

2025

# Annual Review

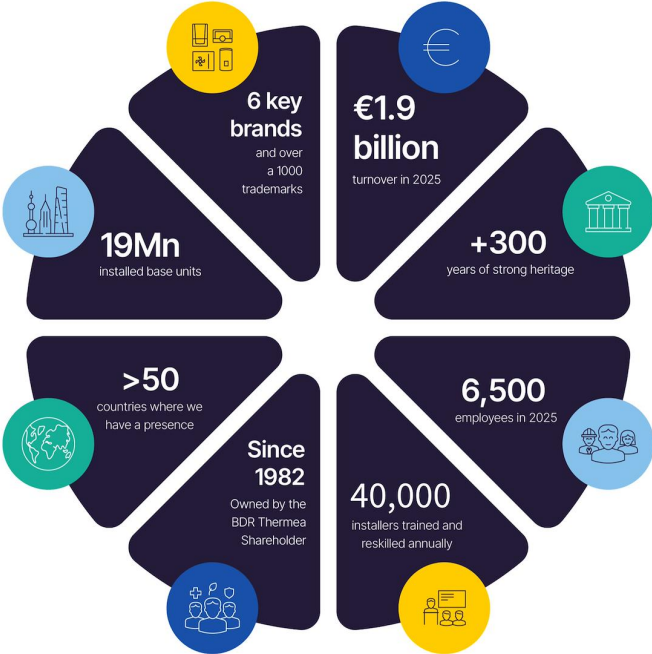
Remeha Group B.V.

**Building**  
*the foundation  
for growth*

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# BDR Thermea Group at a glance



98.9% of our total waste in operations diverted from landfill

# About us

The mission of BDR Thermea Group is clear: to bring a sustainable future closer through smart indoor climate solutions. Across Europe and beyond, our brands help millions of people reduce their carbon footprint while enjoying reliable comfort at home, at work and in community spaces.

## What we do

We offer a comprehensive portfolio of heating and cooling technologies for both residential and commercial applications. Our solutions are installed in single-family homes, apartment buildings, schools, hotels, offices, hospitals and industrial facilities.

End-users rely on our brands for:

- Energy-efficient boilers
- Heat pumps for residential and commercial use
- Hybrid solutions combining heat pumps and boilers
- Solar collectors for low-carbon hot water
- Connected services and digital tools that optimise performance, installation and maintenance

Backed by decades of manufacturing excellence and technological expertise, our brands offer customers strong local support and solutions that meet the highest industry standards.

## Our strategic focus

Our Strategy 2030 Focus. Transform. Perform. sets a clear direction for how we will strengthen our business and support the energy transition. We will focus on the business areas, customer segments, product categories and parts of the value chain where we can create the most value and generate healthy margins. This includes sharpening our position in both residential and commercial markets, offering connected heating and cooling solutions optimised for installation, and expanding our services and partnerships to create stronger pull in the market. At the same time, we are simplifying our operating model, reducing complexity and improving performance to ensure we can scale the low-carbon technologies needed to accelerate the energy transition.

## How we create value for our customers

### Residential and commercial solutions

We provide one of the world's broadest ranges of heat pump technologies, an area in which we have been active since the mid-1980s. Our systems capture energy from air and water to deliver zero-emission heating. More than 1 million customers each year choose our residential boilers, designed for high efficiency and suitable for hybrid configurations.

For commercial buildings such as hotels, offices and hospitals, we offer complete heating and hot water systems that are easy to install, integrate and control, helping customers improve comfort and reduce emissions.

### Supporting installers, specifiers and distributors

All our products are installed, commissioned and serviced by an international network of professionals, and made available through close partnerships with distributors and installers. We offer advanced, connected tools to support installers and specifiers in designing the right solutions, as well as to install and maintain our products and systems. In certain countries, we even have 'smart commissioning wizards' that reduce installation time and ensure systems achieve maximum efficiency.

Each year, we train over 40,000 installers at our facilities across Europe. These programmes help professionals stay current on the latest heating technologies, including heat pumps, ensuring safe and efficient system performance while enabling them to advise end-users effectively.

## Our commitment to sustainability

Sustainability is integrated into our strategy and operations. We work diligently to reduce emissions, both from our own activities as well as those from our products during their lifetime. We aim for zero harm in the workplace and base our targets for women in leadership on industry norms. And we are committed to the United Nations Global Compact principles, which promote responsible business practices in the areas of human rights, labour, the environment and anti-corruption.

As a company, BDR Thermea Group is committed to driving these specific Sustainable Development Goals (SDGs):

- SDG 5: Gender equality
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

The logo for BAXI, featuring the word "BAXI" in a bold, blue, sans-serif font.The logo for De Dietrich, featuring the text "De Dietrich" in a bold, black, sans-serif font next to a blue diamond-shaped icon containing a yellow circle.The logo for remeha, featuring a stylized "R" icon in a white square on a black background, followed by the word "remeha" in a white, lowercase, sans-serif font on a yellow background.The logo for BRÖTJE HEIZUNG, featuring the text "BRÖTJE" in a bold, black, sans-serif font above "HEIZUNG" in a smaller, black, sans-serif font, next to a red circle with a black border.The logo for CHAPPEE, featuring the word "CHAPPEE" in a bold, red, sans-serif font next to a red, curved arrow-like shape.The logo for baymak, featuring a stylized green squirrel icon next to the word "baymak" in a bold, green, sans-serif font.

## Ownership and governance

BDR Thermea Group is privately owned by our sole shareholder, BDR Thermea Shareholder, which is committed to the long-term continuity of the company and its people. The Shareholder also oversees the BDR Thermea Foundation, a non-profit organisation that empowers young, future talent in local communities to pursue impactful careers to drive the energy transition forward.

## Our global footprint

BDR Thermea Group was established in 2009 through the merger of three well-known heating brands: Baxi, De Dietrich and Remeha. We have since expanded to include additional industry leaders such as Brötje, Chappée and Baymak, as well as specialist brands across specific markets and product segments.

Today, we employ approximately 6,500 people and serve customers worldwide from 14 manufacturing locations in eight countries, operating through regional divisions covering the United Kingdom & Ireland, France, Germany, the Benelux, Türkiye, Iberia, Italy and International markets. Our headquarters are in Apeldoorn, the Netherlands.

BDR Thermea Group is a structure-regime company, to which the provisions of Articles 268–274 of Book 2 of the Dutch Civil Code apply.

## BDR Thermea Group values

United in bringing the energy transition to life



### **Customer focus**

Serving our customers is what makes us tick. We develop the right solutions for a better world together with our customers. We invite our customers to join us as ambassadors on our collective journey to a sustainable future.



### **One team**

We are stronger together. We care about all our people. The diversity of our talent and collective ambition help us learn and grow. We work as one team across countries, business areas and functions and celebrate our successes.



### **Sustainable future**

We care about shaping a better future. We continuously improve our business and innovate to bring the energy transition to life. We make a difference in the world of energy every day.

# Message from our CEO

In 2025 we truly set our transformation in motion. While 2024 focused on defining our strategy, this past year was about activating it, taking the first concrete steps that will enable execution and delivery from 2026 onward. It was also my first full year as CEO of BDR Thermea Group. Despite continued market headwinds, I am proud of the progress we made in launching our long-term transformation program to deliver our Strategy 2030 ambitions.

## **Building the foundation for growth**

A central milestone was the creation of our three business areas: Commercial, Residential, and Aftersales. We strongly believe that focusing on these three key business areas allows us to concentrate our efforts, align business and R&D more closely, and support stronger, more sustainable growth. We also took targeted steps to strengthen our portfolio, ensuring that our activities and investments are fully aligned with our strategic direction.

## **Strengthening our industrial base**

In parallel, we began reshaping our industrial footprint to ensure it supports our long-term growth and competitiveness. We initiated changes to focus our manufacturing on areas where we can create the most value, while continuing to invest in future ready technologies and capabilities. The completion of our new facility in Slovakia is one example of how we are preparing our operations for the next phase of the energy transition.

## **Navigating a shifting market**

Market conditions remained mixed across Europe, with performance differing significantly between countries and technologies. Even in this environment, we advanced in several strategic areas, including expanding our service footprint and growing our presence in important commercial segments. These developments reflect the strength of our teams and the resilience of our strategy.

## **Leadership and continuity**

We also experienced changes within our leadership during the year. The loss of our Chief Technology Officer, Peter Snel, was deeply felt across the organisation. We ensured continuity by broadening the responsibilities within our Management Board and welcomed new leadership to support the next phase of our commercial and strategic development.

## **Advancing sustainability**


Sustainability continued to be an integral part of our agenda. We made notable progress in reducing operational emissions and increasing the share of renewable energy across our sites. Through these actions, we are already approaching our 2030 targets for Scope 1 and 2 emissions, demonstrating the momentum behind our commitments.

## Looking ahead

The transformation of BDR Thermea Group is a multi-year journey, and the steps we took in 2025 mark only the beginning. In the period ahead, we will continue sharpening our footprint, investing in skills and technologies, managing costs with discipline and simplifying how we operate. Most importantly, we will shift further toward a market-driven, customer-focused approach – essential for achieving our Strategy 2030 ambitions and ensuring BDR Thermea Group is positioned for long-term success.

Tjarko Bouman  
CEO, BDR Thermea Group (the name under which Remeha Group B.V. operates)

Apeldoorn, 30 March 2026

A portrait of Tjarko Bouman, CEO of BDR Thermea Group, smiling. He is wearing a dark blue suit jacket over a white shirt. The background is a blurred office setting.

"2025 was the year we turned strategy into action: laying the foundations, making bold choices and building the momentum that will carry BDR Thermea into a stronger, more sustainable future."

**Tjarko Bouman**  
(Chief Executive Officer)

# Management Board



*From left to right: Ronald Eikelenboom (CFO), Aliëtte van der Wal (CCO), Tjarko Bouman (CEO), Luigi La Morgia (CTOO).*

## Tjarko Bouman

### Chief Executive Officer

Tjarko Bouman (1970) was appointed Chief Executive Officer of BDR Thermea Group in February 2024. His previous roles include CEO of NTS Group. Before joining NTS, he held several senior leadership roles at Vanderlande Industries, including Managing Director for Europe and Asia Pacific. Tjarko has a master's degree in business administration from Erasmus University Rotterdam.

## Luigi La Morgia

### Chief Technology and Operations Officer

Luigi La Morgia (1975) was appointed Chief Operations Officer in May 2023. In mid-2025, he became interim Chief Technology Officer, and this dual role was formalized in January 2026. He previously held senior positions in operations and supply chain at large multinationals, including Whirlpool, Fiat Powertrain and Ducati. Luigi holds a degree in mechanical engineering from the University of Bologna and an MBA from the IE Business School in Madrid.

## Ronald Eikelenboom

### Chief Financial Officer

Ronald Eikelenboom (1969) became Chief Financial Officer of BDR Thermea Group in October 2024. His previous roles include CFO at Lely, and VP and CFO roles at Philips. Ronald has a master's degree in business economics from Erasmus University Rotterdam and is certified as a registered controller by Maastricht University.

## Aliëtte van der Wal-van Dijk

### Chief Commercial Officer

Aliëtte van der Wal-van Dijk (1973) became Chief Commercial Officer on 1 January 2026. Aliëtte brings over 25 years of global leadership experience in commercial strategy, marketing and business transformation, in both B2C and B2B industries. She joined BDR Thermea Group from VELUX, where she was Executive Vice President for Global Marketing and a member of the Executive Management Team.

## **Changes in Management Board**

In 2025 there were two important changes to our Management Board. The first followed the unexpected passing of our Chief Technology Officer, Peter Snel. Peter, who joined the company in 2016, made a lasting impact through his visionary leadership, deep technical expertise and unwavering commitment to sustainability. He will be greatly missed. His responsibilities were assumed by our Chief Operations Officer, Luigi La Morgia, who now holds a combined role and continues to oversee both Operations and Technology.

The second change resulted from the retirement of our Chief Commercial Officer, Lúcia de Lima Veiga-Ermida, after a distinguished 36-year career. Lúcia joined BDR Thermea Group in 2021 and leaves with our sincere gratitude for her contributions. She was succeeded on 1 January 2026 by Aliëtte van der Wal van Dijk, who brings extensive global experience in commercial leadership and business transformation.

# The year in review

Key developments across the market environment, our strategic priorities, product innovation and financial performance in 2025 together provide a clear view of how BDR Thermea Group managed a year of change and remained focused on long-term value creation.

## Market environment

The 2025 market environment was marked by a continued decline in boiler demand, driven largely by persistent political and economic uncertainty. At the same time, the heat pump market maintained its strong growth trajectory, further accelerating in scale and competitiveness. This included increasing pressure from established Asian manufacturers as well as several new entrants seeking to gain a foothold in Europe.

## Residential market

The Western European residential heating market continued its shift toward heat pumps, reflecting growing consumer interest in low carbon solutions and supportive regulatory trends. Demand for traditional boilers declined across most core markets, driven by ongoing uncertainty around future heating legislation and subsidy schemes.

Germany saw the most pronounced transition, with a significant move from boilers toward heat pumps. In the UK, being the largest boiler market in Western Europe, boiler demand remained broadly stable while heat pump adoption accelerated, supported by the Clean Heat Market Mechanism. France, The Netherlands, and Italy all experienced reduced boiler demand due to policy-related uncertainty, while heat pump performance varied by market: growth in The Netherlands and stable in France and Italy. Spain stood out with growth in both boilers and heat pumps. Outside Western Europe, Poland saw a decline in boiler demand following changes to incentive programs, whereas Türkiye recorded continued market expansion.

## Commercial market

The Western European commercial heating market contracted, influenced by the ongoing transition from conventional boilers to heat pumps and hybrid solutions as well as by shifting subsidy landscapes and constrained public-sector budgets. Germany, historically the largest commercial boiler market, experienced a substantial decline, reflecting both policy changes and accelerated decarbonization efforts. Italy also saw a notable reduction following adjustments to incentive programs at the end of the previous year.

By contrast, several other markets, such as France, The Netherlands, and Spain, reported stabilization or modest growth, supported by more consistent policy environments and investments in modernization projects. Overall, the segment remains in a transitional phase as customers increasingly explore lower carbon heating alternatives.

## Market share

### Boilers

Despite the overall market decline, we successfully increased our market share across both residential and commercial segments, reinforcing our strong market positions. Key drivers included the successful launches of the mid-range and premium ranges within Residential. We further deepened our engagement with installers and expanded our pre and post sales support model, resulting in higher NPS scores.

### Heat pumps

In the heat pump segment, we strengthened our competitive position and gained momentum, particularly within the Commercial business. This was supported by upgrades to our Effenca range and the initial steps taken toward the geographical expansion of our portfolios.

In the Residential business, we made significant progress in broadening our offering, most notably with the introduction of the propane monobloc. These efforts delivered strong growth, though slightly below the overall pace of the market, reflecting both the increased intensity of competition and the rapid scaling required to capture full market potential.

## Financial performance

BDR Thermea Group achieved net sales of € 1.9 billion in 2025, which represented a 5.4% decrease in turnover compared to 2024, or 4.3% decrease if normalized for divestment of our Chinese business. Sales decline was most notable in Germany and the Netherlands. Both countries experienced a further decline in boiler demand, combined with a shifting demand to heat pumps.

We delivered 1.1 million residential boilers to customers worldwide. This was 6% less volume than in 2024 following the overall boiler market slowdown, while maintaining our overall market position. Commercial boiler volumes decreased by 5% compared to 2024 due to decline of market demand, partly compensated by strengthening our market position in most core countries.

Our heat pump business remained stable compared to 2024. Growth in overall market demand was accompanied by increasing competition, putting pressure on our market position.

Sales in hot water tanks and water heaters, air conditioners and spare parts stabilised in 2025. Growth was realised in service income (+6%, growth both organic and via acquisitions).

Operational performance (EBITDA<sup>1</sup>) totalled € 151.4 million in 2025, which was € 11.4 million higher than in 2024. Lower sales and gross profit, and accelerated investment in our strategy execution adversely impacted the operational performance. This was compensated by reduction of our cost base, and by a major one-off inventory provision charge in 2024. This resulted in an EBITDA margin (% versus net sales) of 7.8%, which is higher than the 2024 level of 6.9%.

During 2025 BDR Thermea Group decided on a global restructuring program and tailored restructuring programs in France and Germany, including the intended closure of two manufacturing sites. Consequently, we recorded a total of € 94.1 million restructuring provisions, contributing to a reported net loss of € 152.4 million.

We continued to generate operational cash flow. This totalled € 84.7 million in 2025, which was € 124.9 million lower than in 2024, explained by the significant improvement in working capital in 2024.

The operating cash inflow, combined with a € 88.0 million cash outflow on investments including acquisitions, and decrease in EBITDA, resulted in an increase in the normalised leverage ratio to 2.71 at the end of 2025 (versus 1.78 in 2024). The current ratio decreased to 1.37 (versus 1.42 in 2024), while the solvency ratio decreased to 19.5% (versus 26.4% in 2024).

<sup>1</sup>Normalised for impact hyperinflation accounting in 2025 and 2024.

## Strategy 2030

In 2024, we introduced Strategy 2030: Focus. Transform. Perform. Strategy 2030 sets the direction for our long-term transformation plan, defining where we want to be at the end of this decade and how we envision success. It is grounded in our core values: customer focus, one team, and sustainable future.

Strategy 2030 sets out three key ambitions:

- Be a leading player in both residential and commercial markets
- Offer connected heating and cooling HVAC solutions optimised for installation
- Grow in Aftersales (services and spare parts)

To reach these ambitions, we aim to accelerate growth by tripling our commercial business, tripling our residential heat pump business, and doubling our service and spare parts business by 2030.

In 2025 we made tangible progress towards our 2030 ambitions. We took decisive steps to reshape our organisation and accelerate our transformation.



### A new operating model

2025 was a year of creating focus.

As part of our new operating model, 2025 also marked the year in which we established three global business areas: Commercial, Residential, and Aftersales. This structure translates our strategic focus into a clearer way of working, aligning operations and R&D more closely and supporting our growth ambitions.

To reduce complexity, we made targeted portfolio decisions. We divested our manufacturing and sales operations in China and began evaluating the sale of two radiator production sites. In addition, we decided on the progressive cessation of manufacturing activities in France and Germany, as part of the optimisation of production within our European footprint.

To further create focus in the organisation:

- We reduced organisational layers and formed larger teams for faster decisions
- Our product assortment was streamlined, phasing out older platforms
- We invested in a group-wide SAP implementation, with go-lives taking place in early 2026
- We intensified our focus on core brands

At the same time, we invested in our future footprint. Construction of our new factory in Slovakia was completed. We began producing limited volumes of hot water tanks ahead of full-scale heat pump and cylinder production in 2026. Once fully operational, the site will have capacity for 300,000 cylinders and 150,000 heat pumps per year.

## Business area ambitions

### Residential

In the residential segment, our strategy builds on our strong position in boilers and our expanding presence in heat pumps. We aim to:

- Strengthen our leadership in residential boilers, particularly in the renovation market
- Achieve a top-five position in residential heat pumps in Europe
- Offer services and connected products optimised for installers
- Focus R&D on making installation more efficient
- Develop an integrated digital heating and cooling service for end users

### Commercial

Our aim in the commercial segment is to accelerate growth by leveraging our strong performance in both renovation and new-build projects. We will:

- Accelerate growth in the commercial market, building on BDR Thermea Group's track record in specific customer segments in renovation and new build
- Offer HVAC solutions tailored to specific property types, including apartment complexes with central heating, schools, retail locations, hotels and restaurants
- Build upon our comprehensive heat pump product portfolio through our recent acquisitions

### Aftersales and services

Outstanding service is a key differentiator and a core enabler of customer trust. Across all segments, we will:

- Grow our residential maintenance network and spare part business to better serve the future customer, and create a better experience
- Invest in presales, installation and aftersales support
- Expand our maintenance network across Europe
- Deliver an improved, consistent service experience for all customers

These actions lay the foundation for improved efficiency and competitiveness. Their impact will begin to be visible in 2026 and more prominently from 2027 onwards.

Alongside this, our broader organisational transformation will continue throughout the coming years.

## Staying the course

The heating market continues to face uncertainty, with regulatory changes regularly creating sharp fluctuations in demand and production capacity for both boilers and electric heat pumps. In this environment, our priority is to stay focused on our long-term plan.

We have defined a robust transformation roadmap and we are now executing it with discipline. While we remain attentive to market developments, we do not intend to shift course based on short-term volatility. We are confident that the strategic direction we have set will allow us to fulfil our mission: bringing a sustainable future closer through smart indoor climate solutions.

## Key product developments

Our new R290 monobloc heat pump was launched for the residential market in the spring of 2025. Monoblocs will play a vital part in the future of heat pumps; they are reliable, quiet, and eco-friendly, and are highly efficient, which makes them suitable for both old and new buildings.

We also launched a new floor-standing boiler and a premium boiler in the German market, as well as a pre-plumbed cylinder in the UK to support heat pump growth.

Without doubt, the most important introduction in 2025 for the commercial market was the commercial heat pump with propane as a refrigerant. These pumps are designed to optimise energy consumption and minimise the carbon footprint when heating and generating hot water in apartments, hotels, schools and other buildings. Not only does the refrigerant itself have a low global warming potential impact, it also enables a high water flow temperature (up to 80°C). This makes it possible to switch from gas-fired to full electric solutions for both high temperature heating and domestic hot water. This approach is ideal for the renovation of existing buildings with radiator heating.

We launched a new version of our Quinta central heating boiler range, which features a front cover using 100% recycled material. Some of the products' electronic housing was also made from recycled materials.

## Awards and achievements

BDR Thermea Group companies continued to be recognised by industry organisations throughout 2025.

Across the UK, Baxi delivered a standout performance. Its customer service organisation took home five first-place awards at the D&G TEQ Awards, while the company earned Double Gold accreditation from Investors in People for its commitment to wellbeing and development. The Baxi Solutions Academy was named Training Provider of the Year by HVR, and the AquaHeat HIU achieved Highly Commended – Commercial Product of the Year. Baxi was also recognised as Highly Commended – Best Heating Brand at the Electrical Wholesaler Awards.

In Türkiye, Baymak continued to strengthen its reputation in sustainability, innovation and workplace excellence. It received the Environmental Brand of the Year Award from Boğaziçi University, achieved an EcoVadis Sustainability Rating, and won the TiSK Shared Tomorrow Future of Business Award. Baymak was named one of Fast Company's Best Workplaces for Innovators and received the Kariyer.net Respect for People Award. CEO Ülkü Özcan was recognised by Economist Magazine as one of Türkiye's 50 Most Powerful Women CEOs.

In Italy, Baxi S.p.A. was honoured with the Culture of Innovation and Sustainability Award, and its People at the Centre initiative achieved 2nd place in AIDP's HR Mission 2025 for employee engagement. In 2025, Baxi S.p.A. also celebrated its 100th anniversary, a milestone that reflects a century of innovation and commitment to customers.

In Germany, Brötje received first place for Customer Trust from WirtschaftsWoche. The BLW Mono.1 heat pump earned top industry praise, including 3rd place at the Best of SHK Awards and 2nd place in the Haustec.de readers' choice. Brötje was also named the five-year anniversary winner at the Focus Money Awards.

In the Benelux, Remeha celebrated 90 years of innovation, growing from a small metal trading business into a leading brand in sustainable, energy-efficient heating technology.

BDR Thermea Group was recognised for its digital transformation efforts with the Workday Forward Thinker Award. This award highlights the global rollout of Workday across BDR Thermea Group, a milestone that has transformed HR processes, strengthened collaboration, and enabled a modern, connected employee experience.

## Outlook 2026

The longer-term challenge and importance of reducing carbon emissions remain invariably big. After a temporary slow-down in the pace of the energy transition in recent years, the energy transition has gathered speed again in 2025. This acceleration is expected to continue in 2026 onwards, with the European heat pump market projected to grow by double digits in 2026. The aggregate boiler market is expected to stabilise in 2026, after three consecutive years of decline.

BDR Thermea Group expects to take advantage of its complete portfolio to satisfy market demand and to grow sales in 2026. We expect to increasingly see the results of our 'Focus. Perform. Transform.' strategy. We will increase production at our new factory in Vranov nad Topľou,

Slovakia, which gives us more flexibility in producing heat pumps and hot water tanks. We will focus on driving progress on several other projects that improve our cost competitiveness and optimise our assets. Amongst these projects are three major restructuring programs: a global restructuring program Reshape and tailored restructuring programs in France and Germany, including the closure of two manufacturing sites. The first benefits of these projects are projected in 2026.

We continue to invest in new products, services and the rollout of our IT roadmaps in the countries where we operate. Connectivity of our products and digital tools will allow us to better serve our customers and improve the energy performance of our offering.

Overall, we expect to grow operating profit and operating cash flow, allowing us to invest in our company and in our strategy.

Sustainability will be of crucial importance to BDR Thermea Group's strategy and business operations, contributing to the acceleration of the energy transition.

The number of employees at BDR Thermea Group is expected to decrease in 2026 as a result of restructuring programs.

As we enter 2026, we look forward to further implementing our strategy and to further enabling the energy transition, together with our customers.

# Sustainability statement

## General disclosures

### Sustainability at BDR Thermea Group

Today's accelerating climate risks highlight the urgent need to reduce emissions and drive the transition to more sustainable energy use. As a leader in heating and cooling solutions, we recognise the impact our industry has. We also acknowledge our responsibility to reduce this impact by innovating and enabling lower-carbon, smart technologies. Our people are central to achieving this.

Our sustainability strategy is grounded in the findings of our 2024 Double Materiality Assessment (DMA), which identified five material topics for BDR Thermea Group:

- Climate change
- Resource use and circularity
- Our people, including human rights
- Responsibility towards customers
- Business conduct and values

By focusing on these topics, we bring a sustainable future closer and enable the energy transition through smart products and solutions.

Through our annual sustainability programme, which is based on a three-year roadmap, we phase in new ambitions, targets and KPIs, in line with our business strategy, that drive continuous improvement across our operations and portfolio.

Our actions contribute to five UN Sustainable Development Goals (SDGs), reflecting where our business can create real impact:

SDG 5: Gender equality  
SDG 8: Decent Work and Economic Growth  
SDG 9: Industry, Innovation and Infrastructure  
SDG 12: Responsible Consumption and Production  
SDG 13: Climate Action

Strengthening our sustainability approach enhances our ability to manage risks, capture opportunities and ensure long-term value creation. This commitment is embedded in our ESG framework, sustainability strategy and code of conduct.

### The role of our administrative, management and supervisory bodies

The Management Board is responsible for incorporating sustainability into the company strategy. The Audit Committee is informed quarterly about developments in sustainability reporting. More information can be found in the Report of the Supervisory Board.

Our sustainability organisation is flexible, since almost every team in the company is involved. For the sake of simplicity, it can be divided into four levels, all working as one team.

- The Sustainability Steering committee (Steerco) drives sustainability on behalf of our Management Board
- The Sustainability Steerco has three members: the CFO (who chairs the committee), the CTOO and the Group HR director
- The Group Sustainability Team is dedicated to developing and implementing the sustainability and environmental strategy, providing guidance while working closely together with all different roles in the company
- Each region has an ESG coordinator, whose role is often combined with their HSE (Health, Safety and Environment) duties

### Statement on due diligence

Our sustainability strategy helps us ensure that our environmental and social considerations are integrated into all our business and value chain activities and helps us foster continuous improvement. It acts as a platform for sound governance and decision-making while helping us, as well as our stakeholders, to better understand BDR Thermea Group's long-term risks and opportunities. Our due diligence approach encompasses risk management processes, risk screening, audits, improvement measures and environmental certifications. Through human rights/ environmental due diligence and related risk management, we address our value chain and business operations. This approach is guided by our supplier code of conduct, ethical code of conduct, commitment to the UN Global Compact, environmental certifications and compliance processes. More detailed information on these aspects can be found in the relevant chapters.

## Our business model and value chain

Our value chain involves many different players and business activities. We have divided it into four sections: upstream/supply chain, own operations, downstream and external influences.

### Our upstream/supply chain

Our upstream/supply chain consists of multiple tiers of suppliers. From tier 1, also known as direct suppliers, we receive both components and finished products. These tier 1 suppliers rely, in turn, on their suppliers for the delivery of their goods and/or materials. Depending on the technology and nature of the required components, the original manufacturers may be located in Europe or other regions such as Asia (see the Governance chapter).

### Our own operations

We manufacture heating and cooling products and design solutions at various sites across Europe. We have offices and training centers in various countries offering aftersales services such as installation, maintenance and repair of our products and solutions. With all our employees spread across our business, from manufacturing to services and offices, we drive the fulfilment of our mission to bring a sustainable future closer through smart indoor climate solutions (see the Social chapter).

### Our downstream

Our downstream business activities include the sale and use of our products and solutions. This includes digital controls, as well as providing services for installation, upkeep and/or repair. It covers our customer segments (see the Our Stakeholders chapter) as well as the end-of-life treatment of our products and solutions (see the Resource Use chapter). We see great potential and interest from end-customers in contributing to the energy transition and shifting to a more sustainable way of living (see the Climate Change chapter).

### External influences

We have identified three main external factors that influence our value chain:

- Energy suppliers
- European and country-specific regulations
- The HVAC industry

Energy suppliers impact our operations through the availability and costs of energy resources (see the Climate Change chapter). Regulations shape our compliance requirements and operational standards (see the Environment, Social and Governance chapters) while the HVAC industry influences market trends, technological advancement and competitive dynamics (see the Governance chapter).

For the description of our business model, please refer to the Strategy section in the Year in Review.

## Our stakeholders

Our stakeholder engagement aligns with our mission of bringing a sustainable future closer through smart indoor climate solutions. We strive to understand our impact on key stakeholders at BDR Thermea Group, and to recognise their needs. In doing so, we can continue to collaboratively develop smart solutions and bring a sustainable future closer.

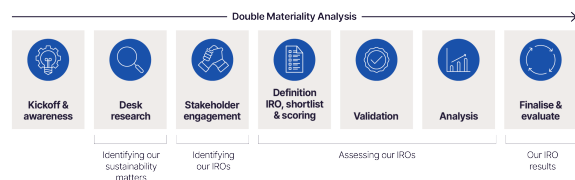
### Stakeholder engagement results

Stakeholders considered to be 'key players' are included in our Double Materiality Assessment.

Key players	Form of dialogue	Result 2025
Top tier 1 suppliers	Interviews, supplier platforms (ecovadis), supplier virtual roundtable, supplier websites & webinars.	Setting roots for supplier engagement programme, including scope 3 upstream supplier-specific data
Employees (European Works Council)	Employee survey, quarterly townhall meetings, internal communication platforms with daily updates, team meetings, topic deep dives, roadshow	Employee satisfaction score Engaged & informed employees
Customers	Interviews, Net Promoter Score, customer surveys, customer experience & training centers, collaboration on projects, social media.	Trained & informed customers Customer Net Promoter Score Project collaboration & developments EPDs

### Our Double Materiality Assessment process

The Double Materiality Assessment highlighted the sustainability topics most relevant to BDR Thermea Group, in preparation for European Corporate Sustainability Reporting Directive (CSRD) compliance. In 2024, we applied a structured approach to assess IROs across our value chain. The results were validated by our Management Board and Audit Committee in 2025, and there was therefore no reason to adjust this moving into 2026.

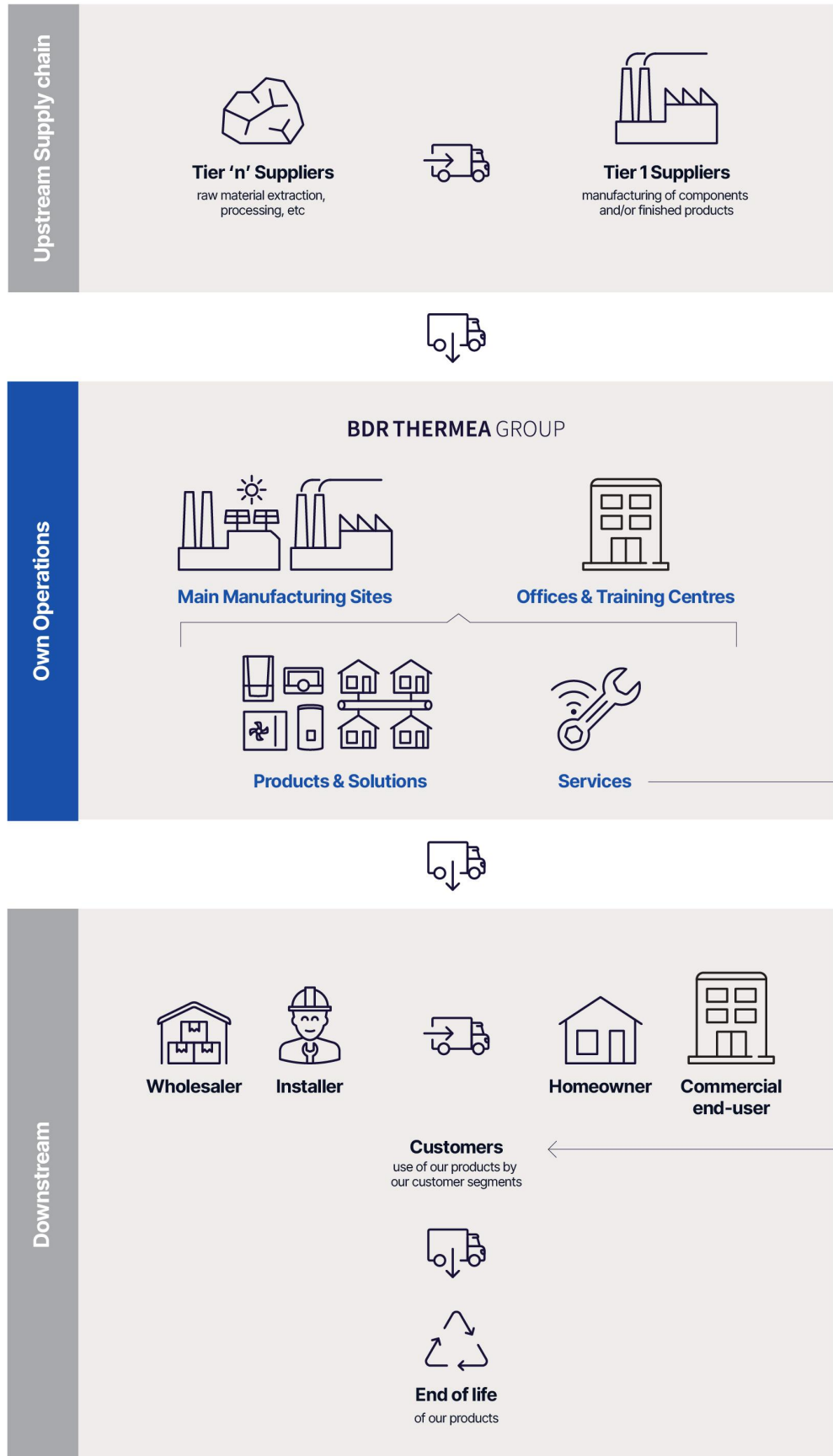


Following the European Financial Reporting Advisory Group (EFRAG) methodology, we assessed our Impacts, Risks and Opportunities (IRO) based on severity, likelihood, scale, scope and magnitude. Each IRO was scored between 1-5, with a materiality threshold set aligned with financial benchmarks and external guidance.

Of the 10 sector-agnostic sustainability matters, five were deemed material: climate change, resource use & circular economy, our own people, responsibility towards customers and responsible business conduct. Biodiversity, pollution, and water consumption fell below the threshold but remain on our watch list, particularly regarding supply chain impacts.

### Assurance statement

The sustainability statement has not been subject to assurance, and no assurance opinion has been issued.



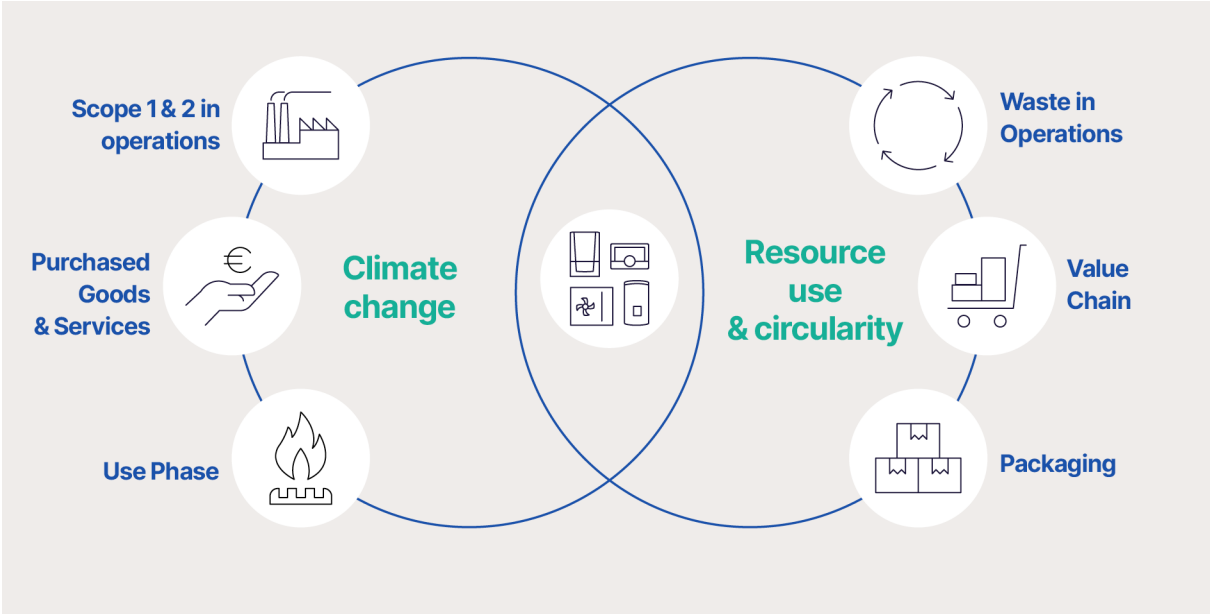
# Environment

BDR Thermea Group is committed to integrating sustainability into all its business and operations. We undertake initiatives to promote greater environmental responsibility and encourage the spread of environmentally friendly technologies that incorporate sound lifecycle practices, and which contribute to the energy transition. These activities are instrumental in achieving net zero greenhouse gas (GHG) emissions by 2050.

### Our sustainability strategy

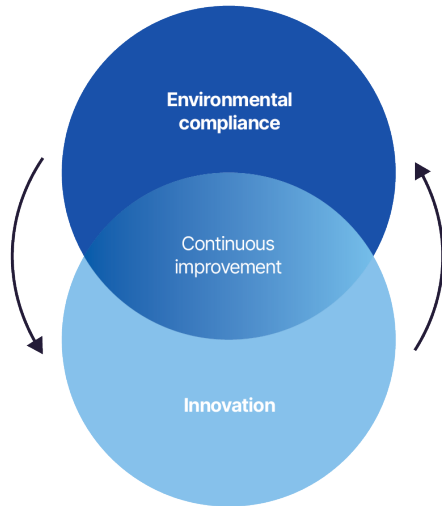
BDR Thermea Group's environmental sustainability strategy focuses on reducing our impact on climate change and on resource use and circularity. These priorities guide our efforts to reduce our environmental footprint while enabling the wider transition to low-carbon heating and cooling solutions.

Regulatory requirements continued to evolve rapidly in 2025, particularly in sectors linked to buildings and energy systems.



**Environmental approach 2025-2030**

Our environmental approach for 2025-2030 focuses on meeting local sustainability regulations while shifting from compliance-driven action to more proactive performance. Each year, we translate this approach into an environmental program that defines our projects and key actions, aligned with our environmental strategy and ambitions. In 2026, we will introduce our Global Environmental Policy to complement existing local policies and establish global principles on environmental responsibility throughout the organisation.

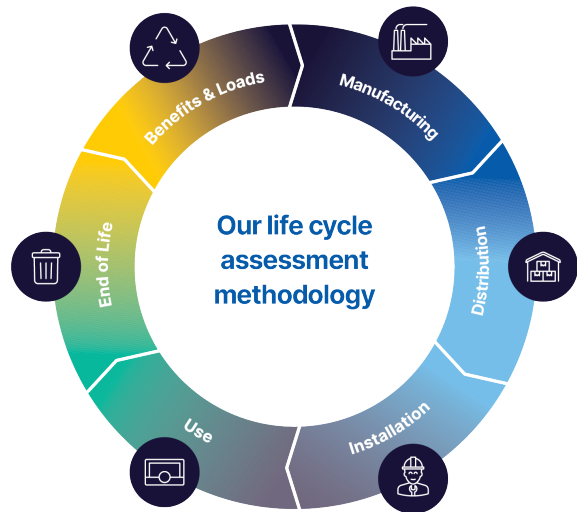


*Environmental due diligence: Management system*

As part of due diligence in our own operations, we have a group-wide operational target to certify the main sites per region (Türkiye, Italy, Germany, France, Iberia, UK&I and Benelux) on the ISO 9001 (Quality), 14001 (Environmental), 45001 (OHAS) and 50001 (Energy) in 2027. These management systems enable us to continuously improve our identification and mitigation of Health, Safety, Environment (HSE) risks.

We conduct Life Cycle Assessments (LCA) to understand the impact of our design decisions during new product development, enabling us to identify, wherever feasible, improvement opportunities early in the process. LCA is a method used to evaluate the environmental impacts of a product across its entire lifecycle, from raw material extraction to manufacturing and end-of-life.

We publish Environmental Product Declarations (EPD) for our key product families and on customer requests. This third-party verified document summarises the impact of a product according to international standards and product-specific rules.



# Climate change

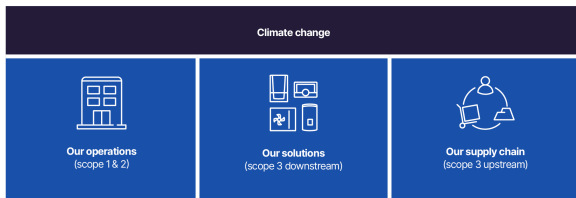
2025 was the third-warmest year on record, with an average temperature 1.5°C above pre-industrial level over the years 2023-2025. <sup>1</sup> Extreme weather events have become more frequent and severe, highlighting the urgent need for concerted global action to reduce greenhouse gas (GHG) emissions. This urgency is reflected in the agreement among world leaders to limit global warming to 2°C, and preferably to 1.5°C, above pre-industrial levels. The energy transition is a fundamental aspect in reducing GHG emissions to combat climate change and achieving climate neutrality by 2050. As a leader in the HVAC industry, we are committed to supporting this transition. We want to actively contribute to achieving net zero.

Approximately 35% of GHG emissions in the European Union are due to energy use in buildings; 78% of this is used for heating and hot water. This illustrates the importance of the EU objective to have a decarbonised, zero-emission building stock by 2050. <sup>2</sup>

- [Global and European temperatures in 2025 ranked as the third-highest on record, Copernicus report finds - European Commission](#)
- [Energy Performance of Buildings Directive adopted!](#)

## Our climate change approach

It is our mission to bring a sustainable future closer through smart indoor climate solutions. Sustainability is therefore at the heart of our business. By replacing old, inefficient products with energy-efficient alternatives, together with reducing consumers' energy consumption and energy bills, we support and contribute to net zero. In 2019 we started developing our climate strategy by identifying the Impacts, Risks and Opportunities focusing on our products, operations, and supply chain, as confirmed by our Double Materiality Assessment in 2024.



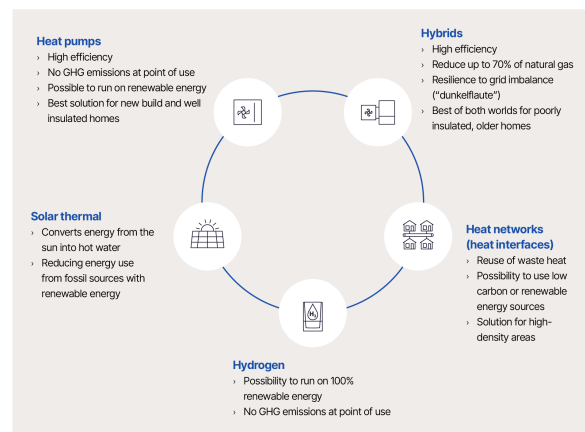
We analyse the impact of each lifecycle of our products. Taking a propane heat pump as example, it is clear that the biggest impact is in its use, due to a long lifetime during which it consumes energy to provide the comfort of heating and cooling to the user. Additionally, the impact from manufacturing such a product, including our own operations, is also high.

	Manufacturing	Distribution	Installation	Use	End of life
Climate change (kg CO2eq)	842	311	136	21500	133
Share	4%	0.1%	1%	95%	1%

Table: Lifecycle impact of R290 monobloc heat pump calculated by LCA.

## Use of our products and solutions

We promote products which have a low carbon impact during use when compared to traditional heating systems. This is due to their high efficiency, and the type of energy being used. Examples include heat pumps, hybrids, heating networks, electrical water heaters plus solar thermal and hydrogen solutions. In addition to the efficiency of our solutions, other factors have an impact on the climate: the amount of comfort and heat required, the availability and type of (renewable) energy used, and the carbon intensity of that energy. We steer and monitor the sales of solutions that support the energy transition.



Our 2025 revenue of the products supporting the energy transition was 27.4%, lower than expected due to external developments.

Overall, 80.1 megatons of CO<sub>2</sub>-eq are accounted to the use of our products and solutions sold to the market (scope 3 downstream), which equates to approximately 99% of our total carbon footprint. This figure represents the energy consumed by more than 1.5 million of heat- and

hot water-generating products. To calculate this, we considered the different efficiencies of our various products, the type of energy used as well as their carbon intensity per country and the average energy consumption in households of each country <sup>1</sup>.

<sup>1</sup> Following the world's most widely used GHG Protocol greenhouse gas accounting standards

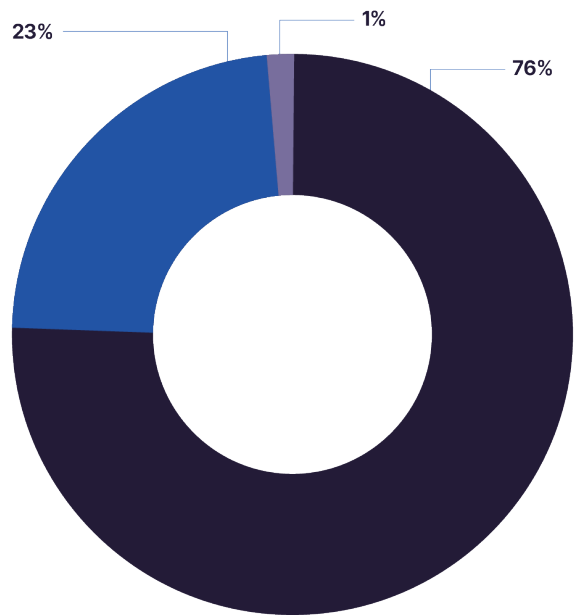
	2019	2020	2021	2022	2023	2024	2025
<b>Share of sales from products supporting the energy transition</b>	15.8%	17.9%	20.6%	22.9%	30.8%	26.2%	27.4%
<b>Absolute scope 3 use phase emissions (Mt CO<sub>2</sub>e)</b>	92.7	85.3	103.7	95.6	89.4	87.8	80.1

**Our own operations and services: reducing energy consumption and greenhouse gas emissions**

Within our own operations we develop, test, produce, sell and service our products and solutions. This requires significant amounts of energy. Since 2021, we have focused on reducing this energy consumption and the greenhouse gas (GHG) emissions related to it. This applies to all our manufacturing sites, offices, R&D labs, warehouses and vehicle fleet. The main focus is on our manufacturing sites and vehicles. We reduced our GHG emissions by increasing our energy efficiency, innovating and electrifying machinery and (heating) equipment.

Our ambition is to reduce our operational GHG emissions (scope 1 and 2) in 2030 by 55%, compared to the 2019 baseline. We took various energy-related measures, what resulted in a total energy consumption of 124,745 MWh, an increase of 0.2% in our total consumption and 5% in our manufacturing sites compared to 2024. Contributing factors included a change in the type of products we manufacture, and a growth in our services activities.

Energy consumption 2025

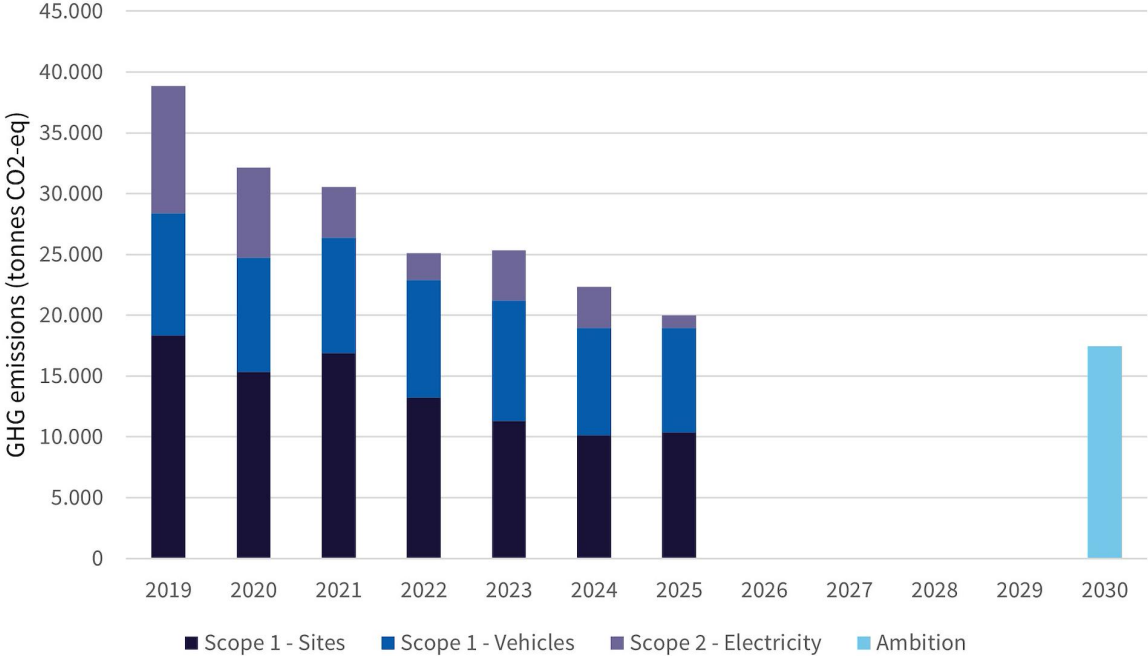


- Energy consumption from fossil sources (MWh)
- Energy consumption from renewable sources (MWh)
- Self-generated renewable energy consumption (MWh)

We increased our self-generated electricity and biofuel use and switched all main production sites to electricity from renewable sources. As a result, 24% of the energy we consume is from renewable sources; for electricity it's 90%. This led to a significant decrease in the GHG

emissions of our operations. We reduced our total market-based scope 1 and 2 emissions to 20,008 tonnes of CO<sub>2</sub>-eq, a reduction of 10% compared to 2024 and 48% compared to our base year 2019. This means we are on track to reach our ambition of a 55% reduction by 2030.

### Scope 1 & 2 GHG emissions



For the scope 1 & 2 calculations below, we included energy consumption of gas, fuels and electricity of manufacturing facilities, warehouses, laboratories, offices (including service and training centers) and vehicles. The scope 2 calculations follow the market-based method,

which uses the emission factors associated with the specific energy sources we purchased. Due to mergers and acquisitions, as well as the continuous improvement of data gathering and reporting, the historical figures, including the baseline, have been updated.

	Base Year: 2019	2024	2025	Delta to 2024 (%)	Delta to 2019 (%)
<b>Scope 1</b>	28,381	18,935	18,976	0%	-33%
<b>Scope 2</b>	10,450	3,408	1,032	-70%	-90%
<b>Scope 1 &amp; 2</b>	38,831	22,343	20,008	-10%	-48%

## **Mitigation projects financed through carbon credits**

Where immediate action was not possible within our own operations, we took climate action elsewhere in our upstream value chain to mitigate global greenhouse gas (GHG) emissions as quickly as possible. Since 2021, we compensate for all our emissions by purchasing an equal number of carbon credits. In 2025, we purchased 23,000 tCO<sub>2</sub>-eq of carbon credits from a gold-standard certified project in Istanbul, Türkiye.

Through the development of two landfill gas-to-energy systems at Odayeri and Komurcuoda, this project captures and utilises methane emissions from the landfills. The reduction of GHG emissions is achieved in two ways: preventing the release of methane (which has a high global warming potential) into the atmosphere and then using the captured gas and electricity generation instead of other fossil fuels. The project is not only focused on lowering GHG emissions. It improves the region's waste management practices and air quality, while creating jobs for engineers, construction firms, sales experts and utility companies.

In 2026 we will invest in emission reduction projects in our own production facilities.

## Resource use and circular economy

Given the level of greenhouse gas (GHG) emissions linked to resource use, climate action cannot be separated from how we use and manage resources and materials. Our decarbonisation efforts must support resource resilience and reduce the environmental impact of resource use.

By implementing circular economy principles where possible, together with decarbonisation efforts, BDR Thermea Group aims to bring a sustainable future closer. We will be driving innovative solutions and practices, in our own operations and across our value chain, to support zero waste by 2050.

### Our approach to resource use and the circular economy

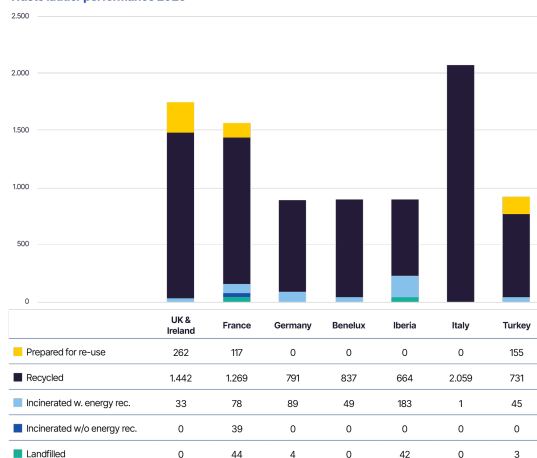
Our resource use and circular economy approach is built on three pillars, which correspond to the key focus areas identified in our Double Materiality Assessment: waste in our operations, packaging in our value chain and products, and materials throughout our value chain (including packaging, services and spare parts). Compliance is the foundation of all three pillars, with innovation driving the topics beyond what is expected of us from a regulatory perspective.

### Waste in our operations

We will continue to focus on reducing the amount of waste produced at our sites while shifting from disposal to recovery. In 2025, we increased total waste by 3%, mainly due to production line testing activities and scrapping. However, in 2025, 93% of our total waste was recovered, compared with 89% in 2024.

Our main sites will be working to achieve 'zero waste to landfill' certification by 2030, which also includes waste sent to incineration without energy recovery, establishing a high standard of waste management. In 2026, we plan to obtain the first certification for our Turkish site.

Waste ladder performance 2025



In 2025, 98.9% of our total waste in operations was diverted from landfill, compared to 99.2% in 2024. The main reason for this was a reclassification of waste at one of our sites. In 2026, this site will work together with local waste management companies to reduce waste sent to landfill. As in previous years, our biggest waste streams for 2025 were metal, paper/cardboard and wood. Our recycling level improved in comparison to 2024 and was 87.2% in 2025. We continue to distinguish between hazardous and non-hazardous waste, as well as between different disposal and recovery operations. The ratio between hazardous and non-hazardous waste (3:97) was the same as in 2024.

Waste from operations (metric tons)	2024	2025	%
Prepared for reuse	258	533	51.6%
Recycled	7,450	7,793	3.6%
Incinerated (with energy recovery)	813	478	-70.0%
Incinerated (without energy recovery)	55	39	-42.2%
Landfill	66	94	34.0%

Note: due to the continuous improvement of data gathering and reporting, the historical figures, including the baseline, have been updated.

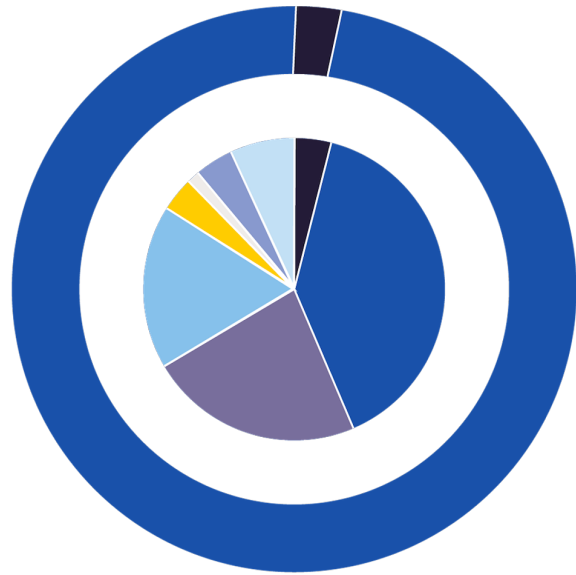
Scope: main sites in our regions included.

## Our largest waste streams in operations

### Waste stream 2025 by material

■ Electrical and electronic equipment	4%
■ Metals	40%
■ Paper and cardboard	23%
■ Wood	17%
■ Glass	0%
■ Chemicals and oils	4%
■ Plastics	1%
■ Mixed packaging	4%
■ Batteries	0%
■ Other waste	7%

■ Hazardous      ■ Non hazardous



Scope: main sites in our regions included.

### Packaging in our value chain

Our second pillar in resource use and circularity is packaging. This is driven by evolving regulations such as the Packaging and Packaging Waste Regulation, as well as deforestation and eco-design laws. There is a strong commitment to address this in our sustainability community, our own operations and among various external stakeholders.

In some markets our customers are keen to reduce packaging waste and move away from EPS (Expanded Polystyrene) use. Consequently, having run several local initiatives since 2021, we developed a pathway towards more aligned, sustainable decisions related to packaging. Our ambition for 2030 is to eliminate EPS from our product packaging. Projects throughout the company have resulted in new packaging solutions for selected products that do not contain EPS. In 2025, we launched the Baxi Luna Modular Pump, a commercial boiler with a folded wave-cardboard protection.



### Products and materials in our value chain

Our third pillar in resource use and circularity focuses on our products and materials. This is driven mainly by our business risks and opportunities identified in the Double Materiality Assessment as well as the impact of our products and materials, plus the evolving regulatory landscape.

Our Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs) give us an understanding of the different types of materials used, which are predominantly metals (e.g. steel, aluminum and copper).

Our R&D teams use LCAs to investigate transitioning from 100% virgin materials to incorporating recycled content in key product components. For this, they work with our suppliers on an ongoing basis to explore such innovations, while obviously ensuring that our product quality and aesthetics standards continue to be upheld. In 2025, we launched the latest Quinta range with a 100% recycled plastic front cover with a 27% reduction in the amount (in weight) of plastic used in the front cover. Some of the products' electronic housing was also made from recycled materials.

For the durability of our products, we follow the reference lifetime in the Product-Specific Rules (PSRs). The average lifetime of an individual boiler or heat pump is assumed to be 17 years, or 22 years for multiple boilers and/or heat pumps.

# Social

BDR Thermea Group's social responsibility manifests itself in a variety of internal and external programmes and initiatives that aim to support anyone who engages with us.

## Our people

Our commitment to our people continues to be anchored in our Double Materiality Assessment (see the General Disclosures chapter). This assessment guides how we identify and prioritise the impacts, risks and opportunities that shape our workforce and culture. In 2025, it supported our ongoing transformation, helping us strengthen leadership capability, build a learning-driven organisation, and ensure that the way people experience our organisation is firmly aligned with our strategy and values.

### Own operations

BDR Thermea Group is committed to providing a safe, secure and healthy working environment for all colleagues across our manufacturing sites, offices and field operations. We prioritise physical, mental and emotional well-being through robust health and safety standards, accessible support systems, recognition programmes and a consistent focus on fairness in compensation and opportunity.

As a global organisation, we recognise that Diversity, Equity and Inclusion (DE&I) strengthen both the employee experience and our operational performance. DE&I principles are embedded across our policies, practices, culture and business relationships, reinforcing an environment where everyone can contribute and thrive.

The rollout of Strategy 2030 continues to bring meaningful change across the company. To support our people through this transformation, we are investing in learning, capability building and leadership development. These efforts will enable us to maintain a skilled, future-ready workforce and strengthen our ability to execute on our strategy.

We also acknowledge the risks associated with attracting and retaining key talent, particularly in areas critical to the energy transition and digitalisation. At the same time, we see a significant opportunity. By fostering an inclusive, purpose-driven and innovative culture, we can strengthen our position as an employer of choice and equip our people for the evolving demands of our markets.

To provide context to our people strategy and related risks, the following section outlines the composition and stability of our workforce.

### Workforce overview

As of 31 December 2025, BDR Thermea Group employed 6,563 people in eight regions across 15 countries. The geographical distribution presented below reflects the countries included within the reporting scope of this annual review. Our workforce spans manufacturing, service, logistics and office-based roles, reflecting the international and operational diversity of our organisation.

Region	Headcount
France	1,315
UK and Ireland	1,180
Benelux	987
Italy	827
Germany	732
Iberia	725
Türkiye	517
International	280
Total	6,563

### Workforce composition

As of 31 December 2025, the gender distribution of our employee population was:

Women	24,3%
Men	75,7%

We continue to monitor gender representation across organisational levels and functions as part of our broader DE&I strategy and long-term succession planning efforts.

## Workforce stability and turnover

Underlying employee turnover remained stable in 2025 at 10.7%, excluding the impact of the divestment of our China business. Including this one-off effect, total BDR Thermea Group turnover was 13.8%. Most departures were voluntary, with limited involuntary turnover across the organisation.

Turnover was highest in the second quarter and stabilised in the second half of the year. We continue to monitor turnover trends closely, using engagement insights, leadership development and total rewards initiatives to strengthen retention in key markets and critical skill areas.

### Call out

Working at BDR Thermea Group means being part of an international, innovative and fast-moving community, a place where colleagues can learn, develop and grow.

Our HR team focuses on delivering solutions that enable our people to contribute to our strategy and to the energy transition. In 2025, we continued evolving our people function and strengthening the foundation of one global HR team, supported by modern technology, consistent processes and scalable solutions.

This year, we made significant progress in our core priorities. We launched our new global Leadership Model (Drive, Grow, Inspire), which now anchors all leadership expectations, development initiatives and performance conversations. We implemented Workday Learning (LMS) to provide a unified platform for learning and capability building across the Group. We conducted our global Engagement Survey, giving employees a voice and enabling us to identify clear actions to strengthen leadership, culture and connection.

We also continued to enhance our leadership, talent and change capabilities, laying the groundwork for the 2026 People Manager Development Journey and reinforcing the learning culture needed to support Strategy 2030.

## Strengthening total rewards

In 2025, we advanced the transformation of our total rewards framework to ensure competitiveness, transparency and alignment with our strategic priorities and created a consistent foundation for role evaluation, career pathways and reward differentiation (Global Job Architecture Program) which will support workforce planning, talent development and fair reward practices, and prepare the organisation for future regulatory requirements, including Pay Equity reporting per 2027.

We introduced a new Long-Term Incentive Plan (LTIP), and to further enhance governance and transparency we introduced new remuneration reports for the Management Board (MB) and Supervisory Board (SB). In addition, and in close alignment with our talent strategy, we implemented several new global and local Total Rewards policies,

including a global Electric Vehicle-only car policy, a new global Mobility Policy to enhance talent moves across BDR Thermea, and a new pension scheme for new hires in the Netherlands, reinforcing commitment to sustainability, competitiveness and responsible employment practices.

## Diversity, Equity and Inclusion

Diversity, Equity & Inclusion (DE&I) remain essential to BDR Thermea Group's people strategy. Many dimensions of diversity matter to our organisation, including gender, age, ethnic background, disability, education, culture and sexual orientation. We are committed to fostering a workplace where colleagues feel safe, respected and able to contribute authentically. A diverse and inclusive culture is not only vital to wellbeing; it also strengthens innovation, decision-making and our ambition to be an employer of choice.

In 2025, the launch of our global Leadership Model – Drive, Grow, Inspire – explicitly reinforces inclusive leadership as a core expectation for all leaders. Our global Employee Engagement Survey also provided valuable insights into how employees experience inclusion, belonging and fairness, helping us identify actions to strengthen equity and everyday behaviour across the organisation. Additionally, the go-live of Workday Learning in October expanded access to learning opportunities and provided a scalable foundation for developing inclusive capability at all levels.

### Gender diversity policy

In accordance with Section 2:276 paragraphs 2 and 3 of the Dutch Civil Code, the Supervisory Board has adopted a gender diversity policy for the composition of the Supervisory Board and the Management Board. The Supervisory Board applies this policy when nominating candidates for appointment to the shareholder, and when supporting the search for new Management Board members.

For 2025,

- The Supervisory Board adopted the target that both the Supervisory Board and the Management Board should comprise at least 35% male and at least 35% female members. The Supervisory Board started the year with two female and three male members and ended the year with the same composition, therefore meeting the 2025 target. The Management Board started the year with four male and one female member and ended the year with only three male members, therefore not meeting the 2025 target.
- The Management Board adopted the target for the Group Leadership Team to consist of at least 25% female and at least 25% male members. The Group Leadership Team (excluding the Management Board) started the year with 17 male and five female members and ended the year with 19 male and seven female members, therefore meeting the 2025 target.

In 2025 and beyond, we continue to strengthen our approach to succession planning, with a particular focus on advancing internal female talent into critical leadership roles. The rollout of our Leadership Model, enhanced learning infrastructure and leadership development programmes will support more diverse talent pipelines and help us fulfil our long-term DE&I commitments.

### **Women in leadership**

Beyond statutory governance targets, we monitor gender representation across management levels to strengthen succession planning and leadership diversity over time. At year-end 2025, women represented 28% of leadership positions, with men representing 72%.

For reference, the KPI reported in 2024 for women in senior management was 25.2%. While definitions may differ slightly, this indicates continued progress in strengthening female representation across leadership levels.

Female representation remains uneven across leadership levels, particularly at the Senior Leadership Team and Management Board levels, highlighting the importance of continued focus on succession planning, leadership development and targeted talent initiatives to strengthen the leadership pipeline over time.

### **Embedding culture, values and DE&I**

BDR Thermea Group's core values – Customer focus, One team and Sustainable future – remain the foundation of our culture and guide how we work together every day. These values shape our behaviour and decision-making, support responsible and ethical operations, and enable the delivery of our strategic priorities, particularly our contribution to the energy transition. They are brought to life through our pragmatic, compassionate, curious, and collaborative approach to working with colleagues, customers and partners.

### **Equity focus**

At BDR Thermea Group, equity means creating an environment where every colleague has fair and equal opportunities to grow, develop and contribute to their full potential – regardless of background, identity or personal circumstances. Our commitment to equity is rooted in the conviction that diverse perspectives strengthen innovation, decision-making and our ability to lead the energy transition responsibly.

Equity at BDR Thermea Group is reflected in:

- Equal access to development and learning
- Fair and unbiased people processes, including promotion, succession and talent review practices
- Inclusive decision-making, encouraging diverse perspectives and constructive dialogue
- Continuous review of policies and practices, informed by employee feedback, and evolving regulatory requirements
- Fair and competitive compensation and benefits

### **Health and safety**

Our aim is to have zero harm in the workplace, ensuring that every employee goes home safely at the end of each workday. We strive to achieve this through a unified approach, encompassing equipment safety, reporting tools, procedures, training, and, most importantly, fostering a shared responsibility for safety.

# Governance

Good governance is vital to ensuring the company remains stable and successful in the short, medium and long term. Our double materiality assessment showed us that 'business conduct and values' is a crucial governance topic. In the following chapter, we expand on how we seek to act responsibly and ethically.

Being a responsible business partner is reflected in everything we do. The foundation of our approach to business conduct and corporate culture is guided and supported by our Double Materiality Assessment (see the General Disclosures chapter), through which we have identified the main Impacts, Risks and Opportunities (IROs). Governance also incorporates our approach to managing risk and compliance, with key focus areas such as strategic risk, operational risk and compliance risk.

## Business conduct and corporate culture: our strategy

At BDR Thermea Group, our approach to business conduct and corporate culture encompasses ethics, integrity, whistleblower protection and regulatory compliance. These principles are fundamental to who we are. They reflect our core values and play a critical role in safeguarding us from risks such as fines, legal liabilities and reputational damage. By handling these responsibilities with care, we uphold trust and transparency, which are key to mitigating risks and promoting ethical behaviour in every aspect of our operations.

### Code of conduct

Acting ethically and with real integrity is essential to achieving our objectives. Our global code of conduct outlines what we expect from everyone working for and with BDR Thermea Group, emphasising our values and responsibilities to our people, partners, and shareholders. It reflects our commitment to the UN Global Compact's 10 Principles and includes an ethical decision-making model as well as guidance on individual conduct in the areas of human rights, ethics, labour and the environment. The code also explains the process for raising concerns through our whistleblowing policy.

Our strategy for upholding business conduct is grounded in the principles outlined in our global code of conduct. This comprehensive framework ensures ethical behaviour and fosters a positive corporate culture across our organisation. The code reinforces our commitment to transparency, accountability and a safe workplace, guiding actions and interactions at every level.

To support this framework, we have implemented targeted policies, processes and governance structures to address critical issues such as undesirable behaviour, labour disputes, complaints, whistleblowing, corruption, bribery and organisational misconduct. Key measures include:

- Dedicated committees and secure channels for raising concerns
- A culture of openness where everyone feels encouraged to speak up
- Swift and appropriate responses to all reports

We have an opportunity to further strengthen our role as a responsible business partner by fostering ethical relationships and business practises within our value chain. As such, in the coming years, we will continue to enhance the transparency of our value chain activities as well as reinforce our commitment to building a strong ethical foundation in our business relationships. Together, these efforts will underscore our strategic commitment to ethical business practices, fostering trust within our organisation and with external stakeholders.

### Whistleblowing policy

Our code of conduct explains the process for raising concerns through our whistleblowing policy. This policy enables employees and others to submit anonymous reports. This process ensures the best possible protection of the legitimate interests of those involved, while providing a clear and secure pathway for reporting potential wrongdoing.

Reports can be made via a secure reporting portal, which allows us to assess and address misconduct promptly, minimise harm and prevent further issues. By reporting suspected misconduct, individuals contribute to maintaining ethical standards and may help prevent harm to others.

BDR Thermea Group respects the confidentiality of reports and individuals who submit them. It's possible to remain anonymous when using the whistleblowing portal. BDR Thermea Group does not tolerate retaliation against whistleblowers.

As per section 3.2 of our global whistleblowing policy, we are committed to maintaining high standards of integrity, compliance and ethical behaviour. We have minimal tolerance for activities that do not support regulatory compliance, that may result in financial or reputational damage, or which pose health and safety risks. There is zero tolerance for bribery, corruption and fraud, whether by individuals or within systems and processes – or for any actions that breach applicable laws.

### Incidents of discrimination & harassment

In 2025, we received 86 Whistle Blower reports globally through the Integrity Line. Of these, four (approximately 4.7%) were classified as harassment and discrimination cases. These were limited in scope, with one case reported in Spain, one in Türkiye, and two in The Netherlands relating to the same incident. No fines, penalties, or compensation were paid in connection with these cases. All reports were thoroughly investigated through a coordinated approach involving global teams alongside local HR and Legal functions, ensuring consistent oversight and appropriate handling across regions.

### Political engagement

Since 20 August 2024, BDR Thermea Group has been listed on the EU transparency register under registration number 462815293102-33. This ensures that all relevant information regarding our lobbying activities is publicly accessible, and that our representatives adhere to the EU code of conduct when engaging with EU institutions.

As disclosed in the EU transparency register, our Head of Government Relations is responsible for managing our interactions with the EU. BDR Thermea Group has not made any financial or in-kind political contributions, either directly or indirectly. Our lobbying efforts primarily focus on two key areas: energy and the environment. Examples of significant EU legislative policies we engage with include the Energy Performance of Buildings Directive, Ecodesign and Energy Labelling regulations, and the F-Gas Regulation. These lobbying activities are conducted either directly with EU policymakers or through industry associations to which BDR Thermea Group belongs, such

as EHI (European Heating Industry) and EHPA (European Heat Pump Association). The positions we advocate in our lobbying activities align closely with our mission to bring a sustainable future closer through smart indoor solutions. We are deeply committed to advancing the energy transition and believe that all technologies should play a role in achieving this goal.

### Responsible procurement

Our procurement function is dedicated to fostering strategic, long-term relationships with tier-1 suppliers while minimising the number of tail suppliers. We manage over 250 main commodities for both direct and indirect purchasing, ensuring a diverse range of components and services. We prioritise the highest spend categories to establish a preferred supplier list, which serves as a framework for our buyers.

Consequently, we have streamlined our approach to focus on 87 suppliers, covering 29 main commodities, for prioritised business development. Inclusion on this preferred supplier list requires – among other things – having a group contract (master supply agreement) signed, a satisfactory audit score, and complying with requirements from EcoVadis, our Corporate Social Responsibility (CSR) rating partner. This underlines BDR Thermea Group's commitment to challenging our supply base and achieving mutual benefits. For suppliers struggling to meet our criteria, we implement corrective action plans together with EcoVadis to guide them towards better performance. EcoVadis assesses the performance of our primary suppliers across four key themes: environment, ethics, labour/human rights, and sustainable procurement.

In 2025, we continued to strengthen our commitment to sustainability by engaging the procurement team in targeted awareness initiatives. In addition, buyers' competencies in sustainable sourcing were regularly assessed through quizzes and mandatory e-learning modules.

Additionally, we have a supplier risk system that classifies each supplier into a risk profile. This assessment is used to develop contingency action plans to mitigate risks associated with our supply chain, such as material shortages or supply disruptions.

We established a procurement sourcing council in 2025 to strengthen alignment with internal stakeholders and to support responsible sourcing decisions. We also increased transparency around human rights and environmental impacts across our supply chain, particularly in response to the Corporate Sustainability Due Diligence Directive (CSDDD), supported by EcoVadis.

In 2026, we plan to expand the number of suppliers evaluated through EcoVadis and incorporate carbon costs into our total cost of ownership methodology.

# Risk management

Our efforts around governance include how we manage risks and compliance. While acknowledging that a certain level of risk is required to achieve strategic objectives and financial targets, we manage risks prudently. This attitude is determined by our strategy, values, code of conduct, global policies and procedures.

## Risk management and compliance

In 2025, risk management activities continued to support the execution of our strategy. The risk appetite statement was applied across the organisation, informing decision-making at various levels.

We focus on promoting and maintaining compliance with national/international regulations, standards and internal rules, while reducing the risk of fraudulent activities. Our compliance programme is guided by our code of conduct. Through compliance we aim to safeguard the integrity of our organisation, protect the Management Board and employees, and avoid legal and regulatory penalties, material financial loss and reputational damage to the company.

As part of our compliance programme, company-wide mandatory training on business ethics, covering the code of conduct and conflict of interest, was launched in October 2025. The training includes fraud awareness. Fraud risks are considered within our risk identification processes and internal control framework. In 2025, no material fraud was identified. We maintain a zero-tolerance approach to fraudulent or dishonest behaviour.

### Our approach to managing risk and compliance

The Management Board is ultimately responsible for risk management and compliance within the company and is accountable for this to the Supervisory Board. The Management Board is supported by the Director Internal Audit and Risk Management. The Supervisory Board, through the Internal Audit Committee, regularly discusses management control with Management Board members, including the main risks to the company and the results of operational audits.

BDR Thermea Group uses the 'three lines of defense' model to implement and monitor its management control system:

- 1. First line of defence:** Line management is responsible for managing both strategic and operational risks within their own processes that could potentially threaten company objectives.
- 2. Second line of defence:** The second line is formed by departments that support and advise the first line. To strengthen the second-line function, we have continued to work closely with local SPOCs (Single Points Of Contact) in the local markets.
- 3. Third line of defence:** Internal Audit assesses how effectively the risk management and control system operates by means of operational audits and reports its findings to the Audit Committee of the Supervisory Board.

### Risk categories

The company categorises risks into the following key areas:

- Strategic
- Operational
- Health and safety (see the Social chapter)
- Financial and reporting
- Compliance (regulatory and reputational)
- Information security
- Sustainability (see the Social and Environment chapters)

### Strategic risks

We are at the heart of the energy transition, with a long-standing reputation as leader in the heating industry. We are recognised for our strong brands and innovative heating solutions. To successfully deliver on our Strategy 2030 we look to manage associated risks, such as a shortage of talent or adequately embedding new ways of working.

## Operational risks

Disruption in our supply chain could mean that we are unable to execute our strategic plans, resulting in increased costs and/or higher inventory levels.

Additionally, failure to effectively execute our goals of simplifying our organisation and manufacturing model could result in slower decision-making and delivery, reduced clarity on accountability and higher costs.

## Health and safety risks

We maintain a culture of safety to minimise health and safety risks. This safety culture is a key element in our strategy. It includes many different aspects, like improving skills and knowledge, training and introducing procedures and standards. We will lead by example, showing commitment to increase safety awareness in all layers of our organisation, starting at the top.

## Financial risks

### Currency and interest risks

BDR Thermea Group's non-euro operations constituted approximately 55% (2024: 55%) of consolidated net revenue in 2025. Currencies that have the largest impact on our consolidated income statement and balance sheet include the Turkish lira, the British pound and the Polish zloty.

As we report in euros, our operating results and other items in our Group income statement can be affected by movements versus the euro in the currencies of non-euro countries where we operate. We do not hedge the currency exposure of expected non-euro results or operating cash flow.

Currency movements can also affect the value of our assets, liabilities, equity and related balance sheet ratios. Translation differences in equity are not hedged, but the impact of possible currency movements on assets is mitigated by financing through debt in corresponding non-euro currencies.

BDR Thermea Group also has currency risk exposure on trading transactions as, in several cases, components and products are purchased and sold in different currencies.

The Group's exposure to the risk of changes in market interest rates relates primarily to our non-current portion of external borrowings with floating interest rates. BDR Thermea Group aims to have part of the non-current portion of external borrowings at fixed interest rates, mainly by using interest rate swaps. At the end of 2025, none of our net external debt was structured as debt at fixed interest rates.

We monitor interest rate developments, to enable BDR Thermea Group to act if needed. An increase or decrease of 0.1% in market interest rates would result in a decrease or increase in profit before tax of approximately €0.6 million on an annual basis. On top of the interbank offered rates, we pay an interest spread determined by the level of total net debt divided by EBITDA.

For a description of the financial instruments and risk management, please refer to the relevant paragraph in the Notes to the consolidated balance sheet.

### Risks related to pension plans

BDR Thermea Group is involved in a number of defined benefit pension plans in the United Kingdom, which at year-end 2025 were in surplus on their relevant funding bases. During 2025, one of these plans was closed to future accrual following a consultation process, and employees previously accruing benefits became deferred members from the start of 2026. The majority of UK employees now participate in the defined contribution section of the UK pension arrangement. Our pension plan assets principally consist of long-term debt instruments, equity instruments and investment funds. Future market developments may affect assets of our defined benefit pension plans and the plans' compliance with mandatory coverage ratios, causing higher pension charges, pension premiums and contributions payable. In addition, defined benefit pension plans are sensitive to interest rates, price inflation and other actuarial risks. Future adverse developments in these areas may require us to make significant contributions.

### Risks related to debt financing

In certain circumstances, the impact of BDR Thermea Group's operational gearing could possibly lead to a default situation in our financial facilities; declining EBITDA might result in a situation where the related covenant ratios can no longer be met. This could potentially result in BDR Thermea Group having to repay debt before its originally scheduled maturity.

We manage this risk by targeting our key covenant ratios, such as net financial debt divided by EBITDA, as well as the interest cover ratio. This gives us a degree of protection against adverse fluctuations in the components of these covenant ratios.

### Financial reporting and position risks

Strong and consistent cash-flow generation is essential for financing our strategic and operational plans. Cash-flow levels can be affected by market conditions, cost developments, and working-capital movements. We mitigate this risk through disciplined cash management, careful capital allocation, and continuous monitoring of liquidity and forecasts.

We are averse to any risk that could jeopardise the integrity of our financial statements. In addition to employing trained professionals, we have effective control frameworks in place to minimise the risk of material misstatements and errors in our financial statements.

### Compliance and regulatory risks

We continue to monitor potentially adverse changes in regulations or further scrutiny by regulatory authorities. We strive to comply with all applicable laws and regulations wherever we do business. We have zero tolerance for fraudulent or dishonest activities.

## Information security risks

A cyber attack could cause widespread service disruptions, data loss, leading to a breach of confidential customer and/or commercial data or long-term outages. BDR Thermea Group has not been adversely affected in this area. We continue to invest in monitoring and raising awareness among employees.

## Risk identification and management framework

BDR Thermea Group applies a structured and layered approach to risk identification and management, combining both top-down and bottom-up perspectives. This approach supports consistency across the group, while allowing for local specificities, and is embedded in strategic and operational planning processes.

### 1. Top 10 Risk Analysis (Top 10)

The Top 10 Risk Analysis is a group-wide, top-down assessment of the most significant risks and opportunities related to the achievement of strategic objectives. The process is steered at board level and provides a consolidated view across business units and regions. It focuses primarily on medium- to long-term developments and forms an integral part of our strategic planning process.

### 2. Entity Risk Analysis

The Entity Risk Analysis (ERA) takes a bottom-up approach and captures the most relevant short- to medium-term risks at local entity level. The process is conducted across all regions and coordinated centrally to ensure consistency in methodology and reporting. In addition to entity-specific risks, the ERA also reflects applicable corporate risks. The outcomes of the ERA are integrated into local business planning and contribute to the group-wide risk overview.

### 3. Operational risks and strategic risks

Operational, health and safety, and compliance risks are primarily addressed through preventive measures, supported by established internal management controls and processes. Climate risks are also taken into consideration, although our planned assessment of climate and environmental risks has been postponed to 2026 in accordance with our CSRD journey timeline.

## Internal Audit

The mission of Group Internal Audit is to provide independent assurance to the Supervisory Board and Management Board regarding the effectiveness of the company's system of internal controls. In doing so, Internal Audit aims to improve the company's operations through its systematic, transparent and risk-based approach to evaluating the effectiveness of control processes, risk management and compliance.

Internal Audit obtains its authority from the Supervisory Board and maintains its independence and objectivity by reporting to the Chair of BDR Thermea Group Audit Committee, with a dual reporting line to the Chief Financial Officer.

Internal Audit accomplishes its mission through:

- Developing and executing a risk-based audit plan, which is subject to approval by the Audit Committee
- Performing an independent assessment of the adequacy and effectiveness of controls over a given process
- Agreeing relevant management actions to improve internal controls, risk management and governance
- Reporting the results of its work to management and supplying a summary to the Audit Committee
- Maintaining a competent audit team that is well trained, experienced and has sound business understanding
- Applying a rigorous quality assurance process to all its work and deliverables

## In control statement

The Management Board is responsible for designing, implementing and operating BDR Thermea Group's risk management and internal control systems. These comprise our code of conduct, policies, processes, tasks, values, behaviours and other aspects. Taken together, these help us achieve our objectives and prevent or ensure early identification of potential errors, losses and misrepresentation of circumstances.

Our risk management and internal control systems are designed to mitigate risks and make our corporate processes more reliable. While these systems significantly contribute to achieving our corporate objectives and compliance with laws and regulations, they cannot guarantee absolute assurance against errors, losses, fraud or legal breaches.

Given the constraints outlined above, our risk management and internal control systems provide a reasonable level of assurance that our financial reporting is free from misstatements. We have observed no evidence to suggest that these systems were ineffective in 2025, nor do we have any current concerns regarding their performance in 2026. The above-mentioned risk management and internal control systems also provide insight into the extent to which strategic and operational objectives are achieved, and laws and regulations are complied with.

Apeldoorn, 30 March 2026

**Tjarko Bouman** (Chief Executive Officer)  
**Ronald Eikelenboom** (Chief Financial Officer)  
**Luigi La Morgia** (Chief Technology and Operations Officer)  
**Aliëtte van der Wal-van Dijk** (Chief Commercial Officer)

# Message from the Chair of the Supervisory Board

In a year marked by significant external challenges, the trust and collaboration between the Management Board and the Supervisory Board remained strong. Turbulent market conditions and/or disappointing results can sometimes heighten tension around strategic and operational choices, yet in our case the opposite proved true. The pressures BDR Thermea Group faced strengthened our alignment, deepened our understanding of each other's perspectives, and reinforced our shared commitment to the company's long-term success.

As outlined elsewhere in this annual review, BDR Thermea Group took several important strategic steps in 2025. We identified three priority areas – Commercial markets; Residential heat pumps and boilers; and Aftersales activities such as spare parts and service – that will be central to driving our growth and sharpening our focus. BDR Thermea Group also completed the sale of our China business, enabling us to concentrate our activities, manufacturing footprint and commercial efforts more fully on Europe. At the same time, BDR Thermea Group continued our transformation from a group of largely independent units into a more integrated organisation, one that leverages the collective strength of the Group while maintaining the local responsiveness that our customers value.

One of the Supervisory Board's core responsibilities is ensuring strong and effective leadership in the company. Over the past two years, we have assembled an almost entirely new Management Board, with only Luigi La Morgia already serving before that period. In 2025 we faced two unforeseen changes: the sudden passing of our Chief Technology Officer, Peter Snel, and the retirement of our Chief Commercial Officer, Lúcia de Lima Veiga-Ermida. Luigi has since taken on the role of Chief Technology Officer in addition to his position as Chief Operations Officer, and we welcomed Aliëtte van der Wal-van Dijk as our new Chief Commercial Officer. With this leadership team in place, we are confident that the company has the capabilities needed to define and execute its strategy.

A strong partnership with our sole Shareholder is the third essential element in guiding BDR Thermea Group. The cooperation between the Supervisory Board, the Management Board and our Shareholder remained constructive and robust, further intensifying throughout 2025. Together we reassessed the market environment, evaluated our strategic choices, and confirmed that, despite the difficult conditions of the past three years and the disappointing financial results, the strategic direction set out one and a half years ago remains the right one.

Having a Shareholder committed to the long-term continuity of the company is a significant advantage. In times when markets are declining, it is vital to maintain patience and to have the support required to be ready for the eventual upturn and harvesting the results of our strategy execution.

As a Supervisory Board, we believe that the foundations for future success are now largely in place. In the year ahead, we look forward to building further on these foundations. We will continue to support the Management Board in executing the strategy and advancing the transformation that will, we believe, pave the way toward a sustainable and profitable future for BDR Thermea Group.

Marc de Jong  
Chair, Supervisory Board

# Report of the Supervisory Board

The Supervisory Board hereby presents the annual review 2025.

## Composition of the Supervisory Board

In the year under review, the Supervisory Board had five members: Mr Marc de Jong (Chairman), Mrs Jeanine van der Vlist-Verdel, Mr Henrik Lange, Mr Jürgen Fischer and Mrs Caroline Fluit.

## Composition of the Management Board

In the year under review, the Management Board consisted of five members until 12 July 2025: Mr Tjarko Bouman (Chief Executive Officer), Mr Ronald Eikelenboom (Chief Financial Officer), Mr Peter Snel (Chief Technology Officer), Mrs Lúcia de Lima Veiga-Ermida Moretti (Chief Commercial Officer) and Mr Luigi La Morgia (Chief Operational Officer).

On 12 July 2025 Mr Snel sadly passed away. Mr Snel played an invaluable role in the successful expansion of our product portfolio, including its adaptation to market demands. We are very grateful for his significant contribution over a period of more than eight years. On 4 September 2025 Mrs Lima Veiga-Ermida Moretti retired, reducing the Management Board to three members. We express our gratitude for her service and dedication. Mr La Morgia took over the responsibilities of the CTO as well, first in an interim role, but effective 1 January 2026 on a permanent basis. On 1 January 2026 Mrs Aliëtte van der Wal-Van Dijk joined the Management Board as Chief Commercial Officer, thus completing the Management Board again, which now consists of four members.

## Gender diversity

Gender diversity has been, and will continue to be, explicitly considered in the selection of new Supervisory Board and Management Board members. In the Social chapter of the Sustainability statement, a separate paragraph is dedicated to this subject.

## Supervision

In the fulfilment of its task, the Supervisory Board safeguards the interests of the company, taking into consideration the fair interest of all stakeholders concerned. In 2025, the Supervisory Board held eight meetings with the Management Board. On regular occasions, country, business or functional managers were invited to discuss pending business matters. Generally, at the beginning or end of these meetings, or separately, the Supervisory Board met alone, to discuss its composition and functioning, as well as other company matters such as the performance of the Management Board.

The Supervisory Board meeting was combined on one occasion with a visit to one of the major sites. During this visit the Board of the Shareholder also joined.

The Supervisory Board Chairman regularly held informal talks with the Management Board, especially with the Chief Executive Officer.

During their joint meetings, the Supervisory Board and Management Board specifically discussed (the progress of the execution of) the Group Strategy 2030. Information on this is included in the Strategy Update section.

Particular attention was paid to market developments. The decline in market demand for heating products that started in 2024 continued in the year under review for boilers. Heat pumps, however, profited from favourable subsidies. The developments were not uniform across our key markets. Overall, these trends had a negative influence on the Company's total performance.

Also on the agenda were the energy transition, ESG and the progress on CSRD, financing, market developments, the supply chain, operating performance, financial performance including results, competitiveness, mergers and acquisitions, partnerships, changes in regulations, innovation in products, services and systems, major capital investments and internal organisation, including human resources matters. Other subjects discussed were the corporate governance and risk exposure of the business, internal risk management, and risk and control systems.

The Supervisory Board discussed the functioning of the Supervisory Board, also in relation to governance, notably the interaction with the Management Board and the relationship with the Shareholder.

## Corporate governance

The ultimate holding company of the Group is Remeha Group B.V., a private limited company ("the Company").

Since 1982, the Company has been fully-owned by Stichting Aandelen Remeha (BDR Thermea Shareholder). As sole shareholder, its board members take a long-term view of the company and its employees, with the main objective to safeguard the continuity of BDR Thermea Group as an international company with strong roots in the Netherlands.

Since the Company does not have a works council, the works council of Remeha B.V. is the competent works council for the purposes mentioned in this paragraph ("the Works Council"). For the Group, a European works council is in place.

The Company is a structure regime company (structuurvennootschap) and has a two-tier board.

The Management Board is charged with the management of the Company, subject to the restrictions contained in the articles of association of the Company. The Management Board is accountable to the Supervisory Board and the Shareholder for how it manages the Company. The Company has drawn up rules for the Management Board. Members of the Management Board are appointed by the Supervisory Board. Before the Supervisory Board appoints a new member, it notifies the Shareholder and the Works Council of its intention to do so. Currently the Management Board consists of four members.

The Management Board shall require the prior approval of the Supervisory Board for certain important resolutions, concerning among other things:

- The issue of shares in the Company
- Entry into long-term co-operations
- Acquisition of a participating interest in the capital of another company
- Major investments
- A proposal to amend the articles of association of the Company

The Supervisory Board supervises the policies pursued by the Management Board and the general course of affairs in the Company and business enterprise connected with it. The Supervisory Board also assists the Management Board by providing advice. The Supervisory Board shall be guided by the interests of the Company and all the key stakeholders of the business enterprise connected with it.

The Supervisory Board has set up three separate committees: an Audit Committee, a People and Remuneration Committee and a Selection and Nomination Committee. The Supervisory Board has adopted a set of rules that govern decision-making by and the functioning of the Board. The Board has also drawn up rules for the committees. Members of the Supervisory Board are appointed by the Shareholder based on nominations by the Supervisory Board. The nominations are drawn up by the Supervisory Board after the Shareholder and the

Works Council have been notified of the vacancy and have been given the opportunity to recommend individuals for nomination. One supervisory director is recommended by the Works Council on the basis of its enhanced right of recommendation. Currently the Supervisory Board consists of five members.

The main powers of the Company's Shareholder are as follows:

- The issuance of shares
- The appointment of members of the Supervisory Board (upon the recommendation of the Supervisory Board, with the Works Council's enhanced right to nominate, if applicable)
- A vote of no confidence in the Supervisory Board
- Adoption of the annual accounts, including the appropriation of profit
- The discharge of the Management Board and Supervisory Board
- The appointment of the external accountant
- The termination of the employment agreements of a considerable number of employees of the company or a dependent company at the same time or within a short time span
- The Management Board needs approval from the General Meeting for decisions regarding an important change of the identity or the character of the Company or its business
- The adoption of the remuneration of the members of the Supervisory Board
- Amendment of the articles of association
- Dissolution of the Company
- Major acquisitions as prescribed by law

Both the Management Board as a whole and the Supervisory Board as a whole have sufficient experience in the sectors, products and geographic locations of the Group.

The company's corporate governance policies were not changed in 2025.

## Sustainability

The Management Board is responsible for sustainability topics, which are in the remit of the CFO. The sustainability manager reports into the CFO. The Supervisory Board, notably the Audit Committee, is consulted on major sustainability-related topics.

The Management Board and Supervisory Board are composed in such a way to ensure that sufficient expertise on sustainability is available. In addition, extensive external advice is being taken, especially in relation to becoming compliant with the relevant regulations on sustainability, including CSRD.

In the year under review, continuous substantial effort was put into developing further improvement actions on ESG, including the preparation on CSRD reporting, as further explained in the Sustainability statement section.

## Supervisory Board committees

The Supervisory Board, while retaining overall responsibility, has formed three committees with the following composition at the end of the year under review:

- The Audit Committee, consisting of Mr Lange (chair), Mrs Van der Vlist-Verdel and Mr Fischer
- The People and Remuneration Committee, consisting of Mrs Van der Vlist-Verdel (chair), Mr De Jong and Mrs Fluit
- The Selection and Nomination Committee, consisting of Mr De Jong (chair), Mr Fischer and Mrs Fluit

The main role of the committees is to analyse and prepare subjects within their respective areas of expertise and to report and make recommendations to the full Supervisory Board.

### Audit Committee

The Audit Committee met four times in the presence of the Chief Financial Officer, the Group Accounting and Control Director and the Group's independent auditor. The Group Internal Audit, Risk and Compliance Director only attended the first meeting, since she stepped down on 13 June 2025. Her successor started on 1 January 2026. The Audit Committee was kept updated on the progress of audit activities and the audit plan for 2025 was discussed and approved. Other topics on the agenda of the Audit Committee were the risk profile and the internal risk and control management, the financial performance including the annual results, IT security and cyber activities and the process of getting ready for the CSRD. The Audit Committee discussed the performance and independence of the external auditor.

### Selection and Nomination Committee

The Selection and Nomination Committee met on a regular basis. The Committee regularly discussed the current and future composition of the Supervisory Board and the Management Board, as well as the selection process for new members. The search and selection for a new Chief Commercial Officer was successfully completed with the appointment of Mrs Van der Wal-Van Dijk, effective 1 January 2026. The search and selection for a new Supervisory Board member as successor of Mrs Van der Vlist, who will step down per the 2026 Annual General Meeting (AGM), was completed: the final candidate will be nominated to the Shareholder for appointment in the 2026 AGM.

### People and Remuneration Committee

The People and Remuneration Committee met on a regular basis. It discussed the structure, targets and achievements of the short-term and long-term incentive plans as well as the remuneration packages for Management Board members, organisational developments, diversity and inclusion, employee motivation, management development and succession planning. The People and Remuneration Committee prepared a renewed Management Board

Remuneration Policy and a new Supervisory Board Remuneration Policy. The former was adopted by the Supervisory Board and the latter by the Supervisory Board and the Shareholder. Both policies are retroactively effective per 1 January 2025.

## Remuneration policy

The primary objective of the remuneration policy is to motivate, attract and retain qualified and experienced management. Remuneration is constructed so that it reflects strategic and financial objectives and is performance-oriented, with a good balance between short- and long-term results and objectives.

The remuneration package of the Management Board members consists of the following components:

- A fixed base salary
- A short-term annual incentive expressed as a percentage of the annual base salary
- A long-term incentive plan
- Pension contributions (where appropriate)
- Other secondary benefits: a company car (where appropriate), health and travel insurance, devices and an expense allowance

The level of remuneration is reviewed annually for inflation and (at least) every four years in alignment with external comparable benchmark data. The policy should ensure that competitiveness with the external Dutch and international market is maintained, notably by considerable emphasis on a pay-for-performance culture through variable remuneration opportunities focused on long-term value creation and commitment to the Company. The remuneration policy for senior management is determined annually by the Management Board. The basic principles of remuneration and the remuneration package are, in general, the same as those for the Management Board itself.

## Appreciation

The Supervisory Board would like to express its appreciation to the Management Board and all employees of the Group for the action taken on starting with the execution of the strategy until 2030, helping us to remain strong as a key player in the energy transition, and for their dedication and success in 2025 under continuing challenging circumstances.

Apeldoorn, 30 March 2026



**Mr M.J.C. de Jong**  
Chair



**Mrs J.W. van der Vlist-Verdel**



**Mr N.G.H. Lange**



**Mr J.A. Fischer**



**Mrs C.C.J.M Fluit**