes to ensure employees can raise concerns safely and confidentially. For issues related to business integrity, including human rights concerns, we have implemented a global speak up! mechanism. If a concern raised through this mechanism is better suited for local resolution, it is communicated to the relevant local business segment for handling. Aalberts tracks and monitors all issues as well as the effectiveness of the solution through the corresponding reporting channels to ensure they are effectively addressed, involving stakeholders as necessary to maintain trust and transparency. Ensuring and tracking awareness of the policies is with our local business segments. For speak up! specifically, we have policies in place to protect individuals, including workers' representatives, from retaliation. Meanwhile this responsibility is with the business segments for local policies. Overall, our dynamic approach ensures that our employees' concerns are heard and addressed appropriately, fostering a safe and supportive work environment.

At Aalberts, we prioritise engaging with our workforce and their representatives to address actual and potential impacts on our employees, to ensure their perspectives are included in the decision-making process. Locally, we often discuss and communicate these impacts through workers' councils and representatives, ensuring that concerns are heard and addressed appropriately. On a global level, we engage directly with our employees through biannual townhalls, providing a platform for information sharing and engagement. We have set-up an Aalberts employee social channel to further engage with them and to promote further share and learn of initiatives.

Additionally, we leverage the P&C network within Aalberts to facilitate indirect engagement when applicable. Our chief people & culture officer, the most senior role with operational responsibility for this engagement, ensures that these interactions are meaningful and that the insights gained inform our approach.

actions

In 2024, Aalberts embarked on several key global initiatives aimed at strengthening our workforce and ensuring long-term organisational resilience. This includes the creation and fulfilment of the new position of chief people & culture officer in the Executive Team. These global initiatives, driven by the chief people & culture officer and our dedicated P&C network, include succession planning, leadership development programmes, restructuring of our traineeship programme, an employee branding campaign, and collaboration with (vocational) colleges, and universities. Beside these global initiatives, there are also many local actions within the different business segments driven by the local people & culture representatives.

As we move forward, the P&C representatives will continue to play a pivotal role in monitoring the impact of these initiatives as well as assessing the effectiveness of these actions. Should any further potential negative impacts on our workforce be identified, the global P&C network will convene to discuss and determine appropriate actions. This collaborative approach ensures that we remain proactive in addressing workforce challenges and continue to foster a positive and supportive work environment for all Aalberts employees. Aalberts ensures that its actions do not cause or contribute to material negative impacts on its workforce by striving to prioritise attraction and retention strategies. When tensions arise between mitigating negative impacts and other business pressures, the P&C network convenes to evaluate and implement appropriate follow-up (e.g. setting priorities, and activity evaluation), ensuring a balanced approach that supports our material topics.

attracting talent

In 2024, Aalberts focused on attracting talent. In particular, Aalberts has initiated an employer branding campaign in 2024 to continue in 2025, aimed at enhancing our attractiveness to all potential future employees. This initiative is designed to build brand awareness and position Aalberts as an employer of choice within the competitive job market (especially regarding technical personnel). By emphasising our culture, the Aalberts way. We aim to showcase the unique opportunities and inclusive work environment we offer which includes our commitment to innovation, sustainability, and employee development. Strengthening our brand presence is expected to attract new talent who align with our values.

We are also attracting early career talent through our restructured traineeship programme, to complement our existing local traineeship initiatives. Our enhanced traineeship programme offers early career professionals a unique opportunity to immerse themselves in Aalberts over a two-year period, during which they undertake four diverse assignments across various industries and environments within the organisation. The primary objective of this traineeship is to cultivate the future leaders of Aalberts by providing them with a comprehensive understanding of our organisation. This programme is instrumental in attracting early career talent (reducing the risk of a potential talent gap) and plays a crucial role in positioning Aalberts as an attractive employer.

Furthermore, we find it important to work with (vocational) colleges and universities at local levels. Building and retaining relations with colleges and universities provide many opportunities to share knowledge, support early career professionals, and find potential future employees. For instance, at some locations we offer technical apprenticeships and student job placements, while we also continue to work on our visibility to new employees. For instance through participating in job fairs, attending networking events, and providing factory tours. Finally, some collaborations also allow us to support specific sustainable projects, aligned with our own aspirations, as outlined under community engagement and partnerships (page 41). Together these actions provide us with opportunities to create relationships with potential future employees to ensure a diversified future-proof workforce.

Patrick Truye, supply chain director Aalberts hydronic flow control
At Aalberts, we believe in the power of giving back and shaping the future. One of the most rewarding aspects is the opportunity to mentor students from universities. This initiative not only supports the next generation of professionals but also provides valuable insights that benefit our company, team, and culture.

As a supply chain director at Aalberts hydronic flow control, Patrick Truye had the privilege of guiding students through the early stages of their career. "I am able to offer insights into my field, share the intricacies of supply chain management, and offer practical advice on courses or studies that can help them excel" says Patrick. "For many students, this interaction is the first time they connect directly with professionals in their chosen field, helping them make informed decisions about their academic and career paths."

While helping students is incredibly fulfilling, it also benefits us as a company since we gain fresh perspectives and ideas; students ask questions that challenge the way we think and sometimes prompt us to reconsider old practices or even identify gaps in our operations. At the same time we build a talent pipeline. "Many of the students I interact with are excited by the world of supply chain, and by providing them with guidance and exposure, we build relationships that could lead to valuable hires." says Patrick.

ensuring a futureproof workforce

In 2024, Aalberts initiated succession planning to create a resilient and futureproof workforce mediating the potential negative impact that replacement gaps would have on business continuity. We have completed succession planning for the top 30 leaders within our organisation and now aim to extend this process to the top 100 in 2025. These efforts are also performed at local business segments for key positions within the organisation (e.g. technical personnel, engineers, process owners). This strategic initiative aims to identify potential replacement gaps, enabling us to proactively address areas where external hiring may be necessary, thereby refining our talent attraction approach. Additionally, a thorough understanding of our succession planning will allow us to enhance our retention efforts, ensuring that we continue to nurture and retain top talent within Aalberts.

At Aalberts we have many skilled professionals across a wide range of businesses and locations, requiring different actions at local levels. Therefore local business segments have different approaches to developing the skills of employees, for instance through buddy programmes, online learning platforms, and external training centres.

As outlined in our strategic targets, Aalberts is also committed to the opportunity of fostering leadership development through our comprehensive programmes. In 2024, the leadership development programme which is focused on trainees was expanded by including early career professionals. This now results in our offer of three distinct leadership development programmes, each specifically designed to enhance the leadership qualities of our employees at different moments of their personal development trajectory. Employees are nominated by their managers and subsequently selected to participate in these programmes. Results are shown on page 85.

Our leadership development initiatives are instrumental in shaping the leaders and managers of tomorrow. By providing these opportunities, we demonstrate our appreciation, dedication, and trust in our employees, as well as our commitment to investing in their growth. These programmes not only contribute to improved performance and results but also play a crucial role in enhancing employee retention. Through these efforts, we ensure that our workforce remains motivated, skilled, and aligned with Aalberts' long-term mission.

Uzair Goelab – logistics operator Aalberts hydronic flow control
"At Aalberts, I have found a place that truly fits with who I am. Growing up, football was my biggest passion, and I always valued the freedom to make my own choices. Now, as logistics operator, I get that same sense of autonomy. I am responsible for planning my day, making sure things run smoothly, and ensuring there is always something to load when a truck arrives. What really makes Aalberts feel like home is the close-knit, family-like atmosphere. The people here aren’t just colleagues; they are like family. We see each other outside of work too, and the support we give each other is incredible.

A few weeks ago, my colleagues even came to watch me play football, and I managed to score two goals—it was such a special moment for me. I believe in taking responsibility without asking for special treatment. It’s about doing the job the right way, with a smile and a sense of humor. Challenges come up, but I approach them with the same mindset I had on the football field—no one is perfect, and mistakes happen. But what matters is learning from them and moving forward together. As I continue my logistics course, I am excited to see where this journey takes me. As I like to say, Aalberts feels like family to me. It’s a place where I can be myself, contribute, and grow—just like in football, it is all about working together and enjoying the journey. For me, Aalberts is not just a job; it is a place where I can grow, contribute, and stay true to what matters most to me."

employee engagement

Recognising the importance of employee experience, we are committed to ensuring that our workforce feels valued and engaged across all business segments and within Aalberts as a whole. In 2024, several employee engagement surveys were held across the organisation on business team level, resulting in corresponding local action plans. For example: the organisation of both global and local townhalls and share & learn sessions, the creation of employee driven engagement committees at each of the production facilities of Aalberts integrated piping systems Americas, and the creation of a brand-specific newspaper within Aalberts hydronic flow control next to the global newsletter, but also organising Aalberts values awards for all Aalberts hydronic flow control employees. There are also more informal activities such as family days (e.g. in France and the Netherlands) or volunteering activities. Following this, as mentioned in the 'target' section, we will conduct a comprehensive analyses in 2025, including an employee engagement survey, to gain deeper insights into our employees' engagement and areas for improvement. By continuing to focus on these different actions we continue to strive for a diversified and future-proof workforce.

performance

Our workforce performance is focused on attraction and retention, development and diversity of employees. For diversity we monitor gender diversity of our workforce and focus on gender diversity within the senior leadership of the company.

characteristics of Aalberts employees

In 2024, 12,525 employees worked at Aalberts as employees. This is a decrease of 4.59% compared to 2023.

All data related to our own workforce is gathered through a systematic approach, where all reporting entities provided the relevant information in a central system, to be consolidated at the global level. All our numbers are reported in FTE, defined by: "Full-Time Equivalent of all employees at the end of the reporting period, who are drawing wages or salaries from the company and whose compensation is reflected as personnel expenses in the income statement.

gender	total employees (FTE)	permanent employees (FTE)	temporary employees (FTE)	non-guaranteed hours employees (FTE)
male	9,513	9,090	409	14
female	3,011	2,755	252	4
other	1	1	-	-
not reported	-	-	-	-
total employees[1]	**12,525**	**11,846**	**661**	**18**

1. the most representative number in the financial statements is 13,774, refering to average total workforce (FTE) of 2024 (both employees and non-employees)

With a group of approximately 60 Aalberts employees we attended the Utrecht Singelloop for a 5K and 10K run. Besides the sportive activity it was also a good meet up between colleagues of all business and locations in the Netherlands.

FTE by country

Aalberts has activities in over 50 countries, while employees are primarily (>10%) based in the Netherlands, Germany, United States of America, Poland and France.

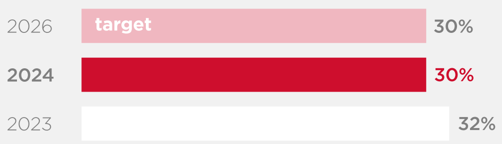
country[1]	number of employees (FTE, >10% of workforce)
Germany	2,263
United States of America	2,142
the Netherlands	1,994
Poland	1,527
France	1,340
Other	3,259
total employees	**12,525**

1. for countries with >50 employees representing >10% total employees

gender diversity senior leadership

In 2024 gender diversity is still at target level, with 30% woman at leadership levels. While striving for an ambitious minimum of 30% woman at senior leadership level to promote diversity, we continue to see more women entering various management levels, through attraction and retention of employees, job rotation, mentoring and coaching programmes, personal development and leadership programmes and succession planning.

gender diversity senior leadership



leadership development

Our leadership development programmes help us develop our people, both as professionals as well as leaders. In 2024, we continued to develop our employees in our development programmes, to work towards our 2026 development target, at years end, we have had developed 30% of the target group.

leadership development	2022	2023	2024	2026
Aalberts employees (%)[1]	13	21	30	30

1. Aalberts employees based on target group: production workers with management responsibilities as well as all office employees

In 2024 we had the pleasure of welcoming our latest cohort of colleagues participating in our Connect programme. We reached a significant milestone as this was the tenth group. Together with Fit and Explore, this programme has earned its place within Aalberts. It shows that, with our diversity in technologies, companies, nationalities, genders, functional areas and roles, we can collectively build something meaningful: future leadership.

message of the CEO
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employee turnover

In 2024, a total of 2,308 employees left Aalberts, corresponding to 18.4% of total employees, which includes restructuring projects and divestments.

employee turnover[1]	FTE	percentage
voluntarily	861	6.9%
dismissal	967	7.7%
end of contract	309	2.5%
retirement	171	1.4%
death in service[2]	-	-
total employee turnover	**2,308**	**18.4%**

1. turnover of employees, is based on FTEs at year end
2. death in service is only reported when the cause of death is work-related

collective bargaining coverage and social dialogue

The freedom of association and the right to collective bargaining are self-evident, fundamental rights, which we respect, see our human rights & labour relations section for more information.

collective coverage and social dialogue[1]	collective bargaining coverage		social dialogue
coverage rate	**employees EEA[2]**	**employees non-EEA[3]**	**workplace representation[4]**
0-19%	Germany	North & Central America	
20-39%	Poland		Poland
40-59%			Germany
60-79%	the Netherlands, France		the Netherlands
80-100%			France

1. % of FTEs of our own workforce, who are covered by a collective bargaining agreement
2. split by country within the European Economic Area (EEA) for countries that represent over 10% of our total FTEs
3. outside the EEA this split is made by region, for each region representing over 10% of our total FTEs
4. % of FTEs of our own workforce with workplace representation for countries of the EEA representing over 10% of our total FTEs

sustainability statement index

environmental and social performance

environmental data	unit of measurement	2018	2022	2023	2024
gross scope 1	tonnes CO_2	88,600	125,168	119,211	107,321
gross scope 2 (market-based)	tonnes CO_2	221,056	128,580	131,653	112,658
gross scope 2 (location-based)	tonnes CO_2		143,555	139,421	128,411
gross scope 1 and 2 (market-based)	tonnes CO_2	309,656	253,748	250,864	219,979
scope 1 and 2 CO_2 intensity (market based)	**tonnes CO_2 / EUR million revenue**	**112**	**79**	**75**	**70**
gross scope 3	tonnes CO_2				1,807,773
1. purchased goods and services	tonnes CO_2				1,731,756
1a. raw materials - measured	tonnes CO_2				1,439,019
1b. raw materials - other measured	tonnes CO_2				292,737
3. fuel and energy related activities	tonnes CO_2				31,515
5. waste generated from operations	tonnes CO_2				44,502
gross scope 1, 2 and 3 (market-based)	tonnes CO_2				2,027,752
gross scope 1, 2 and 3 (location-based)	tonnes CO_2				2,043,505
scope 3 CO_2 intensity (related to raw materials)	**tonnes CO_2 / EUR million revenue**				**457**
total energy consumption	TJ	3,865	4,062	3,873	3,542
non-renewable energy	TJ	3,659	3,404	3,252	2,895
fuel	TJ	28	18	17	9
natural gas	TJ	1,523	2,202	2,092	1,893
district heating	TJ	263	56	57	45
electricity	TJ	1,845	1,128	1,086	948
share of non-renewable energy	%	95%	84%	84%	82%
renewable energy	TJ	206	658	621	647
renewable electricity	TJ	206	658	616	640
self-generated electricity	TJ	-	-	5	7
share of renewable energy	%	5%	16%	16%	18%
energy intensity	**GJ / EUR million revenue**	**1,401**	**1,258**	**1,165**	**1,125**

environmental data	unit of measurement	2018	2022	2023	2024
water intensity (non-material topic)	**water withdrawal / EUR million revenue**	**695**	**466**	**454**	**412**
water withdrawal	1,000 m^3	-	1,505	1,508	1,296
third-party water	1,000 m^3	1,252	1,166	1,131	986
groundwater and surface water	1,000 m^3	665	339	377	310
water consumption	%		79%	78%	76%
water treated	%		21%	22%	24%
water consumption	1,000 m^3		1,186	1,175	985
water consumption intensity	water consumption / EUR million revenue		367	353	313

social data	unit of measurement	2018	2022	2023	2024
number of fatalities	headcount	-	-	-	-
Lost Time Injury Frequency Ratio	LTIFR	11.0	7.3	6.2	4.3
number of Lost Time Injuries	LTIs	320	197	166	109
absenteeism rate	%	3.6%	3.8%	3.9%	3.8%
gender diversity senior leadership	%		25%	32%	30%
gender diversity Supervisory board	%		25%	33%	33%
gender diversity total workforce[1]	%		24%	23%	24%
employees developed	%		13%	21%	30%
employees developed	FTE				1,410
employees retained[2]	%				96%
employees promoted[2]	%				16%
voluntarily	FTE				861
dismissal	FTE				967
end of contract	FTE				309
retirement	FTE				171
death in service	FTE				-
total employee turnover	FTE				2,308
voluntarily	%				6.9%
dismissal	%				7.7%
end of contract	%				2.5%
retirement	%				1.4%
death in service	%				-
total employee turnover	%				18.4%

1. the gender diversity total workforce is in 2022 and 2023 regarding the total workforce, while in 2024 this is only regarding the total employees
2. both employees retained (%) and employees promoted (%) are regarding employees developed (FTE)

policy overview

ESG		
ESG policy		
environment	**social**	**governance**
environmental policy	diversity & inclusion policy	Code of Conduct
net zero carbon transition plan	stakeholder engagement policy	Supplier Code of Conduct
	health, safety and well-being policy	human rights policy

Please refer to **aalberts.com** for more information about our policies.

taxonomy tables

	financial year 2024			substantial contribution criteria						DNSH criteria ('Do Not Significantly Harm')									
economic activities	code	revenue (mio)	proportion of revenue, year 2024	climate change mitigation	climate change adaptation	water	pollution	circular economy	bio diversity	climate change mitigation	climate change adaptation	water	pollution	circular economy	bio diversity	minimum safeguards	proportion of taxonomy aligned (A.1.) or eligible (A.2.), revenue year 2023	category enabling activity	category transitional activity
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. taxonomy-eligible activities																			
A.1. environmentally sustainable activities (taxonomy-aligned)																			
revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)																			
of which enabling																			
of which transitional																			
A.2. taxonomy-eligible but not sustainable activities (not taxonomy-aligned activities)																			
manufacture energy efficiency equipment for buildings	CCM 3.5	61	1.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	N	1.9%	E	
revenue of taxonomy-eligible but not sustainable activities (not taxonomy-aligned activities) (A.2)		61	1.9%	1.9%															
A. revenue of taxonomy-eligible activities (A.1+A.2)		61	1.9%	1.9%															
B. taxonomy-non-eligible activities																			
revenue of taxonomy-non-eligible activities (B)		3,088	98.1%																
total		3,149	100%																

economic activities	financial year 2024			substantial contribution criteria						DNSH criteria ('Do Not Significantly Harm')									
	code	CapEx (mio)	proportion of CapEx, year 2024	climate change mitigation	climate change adaptation	water	pollution	circular economy	bio diversity	climate change mitigation	climate change adaptation	water	pollution	circular economy	bio diversity	minimum safeguards	proportion of taxonomy aligned (A.1.) or eligible (A.2.), CapEx year 2023	category enabling activity	category transitional activity
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. taxonomy-eligible activities																			
A.1. environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)																			
of which enabling																			
of which transitional																			
A.2. taxonomy-eligible but not sustainable activities (not taxonomy-aligned activities)																			
manufacture energy efficiency equipment for buildings	CCM 3.5	3	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	N	1.0%	E	
CapEx of taxonomy-eligible but not sustainable activities (not taxonomy-aligned activities) (A.2)		3	0.9%	0.9%															
A. CapEx of taxonomy-eligible activities (A.1+A.2)		3	0.9%	0.9%															
B. taxonomy-non eligible activities																			
CapEx of taxonomy-non-eligible activities (B)		319	99.1%																
total		322	100%																

economic activities	code	OpEx (mio)	proportion of OpEx, year 2024	climate change mitigation	climate change adaptation	water	pollution	circular economy	bio diversity	climate change mitigation	climate change adaptation	water	pollution	circular economy	bio diversity	minimum safeguards	proportion of taxonomy aligned (A.1.) or eligible (A.2.), OpEx year 2023	category enabling activity	category transitional activity
	financial year 2024			**substantial contribution criteria**						**DNSH criteria ('Do Not Significantly Harm')**									
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. taxonomy-eligible activities																			
A.1. environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)																			
of which enabling																			
of which transitional																			
A.2. taxonomy-eligible but not sustainable activities (not taxonomy-aligned activities)																			
manufacture energy efficiency equipment for buildings	CCM 3.5	2	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	N	1.2%	E	
OpEx of taxonomy-eligible but not sustainable activities (not taxonomy-aligned activities) (A.2)		2	1.2%	1.2%															
A. OpEx of taxonomy-eligible activities (A.1+A.2)		2	1.2%	1.2%															
B. taxonomy-non eligible activities																			
OpEx of taxonomy-non-eligible activities (B)		153	98.8%																
total		155	100%																

general disclosure requirements

This table outlines the disclosure requirements presented in our sustainability statement and the progress we have made in reporting on the ESRS standards as outlined by the CSRD.

status	standard	disclosure requirement	page
	ESRS 2 BP-1	general basis for preparation of sustainability statements	45
	ESRS 2 BP-2	disclosures in relation to specific circumstances	45
	ESRS 2 GOV-1	the role of the administrative, management and supervisory bodies	46, 47
	ESRS 2 GOV-2	information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	46, 47
	ESRS 2 GOV-3	integration of sustainability-related performance in incentive schemes	46
	ESRS 2 GOV-4	statement on due diligence	48
	ESRS 2 GOV-5	risk management and internal controls over sustainability reporting	46
	ESRS 2 SBM-1	strategy, business model and value chain	50, 51, 83
	ESRS 2 SBM-2	interests and views of stakeholders	48
	ESRS 2 SBM-3	material impacts, risks and opportunities and their interaction with strategy and business model	49, 50, 53, 56, 57, 59, 60, 61, 66-68, 76-82
	ESRS 2 IRO-1	description of the processes to identify and assess material impacts, risks and opportunities	51-54
	ESRS 2 IRO-2	disclosure requirements in ESRS covered by the undertaking's sustainability statement	54, 93-95

Progress towards CSRD:

- advanced progress
- moderate progress
- internal work initiated

status	standard	disclosure requirement	page
	ESRS E1 GOV-3	integration of sustainability related performance in incentive schemes	46
	ESRS E1-1	transition plan for climate change mitigation	56-65
	ESRS E1 SBM-3	material impacts, risks and opportunities and their interaction with strategy and business model	56, 57
	ESRS E1 IRO-1	description of the processes to identify and assess material climate-related impacts, risks and opportunities	53, 56, 57
	ESRS E1-2	policies related to climate change mitigation and adaptation	59
	ESRS E1-3	actions and resources in relation to climate change policies	59-62
	ESRS E1-4	targets related to climate change mitigation and adaptation	58
	ESRS E1-5	energy consumption and mix	62, 63
	ESRS E1-6	gross scope 1,2,3 and total GHG emissions	63-65
	ESRS E5 IRO-1	description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	53, 66
	ESRS E5-1	policies related to resource use and circular economy	67
	ESRS E5-2	actions and resources related to resource use and circular economy	67, 68
	ESRS E5-3	targets related to resource use and circular economy	66
	ESRS E5-4	resource inflows	68
	ESRS E5-5	resource outflows	68, 69

status	standard	disclosure requirement	page
	ESRS S1 SBM-2	interests and views of stakeholders	48
	ESRS S1 SBM-3	material impacts, risks and opportunities and their interaction with strategy and business model	53, 76, 78, 79
	ESRS S1-1	policies related to own workforce	77, 80
	ESRS S1-2	processes for engaging with own workers and workers' representatives about impacts	80, 83
	ESRS S1-3	processes to remediate negative impacts and channels for own workers to raise concerns	80
	ESRS S1-4	taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	77, 80-83
	ESRS S1-5	targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	76, 79
	ESRS S1-6	characteristics of the undertaking's employees	83
	ESRS S1-8	collective bargaining coverage and social dialogue	85
	ESRS S1-14	health and safety metrics	78

EU legislation datapoints

This table outlines the data points derived from other EU legislation, as listed in ESRS 2 Appendix B. The table shows where these data points can be found in our report and which data points were assessed as 'not material'.

standard	data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	page
ESRS 2 GOV-1	21(d)	✓		✓		116, 118
ESRS 2 GOV-1	21(e)			✓		119
ESRS 2 GOV-4	30	✓				48
ESRS 2 SBM-1	40(d;i)	✓	✓	✓		not material
ESRS 2 SBM-1	40(d;ii)	✓		✓		not material
ESRS 2 SBM-1	40(d;iii)	✓		✓		not material
ESRS 2 SBM-1	40(d;iv)			✓		not material
ESRS E1-1	14				✓	56-65
ESRS E1-1	16(g)		✓	✓		58
ESRS E1-4	34	✓	✓	✓		58
ESRS E1-5	37	✓				63
ESRS E1-5	38	✓				63
ESRS E1-5	40-43	✓				63
ESRS E1-6	44	✓	✓	✓		65
ESRS E1-6	53-55	✓	✓	✓		65
ESRS E1-7	56				✓	not material
ESRS E1-9	66			✓		not material
ESRS E1-9	66(c)		✓			not material
ESRS E1-9	67(c)		✓			not material
ESRS E1-9	69			✓		not material
ESRS E2-4	28	✓				not material
ESRS E3-1	9	✓				not material
ESRS E3-1	13	✓				not material
ESRS E3-1	14	✓				not material
ESRS E3-4	28(c)	✓				not material
ESRS E3-4	29	✓				not material
ESRS 2 IRO-1 E4	16(a;i)	✓				not material

standard	data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	page
ESRS 2 IRO-1 E4	16(b)	✓				not material
ESRS 2 IRO-1 E4	16(c)	✓				not material
ESRS E4-2	24(b)	✓				not material
ESRS E4-2	24(c)	✓				not material
ESRS E4-2	24(d)	✓				not material
ESRS E5-5	37(d)	✓				69
ESRS E5-5	39	✓				69
ESRS 2 SBM-3 S1	14(f)	✓				not material
ESRS 2 SBM-3 S1	14(g)	✓				not material
ESRS S1-1	20	✓				48, 80, 101
ESRS S1-1	21			✓		48, 101
ESRS S1-1	22	✓				48, 80, 100, 101
ESRS S1-1	23	✓				77
ESRS S1-3	32(c)	✓				80, 100
ESRS S1-14	88(b)	✓		✓		78
ESRS S1-14	88(c)	✓		✓		78
ESRS S1-14	88(e)	✓				78
ESRS S1-16	97(a)	✓		✓		not material
ESRS S1-16	97(b)	✓				126
ESRS S1-17	103(a)	✓				not material
ESRS S1-17	104(a)	✓		✓		not material
ESRS 2 SBM-3 S2	11(b)	✓				not material
ESRS S2-1	17	✓				not material
ESRS S2-1	18	✓				not material
ESRS S2-1	19	✓		✓		not material
ESRS S2-4	36	✓				not material
ESRS S3-1	16	✓				not material
ESRS S3-1	17	✓		✓		not material
ESRS S3-4	36	✓				not material
ESRS S4-1	16	✓				not material
ESRS S4-1	17	✓		✓		not material
ESRS S4-4	35	✓				not material
ESRS G1-1	10	✓				not material
ESRS G1-1	10(d)	✓				not material
ESRS G1-4	24(a)	✓		✓		not material
ESRS G1-4	24(b)	✓				not material

risk & governance

business integrity

Aalberts is dedicated to operate with honesty and integrity, to adhere to the law and to make sure that each employee and business partner is treated fairly and respectfully. We require all employees within our company to uphold the highest standards of integrity and take responsibility for maintaining and protecting Aalberts' good reputation. We insist that all our employees take ownership, act transparently and speak up in a joint effort to uphold the integrity of Aalberts, both within the organisation and towards third parties with whom Aalberts deals in its daily business operations.

Code of Conduct

Our main business standards, as rules of ethical conduct, are included in our Code of Conduct. It clarifies the rules and standards that all Aalberts employees must follow and sets out expected behaviour about: compliance with laws, prevention of fraud, no corruption or bribery, avoidance of conflict of interest, compliance with insider trading rules and accurate accounting & reporting. Furthermore, Aalberts' Code of Conduct informs about fair and timely disclosure of information, dealing with suppliers, responsible work conduct, responsible work environment, corporate responsibility, proper authorisations and approvals. More information can be found at **aalberts.com/code**↗. In 2024 we started a new 'Code of Conduct campaign' highlighting one specific topic of our Code of Conduct in infographics. This to emphasise the importance of the different topics.

When new employees join Aalberts we introduce the Code of Conduct immediately, by making it part of the employment onboarding package or processes. We check compliance with the Code of Conduct and other governance topics, through governance visits by the governance contact person. Plans have been made for conducting more visits in 2025 by all governance contact persons in the governance network.
This governance network – which we further reinforced last year – consists of all legal counsels within Aalberts. These legal counsels work together as much as possible beyond the borders of the business teams and countries, to ensure that available knowledge is used to the full, to share and learn from each other, to align our global governance topics and create synergy. The visits are part of the governance plans, with concrete action lists. In 2023 we started including harmonised key performance indicators (KPIs) in the governance plans together with visual performance meters. With those KPIs we encourage the accountability of the business teams and we provide further insight into where we can learn from each other. For 2025 we will continue to focus on securing know-how and accountability, in combination with checks and controls and extra focus on CSDDD and our different checklists. Via these governance plans (in addition to the multiyear plans) we further strengthen and embed governance in the company.

The governance network came (online) together every month to discuss the long- and short-term objectives. Every business team is responsible for implementing its own governance plan and associated actions and KPIs.

anti-corruption and bribery

The subjects included in the Code of Conduct are further specified in the annexes to the Code of Conduct and our policies. One example is our anti-corruption and bribery policy: Doing business all over the world can expose Aalberts to local bribery and corruption risks, which can lead to substantial penalties and reputational harm. That is why we have several anti-corruption and bribery initiatives in place, including:

- an anti-corruption and bribery checklist to identify red flags;
- due diligence and third-party screening procedures;
- use of anti-corruption clauses in contracts;
- speak up! procedure to facilitate reporting suspected irregularities.

In addition, we regularly perform risk assessments for the geographical areas and sectors we do business in. We are cautious engaging in high-risk countries and provide additional guidelines for doing business in these countries. As a result of our policies and initiatives, awareness of our governance topics, such as anti-corruption and bribery laws and policies, is high. We continuously focus on expanding our awareness measures in key geographical areas and business sectors. We do this through the Aalberts academy and by providing additional trainings.

Aalberts academy and other training

To ensure that the Code of Conduct is not only signed by a new employee after joining, but that our employees also know what the content actually means for their daily work and that it becomes part of the behaviour of our employees, we provide several e-learnings about our Code of Conduct and business integrity in our Aalberts academy. The Aalberts academy is our e-learning portal. The e-learnings in the Aalberts academy are mandatory for all management team members and other managerial staff, for all our employees in sales, purchase, finance & controlling, human resource and all key employees of other departments such as R&D, logistics, operations and customer service. When those employees join Aalberts they are invited for the Aalberts academy and must complete the e-learning courses included in the Aalberts academy, within three weeks. Our target is that 100% of the participants pass. Of the employees who participate actively in the Aalberts academy, on 31 December, 2024 98% completed the e-learnings about: our Code of Conduct in general, no unfair competition, no corruption & bribery, sanctions & export control, personal data protection & information security and the speak up! (whistleblower) procedure. This high percentage is achieved through strong management focus and the right company culture, in which acting with integrity is embraced by everyone. Since we consider it important to retain our mission-critical people, and we succeed in doing so, the e-learning modules are repeated when someone develops further within Aalberts.

To ensure full awareness and understanding, additional training on the subjects of the e-learnings is provided. Trainings in person where possible and digital training sessions as a valuable alternative. In those trainings one or more governance topics are emphasised again, integrity dilemmas are raised and discussed, and employees are encouraged to speak up when confronted with a potential issue. Those extra trainings are adapted to the needs of the business teams and the applicable circumstances. Several business teams renewed focus, in alignment with their corporate governance person, on the Code of Conduct and on the importance of the regulation regarding sanctions and export controls via live trainings. In addition to the existing e-learning modules of the Aalberts Academy and other training courses, we have developed a virtual reality tool. Through this virtual reality tool, aimed at preventing unfair competition, we offer a compliance training with a real-life training scenario to make the training extra interesting and create even more awareness. For the development of this first training in the 'Virtual Reality Integrity Academy', Aalberts was awarded a *"Gouden Zandloper"*; for exceptional legal services in the Netherlands, in the category "Legal In-House. The training will be rolled out further across our global teams in 2025 and we are developing new virtual reality training courses.

speak up!

Through the legal and integrity framework that we have in place we make sure that all our employees are familiar with our business standards. To uphold those standards, all employees play a role in monitoring compliance with the Code of Conduct and reporting (suspected) inappropriate behaviour. We strive for a working environment that encourages open dialogue within all layers of the organisation and with third parties. We encourage our employees to speak up whenever they observe or suspect a violation. Our employees, but also external business parties, can report violations of the Code of Conduct or other misconduct via our speak up! procedure at aalberts.com/speakup (anonymously if desired). To make it even easier for everyone to report a (suspected) violation, we have focused in 2024 on further simplifying and improving reporting - also - via local channels. An Ethics Committee has been established in line with the EU Whistleblower Protection Directive. Reference is made to the speak up! paragraph on page 112.

All relevant speak up! notifications have been investigated and followed up promptly. Where appropriate, necessary action has been taken. Relevant cases are reported to the Management Board and, when these occur, material violations will be immediately reported to the Audit Committee and the Supervisory Board. No material violations of the Code of Conduct were either reported via the speak up! procedure or were detected via the internal or external audits or governance checks in 2024.

supply chain management

We can only assure our integrity if our suppliers also subscribe to our business principles. To further improve integrity and sustainability throughout the entire value chain we partner with suppliers who live by the same main principles as our Code of Conduct (safe place to work, respect human rights, treat employees with respect and work in an environmentally friendly way). When selecting suppliers, we consider sustainability factors, such as quality, health & safety and environmental performance. At key suppliers we perform audits to check their standards. We also ask our suppliers to sign our Supplier Code of Conduct what all material suppliers have done. By signing this Supplier Code of Conduct, suppliers agree to comply with our principles. Our Supplier Code of Conduct includes the principles of the Code of Conduct and the principles of the UN Global Compact and the OECD. It goes without saying that we closely monitor new regulations also with regard to this topic. This means – among others – that we have made the necessary preparations to review our suppliers where required. For example, we launched guidelines to help colleagues to perform a supply chain due diligence and a so called 'ESG supplier self-assessment' with questions that can be posed to tier-1 suppliers to ensure a responsible work environment in their operations. Our main objective is to strive to minimise our contribution to adverse impacts and conform to the Aalberts human rights policy.

Aalberts won the Gouden Zandloper award for the innovative VR Integrity Academy. This unique VR training enhances integrity awareness through lifelike scenarios, aligning with strategic goals and making learning both fun and impactful.

product safety and quality

Aalberts manufactures and delivers high-quality products and services and is continuously improving this quality. In our development, design, manufacturing, and installation. We continuously think about how to make products safe and of high quality. Our group companies have quality management systems in accordance with the requirements of ISO 9001, are certified as such, and have additional industry specific certifications, such as ISO 16949 for the automotive industry or AS 9100 for the aerospace industry. Quality and product safety policies and statements are also in place at local level. Our group companies manage risks related to the use of chemicals or hazardous substances in the course of their production activities and provide safety information on the substances in accordance with REACH and RoHS.

Aalberts is committed to sourcing its materials responsibly. Aalberts ensures that its products do not contain conflict minerals tin, tantalum, tungsten and gold; 3TG) sourced from mines from conflict-affected and high-risk areas. To ensure this, the group companies of Aalberts identify products and services which potentially contain conflict minerals and have a due diligence procedure in place. Through our Supplier Code of Conduct we expect our suppliers that work with materials containing 3TG to comply with applicable laws concerning responsible sourcing of conflict minerals.

human rights & labour relations

As a responsible member of the global community, we have a strong commitment to preventing human rights violations. We conduct business based on fairness, honesty and integrity as expressed in our Code of Conduct and we expect the same from all of those we work with. Aalberts' commitment to respect human rights, as defined by the United Nations in its Universal Declaration of Human Rights, is laid down in a formal human rights policy. This Aalberts policy has been updated in 2024 to ensure that it remains continuously in line with the latest developments. We support the principles laid down in the OECD Guidelines for Multinational Enterprises and those in the ILO Declaration on Fundamental Principles and Rights at Work. Aalberts wants to build long-term, sustainable relationships with its employees and therefore strives to pay fair salaries and benefits. Freedom of association and the right to collective bargaining are self-evident, fundamental rights, which we respect. At Aalberts, the principle of free choice of employment is inviolable. It applies to every employee in every country we operate. In 2024 we received no evidence of any human rights violations or abuses. Due diligence on human rights within our group companies and their supply chain forms part of all our governance visits, with special attention to this topic in areas where there may be a higher risk of impact to people. Human rights due diligence in our supply chain is performed at level of our business teams and group companies. In addition to our specific human rights policy, human rights are addressed in our Supplier Code of Conduct and form part of supplier assessment and audit procedures.

tax policy

A coherent and responsible tax policy is a key element of our sustainable way of doing business. Taxation is an important contributor to society and for that reason, we regard it as part of our corporate social responsibility towards our stakeholders. Over the years, Aalberts has developed and applied a conservative and cautious tax policy. We support and adhere to the principles on tax transparency and responsible tax management as published in various guidelines by the OECD and directives by the European Union.

Our business is leading in setting up international operations: we declare profits and we pay tax in conformity with the added value of the business activities in each jurisdiction. This results in paying our fair share of tax in the countries in which we operate, which is clearly reflected in our overall effective tax rate. Our tax strategy is not only aimed at complying with the letter of tax laws and regulations but also with the spirit of these laws. This means that we neither use tax structures or tax havens intended for tax avoidance, nor will we make use of artificial transfers of profits.

In order to benefit from our strong innovative disposition, Aalberts aims to optimise the use of tax incentives and investment schemes such as innovation box and R&D deductions, but only to the extent these tax incentives have been designed for. Furthermore, we aim at filing accurate and timely tax returns and we strive to maintain professional, transparent and respectful relationships with tax authorities in the various countries. As a result of our low tax risk appetite, the relationships with tax authorities are based on seeking dialogues rather than seeking controversy. Since 2020, Aalberts has been selected for Individual Supervision by the Dutch tax authorities. Individual Supervision consists of a tailor-made approach for each of the 100 largest and most complex organisations in the Netherlands.

Tax matters are being discussed with the CFO on a regular basis. As such, the Management Board has a proper oversight of tax-related risks and of the key factors that are affecting the effective tax rate of the group.

The involvement of the Aalberts tax department is not limited to corporate income tax but extends to VAT, wage tax, social securities, dividend withholding tax, sales and use tax, real estate tax and other taxes that Aalberts entities around the globe are subject to. To monitor and control the tax positions per entity, the Aalberts tax department deploys various internal tax controls. The effective tax rate is not a KPI of the tax department. The performance of the Aalberts tax department is assessed against compliance targets and adherence to tax regulations, such as compliance to transfer pricing documentation requirements and local tax return filing and payment obligations.

Since 2017, Aalberts submits a so-called 'Country-by-Country-report' to the Dutch tax authorities on an annual basis. This report is available to tax authorities in each jurisdiction where Aalberts has a taxable presence.

Depending on materiality and complexity of a specific matter or transaction, Aalberts will seek external tax advice from independent, third-party tax professionals. If appropriate, approval from tax authorities will be obtained to gain upfront certainty about the application of specific tax legislation.

personal data protection and information security

We have technical and organisational measures in place to prevent accidental or unlawful destruction, loss, alteration or unauthorised access to personal data. Over the last years, we strengthened our policies, procedures and contracts for personal data protection and this is also a dedicated topic in the Aalberts academy. An e-learning module is devoted to personal data protection to train all key employees. In addition, our governance network, together with the business management teams, have trained all employees responsible for processing personal data (such as HR, IT, sales and general management) and will continue to do so on a regular basis to ensure sustainable progress and to further embed compliance with this important topic.

We also continued to strengthen the internal control measures around our IT infrastructure and IT systems to increase the protection of personal data, intellectual property and other sensitive information. This includes the further implementation of a wide range of control measures that are part of our Aalberts security baseline or are additional requirements within certain supply chains or jurisdictions. These controls are focused on critical topics such as security awareness, secure software configuration, user access management, email and endpoint protection as well as incident management to ensure appropriate response and fast recovery when needed.

risk and opportunity management

introduction

In the course of executing our strategy, and as part of our day-to-day business activities, we face many risks and opportunities. The Management Board is responsible for identifying and managing these risks and leveraging these opportunities. Identifying and managing risks and leveraging opportunities is a continuous process, embedded in our governance structure.

Failure to grasp opportunities could result in opportunity loss impacting our long-term objectives, as embedded in our 'thrive 2030' strategy. Specific 'thrive 2030' drivers that could thus be impacted are for example: operational excellence, innovation and strategic M&A. These opportunities entail, for a large part, the four global tailwinds identified in the course of determining our 'thrive 2030' strategy: urbanisation, technology acceleration, reshoring and decarbonisation.

Failure to mitigate risks could result in direct and indirect loss: humanly, environmentally, and financially. Damage in either one of these areas could also lead to reputational damage. We are therefore, on a continuous basis, executing and improving our risk management, internal control and internal audit activities and capabilities, employing existing and deploying new best practices to mitigate risk exposure to the best of our ability.

Please also note that our current business portfolio segments - industry, semicon, building -, and the 'thrive 2030' initiatives do, in terms of product and market diversification, contribute to inherent risk mitigation due to the variety in underlying business drivers.

risk and opportunity assessment

The Executive Team has identified and analysed the risks and opportunities associated with the strategy and activities of the company and its group companies. The identification covers four risk categories: strategic, operational, compliance and reporting risks, resulting in eleven categories of identified risks and opportunities.

Strategic risks and opportunities have been extensively discussed and considered as part of our 'thrive 2030' strategy by the Executive Team in conjunction with the Management Board and the Supervisory Board. Operational, compliance and reporting risks and opportunities are primarily managed within the segments and group companies and are subject to corporate guidelines and principles. Compliance and reporting risks and opportunities are also subject to both corporate guidelines and principles and monitoring by functional staff departments. We are in the process of further strengthening our internal control environment to increase monitoring effectiveness where deemed necessary, as explained below.

The eleven main risk and opportunity categories are depicted in the picture on page 105. Please refer to page 106-110 for a more elaborate explanation of the key controls and actions in place to mitigate these risks and leverage the opportunities. The key controls and actions to mitigate these risks and leverage the opportunities have been determined taking into considerations our risk appetite.

risk appetite

Our risk appetite, which classifies the level of risk exposure we are willing to incur to achieve our objectives, differs for each risk and opportunity category and may change in time, based on specific circumstances, changing expectations and lessons learnt. Our risk appetites range from 'averse' to 'prudent' to 'moderate' till 'high'.

Our risk appetite for strategic risks and opportunities is based on our strategic objectives, which in turn are subject to our 'thrive 2030' strategy: 'refocus, rebalance, recharge'. In order to realise the identified objectives we are prepared to take risks in a controlled manner. That is, for example: no acquisitions without in-depth due diligence investigations and in-depth business valuation assessment and thorough challenge by the Executive Team. At the same time divestments will always be subject to in-depth vendor due diligence investigations. We are thus willing to take 'moderate to high' risks in deploying our strategy, whilst at the same time being 'prudent' in our related spend.

Please be ensured that in the pursuit of our strategic objectives, as in previous years, maintaining a 'prudent' disciplined capital allocation and financing strategy is the overarching principle we abide by. We are very disciplined related to our financial position(s) and performance.

Our risk appetite for operational risks and opportunities is, as mentioned before, input for our corporate guidelines and principles. Both health & safety and business integrity are considered to be prime operational risks and our guidelines on health & safety and business integrity are very strict and subject to separate monitoring and reporting. Health & safety and business integrity breaches are therefore 'not tolerated', so even beyond 'averse'.

Other operational risks are also guided by our 'thrive 2030' actions of achieving improved operations productivities, purchasing and cost savings and inventory optimisation. All underlying activities are subject to thorough business product/process analysis, taking accompanying risks and opportunities explicitly into consideration. The underlying objective is a customer-centric supply chain, focusing on quality excellence, by means of enabling growth through developing talents and adding capabilities, deploying a future-proof workforce. The accompanying risk appetite may be classified as 'moderate' for achieving operations productivities improvements, but 'averse' on existing quality excellence.

We are committed to fully comply with relevant laws and regulations. Hence, we have an 'averse' risk appetite towards non-compliance or breaches in these areas. Where deemed necessary, we provide further guidance based on specific legislation, for example concerning financial reporting - through our Aalberts accounting manual - and information security - through Center for Internet Security (CIS) Framework compliance.

Specific functional staff departments - such as legal & governance, internal audit and information security - dedicate a large part of their activities to monitor compliance. To aid in ensuring full compliance we are maintaining a people & culture programme, including a clear and concise Code of Conduct and facilitating and encouraging speak up!

Concerning reporting risks we aim to minimise the risk of material misstatements, due to fraud or errors in our financial statements and CSRD reporting. Hence, we have an 'averse' risk appetite concerning reporting risks. Monitoring reporting risks is part of the scope of the external audit. Moreover, internal audit dedicates part of their activities to monitor the reliability of reporting.

internal risk management and control systems

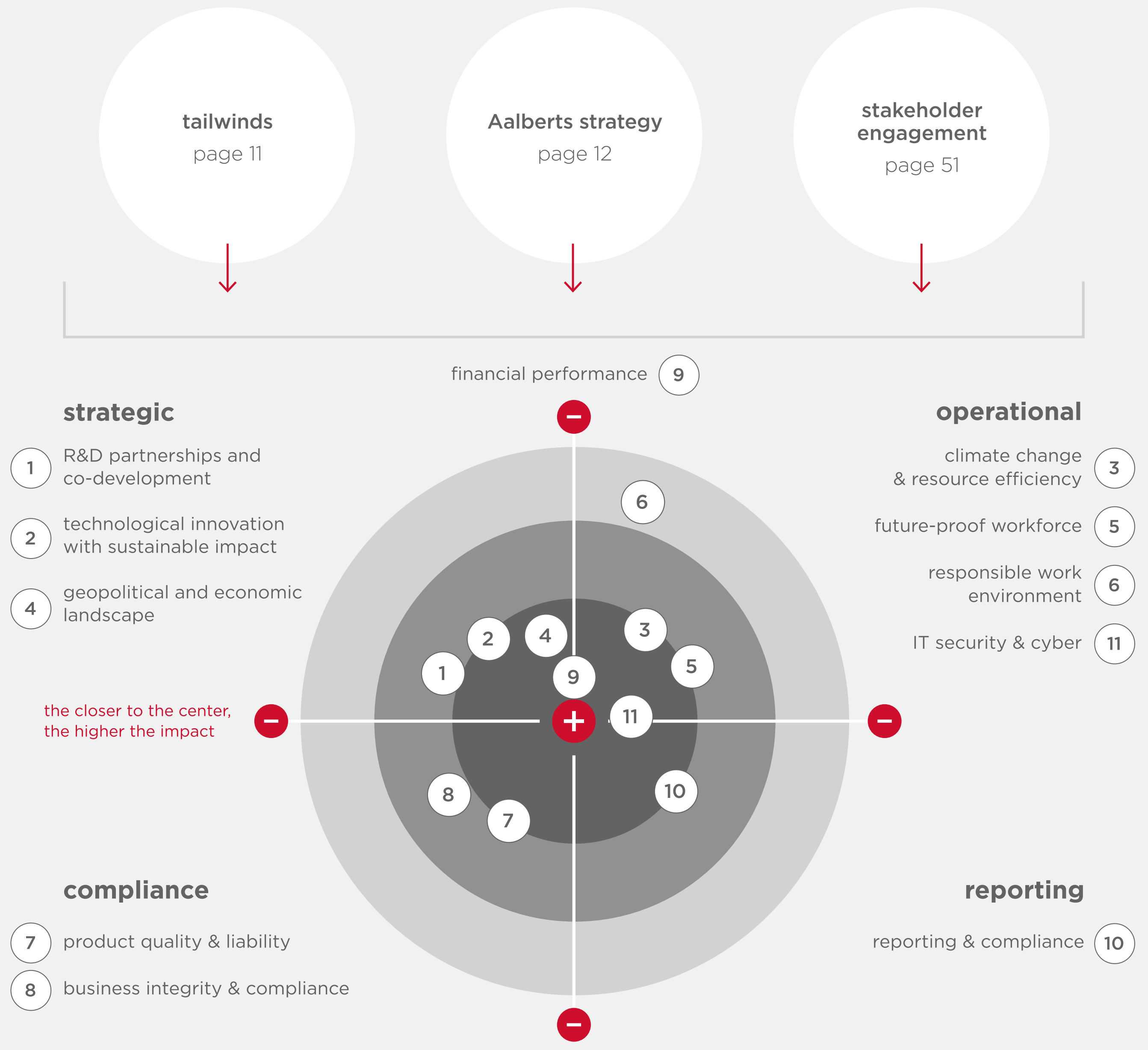
The Management Board is responsible for designing, implementing and maintaining adequate internal risk management and internal control systems. In 2024 the Management Board decided to further improve Aalberts' internal control capabilities by strengthening related functional staff functions. This resulted in the appointment of a chief operations officer (COO), a chief Information security officer (CISO), a chief people & culture officer and a new internal audit director.

These appointments will help Aalberts in taking the next steps towards a more robust control environment, further integrating - COSO-based - risk management into daily operations. This is fully in line with the new Statement on Risk Control ('Verklaring Omtrent Risicobeheersing') requirements, to be embedded in the Dutch Corporate Governance Code in 2025, designing and putting explicit internal control frameworks into operation where deemed necessary.

In 2024, we report no major failings in the internal risk management and control systems, to the best of our knowledge. We are implementing structural improvements, as indicated above, and as discussed with the Audit Committee.

sensitivity analysis

Risk profile, scenarios, and sensitivity of the company's results to external factors are assessed as part of our strategy update and (semi-)annual forecasting process. In addition, sensitivity analyses are performed for the purpose of impairment testing and financial risk management. In general, vulnerability to individual external factors is low due to our balanced business portfolio and diversification in end markets, geographical regions, and customers.



1 R&D partnerships and co-development

opportunities	risks
our technologies, global footprint and deep industry and market knowledge enable intensified cooperation with key customers in fast-growing markets	co-development leads to increased investments, complexity and interdependency

key controls and actions to leverage opportunities and manage risks

- consider strategic acquisitions to grow with existing customers
- ramp-up investments in R&D and innovation centres (semicon)
- drive organic growth with business development and footprint optimisation
- select fitting and complimentary partners and continue to optimise globally active key accounts

2 technological innovation with sustainable impact

opportunities	risks
our technologies accelerate breakthroughs in smart homes and commercial buildings, transportation, and industries, enabling new business models, (digital) services with sustainable impact and operational and quality excellence	disruptions and/or incidents can limit our growth and profitability; innovation cycles are substantially delayed

key controls and actions to leverage opportunities and manage risks

- maintain >20% innovation rate with new products, solutions and digital offerings
- maintain >70% SDG impact total revenue, capitalise market opportunities
- increase solutions for energy efficiency in building, semicon and industry to leverage global tailwinds urbanisation and decarbonisation
- realise close monitoring and fast anticipation & adaptation management style

3 climate change & resource efficiency

opportunities	risks
shifting to a carbon neutral economy with increased focus on resource efficiency has a positive impact on our operational and financial performance and reputation as 'enabler'	climate change leads to transition risks (e.g., adaptation portfolio, legislation, carbon pricing) and causes extreme weather conditions that could bring physical risks to our operations

key controls and actions to leverage opportunities and manage risks

- drive innovations with sustainable impact, ensure successful shift to net zero carbon and apply resource efficiency in R&D based on circular design and Life Cycle Assessments
- evaluate physical climate risks for locations regularly in cooperation with our property risk insurer and focus on follow-up of recommendations to mitigate risks
- monitor and manage Aalberts environmental KPIs via HSR & sustainability network and share best practices
- execute sustainability improvement plans per business team, in accordance with the Aalberts net zero carbon roadmap to realise our commitment to be net zero carbon in 2050, or earlier

4 geopolitical and economic landscape

opportunities	risks
our global footprint with local presence and empowerment provides opportunities for sustainable profitable growth and creates resilience through diversification	political and/or economic headwinds and/or major events like natural disasters, trade wars and pandemics, can impact our business continuity and financial performance

key controls and actions to leverage opportunities and manage risks

- focus on three end markets, delivering customer-centric solutions and drive organic growth with business development and footprint optimisation
- double revenue in North-America by organic growth, operational excellence and M&A,
- conduct active portfolio management focusing on market attractiveness and ability to win
- strengthen positions in North America for industry, semicon (South-East Asia, portfolio) and building (North America, portfolio) through acquisitions, EUR 800-1,000 million revenue until 2030
- realise additional divestment programme EUR 400-500 million revenue until 2030
- maintain ability to rapidly adjust locally to changing circumstances through current lean and effective governance and business models, focused on entrepreneurship and appropriate autonomy

5 future-proof workforce

opportunities	risks
our renewed social strategy is focused on ensuring a strong brand, so to attract the right people, identifying & developing the leaders of the future, and overall employee engagement. These are the foundation to attract and retain a diverse and inclusive future-proof workforce.	disregard of a focus on attraction and retention of our workforce, and not creating an engaged and diverse workforce with the right and skilled leaders can compromise the required knowledge, skills, health & safety, and integrity. Hence this could jeopardise our values and business objectives

key controls and actions to leverage opportunities and manage risks

- invest in a future-proof workforce by developing talents and adding capabilities, inter alia through succession planning and leadership development programmes
- ensure our values, constituting our culture ‘the Aalberts way’, are the standard to our way of working, as backbone to all activities
- establish, maintain and promote our strong employer brand
- measure and ensure follow-up of employee engagement across the Aalberts group companies
- maintain a strong people & culture network throughout the organisation

6 responsible work environment

opportunities	risks
ensuring a safe work environment, physically and mentally, both in own operations and for business partners, increasing employee engagement and well-being	health & safety and integrity violations affect employees engagement and well-being and can lead to business interruption, claims, absenteeism, dissatisfaction, and reputational harm

key controls and actions to leverage opportunities and manage risks

- further enhance a 'safety first' culture by initiatives to raise awareness and share and learn
- increase health & safety resources, measurement and monitoring, additional focus on safety risk assessments and safety visits
- communicate the Code of Conduct, with alle annexes including inter alia prevention of fraud, prevention insider trading, responsible work environment and speak up!, through e-learning and other means and monitor/test attendance
- enable employees and other stakeholders to address (suspected) non-conformance with Code of Conduct rules and/or potential business integrity related complaints, through our speak up! procedure and monitor follow-up
- enforce the Code of Conduct with alle annexes, including inter alia prevention of fraud, prevention insider trading, responsible work environment and speak up!, in a strict and fair manner
- critically select and contractually bind suppliers to adhere to our Supplier Code of Conduct to ensure that business integrity and human rights are respected

7 product quality & liability

opportunities	risks
our world-class manufacturing, trained and engaged workforce and high-quality technologies and services provide a competitive advantage and pricing power	product failures and quality issues may cause injuries, damage or non-compliance with regulations, resulting in liability proceedings, financial loss and reputational harm

key controls and actions to leverage opportunities and manage risks

- improve plants SQDICP performance (Safety, Quality, Delivery, Inventory, Cost, People)
- drive functional excellence, global scale and synergies across business segments
- embed quality assurance programmes in production process of individual companies including ISO9001 certification and additional industry specific certification
- accelerate operational excellence programmes further and share best practices on quality assurance and control
- maintain group wide product liability insurance facilities and conduct related risk engineering activities to prevent and mitigate potential losses

8 business integrity & compliance

opportunities	risks
compliance with relevant laws and regulations and our Code of Conduct and respectful interactions with all stakeholders safeguard our reputation as responsible and reliable business partner	differences in laws and regulations and habits per country can expose us to non-compliance issues and breaches can result in litigation, substantial penalties and reputational harm

key controls and actions to leverage opportunities and manage risks

- conduct specific risk assessments in/on business integrity and compliance areas/topics
- deploy internal audit capacity and expertise, where deemed necessary, and conduct assessments, reviews and/or audits
- consider further designing and putting into operation explicit internal control frameworks, where deemed necessary
- additionally refer to '5. future proof workforce' and '6. responsible work environment' key controls and actions

9 financial performance

opportunities	risks
good financial performance provides investors and other stakeholders value and trust and ensures access to capital markets	poor financial performance will hamper value and may damage our reputation with stakeholders and may jeopardize access to capital markets

key controls and actions to leverage opportunities and manage risks

- implement the 'thrive 2030' strategy: driving growth, rebalancing portfolio, accelerating innovation and operational excellence and building a high performance organisation
- drive operations productivities, purchasing cost savings and inventory optimisation
- actively control impact of commodity price, currency and interest rate fluctuations exposure, as part of our financial risk management activities (note 3 of the consolidated financial statements)

10 reporting & compliance

opportunities	risks
reliable and timely financial and non-financial reporting enables the board of management to effectively steer the company and render account of its performance towards stakeholders, in line with relevant laws and regulations	non-reliable and/or untimely financial and non-financial reporting hampers the board of management to effectively steer the company and render account of its performance towards stakeholders, in line with relevant laws and regulations, potentially leading to a severe loss of trust and non-compliance with relevant laws and regulations

key controls and actions to leverage opportunities and manage risks

- strengthen our finance organisation further, within all business teams, and increase level of expertise through training and exchange of best practices
- continue to improve the well established weekly and monthly reporting process
- deploy internal audit capacity and expertise, where deemed necessary, and conduct assessments, reviews and/or audits
- rely on existing Aalberts control principles and consider further design and implementation of explicit internal control frameworks, where deemed necessary

11 information security

opportunities	risks
we consider information security as a 'license to operate', ensuring business continuity	information security infringements and incidents causing data integrity, availability and/or confidentiality issues, leading to operational disruptions, financial loss, non-compliance and reputational damage

key controls and actions to leverage opportunities and manage risks
implement Aalberts cyber security baseline, based on Center for Internet Security framework, in accordance with a prioritised roadmap
deploy NIST Cyber Security Framework process: identify, protect, detect, respond, recover
continuously raise employee information security threat awareness through communication, training and testing
ensure sufficient capacity and expertise to implement and deploy the above, including establishing a monitoring function and quick response capability
conduct information security audits to assess internal control effectiveness

corporate governance

Aalberts N.V. (Aalberts) is incorporated and based in the Netherlands. As a result, our governance structure is based on the requirements of Dutch legislation and the company's articles of association, complemented by internal policies and procedures. Given the worldwide exposure of our businesses, we conduct our operations in accordance with internationally accepted principles of good governance. Good corporate governance, including focus on sustainable long-term value creation and culture, is a key component of 'the Aalberts way' of doing business and is embedded in our core values.

The Dutch Corporate Governance Code (the Code) has lastly been revised in 2022. Dutch listed companies are required to report on compliance with the Code. Aalberts endorses the principles of the Code and updated and prepared several governance documents over the past years to be in accordance with the Code. Recently updated documents concern the policy on bilateral contacts with shareholders, the stakeholder dialogue policy and the diversity, equity and inclusion policy for the entire workforce.

Aalberts virtually applies all best practice provisions of the Code. To a limited extent, these have been adjusted to specific circumstances of Aalberts. As a result, the Management Board believes it meets the principles of 'comply or explain'. All regulations pursuant to the Code and Dutch law concerning reporting and transparency of information applicable to Aalberts have been incorporated into the annual report.

Further guidance on how we comply with the provisions of the Code is available at **aalberts.com/governance**

In 2024 the Management Board has appointed a Company Secretary in accordance with provision 2.3.10 of the Code. Also the Management board has fully applied the calculation method for the pay ratio as prescribed in the explanatory note to provision 3.4.1 sub iv of the Code. Therefore, the cancellation of the binding character of the nomination for appointment of a Management Board member or of a Supervisory Board member remains the only deviation from the Code. The Articles of Association provide that the General Meeting can cancel the binding character of a nomination for appointment of a Managing Board member or of a Supervisory Board member, with a resolution passed with the maximum majority permitted by law. Currently, this majority is two-thirds of the votes cast representing more than half of the issued capital. The deviation relates to the well-balanced allocation of the control and influence of the company's individual bodies as referred to in the paragraph 'decision-making and priority shares'.

appointment and dismissal of Management Board and Supervisory Board

The rules governing the appointment and dismissal of members of the Management Board and the Supervisory Board and amendment of the Articles of Association are provided in the Articles of Association. For the selection and nomination of a member of the Management Board and/or the Supervisory Board, Aalberts' diversity policy for the Management Board and the Supervisory Board is considered. Summarising, members of the Management Board and the Supervisory Board are appointed by the General Meeting via a binding nomination for each vacancy to be drawn up by the holder of priority shares, being Stichting Prioriteit 'Aalberts N.V.' (the Priority). If the Priority does not use its right to draw up a binding nomination, the General Meeting is free in its appointment. The General Meeting may deprive the nomination from its binding nature by a resolution adopted with at least two-thirds of the votes cast. Members of the Management Board and the Supervisory Board may be dismissed by the General Meeting. The General Meeting may resolve to amend the Articles of Association after prior approval of the Priority.

powers Management Board

The general powers of the Management Board are those arising from legislation and regulations and are set out in the Articles of Association. The Management Board was authorised by the General Meeting held on 23 May 2024 to issue ordinary shares, to grant rights to subscribe for ordinary shares and to restrict or exclude pre-emptive rights of existing shareholders in the case of issuing ordinary shares, all subject to approval of the Priority. The authorisation has been granted for 18 months and is valid for a maximum of 10% of the issued share capital at the time of issuing. The Management Board was further authorised by the General Meeting held on 23 May 2024 to repurchase the company's own ordinary shares up to a maximum of 10% of the issued share capital, other than for no consideration. The authorisation has been granted for 18 months.

decision-making and priority shares

The duties and powers of the General Meeting, the Supervisory Board, the Management Board and the Priority have been defined in such a way that a well-balanced allocation has been achieved with respect to the control and influence of the company's individual bodies. By doing so, Aalberts has ensured as much as possible that, when essential decisions are made, the interests of all company's stakeholders are considered and that the decision-making process can always be conducted in a prudent manner.

The powers of the Priority have been described in this chapter and in the section other information: special controlling rights under the articles of association. The authority to make a binding nomination to the General Meeting concerning the appointment of members of the Management Board and Supervisory Board could be an essential instrument in the well-balanced decision-making process. Therefore, the cancellation of the binding character of the nomination is aligned with Dutch law instead of the Code.

speak up!

The speak up! procedure was revised and re-launched throughout the entire Aalberts organisation. Aalberts established an Ethics Committee to investigate reported business integrity topics and to deal with violations of the Code of Conduct of Aalberts or other misconduct. The Ethics Commission comprises of functional and business leaders for Europe and the United States. The functional leaders are the general counsel and director of internal audit. Relevant cases are reported to the Management Board. If these would occur, material violations must be immediately reported by the Management Board to the Chairman of the Supervisory Board. Violations of the Code of Conduct can lead to immediate dismissal. Aalberts does not permit retaliation against employees who, in good faith, seek advice or report conduct that is not in line with the Code of Conduct. The use of the speak up! procedure is educated to our employees by way of e-learning and is regularly mentioned in various communications. Additional guidance on the use of the speak up! form is given at aalberts.com/speakup in several languages to enable all our employees to make use of the procedure. Visitors are guided to an external speak up! channel where they can file a report and – if desired – do this fully anonymous.

insider trading

Aalberts has an insider trading policy in place. The compliance officer keeps all permanent and project specific insider lists up-to-date and informs all (new) insiders of their obligations based on applicable legislation. The full text of the insider trading policy can be found at **aalberts.com/code** ↗

bilateral contacts

The company fully endorses the importance of a transparent and equal provision of information to its shareholders and other parties. In accordance with principle 4.2 of the Code, the company therefore makes every effort to provide such parties equally and simultaneously with information relevant for shareholders, considering the exceptions provided by applicable law. This is laid down in the recently updated Aalberts' policy on bilateral contacts with shareholders. The full text of the policy can be found at **aalberts.com/governance** ↗

Corporate Governance Statement

Our Corporate Governance Statement which must be disclosed pursuant to article 2a of the Decree content management report (Besluit inhoud bestuursverslag) is available at aalberts.com/governance and forms part of this management report. The Management Board states that all information which must be disclosed pursuant to the Decree Article 10 Takeover Directive (Besluit artikel 10 overnamerichtlijn) is included in this management report, to the extent that it is applicable to Aalberts.

Management Board declaration

In accordance with provision 1.4.3 of the Code and Article 5:25c of the Financial Supervision Act, the Management Board declares that, to the best of its knowledge:

1. the report of the Management Board as included in this annual report provides sufficient insights into any deficiencies in the effectiveness of Aalberts internal risk management and control systems with regard to the risks as referred to in provision 1.2.1 of the Code;
2. the aforementioned systems provide reasonable assurance that Aalberts' financial reporting does not contain any material errors;
3. based on Aalberts' current status of affairs, it is justified that the financial reporting is prepared on a going concern basis;
4. the report of the Management Board lists those material risks as referred to in provision 1.2.1 of the Code, and the uncertainties, to the extent that they are relevant to the expectation regarding Aalberts' continuity for the period of twelve months after the preparation of the report of the Management Board;
5. the financial statements as included in this annual report provide a true and fair view of the assets, liabilities, financial position, and profit for the financial year of Aalberts and the group companies included in the consolidation; and
6. the report of the Management Board as included in this annual report provides a true and fair view of the situation on the balance sheet date, the business development during the financial year of Aalberts, and of its affiliated group companies included in the financial statements. The report of the Management Board describes the material risks to which Aalberts is exposed.

Utrecht, 26 February 2025

Stéphane Simonetta (CEO)
Arno Monincx (CFO)

financial calendar 2025

13 March 2025	registration date General Meeting
10 April 2025	General Meeting
14 April 2025	quotation ex-dividend
15 April 2025	record date for dividend
2 May 2025	publication results Q1 2025
8 May 2025	paying out dividend
24 July 2025	publication results first half year 2025
23 October 2025	publication results Q3 2025
26 February 2026	publication results full year 2025
9 April 2026	General Meeting

report of the Supervisory Board

message of the chairman

2024 has been a challenging year. The geopolitical unrest in the world has persisted, while growing environmental awareness has brought additional uncertainty. Moreover, political divisions in many Western countries have deepened to levels not seen in decades, further complicating the legislative outlook for the coming period.

These challenges were reflected in Aalberts' performance, particularly in the Buildings segment, which faced a difficult year. Nevertheless, the resilience of the Aalberts organisation once again was shown in its margin development. Despite an annual organic revenue decline of 3.4%, Aalberts managed to maintain a stable EBITA margin.

At the end of 2024, Aalberts held its Capital Market Day, during which it presented its updated Aalberts 'thrive 2030' strategy setting a sharper focus on three key segments: building, industry, and semicon. The Supervisory Board devoted significant time this year to discussing and evaluating this strategy with the Management Board. To support the successful execution of this strategy, the Supervisory Board has also developed a new remuneration policy. This policy, designed to better align management incentives with the company's long-term strategic goals, will be presented for approval at the forthcoming General Meeting on 10 April 2025.

As part of this strategic refinement, the Supervisory Board also extensively discussed several critical success enablers. These included operational excellence, ESG (environmental, social, and governance) initiatives, the Aalberts culture, and succession planning. This process has resulted in several follow-up actions.

In 2024, we also informed the market about a leadership change. Arno Monincx will step down as CFO at the forthcoming General Meeting, and we intend to appoint Frans den Houter as his successor. This proposal will be put on the agenda of the General Meeting. We extend our sincere gratitude to Arno for his invaluable contributions to Aalberts' long-term success.

The Supervisory Board would like to thank the Management Board and all employees for their relentless efforts in achieving the 2024 results. I would also like to express my gratitude to my colleagues on the Supervisory Board for their constructive contributions during our meetings and discussions.

Peter van Bommel

composition of the Supervisory Board

The composition of the Supervisory Board is in accordance with the profile drawn up, which is published on the website of Aalberts.

The composition of the Supervisory Board did not change in 2024. P. (Piet) Veenema was re-elected for a two-year period as member of the Supervisory Board at the General Meeting on 23 May 2024. Piet Veenema has made an outstanding contribution during the past period and is chairman of the Audit Committee since 2022. He has long experience both as a director and a supervisory director of (stock-listed) companies operating internationally and brings valuable experience and insights to guide Aalberts through transitions and the execution of our strategy. For continuity of the chair of the Audit Committee, and his long experience with and knowledge of Aalberts, he was re-elected for a two-year period. The total tenure of Piet Veenema exceeds the 8-year limit with this reappointment. In all years he has maintained a proper degree of distance and full independence while carrying out his supervisory responsibilities, ensuring objective and impartial oversight, free from any conflicts of interest.

Individual meetings with Management Board members and Executive Directors provided insight into topics such as the Aalberts strategy, performance, the business teams, business models, governance, sustainability, health & safety, marketing and communication, people & culture and business development. In addition, individual meetings with members of the head office team provided further insight into topics such as investor relations, risk management, cybersecurity and our audit process.

P.A.M. (Peter) van Bommel
Former CFO ASM International N.V.
Philips Semiconductors and NXP
other relevant positions:
- Chairman of the supervisory board of Nedap N.V.
- Vice-chairman and non-executive director SES S.A.
- Board member of the Glorieux Foundation
- Board member of the Bernhoven Foundation
- Chairman of the EMFC Curatorium of the Amsterdam Business School
- Member of the advisory board Economic and Business faculty of the University of Amsterdam

L.C.A. (Lieve) Declercq
CEO SPIE Nederland B.V., executive board member SPIE Group and supervisory board member SPIE Deutschland & Zentraleuropa
other relevant positions:
- Non-executive board member Ramboll Group A/S
- Board member Nationale Opera & Ballet Fund
- Member supervisory board Foundation for Natural Leadership
- Board member Techniek Nederland

F.M. (Frank) Melzer
Former CTO Festo SE & CO. KG
other relevant positions:
- Member technology committee TTS Tooltechnic Systems AG & Co. KG
- Member advisory board SiMa Technologies, Inc.
- Chairman of the board of directors Mimacom Flowable Group

T. (Thessa) Menssen
Former CFO Royal BAM Group N.V. and Port of Rotterdam
other relevant positions:
- Member supervisory board Alliander N.V
- Member supervisory board Ecorys
- Member supervisory board MARIN
- Member supervisory board Scheepvaartmuseum Amsterdam
- Member supervisory board Kröller-Müller Museum

P. (Piet) Veenema
Former Chairman management board Kendrion N.V.
other relevant positions:
- Member supervisory board Hydratec Industries N.V.

J. (Jan) van der Zouw
Former Chairman management board Eriks Group N.V.
other relevant positions:
- Chairman supervisory board Den Helder Airport C.V.
- Member supervisory board Masterflex S.E.
- Member supervisory board UTT Procurement B.V. (until July 2024)

composition of the Supervisory Board as of 1 January 2024 until 31 December 2024

name	position	nationality	gender	year of birth	initial appointment	term expires
Peter van Bommel	Chairman of the Supervisory Board Member of the Nomination, Selection and Remuneration Committee	Dutch	male	1957	2021	2025
Lieve Declercq	Member of the Supervisory Board Member of the Audit Committee	Belgian	female	1966	2021	2025
Frank Melzer	Member of the Supervisory Board Member of the Nomination, Selection and Remuneration Committee	German	male	1963	2023	2027
Thessa Menssen	Member of the Supervisory Board Member of the Audit Committee	Dutch	female	1967	2023	2027
Piet Veenema	Member of the Supervisory Board Chairman of the Audit Committee	Dutch	male	1955	2016	2026
Jan van der Zouw	Member of the Supervisory Board Chairman of the Nomination, Selection and Remuneration Committee	Dutch	male	1954	2015	2025

the work of the Supervisory Board

The Supervisory Board monitors the implementation of the strategy and the principal risks associated with the strategy. Business risks, risk appetite, governance risks, internal risk management and control systems were addressed in these discussions. Risks related to the geopolitical situation throughout the world had obviously increased attention in 2024. Also, health & safety had increased attention and therefore this topic continues to be a recurring item on the agenda of all Supervisory Board meetings. As well as supply chain challenges, cost savings, productivity improvement, labour shortage, inventory reduction plans and operational and property risks. In addition, the continuation of the operational excellence programme to improve efficiency, further optimise the footprint and realise purchase savings, was regularly discussed to monitor progress. Further, the strong Aalberts culture and succession planning were high on the agenda. All beforementioned matters were addressed within the business teams and in the relevant Aalberts networks, such as the finance network and the HSR & sustainability network. The business teams were able to manage these topics well, making use of the lean and effective structure of Aalberts. Pricing initiatives continued, as well as additional sales and purchasing activities, leading to a good added-value margin. Regional manufacturing remains high on the agenda to improve service, protect supply chains and reduce transport and energy use. Furthermore, a new chief operational officer and a new chief people and culture officer were appointed to play a role in the next growth and development phase of Aalberts, together with the rest of the Executive Team.

In 2024, Frans den Houter was selected to be appointed as chief financial officer and member of the Management Board, to take over the role of Arno Monincx as CFO. The appointment proposal will be put to the shareholders' vote at the General Meeting on 10 April 2025. More info about the nomination process can be found on page 120. In addition, various changes in the composition of the Executive Team have been discussed with the Supervisory Board.

The dividend payment percentage of the cash dividend is approximately 36% of the net profit before amortisation, before exceptionals. The payment of the dividend is entirely in cash.

In 2024, the Supervisory Board discussed and evaluated in depth the implementation of the strategy Aalberts 'accelerates unique positioning', the non-financial and financial objectives 2022-2026 and the strategic actions 2022-2026 to realise this strategy. In parallel the Management Board presented an updated strategy to the Supervisory Board. Aalberts will drive profitable sustainable growth and operational excellence and enhance leadership positions by innovation, geographical expansion and accelerated portfolio optimisation. Also an update of the Aalberts 2030 objectives was presented. This updated Aalberts 'thrive 2030' strategy, was discussed intensively, partially in special meetings, between Supervisory Board and Management Board and was approved. This strategy was presented at the Capital Markets Day on 10 December 2024. Reference is made to the strategy chapter of this annual report, for a more detailed explanation.

An update on divestment and M&A opportunities was a recurring topic on the Supervisory Board's agenda. The existing portfolio was further improved by carrying out a divestment and acquiring two companies. To increase organic growth capital was re-allocated while the capital expenditure level in itself is maintained to facilitate business development projects, driving organic growth, innovation and operational excellence.

Driving sustainable entrepreneurship is integrated in the strategy & objectives. The Aalberts objective is to maintain an SDG impact of >70% of total revenue in 2030. The Management Board and the Supervisory Board commit to Aalberts becoming net zero carbon in 2050 or earlier. All business teams have sustainability improvement plans in place to drive these objectives. An update on the implementation of the CSRD, the ESG dashboard and progress and performance on the ESG KPIs were recurring items on the agenda of the Supervisory Board in 2024.

Aalberts has an open and pragmatic culture and a lean and effective management structure. In 2024, the people & culture network continued to embed the Aalberts culture into the organisation and put gender diversity on the agenda, including KPIs and target setting. Special attention was paid to the attraction, retention and development of people, by, amongst others, traineeships, leadership development programmes and succession planning. The Supervisory Board considers it of vital importance that the company is able to attract and retain a diversified future-proof workforce, to facilitate the success and growth of the company.

Other topics addressed by the Supervisory Board were the financial and operational developments, the forecast, the dividend policy and the revision of the remuneration policies. The Supervisory Board reviewed and discussed Aalberts' annual and interim financial statements, prior to publication thereof. The Supervisory Board approved the strategy and objectives to be achieved for 2024.

The Supervisory Board formally convened on six occasions to meet with the Management Board. The Supervisory Board also convened in two extraordinary meetings in order to discuss the updated strategy with the Management Board. The attendance of the members in the scheduled Supervisory Board meetings is reflected in the table below. Since the Supervisory Board considers it important to visit at least one business location a year, Supervisory Board meetings are regularly held at one or more business locations. In the year under review, multiple Aalberts' locations in the United States were visited, in Greenville, Pageland, Charlotte and Indianapolis.

Supervisory Board meeting and attendance

name	Supervisory Board	Audit Committee	Nomination, Selection and Remuneration Committee
Peter van Bommel	100%	n/a	100%
Lieve Declercq	100%	80%	n/a
Frank Melzer	100%	n/a	100%
Thessa Menssen	100%	100%	n/a
Piet Veenema	100%	100%	n/a
Jan van der Zouw	100%	n/a	100%

The Chairman of the Supervisory Board regularly met with the CEO to discuss the business progress, business development and footprint optimisation, implementation of the strategy and the composition of the Management Board and the Executive Team, as well as to prepare for the meetings with the Supervisory Board.

diversity

The Supervisory Board recognises the importance of diversity within the Supervisory Board and the Management Board (the Boards) and believes that the business of Aalberts benefits from a wide range of skills and a variety of different backgrounds. A diverse composition of the Boards contributes to a well-balanced decision-making process and proper functioning of the Boards. Diversity should not be limited to the Boards, but should extend to all areas of the Aalberts business. In accordance with the Code, a diversity policy is in place for the composition of the Boards. The following diversity aspects have been identified as relevant for the company and its business, considering the market in which the company operates and the diversity of its customer base: (i) education/experience; (ii) nationality/cultural background; (iii) gender; and (iv) age.

With respect to the Boards, the objectives of Aalberts' diversity policy are to maintain a sound balance of nationality and cultural background within Boards, to increase the gender diversity within the Supervisory Board, such that at least one-third of the Supervisory Board will consist of women and at least one-third will consist of men. Whilst no requirement under Dutch law, we also aim to increase the gender diversity within the Management Board so that at least 30% will consist of women and at least 30% will consist of men, and in addition, to increase the age diversity and nationality/cultural background diversity within the Boards. The Supervisory Board consists of two women and four men with diversity in education, experience, nationality and age and thus meets the targets of the diversity policy and the gender quota of one-third as laid down in the diversity policy and legislation.

In 2024 Frans den Houter has been selected to be appointed as new member of the Management Board in 2025, when Arno Monincx will retire as member of the Management Board. As a consequence, the Management Board will consist of two men, the CEO is of French nationality and the CFO will be a Dutch citizen. We recognise that the appointment of Frans den Houter is not contributing to the desired 30% opposite gender as included in our diversity policy. We did pursue a gender-balanced recruitment process. In this instance other diversity factors weighed more heavily than gender such as his extensive knowledge and expertise of the industries, significant CFO experience, broad education, and wide and varied background.

The Aalberts approach to realise the diversity policy is to continue the efforts to increase gender diversity within the senior leadership of the company (approx. top 100). Over the past years gender diversity in this leadership team increased towards 30% women in 2024, through attraction and retention of employees, job rotation, mentoring and coaching, personal development and leadership programmes. Diversity is a priority and is driven by our people managers, supported through our people & culture network. A diversity, equity and inclusion policy for the entire workforce has been established in 2023, including a target to achieve more than 30% women in senior leadership by 2026. Through educating, coaching and building leadership in the business teams, head office and networks, Aalberts aims for developing talents who are eventually able to make the step towards a Management Board role. This is a long-term approach, executed 'the Aalberts way'. Reference is made to the paragraph on diversity and inclusion on page 40.

corporate governance

In view of the Code, the Supervisory Board has reviewed and discussed the corporate governance structure of Aalberts with the Management Board. The governance structure was updated in line with the Code, Dutch corporate law and market practice. A Company Secretary was appointed. The Supervisory Board refers to page 111 for a more detailed explanation of the corporate governance structure of Aalberts.

The Boards have specifically discussed the level of awareness of governance topics within the company, further implementation of the Code of Conduct, the monitoring of the effectiveness and compliance with the Code of Conduct and violations of the Code of Conduct reported via the speak up! procedure. The speak up! procedure was revised and re-launched throughout the entire Aalberts organisation. In addition, the e-learning programme, governance regulations and internal processes, including the training and monitoring thereof via governance visits and audits, have been discussed. There was specific attention for the Aalberts brand, entrepreneurial culture and core values of Aalberts, the implementation thereof throughout the entire organisation and how this contributes to the sustainable long-term value creation and attractiveness of Aalberts for its stakeholders.

Taking into account geopolitical, international economic, health and climate developments, the Supervisory Board supports the more stringent approach to possible governance, health & safety, cybersecurity and climate related risks at group companies combined with further strengthening governance and sustainability at Aalberts' head office and throughout the business. Governance risk management and the work schedule of the legal department and governance network were discussed with the Supervisory Board. The work schedule of the internal audit function has been approved by the Supervisory Board.

independence

All members of the Supervisory Board are fully independent. There are no members of the Supervisory Board holding shares in the company. In the Supervisory Board's opinion, the composition of the Supervisory Board is such that the members can act critically and independently from each other and the Management Board, as stipulated in the Code and the Supervisory Board rules. This means that the tasks of the Supervisory Board as laid down by law and by the Articles of Association are being fulfilled, including providing the Management Board with solicited and unsolicited advice and support.

In 2024, there were no conflicts of interests between the company and members of the Management Board or members of the Supervisory Board. Nor were there any transactions of material significance in 2024 between the company and natural persons or legal entities that hold at least 10% of the shares in the company.

committees

There are two committees of the Supervisory Board: the Audit Committee and the Nomination, Selection and Remuneration Committee.

Audit Committee

The Audit Committee aids and advises the Supervisory Board in its responsibility to supervise the integrity and quality of the Aalberts' financial reporting and the effectiveness of Aalberts' internal risk management and control systems. The Audit Committee consists of Piet Veenema (chairman), Lieve Declercq and Thessa Menssen, who qualify as financial and risk experts.

The role of the Audit Committee is described in its charter, which is part of the Supervisory Board rules as updated and available at **aalberts.com/governance ↗**. During the year, the Audit Committee met five times with the CFO, the finance director, the director internal audit and several internal subject matter experts, including the general counsel, the chief information security officer, the director sustainable entrepreneurship, the global tax director and the treasury director. The external auditor Deloitte Accountants was present during five meetings, as was the newly appointed auditor for financial year 2025, Ernst & Young Accountants, during the last meeting. The Audit Committee also met separately with the external auditor.

Specific topics addressed were the financial forecasting and outlook, financial actuals, including KPIs, financial reporting, including the annual report and disclosures, CSRD reporting, tax matters, treasury matters, risk management & internal control, cybersecurity, compliance, (potential) claims & liabilities, the outcome of speak up! procedures, observations by the external auditor as included in the management letter and audit report, and observations by the internal auditor. Where applicable, follow-up of recommendations was also discussed.

The Audit Committee discussed the external auditor's performance with the Management Board without the presence of Deloitte Accountants. The Audit Committee reported to the Supervisory Board on its deliberations and findings which were discussed by the Supervisory Board.

Nomination, Selection and Remuneration Committee

The Nomination, Selection and Remuneration Committee aids and advises the Supervisory Board on matters relating to the nomination, selection and appointment of the members of the Boards and general people & culture developments (including diversity & inclusion). The NSR further monitors and evaluates the remuneration policy for the Management Board. The NSR consists of Jan van der Zouw (chairman), Peter van Bommel and Frank Melzer. In addition, the NSR aids and advises the Supervisory Board on health & safety and succession planning topics.

The role of the NSR is described in its charter, which is part of the Supervisory Board rules as updated and available at **aalberts.com/governance**. During the year, the NSR met seven times with the CEO and the CPCO and several internal subject matter experts. The work they performed relating to the remuneration of the Management Board is further described in the remuneration report 2024 that has been prepared by the NSR.

In 2024, the NSR was involved in the selection of a new CFO and member of the Management Board as successor of Arno Monincx. A specific search profile was prepared in line with the Supervisory Board's profile and the diversity policy and an international search firm was instructed to assist with the search. The main criteria that applied for the succession were: the candidate must be an experienced CFO, having an understanding of the industry in which Aalberts is active and broad international experience, with a strong track record in achieving objectives and fitting into the Aalberts culture. The NSR advised the Supervisory Board and the Priority to nominate Frans den Houter as member of the Management Board to lead Aalberts in its next growth phase as CFO as he has a wide and varied background and wealth of experience as financial leader.

In 2024, the NSR reviewed and discussed the remuneration policies of the Management Board and the Supervisory Board and recommended to update these policies. The remuneration policy of the Management Board will apply the calculation method as prescribed in the explanatory note to provision 3.4.1 sub iv of the Code. Interests of stakeholders, including the support in society at large, were taken into account in the preparation of the updated remuneration policies. Updated versions of the remuneration policies will be presented to the General Meeting on 10 April 2025 for approval and adoption.

The NSR discussed the outcomes of the senior leadership development programme, the leadership potential within the group, succession planning of the Management Board, succession planning of the Supervisory Board and the succession planning processes. Other agenda items during the year were the people & culture roadmap and discussing the status and plans going forward. For these topics, relevant responsible members of the Executive Team participated in the meetings.

appraisal of performance by the Management Board and the Supervisory Board

During a special private meeting, the Supervisory Board evaluated and assessed its own performance, the performance of its committees and the individual members. As preparation for the meeting a self-assessment questionnaire was used. Based on the filled-out questionnaires, each of the members were evaluated as well as the functioning of the total Supervisory Board and its committees. In addition, the Chairman held interviews with the Supervisory Board members. Succession planning of the Supervisory Board was on the agenda of the Supervisory Board as well.

Outside the Management Board's presence, the Supervisory Board evaluated and assessed the performance of the Management Board and the individual members. In the opinion of the Supervisory Board, the Management Board performed its duties in 2024 in an excellent way. The evaluation of the Management Board and its individual members took place by way of individual meetings with the complete Management Board as well as with its members individually. Topics as communication with the Supervisory Board, individual targets, cooperation within the Management Board, the Executive Team and the head office functional teams, strategy towards stakeholders, as well as potential company risks were discussed.

The outcome of the evaluation meetings of the Boards resulted in an action plan, to be realised in the following fiscal year. The action items related to, amongst others, the performance of the Boards, the communication between the Boards and stakeholders of the company, the individual targets of the members of the Management Board, the composition of the Boards and the committees and the succession plans of the Boards. The Supervisory Board will evaluate the progress on the action plan during their meetings.

financial statements 2024

The 2024 financial statements have been prepared by the Management Board and have been signed by the Management Board and the Supervisory Board. Page 178 of the financial statements includes the independent auditor's report from the external auditor Deloitte Accountants. The Management Board will present the 2024 financial statements to the General Meeting on 10 April 2025, the Supervisory Board advises the General Meeting to adopt these financial statements, including the proposed cash dividend of EUR 1.13.

external auditor

During the discussion of the annual financial statements, the Supervisory Board was informed by the current external auditor, Deloitte Accountants. Topics discussed included the 2024 audit plan, the management letter, early warning reports and the report to the Audit Committee, Supervisory Board and Management Board.

Due to the mandatory audit firm rotation regulations, Deloitte Accountants could only stay in this role until and including the reporting year 2024, after which they should rotate. Ernst & Young Accountants were newly appointed as external auditor for the reporting year 2025 at the General Meeting on 23 May 2024. The Audit Committee considered it essential to have sufficient time for onboarding Ernst & Young Accountants and for transferring any non-audit services.

Utrecht, 26 February 2025

Peter van Bommel (Chairman)
Lieve Declercq
Frank Melzer
Thessa Menssen
Piet Veenema
Jan van der Zouw

remuneration report

For the evaluation of the remuneration of the Management Board in 2024, the Supervisory Board takes into account the short-term company performance for 2024 and the long-term Aalberts non-financial objectives and financial objectives 2022-2026.

highlights 2024

revenue (in EUR million)	EBITA (in EUR million before exceptionals)	net profit before amortisation (in EUR million before exceptionals)	capital expenditure (in EUR million)
3,149	471	345	231
-5%	-10%	-8%	+3%

added value (in % before exceptionals)	EBITA margin (in % before exceptionals)	earnings per share before amortisation (in EUR before exceptionals)	ROCE (in % before exceptionals)
63.4	15.0	3.12	14.7
2023: **62.4**	2023: **15.7**	2023: **3.38**	2023: **16.8**

explanation of alternative performance measures in this report ↗

For further details of Aalberts' performance, reference is made to the report of the Management Board.

The Supervisory Board recognises the difficult business environment Aalberts was operating in in 2024. In that environment, the Management Board has delivered solid short-term results, while also supporting sustainable long-term value creation for Aalberts` stakeholders. Overall, Aalberts is well positioned to execute its strategy and to drive long-term sustainable profitable growth.

voting results at the General Meeting

During the Annual General Meeting on 23 May 2024 the advisory vote on the remuneration report 2023 was adopted with a majority vote of 94.1%.

The company entered into an open dialogue with its stakeholders on the contents of the remuneration report in 2024. The NSR believes that a sound balance has been found between the request for transparency by shareholders and the disclosure of commercially sensitive information.

remuneration policy of the Management Board

The remuneration policy of the Management Board was last updated in 2021 and supports the company's purpose, values, strategy and objectives. As required by law, the Supervisory Board is updating this policy and will put this for approval and adoption at the General Meeting on 10 April 2025. The remuneration policy encourages the Management Board to relentlessly execute the Aalberts strategy and objectives by being entrepreneurial, taking ownership, going for excellence in everything they do, sharing knowledge to learn fast, continuously improving and innovating and acting with integrity. Aalberts strives for sustainable profitable growth and to continuously improve business results, while integrating sustainability in its strategy and taking responsibility for human and environment. Taking this into account, the remuneration structure for the Management Board is aimed to balance between the company's short-term results and its long-term objectives. The objective of the remuneration policy is to recruit, motivate and retain qualified and experienced directors with industry experience for the Management Board. Meanwhile, the public context around remuneration is acknowledged and the interests of all Aalberts' stakeholders, including the support in society at large, are recognised.

Annually, the NSR reviews the total remuneration of the Management Board members, as well as each remuneration component of their package, such on behalf of the Supervisory Board. In doing so, the NSR takes the remuneration objectives and principles as reflected in the remuneration policy into account.

The total remuneration of the Management Board members comprises the following components:

- a fixed base salary;
- a pension plan;
- variable remuneration in cash for achievements in the short-term (one year); and
- variable remuneration in shares for achievements in the long-term (three years).

The aim is to achieve a good balance between fixed and non-fixed remuneration and short-term and long-term variable remuneration.

fixed and variable remuneration of the Management Board

The aggregate fixed and variable remuneration of the members of the Management Board for 2024 amounted to EUR 3.4 million (2023: EUR 4.3 million) in accordance with the remuneration policy. The remuneration of the individual Management Board members split out by component is reflected in the table on page 124.

application remuneration policy

In accordance with the Articles of Association, the remuneration of the Management Board members has been set by the Supervisory Board. The remuneration of the individual Management Board members is in accordance with the remuneration policy. Scenario analyses have been performed when determining the variable remuneration policy. This included the assessment of remuneration outcomes under various performance scenarios whereby different performance assumptions and corporate actions were examined. The scenario outcomes have been taken into consideration in the target setting for the variable remuneration.

fixed remuneration

The fixed remuneration of the Management Board consists of a base salary, a pension plan and other benefits.

base salary

Once a year, the Supervisory Board determines whether, and if so, to what extent the base salary will be adjusted, taking into account developments in the market, the reward structures of peer group companies, the results of Aalberts and the pay ratio within the Aalberts group. The NSR uses various benchmarks to arrive at an informed position. Medium size and Dutch stock listed companies included in the AEX and the AMX as well as Dutch and European peer group companies are considered most relevant. The Supervisory Board takes into consideration factors like the size and nature of the company, global presence, nature and complexity of the business and exposure of the Management Board.

pension plan

The Management Board members participate in a defined contribution pension plan. The pension plan includes two contribution arrangements, dependent on annual pensionable salary levels:

- basic arrangements for that part of the annual pensionable salary up to EUR 137,800 (2024);
- net surplus arrangement for that part of the annual pensionable salary above EUR 137,800.
- The employer contributions to this arrangement are made to participants in the form of gross cash compensation subject to tax withholdings, which can be used to fund a voluntary net defined contribution plan.
- Management Board members pay one-third of the contribution for the basic arrangements.

other benefits

The Management Board members receive customary fringe benefits as part of their overall remuneration and benefits package. These fringe benefits include a net fixed expense allowance and the use of a company car or a mobility allowance. The provision of fringe benefits aims to enhance the attractiveness of Aalberts' remuneration and benefits and aligns with industry standards and best practices.

non-fixed remuneration

The non-fixed remuneration consists of variable remuneration in the form of short-term incentives (STI) and variable remuneration in the form of long-term incentives (LTI) and is an important component of the remuneration package. The distribution between the STI and the LTI aims to achieve an optimal balance between short-term result and sustainable long-term value creation. The non-fixed remuneration for 2024 relates to the 5-year business plan of Aalberts as reflected in the non-financial and financial objectives 2022-2026 under the strategy Aalberts 'accelerates unique positioning' 2022-2026. The Aalberts 5-year business plan is based on the plans of the business teams, which are discussed and evaluated each year with the Management Board during the forecast & strategy meetings. In 2024, performance under the STI or the LTI is not being assessed against specific sustainability targets as presented in the sustainability statement.

The Aalberts non-financial objectives and financial objectives for 2026 (the Aalberts Strategic Objectives) are the following:

Aalberts 2026 objectives

organic revenue growth (% annually) 4-6%	**EBITA margin** (% of revenue) 16-18%
ROCE 18-20%	**innovation rate** (%) >20%
SDG rate (%) >70%	**leverage ratio** <2.5

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			fixed remuneration	**variable remuneration**	**variable remuneration**	**total fixed and variable remuneration**	
name and position	base salary (in EUR 1,000)	pension plan (in EUR 1,000)	other benefits (in EUR 1,000)	STI (in EUR 1,000)	LTI (in EUR 1,000)	(in EUR 1,000)	proportion of variable remuneration (in %)
Stéphane Simonetta (CEO)	884	126	87	488	535	2,120	48.3%
Arno Monincx (CFO)	588	103	33	210	365	1,299	44.3%
total	**1,472**	**229**	**120**	**698**	**900**	**3,419**	**46.7%**

short-term incentives (STI)

The STI rewards short-term financial performance combined with additional individual non-financial performance objectives. The Supervisory Board sets the yearly financial and non-financial targets, based on the Aalberts strategy & objectives and the yearly updated Aalberts 5-year business plan, at the beginning of each financial year and these are evaluated in a personal conversation after the end of each financial year.

Depending on the level of achievement of the targets, the STI can add from a minimum of 0% up to a maximum of 75% to the base salary. The on-target bonus percentage for the Management Board members is 75% of base salary and will not exceed that percentage in case of above-target performance of some or all of the criteria. Above-target and below-target performance can be compensated with each other, where 90% is the minimum for below-target performance of the objectives. If all objectives are achieved for a percentage under 90%, the STI will be 0, which endorses the pay for performance principle.

The targets are based on three financial objectives, earnings per share before amortisation (EPS), free cash flow (FCF) and revenue (revenue) and on non-financial objectives. The non-financial objectives relate to, amongst others, performance on innovation, operational excellence, diversity and leadership development, but are not specifically disclosed yet. Performance on those topics contributes to the realisation of sustainable entrepreneurship and to ensure an open, pragmatic culture as set out in the Aalberts Strategic Objectives and therefore contribute to the sustainable long-term value creation of Aalberts.

STI

performance criteria	weighting	target	result	achievement
EPS	32%	3.43	3.12	91.0%
FCF	32%	395	334	-
revenue	16%	3,375	3,149	-
non-financial objectives CEO	20%			96.8%
non-financial objectives CFO	20%			92.4%

Besides the STI, Stéphane Simonetta is entitled to an additional compensation of EUR 500k for loss of restricted stock units of Grundfos. This compensation is payable in three equal instalments of EUR 167k over a period of three years and conditional to his continued employment (additional compensation). The Supervisory Board has established the extent to which the STI targets set for 2024 have been achieved by the members of the Management Board as set out above. The achievement of the non-financial objectives is based on personal defined targets, performance on Aalberts KPIs and visits of the NSR and the Supervisory Board to locations in 2024. During these visits, meetings and conversations took place with the business teams and head office functional teams on topics relating to the non-financial objectives for 2024. The non-financial objectives for 2024 have been achieved for 96.8% by the CEO and for 92.4% by the CFO.

The average overall achievement of the financial and non-financial objectives is 48.5% for the CEO and 47.6% for the CFO. In accordance, the STI awarded over the financial year 2024 is 36.4% of the base salary for the CEO (48.5% multiplied by 75%), plus the second instalment of the additional compensation of EUR 167k, making a total amount of 488k. For the CFO the STI awarded over the financial year 2024 is 35.7% of the base salary (47.6% multiplied by 75%) and amounts to EUR 210k.

long-term incentives (LTI)

The variable remuneration in the long term for performance of Management Board members is in the form of a conditional awarding of shares. Under the Performance Share Plan (PSP), shares will conditionally be granted to Management Board members. Vesting of these shares is conditional on the achievement of certain predetermined performance targets at the end of a three-year period. The long-term performance criteria attached to the granting of the performance shares relate to the implementation of the Aalberts Strategic Objectives over a three-year period (the performance period). The Supervisory Board determines upfront how many shares will be conditionally awarded to the Management Board members.

Under the PSP 2021-2023 and the PSP 2023-2025, the vesting of the performance shares is subject to the achievement of the company's average growth of the EPS and the ROCE % over the performance period, in accordance with the vesting schedule as included in the PSP. The vesting schedule reflects that the actual number of performance shares to be released after the performance period can be a number between 0% and 125% of the shares that have been conditionally awarded. If the average annual growth of EPS in the performance period equals 10% and the average ROCE % in the performance period equals 17%, then 100% of the performance shares will vest and will be released.

Shares awarded conditionally must be held for at least five years (three years vesting period plus two years holding period). Given this five-year period Management Board members are driven and motivated to contribute to the realisation of the Aalberts Strategic Objectives, creating sustainable long-term value creation for the stakeholders of Aalberts. Upon the release of the performance shares, personal tax and social contribution obligations arise for the Management Board members. The holding period of five years does not apply if the shares are sold to pay these tax and social contribution obligations.

Stéphane Simonetta (CEO) held a total number of 10,000 (2023: 10,000) ordinary shares in Aalberts at year-end. The number of conditional performance shares awards that were granted in 2024 (PSP 2023-2025) amounted to 39,000 shares for which EUR 535k was charged to the income statement.

Arno Monincx (CFO) held a total number of 12,000 (2023: 24,000) ordinary shares in Aalberts at year-end. Of the 20,000 conditional performance shares that were granted in 2021 (PSP 2021-2023), a total of 23,640 (118.2%) vested in 2024, as the average annual growth of the EPS was 26,4%, and the average ROCE % before IFRS 16 was 17.6%. For those shares EUR 114k (2023: EUR 429k) was charged to the income statement. A total of 11,640 shares were used to settle the income tax liability. The remaining 12,000 shares are subject to a holding period of two years pursuant to the vesting and release of shares in 2024. The number of conditional performance shares awards that were granted in 2023 (PSP 2023-2025) amounted to 20,000 shares for which EUR 251k (2023: EUR 167k) was charged to the income statement.

The total remuneration of the members of the Management Board for 2024, including the amounts charged to the income statement for the LTI, amounted to EUR 3.4 million (2023: EUR 4.3 million).

sustainable profitable growth

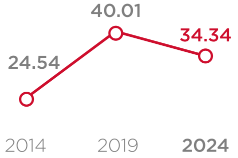
The Supervisory Board took note of the individual Management Board members' views with regard to the amount and structure of their own remuneration. Within the framework of the Code and the best practice principles contained therein, the Supervisory Board has implemented the remuneration policy in line with the strategy, sustainable long-term value creation objectives, risks and (non-)financial objectives of Aalberts.
The Supervisory Board believes that the total remuneration package is a sound balance to realise the Aalberts Strategic Objectives. During 2024 it was proposed to update the remuneration policy of the Management Board in 2025. The updated remuneration policy will be put to a vote at the General Meeting on 10 April 2025.

	2020				2021				2022				2023				2024			
remuneration (in EUR 1,000)	fixed	STI	LTI	total	fixed	STI	LTI	total	fixed	STI	LTI	total	fixed	STI	LTI	total	fixed	STI	LTI	total
Stéphane Simonetta (CEO)													324	379	0	703	1,097	488	535	2,120
Arno Monincx (CFO)	528	227	190	945	599	390	434	1,423	640	289	357	1,286	664	346	596	1,606	724	210	365	1,299
company performance																				
organic revenue growth %				(7.0)				16.0				8.7				4.5				(3.4)
EBITA				283*				454*				500				521				471*
EPS				1.81*				3.05*				3.37				3.38				3.12*
FCF				360*				310*				168*				423*				334*
average remuneration on a full-time equivalent basis of employees																				
employees of the group **				52.7				55.6				60.2				62.7				67.6

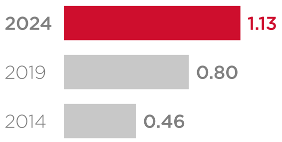
* before exceptionals.
**. for comparison, prior year numbers are adjusted to the new calculation method.

The KPI and share price development over a 10-years period is as follows:

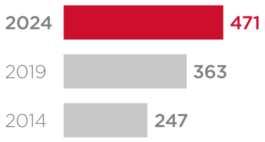
share price
(in EUR)



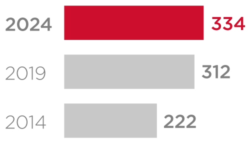
dividend per share
(in EUR)



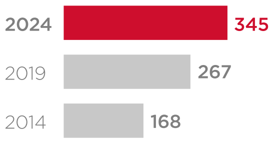
EBITA
(in EUR million before exceptionals)



free cash flow (before interest and tax)
(in EUR million before exceptionals)



net profit (before amortisation)
(in EUR million before exceptionals)



pay ratio

The average annual employee compensation is calculated by dividing the total Aalberts' personnel expenses specified in note 21 of the financial statements – excluding the termination benefits and the total remuneration of the CEO – by the average number of employees minus 1 FTE for the CEO.

The pay ratio is defined as the ratio between the average annual employee compensation and the total annual CEO remuneration. The pay ratio in 2024 was 31.4. In the calculation of the pay ratio for 2024, we applied the calculation method as prescribed in the explanatory note to provision 3.4.1 sub iv of the Code, which is the total annual remuneration of the CEO divided by the average annual remuneration of the employees. This is a different calculation method than used in previous years, where we took the remuneration of both Management Board members into account, instead of only the CEO, and the share-based part of the remuneration relating to the LTI was not included for the Management Board members nor the employees. For comparison, prior year numbers are adjusted to the new calculation method. The pay ratio decreased from 43.1 in 2023 to 31.4 in 2024. The decrease is mainly caused by lower LTI expenses (-5.2) for the management board as no performance share plan vested in 2024 and due to lower STI remuneration (-4.7) due to a lower target achievement.

2024	2023	2022	2021	2020
31.4	43.1	35.2	44.7	32.8

comparative information

The table on the previous page provides information on the annual change of remuneration of each individual member of the Management Board, of the performance of the company and of average remuneration on a full-time equivalent basis of employees of the company other than Management Board members over the five most recent financial years.

miscellaneous

In relation to the claw back provision in the Dutch Civil Code, the Supervisory Board saw no reason to revise an incentive prior to payment nor to claw back an incentive. There are no specific arrangements for early termination of employment and resignation of the members of the Management Board during 2024. Aalberts did not provide any loans to Management Board members.

update

Every four years, the Supervisory Board reviews the Management Board remuneration policy and assesses its alignment with the market in more detail which resulted in the decision to update the policy, and this new proposal will be on the agenda of the 2025 annual General Meeting.

remuneration policy Supervisory Board

The remuneration policy of the Supervisory Board supports the company's purpose, values, strategy and objectives. The remuneration policy of the Supervisory Board aims to recruit and retain Supervisory Board members with the right expertise and experience. The remuneration consists of fixed elements only and takes into account developments in the market, the reward structure of the peer group companies and the public context around remuneration.

Supervisory Board members may be reimbursed for actual travel expenses made for company-related travel. Other reasonable expenses made by the Supervisory Board members will only be reimbursed if these are incurred in the course of performing their duties and qualify as business expenses.

In the last few years the work of the Supervisory Board has expanded considerably in intensity, complexity and time with additional themes on the agenda of its committees. A benchmark study has been done in 2024 on the remuneration of supervisory board members. An updated remuneration policy will be put to a vote at the General Meeting on 10 April 2025.

The total remuneration of the Supervisory Board members comprises of the following components:

	EUR 1,000
general membership fee	50
chairmanship fee	25
Audit committee membership/chairmanship fee	7.5/10
NSR membership/chairmanship fee	7/10

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remuneration Supervisory Board

The following fixed amounts were paid per individual member of the Supervisory Board in accordance with the remuneration policy. The table also reflects the annual change of remuneration of each individual member of the Supervisory Board over the five most recent financial years. Information on performance of the company and average remuneration of employees is provided on page 126.

The current amounts of the general fee, the committee fees and the chairmanship fee are approved by the General Meeting on 19 May 2022. No loans, advances or guarantees have been granted to the members of the Supervisory Board. No options have been granted to members of the Supervisory Board. At year-end there are no members of the Supervisory Board that hold shares in the company.

amounts in EUR 1,000	2024	2023	2022	2021	2020
Peter van Bommel	82	84	78	12	
Lieve Declercq	58	58	56	34	
Frank Melzer	58	43			
Thessa Menssen	58	43			
Piet Veenema	60	60	60	50	50
Jan van der Zouw	60	60	60	55	55
total	**375**	**348**	**305**	**284**	**248**

financial statements 2024

consolidated financial statements

consolidated balance sheet

in EUR million	notes	31-12-2024	31-12-2023
assets			
intangible assets	5	1,427.0	1,446.6
property, plant and equipment	6	1,197.3	1,088.4
right-of-use assets	7	190.8	157.0
non-current financial assets	8	4.0	5.0
deferred income tax assets	16	23.0	10.4
total non-current assets		**2,842.1**	**2,707.4**
inventories	9	799.6	822.6
trade receivables	10	385.1	392.4
current income tax receivables		17.1	14.2
other current assets	11	96.3	82.0
assets held for sale	29.3	0.0	0.0
cash and cash equivalents	12	89.8	119.7
total current assets		**1,387.9**	**1,430.9**
total assets		**4,230.0**	**4,138.3**

in EUR million	notes	31-12-2024	31-12-2023
equity and liabilities			
shareholders' equity	13	2,543.9	2,465.2
non-controlling interests	13	61.2	52.1
total equity		**2,605.1**	**2,517.3**
bank loans	14	281.8	388.7
lease liabilities	15	152.9	128.2
deferred income tax liabilities	16	143.7	154.5
provisions for employee benefits	17	28.5	32.9
provisions	18	10.8	21.4
total non-current liabilities		**617.7**	**725.7**
current portion of bank loans	14	126.6	96.9
current portion of lease liabilities	15	42.6	33.7
current borrowings	12	82.7	55.1
current portion of provisions	18	74.0	9.9
trade and other payables	19	408.0	436.9
current income tax payables		55.1	57.3
other current liabilities	20	213.8	205.5
liabilities held for sale	29.3	4.4	–
total current liabilities		**1,007.2**	**895.3**
total equity and liabilities		**4,230.0**	**4,138.3**

consolidated income statement

in EUR million	notes	2024	2023
revenue	4	**3,148.6**	**3,324.0**
raw materials used and work subcontracted	9	(1,159.8)	(1,250.7)
personnel expenses	21	(932.7)	(916.1)
other operating expenses	22	(556.0)	(543.9)
amortisation of intangible assets	5	(58.2)	(57.6)
depreciation of property, plant and equipment	6	(119.2)	(105.9)
depreciation of right-of-use assets	7	(41.1)	(35.7)
impairment of assets held for sale	29.3	(34.4)	–
total operating expenses		**(2,901.4)**	**(2,909.9)**
other income	23	45.2	49.3
operating profit		**292.4**	**463.4**
net finance cost	24	(30.8)	(39.4)
profit before income tax		**261.6**	**424.0**
income tax expense	25	(74.2)	(103.5)
profit after income tax		**187.4**	**320.5**
attributable to:			
shareholders		179.1	315.8
non-controlling interests		8.3	4.7
profit after income tax		**187.4**	**320.5**
earnings per share (in EUR)			
basic	26.1	1.62	2.86
diluted	26.1	1.62	2.85

consolidated statement of comprehensive income

in EUR million	notes	2024	2023
profit for the period		**187.4**	**320.5**
other comprehensive income:			
remeasurements of employee benefit obligations	17	1.8	(2.4)
income tax effect on remeasurements	16	(0.6)	0.6
items that will not be reclassified to profit or loss		**1.2**	**(1.8)**
currency translation differences		32.6	(29.6)
fair value changes of derivative financial instruments	20.1	(8.4)	(14.9)
income tax effect on fair value changes of derivatives	16	2.2	3.8
items that may be reclassified to profit or loss		**26.4**	**(40.7)**
other comprehensive income		**27.6**	**(42.5)**
total comprehensive income		**215.0**	**278.0**
attributable to:			
shareholders		205.8	269.9
non-controlling interests		9.2	8.1
total comprehensive income		**215.0**	**278.0**

consolidated statement of changes in equity

in EUR million	share capital	share premium	translation reserve	hedging reserve	retained earnings	**shareholders' equity**	non-controlling interests	**total equity**
as at 1 January 2024	**27.6**	**200.8**	**(50.2)**	**10.7**	**2,276.3**	**2,465.2**	**52.1**	**2,517.3**
profit for the period	–	–	–	–	179.1	**179.1**	8.3	**187.4**
other comprehensive income	–	–	31.7	(6.2)	1.2	**26.7**	0.9	**27.6**
total comprehensive income	**–**	**–**	**31.7**	**(6.2)**	**180.3**	**205.8**	**9.2**	**215.0**
dividend 2023	–	–	–	–	(125.0)	**(125.0)**	(0.1)	**(125.1)**
share based payments	–	–	–	–	(2.1)	**(2.1)**	–	**(2.1)**
as at 31 December 2024	**27.6**	**200.8**	**(18.5)**	**4.5**	**2,329.5**	**2,543.9**	**61.2**	**2,605.1**

in EUR million	share capital	share premium	translation reserve	hedging reserve	retained earnings	**shareholders' equity**	non-controlling interests	**total equity**
as at 1 January 2023	**27.6**	**200.8**	**(17.2)**	**21.8**	**2,085.4**	**2,318.4**	**44.2**	**2,362.6**
profit for the period	–	–	–	–	315.8	**315.8**	4.7	**320.5**
other comprehensive income	–	–	(33.0)	(11.1)	(1.8)	**(45.9)**	3.4	**(42.5)**
total comprehensive income	**–**	**–**	**(33.0)**	**(11.1)**	**314.0**	**269.9**	**8.1**	**278.0**
dividend 2022	–	–	–	–	(122.7)	**(122.7)**	(0.2)	**(122.9)**
share based payments	–	–	–	–	(0.4)	**(0.4)**	–	**(0.4)**
as at 31 December 2023	**27.6**	**200.8**	**(50.2)**	**10.7**	**2,276.3**	**2,465.2**	**52.1**	**2,517.3**

consolidated cash flow statement

in EUR million	notes	2024	2023
cash flow from operating activities			
operating profit		**292.4**	**463.4**
adjustments for:			
amortisation of intangible assets	5	58.2	57.6
depreciation of property, plant and equipment	6	119.2	105.9
depreciation of right-of-use assets	7	41.1	35.7
impairment of assets held for sale	29.3	34.4	–
result on sale of equipment		(0.8)	(4.4)
gain on disposal of subsidiaries	29.2	(9.0)	(30.0)
changes in provisions	18	50.4	(4.5)
total adjustments		**293.5**	**160.3**
changes in inventories		9.8	57.6
changes in trade and other receivables		(27.9)	(25.4)
changes in trade and other payables		–	(22.3)
changes in working capital		**(18.1)**	**9.9**
cash flow from operations		**567.8**	**633.6**
finance cost paid		(31.6)	(38.1)
income taxes paid		(103.5)	(103.4)
net cash generated by operating activities		**432.7**	**492.1**

in EUR million	notes	2024	2023
cash flow from investing activities			
acquisition of subsidiaries	29.1	(19.3)	(16.4)
disposal of subsidiaries	29.2	42.7	98.1
purchase of property, plant and equipment	6	(240.7)	(218.7)
purchase of intangible assets	5	(22.2)	(15.9)
proceeds from sale of equipment		11.1	20.3
net cash generated by investing activities		**(228.4)**	**(132.6)**
cash flow from financing activities			
proceeds from new bank loans	14	27.3	10.3
repayment of bank loans	14	(109.0)	(59.3)
lease payments	15	(41.7)	(37.3)
dividends paid	13.4	(125.0)	(122.7)
settlement of share based payment awards and other	13.3	(4.8)	(4.3)
net cash generated by financing activities		**(253.2)**	**(213.3)**
net increase/(decrease) in cash and current borrowings		**(48.9)**	**146.2**
cash and current borrowings as at 1 January		64.6	(82.2)
effect of changes in exchange rates		(8.6)	0.6
cash and current borrowings as at 31 December	12	**7.1**	**64.6**

notes to the consolidated financial statements

1. reporting entity

Aalberts N.V. (the Company and together with its subsidiaries Aalberts or the Group) engineers mission-critical technologies to achieve leading positions in eco-friendly buildings, sustainable transportation, semicon efficiency and industrial niches. Aalberts operates some 125+ business locations with activities in over 50 countries, split into the segments building, industry and semicon.

Aalberts is incorporated and domiciled in Utrecht, the Netherlands. The address of the Company's registered office is WTC Utrecht, Stadsplateau 18 in Utrecht. The Company is registered in the Trade Register of Utrecht under No. 30089954. The head office is based in Utrecht, the Netherlands. Aalberts N.V. has been listed on Euronext Amsterdam (ticker symbol: AALB.AS) since March 1987 and is included in the AMX index.

2. general accounting policies

2.1 basis of preparation

The Group has prepared the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 2 Book 9 of the Dutch Civil Code.

The consolidated financial statements of the Group for the year ended 31 December 2024 comprise the financial statements of the Company and its subsidiaries. The financial statements were signed and authorised for issue by the Management Board and Supervisory Board on 26 February 2025. The Management Board released the full-year results on 27 February 2025. The adoption of the financial statements and the dividend are reserved for the shareholders in the General Meeting on 10 April 2025.

The financial statements are presented in EUR million, unless otherwise stated. The financial statements are prepared on the historical cost basis unless otherwise indicated. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.8.

2.2 changes in accounting policies

The accounting policies described in these consolidated financial statements have been applied consistently to all periods presented in these consolidated financial statements. Several IFRS amendments apply for the first time in 2024. However, these do not materially impact the Group's consolidated financial statements.

There are no new accounting standards, amendments to existing standards or new IFRIC interpretations published that are not yet effective and expected to have a material impact on the Group in future reporting periods and on foreseeable future transactions with the exception of IFRS 18 which may have an impact on the presentation within the financial statements.

global minimum tax (Pillar Two)

The Group falls within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in the Netherlands and in various other jurisdictions in which the Group operates and has come into effect on January 1, 2024. The Group has applied the temporary mandatory relief from deferred tax accounting (including disclosure) related to Pillar Two income taxes and accounts for them as current taxes when they are incurred.

Since the Ultimate Parent Entity of the Group resides in an implementing jurisdiction, all entities in the group are in scope of the Pillar Two rules. Some jurisdictions in which the Group operates have introduced local Pillar 2 rules, the so-called QDMTTs, which means that these jurisdictions have the primary Pillar Two (Top-up) taxing rights. These QDMTTs do not materially impact the Top-up Tax due by the Group. Other jurisdictions in which the Group operates have not yet enacted (local) Pillar 2 rules, although they may or may not introduce such rules in the (near) future. Overall, the Group does not expect that local enactment of Pillar 2 rules will have a material impact on the Group's Top-up Tax liability, given the fact that the Group is already in scope of the Pillar Two rules in its entirety.

2.3 changes in presentation

No significant changes in presentation have been made in the financial statements 2024 compared to 2023 except for segment reporting. In December 2024 and as part of the strategy update 'thrive 2030' a new simplified reporting structure was introduced during the Capital Markets Day. Aalberts will focus on leadership positions in three attractive end markets with high organic growth potential: building, industry and semicon. This leads to further alignment of the reporting structure, technologies and end markets as well as increased transparency. Going forward Aalberts will present information in 3 reportable segments (building, industry and semicon) were previously the information was presented in 2 reportable segments (building technnology and industrial technology).

2.4 basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by Aalberts. Control is achieved when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Intercompany transactions are determined on an arm's length basis. On consolidation, all intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated. Unrealised gains on intercompany transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.5 foreign currency transactions and translation functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euros, which is the presentation currency of the Group and the functional currency of the parent company Aalberts N.V.

foreign currency transactions and balances

Foreign currency transactions are translated into the respective functional currencies of Aalberts entities using the exchange rate at transaction date. Receivables, payables and other monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rates at the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of financial transactions and from the translation at year-end exchange rates are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The following exchange rates, for the most important countries in which Aalberts has operations, were used while preparing these consolidated financial statements:

	1 EUR = USD (US dollar)	1 EUR = GBP (British pound)
2024 year-end	1.035	0.827
2024 average	1.082	0.846
2023 year-end	1.104	0.867
2023 average	1.082	0.870

group companies

The results and balances of the group companies that have a functional currency different from the presentation currency are translated into the presentation currency Euro as follows:

- assets and liabilities are translated at the exchange rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (approximating the exchange rates at the transactions dates), and
- all resulting translation differences are recognised in other comprehensive income and are presented within equity in the currency translation reserve, unless the operation is not a wholly owned subsidiary for which the relevant proportionate share of the translation difference is allocated to the non-controlling interests.
- This is also applicable to currency translation differences on intercompany loans which are treated as investments in foreign activities. On the disposal of a foreign operation, the translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2.6 offsetting financial instruments

If Aalberts has a legal right to offset financial assets with financial liabilities and if Aalberts intends either to settle on a net basis or to realise the asset and settle the liability simultaneously, financial assets and liabilities are presented in the balance sheet as a net amount.

2.7 cash flow statement

The cash flow statement is prepared based on the indirect method. The cash paid for the acquired group companies, less the available cash, is recorded under cash flow from investing activities. The changes in assets and liabilities because of acquisitions are eliminated from the cash flows arising from these assets and liabilities. These changes have been incorporated in the cash flow from investment activities under 'acquisition of subsidiaries'. The net cash flow consists of the net change of cash and current borrowings in comparison with the previous year.

2.8 significant accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and judgements are based on experience and factors that are believed to be reasonable under circumstances. Estimates and assumptions are reviewed on an ongoing basis taking into account risks associated with the impact of climate change, geopolitical developments and foreseen changes in the economic landscape.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies have been consistently applied by Group entities to all periods presented in these consolidated financial statements.

goodwill impairments

The Group annually tests whether goodwill has suffered any impairment losses. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The impairment model used is the discounted cash flow method using a weighted average cost of capital (WACC). The impact of climate change including relevant transition risks were considered in relation to indications of impairment and the forecast of cash flows used in the value-in-use calculations. Details on the impairment tests performed are stated in note 5.

estimated useful lives and residual values

The useful life and residual value of intangible assets (note 5) and property, plant and equipment (note 6) are periodically reviewed during the life of the asset to ensure that it reflects current circumstances. The impact of climate change on the useful life and residual values were also considered including physical risks to our locations caused by extreme weather conditions. This had no significant impact on the carrying amounts of these assets.

leases

The lease liability (note 15) is determined based on judgement in determining the lease terms, which includes assessing whether extension and termination options are exercised. Assumptions are used to determine the incremental borrowing rate for discounting future lease payments, which as a result could have an impact on the lease liability.

pension plans

Assumptions are used for determining the defined benefit obligation of pension plans (note 17). Assumptions are used such as future salary increase, the rate of return on plan investments, mortality rates, and the rates at which plan participants are expected to leave the pension plans because of retirement, disability and termination.

provisions

Provisions for restructuring, claims, warranties and environmental restoration (note 18) are based on estimates and judgements based on available information. The main part of the provision for claims is based on judgement of the possible outcome of the request for annulment of an arbitral award. In case the award is annulled, the outcome of the provision will change. The impact of climate change was considered in relation to the recognition and measurement of provisions and had no significant impact on the amounts included.

taxes

The Group is subject to taxes in numerous jurisdictions. Judgement is required in determining the worldwide provision for taxes (note 16). There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the company tax and deferred tax provisions in the period in which such determination is made.

purchase price allocation

For the purpose of the purchase price allocation (note 29.1) judgements and estimates on assumptions are made to determine the fair value of the identifiable assets and liabilities at acquisition date. This is mainly related to fair value assessments of property, plant and equipment, intangible assets and the related deferred tax liabilities.

3. financial risk management

3.1 financial risk factors

The Group's activities are exposed to a variety of financial risks: foreign currency exchange risk, price risk, credit risk, liquidity risk, cash flow and interest rate risk and capital risk. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by Group Treasury under policies approved by the Management Board. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the group companies. The Management Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign currency exchange risk, interest rate risk, credit risk, and the use of derivative financial instruments and non-derivative financial instruments. These principles may differ per group company or business segment being a result of different local market circumstances.

3.1.1 foreign currency risk

The Group operates internationally and is exposed to foreign currency exchange risk arising from various currency exposures, primarily with respect to the US dollar and the British pound. Foreign currency exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign currency exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for managing the net position in each foreign currency. In general, remaining substantial currency risks are covered by using currency instruments.

The Group has several foreign subsidiaries of which the net equity is subject to currency translation risk resulting from the translation of foreign operations into the reporting currency of Aalberts. This currency translation risk is monitored but not hedged.

The US dollar and British pound are the major foreign currencies for the Group. As at 31 December 2024, if the Euro had weakened against the US dollar by 10%, with all other variables held constant, the net profit of the Group would have been impacted by positive EUR 1.7 million (2023: positive EUR 1.9 million) and the net equity would have been impacted by positive EUR 59.6 million (2023: positive EUR 63.3 million). As at 31 December 2024, if the Euro had weakened against the British pound by 10%, with all other variables held constant, the net profit of the Group would have been impacted by positive EUR 0.2 million (2023: negative EUR 0.3 million) and the net equity would have been impacted by positive EUR 22.8 million (2023: positive EUR 24.2 million).

3.1.2 credit risk

The Group has no significant concentrations of credit risk due to the diversification of activities and markets. It has policies in place to ensure that wholesale sales of products are made to creditworthy customers. The majority of the Group companies make use of credit insurance. The Group did not receive any collateral for its financial assets. Derivative and cash transactions are executed with creditworthy financial institutions.

The maximum credit risk on financial assets, being the total carrying value of these assets before provisions for impairment of receivables, amounts to EUR 579.7 million (2023: EUR 603.3 million):

in EUR million	31-12-2024	31-12-2023
trade receivables (gross)	389.6	396.6
non-current financial assets	4.0	5.0
other current assets	96.3	82.0
cash and cash equivalents	89.8	119.7
total	**579.7**	**603.3**

3.1.3 liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping credit lines available at a number of well-known financial institutions. On the basis of cash flow forecasting models the Group tests, on a periodic basis, whether the available credit facilities will cover the expected credit need. Based on these analyses, the Group believes that the current expected credit need is sufficiently covered. On a going concern basis, except for major acquisitions, the Group therefore expects to be able to cover cash flow from investing and financing activities out of the cash flow from operating activities and existing credit facilities.

The maturity of the future undiscounted cash flows of financial liabilities, including interest payments, is as follows:

as at 31 December 2024	within 1 year	between 1 - 5 years	over 5 years	**total contractual cash flows**	carrying amount
bank loans	138.4	285.0	27.8	**451.2**	408.4
lease liabilities	42.9	93.5	72.7	**209.1**	195.5
current borrowings	82.7	–	–	**82.7**	82.7
trade and other payables	408.0	–	–	**408.0**	408.0
other current liabilities[1]	161.9	–	–	**161.9**	161.9
total financial liabilities at amortised cost	**833.9**	**378.5**	**100.5**	**1,312.9**	**1,256.5**
derivative liabilities	0.5	–	–	**0.5**	0.5
total financial liabilities	**834.4**	**378.5**	**100.5**	**1,313.4**	**1,257.0**

1. excluding tax payables

as at 31 December 2023	within 1 year	between 1 - 5 years	over 5 years	**total contractual cash flows**	carrying amount
bank loans	121.2	401.2	25.4	**547.8**	485.6
lease liabilities	36.1	78.9	54.1	**169.1**	161.9
current borrowings	55.1	–	–	**55.1**	55.1
trade and other payables	436.9	–	–	**436.9**	436.9
other current liabilities[1]	151.6	–	–	**151.6**	151.6
total financial liabilities at amortised cost	**800.9**	**480.1**	**79.5**	**1,360.5**	**1,291.1**
derivative liabilities	0.4	–	–	**0.4**	0.4
total financial liabilities	**801.3**	**480.1**	**79.5**	**1,360.9**	**1,291.5**

1. excluding tax payables

3.1.4 cash flow and interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises mainly from current and non-current borrowings. Bank borrowings are mainly entered into using floating rate debt. Where considered applicable, the Group manages its interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period was as follows:

	31-12-2024	31-12-2023
bank loans:		
floating rate	24.8	12.2
hedged from floating rate to fixed rate	383.6	473.4
total bank loans	**408.4**	**485.6**
current borrowings – floating rate	82.7	55.1
total bank loans and current borrowings	**491.1**	**540.7**

As at 31 December 2024, if the market interest rates would have been 100 basis points higher, with all other variables constant, the net profit of the Group would have been impacted by negative EUR 0.5 million (2023: positive EUR 0.1 million). The net equity as at year-end would have been impacted by the same amount. The change in the market value as at balance sheet date of the derivative financial instruments, as a result of the interest adjustment, is excluded from this sensitivity analysis.

3.1.5 price risk

The Group is exposed to price risk of commodities because of its dependence on certain raw materials, especially copper. Generally, commodity price variances are absorbed in the sales price. Additionally, the Group makes use of its strong position in the market for commodities to realise the purchase and delivery of raw materials at the best possible terms and conditions. Where considered necessary, exposures with high risk may be covered through commodity future contracts.

3.1.6 capital risk

The policy of Aalberts is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business and acquisitions of Aalberts.

In order to manage going concern for shareholders and other stakeholders the Group periodically monitors the capital structure in consistency with the industry through the following principal financial ratios:

- leverage ratio (net debt / EBITDA): 1.0 (2023: 0.9)
- interest cover ratio (EBITDA / net interest expense): 21.3 (2023: 19.7)
- gearing ratio (net debt / total equity): 0.2 (2023: 0.2)

EBITDA is adjusted for non-recurring items. Both EBITDA and net interest expense are on 12-month rolling basis.

3.2 financial instruments

The Group holds the following financial instruments:

	notes	31-12-2024	31-12-2023
financial assets			
non-current financial assets	8	4.0	5.0
trade receivables	10	385.1	392.4
other current assets[1]	11	80.4	56.8
cash and cash equivalents	12	89.8	119.7
financial assets at amortised cost		**559.3**	**573.9**
derivative assets at fair value	20.1	6.3	15.0
total financial assets		**565.6**	**588.9**
financial liabilities			
bank loans	14	408.4	485.6
lease liabilities	15	195.5	161.9
current borrowings	12	82.7	55.1
trade and other payables	19	408.0	436.9
other current liabilities1	20	161.9	151.6
financial liabilities at amortised cost		**1,256.5**	**1,291.1**
derivative liabilities at fair value	20.1	0.5	0.4
total financial liabilities		**1,257.0**	**1,291.5**

1. excluding tax receivables and payables

Financial instruments are measured at amortised cost or fair value. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability.

Fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- level 3 inputs are unobservable inputs for the asset or liability.

All financial instruments carried at fair value are classified as level 2. The carrying amounts of the financial instruments approximate their fair values.

4. segment reporting

4.1 reportable segments

Information regarding the operating activities and performance of each reportable segment is as follows:

	building	industry	semicon	holding/ eliminations	**total 2024**	building	industry	semicon	holding/ eliminations	**total 2023**
revenue	1,602.5	1,060.9	501.3	(16.1)	**3,148.6**	1,676.6	1,184.2	479.0	(15.8)	**3,324.0**
EBITA before exceptionals	206.5	197.2	71.4	(4.0)	**471.1**	233.2	223.4	69.5	(5.1)	**521.0**
EBITA before exceptionals as % of revenue	12.9	18.6	14.2	–	**15.0**	13.9	18.9	14.5	–	**15.7**
total assets	1,781.6	1,683.8	615.9	148.7	**4,230.0**	1,798.5	1,580.4	582.5	176.9	**4,138.3**
total liabilities	360.3	215.3	116.9	47.0	**739.5**	368.3	210.9	104.7	22.7	**706.6**
depreciation of property, plant and equipment	45.6	50.3	11.1	12.2	**119.2**	43.3	49.4	9.7	3.5	**105.9**
capital expenditure of property, plant and equipment	80.0	99.9	50.7	0.5	**231.1**	73.8	111.6	37.9	0.7	**224.0**

Reconciliation of EBITA before exceptionals of reportable segments to profit before income tax is as follows:

	2024	2023
total EBITA before exceptionals	**471.1**	**521.0**
amortisation of intangible assets	(58.2)	(57.6)
total exceptional income / (costs)	(120.5)	–
net finance cost	(30.8)	(39.4)
consolidated profit before income tax	**261.6**	**424.0**

Total exceptional costs in 2024 consist of:

impairment assets held for sale	(34.4)
personnel expenses	(30.8)
addition provision for claims	(28.2)
depreciation of property, plant and equipment	(10.4)
write-off inventories	(8.3)
other operating expenses	(8.4)
total exceptional income / (costs)	**(120.5)**

The exceptional costs of EUR 120.5 million are related to the accelerated operational excellence programmes (EUR 54.8 million), the outcome of an arbitral award (EUR 28.7 million) and the decision to leave Russia (EUR 37.0 million)

During 2024, Aalberts accelerated the operational excellence programmes leading to exceptional costs amounting to EUR 54.8 million. These costs are considered to be one-off strategic restructuring costs and include personnel expenses (EUR 30.6 million), impairment of property, plant & equipment (EUR 10.4 million), write-off of inventories (EUR 6.2 million) and additional other operating expenses (EUR 7.6 million).

At the end of 2024 Aalberts faced the outcome of an arbitral award leading to exceptional costs amounting to EUR 28.7 million. Although a request for annulment has been filed, we provided for the full amount that has been awarded. As a result, an amount of EUR 28.2 million was added to the provision for claims and recognised as other operating expenses in the income statement. In addition, related legal fees for an amount of EUR 0.5 million are recognised as other operating expenses in the income statement.

At the end of 2024 Aalberts decided to leave Russia leading to exceptional costs amounting to EUR 37.0 million. Efforts to sell the Russian disposal group are ongoing and Aalberts expects to reach an agreement in 2025. As a result, the Russian disposal group is classified as held for sale. Following the remeasurement to fair value less costs to sell, an impairment loss of EUR 34.4 million is recognised in the income statement. In addition, restructuring costs including write-off of inventories (EUR 2.1 million), personnel expenses (EUR 0.2 million) and other operating expenses (EUR 0.3 million) are recognised in the income statement.

Segment assets consist primarily of intangible assets, property, plant and equipment, right-of-use assets, assets held for sale, inventories, trade debtors and other current assets. Segment liabilities do not include borrowings, leases and other liabilities that are incurred for financing rather than operating purposes. In addition, segment liabilities do not include deferred tax liabilities and current income tax payables.

Reconciliation of total liabilities of reportable segments to the consolidated balance sheet is as follows:

	31-12-2024	31-12-2023
total liabilities of reportable segments	**739.5**	**706.6**
non-current and current borrowings	491.1	540.7
lease liabilities	195.5	161.9
tax liabilities	198.8	211.8
equity	2,605.1	2,517.3
consolidated equity and liabilities	**4,230.0**	**4,138.3**

4.2 geographical information

Revenue is allocated based on the geographical location of the customers:

	2024	%	2023	%
revenue				
Europe	2,254.4	71.6	2,382.9	71.7
America	710.0	22.5	757.9	22.8
APAC, Middle East, Africa	184.2	5.9	183.2	5.5
total	**3,148.6**	**100.0**	**3,324.0**	**100.0**

Non-current assets are allocated based on the country in which the assets are located and include intangible assets, property, plant & equipment and right-of-use assets:

	31-12-2024	%	31-12-2023	%
non-current assets				
Europe	2,148.5	75.6	2,056.7	75.9
America	658.1	23.2	621.7	23.0
APAC, Middle East, Africa	35.5	1.2	29.0	1.1
total	**2,842.1**	**100.0**	**2,707.4**	**100.0**

4.3 analysis of revenue by category

	2024	%	2023	%
revenue				
sale of goods	2,523.4	80.1	2,654.6	79.9
services	625.2	19.9	669.4	20.1
total	**3,148.6**	**100.0**	**3,324.0**	**100.0**

accounting policies

segment reporting

Aalberts businesses are presented in the reportable segments building, industry and semicon.

Within building, the Aalberts companies design, develop and manufacture products that enable and control the transport, distribution and emitter of water and gas flows to enable heating and cooling. These products are mainly present in the eco-friendly buildings, and industrial niches such as data centres. The market approach in this segment is based on local sales platforms focused on installers, contractors and wholesalers.

Within industry, the Aalberts companies co-develop, engineer and manufacture for worldwide active OEMs within industrial niches and are offering an extensive range of technologies utilising a global network of service locations with excellent local knowledge to customers active in sustainable transportation and industrial niches.

Within semicon, the Aalberts companies deliver leading-edge innovative, tailor-made and future-proof technologies, enabling the roadmaps and manufacturing challenges of high-tech customers.

Besides the identified reportable segments there are head office activities, unallocated items and eliminations of intersegment transfers or transactions. These are grouped together as holding/eliminations and are mainly related to supporting activities and projects at the level of the head office. The related gains and losses are directly monitored by the Management Board. Unallocated assets mainly consist of (deferred) income tax assets. Intersegment transfers or transactions are entered into under transfer pricing terms and conditions that are comparable with terms and conditions with unrelated third parties.

The businesses in a segment are each managed separately by a business management team which is held directly responsible for the functioning and performance of the business and which reports to the Management Board (the chief operating decision maker) which is responsible for the allocation of the available resources, the assessment of the operational results and strategic decisions. The results of the businesses are monitored on the level of EBITA before exceptionals, being the operating profit before amortisation, interest and tax related expenses, and is adjusted for exceptional items. Exceptional items are income and expense items of such nature, size and/or frequency of occurrence that their disclosure is relevant to explain Aalberts' performance. Exceptional items include, amongst others, impairments, restructuring costs and gains and losses from acquisition and disposal. EBITA before exceptionals is not a financial measure calculated in accordance with IFRS, but is used to measure performance as management believes that this measurement is the most relevant in evaluating the results of the businesses. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated. Operational segment reporting is performed consistently with the internal reporting as provided to the Management Board.

revenue

The Group recognises revenue to represent the transfer of promised goods or services to customers in an amount that reflects the amount to which the entity expects to be entitled in exchange for those goods or services.

The Group applies the 5-step approach to recognise revenue and recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

If one of the following criteria are met, then the Group recognises revenue over time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In these cases, a method that follows its performance is used to reflect the pattern of transfer of control of the good or service to the customer (e.g. milestones reached, or costs incurred to date). If none of these criteria are met, the Group considers the control being transferred to the customer at a point in time and the Group recognises revenue at that point in time.

The following is a description of the activities where the Group generates revenue, including the nature and timing of satisfaction of the performance obligations, which is consistent with the revenue information that is disclosed for each reportable segment:

- within building and most businesses within industry and semicon revenue is related to the sale of goods. Revenue is recognised for each separate performance obligation when control over the corresponding goods is transferred to the customer and in accordance with the applicable incoterms.
- within industry and semicon some businesses are involved in performing several services under one contract. If the services under a single arrangement are rendered in different reporting periods then the consideration is allocated on a relative fair value basis between the different services. Revenue is recognised at a point in time since none of the criteria to recognise revenue over time are met. The customer can only benefit from the services rendered after Group's performance and not when the performance is delivered.
- for some made-to-order product contracts within industry and semicon, the customer controls the work in progress during manufacturing. When this is the case, revenue is recognised as the products are being manufactured. This results in revenue for these contracts being recognised over time.

The transaction price allocated to (partially) unsatisfied performance obligations at period end date are limited given the nature and timing of satisfaction of the performance obligations as described above. Contract balances and relevant disclosures are limited to receivables and are described as 'trade receivables' in note 10.

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5. intangible assets

	goodwill	other intangibles	software	assets under construction	**total 2024**	goodwill	other intangibles	software	assets under construction	**total 2023**
as at 1 January										
cost	928.7	893.0	73.8	19.6	**1,915.1**	971.8	920.6	68.9	15.8	**1,977.1**
accumulated amortisation	–	(410.6)	(57.9)	–	**(468.5)**	–	(373.0)	(54.8)	–	**(427.8)**
net book amount as at 1 January	**928.7**	**482.4**	**15.9**	**19.6**	**1,446.6**	**971.8**	**547.6**	**14.1**	**15.8**	**1,549.3**
additions	–	3.9	6.5	9.6	**20.0**	–	4.4	4.1	4.6	**13.1**
transfers	–	–	–	2.8	**2.8**	–	–	–	3.1	**3.1**
assets taken into operation	–	3.4	6.4	(9.8)	**–**	–	–	3.7	(3.7)	**–**
acquisition of subsidiaries	5.3	6.9	–	–	**12.2**	1.3	–	–	–	**1.3**
disposal of subsidiaries	(11.9)	–	–	–	**(11.9)**	(24.9)	(12.4)	(0.2)	–	**(37.5)**
reclassified to held for sale	(10.7)	(1.2)	–	–	**(11.9)**	–	–	–	–	**–**
amortisation	–	(51.2)	(7.0)	–	**(58.2)**	–	(51.9)	(5.7)	–	**(57.6)**
currency translation	14.3	12.5	0.1	0.5	**27.4**	(19.5)	(5.3)	(0.1)	(0.2)	**(25.1)**
net book amount as at 31 December	**925.7**	**456.7**	**21.9**	**22.7**	**1,427.0**	**928.7**	**482.4**	**15.9**	**19.6**	**1,446.6**
as at 31 December										
cost	925.7	913.7	84.0	22.7	**1,946.1**	928.7	893.0	73.8	19.6	**1,915.1**
accumulated amortisation	–	(457.0)	(62.1)	–	**(519.1)**	–	(410.6)	(57.9)	–	**(468.5)**
net book amount as at 31 December	**925.7**	**456.7**	**21.9**	**22.7**	**1,427.0**	**928.7**	**482.4**	**15.9**	**19.6**	**1,446.6**

Other intangibles mainly consist of intangible assets originating from acquisitions. Approximately two third of the book amount relates to acquired customer relationships. The remainder relates to acquired technology and brand names. Intangible assets under construction are ongoing development costs mainly related to software, software related assets and other intangibles. These costs are related to assets that are not yet available for use and are therefore not amortised.

At year-end, Group companies had EUR 2.0 million investment commitments outstanding in respect of intangible assets (2023: EUR 1.5 million).

goodwill impairment test

The book amount of goodwill has been allocated to the cash generating units within building, industry and semicon for the purpose of impairment testing. The allocation of the book amount of goodwill to the reportable segments is, on aggregated level, as follows:

	31-12-2024	31-12-2023
building	362.1	372.4
industry	433.5	427.8
semicon	130.1	128.5
total	**925.7**	**928.7**

The recoverable amount of a cash generating unit is determined based on their calculated value-in-use. These calculations are pre-tax cash flow projections based on the strategic business plans for the coming years, excluding the net present value of new business and expansion capital expenditures. Management determined forecasted growth rates based on past performance and its expectations of market developments. For the period after 2029 a growth rate equal to expected long-term inflation is taken into account. The discount rates used are pre-tax and reflect specific risks relating to the relevant cash generating units.

The assumptions used for impairment tests are as follows:

	building 2024	industry 2024	semicon 2024	building 2023	industry 2023	semicon 2023
average growth rate (first 5 years)	2.4%	4.8%	6.2%	4.1%	3.1%	4.5%
long-term average growth rate (after 5 years)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
discount rate (pre-tax)	12.2%	11.9%	11.0%	12.6%	11.8%	11.1%
discount rate (post-tax)	9.4%	9.1%	8.4%	9.6%	9.1%	8.4%

No impairment was necessary following impairment tests on all cash generating units within the Group, since the discounted future cash flows from the cash generating units exceeded the value of the capital employed.

It is inherent in the method of computation used that a change in the assumptions may lead to a different conclusion on the impairment required. Therefore a sensitivity analysis is performed based on a change in an assumption while holding all other assumptions constant.

The following changes in assumptions are assessed:

- decrease of the average growth rate by 3.0% (2023: 3.0%)
- decrease of the long-term average growth rate by 1.0% (2023: 1.0%)
- increase of the discount rate (post-tax) by 1.0% (2023: 1.0%)

Based on the sensitivity analysis performed it is concluded that any reasonable change in the key assumptions would also not require an impairment.

accounting policies

goodwill

Goodwill represents the excess of the costs of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is allocated to cash generating units, being the parts of the segments benefiting from the business combination in which the goodwill arose. Goodwill is not amortised but is tested annually for impairment, or more frequently when there is an indication that the unit may be impaired. On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

other intangible assets

Other intangible assets include brand names, customer base and technology. Intangible assets that are acquired through acquired companies are initially valued at fair value. These identifiable intangibles are then systematically amortised over the estimated useful life which is between 15 and 20 years.

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and new commercially feasible products is recognised in the income statement.

An internally generated intangible asset arising from development is only recognised if all relevant criteria have been met, otherwise development expenditure is recognised in the income statement in the period in which it is incurred. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. After initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and impairment losses.

software

Acquired software is capitalised and stated at cost less accumulated amortisation and impairment losses. Software is amortised over the estimated useful life, normally 3 to 5 years. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities, otherwise it is recognised in profit or loss when incurred.

amortisation and impairment

Amortisation is calculated over the cost of the asset less its residual value. Intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives from the date they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Changes in useful lives or residual value are recognised prospectively.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair-value-less-costs-of-disposal and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). An impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods

6. property, plant and equipment

	land and buildings	plant and equipment	other	assets under construction	**total 2024**	land and buildings	plant and equipment	other	assets under construction	**total 2023**
as at 1 January										
cost	738.6	1,830.6	93.4	205.6	**2,868.2**	721.0	1,778.7	94.5	163.9	**2,758.1**
accumulated depreciation	(360.8)	(1,341.2)	(77.8)	–	**(1,779.8)**	(356.0)	(1,329.5)	(77.6)	–	**(1,763.1)**
net book amount as at 1 January	**377.8**	**489.4**	**15.6**	**205.6**	**1,088.4**	**365.0**	**449.2**	**16.9**	**163.9**	**995.0**
addition	20.8	58.5	3.5	148.4	**231.2**	19.6	69.0	4.0	131.4	**224.0**
transfers	–	–	–	(2.8)	**(2.8)**	–	–	–	(3.1)	**(3.1)**
assets taken into operation	35.2	76.4	0.9	(112.5)	**–**	28.7	56.1	0.2	(85.0)	**–**
disposals	(3.8)	(0.5)	(0.3)	(2.4)	**(7.0)**	(9.9)	–	(0.2)	(1.9)	**(12.0)**
acquisition of subsidiaries	0.4	1.8	–	–	**2.2**	–	–	–	–	**–**
disposal of subsidiaries	(1.0)	(3.0)	–	(1.5)	**(5.5)**	(4.2)	(3.1)	(0.2)	(0.5)	**(8.0)**
reclassified to held for sale	(3.2)	(1.6)	(0.1)	(0.1)	**(5.0)**	–	–	–	–	**–**
depreciation	(21.1)	(92.9)	(5.2)	–	**(119.2)**	(20.7)	(80.3)	(4.9)	–	**(105.9)**
currency translation	4.0	8.3	–	2.7	**15.0**	(0.7)	(1.5)	(0.2)	0.8	**(1.6)**
net book amount as at 31 December	**409.1**	**536.4**	**14.4**	**237.4**	**1,197.3**	**377.8**	**489.4**	**15.6**	**205.6**	**1,088.4**
as at 31 December										
cost	778.0	1,899.9	92.8	237.4	**3,008.1**	738.6	1,830.6	93.4	205.6	**2,868.2**
accumulated depreciation	(368.9)	(1,363.5)	(78.4)	–	**(1,810.8)**	(360.8)	(1,341.2)	(77.8)	–	**(1,779.8)**
net book amount as at 31 December	**409.1**	**536.4**	**14.4**	**237.4**	**1,197.3**	**377.8**	**489.4**	**15.6**	**205.6**	**1,088.4**

As part of the accelerated operational excellence programmes in 2024, the Group has impaired property, plant and equipment for an amount of EUR 10.4 million which is included in the depreciation of EUR 119.2 million and is related to land and buildings and plant and equipment.

At year-end, Group companies had investment commitments outstanding in respect of property, plant and equipment amounting to EUR 86.7 million (2023: EUR 32.0 million).

accounting policies

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of directly attributable overheads. The Group recognises in the net book amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs such as repair and maintenance costs are recognised in the income statement as an expense as incurred. The difference between opening and closing balance of assets under construction normally consists of additions and reclassifications to other categories of property, plant and equipment.

For depreciation, the straight-line method is used. The useful life and residual value are reviewed periodically through the life of an asset to ensure that it reflects current circumstances. Depreciation will be applied to property, plant and equipment as soon as the assets are put into operation. The following useful lives are used for depreciation purposes:

category	useful life (minimum)	useful life (maximum)
land	infinite	infinite
buildings	5 years	40 years
plant and equipment	3 years	15 years
other	3 years	5 years

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Property, plant and equipment that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

7. right-of-use assets

	31-12-2024	31-12-2023
land and buildings	158.3	128.1
plant and equipment	9.3	12.3
company cars and other	23.2	16.6
net book amount right-of-use assets	**190.8**	**157.0**

Additions to the right-of-use assets during 2024 amounted to EUR 70.6 million (2023: EUR 30.0 million). These additions include new leases and renewals of existing contracts.

The income statement includes the following amounts relating to leases:

	2024	2023
depreciation expense right-of-use assets:		
land and buildings	25.7	22.5
plant and equipment	4.7	5.2
company cars and other	10.7	8.0
total depreciation expense right-of-use assets	**41.1**	**35.7**
interest expense on lease liabilities	3.4	2.2
expenses relating to leases	**44.5**	**37.9**

Lease expenses in relation to short-term and low-value assets are included in other operating expenses. Payment of principal amounts of leases amount to EUR 41.7 million (2023: EUR 37.3 million) and payments of interest on leases amount to EUR 3.4 million (2023: EUR 2.2 million). The lease liabilities related to the right-of-use assets are disclosed in note 15.

accounting policies

The Group leases various production facilities, machinery and equipment, warehouses and company cars. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Extension and termination options are included in a number of leases across the Group. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Non-lease components are included in the lease liability for company cars and are excluded for other lease categories.

Right-of-use assets are measured at cost and comprise the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise low-value items of IT equipment and office furniture.

8. non-current financial assets

	2024	2023
as at 1 January	**11.5**	**11.1**
additions / (reversals)	1.0	(2.3)
unwinding of discounts	0.1	0.2
payments	(7.3)	(3.9)
disposal of subsidiaries	(0.6)	6.4
as at 31 December	**4.7**	**11.5**
current portion of deferred consideration receivable	0.7	6.5
non-current financial assets	4.0	5.0
as at 31 December	**4.7**	**11.5**

Non-current financial assets consist of deferred consideration receivables in relation to the disposal of subsidiaries. No loss allowance is recognised for the financial asset. The current portion of the deferred consideration amounting to EUR 0.7 million is presented under other current assets (2023: EUR 6.5 million).

accounting policies

Non-current financial assets are initially measured at fair value. The Group holds these financial assets with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost minus any impairment losses.

9. inventories

	31-12-2024	31-12-2023
raw materials	201.5	217.8
work in progress	234.1	242.9
finished goods	353.6	349.6
other inventories	10.4	12.3
total	**799.6**	**822.6**

The costs of inventories are recognised as an expense and write-offs on inventories are included in 'raw materials used and work subcontracted' in the income statement. In 2024 an amount of EUR 1,076.2 million (2023: EUR 1,155.2 million) is recognised as raw materials used.

In 2024 a net write-off expense of EUR 9.0 million (2023: EUR 3.3 million) is recognised of which EUR 8.3 million are exceptional costs related to restructurings. The provision for write-down of inventories, due to obsolescence and slow-moving stock, amounts to EUR 35.0 million (2023: EUR 32.1 million) excluding inventories amounting to EUR 12.4 million reclassified to assets held for sale. The vast majority of the inventory has a turnover of less than one year.

accounting policies

Inventories are measured at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditures, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value represents 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 cost of inventories is calculated by using a weighted average cost formula or on a first-in-first-out basis.

10. trade receivables

	31-12-2024	31-12-2023
trade receivables (gross amount)	389.6	396.6
allowance for expected credit losses of receivables	(4.5)	(4.2)
trade receivables (net amount)	**385.1**	**392.4**

The movement in the allowance for expected credit losses of receivables is as follows:

	2024	2023
as at 1 January	**4.2**	**6.2**
additions/(reversals)	0.7	(0.2)
used during year	(0.4)	(0.9)
acquisition of subsidiaries	0.1	–
disposal of subsidiaries	(0.2)	(0.7)
currency translation differences	0.1	(0.2)
as at 31 December	**4.5**	**4.2**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. There is no concentration of credit risk with respect to trade receivables, as the Group has a large customer base which is internationally dispersed and makes use of credit insurance for a majority of its receivables.

The allowance for expected credit losses of receivables of EUR 4.5 million (2023: EUR 4.2 million) is mainly related to receivables past due more than 90 days and is excluding an amount of EUR 2.8 million reclassified to assets held for sale. The allowance for expected credit losses (ECL) of trade receivables is based on a periodically review whether an allowance for credit losses is needed by considering factors such as payment history, credit quality, expected lifetime losses and current economic conditions that may affect a customer's ability to pay. Addition to the allowance for expected credit losses amount to EUR 0.7 million (2023: EUR 0.2 million reversal) and are included in the 'other operating expenses'.

Receivables fall due in less than one year. The fair value of the receivables approximates the book value, due to their short-term character.

The past due aging analysis of the trade receivables is as follows:

	31-12-2024	31-12-2023
not past due	332.1	335.5
past due less than 30 days	39.6	41.3
past due between 30 days and 60 days	7.7	8.4
past due between 60 days and 90 days	3.3	2.6
past due more than 90 days	6.9	8.8
trade receivables (gross amount)	**389.6**	**396.6**

The majority of the carrying amounts is denominated in the functional currency of the reported entities:

	31-12-2024	31-12-2023
Euro	189.8	192.9
US dollar	94.2	89.6
British pound	40.2	45.4
other currencies	65.4	68.7
trade receivables (gross amount)	**389.6**	**396.6**

accounting policies

Trade receivables are initially measured at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost minus any impairment losses

11. other current assets

	31-12-2024	31-12-2023
prepaid expenses and accrued income	34.0	27.9
deferred consideration receivable	0.7	6.5
value added tax receivable	9.6	10.2
derivative financial instruments	6.3	15.0
other receivables	45.7	22.4
total	**96.3**	**82.0**

12. cash and current borrowings

	31-12-2024	31-12-2023
cash and cash equivalents	89.8	119.7
current borrowings	(82.7)	(55.1)
total cash and current borrowings	**7.1**	**64.6**

The cash and current borrowings amount to EUR 7.1 million positive (2023: EUR 64.6 million positive). The carrying amounts of cash and current borrowings approximate their fair values.

The cash consists of cash and bank balances for an amount of EUR 89.8 million (2023: EUR 119.7 million). Cash is freely disposable although certain restrictions for withdrawal and distribution are applicable for the EUR 9.5 million of cash and bank balances within the Russian entities.

The current borrowings of EUR 82.7 million (2023: EUR 55.1 million) are drawn on short-term credit facilities consisting of committed and uncommitted credit lines, provided by a number of credit institutions. The total of these facilities at year-end 2024 amounted to EUR 954.2 million (2023: EUR 944.8 million), of which generally between EUR 0 million and EUR 243.4 million was used throughout the year. At year-end 2024, the total committed revolving credit facilities amounted to EUR 423.3 million (2023: EUR 420.3 million), consisting of three credit facilities of EUR 50 million, three credit facilities of EUR 75 million available in EUR and USD and one credit facility of USD 50 million.

accounting policies

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash balances, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management and are shown within current borrowings in the balance sheet.

13. equity

13.1 share capital

The total number of ordinary shares outstanding at year-end was 110.6 million shares (2023: 110.6 million shares) with a par value of EUR 0.25 per share. In addition, there are 100 priority shares issued with a par value of EUR 1.00 per share. An explanation of the total number of shares outstanding is included in note 33.4.

13.2 currency translation and hedging reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

13.3 share-based payments (performance share plan)

Aalberts reviews on an annual basis whether awards from the existing Performance Share Plan will be granted to a limited number of executives. This plan is a share-based equity-settled incentive plan. Conditional shares are awarded that become unconditional three years after the start of the performance period as long as the related conditions with regard to employment and performance have been met. The performance conditions attached to the granting of Performance Shares are based on the Group's financial performance over a three-year performance period. Under the PSP 2021-2023 and the PSP 2023-2025, the financial performance over the three calendar years is measured based on the average annual growth of earnings per share before amortisation (EPS) and based on the average return on capital employed (ROCE) percentage. The conditions of the plan stipulate that ultimately a maximum of 125% of the number of conditionally granted shares at the start of the performance period can be paid out.

PSP 2021-2023: Based on the average annual growth of the earnings per share before amortisation and exceptionals (EPS) and on the average return on capital employed (ROCE) percentage over the three-year period (2021-2023) 118.2% of the conditional shares at the end of 2023 (92,000 shares) vested in 2024 (108,744 shares). In June 2024, a total of 88,246 shares were purchased at market value for EUR 3.8 million and transferred to the security account of the individual employees. A total of 20,498 shares with a market value of EUR 0.9 million were used to settle the income tax liability of several employees ('net settlement feature'). An amount of EUR 0.5 million (2023: 2.7 million) was charged to personnel expenses and credited to total equity (overall no impact on equity).

PSP 2023-2025: In May/June 2023, a total number of 135,500 (100%) conditional shares were granted and accepted. In February 2024, a total number of 39,000 (100%) conditional shares were granted to the CEO and accepted. In October, a total number of 25,000 (100%) conditional shares were granted to new employees and accepted. The fair value of the Performance Shares is based on the share price on the grant date, minus the discounted value of the expected dividends in the period that the shares were granted conditionally, in view of the fact that the participants are not entitled to dividends during the vesting period. The expected dividends are based on the Group's dividend policy. As at the end of 2024, there are still 186,500 conditional shares in circulation (2023: 135,500 shares). The total fair value of the 186,500 conditional shares was EUR 6.7 million. An amount of EUR 2.1 million was charged to the personnel expenses and credited to total equity (overall no impact on equity).

The Management Board members participate in the Performance Share Plan. The details are mentioned in the remuneration of the Management and Supervisory Board as disclosed in note 33.9.

accounting policies

A limited number of executives of the Group are given the opportunity to participate in a long-term equity-settled incentive plan. The fair value of the rights to shares is expensed on a straight-line basis over the vesting period with a corresponding increase in equity. The total amount taken into account is determined based on the fair value of the shares as determined on the grant date without taking into account the non-market related performance criteria and continued employment conditions ('vesting conditions'). These vesting conditions are included in the expected number of shares that will be vested and this estimate will be revised at the end of each reporting period. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserves.

13.4 dividend

The dividends paid in 2024 amounted to EUR 1.13 per share (2023: EUR 1.11 per share).

A dividend in respect of the year ended 31 December 2024 of EUR 1.13 per share will be proposed at the General Meeting to be held on 10 April 2025.

These financial statements do not reflect this dividend payable. The dividend payment will be subject to 15% Dutch withholding tax.

13.5 non-controlling interests

Non-controlling interests amount to EUR 61.2 million (2023: EUR 52.1 million), where the result for the year, including other comprehensive income, amounts to EUR 9.2 million (2023: EUR 8.1 million).

14. bank loans

	2024	2023
as at 1 January	**485.6**	**537.2**
repayment of bank loans	(109.0)	(59.3)
new bank loans	27.3	10.3
currency translation differences	4.5	(2.6)
as at 31 December	**408.4**	**485.6**
current portion of bank loans	126.6	96.9
non-current bank loans	281.8	388.7
as at 31 December	**408.4**	**485.6**

The carrying amount of bank loans approximates the fair value; the effective interest rate approximates the average interest rate. The average effective interest rate on the portfolio of loans outstanding in 2024, including hedge instruments related to these loans, amounted to 2.4% (2024: 2.4%). There are no assets pledged as security for bank loans.

The Group's bank loans are denominated in the following currencies:

	31-12-2024	31-12-2023
Euro	330.0	385.0
Polish Zloty	24.8	12.2
US dollar	53.6	88.4
Total	**408.4**	**485.6**

14.1 bank covenants

Aalberts has agreed the following covenants with its banks which are tested twice a year:

	leverage ratio	interest cover ratio
facilities refinanced in 2021		
as at 30 June of each year	< 3.5	> 3.0
as at 31 December of each year	< 3.0	> 3.0
facilities refinanced in 2023		
as at 30 June of each year	< 3.75	> 3.0
as at 31 December of each year	< 3.25	> 3.0

The interest rate margin depends on the leverage ratio achieved.

The following definitions are used to calculate the ratios:

- leverage ratio: net debt / EBITDA
- interest cover ratio: EBITDA / net interest expense

EBITDA is adjusted for non-recurring items in accordance with the bank covenants. Both EBITDA and net interest expense are on 12-month rolling basis.

At year-end the requirements in the covenants are met as stated below:

	31-12-2024	31-12-2023
leverage ratio	1.0	0.9
interest cover ratio	21.3	19.7

EBITDA and net debt amounts are calculated as follows:

	2024	2023
reported EBITDA	545.3	662.6
adjustment for acquisitions and disposals	(12.6)	(32.5)
adjustment for non-recurring items	74.4	19.1
EBITDA	**607.1**	**649.2**

	31-12-2024	31-12-2023
bank loans	408.4	485.6
lease liabilities	195.5	161.9
current borrowings	82.7	55.1
cash	(89.8)	(119.7)
liabilities held for sale	0.6	–
net debt	**597.4**	**582.9**

The net interest expense is disclosed in note 24.

accounting policies

Bank loans are initially recognised at fair value net of transaction costs and are subsequently stated at amortised cost using the effective interest method. Bank loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

15. lease liabilities

	2024	2023
as at 1 January	**161.9**	**174.2**
new leases and renewals	70.6	30.0
lease payments	(45.1)	(39.5)
interest expense on lease liabilities	3.4	2.2
acquisition of subsidiaries	1.5	–
disposal of subsidiaries	–	(3.0)
reclassified to held for sale	(0.6)	–
early terminations	–	(0.7)
currency translation differences	3.8	(1.3)
as at 31 December	**195.5**	**161.9**
current portion of lease liabilities	42.6	33.7
non-current lease liabilities	152.9	128.2
as at 31 December	**195.5**	**161.9**

The right-of-use assets related to the lease liabilities are disclosed in note 7.

accounting policies

Lease liabilities are initially measured at the present value of the lease payment to be paid during the lease term, discounted using the incremental borrowing rate. Lease liabilities are subsequently increased by the interest expense on the lease liabilities and decreased by lease payments made during the lease term. Lease contracts may have extension or termination options. Lease payments to be made under reasonably certain extension options are also included (termination options: excluded) in the measurement of the liability. Lease liabilities are remeasured when there is a change in the amount to be paid (variable lease payments based on an index or rate) or when there is a change in the assessment of the lease term (making use of the extension and termination options).

To determine the incremental borrowing rate, the Group uses a build-up approach that includes a risk-free interest rate adjusted for credit risk for leases held by Aalberts, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Payment of principal amounts are included in the cash flow from financing activities, while payments of interest are included in the cash flow from operating activities.

16. deferred income taxes

	tax losses	intangible assets	property, plant and equipment	right-of-use assets	lease liabilities	provisions	working capital and other	offsetting	**net (asset)/ liability**
as at 1 January 2024	**(3.5)**	**120.3**	**35.2**	**38.5**	**(40.2)**	**(13.0)**	**6.8**	**–**	**144.1**
income statement	(2.7)	(10.5)	(16.0)	8.8	(8.6)	(1.2)	4.0	–	**(26.2)**
other comprehensive income (equity)	–	–	–	–	–	0.6	(2.2)	–	**(1.6)**
reclassified to held for sale	–	–	(0.1)	–	–	0.1	0.3		**0.3**
currency translation	–	2.5	1.6	–	–	(0.6)	0.6	–	**4.1**
as at 31 December 2024	**(6.2)**	**112.3**	**20.7**	**47.3**	**(48.8)**	**(14.1)**	**9.5**	**–**	**120.7**
deferred income tax assets	(6.2)	(0.1)	(17.1)	–	(48.8)	(15.4)	(17.1)	81.7	**(23.0)**
deferred income tax liabilities	–	112.4	37.8	47.3	–	1.3	26.6	(81.7)	**143.7**
as at 31 December 2024	**(6.2)**	**112.3**	**20.7**	**47.3**	**(48.8)**	**(14.1)**	**9.5**	**–**	**120.7**

	tax losses	intangible assets	property, plant and equipment	right-of-use assets	lease liabilities	provisions	working capital and other	offsetting	**net (asset)/ liability**
as at 1 January 2023	**(2.3)**	**132.4**	**33.4**	**41.0**	**(43.1)**	**(13.4)**	**14.0**	**–**	**162.0**
income statement	(1.3)	(7.6)	2.8	(2.5)	2.9	0.6	(3.0)	–	**(8.1)**
other comprehensive income (equity)	–	–	–	–	–	(0.6)	(3.8)	–	**(4.4)**
disposal of subsidiaries	–	(3.3)	(0.3)	–	–	0.4	0.2	–	**(3.0)**
currency translation	0.1	(1.2)	(0.7)	–	–	–	(0.6)	–	**(2.4)**
as at 31 December 2023	**(3.5)**	**120.3**	**35.2**	**38.5**	**(40.2)**	**(13.0)**	**6.8**	**–**	**144.1**
deferred income tax assets	(3.5)	–	(3.2)	–	(40.2)	(14.4)	(10.3)	61.2	**(10.4)**
deferred income tax liabilities	–	120.3	38.4	38.5	–	1.4	17.1	(61.2)	**154.5**
as at 31 December 2023	**(3.5)**	**120.3**	**35.2**	**38.5**	**(40.2)**	**(13.0)**	**6.8**	**–**	**144.1**

unrecognised unused tax losses

The Group has unrecognised carry-forward tax losses amounting to EUR 50.4 million (2023: EUR 36.2 million). The related deferred income tax assets have not been recorded.

	31-12-2024	31-12-2023
expire in less than 1 year	1.8	–
expire between 1 and 5 years	12.2	9.3
expire from 5 years or more	11.8	11.3
indefinite	24.6	15.6
total	**50.4**	**36.2**

accounting policies

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The deferred tax asset is recognised for the carry-forward of unused tax losses, unused tax credits and deductible temporary differences to the extent that these can be offset by probable future taxable profits. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax asset will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances of an entity relate to the same taxation authority, or for different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The group has applied a temporary mandatory relief from deferred tax accounting for the impact of Pillar Two income taxes and accounts for them as current taxes when they are incurred.

17. provisions for employee benefits

	present value (partly) funded obligations	fair value plan assets	**net liability of funded schemes**	present value unfunded obligations	**total 2024**	present value (partly) funded obligations	fair value plan assets	**net liability of funded schemes**	present value unfunded obligations	**total 2023**
as at 1 January	**133.2**	**(114.0)**	**19.2**	**13.7**	**32.9**	**134.2**	**(113.1)**	**21.1**	**14.1**	**35.2**
current service cost	0.5	–	**0.5**	0.7	**1.2**	0.8	–	**0.8**	0.6	**1.4**
interest expense / (income)	5.4	(4.7)	**0.7**	0.5	**1.2**	5.7	(4.9)	**0.8**	0.5	**1.3**
curtailments and settlements	–	0.4	**0.4**	(0.1)	**0.3**	(4.3)	3.8	**(0.5)**	–	**(0.5)**
in income statement	**5.9**	**(4.3)**	**1.6**	**1.1**	**2.7**	**2.2**	**(1.1)**	**1.1**	**1.1**	**2.2**
remeasurements:										
plan assets	–	5.4	**5.4**	–	**5.4**	–	(1.1)	**(1.1)**	–	**(1.1)**
demographic assumptions	1.5	–	**1.5**	–	**1.5**	(1.3)	–	**(1.3)**	–	**(1.3)**
financial assumptions	(8.9)	–	**(8.9)**	0.6	**(8.3)**	2.3	–	**2.3**	0.2	**2.5**
experience adjustments	(0.1)	–	**(0.1)**	(0.3)	**(0.4)**	2.3	–	**2.3**	–	**2.3**
in other comprehensive income	**(7.5)**	**5.4**	**(2.1)**	**0.3**	**(1.8)**	**3.3**	**(1.1)**	**2.2**	**0.2**	**2.4**
contributions by employer	–	(4.4)	**(4.4)**	–	**(4.4)**	–	(4.0)	**(4.0)**	–	**(4.0)**
contributions by participants	0.2	(0.2)	**-**	–	**-**	0.2	(0.2)	**-**	–	**-**
benefits paid	(6.8)	6.8	**-**	(1.3)	**(1.3)**	(6.7)	6.7	**-**	(1.5)	**(1.5)**
disposal of subsidiaries	–	–	**-**	–	**-**	(2.6)	1.2	**(1.4)**	(0.1)	**(1.5)**
currency translation	4.9	(4.5)	**0.4**	–	**0.4**	2.6	(2.4)	**0.2**	(0.1)	**0.1**
as at 31 December	**129.9**	**(115.2)**	**14.7**	**13.8**	**28.5**	**133.2**	**(114.0)**	**19.2**	**13.7**	**32.9**

The retirement benefit obligations are largely related to defined benefit plans in the UK, Germany and France. The liability in the balance sheet and the amounts recognised in the income statement for these countries are as follows:

	United Kingdom	Germany	France	other	**total 2024**	United Kingdom	Germany	France	other	**total 2023**
balance sheet										
funded obligations	106.0	5.5	1.8	16.6	**129.9**	110.3	5.8	1.7	15.4	**133.2**
fair value of plan assets	(97.8)	(3.9)	(0.9)	(12.6)	**(115.2)**	(96.1)	(4.1)	(0.8)	(13.0)	**(114.0)**
net liability of funded schemes	**8.2**	**1.6**	**0.9**	**4.0**	**14.7**	**14.2**	**1.7**	**0.9**	**2.4**	**19.2**
unfunded obligations	0.2	4.1	7.9	1.6	**13.8**	0.1	4.8	6.4	2.4	**13.7**
as at 31 December	**8.4**	**5.7**	**8.8**	**5.6**	**28.5**	**14.3**	**6.5**	**7.3**	**4.8**	**32.9**
income statement										
current service cost	–	0.1	0.6	0.5	**1.2**	0.3	0.1	0.6	0.4	**1.4**
interest expense / (income)	0.5	0.2	0.3	0.2	**1.2**	0.6	0.3	0.3	0.1	**1.3**
curtailments and settlements	0.4	–	–	(0.1)	**0.3**	–	–	(0.1)	(0.4)	**(0.5)**
in income statement	**0.9**	**0.3**	**0.9**	**0.6**	**2.7**	**0.9**	**0.4**	**0.8**	**0.1**	**2.2**

The significant actuarial assumptions used for the calculations of the defined benefit obligations are:

	2024			2023		
	United Kingdom	Germany	France	United Kingdom	Germany	France
actuarial assumptions						
discount rate	5.4%	3.2%	3.4%	4.5%	3.5%	4.1%
rate of inflation	3.3%	2.2%	2.0%	3.1%	2.4%	2.2%
future salary increases	–	2.8%	3.0%	–	2.8%	3.0%

Assumptions regarding future mortality are based on published statistics and mortality tables in the respective countries. The sensitivity of the defined benefit obligation to changes in the actuarial assumptions is:

	change in assumption	impact on defined benefit obligation
actuarial assumptions		
discount rate	+ 0.5%	decrease by 5.0%
rate of inflation	+ 0.5%	increase by 3.1%
future salary increases	+ 0.5%	increase by 0.3%
life expectancy	+ 1 year	increase by 1.8%

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, the outcome will deviate from this analysis because assumptions may be correlated.

The plan assets consist of the following categories:

	2024	2023
equities	36%	35%
bonds	5%	6%
other net assets	59%	59%
total	**100%**	**100%**

The other net assets mainly comprise collective insurance contracts held by insurance companies.

The Dutch subsidiaries participate in multi-employer pension plans. Under IFRS these plans qualify as defined contribution plans as sufficient information is not available to recognise as a defined benefit plan.

The Group expects EUR 4.8 million in contributions to be paid to its defined benefit plans in 2025 of which EUR 4.1 million is related to the UK defined benefit plans.

United Kingdom defined benefit plans

The defined benefit plans in the UK comprise the Yorkshire Fittings Pension Scheme and the Hauck Heat Treatment Limited Group Pension Scheme (previously known as TTI Group Pension Scheme). The defined benefit plans can be classified as final salary benefit plans.

Both plans are subject to funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator, and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans. Together with the trustees, the investment strategy is reviewed at the time of each funding valuation. In addition and in accordance with the actuarial valuations, the Group has agreed with the trustees of the pension schemes that it will meet expenses of the plans and levies to the Pension Protection Fund as and when they are due.

None of the fair values of the related assets include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company. All the scheme assets have a quoted market price in an active market with the exception of the Trustee's bank account balance. The plan asset scheme of Yorkshire Fittings Pension Scheme holds next to equities, bonds, property and cash also Liability Driven Investments ('LDI'). The LDI aim to hedge a significant part of the inflation risk and interest rate risk to the liabilities. The LDI are classified as 'other net assets'.

Yorkshire Fittings Pension Scheme

The Yorkshire Fittings Pension Scheme is a separate trustee administrated fund, holding the pension assets to meet long-term pension liabilities for some 560 past employees. The scheme closed to future accrual with effect from 31 December 2010. The weighted average duration of the defined benefit obligation at the period ended 31 December 2024 is 12 years.

The most recent statutory funding valuation of Yorkshire Fittings Pension Scheme was carried out as at 31 March 2021 and showed a deficit of GBP 30.2 million. The company has agreed with the trustees that it will aim to eliminate the deficit over a period of 7 years and 10 months from 1 April 2022 by the payment of GBP 2.4 million per annum, increasing by 4% per annum. The Company has issued a parent guarantee, for an amount of GBP 48.0 million.

The IAS 19 actuarial report of the Yorkshire Fittings Pension Scheme shows a deficit of GBP 7.2 million as at 31 December 2024 (2023: GBP 11.9 million).

Hauck Heat Treatment Limited Group Pension Scheme

The Hauck Heat Treatment Limited Group Pension Scheme is a separate trustee administrated fund, holding the pension assets to meet long-term pension liabilities for some 160 past employees. The scheme closed to future accrual with effect from 30 September 2007. The average duration of the defined benefit obligation at the period ended 31 December 2023 is 12 years. The most recent statutory funding valuation of Hauck Heat Treatment Limited Group Pension Scheme was carried out as at 31 December 2021 and showed a deficit of GBP 7.8 million.

The company has agreed with the trustees that it will aim to eliminate the deficit over a period of 5 years and 2 months from 1 January 2022 by the payment of GBP 0.7 million per annum in respect of the deficit. The Company has issued a parent guarantee, for a maximum amount of GBP 15.5 million.

The IAS 19 actuarial report of the Hauck Heat Treatment Limited Group Pension Scheme shows a surplus of GBP 0.4 million as at 31 December 2024 (2023: deficit GBP 0.5 million).

accounting policies

The Group has a number of pension plans in accordance with local conditions and practices. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Mainly in the UK, Germany and France, the plans are partly defined benefit plans. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Remeasurements, including actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are recognised in other comprehensive income and therefore immediately charged or credited to equity.

The service costs including past service costs and the impact of curtailments and settlements are recognised as personnel expenses. The interest expenses are recognised as net interest expenses on employee benefit plans as part of net finance cost. Curtailment gains and losses are accounted for as past service costs.

18. provisions

	earn out	restructuring	claims	other	**total**
current portion	–	9.9	–	–	**9.9**
non-current portion	4.1	–	7.9	9.4	**21.4**
as at 1 January 2024	**4.1**	**9.9**	**7.9**	**9.4**	**31.3**
additions	11.3	30.8	30.7	1.8	**74.6**
used / paid during year	–	(14.6)	(3.8)	(2.1)	**(20.5)**
acquisition of subsidiaries	1.0	–	–	–	**1.0**
unused amounts reversed	–	(0.6)	–	(1.0)	**(1.6)**
as at 31 December 2024	**16.4**	**25.5**	**34.8**	**8.1**	**84.8**
current portion	15.3	25.5	33.2	–	**74.0**
non-current portion	1.1	–	1.6	8.1	**10.8**
as at 31 December 2024	**16.4**	**25.5**	**34.8**	**8.1**	**84.8**

Provision for earn out relates to result dependent deferred purchase consideration for acquisitions for an amount of EUR 16.4 million (2023: EUR 4.1 million).

An amount of EUR 30.8 million was added to the restructuring provision mainly as part of the 2024 accelerated operational excellence programmes. The amount of EUR 30.8 million is recognised in the income statement as personnel expenses. At year-end the restructuring provision amounts to EUR 25.5 million (2023: EUR 9.9 million), of which EUR 21.2 million relates to the operational excellence programme of 2024.

An amount of EUR 30.7 million was added to the provision for claims in 2024 and recognised in the income statement as other operating expenses. This includes an addition of EUR 28.2 million to a prior year provision based on the outcome of an arbitral award in 2024. Although a request for annulment will be filed, we provided for the full amount that has been awarded because we consider the possibility of annulment of the award to be low. The amount is due within one year and therefore recognised as a current liability. Any claims from legal proceedings are provided at best estimate for the lowest amount at which the Group expects the claim to be reasonably settled.

Other provisions amount to EUR 8.1 million as per 31 December 2024 (2023: EUR 9.4 million) and include liabilities related to normal business operations and provisions for environmental restoration. Due to the highly uncertain timing of the expected future cash outflow, amounts provided are categorised to be settled after one year of the balance sheet date.

accounting policies

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

19. trade and other payables

	31-12-2024	31-12-2023
trade creditors	309.9	317.9
investment creditors	27.8	36.2
customer related payables	70.3	82.8
total	**408.0**	**436.9**

Trade and other payables are payables arising from the Group's normal business operations. Trade and other payables fall due in less than one year. The fair value of the trade and other payables approximates the book value, due to their short-term character.

accounting policies

Trade and other payables are initially measured at fair value and subsequently at amortised cost. Trade payables are derecognised when the contractual obligation is either discharged, cancelled or expired.

20. other current liabilities

	31-12-2024	31-12-2023
social security charges and taxes	27.2	27.6
value added tax	24.2	25.9
accrued expenses	63.2	47.8
accrued interest	0.7	3.0
amounts due to personnel	71.9	72.9
deferred consideration liability	–	2.4
derivative financial instruments	0.5	0.4
other	26.1	25.5
total	**213.8**	**205.5**

Other current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value, due to their short-term character.

20.1 derivative financial instruments

The derivative financial instruments consist of the following items:

	31-12-2024	31-12-2023
foreign currency exchange contracts	0.5	0.4
derivative financial instruments - liabilities	**0.5**	**0.4**
interest rate swap contracts	(6.1)	(14.5)
foreign currency exchange contracts	(0.2)	(0.5)
derivative financial instruments - assets	**(6.3)**	**(15.0)**
total	**(5.8)**	**(14.6)**

The principal amounts of the outstanding interest rate swap contracts at 31 December 2024 were EUR 385.1 million (2023: EUR 474.7 million), for foreign currency exchange contracts EUR 192.0 million (2023: EUR 143.0 million).

The maturity of interest rate swaps is directly related to the bank loans (note 14) and are used for hedging. The foreign currency exchange and metal hedging contracts are classified as held for trading and are short-term.

The fair value of financial instruments equals the market value at 31 December 2024. All financial instruments are classified as level 2.

accounting policies

The Group uses derivative financial instruments like interest rate swaps, foreign currency contracts and commodity futures to hedge cash flow risks from non-current borrowings, foreign currency exchange and commodity prices. In accordance with its treasury policy, the Group neither holds nor issues derivate financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are classified as held for trading instruments for accounting purposes and are accounted for at fair value through profit and loss. Derivatives are stated at fair value. Changes in the fair value of these financial instruments are recognised immediately in the income statement. However, where the derivatives qualify for hedge accounting, recognition of any resulting gain or loss depends on the nature of the item being hedged.

At the inception of the hedge relationship, the Group determines the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on ongoing basis, the Group determines whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the hedge effectiveness requirements. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The valuation of the interest rate swaps is based on future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. The valuation of foreign currency hedging contracts is based on future cash flows which are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

20.2 deferred consideration liability

	2024	2023
as at 1 January	**2.4**	**6.6**
payments	(2.4)	(5.2)
acquired subsidiaries	–	0.9
currency translation	–	0.1
as at 31 December	**–**	**2.4**
current portion of deferred consideration liability	–	2.4
non-current financial liabilities	–	–
as at 31 December	**–**	**2.4**

The deferred consideration liability consists of fixed deferred payments in relation to the acquisition of subsidiaries. As per 31 December 2024 there is no deferred consideration liability outstanding (2023: EUR 2.4 million).

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21. personnel expenses

	2024	2023
wages and salaries	(727.0)	(735.7)
social security charges	(123.3)	(121.6)
defined benefit plans	(1.5)	(0.9)
defined contribution plans	(26.3)	(24.5)
termination benefits	(30.8)	(7.3)
other expenses related to employees	(23.8)	(26.1)
total	**(932.7)**	**(916.1)**

In the year under review, the average number of full-time employees amounted to 13,774 (2023: 14,571) of which 11,401 (2023: 12,187) full-time employees are active outside the Netherlands.

The termination benefits of EUR 30.8 million relate to the 2024 accelerated operational excellence programmes (2023: EUR 7.3 million).

The remuneration of the Management and Supervisory Board is disclosed as part of the company financial statements (note 33.9).

accounting policies

Personnel expenses are recognised when the related service is provided. For more details on accounting policies related to employee benefits provisions and share-based payments refer to note 17 and 13 respectively.

22. other operating expenses

	2024	2023
production expenses	(292.3)	(322.3)
selling expenses	(47.2)	(51.7)
housing expenses	(36.0)	(35.0)
general expenses	(177.9)	(130.5)
warranty costs	(2.6)	(4.4)
total	**(556.0)**	**(543.9)**

23. other income

	2024	2023
gains on disposal and earn-out gains	9.0	35.5
insurance amounts received	23.6	1.7
government grants	2.1	2.4
result on property, plant and equipment	0.8	4.4
other	9.7	5.3
total	**45.2**	**49.3**

The gains on disposals and earn-out gains of EUR 9.0 million in 2024 mostly relates to the disposal of Elkhart Products Corporation. In 2023, the gains on disposals and earn-out gains of EUR 35.5 million mostly related to the disposals of Disptek Group. Refer to note 29.2 for further details on the disposal of subsidiaries.

In 2024, the insurance amounts of EUR 23.6 million were mainly related to insurance reimbursement to compensate for damaged assets due to fire incidents and business interruption expenses.

accounting policies

Other income is income not related to the key business activities of the Group or relates to non-recurring items. Other income from asset disposals is recognised in profit or loss when control over the sold asset is transferred to the buyer. The amount recognised as other income equals the proceeds obtained minus the net book value of the sold asset. Insurance amounts received relate to business interruption insurance and to the excess amounts received above the net book value of the lost assets.

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all related conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match the costs they are intended to compensate. Government grants relating to compensation for personnel are deducted from the personnel expenses. Government grants relating to the purchase of property, plant and equipment are deducted from the carrying amount of that property, plant and equipment.

24. net finance cost

	2024	2023
interest cost on bank loans and current borrowings	(26.4)	(31.4)
interest cost on lease liabilities	(3.4)	(2.2)
total interest expense	**(29.8)**	**(33.6)**
interest income	1.3	0.6
net interest expense	**(28.5)**	**(33.0)**
foreign currency exchange contracts	(0.4)	1.4
fair value results on derivative financial instruments	**(0.4)**	**1.4**
net interest expense on employee benefit plans	(1.2)	(1.3)
unwinding of discounts	–	(0.7)
foreign currency exchange results	(0.7)	(5.8)
net finance cost	**(30.8)**	**(39.4)**

accounting policies

Interest expense and income on current and non-current borrowings, foreign currency exchange results and fair value changes on derivative financial instruments are recognised in the income statement in net finance cost if no hedge accounting is applied. Results from derivative financial instruments for which hedge accounting is applied are brought from equity to net finance cost upon expiration and in relation with the hedged item.

25. income tax expense

	2024	2023
current tax:		
current year	(96.0)	(115.0)
prior years	(4.4)	3.4
total current tax	**(100.4)**	**(111.6)**
deferred tax	26.2	8.1
total income tax expense	**(74.2)**	**(103.5)**

	2024	%	2023	%
profit before tax	261.6	100.0	424.0	100.0
tax at domestic rates	**(67.7)**	**(25.9)**	**(107.7)**	**(25.4)**
non-deductible expenses	(15.1)	(5.8)	(5.2)	(1.2)
tax-exempt results and tax relief facilities	13.6	5.2	9.0	2.1
other effects	(5.0)	(1.9)	0.4	0.1
total income tax expense and effective tax rate %	**(74.2)**	**(28.4)**	**(103.5)**	**(24.4)**

accounting policies

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which an applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

26. earnings and dividends per share

26.1 earnings per share

Earnings per share are calculated as follows:

	2024	2023
net profit (in EUR million)	179.1	315.8
weighted average number of shares in issue (in units)	110,580,102	110,580,102
basic earnings per share (in EUR)	**1.62**	**2.86**
net profit (in EUR million)	179.1	315.8
weighted average number of shares in issue including effect of performance share plan (in units)	110,766,602	110,807,602
diluted earnings per share (in EUR)	**1.62**	**2.85**

In addition to the earnings per share based on net profit, the Group calculated earnings per share before amortisation and exceptionals:

	2024	2023
net profit before amortisation and exceptionals (in EUR million)	344.5	373.4
weighted average number of shares in issue (in units)	110,580,102	110,580,102
basic earnings per share before amortisation and exceptionals (in EUR)	**3.12**	**3.38**
net profit before amortisation and exceptionals (in EUR million)	344.5	373.4
weighted average number of shares in issue including effect of performance share plan (in units)	110,766,602	110,807,602
diluted earnings per share before amortisation and exceptionals (in EUR)	**3.11**	**3.37**

The net profit before amortisation and exceptionals (in EUR million) is as follows:

in EUR million	2024	2023
net profit	**179.1**	**315.8**
amortisation	58.2	57.6
exceptional (income) / cost	120.5	–
tax impact on exceptionals	(13.3)	–
net profit before amortisation and exceptionals	**344.5**	**373.4**

accounting policies

The Group presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. Diluted EPS is determined by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential shares which comprise share rights granted for performance share plans.

26.2 dividends per share

The dividends paid in 2024 were EUR 1.13 per share (2023: EUR 1.11 per share). A dividend in respect of the year ended 31 December 2024 of EUR 1.13 per share will be proposed at the General Meeting to be held on 10 April 2025. These financial statements do not reflect this dividend payable.

27. contingent liabilities

The Group has contingent liabilities in respect of bank and other guarantees arising from the ordinary course of business. It is not anticipated that any material liabilities will rise from the contingent liabilities. The Group has provided bank guarantees in the ordinary course of business amounting to EUR 8.3 million (2023: EUR 16.1 million) to third parties. In addition, the guarantees and liability undertakings mentioned in note 33.10 apply to the Group. In addition, a contingent liability exists in relation to the foreseen disposal of the Russian activities. Based on a future transaction an amount of exit-tax needs to be paid to the government by the buyer. In case the exit-tax exceeds the available cash and bank balances within the disposed entities, it's possible that the shortfall will be paid to the buyer.

accounting policies

A contingent liability is a liability of uncertain timing and amount. Contingencies are not recognised in the balance sheet because the existence can only be confirmed by occurrence or non-occurrence of one or more uncertain future events, or because the risk of loss is estimated to be possible but not probable or because the amount cannot be measured reliably.

28. commitments

At year-end, outstanding commitments related to the purchase of copper, steel, brass and aluminium for the European building and industry operations amounted to EUR 42.5 million (2023: EUR 48.2 million).

At year-end, outstanding investment commitments related to property, plant and equipment amounted to EUR 86.7 million (2023: EUR 32.0 million). Investment commitments related to intangible assets amounted to EUR 2.0 million (2023: EUR 1.5 million).

In December 2024, Aalberts N.V. has reached an agreement to acquire 100% of the shares of Paulo Products Company (Paulo), operating five facilities in the USA and one in Mexico, generating an annual revenue of approximately USD 105 million with 522 employees. The transaction, which is conditional on regulatory approvals, is expected to be finalised in the second quarter of 2025. The results of Paulo will be consolidated immediately thereafter. The acquisition will directly contribute to the earnings per share and will be financed from existing credit facilities.

29. business combinations

29.1 acquisition of subsidiaries

The following group company was acquired in 2024:

company	as of	interest	segment
Steel Goode Products LLC (SGP)	October 2024	100%	industry

Aalberts acquired 100% of the shares of Steel Goode Products LLC (SGP), generating an annual revenue of approximately USD 15 million with 75 FTE. SGP operates two facilities in Texas and one in Ohio, USA. SGP is a leading provider of thermal spraying and finishing services, specialising in enhancing wear resistance and corrosion protection for a wide range of critical components. This acquisition is in line with our group strategy to expand our presence in the US and will strengthen our service network in the Southern region and expand our geographic footprint in the Northeast. By combining SGP's expertise with our existing technology solutions, we are creating a stronger business with significantly increased scale and enhanced benefits for our customers. The experienced management of SGP will work closely with our management of Aalberts surface technologies in North America, who will continue to lead the business and drive future growth opportunities.

As at acquisition date the fair values of assets, liabilities and cash flow on account of this acquisition was as follows:

	total
fair values of assets and liabilities arising from business combinations	
intangible assets	6.9
property, plant and equipment	2.2
right-of-use assets	1.5
inventories	0.9
receivables and other current assets	3.4
cash and current borrowings	0.9
lease liabilities	(1.5)
payables and other current liabilities	(0.8)
net assets acquired	**13.5**
purchase consideration settled in cash	17.8
deferred purchase consideration	1.0
total purchase consideration	**18.8**
goodwill	5.3
purchase consideration settled in cash	17.8
cash and current borrowings	(0.9)
cash outflow from acquisitions	**16.9**

The fair values of the identifiable assets and liabilities as at acquisition date for the acquisition in 2024 is based on the outcome of the preliminary purchase price allocation. Therefore, the fair values of the identifiable assets and liabilities were determined provisionally and are subject to change, awaiting further validation and verification of assumptions used. The purchase price allocations will be finalised within 12 months from the applicable acquisition date.

The total purchase consideration of EUR 18.8 million includes a contingent deferred purchase consideration of EUR 1.0 million, which is depending on the results for 2025. This contingent deferred purchase consideration represents the fair value as at acquisition date. The contingent deferred purchase consideration is recognised as part of the provisions.

The goodwill of EUR 5.3 million that is related to the acquired business, mainly include the benefit of anticipated synergies, future market developments and knowhow.

The increase of the 2024 revenue due to the consolidation of the acquisition amounted to EUR 3.4 million. The contribution to the 2024 operating profit of Aalberts amounted to EUR 0.8 million. Had this acquisition been effected at 1 January 2024, the contribution to the 2024 revenue would have been EUR 11.6 million (pro-forma). The contribution to the operating profit for the year would have been EUR 1.2 million (pro-forma).

The Group incurred acquisition related costs such as external legal fees and due diligence costs for an amount of EUR 0.3 million. These costs have been excluded from the purchase consideration and have been recognised as an expense in the current year within the general expenses line item (part of other operating expenses).

Contingent purchase considerations with respect to prior year acquisitions were paid in cash during 2024 for a total amount of EUR 2.4 million. Together with the EUR 16.9 million cash outflow for the 2024 acquisition, this resulted in a total cash outflow from acquisitions of EUR 19.3 million in 2024.

accounting policies

Business combinations are accounted for using the acquisition method. This means that at the time of acquisition the identifiable assets and liabilities of the acquiree are included at their fair value, considering any contingent liabilities, indemnification assets, reacquired rights and the settlement of existing clients with the acquired group company. The purchase consideration is set at the payment transferred and consists of the fair value of all assets transferred, obligations entered into, and shares issued in order to obtain control of the acquired entity. This includes an estimate of the conditional purchase consideration.

Any contingent consideration payable is measured at fair value at acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

All identifiable intangible assets of the acquired company are recorded at fair value. Intangible assets are separately identified and valued. An asset is identifiable when it either arises from contractual or other legal rights or if it is separable. An asset is separable if it can be sold on its own or with other assets. The transferred payment is allocated across the fair value of all assets and liabilities with any residual allocated to goodwill.

Excess of the acquirer's interest in the net fair value of the acquired identifiable assets over the fair value of the payment is recognised immediately in the statement of comprehensive income. Acquisition-related costs are expensed as incurred.

The accounting of non-controlling interests is determined per transaction. The non-controlling interests are valued either at the fair value on the acquisition date or at a proportionate part of the acquiree's identifiable assets and liabilities.

If an acquisition is affected by consecutive purchases (step acquisition) the identifiable assets and liabilities of the acquiree are included at their fair value once control is acquired. Any profit or loss pursuant to the difference between the fair value of the interest held previously in the acquiree and the carrying amount is included in the income statement.

29.2 disposal of subsidiaries

The following group company was divested in 2024:

company	as of	interest	segment
Elkhart Products Corporation Inc (EPC)	August 2024	100%	building

Aalberts divested Elkhart Products Corporation, a copper solder fitting manufacturer in the United States generating an annual revenue of approximately USD 80 million.

The book value of the assets and liabilities disposed of and the cash flow impact in 2024 is as follows:

	total
book value of the assets and liabilities disposed	
intangible assets	11.9
property, plant and equipment	5.5
inventories	18.0
receivables and other current assets	13.7
cash and current borrowings	1.0
payables and other current liabilities	(13.5)
currency translation	(8.8)
net assets disposed	**27.8**
consideration settled in cash	36.4
deferred consideration	(0.6)
total consideration	**35.8**
gain on disposal	**8.0**
consideration settled in cash	36.4
cash and current borrowings	(1.0)
cash inflow from disposals	**35.4**

The gain on disposals in 2024 amounted to EUR 8.0 million, while the deferred consideration related to prior year divestments increased/reversed with EUR 1.0 million. As a result, the gain on the 2024 disposal and the adjustment to prior year divestments amounted to EUR 9.0 million and is recognised in other income (see note 23). The 2024 disposals resulted in a net cash inflow of EUR 35.4 million. Deferred considerations for prior year disposals were settled in cash in 2024 for an amount of EUR 7.3 million. Together with the cash inflow for 2024 disposals, this results in a total cash inflow from disposals of EUR 42.7 million.

The contribution of the disposed activities to the 2024 revenue amounted to EUR 39.1 million. The contribution to the 2024 operating profit amounted to EUR 3.7 million.

In August 2023 Aalberts divested 100% of the shares of Disptek Group (‘Disptek’). Disptek was part of the industry segment and has locations in Germany, Italy, United Kingdom and the USA. Disptek generated an annual revenue of approximately EUR 75 million.

In 2023, the gain on disposals amounted to EUR 32.3 million, while the deferred consideration related to prior year divestments reversed with EUR 2.3 million. As a result, the gain on the 2023 disposal and the adjustment to prior year divestments amounted to EUR 30.0 million and is recognised in other income (see note 23). The 2023 disposals resulted in a net cash inflow of EUR 94.2 million. Deferred considerations for prior year disposals were settled in cash in 2023 for an amount of EUR 3.9 million. Together with the cash inflow for 2023 disposals, this resulted in a total cash inflow from disposals in 2023 of EUR 98.1 million.

29.3 assets held for sale

Aalberts has made the decision to leave Russia at the end of December 2024. Efforts to sell the Russian disposal group are continuing and Aalberts expects to reach an agreement in 2025. As a result, the Russian disposal group is classified as held for sale. Following a remeasurement to the fair value less costs to sell, an impairment loss of EUR 34.4 million is recognised in the income statement.

The assets and liabilities reclassified to held for sale and the remaining book value of assets held for sale and liabilities held for sale can be summarised as follows:

	total
intangible assets	11.9
property, plant and equipment	5.0
right-of-use assets	0.5
deferred tax asset	0.3
inventories	12.4
receivables and other current assets	4.3
impairment of assets held for sale	(34.4)
assets held for sale	**-**
lease liabilities	0.6
payables and other current liabilities	3.8
liabilities held for sale	**4.4**
net assets held for sale	**(4.4)**

In addition to the impairment, restructuring costs including write-off of inventories, personnel expenses and other operating expenses for a total amount of EUR 2.6 million are related to the decision to leave Russia. As a result, a total amount of EUR 37.0 million is included as costs in the income statement and also included in exceptional costs.

At 31 December 2024, the accumulated currency translation reserve within equity related to the Russian disposal group represented a loss of circa EUR 28.8 million. On completion of the divestment, the currency translation reserve within equity related to the Russian disposal group will be reclassified from equity to the income statement.

accounting policies

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

30. overview of significant subsidiaries

The consolidated financial statements of Aalberts incorporate the financial information of more than 200 legal entities controlled by the Company and its subsidiaries.

The *overview group companies* as included in this annual report shows the most important operational legal entities including the country in which their main operations are located. They all are wholly owned subsidiaries, unless indicated otherwise.

31. related parties

The Management Board and the Supervisory Board are considered key management. Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group as a whole. The total remuneration of key management in 2024 amounts to EUR 3.8 million (2023: EUR 4.7 million).

In addition transactions with Aalberts' pension funds qualify as related party transactions.

No material related party transactions have been executed other than transactions with pension funds (note 17) and remuneration of the Management Board and the Supervisory Board (note 33.9) under normal business conditions.

32. subsequent events

In relation to the outcome of the arbitral award and the addition to the provision for claims as disclosed in note 18, the Company filed a request for annulment of the arbitral award in February 2025.

company financial statements

company balance sheet (before profit appropriation)

in EUR million	notes	31-12-2024	31-12-2023
assets			
intangible assets		1.8	1.7
property, plant and equipment		0.7	0.8
investments in subsidiaries	33.2	3,014.1	2,985.6
deferred income tax assets		8.2	2.7
total non-current assets		**3,024.8**	**2,990.8**
receivables	33.3	24.1	23.4
total current assets		**24.1**	**23.4**
total assets		**3,048.9**	**3,014.2**

in EUR million	notes	31-12-2024	31-12-2023
equity and liabilities			
issued and paid-up share capital		27.6	27.6
share premium		200.8	200.8
currency translation reserve		(18.5)	(50.2)
hedging reserve		4.5	10.7
retained earnings		2,150.4	1,960.5
profit for the year		179.1	315.8
shareholders' equity	**33.4**	**2,543.9**	**2,465.2**
current borrowings	33.5	498.0	538.9
current liabilities	33.5	7.0	10.1
total current liabilities		**505.0**	**549.0**
total equity and liabilities		**3,048.9**	**3,014.2**

company income statement

in EUR million	notes	2024	2023
management fee and service charges		11.0	6.4
personnel expenses	33.6	(11.6)	(11.6)
housing expenses		(0.8)	(0.8)
general expenses		(14.6)	(8.3)
amortisation of intangible assets		(0.2)	–
depreciation of property, plant and equipment		(0.2)	(0.3)
operating profit / (loss)		**(16.4)**	**(14.6)**
net interest income / (expense)		(21.5)	(18.9)
profit / (loss) before income tax		**(37.9)**	**(33.5)**
income tax benefit / (expense)	33.7	12.8	10.0
result subsidiaries	33.2	204.2	339.3
profit after income tax		**179.1**	**315.8**

notes to the company financial statements

33.1 accounting principles

The company financial statements of Aalberts N.V. (the Company) are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. The Company prepared its consolidated financial statements in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual Report. For an appropriate interpretation, the company financial statements of Aalberts N.V. should be read in conjunction with the consolidated financial statements.

All amounts are presented in EUR million, unless stated otherwise. The balance sheet and income statement include references to the disclosure notes.

33.2 investments in subsidiaries

	2024	2023
as at 1 January	**2,985.6**	**2,609.1**
share in profit for the period	204.2	339.3
share in other comprehensive income	26.7	(45.9)
capital contribution / (repayment)	4.4	121.6
dividends paid	(206.8)	(38.5)
as at 31 December	**3,014.1**	**2,985.6**

A list of subsidiaries is available at the Chamber of Commerce (the Netherlands). Aalberts N.V. is registered in the Trade Register of Utrecht under No. 30089954.

accounting policies
Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. The share in the result of subsidiaries consists of the share of the Company in the result of these subsidiaries.

33.3 receivables

	31-12-2024	31-12-2023
current income tax receivables	20.2	17.3
intercompany receivables	1.1	3.9
other receivables	2.8	2.2
total	**24.1**	**23.4**

Receivables fall due in less than one year. The fair value of the receivables approximates the book value, due to their short-term character. Intercompany transactions are determined on an arm's length basis.

33.4 shareholders' equity

	share capital	share premium	translation reserve	hedging reserve	retained earnings	profit for the year	total shareholders' equity
as at 1 January 2024	**27.6**	**200.8**	**(50.2)**	**10.7**	**1,960.5**	**315.8**	**2,465.2**
profit for the period	–	–	–	–	–	179.1	**179.1**
other comprehensive income:							
remeasurements of employee benefit obligations	–	–	–	–	1.8	–	**1.8**
currency translation differences	–	–	31.7	–	–	–	**31.7**
fair value changes of derivative financial instruments	–	–	–	(8.4)	–	–	**(8.4)**
income tax effect on direct equity movements	–	–	–	2.2	(0.6)	–	**1.6**
other comprehensive income	**–**	**–**	**31.7**	**(6.2)**	**1.2**	**179.1**	**205.8**
total comprehensive income	**–**	**–**	**31.7**	**(6.2)**	**1.2**	**179.1**	**205.8**
dividend 2023	–	–	–	–	–	(125.0)	**(125.0)**
addition to retained earnings	–	–	–	–	190.8	(190.8)	**–**
share based payments	–	–	–	–	(2.1)	–	**(2.1)**
as at 31 December 2024	**27.6**	**200.8**	**(18.5)**	**4.5**	**2,150.4**	**179.1**	**2,543.9**

	share capital	share premium	translation reserve	hedging reserve	retained earnings	profit for the year	total shareholders' equity
as at 1 January 2023	**27.6**	**200.8**	**(17.2)**	**21.8**	**1,768.1**	**317.3**	**2,318.4**
profit for the period	–	–	–	–	–	315.8	**315.8**
other comprehensive income:							
remeasurements of employee benefit obligations	–	–	–	–	(2.4)	–	**(2.4)**
currency translation differences	–	–	(33.0)	–	–	–	**(33.0)**
fair value changes of derivative financial instruments	–	–	–	(14.9)	–	–	**(14.9)**
income tax effect on direct equity movements	–	–	–	3.8	0.6	–	**4.4**
other comprehensive income	**–**	**–**	**(33.0)**	**(11.1)**	**(1.8)**	**315.8**	**269.9**
total comprehensive income	**–**	**–**	**(33.0)**	**(11.1)**	**(1.8)**	**315.8**	**269.9**
dividend 2022	–	–	–	–	–	(122.7)	**(122.7)**
addition to retained earnings	–	–	–	–	194.6	(194.6)	**–**
share based payments	–	–	–	–	(0.4)	–	**(0.4)**
as at 31 December 2023	**27.6**	**200.8**	**(50.2)**	**10.7**	**1,960.5**	**315.8**	**2,465.2**

share capital

The authorised share capital amounts to EUR 50.0 million divided into:

- 200,000,000 ordinary shares of EUR 0.25 par value each; and
- 100 priority shares of EUR 1.00 par value each

The issued and paid-up share capital did not change in the course of the year under review. As at 31 December 2024, a total of 110,580,102 ordinary shares and 100 priority shares were issued and paid-up. We refer to the section Other information for the Special controlling rights under the Articles of Association of the 100 priority shares.

legal reserves

The legal reserves include the currency translation reserve and the hedging reserve. In addition, retained earnings contain a legal reserve for development cost recognised as intangible assets for an amount of EUR 12.5 million (2023: EUR 11.3 million). Legal reserves cannot be used for profit distribution.

profit appropriation 2023

In accordance with the resolution of the General Meeting held on 23 May 2024, the profit for 2023 has been appropriated in conformity with the proposed appropriation of profit stated in the 2023 financial statements.

profit appropriation 2024

The net profit for the year 2024 attributable to the shareholders amounting to EUR 179.1 million shall be available in accordance with the articles of association as disclosed in the section Other information. The Management Board proposes to declare a cash dividend of EUR 1.13 per share of EUR 0.25 par value. Any residual profit shall be added to reserves.

33.5 current liabilities

The current borrowings amount to EUR 498.0 million (2023: EUR 538.9 million) and consists of payables to group companies related to the internal cash pool.

The current liabilities consists of the following items:

	31-12-2024	31-12-2023
accounts payable	2.8	4.5
other payables and accruals	4.2	5.6
total	**7.0**	**10.1**

Current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value, due to their short-term character. Intercompany transactions are determined on an arm's length basis.

33.6 personnel expenses

	2024	2023
wages and salaries	(9.6)	(9.5)
social security charges	(0.6)	(0.5)
defined contribution plans	(1.1)	(1.0)
other expenses related to employees	(0.3)	(0.6)
total	**(11.6)**	**(11.6)**

The average number of employees in 2024 amounted to 36 full-time equivalents (2023: 32). The number of employees as at year-end is 41 (2023: 35) of which 1 full-time employee (2023: 0) is active outside the Netherlands.

33.7 income tax benefit / (expense)

	2024	2023
current tax:		
current year	5.4	5.1
prior years	1.9	0.8
total current tax	**7.3**	**5.9**
deferred tax	5.5	4.1
total income tax benefit / (expense)	**12.8**	**10.0**

33.8 audit fees

The following amounts are charged as audit fees by Deloitte Accountants B.V. and its member firm and/or affiliates (amounts in EUR 1,000).

	Deloitte Accountants B.V.	Deloitte network	Deloitte total
2024			
audit of financial statements	1,017	1,977	2,994
other audit and assurance related services	355	7	362
tax compliances services	–	95	95
other non-audit services	–	–	–
total	**1,372**	**2,079**	**3,451**

	Deloitte Accountants B.V.	Deloitte network	Deloitte total
2023			
audit of financial statements	990	1,946	2,936
other audit and assurance related services	–	6	6
tax compliances services	–	68	68
other non-audit services	–	–	–
total	**990**	**2,020**	**3,010**

The fees listed above relate to the services applied to the Company and its consolidated group companies by accounting firms and independent external auditors as referred to in Section 1(1) of the Dutch Audit Firms (Supervision) Act (Wta), as well as by Dutch and foreign-based Deloitte audit firms, including their tax services and advisory groups. The audit fees relate to the audit of the 2024 financial statements, regardless of whether the work was performed during the financial year. The other audit and assurance fees mainly relate to the limited assurance engagement on the 2024 sustainability statement.

33.9 remuneration of the Management and Supervisory Board

The total remuneration of the members of the Management Board for 2024 amounted to EUR 3.4 million (2023: EUR 4.3 million) and is determined in accordance with the remuneration policy as disclosed in the remuneration report.

amounts in EUR 1,000:
Stéphane Simonetta (CEO) received a salary of EUR 884 (2023: EUR 283), a bonus amounting to EUR 488 (2023: EUR 379), a pension contribution of EUR 126 (2023: EUR 41) and other benefits of EUR 87. At year-end he held a total of 10,000 ordinary shares in Aalberts. The number of conditional performance share awards that were granted in 2024 (PSP 2023-2025) amounted to 39,000 shares for which EUR 535 was charged to the income statement. He is entitled to an additional compensation of EUR 500 over a period of 3 years. As per 31 December 2024 the outstanding commitment amounts to EUR 167 and is conditional to his continued employment.

amounts in EUR 1,000:
Arno Monincx (CFO) received a salary of EUR 588 (2023: EUR 565), a bonus amounting to EUR 210 (2023: EUR 346), a pension contribution of EUR 103 (2023: EUR 99) and other benefits of EUR 33. At year-end he held a total number of 12,000 (2023: 24,000) ordinary shares in Aalberts. In 2024 118% of the 20,000 conditional shares that were granted in 2021 (PSP 2021–2023) vested in May 2024 for which EUR 114 (2023: EUR 429) was charged to the income statement. The number of conditional performance share awards that were granted in 2023 (PSP 2023-2025) amounted to 20,000 shares for which EUR 251 (2023: EUR 167) was charged to the income statement.

The share price of Aalberts as at 31 December 2024 amounted to EUR 34.34 per ordinary share. Additional information regarding conditional performances share awards is disclosed in note 13.

The following fixed individual remunerations were paid to members of the Supervisory Board:

amounts in EUR 1,000	2024	2023
P.A.M. van Bommel	82.0	84.3
L. Declercq	57.5	57.5
F. Melzer[1]	57.5	42.8
T. Menssen[1]	57.5	43.1
P. Veenema	60.0	60.0
J. van der Zouw	60.0	60.0
total	**374.5**	**347.7**

1. appointed EGM 9 March 2023

No loans, advances or guarantees have been granted to the members of the Management Board and the Supervisory Board. No options have been granted to members of the Supervisory Board. At year-end the members of the Supervisory Board do not hold shares in the Company.

33.10 contingent liabilities and commitments

The Company has guaranteed the bank loans of the Group for an amount of EUR 383.6 million (2023: EUR 473.3 million). In addition, the Company has guaranteed the two UK defined benefit Pension Schemes for an amount of GBP 63.5 million (2023: GBP 63.5 million).

The Company has guaranteed the liabilities of almost all of its Dutch group companies in accordance with the provisions of article 403, paragraph 1, Book 2, Part 9 of the Dutch Civil Code. Consequently, these companies are exempt from publication requirements.

The company forms a tax unity with almost all of its Dutch subsidiaries for both the income tax and value added tax. All tax unity members (including the Company) are jointly and severally liable for the tax obligations of the tax unity as a whole.

Several German subsidiaries as listed in the table will make use of the § 264 HGB / § 291 HGB exemption rules of filing their own (consolidated) financial statements.

name and seat of the company	direct and indirect participation %
Aalberts Deutschland GmbH, Kerpen	100%
Aalberts hfc GmbH, Velbert	100%
Aalberts hfc MST GmbH, Gerichshain	100%
Aalberts hfc SX GmbH, Argenbühl	100%
Aalberts Immobilien GmbH, Kerpen	100%
Aalberts integrated piping systems GmbH, Essen	100%
Aalberts Surface Technologies GmbH, Burg	100%
Aalberts Surface Technologies GmbH, Dunningen	100%
Aalberts Surface Technologies GmbH, Gaildorf	100%
Aalberts Surface Technologies GmbH, Göppingen	100%
Aalberts Surface Technologies GmbH, Kaufbeuren	100%
Aalberts Surface Technologies GmbH, Kerpen	100%
Aalberts Surface Technologies GmbH, Landsberg am Lech	100%
Aalberts Surface Technologies GmbH, Lübeck	100%
Aalberts Surface Technologies GmbH, Lüneburg	100%
Aalberts Surface Technologies GmbH, Mülheim an der Ruhr	100%
Aalberts Surface Technologies GmbH, Remscheid	100%
Aalberts Surface Technologies GmbH, Solingen	100%
Aalberts Surface Technologies GmbH, Velbert	100%
Aalberts Surface Technologies GmbH, Villingen-Schwenningen	100%
Aalberts Surface Technologies GmbH, Zwönitz	100%
Aalberts Surface Technologies Grundstücksverwaltungs GmbH, Kerpen	100%
Aalberts Surface Technologies Polymer GmbH, Lüneburg	100%
Flamco Stag Behälterbau GmbH, Genthin	100%
Heat-Power 24 GmbH, Velburg	100%
Integrated Dynamics Engineering GmbH, Raunheim	100%
iProcess Technologies GmbH, Lübtheen OT Jessenitz	100%
iProcess Technologies GmbH, Wünschendorf/Elster	100%
ISIFLO GmbH, Hemer	100%
UWS Technologie GmbH, Insingen	100%
WEMEFA Horst Christopeit GmbH, Velbert	100%

Utrecht, 26 February 2025

the Management Board	the Supervisory Board
Stéphane Simonetta (CEO)	Peter van Bommel (Chairman)
Arno Monincx (CFO)	Lieve Declercq (Member)
	Frank Melzer (Member)
	Thessa Menssen (Member)
	Piet Veenema (Member)
	Jan van der Zouw (Member)

other information

1. appropriation of profits under the articles of association

According to the Articles of Association of Aalberts N.V. the Management Board is authorised annually, with prior approval of the Supervisory Board, to add a portion of the net profit to the reserves. Any profits remaining will be at the disposal of the General Meeting based on the Articles of Association.

- The Company may only pay dividends and make other distributions to the shareholders and other persons entitled to the profit available for distribution to the extent that the shareholders' equity is greater than the amount of the paid-in and called-up portion of the capital plus the reserves that must be maintained by law.
- From the profit insofar as it may be distributed a distribution is, if possible, first made on each priority share, said distribution being a percentage of the nominal value paid-up on those shares. No further profit distributions are made on priority shares.
- The General Meeting may decide on the basis of a proposal of the Management Board approved by the Supervisory Board to make distributions chargeable to a reserve available for distribution, if the requirement reflected sub a. has been met.

2. special controlling rights under the articles of association

One hundred issued and paid-up priority shares are held by Stichting Prioriteit 'Aalberts N.V.', whose board members consist of Management Board and Supervisory Board members of Aalberts N.V. and an independent board member. A transfer of priority shares requires the approval of the Management Board.

- Every board member who is also a member of the Management Board of Aalberts N.V. has the right to cast as many votes as there are board members present or represented at the meeting who are also members of the Supervisory Board of Aalberts N.V.
- Every board member who is also a member of the Supervisory Board of Aalberts N.V. has the right to cast as many votes as there are board members present or represented at the meeting who are also members of the Management Board of Aalberts N.V.
- The independent member of the board of Stichting Prioriteit 'Aalberts N.V.' has the right to cast a single vote and can decide in the event of a tied vote of the board

The following principal powers are vested in the holders of priority shares:

- authorisation of every decision to issue shares;
- authorisation of every decision to designate a corporate body other than the General Meeting to issue shares;
- authorisation of every decision to limit or exclude the preferential rights of shareholders in the event of an issue of shares;
- authorisation of every decision to repurchase paid-up shares in the capital of the Company or depositary receipts thereof for no consideration or subject to conditions;
- authorisation of every decision to dispose of shares held by the Company in its own capital;
- authorisation of every decision to reduce the issued capital through the cancellation of shares or through a decrease in the par value of shares by amending the Articles of Association;
- determination of the number of members of the Management Board;
- to make a binding nomination to the General Meeting concerning the appointment of members of the Management Board and Supervisory Board;
- to approve the sale of a substantial part of the operations of the Company;
- to approve acquisitions that would signify an increase of more than 15% in the Company's revenue, or that would involve more than 10% of the Company's balance sheet total;
- to approve the borrowing of funds that would involve an amount of EUR 100 million or more; and
- to approve a change in the Articles of Association, a legal merger, a split-up or the dissolution of the Company.

The full text of the Articles of Association of Aalberts N.V. can be found on the website: **aalberts.com/governance**

3. Independent auditor's report

To: The shareholders and the supervisory board of Aalberts N.V.

Report on the audit of the financial statements for the year ended 31 December 2024 included in the annual report

Our opinion
We have audited the financial statements for the year ended 31 December 2024 of Aalberts N.V. (''the company'' or ''the group'' , based in Utrecht, The Netherlands. The financial statements comprise the consolidated and company financial statements, as set out on pages 129 to 177 of the annual report.

In our opinion:
- The accompanying consolidated financial statements give a true and fair view of the financial position of Aalberts N.V. as at 31 December 2024, and of its result and its cash flows for the year ended 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Aalberts N.V. as at 31 December 2024, and of its result for the year ended 31 December 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:
1. The consolidated balance sheet as at 31 December 2024.
2. The following statements for the year ended 31 December 2024: the consolidated income statement, the consolidated statements of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement.
3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:
1. The company balance sheet as at 31 December 2024.
2. The company profit and loss account for the year ended 31 December 2024.
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 Aalberts N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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 for Professional Accountants).

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

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 following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality
Based on our professional judgment we determined the materiality for the financial statements as a whole at € 23 million (2023: €25 million) . The materiality is based on the profit before tax, adjusted for non-recurring items.

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.

Audits of various Dutch and International subsidiaries ("Components") were performed using materiality levels determined by judgment of the group engagement team, taking into account the materiality of the financial statements as a whole and the reporting structure of the group. Component performance materiality did not exceed EUR 11 million (2023: EUR 12.0 million).

We agreed with the supervisory board that misstatements in excess of € 1.15 million, which are identified during the audit, 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
Aalberts N.V. is at the head of a group of entities, with activities in over 50 countries. The financial information of this group is included in the consolidated financial statements of Aalberts N.V.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures.

Our assessment of components in scope for group was done as part of our audit planning and was aimed to obtain sufficient coverage for the risks of material misstatement for significant account balances, classes of transactions, and disclosures that we have identified. In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group audit team and by the component auditors. In addition, we considered qualitative factors as part of our assessment.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group engagement team and by component auditors. We responded to changes relevant to the group in 2024 in determining the components in our scope and the nature of procedures to be performed.

Following our assessment of the risk of material misstatement to the consolidated financial statements, we have selected components which required an audit of the complete set of financial information (full scope components). Furthermore, we selected other components requiring audit procedures on specific account balances on significant accounts that we considered had the potential for the greatest impact on the group financial statements, either because of the size of these accounts or their risk profile.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. With the exception of two, all component auditors are Deloitte member firms.

Under the direction of the group auditor the nature, timing and extent of direction and supervision of the component auditors and the review of their work was determined, taking into consideration the higher and significant risks, and judgement areas applicable to the respective component. The component auditors were instructed about their responsibilities during the planning phase of the audit and during several interactions during the year the centralized risk assessment was discussed and required audit procedures were agreed on.

The group engagement team issued referral instructions, reviewed the work performed by component auditors, and assessed and discussed the results and findings with the component auditors. The group engagement team held multiple virtual and onsite meetings with the component auditors during the year and participated in the relevant component auditor calls together with group and component management.

The group consolidation, financial statements disclosures, and a number of central accounting and/or reporting items were audited by the group engagement team. These items include impairment testing on goodwill and acquired identifiable intangible assets, audit procedures on acquisitions and divestments of certain assets and businesses, group accounting for current and deferred income taxes, share-based payments, IFRS 16 accounting, the Aalberts N.V. company financial statements, and certain critical accounting positions subject to management estimates. Specialists were involved among others in the areas of information technology, accounting and reporting, post-employment benefit plans, forensic, valuation and environmental, social, and governance.

As part of our year-end audit procedures, we have considered our assessment of components in group audit scope in order to ensure we have obtained appropriate coverage of the risks of material misstatement for significant account balances, classes of transactions, and disclosures that we have identified.

In summary, the group engagement team has:

- Performed audit procedures on key audit areas subject to central testing.
- Performed audit procedures on the company financial statements.
- Used the audit work of Deloitte component auditors, or performed specific audit procedures ourselves, when auditing the components in Asia, Europe and North America, and used the work of non-Deloitte component auditors in the Taiwan and US.

We performed analytical procedures at group level on the other components out of scope.

By performing the procedures mentioned above at components, together with the procedures at a group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit approach fraud risks

Description

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-depth character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to section 'Risk and governance ' of the Management Board report for managements (fraud) risk assessment and section 'Report of the supervisory board (paragraph Audit Committee)' in which the Supervisory Board reflects on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks. Further, for certain selected speak up cases, we evaluated management's response and remedial actions and measures.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

Following these procedures, and the presumed risk under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls to be applicable to our audit. Below we have summarized our related audit procedures for this fraud risk.

Management override of controls

We have identified the inherent risk that management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records by overriding controls and more specifically:

- journal entries and other manual adjustments made during the preparation of the financial statements;
- the use of estimates, including high level of judgement and assumptions subject to management bias; and
- significant transactions outside the normal course of business for the group.

During our audit, we have:

- evaluated the design and implementation of the relevant internal controls mitigating the risk of management override of controls;
- performed journal entry testing audit procedures, using selected criteria of investigation, for journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2.8 of the financial statements.
- performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements; and
- evaluated whether the business rationale of the significant transactions, such as the divestment of the Elkhart Products Corporation, suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to management override of controls.

Additional fraud related procedures

In addition to the procedures summarized above related to the identified significant fraud risk, we have also:

- involved forensic specialists in on our fraud risk assessment process, identification of possible areas of non-compliance with laws-and-regulations, inquiries with management and the determination of fraud relation audit procedures.
- considered available information and made inquiries with Group (and local) management, those charged with governance and others within the group, including but not limited to, Internal audit function, Legal & Governance and Group Control;
- evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
- incorporated elements of unpredictability in our audit in the selection of the nature, timing and extent of our audit procedures;
- performed direction, supervision and review procedures on the instructed procedures performed by the component audit team; and
- considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Our procedures Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussions with the Management Board, Legal & Governance, Internal audit function, Group Control and Tax Accounting and reading minutes. We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements. In addition, we considered major laws and regulations applicable to listed companies, including the Dutch Corporate Governance Code, the EU taxonomy for sustainable activities, and the European Single Electronic Reporting Format.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Aalberts N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Aalberts N.V. 's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the supervisory board, the executive board and others within Aalberts N.V. as to whether Aalberts N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern
Our responsibilities, as well as the responsibilities of the Management Board and the Supervisory Board, are outlined under the prevailing standards in the “Description of responsibilities regarding the financial statements” section below.

The financial statements have been prepared in accordance with the going concern assumption. The appropriateness of the going concern assumption depends on management’s assessment of the expected company’s performance within its future economic environment. The Management Board believes that no events or conditions, give rise to doubt the ability of the group to continue in operation during at least twelve months after the adoption of the financial statements.

We have obtained management’s assessment of the entity’s ability to continue as a going concern, and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management’s use of the going concern basis of accounting in the preparation of the consolidated financial statements. Based on these procedures, we did not identify any reportable findings related to the entity’s ability to continue as a going concern.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, 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.
In this section, we described the key audit matter and included a summary of the audit procedures we performed on those matters.

Key audit matters

Valuation of goodwill

Description
On 31 December 2024 Aalberts’ goodwill carrying amount is EUR 926 million. The goodwill is allocated to cash generating units (CGUs) which is subject to an annual impairment test under EU-IFRS.

The impairment assessment prepared by management includes a variety of internal and external factors. In connection with these factors, management made significant estimates that require the use of valuation models and a significant level of management judgment, potentially subject to management override, particularly the assumptions related to the weighted average cost of capital, revenue growth rates, and the (adjusted) operating profit margin.

Given the significant judgement made by management to estimate recoverable amounts in the current economic climate, procedures to evaluate the significant estimates in management's impairment tests required a high degree of auditor judgement and an increased extent of effort, including the need to involve our fair value specialists.

The key assumptions and sensitivities are disclosed in note 5 to the consolidated financial statements.

How the key audit matter was addressed in the audit
Our audit procedures related to the projected cash flows and discount rates used by management included the following, among others:

- We obtained an understanding of management's process and related internal controls over the annual goodwill impairment tests and tested design and implementation of controls relevant to our audit.
- We evaluated the reasonableness of changes in cash generating units.
- We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts, historical growth rates, external industry reports and information included in the company's internal communications to local management, the Management Board and the Supervisory Board.
- We evaluated sensitivities in management's projections (as disclosed in note 5) that could cause a substantial change to the impairments recorded, and or cause headroom to change in an impairment.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the weighted average cost of capital, including testing the source information underlying the determination of the discount rates, testing the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rates selected by management.

Our observation
Our procedures did not result in any reportable matters with respect to the goodwill recorded and the corresponding disclosures.

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 the consist of:

- Report of the Management Board
- Report of the Supervisory Board
- Remuneration report.
- Sustainability statement
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code
- Other information as included in the annual report

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other 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 engaged by the General Meeting as auditor of Aalberts N.V. as auditor for the year 2015 and have operated as statutory auditor ever since that financial year. For the auditor of 2024, we were appointed by the General Meeting held on 25 May 2023.

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 audit of public-interest entities.

European Single Electronic Format (ESEF)
Aalberts 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 Aalberts N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management 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 amongst others:

- Obtaining an understanding of the company'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 and the XBRL extension taxonomy files has 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 Management Board and the Supervisory Board for the financial statements
The Management 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, and for the preparation of the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Furthermore, management 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.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, The Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Management 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 company's financial reporting process.

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 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 misstatements, whether due to fraud or error, 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 judgment 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 for one 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 company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management'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 company's ability 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 the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- 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 Management Board and 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 identified 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 audit 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.

Amsterdam, 26 February 2025

Deloitte Accountants B.V.

Signed by: R.M. Smit

4. Limited assurance report of the independent auditor on the sustainability statement

To: The shareholders and Supervisory Board of Aalberts N.V.

Our conclusion
We have performed a limited assurance engagement on the (consolidated) sustainability statement for the year ended 31st December 2024 of Aalberts N.V. based in Utrecht, the Netherlands (hereinafter: the company), included in the section 'sustainability statement' of the accompanying management board report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our 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.
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion
We have performed our limited assurance engagement on the sustainability statement 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 in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Aalberts 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 for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts
We draw attention to section '*estimations and outcome uncertainty*' on page 45 of the sustainability statement that identifies the quantitative metrics 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, especially in the initial years.

Emphasis on the double materiality assessment process
We draw attention to section '*sustainability due diligence*' on page 48 and section *'double materiality assessment (paragraph methodology)'* on page 51 of the sustainability statement. These disclosures explain that the company considers due diligence and double materiality assessment as an ongoing process. 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 of these matters.

Comparative information not subject to assurance procedures
No reasonable or limited assurance procedures have been performed on the comparative information included in the sustainability statement. Consequently, the comparative historical information in the sustainability statement and thereto related disclosures for historical years have not been subject to reasonable or limited assurance procedures.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

References to external sources or websites:
The references to external sources or websites in the sustainability statement 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.

Forward looking information:
In reporting forward-looking information in accordance with the ESRS, management 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.

Our conclusion is not modified in respect of these matters.

Responsibilities of management and the supervisory board for the sustainability statement
Management 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).

Management 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, management 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 limited assurance engagement on the sustainability statement
Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable 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 other relevant 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 information 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 limited 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 management 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 in the information submitted for consolidation at a corporate level.
- 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 management'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, are consistent or coherent with the sustainability statement, and appear reasonable; 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 CEAOB 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).

- 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 applicable ESRS requirements.

Amsterdam,

26 February 2025

Deloitte Accountants B.V.

Signed by: R.M. Smit

alternative performance measures

Aalberts uses alternative performance measures (APM) to measure and evaluate the operational and overall business performance. These measures are used in this annual report but are not defined by generally accepted accounting principles (GAAP). The APMs should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. The terms that Aalberts believes are relevant to APMs are included here and also includes a definition as required by the European Securities and Markets Authority (ESMA) guidelines.

exceptional income / (costs)

in EUR million	2024	2023
impairment of assets held for sale	(34.4)	-
personnel expenses	(30.8)	-
addition provision for claims	(28.2)	-
depreciation of property, plant & equipment	(10.4)	-
write-off inventories	(8.3)	-
other operating expenses	(8.4)	-
exceptional income / (costs)	**(120.5)**	**-**

organic revenue growth (%)

revenue growth adjusted for acquired and disposed revenues and currency impact.

added value (before exceptionals)

revenue less raw materials used and work subcontracted before exceptionals.

added value margin (before exceptionals) (%)

added value before exceptionals as a percentage of revenue.

in EUR million	2024	2023
revenue	**3,148.6**	**3,324.0**
raw materials used and work subcontracted	(1,159.8)	(1,250.7)
exceptional write-off inventories	8.3	-
added value (before exceptionals)	**1,997.1**	**2,073.3**
added value margin (before exceptionals) (%)	**63.4**	**62.4**

EBITA (before exceptionals)

earnings before finance cost, income taxes and amortisation, adjusted for exceptional income and costs.

EBITDA (before exceptionals)

earnings before finance cost, income taxes, depreciation and amortisation, adjusted for exceptional income and costs.

in EUR million	2024	2023
operating profit	**292.4**	**463.4**
amortisation of intangible assets	58.2	57.6
exceptional (income) / costs	120.5	-
EBITA (before exceptionals)	**471.1**	**521.0**
depreciation of property, plant & equipment	119.2	105.9
depreciation of right-of-use assets	41.1	35.7
impairment of assets held for sale	34.4	-
exceptional depreciation of PP&E	(10.4)	-
exceptional impairment of assets held for sale	(34.4)	-
EBITDA (before exceptionals)	**621.0**	**662.6**

EBITA margin before exceptionals (%)

EBITA before exceptionals as a percentage of revenue.

earnings per share before amortisation (before exceptionals)

net profit before amortisation (adjusted for exceptional income and costs after taxes) divided by the weighted average number of shares.

in EUR million	2024	2023
net profit attributable to shareholders	179.1	315.8
amortisation of intangible assets	58.2	57.6
net profit before amortisation	**237.3**	**373.4**
exceptional (income) / costs	120.5	–
taxes on exceptional (income) / costs	(13.3)	–
net profit before amortisation and exceptionals	**344.5**	**373.4**
number of ordinary shares issued (in millions)	110.6	110.6
earnings per share before amortisation and exceptionals (in EUR)	**3.12**	**3.38**

free cash flow (before exceptionals)

cash flow from operations less (net) investments in property, plant and equipment, and other intangible fixed assets adjusted for exceptionals.

in EUR million	2024	2023
cash flow from operations	567.8	633.6
purchase of property, plant & equipment	(240.7)	(218.7)
purchase of intangible assets	(22.2)	(15.9)
proceeds from sale of equipment	11.1	20.3
free cash flow	**316.0**	**419.3**
exceptional (income) / costs	120.5	–
exceptional depreciation of PP&E	(10.4)	–
exceptional impairment assets held for sale	(34.4)	–
exceptional write-off inventories	(8.3)	–
exceptional changes in provisions	(49.4)	3.4
free cash flow (before exceptionals)	**334.0**	**422.7**

free cash flow conversion ratio (before exceptionals)

free cash flow (before interest, tax and exceptionals) divided by EBITDA before exceptionals

net working capital

total of inventories and trade and other receivables less trade and other payables, excluding income taxes and finance cost.

in EUR million	2024	2023
inventories	799.6	822.6
trade receivables	385.1	392.4
other current assets	96.3	82.0
trade and other payables	(408.0)	(436.9)
other current liabilities	(213.8)	(205.5)
adjustment for investment assets/liabilities	27.8	36.2
adjustment for financing assets/liabilities	(5.8)	(15.7)
net working capital	**681.2**	**675.1**

capital expenditures

investments in property, plant and equipment.

net debt

bank loans, lease liabilities and current borrowings less cash and cash equivalents.

in EUR million	2024	2023
bank loans (including current portion)	408.4	485.6
lease liabilities (including current portion)	195.5	161.9
lease liabilities (held for sale)	0.6	–
current borrowings	82.7	55.1
cash and cash equivalents	(89.8)	(119.7)
net debt	**597.4**	**582.9**

leverage ratio

net debt divided by adjusted EBITDA on 12 months rolling basis.

in EUR million	2024	2023
rolling twelve month's EBITDA	545.3	662.6
adjustment for acquisitions and disposals	(12.6)	(32.5)
adjustment for non-recurring items	74.4	19.1
adjusted EBITDA	**607.1**	**649.2**
leverage ratio	**1.0**	**0.9**

solvability (%)
equity as a percentage of total assets

capital employed
equity plus net debt and dividend payable

in EUR million	2024	2023
equity	2,605.1	2,517.3
net debt	597.4	582.9
capital employed	**3,202.5**	**3,100.2**

return on capital employed (before exceptionals) (%)
rolling twelve month's EBITA before exceptionals and adjusted for acquisitions, divided by capital employed.

in EUR million	2024	2023
rolling twelve month's EBITA (before exceptionals)	471.1	521.0
adjustment EBITA for acquisitions and disposals	0.5	–
adjusted EBITA	**471.6**	**521.0**
capital employed	3,202.5	3,100.2
return on capital employed (before exceptionals) (%)	**14.7**	**16.8**

overview group companies

The consolidated financial statements of Aalberts include the assets and liabilities of more than 200 legal entities. Set out below is an overview of the most important operational legal entities including the country of the main activity. All of the subsidiaries are 100% owned, unless indicated otherwise.

A list of subsidiaries is available at the Chamber of Commerce (the Netherlands). Aalberts N.V. is registered in the Trade Register of Utrecht under No. 30089954.

building		industry		semicon	
Aalberts hfc holding B.V.	NLD	Aalberts Surface Technologies GmbH	DEU	Aalberts advanced mechatronics B.V.	NLD
Aalberts integrated piping systems Americas, Inc.	USA	Aalberts Surface Treatment Corp	USA	KML Linear Motion Technology GmbH	AUT
Aalberts integrated piping systems B.V.	NLD	iProcess Technologies GmbH	DEU		
Aalberts integrated piping systems Limited	GBR	Metalis S.A.S.	FRA		
Aalberts integrated piping systems APAC Inc.	TWN	Mifa Aluminium B.V.	NLD		
KAN Sp. z.o.o. (51%)	POL	Ventrex Automotive GmbH	AUT		
Henco Industries N.V.	BEL	BROEN A/S	DNK		
ISIFLO AS	NOR	VAF Instruments B.V.	NLD		

Aalberts operates some 125+ locations with activities in over 50 countries. To learn more, please visit **aalberts.com/contact**↗

the Aalberts share

At year-end 2024 a total number of 110,580,102 ordinary shares with a nominal value of EUR 0.25 each were in circulation; the market capitalisation amounted to EUR 3,797 million (at year-end 2023: EUR 4,341 million).

dividend policy

In the General Meeting of 2014, shareholders agreed to a dividend payment percentage of 30% of net profit before amortisation and exceptionals and dividends only to be paid in cash.

shareholders' interests

Around 90% of the shares is freely tradable. Pursuant to the Decree on Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions as part of the Dutch Financial Supervision Act, shareholders with a substantial participating interest of more than 3% must be disclosed.

shareholder	interest	disclosure date
Aalberts Beheer B.V., J. Aalberts, J.A.M. Aalberts-Veen*	11.90%	13 May 2022
FMR LLC	9.99%	29 Feb 2024
BNP Paribas Asset Management Holding	4.99%	11 Dec 2024
Impax Asset Management	5.02%	25 Aug 2022
BlackRock, Inc.	3.14%	20 Sep 2024

* disclosure based on interest as per registration date AGM 2022

key share information	2024	2023	2022	2021	2020
closing price at year-end (in EUR)	34.34	39.26	36.23	58.26	36.46
highest price of the year (in EUR)	48.70	48.53	59.76	58.46	43.11
lowest price of the year (in EUR)	31.30	28.83	30.55	36.09	16.16
average daily trading (in EUR thousands)	6,026	8,274	9,646	8,766	10,591
number of shares issued as at year-end (in millions)	110.6	110.6	110.6	110.6	110.6
market capitalisation at year-end (in EUR millions)	3,797	4,341	4,006	6,442	4,032
earnings per share before amortisation (in EUR)	3.12*	3.38	3.37	3.05*	1.81*
dividend per share (in EUR)	1.13	1.13	1.11	1.01	0.60
price/earnings ratio at year-end	11.0	11.6	10.8	19.1	20.1

* before exceptionals

key figures 2020-2024

	2024	2023	2022	2021	2020
results (in EUR million)					
revenue	3,149	3,324	3,230	2,979	2,610
EBITDA	621*	663	634	585*	423*
EBITA	471*	521	500	454*	283*
net profit before amortisation	345*	373	372	337*	200*
cash flow from operations	568	634	352	426	454
free cash flow (before interest and tax)	334*	423*	168*	310*	360*
balance sheet (in EUR million)					
intangible assets	1,427	1,447	1,549	1,377	1,256
property, plant and equipment	1,197	1,088	995	881	829
capital expenditure	231	224	203	147	95
net working capital	681	675	721	452	399
total equity	2,605	2,517	2,363	2,184	1,806
net debt	597	583	794	492	600
capital employed	3,203	3,100	3,156	2,676	2,406
total assets	4,230	4,138	4,211	3,655	3,255
number of employees at end of period (x1 FTE)	**13,124**	**14,055**	**14,597**	**14,402**	**14,782**
ratios					
organic revenue growth (%)	(3.4)	4.5	8.7	16.0	(7.0)
added value margin (%)	63.4*	62.4	62.4	62.2*	61.6
EBITA margin (%)	15.0*	15.7	15.5	15.2*	10.8*
free cash flow conversion ratio (%)	53.8*	63.8*	26.4*	52.9*	85.2*
return on capital employed (%)	14.7*	16.8	16.1	17.2*	11.7*
innovation rate (%)	19	20	17	15	–
SDG rate (%)	71	70	68	66	–
leverage ratio (%)	1.0	0.9	1.3	0.9	1.4
solvability (%)	61.6	60.8	56.1	59.7	55.5
effective tax rate (%)	22.9*	24.4	24.1	24.5*	24.4*
number of ordinary shares issued (in millions)	**110.6**	**110.6**	**110.6**	**110.6**	**110.6**
figures per share (in EUR)					
net profit before amortisation	3.12*	3.38	3.37	3.05*	1.81*
dividend	1.13	1.13	1.11	1.01	0.60
special dividend	-	-	-	0.64	-
share price at year-end	34.34	39.26	36.23	58.26	36.46

* before exceptionals

aalberts
mission critical technologies