

PURMO
GROUP

2024 Sustainability Statement



In the
EU and UK region,

517

million people

live in

200

million households

in

120

million buildings

they consume **17.3% of all the region's energy**
to keep themselves warm or cool.

Over 80% of those buildings have not been renovated
in line with the 2050 Paris Agreement.



We have positioned ourselves at the centre of the challenge

We're committed to an end-to-end range of products and systems offered as solutions.

We believe in the installation of responsible, state-of-the-art, indoor comfort.

Perfect indoor climates should not cost the planet's climate.

Sustainability Statement Disclaimer

This Sustainability Statement ("Statement") is a standalone publication based on the sustainability disclosures originally included in Purmo Group's Annual Report 2024. While the content is largely consistent with the original version, certain minor editorial changes have been made to adapt it for separate publication. As such, this Statement is not identical to the version that was subject to external assurance. These changes

are not considered material but may affect alignment with the assured version.

Purmo Group does not undertake to update any information, statements or data contained in this Statement, nor to inform you if any such information, statements or data change in future. Unless otherwise stated, the information and data in

this content have not been audited or assured. Some of the information and data in this Statement may have been obtained from public or other third-party sources and have not been independently verified. Purmo Group makes no representation or warranty regarding the completeness, accuracy, fitness for a particular purpose or non-infringement of this Statement or the information, statements and data within it.

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The Corporate Sustainability Reporting Directive (CSRD) is a European Union regulation that requires companies above a certain size to report on their environmental and social impact, including how their activities impact people and the planet, and also how they monitor them.

Double materiality is a fundamental concept in the CSRD. A company must consider:

Impact materiality – the environmental and social effects of the company’s operations

Financial materiality – the effects of sustainability issues on the health and operations of the business.

ESRS 2 General disclosures

BP-1 General basis for preparation of the sustainability statement

The sustainability statement has been prepared on a consolidated basis, comprising the parent company Purmo Group Plc and its subsidiaries (collectively 'the Group' or individually 'Group companies'). Thus, it is in line with the preparation of the group financial statements. Unitherm Heating Solutions Ltd and Unitherm UK Limited, which were acquired by Purmo Group in October 2024, have been excluded from the sustainability statement reporting. In addition, Purmo Group's Russian entities were included in the sustainability statement reporting until the divestment in September 2024. The sustainability statement has been prepared in accordance with the Finnish Accounting Act and the European Sustainability Reporting Standards (ESRS).


Purmo Group's employees operate in 23 countries, manufacturing and distributing the Group's products and solutions to customers in more than 100 countries. During the double materiality assessment, the identification of impacts, risks and

opportunities was focused on activities within Purmo Group's operations as well as across the upstream and downstream value chains. The raw materials and suppliers form the upstream value chain, the downstream value chain comprises customers and end-users.

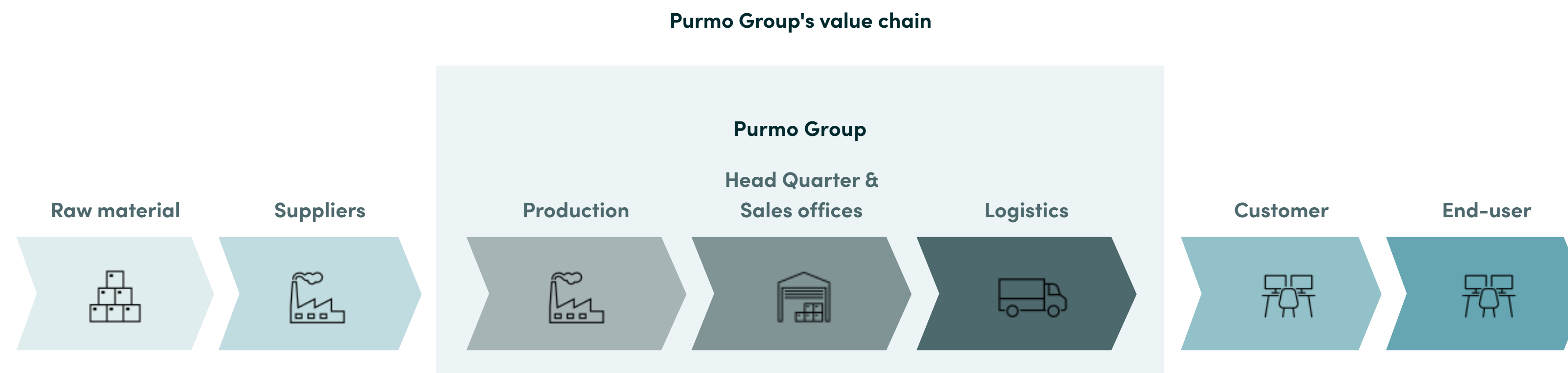
This sustainability statement covers the Group's upstream and downstream value chain, distinguishing between:

- the extent to which the company's materiality assessment of impacts, risks and opportunities extends to its upstream and/or downstream value chain
- the extent to which the company's policies, actions and targets extend to its value chain; and
- the extent to which it includes upstream and/or downstream value chain data when disclosing metrics.

For further information on material topics, the company refers to the information presented in ESRS 2, Material impacts, risks and opportunities and their interaction with strategy and business model in section SBM-3.



In 2024, Purmo Group completed its understanding and adoption of CSRD reporting.



¹ Short-term is defined as 1-3 years, medium-term is 3-5 years and long-term is 5-10 years.

Exemption from disclosure of certain information

In the preparation of this sustainability statement, Purmo Group has exercised the option to omit specific information that pertains to intellectual property, know-how, or the results of innovation, as permitted by ESRS 1 section 7.7. The decision was made to protect competitive positioning and to prevent the disclosure of sensitive information that could undermine Purmo Group's strategic interests.

Under ESRS 7.7, companies are not obligated to disclose classified or sensitive material, even if it is material. If revealing specific intellectual property,

know-how, or innovation results is necessary to fulfil a disclosure requirement but could compromise secrecy, commercial value, or content that has been protected by reasonable secrecy measures, the company may omit this information.

As Purmo Group is headquartered and has operations in EU member states it has used the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

The omissions relate to the level of detail rather than the exclusion of entire data sets.

BP-2 Disclosures in relation to specific circumstances

During the double materiality process, Purmo Group established three different time horizons on which the impacts, risks, and opportunities (IROs) are to be assessed:

- Short-term: encompassing a period of one (1) to three (3) years,
- Medium-term: spanning three (3) to five (5) years, and
- Long-term: covering five (5) and above

The definitions for the time horizons follow the organisation's risk management system, leading to deviations from ESRS 1 section 6.4

Estimations from indirect sources and the basis for preparation

For Scope 1, 2 and 3 emissions Purmo Group aims to use actual data as a priority. When actual data is not available, Purmo Group makes estimates using a comparable production site, manufacturing process or product as a basis for calculation.

Data estimations are conducted to fill in any gaps for power and gas data only. Purmo Group performs these estimations automatically through a defined process. Below are the methodologies used for each data source to create the estimations, with priority given to the first method, and subsequent methods used only if the previous one fails.

- Electricity: 1. Average value of surrounding +/- 2 months. 2. Average value from past 3 months. 3. Last known value within prior 4 months. 4. Value of same month last year. 5. Value from Gaussian process regression.
- Gas: 1. Value of same month last year. 2. Average value of surrounding +/- 2months. 3. Average value from past 3 months. 4. Last known value within the prior 4 months. 5. Value from Gaussian process regression.

Given the impracticability of collecting activity data for all non-production sites at site level, electricity consumption is estimated for the majority of non-production sites.

For non-production sites that do not report on data platform and for which invoices or internal estimations were unavailable, electricity consumption was estimated. Each site was categorised based on its configuration (either office or warehouse + office). The ratio of total electricity consumed to the number of FTEs for each site configuration was then used to estimate electricity consumption for other sites.

Waste and water information was extracted from the data platform or estimated by sqm. For some sites, it was not possible to estimate total quantities since sqm information was not available, but they were deemed not significant given the nature of these sites.

Once an estimate has been identified, the company creates a plan to replace the estimate with actual data. The replacement of estimated data with actual data is an ongoing, long-term development process within each production site, as it is not possible to get actual data of full emissions by each production site at the moment.

The preparation of these statements involves the use of judgements, estimates and assessments for certain data points, such as indirect emissions (Scope 3).

Purmo Group continuously reviews these estimates, recognising revisions in the reporting period. Any restatements of sustainability data are clearly indicated to maintain transparency. The possible estimated information from indirect sources has been addressed in context with the respective information.

The level of accuracy

In Purmo Group's sustainability statement, the resulting level of accuracy is determined by the consistency of the data collection processes, the reliability of the data sources, and the effectiveness of the estimation methods for metrics subject to uncertainty.

Purmo Group acknowledges that despite its systematic approach to data collection and reporting, some level of measurement uncertainty is inherent in sustainability metrics, particularly those related to indirect emissions (Scope 3) and waste-management estimates. The Group maintains

transparency by documenting changes in methods, data sources, metrics, or reporting frameworks and then provides a rationale for each change to stakeholders.

Regarding the ways to improve the accuracy of Scope 3 emissions, the company refers to the information presented in ESRS 2: Estimations from indirect sources and the basis for preparation in section BP-2.

Purmo Group acknowledges a high level of measurement uncertainty in the Scope 3 GHG emissions reported, especially for the category 'Use of Sold Products' due to the use of averages in data.

Sources of measurement uncertainties

Measurement uncertainties may also originate from reliance on financial data from ERP systems, the use of spend-based models, average-data methods, and emission factors from databases like EXIOBASE3, which may not capture specific operational details.

Exclusions of the data for SFERA Comercial e Importadora Ltda in Brazil and operations in Russia divested in Q3 2024, introduce additional uncertainty but have minimal impact on the overall GHG inventory.

Manual estimations for categories like 'Downstream Transportation and Distribution' also contribute to measurement uncertainty due to the lack of direct system data.

The assumptions, approximations and judgements in measurements

Purmo Group discloses various quantitative metrics and monetary amounts, recognising that some data points are subject to a high level of measurement uncertainty. This uncertainty often arises from the need to estimate certain figures, such as indirect emissions (Scope 3).

Purmo Group has used average emission factors for energy consumption and waste treatment as well as standardised end-of-life treatment scenarios for products and packaging. The company also uses the following assumptions, approximations, and judgements in measuring its environmental impacts.

The company groups spending into activity classes, and it estimates average distances for transportation. In addition, it applies standardised emission factors. Certain geographies are excluded due to their minor contribution to overall emissions and the most sold products are used for estimating 'Use of Sold Products' emissions.

Purmo Group uses an online software to estimate Scope 1, 2, and 3 emissions, relying on historical data and automated estimation routines when necessary. To track and record actual data for Scope 1 and Scope 2 emissions, Purmo Group utilises the same platform.

Purmo Group acknowledges that delays in receiving utility supplier invoices, or the lack of precise monthly data can lead to reliance on estimates based on previous years or average consumption. In its waste management, the Group estimates quantities based on documentation from waste carrier companies.

The assumptions, approximations, and judgments that Purmo Group makes in measuring these data points are continuously reviewed, with revisions recognised in the reporting period to ensure accuracy and transparency. The Group follows a structured protocol to document any changes in methods, data sources, metrics, or reporting frameworks, providing a rationale for each change, and disclosing revised comparative figures.

Changes in the preparation and presentation of sustainability information occur compared to the previous reporting period

By following a structured protocol, Purmo Group can ensure that changes and corrections

in sustainability statement are systematically documented and corrected, with a clear and established audit trail. To provide full transparency, Purmo Group has a step-by-step guide for changes in the preparation or presentation of the sustainability information and its entailed metrics.

There are no current changes to the preparation of sustainability information as this is the first year of application of ESRS and, as 2024 is the first year of reporting, no errors from the previous period are disclosed.

Information stemming from other legislation which requires to disclose sustainability information

In compliance with the EU Taxonomy Regulation Article 8 of Regulation (EU) 2020/852, Purmo Group discloses the extent to which its economic activities contribute positively to environmental objectives.

Purmo Group's sustainability statement incorporates the requirements of the EU Taxonomy regulation. Regarding EU taxonomy, the company refers to the information presented in section E1 – Climate change. Other than the EU taxonomy, Purmo Group does not report indicators which have been taken from other sustainability-related frameworks not included in ESRS standards, such as GRI or SASB-related specific industry-related indicators.

GOV-1 The role of the administrative, management and supervisory bodies

The Board of Directors and its committees

The Board of Directors is responsible for the administration of the Group and the appropriate organisation of its operations. The Board of Directors is also responsible for the appropriate arrangement of the supervision of the Group's accounts and finances.

The Board of Directors decides on Group-wide matters of principal importance. The Board of Directors appoints and dismisses the CEO, supervises their actions, and decides on their remuneration and other terms and conditions of service. The Board of Directors also makes decisions on significant matters related to strategy, investments, organisation, and financial affairs of the Company. For a more detailed description of the responsibilities and tasks of the Board of Directors, the company refers to the information presented in ESRS 2, the section The Board of Directors in section GOV-1.

The election and composition of Purmo Group's Board of Directors are guided by the principle of diversity to ensure that the Group has a skilled, competent, experienced and effective Board. For a more detailed description of the diversity of

the Board of Directors, the company refers to the information presented in ESRS 2, the section The Board of Directors in section GOV-1.

The Board of Directors of Purmo Group has the following three Committees:

- the Audit Committee
- the Remuneration Committee and
- the Mergers and Acquisition Committee.

The Board committees do not have independent decision-making authority in matters within the authority of the Board of Directors, and the Board of Directors has approved the charters of the Board committees. In its constitutive meeting, the Board of Directors annually appoints the members and the chair of the Audit Committee, the Remuneration Committee and the Mergers and Acquisitions Committee from among its members.

In addition to the above-mentioned committees, the Board of Directors may appoint ad hoc committees for the preparation of specific matters. Such ad hoc committees do not normally have board-approved charters and the Board of Directors does not release information on their term, composition, the number of meetings or the members' attendance rates.

The Group’s CEO

The Board of Directors of Purmo Group appoints and dismisses the CEO and decides on the financial benefits within the framework of the valid Remuneration Policy presented to the General Meeting of the Shareholders. Board-approved terms and conditions of the CEO’s position are specified in a written service contract. The CEO is responsible for managing, supervising, and controlling the business operations of the Group.

The CEO is responsible for the day-to-day executive management of the Group, in accordance with the instructions and orders given by the Board of Directors. The CEO shall provide the Board of Directors and its members with the information necessary for the performance of its duties.

The Group’s Management Team

The Group’s Board appoints the members of the Management Team (“CLT”), which comprises the CEO and the CFO as well as other members. The Management Team meets regularly to address matters concerning the entire Group. The Management Team is not a decision-making body for the Group, but it assists the CEO in the implementation of the Group’s strategy and operational management.

The Management Team is responsible for managing the Group’s core business operations as a whole, which requires planning various development processes, group principles and group practices, as well as monitoring the development of financial matters and the Group’s business plans.

Governance of sustainability at Purmo Group

Purmo Group’s Board of Directors approves all sustainability-related policies described in G1-1 and decides on the group-level sustainability strategy and target-setting that will guide the annual business planning. They also review the Group’s sustainability performance and reporting. Purmo Group’s Audit Committee assists the Board of Directors to manage sustainability matters and reports on the work to them. The Audit Committee follows the sustainability-reporting process and receives regular sustainability updates from Purmo Group’s Head of Sustainability, Safety and Wellbeing and the Group Financial Controller. Minutes are kept of all committee meetings.

Purmo Group’s Management Team (“CLT”) is responsible for setting the sustainability objectives and proposing Purmo Group’s sustainability targets for approval by the Board of Directors. The CLT monitors the sustainability performance on a regular (monthly/bi-monthly) basis.

Purmo Group’s Head of Sustainability, Safety and Wellbeing, with the support of the ESG steering committee, is responsible for coordinating and developing sustainability at group level. This includes the Sustainability Policy and related group-level instructions and manuals.

The Head of Sustainability, Safety and Wellbeing is also responsible for monitoring policy implementation and for performance-reporting to CLT on a bi-monthly basis. Purmo Group’s Head of Sustainability, Safety and Wellbeing leads sustainability in the development of common goals, targets, instructions, and procedures in the whole group.

Purmo Group’s division leads are responsible for defining detailed sustainability targets based on ambitions defined by CLT and the Head of Sustainability, Safety and Wellbeing. They develop action plans in accordance with group-level targets and ensure their inclusion in business goals. The divisions measure their sustainability performance against targets.

The responsibilities for updating, reviewing, and approving the sustainability policy document are as follows:

- Document owner (author): Head of Sustainability, Safety and Wellbeing
- Document reviewer: ESG steering group

- Document approver: Board of Directors
- Execution of policy: Core Leadership Team, all divisions and group functions.

Composition and diversity of the members of Purmo Group’s administrative, management and supervisory bodies

During 1 January to 1 September 2024, the Board of Directors of Purmo Group consisted of seven (7) non-executive members. As of 3 September 2024, the Board of Directors consists of four (4) non-executive members and one (1) executive member. There are no employee representatives in the Board of Directors of Purmo Group.

The Board of Directors offers diverse expertise in climate and impact investing, infrastructure equity, corporate and energy law, and executive leadership within multinational corporations. The board members' backgrounds in investment management, corporate governance, legal expertise, engineering, and executive leadership across various industries and global markets equip them with the knowledge and skills to guide Purmo Group's strategic direction and enhance its position in the climate solutions sector.

Sustainability experience in Purmo Group’s management and administrative bodies include climate and impact investing knowledge within private equity at Apollo Global Management, with

roles ranging from partner to principal. In addition, one Board member has board-level involvement at Polarium Energy Solutions AB, a company focused on energy solutions. For social topics, one member has extensive experience in human relations in Purmo Group's Core Leadership Team.

- Waleed Elgohary has been a Partner in climate and impact investing under private equity at Apollo Global Management since 2023. Previously, he was an associate in Corporate and Energy Law at McCarthy Tetraul from 2010–2013;
- Jordan Lubkeman has been a Principal in climate and impact investing under private equity at Apollo Global Management since 2018;
- Trevor Mills has been a partner in Infrastructure Equity at Apollo Global Management since 2012;
- John Peter Leesi has served as a member of the Board at Polarium Energy Solutions AB, offering energy storage and optimisation solutions built on lithium-ion battery technology for businesses since 2024;
- Matts Rosenberg has been the CEO of Rettig Group, focused on investment management, since 2019.

As part of the Core Leadership team, Chief People Officer Linda Currie has extensive experience in human resource management since 1999 from various roles at Purmo Group.

Board members of Purmo Group have access to continuous professional development opportunities, including relevant sector-specific training. External experts conducted CSRD training for the board and core leadership team to ensure a comprehensive understanding on their responsibilities and compliance with sustainability reporting requirements.

Diversity of the Board

Diversity principles at Purmo Group are guided by the goal of having a skilled, competent, experienced, and effective Board, with a focus on complementary education, competence, personal networks, and experience in various professional fields and business management stages. The Board's diverse composition is supported by the personal qualities of each member, relevant experience in strategically significant fields and markets, strong international acumen, and a mix of age, term of office, and gender distribution.

The company aims to maintain a balanced gender distribution on the Board and include representatives of both genders in the candidates-search and evaluation process. The status of diversity and its progress are being monitored.

From 1 January to 1 September 2024, the Board of Directors consisted of five (5) male members and two (2) female members. The gender diversity ratio was 28.6 per cent. Effective from 2 September 2024, the Board of Directors consists of four (4) male and one (1) female member. The gender diversity ratio is 20 per cent.

Effective from 3 September 2024, all members of the Board of Directors other than John Peter Leesi, who is the CEO of Purmo Group Plc, are independent from Purmo Group Plc. The percentage of independent board members from the Purmo Group Plc is 80 per cent.

The roles and responsibilities of the administrative, management and supervisory bodies

The Board of Directors is responsible for defining the role of ESG within the overall strategy and approving the sustainability strategy, including target-setting, which takes into account the material impacts, risks and opportunities for Purmo Group.

The Audit Committee is accountable for regulatory compliance and oversees the monitoring of ESG Key Performance Indicators and progress towards strategic sustainability goals.

The Core Leadership Team (CLT) ensures that material ESG initiatives are advanced and integrated into the Purmo Group's business strategy. The ESG Steering Group, led by the Head of Sustainability, Safety and Wellbeing, supports the CLT in decision-making regarding ESG matters and develops, reviews, and monitors the sustainability strategy and policies.

The ESG Steering Group prepares and reviews key ESG-related policies under Code of Conduct, mentioned in G1-1, which takes into account material impacts, risks and opportunities identified to be in anti-corruption, whistleblowing protection and supply chain management. The Core Leadership Team approves key sustainability policies and principles and presents them to the Board for approval.

The process for significant changes in strategy, policies or similar begins with the Head of Sustainability, Safety and Wellbeing, followed by a recommendation to the ESG Steering Group, then proceeding to the Audit Committee or the Board of Directors for approval.

The ESG Steering Group supports the Head of Sustainability, Safety and Wellbeing and the Core Leadership Team (CLT) in decision-making and ensures an up-to-date view of ESG progress, including impacts, risks and opportunities. The Head of Sustainability, Safety and Wellbeing convenes the Steering Group meetings and is responsible for driving the implementation of ESG in operations.

The ESG Steering Group keeps the CLT informed by preparing reports on potential ESG risks and opportunities. Furthermore, the Group Financial Controller and the Head of Sustainability, Safety and Wellbeing ensures the Board and CLT have a good understanding of mandatory as well as voluntary ESG reporting.

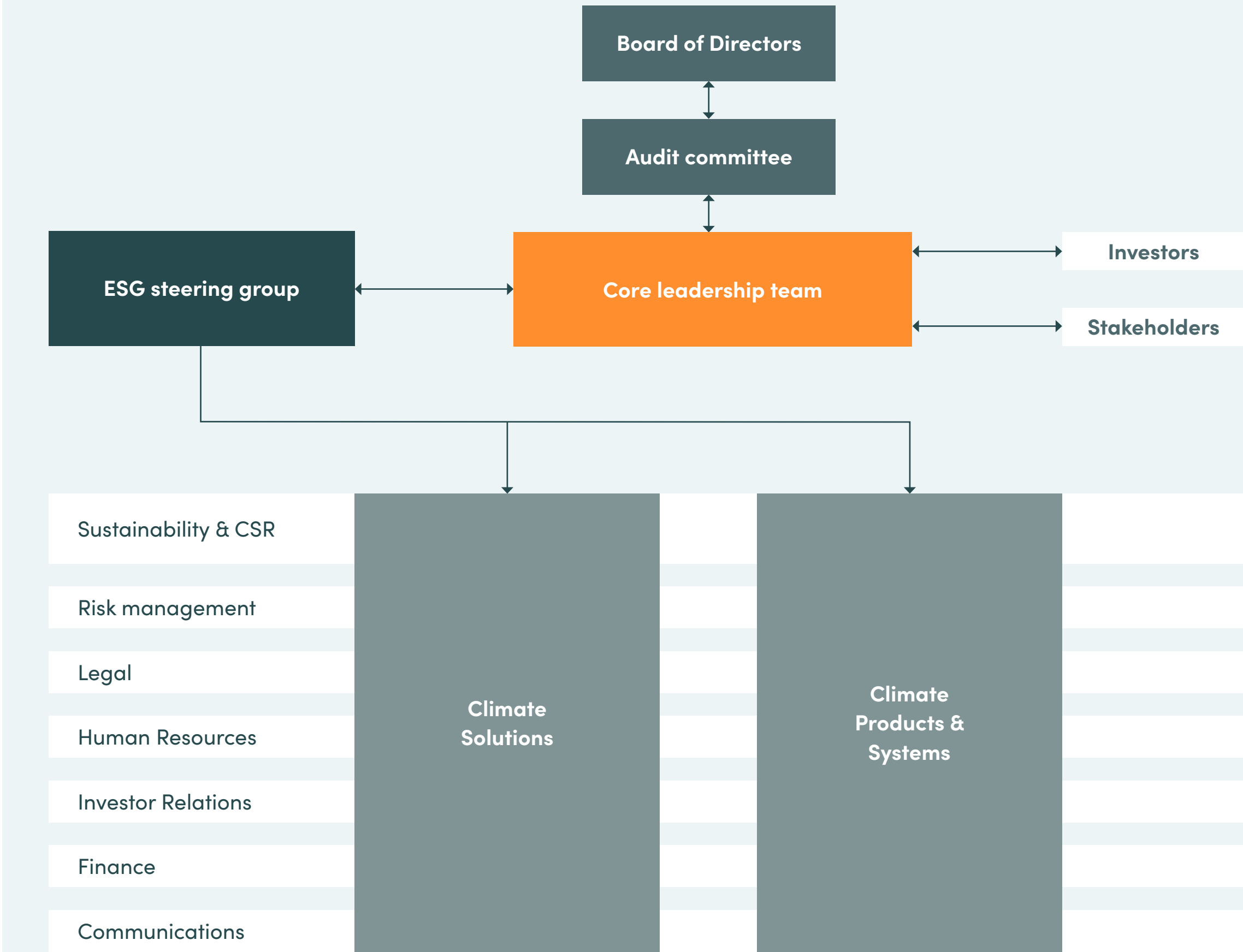
Controls for managing impacts, risks and opportunities are applied through the ESG Steering Group, which prepares sustainability strategies for the CLT’s approval and monitors progress bi-monthly.

In 2022, the ESG steering group and leadership team reviewed the targets, which have not been changed since then. These targets were also presented to the Audit Committee.

In Purmo Group, the Board of Directors sets the ESG targets within the overall strategy and approves annual sustainability strategies, ensuring alignment with long-term resilience against ESG risks and opportunities. The Audit Committee, CLT, and the ESG Steering Group collaboratively oversee regulatory compliance, integrate ESG into business strategy, develop and monitor the sustainability strategy and ESG KPIs. Quarterly meetings are held to review KPIs, with each target having a Core Leadership Team owner, with other specific ownerships assigned within the Extended Leadership Team.

In determining the availability or development of appropriate sustainability-related skills and expertise by administrative, management and supervisory bodies, the company refers to the information presented in ESRS 2, in section GOV-1, chapter Composition and diversity of the members of Purmo Group’ administrative, management and supervisory bodies.

ESG Governance model 2024



GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Audit Committee reviews ESG KPIs and strategic direction, including impacts, risks, and opportunities, in line with the financial reporting cycle. The ESG steering group provides bi-monthly updates on the sustainability strategy and ESG-related policies to the CLT. The Board of Directors reviews and approves the overall sustainability strategy and performance annually, including the results and effectiveness of policies and targets. The Head of Sustainability, Safety and Wellbeing is also responsible for monitoring the policy implementation and performance reporting to the CLT on a bi-monthly basis. The Group's Head of Sustainability, Safety and Wellbeing leads sustainability in the development of common goals, targets, instructions, and procedures in the whole company.

The Group's Board of Directors is accountable for integrating ESG considerations into the overall strategy. Furthermore, the CLT ensures that ESG risks and opportunities are considered in the Purmo Group's business strategy and risk management processes.

The Double Materiality Assessment work, including impacts, risks, and opportunities, was shared and approved by the ESG Steering Group informally during the reporting period. The results of the DMA were also presented to the Audit Committee and the Board of Directors by the Head of Sustainability, Safety and Wellbeing during the review period.

GOV-3 Integration of sustainability-related performance in incentive schemes

The remuneration of the Board of Directors and the board committees is decided at the Annual General Meeting, in accordance with the remuneration policy of the Company. The Remuneration Committee also evaluates the remuneration schemes to ensure they are appropriate and align with the company's policies.

The Board appoints the CEO and approves his/her remuneration. The Board's Remuneration Committee prepares remuneration-related matters and proposals for the Board. The Board continuously evaluates the appropriateness of the CEO's remuneration framework and principles in order to ensure alignment with the Group's strategy, business needs and shareholder interests.

The CEO's short-term Incentives (STI) are subject to annual Board approval and paid once per year

through normal payroll. The STIs are designed to promote the company's financial growth and sustainability agenda, rewarding short-term performance without compromising long-term stability. Performance measures may include a mix of financial and non-financial operational metrics. Finally, the proportion of the CEO's variable pay based on STI can significantly impact total compensation if performance targets are met.

The share-based incentive plan for management and key employees was announced on 20 July 2022, was terminated in August 2024 due to the tender offer process of Project Grand Bidco (UK) Limited. As a result, the Group does not have Long-Term Incentives (LTI) for management and key personnel. These programmes were typically share-based programmes aiming to promote long-term value creation, financial growth, and adherence to the sustainability agenda, with performance periods of 3-4 years.

In 2024, the CEO, other management and employees belonging to short-term incentive plans and programmes, were remunerated based on two ESG-related targets: Group Safety or Lost Time Injury Frequency Rate (LTIFR) and Carbon Intensity. For other management and employees belonging to short-term incentive plans and programmes, the share of ESG targets out of total targets in their compensation for 2024 is 10 per cent. However,

the wider personnel of Purmo Group are not incentivised by ESG-related targets in 2024.

Purmo Group's CEO's compensation in 2024 had a proportion of variable remuneration dependent on sustainability-related targets and/or impacts of 10 per cent, 5 per cent for Group Safety or Lost Time Injury Frequency Rate (LTIFR) and 5 per cent for Carbon Intensity. The compensation for other management and employees belonging to short-term incentive plans and programmes is based on the same metrics.

Overall, Purmo Group's remuneration policies integrate sustainability-related performance metrics, aligning executive compensation with the company's commitment to environmental stewardship and social responsibility.

The Remuneration Committee monitors and evaluates the appropriateness of the remuneration structures and levels within the company. The Board approves the Remuneration Policy, which is presented for an advisory decision by the Group's shareholders in the Annual General Meeting. The Board continuously evaluates the Remuneration Policy to ensure it aligns with the Company's business strategy and performance philosophy.

GOV–4 Statement on due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none">• The roles and responsibilities of the administrative, management and supervisory bodies• Information provided to, and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies• Material impacts, risks and opportunities and their interaction with strategy and business model• All available policies related to material topical standards: E1, S1, S2 and G1. Available under their corresponding sections.
b) Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none">• Interests and views of stakeholders• Processes for engaging with own workforce and workers’ representatives about impacts• Processes for engaging with value chain workers about impact
c) Identifying and assessing adverse impacts	<ul style="list-style-type: none">• Description of the process to identify and assess material impacts, risks and opportunities• Processes for engaging with value chain workers about impact: The EcoVadis IQ Plus platform• Prevention and detection of corruption and bribery
d) Taking actions to address those adverse impacts	<ul style="list-style-type: none">• All actions related to material topical standards: E1, E3, E4, E5, S1, S2 and G1. Available under their corresponding sections.• Processes to remediate negative impacts and channels for own workforce to raise concerns
e) Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none">• All available targets and metrics related to material topical standards: E1, E3, E5, S1 and G1

GOV–5 Risk management and internal controls over sustainability reporting

The Group’s risk-management approach is guided by the Enterprise Risk Management Policy, which encompasses all business units. The risk-management process maps group-wide risks annually. An internal control catalogue for sustainability reporting is maintained by individuals in charge of Enterprise Risk Management, Internal Controls and Internal Audit.

ESG risks are assessed under their own categories within the annual enterprise-level risk mapping process. Sustainability issues are assessed as their own risk category, which is the responsibility of the Head of Sustainability, Safety and Wellbeing.

Purmo Group has not identified the main risks over sustainability and their mitigation strategies including related controls. The findings from the risk assessment and internal controls are integrated into the sustainability reporting process, ensuring that the data can be verified and audited. The process is monitored by the Core Leadership Team (CLT) and reviewed by the Board of Directors. The Board is supported in this task by the Legal and Risk Management functions.

SBM–1 Strategy, business model and value chain

Purmo Group's vision, mission and strategy are based upon the strong prominence of the climate emergency in government, business and consumer decisions. People in general Pare rethinking how they heat and cool the places where they live, work, and socialise. They are also reconsidering what they build or repurpose. Since the heating or cooling of residential buildings uses 17.3 per cent of all the EU’s energy consumption and produces 11.7 per cent of its greenhouse gas emissions, Purmo Group has taken the stance that “perfect indoor climates should not cost the planet’s climate”. It is the company’s vision and the foundation for its strategy. Through its vision, Purmo Group is able to contribute to climate-change mitigation, identified as a material topic. Similarly, the contribution to the material topic is reflected in the company’s mission to be the world’s leader in sustainable indoor climate comfort solutions.

The growth strategy of the company is built on the provision of sustainable solutions, and the launching and delivering smart products that are more intelligent, sustainable, and aesthetic. Both initiatives deliver energy and cost savings to end customers, and ease of installation to installers. The strategy is further supported by investments in people and culture, which were identified as material topics for Purmo Group.

Purmo Group’s sustainability strategy is called Complete Care. It has been designed on the principle that sustainability should have an integrated and measurable effect on all aspects of the company including operations, production, product design, emissions, material-sourcing, workforce development, and community engagement.

Complete Care has four focus areas:

- production
- solutions
- people and
- communities.

Purmo Group has made a total of commitments across these areas, which were carefully considered following a landscape and materiality analysis in 2021.

The ten commitments are widely linked to identified material topics, such as commitment to Science Based Targets and the aim to reduce Purmo Group’s emissions deriving from its production. Likewise, the company has set targets to support circular economy: a 30 per cent reduction in water consumption and zero waste to landfill by 2030.

Purmo Group also aims to mitigate climate change by introducing Product Environmental Profiles to

all its new products by 2025. In terms of its people, the company is taking action on pay equality for adequate wages and gender equality: it aims to bridge and eliminate pay gaps and ensure pay equity by 2025. Purmo Group's target is that 100 per cent of eligible employees have completed anti-corruption & bribery training annually for the prevention and detection of corruption and bribery.

Significant product groups and services related to sustainability, and changes in the reporting period

Purmo Group has positioned itself to have a major positive effect on the sustainability of indoor climates, which consume 17.3 per cent of all energy* in the EU residential sector alone. Purmo Group is offering full solutions and sustainable ways of heating and cooling homes to mitigate global warming. The company provides complete heating and cooling solutions to residential and non-residential buildings, including underfloor heating and cooling systems, a broad range of radiators, heat pumps, flow control and hydronic distribution systems, as well as smart products.

* EU Eurostat study of energy consumption in households (2024)
RICS survey of European legacy building stock (2020)

Purmo Group delivers heating and cooling solutions. It specifies and supplies hydronic and electric radiators, embedded radiant-heating and cooling systems (under floors or in walls), air-based heating and cooling systems (inc. ventilation), dedicated hydronic and electronic controls, and piping distribution systems.

The company aims to increasingly focus on end-to-end solutions to optimise energy efficiency with the help of sustainable heating or cooling sources as well as alignment with buildings and insulation systems, smart controls and appliances.

Purmo Group aims to collaborate with suppliers to promote transparency and reduce emissions across the value chain by, for example, sourcing green steel. In addition, the company aims to increase communication with customers and end consumers to maximise energy efficiency in the development of the building’s installed systems and their daily use.

Significant markets and customer groups, and changes in the reporting period

Purmo Group has a significant market presence in Europe and serves a diverse range of customer groups internationally. Geographically, net sales are distributed as follows: Western Europe: 39 per cent, Northern Europe: 24 per cent, Central and Eastern

Europe: 18 per cent, Southern Europe: 13 per cent, Rest of the World: 6 per cent.

The company has manufacturing in 11 countries and over 100,000 installer customers in over 100 countries. Purmo Group has two business divisions: Climate Products & Systems and Climate Solutions. The Climate Products & Systems division represents approximately 80 per cent of net sales, whereas the Climate Solutions division represents approximately 20 per cent of net sales.

In 2024, Purmo Group closed two factories producing radiators: Zonhoven, in Belgium, and Hull, in the United Kingdom. The production of horizontal radiators was transferred from Zonhoven to the Group’s most efficient production lines at its plant in Rybnik, Poland. The manufacturing in Hull of low surface-temperature radiators, fan convectors and other components was relocated to the Gateshead and Birtley plants in the United Kingdom. Purmo Group also divested its Russian operations, resulting in the end of its radiator production and distribution in the Russian markets.

Purmo Group did not have any banned products or services in any of its markets in 2024. Purmo Group does not have activities and revenues in the fossil-fuel sector, chemicals production, controversial weapons and the cultivation and production of tobacco.

Headcount by country 2024

Country	2024
Austria	141
Belgium	88
Brazil	47
China	78
Croatia	0
Czech Republic	6
Denmark	7
Estonia	2
Finland	46
France	130
Germany	362
Hungary	172
Ireland	49
Italy	298
Latvia	2
Macedonia	0
Norway	0
Poland	735
Romania	30
Russian Federation	0
Slovenia	0
Spain	10
Sweden	236
The Netherlands	0
Turkey	86
United Kingdom	298
United States	7
Total	2,830

Purmo Group's global presence, 2024

Operations in
23 countries
and
2,830
employees in 2024



Purmo Group’s sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders

Purmo Group aims to improve sustainability and customer satisfaction, targeting a 20 per cent increase in the Net Promoter Score by 2025, with annual customer surveys to track progress. Furthermore, Purmo Group has set a target for all new products to have Product Environmental Profiles and to apply circular design principles by 2025, enhancing disassembly and recyclability.

Furthermore, 92 per cent of white-collar employees were trained in circularity principles by the end of 2024, with a training program developed for key employees and key customers identified for training. Purmo Group also plans to invest EUR 100,000 over the next five years in thought leadership and academic partnerships to explore more sustainable and innovative systems and solutions.

The company refers to the information related to material topics and their targets presented in ESRS 2, section SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

An assessment of Purmo Group’s current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals

Purmo Group aims to improve sustainability and customer satisfaction and assess its brand using several KPIs. These are Customer Performance Index (CPI), Net Promoter Score (NPS), its brand pillars and sustainability actions.

To achieve these targets, Purmo Group has conducted online quantitative market research on its customers in eight European markets. In addition, the Head of Sustainability, Safety and Wellbeing oversees a continuous evaluation process that includes landscape analysis, peer comparison, ongoing business discussions, customer engagement, and regular strategy reviews with the Board of Directors to assess progress across the four sustainability focus areas: Production, Solutions, People and Communities.

The elements in Purmo Group’s strategy that relate to or impact sustainability matters

Purmo Group has a company strategy as well as a strategy for sustainability. For the details of these strategies, the company refers to the information presented in section SBM-1 Strategy, business model and value chain. Purmo Group is committed to

integrating its strategy for sustainability throughout the company’s overall business, as part of the company’s efforts to enhance its sustainability practices in line with ESRS guidelines.

Purmo Group’s products, heat pumps and other sustainable solutions are recognised for their impact on sustainability. However, there is a challenge in quantifying the sustainability impact of these products. A part of the sustainability strategy is the development of Environmental Product Declarations (EPDs). EPDs are created to assess and communicate the environmental impact of products. Their importance has increased, driven by customer demand.

For financing green investments and overall ESG strategy of Purmo Group, the company is exploring green equity financing options, such as bonds dedicated to decarbonisation efforts.

Purmo Group’s targets have been validated by the SBTi (Science Based Targets initiative) during 2024. A critical challenge for Purmo Group’s decarbonisation plan is the dependency on local market availability of Renewable Energy Certificates and understanding how to achieve 100 per cent renewable energy usage for decarbonisation across different geographical markets.

Business model and value chain

Upstream: inputs and supply chain

Purmo Group sources raw materials such as metals and components. The company collaborates with suppliers to innovate on sustainable material choices and production techniques. Purmo Group also aims to enhance its sustainable sourcing practices in the coming years to improve the environmental and social performance of the supply chain. The company invests in research and development to secure advanced technologies that enhance product efficiency and safety.

Purmo Group evaluates its supply chain using the EcoVadis platform and aims to enhance collaboration with its suppliers to improve transparency and sustainable production, both of which play a central role in product design, manufacturing, and distribution.

Downstream: outputs, distribution and customer engagement

Purmo Group manufactures high-quality heating and cooling products that align with global energy efficiency standards. The company’s distribution is through a network of long-standing logistics partners (wholesalers). The company also distributes its solutions directly to installers, especially in Italy, Nordics, the United Kingdom, and Ireland. After-sales support and services are

maintained to ensure customer satisfaction and product performance. The company also engages with end-users and to promote sustainable usage and disposal practices, contributing to a circular economy.

SBM-2 Interests and views of stakeholders

To complement the double materiality assessment (DMA), the Group spoke with selected members from its operations as well as external stakeholders and experts both from within the industry and other relevant organisations. These included:

- 1) customers
- 2) employees (especially sales and functional heads) and
- 3) suppliers.

The groups excluded were investors, communities, and local governments. Competitors were analysed as part of the research, although they were not interviewed.

The company has an ongoing dialogue with its stakeholders and is committed to developing a standardised engagement process for these groups. The company will run dialogues in the form of interviews within the next reporting year, as part of its DMA process and in order to enhance its sustainability practices in line with ESRS guidelines. These interviews will also be extended to the main investors, communities, and local governments.

The interviews and the views of the stakeholders added to the Double Materiality Assessment results. They did not reveal new substantial issues that would have required updating the company's ESG strategy.

Purmo Group aims to develop its ESG strategy by listening to the views of its stakeholders. One of the company's targets is to develop plans in all markets to collaborate more with local governments and relevant organisations by 2025. The project began in 2024, including actions to develop a strategic approach to how Purmo Group interacts

with local government and associations on key ESG-related issues. This target will improve the company's relationships with local governments and associations, enhancing collaboration and understanding their views of the company's ESG strategy. Purmo Group's ESG steering committee is informed about the views and interests of affected stakeholders.

The Head of Sustainability, Safety and Wellbeing oversees a continuous evaluation process that includes landscape analysis, peer comparison, ongoing business discussions, customer engagement, and regular strategy reviews.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

IRO description	IRO Type (R/O, A/P impact, timeframe)	Impacted part of value chain	Interaction with Purmo Group’s strategy and business model
E1			
Climate change adaptation: Climate change driven market demand and technological development	Transitional opportunity, Medium to long-term	HQ & Sales, Logistics, customers	Companies that invest in research and development to create more energy-efficient technologies and products may benefit not only from regulatory compliance but also from a reputation of innovation and an enhanced brand image.
Climate change adaptation: legislation related to sustainability	Transitional opportunity and Risk, Short to long-term	Whole value chain from raw materials to customers	Increasing climate-related regulation, not least the EU Green Deal, is increasing the demand for energy-efficient heating and cooling solutions. This therefore presents a significant financial opportunity. Financial risks related to legislative changes concerning sustainability due to increased compliance costs.
Climate change adaptation: Climate change crisis management	Risk, Medium to long-term	Raw materials, supplier, own production, logistics	Increasing risks from extreme weather events, which could disrupt production, damage facilities, strain the supply chain, and lead to significant financial costs due to production delays, poor delivery performance, and increased logistics expenses.
Climate change mitigation: energy efficient products	Actual positive impact, Short to long-term	Customers	Products and solutions, such as low-temperature radiators, play a vital role in enhancing energy efficiency and reaching net-zero emissions, having a positive impact on climate change mitigation.
Climate change mitigation: GHG emissions	Actual negative impact, Short to medium-term AND Risk, Short to long-term	Raw materials, supplier, own production, logistics	The steel industry contributes to climate change mainly through GHG emissions from energy-intensive iron ore processing, often powered by fossil fuels. Steel represents approximately 50% of all raw material purchases in Purmo Group.
			Achieving net-zero targets might become increasingly expensive due to rising carbon prices and CBAM pressures on non-European raw materials, requiring higher investments for low GHG emission products.
Energy: energy consumption	Actual negative impact, Short to medium-term AND Risk, Short to long-term	Raw materials, supplier, own production, logistics	Energy-intensive processes, such as iron ore processing and metal manufacturing, significantly contribute to energy consumption. In some countries, limited or costly renewable energy leads to ongoing reliance on fossil fuels.
			In countries where renewable energy is available, rising renewable energy prices, along with increasing gas prices, pose a risk to Purmo Group’s green transition.
E3			
Water: withdrawals, use	Actual negative impact, Short to long-term	Raw material, Suppliers, Own production	The supply chain significantly withdraws water for mining and mineral processing, impacting local water resources and potentially causing shortages for surrounding communities. Use of freshwater for cooling in metal production and cleaning parts in own facilities further strains water resources.
Water: consumption	Actual negative impact, Short to long-term	Raw material, Suppliers, Own production	The cumulative effect of water consumption across various stages of the supply chain, including mining and metal production, contribute to the depletion of local water resources. Water consumption within own operations is driven by both manufacturing and social needs.
Water: discharges, wastewater management	Actual negative impact, Short to long-term	Raw material, Suppliers, Own production	The discharge of water from mining and metal production processes can introduce pollutants into the environment, potentially harming local ecosystems and water quality. Our own water discharges and wastewater management practices involve releasing used water into designated local networks.

IRO description	IRO Type (R/O, A/P impact, timeframe)	Impacted part of value chain	Interaction with Purmo Group’s strategy and business model
E4			
Biodiversity and ecosystems: Land-use change, fresh water-use change and sea-use change	Actual negative impact, short to long-term	Raw material, suppliers	An indirect impact on biodiversity primarily through the activities of our upstream suppliers. The steel industry uses all types of water and especially the freshwater availability and quality is a major concern in large parts of the world.
Biodiversity and ecosystems: Direct exploitation	Actual negative impact, short to long-term	Raw material, suppliers	We utilise metals like steel, zinc, and copper in manufacturing our heating and cooling systems. The extraction of these metals often involves mining activities that can lead to habitat destruction, soil erosion, and water pollution. Other drivers of biodiversity loss include sourcing of timber and wood products, energy and water usage, waste generation from its production processes and supply chain practices such as product lifecycle management which may include improper or impossible end-of-life disposal negatively impacting the effective use of resources.
Biodiversity and ecosystems: Pollution	Actual negative impact, short to long-term	Raw material, suppliers, own production and Logistics	Purmo Group’s manufacturing processes, including metal forging, coating, and assembly, can emit pollutants like VOCs, particulate matter, and SO ₂ . Chemicals used can lead to improperly treated wastewater discharge, introducing heavy metals and acids into local water bodies, harming aquatic life and communities. Additionally, heated water release and noise from machinery contribute to thermal and noise pollution, respectively.
Biodiversity and ecosystems: Land degradation, Desertification, Soil sealing	Actual negative impact, short to long-term	Raw material, suppliers, own production	The ecological footprint of mining activities is significant as it involves the clearing of large areas of land leading to the direct destruction of habitats, loss of biodiversity, and soil erosion.
E5			
Resource use and circular economy: Resources inflows, including resource use, packaging material, raw material sourcing and management	Actual negative impact, short to medium	Raw material, suppliers, own production	Industrial packaging can enable efficient and sustainable logistics activities throughout supply chains at the same time being a product that creates a lot of waste. Packaging material ends up in landfill and some are not recyclable.
Resource use and circular economy: Resource outflows related to products and services, packaging, material residuals	Actual negative impact, short to medium	Own production, customers	Purmo Group’s operations generate significant resource outflows, including packaging waste and material residuals. The production and distribution of heating and cooling systems involve substantial use of metals, plastics, and chemicals, leading to waste if not properly managed.
Resource use and circular economy: Waste, waste management	Actual negative impact, short to medium	Own production	Purmo Group’s operations generate substantial industrial waste, including metal scraps and chemical residues, which, if improperly disposed of, can contaminate soil and water, harm ecosystems, and affect human health. Non-biodegradable materials and poor waste management also contribute to landfill overflow.

IRO description	IRO Type (R/O, A/P impact, timeframe)	Impacted part of value chain	Interaction with Purmo Group’s strategy and business model
S1			
Own workforce: Secure employment, Adequate wages	Potential positive impact, short-term to long-term	Own production	<p>Through permanent contracts and providing adequate wages we can have a positive impact to our own workforce.</p> <p>Purmo Group focuses on prioritising permanent contracts and ensure that all employees receive fair wages aligned with national and local standards, which helps reduce risks associated with wage inequities, particularly in areas with high migrant labour. Offering adequate wages can strengthen employee retention, productivity, and operational stability.</p>
Own workforce: Social dialogue, Freedom of association, Collective bargaining	Actual positive impact, long-term	Own production	<p>Positive impact by ensuring clear process for employees to speak so that there are open and honest lines of communication and dialogue for all employees. Purmo Group respects in all activities the International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work and has no reported instances of violations or risks related to freedom of association.</p>
Own workforce: Work-life balance	Actual positive impact, short to long-term	Own production	<p>Flexible working hours, and access to childcare are provided in accordance with national and/or local legislation, or even beyond those requirements, creating positive impact for our own workforce.</p>
Own workforce: Health and safety	Actual negative impact, short to long-term	Own production	<p>Purmo Group operates in many factories and warehouses with heavy equipment and materials that can pose risks to employees’ health if proper procedures and processes are not followed. Accidents and impacts on health and safety are continuously monitored and minimised through health and safety protocols and policies.</p>
Own workforce: Gender equality and equal pay for work of equal value	Actual positive impact, short to long-term	Own production	<p>All new staff are recruited under the same structure and their earning ability depends on their success and career progress. Any pay gap difference shown will be a result of differing roles and bandings.</p>
Own workforce: Training and skills development	Actual positive impact, short to long-term	Own production	<p>Training and skills development improve performance, productivity, and employee engagement while reducing turnover and costs; we are committed to investing in professional development programs to enhance training initiatives and upskill employees.</p>
Own workforce: Measures against violence and harassment in the workplace	Actual positive impact, short-term	Own production	<p>Employees can report issues to their manager, HR, the Legal team, the CEO, or the Board; for sensitive matters, the Whistleblowing channel is available.</p>
Own workforce: Diversity	Actual positive impact, short to long-term	Own production	<p>Heavy production is by tradition male-dominated, but several management positions are held by women. Many nationalities and languages are present and a natural part of the work pool available.</p>
S2			
Workers in the value chain: Health and safety	Actual negative impact, short term	Supply chain	<p>Purmo Group sources from many suppliers within the heavy industry but also other manufacturing suppliers of products. Due to the nature of the work within suppliers from heavy industry, there is an actual negative impact for health and safety that value chain workers face. However, Purmo Group has policies to manage the impact by requiring companies to adhere to Supplier code of conduct.</p>

IRO description	IRO Type (R/O, A/P impact, timeframe)	Impacted part of value chain	Interaction with Purmo Group’s strategy and business model
G1			
Corporate culture	Actual positive and negative impact, short to medium-term	Suppliers, own operation, logistics and other partners	Purmo Group’s corporate culture positively impacts employees and consumers through well-defined values and beliefs, but it also carries the risk of negative consequences if profit motives overshadow employee wellbeing and sustainability goals.
Protection of whistle-blowers	Actual positive and negative impact, short to medium-term	Suppliers, own operation, logistics and other partners	The impact is mostly positive but can be negative due to having operations globally and not being able to monitor the level of knowledge and accessibility related to the channel, as well as full compliance with the protection of the users.
Management of relationships with suppliers including payment practices	Potential negative impact, medium-term	Raw material, suppliers, logistics	Purmo Group manages its supplier relationships through our Supplier Code of Conduct, we expect all our suppliers to adhere to good code of conduct. However, we do not have supplier selection based on social or environmental criteria. As there are currently no supplier audits other than EcoVadis questionnaire assessments, it is not possible to conclude that no misconducts are occurring in suppliers.
Prevention and detection including training and incidents	Actual positive impact, medium-term	Suppliers, own operation, HQ & sales offices	Purmo Group has a positive impact by demonstrating a strong commitment to ethical standards and compliance through its training programs against corruption and bribery, thereby preventing incidents.

Under the new ownership of Project Grand Bidco (UK) Limited, which began in August 2024, Purmo Group is planning to align strategies to assess the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making.

Under the new ownership, the company plans to respond to these effects, including making changes to its strategy or business model to address particular material impacts or risks, or to pursue particular material opportunities.

Purmo Group is committed to developing all required information and aims to establish relevant policies and actions within the coming years, as part of its efforts to enhance its sustainability practices in line with ESRS guidelines.

Material negative and positive impacts and their impact on people or the environment

Climate change, driven by rising temperatures and humidity, negatively impacts quality of life. The steel industry significantly contributes to greenhouse gas (GHG) emissions through energy-intensive processes, and the industrial sector's reliance on fossil fuels complicates the transition to renewable energy sources. Water withdrawals and discharges throughout Purmo Group's supply chain—from

mining to metal production—have negative impact on environment. Mining activities lead to habitat destruction and soil erosion, while packaging materials contribute to waste. Sourcing from suppliers in regions with less stringent health and safety standards negatively affect workers in the value chain.

Purmo Group's low-temperature radiators and complete indoor-climate solutions enhance energy efficiency and support the journey towards net-zero emissions.

Purmo Group's Complete Care strategy aims to continuously improve performance in the categories of products, production, people and communities.

Purmo Group positively impacts its workforce by maintaining a high number of permanent employees and ensuring fair wages aligned with national standards. Its diverse workforce comprises various nationalities, cultures and languages.

Impacts originated from or connected to Purmo Group's strategy and business model

Purmo Group operates in the Construction and materials sector, and produces radiators, underfloor heating pipes and heat control systems. The production of these products requires energy and

water and generates greenhouse gasses. These have been identified as material impacts for the company. However, the heating and cooling products contribute to energy savings in the renovation and construction of low-energy buildings in Europe. This is why energy-efficient products, and legislation related to them are seen as material topics for Purmo Group.

Market demand for Purmo Group's products, driven by climate change, is a material topic since customers prefer energy efficient solutions for heating and cooling. In a circular economy, the company will improve its packaging materials as well as material choices in its production using, for example, more green steel in its radiators.

Health and safety for Purmo Group's employees is a key priority with employees completing heavy and repetitive tasks.

Responsible sourcing is also an area in which the company focuses its sustainable actions and targets, including management of relationships of suppliers and the health and safety of their workers. Some sourcing comes from countries where health and safety may be taken less seriously. Preference for suppliers with proper procedures and processes to prevent health and safety issues is important.

Purmo Group recognises the interests, views, and rights of value-chain workers. Its Code of Conduct and Supplier Code of Conduct are applicable to the value chain. The company refers to the information presented in section S2-1 – Policies related to value chain workers.

The Group's approach to communications is to be expert, clear, approachable and transparent. It conducts questionnaires with its suppliers in conjunction with evaluation of the company's metrics Net Promoter Score and Environmental Net Promoter Score.

Time horizons of the material impacts vary from short to long term. Purmo Group's involvement with material impacts is both direct, through its operational activities, and indirect, through its business relationships. The Group has a focus on managing and mitigating these impacts across its value chain.

Purmo Group does not yet have data on the financial effects of the material risks and opportunities. Instead, a qualitative scale ranging from minimal to absolute has been used for analysis. Climate change related topics are anticipated to have more significant financial risks although there are opportunities in the medium term. While risks associated with employee health and safety could potentially have a negative

financial effect in the short term, they are deemed to be low in the long term.

Purmo Group is committed to gathering the required information and aims to establish relevant policies and actions to assess the financial impacts of material risks and opportunities within the next few years, as part of its efforts to enhance its sustainability practices in line with ESRS guidelines.

As part of the Group's strategy acceleration programme, Accelerate PG, the company continues to assess optimising its manufacturing and supply-chain footprint. Any downsizing of its manufacturing footprint would decrease the Group's carbon emissions accordingly.

Purmo Group does not yet have information regarding the resilience of the company's strategy and business model. The Group is committed to carrying out the resilience analysis and aims to establish relevant actions as part of its efforts to enhance its sustainability practices in line with ESRS guidelines.

Purmo Group does not yet have information regarding changes to the material impacts, risks and opportunities compared to the previous reporting period. The company has not yet adopted actions in this area since it is not required in the first year of CSRD reporting.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Purmo Group conducted a double materiality assessment in 2023, aligning with the requirements of the Corporate Sustainability Reporting Directive (CSRD) introduced by the European Union. The double materiality assessment was updated later at the end of 2024.

The assessment began with a systematic mapping of Purmo Group's impacts, risks, and opportunities (IROs). This initial phase involved desktop research, which included a thorough review of both internal and external documentation. The aim was to establish a baseline understanding of the Group's sustainability landscape.

To increase the insights gained from the desktop research, Purmo Group engaged in a structured dialogue with stakeholders. Read more about the dialogue under the chapter [Consultation with affected stakeholders](#).

Following the research, an evaluation was performed based on the European Sustainability Reporting Standards (ESRS). The ESRS provided a framework for reporting and outlined the specific sustainability matters to be reported under the CSRD. Utilising the ESRS guidelines, the assessment

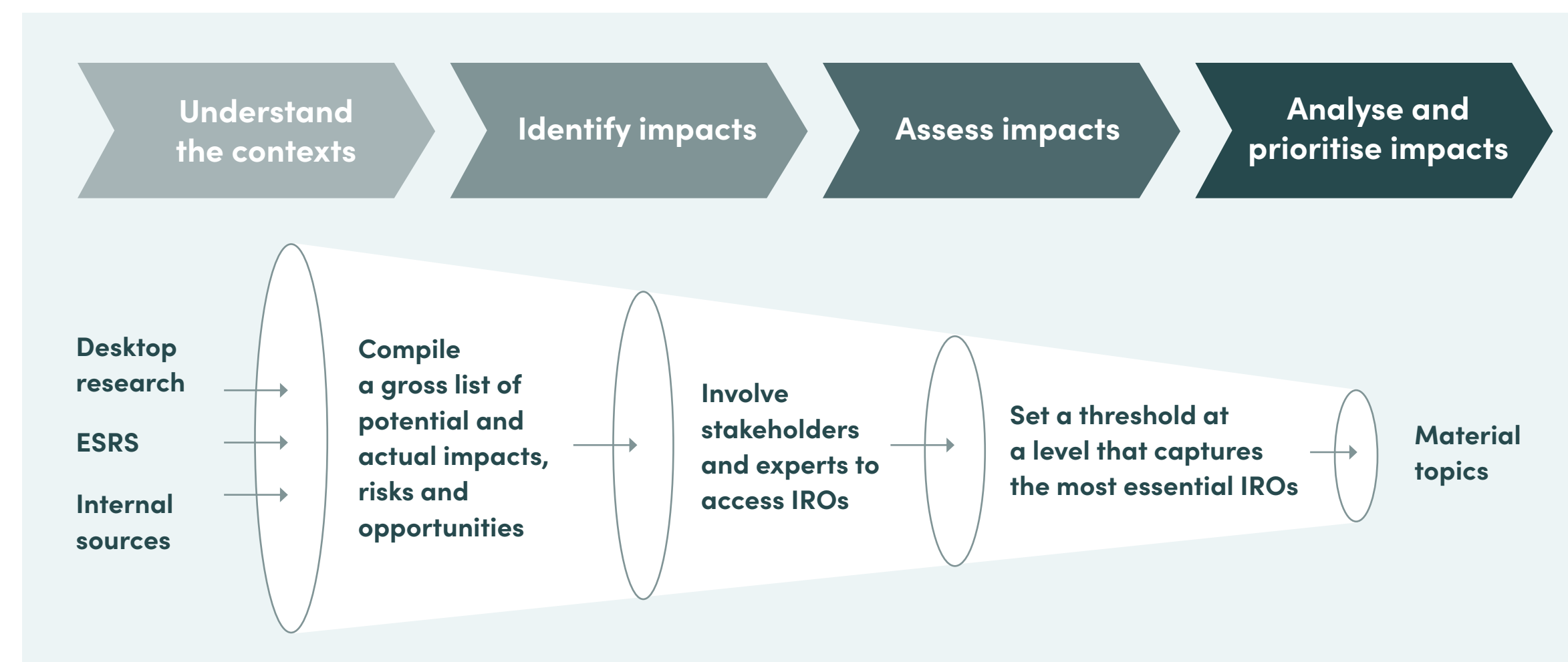
team critically evaluated the severity and likelihood of impacts, as well as the financial implications of risks and opportunities. The Group's impacts (actual vs. potential, positive vs. negative) were mapped across short, medium and long-term along with sustainability-related financial risks and opportunities. Expert input was sought to ensure a robust analysis and to aid in the identification of material sub-topics and sub-sub-topics that warranted inclusion in the report.

These topics were then subjected to a validation process by Purmo Group's management team,

ensuring alignment with the Group's strategic sustainability objectives and stakeholder expectations.

Throughout the assessment, the methods and assumptions were grounded in the principles of transparency, stakeholder inclusivity, and the alignment with recognised sustainability reporting standards. The process was designed to be iterative, allowing for continuous refinement and adaptation to emerging sustainability trends and regulatory requirements.

Overview of the DMA process



An overview of the process to identify, assess, prioritise and monitor the potential and actual impacts on people and the environment, informed by the due diligence process

Purmo Group's current approach to understanding its potential and actual impacts on people and the environment is primarily through its double materiality assessment. This assessment serves as the foundation for identifying and evaluating the significance of various sustainability factors related to the Group's operations.

Purmo Group does not yet have information regarding its due diligence process in full, while the insights gained from the double materiality assessment are important in shaping the Group's understanding of its sustainability impacts. For more information on the due diligence processes focused on human resources and supply chain, the company refers to the information presented in ESRS 2, chapter GOV-4 Statement on due diligence.

Purmo Group is committed to developing the required information and aims to establish relevant policies and actions on due diligence process when needed, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

Specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts

Purmo Group's double materiality assessment has focused on sector-relevant factors, impacts resulting from its own operations and within its value chain. Geographies in the assessment included, Italy, Sweden, Germany, the UK, Austria, Belgium, China, Poland, Turkey, and Hungary. Risks were evaluated based on the highest risk areas for each topic, and materiality; in other words, where the biggest factories or most business is located.

The impacts with which the company is involved through its own operations or as a result of its business relationships

Within the double materiality assessment, Purmo Group has identified the source of the impacts: those that result from its own operations, and those which are a result of business relationships or stem from the value chain.

Consultation with affected stakeholders

In the double materiality assessment, dialogue was a critical component. Outsourced experts conducted discussions with internal members from departments such as operations, sourcing, and HR

as well as external stakeholders. The list of interviewees was developed in collaboration with the Group's Head of Sustainability, Safety and Wellbeing. Alongside with interviews Purmo Group used industry experts in the course of our business that give us to gain broader insights.

Prioritisation of negative and positive impacts

Purmo Group's management team, including the Group's Head of Sustainability, Safety and Wellbeing and Group Financial Controller, used a materiality threshold which prioritised material sub-topics that attained a top rating in both likelihood and severity of financial effect.

An appropriate threshold was discussed with external experts and applied to determine the identified impacts, risks, and opportunities as material sub-topics. The scale of scoring was 1-5, with a maximum possible score of 25 points. Initially, the threshold was set at 16 in the first version of DMA, but it was lowered to 15 to include some of the important S1 topics. The final threshold was set at 15, as proposed by Purmo Group's DMA working group. In total, 34 topics were scored as material, with the highest scores in E1, E4, S1 and S2. For material subtopics, the company refers to the list presented in chapter "Identified material topics and subtopics" in section SBM-3.

An overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects

Scale for assessing financial risks

Risk impact				
1 Minor	2 Medium	3 Significant	4 Severe	5 Critical
Financial loss or increased cost (EBITDA)				
<0.5 MEUR	0.5–2 MEUR	2–5 MEUR	5–10 MEUR	10+ MEUR
Impact for the achievement of a strategic/tactical target or impact on valuation				
Minor	Medium	Significant	Severe	Critical
Impact on reputation/image				
Minor impact	Small impact, which can be resolved in the short term	Medium impact, which can be resolved in the short term	Significant impact, which can be resolved in the short term	Significant impact, which can not be resolved in the short term
Risk Likelihood/probability				
1 Very low	2 Low	3 Medium	4 High	5 Very high
~ 10%	~ 30%	~ 50%	~ 70%	~ 90%
Almost impossible – Can’t believe to happen	Unlikely – Not expected to happen but seen possible	Possible – May occur occasionally	Likely – Will probably occur	Almost certain – expected to occur regularly

For information regarding how the company considered the connections of its impacts and dependencies with the risks and opportunities that may arise from them, it refers to the information presented in section IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities. The way Purmo Group assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities is presented in the table above. Sustainability risks are part of the annual risk assessment process in the Group, and they are considered with equal importance to other company risks.

A description of the decision-making process and the related internal control procedures

External experts were used to conduct the double materiality assessment and appropriate advice used in decision-making. Regarding the summary of the material topics, the company refers to ESRS 2 in section SBM-3. Moreover, material sub-topics and sub-sub-topics were identified from eight standards in total.

Material topics were validated by Head of Sustainability, Safety and Wellbeing. The material topics were also presented to the ESG steering committee and later to the Core Leadership Team. The identified material topics were approved in both of these meetings.

The extent to which and how the process to identify, assess and manage impacts and risks is integrated into the overall risk management process and used to evaluate the overall risk profile and risk management processes

The Group's risk management approach is guided by the Enterprise Risk Management Policy, which encompasses all business units. The risk management process annually maps Group-wide risks. The process is monitored by the Core Leadership Team and reviewed by the Board of Directors. Sustainability issues are assessed as their own risk category, which is the responsibility of the Head of Sustainability, Safety and Wellbeing.

How the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process

The material sub-topics were validated by Purmo Group's management team. The identified opportunities have been integrated as part of the company's management processes, such as improving the selection of suppliers in line with required criteria. Where some material topics have not been integrated into the company's processes, the company is developing a plan to make their integration possible in the future.

The sources used in the Double Materiality Assessment

In the 2024 Double Materiality Analysis, Purmo Group's published external reports were used as sources. In addition, various websites with articles linked to sustainability or the environment were used in forming the assessment. The legislation regarding sustainability was used in addition to the HVAC industry and product (e.g., radiators) specific articles.

Purmo Group's brands and global presence

Purmo Group owns a portfolio of brands such as Emmeti, Finimetal, Myson, Purmo, Radson, Vogel & Noot, Merriott, Thermotech and Unitherm.

Purmo Group operates in Italy, Sweden, Germany, UK, Austria, Belgium, China, Poland, Turkey and Hungary. Purmo Group has at least sales activities in other countries as well.

Purmo Group does not yet have information regarding on how the process to identify, assess and manage impacts and risks has changed compared to the prior reporting period, when it was last modified. This is because it is the first year of CSRD reporting for the company. The future revision date of the materiality assessment is in 2025.

IRO-1 Disclosure Requirements under ESRS 2 Appendix C

Climate Change

The impacts, risks, and opportunities related to climate change are continuously evaluated within Purmo Group's strategic framework and as a part of its general risk management processes. In addition, these elements were assessed as part of the Group's Double Materiality Assessment, which included analysing its GHG inventory, energy consumption data and common climate risks within the field. Climate change mitigation, climate change adaptation and energy were scored as material. The steel industry contributes to climate change primarily through the emission of GHG during various stages of the steel production process. The processing of iron ore is energy-intensive, and the energy required is often derived from fossil fuels.

During the Double Materiality Assessment, Purmo Group's internal experts, along with other stakeholders, were interviewed and the potential climate-related physical and transition risks in the Group's operations (as well as along the upstream and downstream value chain) were discussed and evaluated. However, no formal quantitative climate scenario analysis was conducted. The climate-related impacts, risks and opportunities were not assessed based on the different climate scenarios.

Purmo Group is planning to conduct a climate scenario analysis during 2025 or 2026.

Pollution, Water and marine resources, and Resource use and circular economy

As part of the Group's Double Materiality Assessment, a site survey was conducted to screen the impacts, risks, and opportunities related to pollution, water and resource use. The survey was sent to Purmo Group's own factories, while the upstream and downstream value chain was assessed through desktop research and stakeholder interviews. The site survey was conducted using Excel, and the data was consolidated at the group level.

Purmo Group evaluated pollution-related impacts, risks, and opportunities, determining that no topics under E2 were deemed material. The assessment also included an evaluation of impacts, risks, and opportunities related to water and marine resources. While water-related topics were scored to be material, marine-related topics under E3 were not scored at all, as they were considered not applicable to Purmo Group's operations prior to the scoring phase.

Additionally, the assessment addressed resource-use and the circular economy, identifying material negative impacts and risks associated with resource inflows, outflows, and waste. Purmo Group's operations generate various types of waste, including packaging waste, metal scraps, and chemical residues.

Biodiversity and ecosystem

As part of the Group's Double Materiality Assessment, Purmo Group evaluated the impacts, risks, dependencies, and opportunities related to biodiversity and ecosystems. While the assessment included evaluating water usage impacts, raw material sourcing, and potential habitat destruction as well as Purmo Group's dependency on ecosystem services, it did not include assessment on whether ecosystem services are or are likely to be disrupted.

Some potential transition and physical risks and opportunities related to biodiversity and ecosystems were identified during the assessment, however, none of them were scored above the materiality threshold. Systemic risks related to biodiversity were not considered. Further work will be carried out in the future years to better consider systemic risks.

Purmo Group did not use scenario analysis to assess impacts, risks and opportunities related to biodiversity and ecosystems.

An initial screening for the sites located in or near biodiversity-sensitive areas and for the need for biodiversity mitigation measures was conducted. However, it is still a work in progress, and no formal exercise with an informative outcome was completed.

Governance

As part of the Double Materiality Assessment, Purmo Group identified several key topics as material, including business conduct, management of relationships with suppliers, protection of whistle-blowers, corporate culture, and corruption and bribery, including training and incidents. The assessment involved screening the Supplier Code of Conduct, Purmo Group's Code of Conduct, and other internal policies. Additionally, Purmo Group's internal employees were interviewed to gather insights.

The assessment revealed both positive and negative impacts related to corporate culture and the protection of whistle-blowers, while business conduct training was identified as having a positive

impact. In the management of relationships with suppliers, it was recognised that sourcing can play a crucial role in promoting sustainability within the supply chain by setting requirements for suppliers, monitoring their performance, and collaborating with them to improve working conditions and minimise negative impacts on society and the environment.

During the Double Materiality Assessment, no affected communities were consulted regarding any of the environmental topics.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement

A list of Disclosure Requirements in the sustainability statement

Disclosure requirement	Location
ESRS 2	5
BP-1 – General basis for preparation of the sustainability statement	5
BP-2 – Disclosures in relation to specific circumstances	6
GOV-1 – The role of the administrative, management and supervisory bodies	8
GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	12
GOV-3 – Integration of sustainability-related performance in incentive schemes	12
GOV-4 – Statement on due diligence	13
GOV-5 – Risk management and internal controls over sustainability reporting	13
SBM-1 – Strategy, business model and value chain	13
SBM-2 – Interests and views of stakeholders	17
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	18
IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	23
IRO-2 – Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement	28

Disclosure requirement	Location
ESRS E1	43
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	43
E1-1 – Transition plan for climate change mitigation	43
E1-2 – Policies related to climate change mitigation and adaptation	44
E1-3 – Actions and resources in relation to climate change policies	44
E1-4 – Targets related to climate change mitigation and adaptation	45
E1-5 – Energy consumption and mix	46
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	47
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	53
ESRS E3	54
E3-1 – Policies related to water and marine resources	54
E3-2 – Actions and resources related to water and marine resources	54
E3-3 – Targets related to water and marine resources	55
E3-4 – Water consumption	55
ESRS E4	57
SBM 3 – Material impacts, risks and opportunities and their interaction with strategy and business model	57
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	58
E4-2 – Policies related to biodiversity and ecosystems	58
E4-3 – Actions and resources related to biodiversity and ecosystems	58
E4-4 – Targets related to biodiversity and ecosystems	58
E4-5 – Impact metrics related to biodiversity and ecosystems change	58

Disclosure requirement	Location
ESRS E5	59
E5-1 – Policies related to resource use and circular economy	59
E5-2 – Actions and resources related to resource use and circular economy	60
E5-3 – Targets related to resource use and circular economy	60
E5-4 – Resource inflows	60
E5-5 – Resource outflows	61
ESRS S1	64
ESRS 2 SBM-2 – Interests and views of stakeholders	17
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	64
S1-1 – Policies related to own workforce	65
S1-2 – Processes for engaging with own workers and workers’ representatives about impacts	66
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	67
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	68
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	69
S1-6 – Characteristics of the undertaking’s employees	71
S1-8 – Collective bargaining coverage and social dialogue	72
S1-9 – Diversity metrics	72
S1-10 – Adequate wages	73
S1-11 – Social protection	73
S1-12 – Persons with disabilities	73

Disclosure requirement	Location
S1-13 – Training and skills development metrics	73
S1-14 – Health and safety metrics	73
S1-15 – Work-life balance metrics	74
S1-16 – Compensation metrics (pay gap and total remuneration)	74
S1-17 – Incidents, complaints and severe human rights impacts	75
ESRS S2	76
ESRS 2 SBM-2 Interests and views of stakeholders	17
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	76
S2-1 – Policies related to value chain workers	77
S2-2 – Processes for engaging with value chain workers about impacts	77
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	78
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	79
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	79
ESRS G1	81
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	8
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	23
G1-1–Business conduct policies and corporate culture	81
G1-2 – Management of relationships with suppliers	84
G1-3 – Prevention and detection of corruption and bribery	84
G1-4 – Incidents of corruption or bribery	85

Appendix B. List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR ²³ reference	Pillar 3 ²⁴ reference	Benchmark Regulation ²⁵ reference	EU Climate Law ²⁶ reference	Material or non-material
ESRS 2 GOV-1 Board’s gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627 , Annex II		
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 €					
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		

Disclosure Requirement and related datapoint	SFDR ²³ reference	Pillar 3 ²⁴ reference	Benchmark Regulation ²⁵ reference	EU Climate Law ²⁶ reference	Material or non-material
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk		

Disclosure Requirement and related datapoint	SFDR ²³ reference	Pillar 3 ²⁴ reference	Benchmark Regulation ²⁵ reference	EU Climate Law ²⁶ reference	Material or non-material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				
ESRS 2- IRO 1 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				
ESRS 2- IRO 1 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				
ESRS 2- IRO 1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				

Disclosure Requirement and related datapoint	SFDR ²³ reference	Pillar 3 ²⁴ reference	Benchmark Regulation ²⁵ reference	EU Climate Law ²⁶ reference	Material or non-material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex 1				
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex 1				
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex 1				
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex 1				
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		

Disclosure Requirement and related datapoint	SFDR ²³ reference	Pillar 3 ²⁴ reference	Benchmark Regulation ²⁵ reference	EU Climate Law ²⁶ reference	Material or non-material
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex 1				
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				

Disclosure of material information and the threshold

The assessment of the material ‘net’ list was based on factors as defined in the ESRS. For potential negative impacts, the severity and likelihood were analysed. For positive impacts, the scale and scope were analysed, and their likelihood was also considered. Sustainability-related financial risks and opportunities were assessed based on the magnitude of financial effect and likelihood of occurrence.

The list of topics in ESRS 1 Appendix A was first screened to identify topics that were not applicable to the Purmo Group. This resulted in leaving out 11 of 92 topics (including sub-topics and sub-sub-topics) and arriving at the long list. The list was based on desktop analysis and stakeholder interviews, considering Purmo Group’s value chain.

In the materiality analysis, the following formula was used to determine the impact materiality score:

Impact materiality score = Average severity *Likelihood

In addition, the following formula was used to determine the financial materiality score:

Financial materiality score = Average financial effect*Likelihood

After describing and assessing each of the IROs in the long list, the preliminary scoring suggestion was given. Following this, each subject-matter expert from Purmo Group commented and validated the descriptions of the IROs, as well as their scoring, to finally arrive at the full list of scored topics.

An appropriate threshold was discussed together with external experts and the defined threshold was then applied to determine the identified impacts, risks, and opportunities as material sub-topics. The scale of scoring was 1–5, with a maximum possible score of 25 points. Initially, the threshold was set at 16 in the first version of DMA, but it was lowered it to 15 to include some of the important S1 topics. The final threshold was set at 15, as proposed by external experts and Purmo Group’s DMA working group. In total, 34 topics were scored as material, with the highest scores in E1, E4, S1 and S2.

General information	4
ESRS 2 General disclosures	5
Environmental information	36
ESRS E1 Climate Change	43
ESRS E3 Water and marine resources	54
ESRS E4 Biodiversity and ecosystems	57
ESRS E5 Circular economy	59
Social information	63
ESRS S1 Own workforce	64
ESRS S2 Workers in the value chain	76
Governance information	80
ESRS G1 Business conduct	81

This section focuses on Purmo Group’s environmental impact. It covers areas such as EU taxonomy, adaptation and mitigation of climate change, water and marine resources, biodiversity, ecosystems, resource use and circular economy.

EU Taxonomy

Purmo Group is subject to the EU Taxonomy Regulation 2020/852 to disclose the extent to which its economic activities have a substantial positive environmental impact. The EU Taxonomy regulation aims to direct investments towards sustainable projects and activities. With a common classification system for sustainable activities, EU Taxonomy plays an important role in helping the EU scale up sustainable investment, by creating security for investors, protecting private investors from greenwashing, helping companies become more climate-friendly and mitigating market fragmentation.

Taxonomy-eligibility describes if an economic activity is included in the scope of activities recognised in the Taxonomy Regulation. Taxonomy alignment describes if an economic activity is sustainable based on defined science-based technical screening criteria specified for the activity.

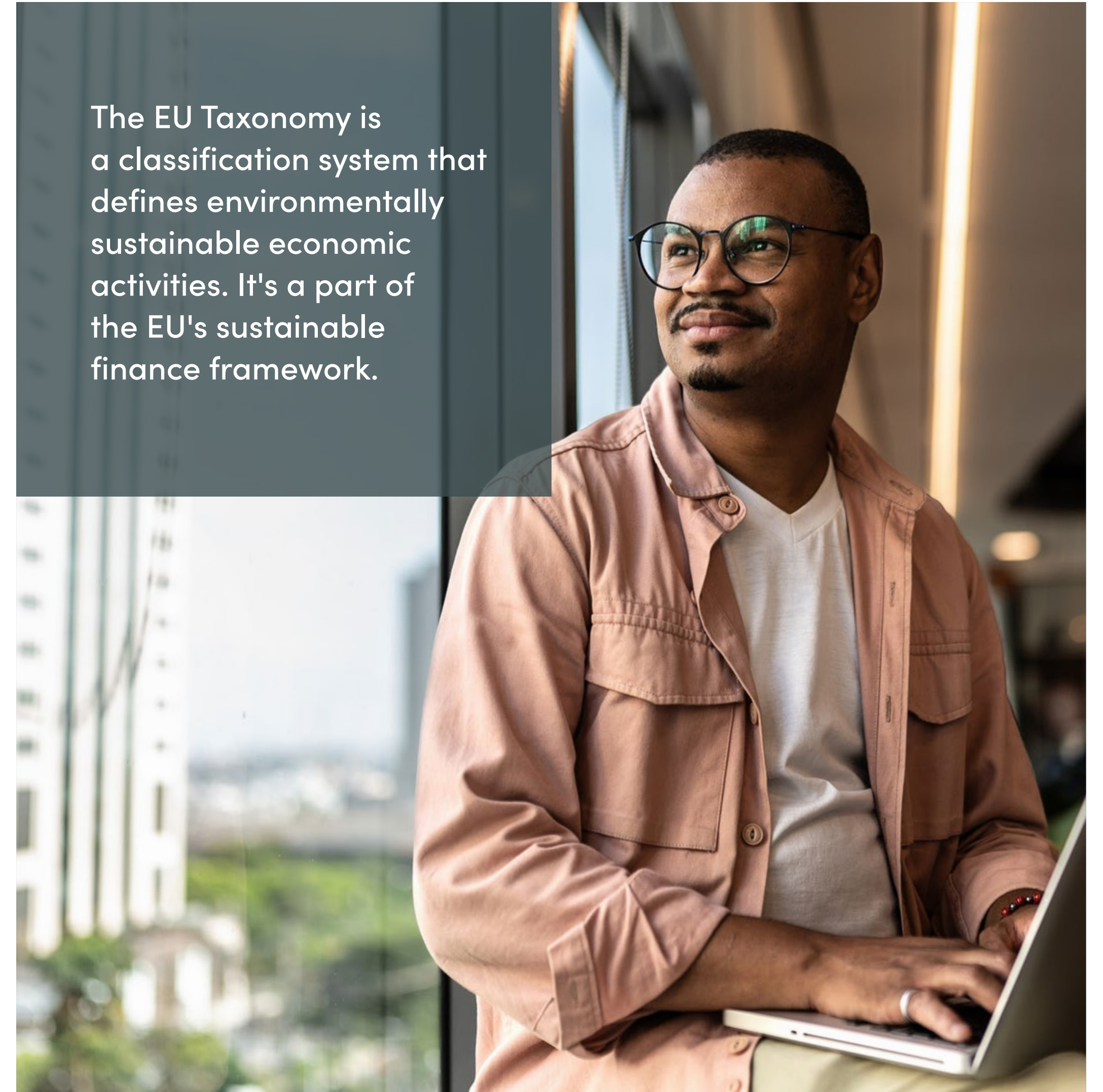
Purmo Group has covered all six activities contributing to climate objectives, based on the EU Climate Delegated Act, within its EU Taxonomy assessment:

- 1) climate change mitigation
- 2) climate change adaptation
- 3) sustainable use and protection of water and marine resources
- 4) transition to a circular economy
- 5) pollution prevention and control as well as
- 6) protection and restoration of biodiversity and ecosystems.

An economic activity is classified as taxonomy-aligned if it is compliant with the following criteria:

- Contributes substantially to one or more of the Taxonomy's six environmental objectives;
- Does not do any significant harm to any other environmental objective;
- Is aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the International Labour Organisation's ('ILO') declaration on Fundamental Rights; Principles at Work, the eight ILO core conventions and the International Bill of Human Rights and
- Compliance with the minimum safeguards.

The EU Taxonomy is a classification system that defines environmentally sustainable economic activities. It's a part of the EU's sustainable finance framework.



EU Taxonomy eligible products of Purmo Group based on the 2024 assessment:

In 2024, Purmo Group identified the following as EU Taxonomy-eligible products based on the best interpretation of the Taxonomy Regulation, the Climate Delegated Act, and the currently available guidelines from the European Commission:

- Radiators: Radiators are included under economic activity 3.5 Manufacture of energy efficiency equipment, where the description refers to, among others, NACE code C25 (including C25.21 Manufacture of central heating radiators and boilers as defined in chapter 1.1.3.1. in Annex I to the Taxonomy regulation Delegated Act). Electric radiators have been excluded as they are not part of central heating;
- Heating and cooling: Cooling and ventilation systems are included under economic activity 3.5, where the technical screening criteria refers in particular to 3.5 (i) cooling and ventilation systems and 3.5(k) heat pumps;
- Convector: Included under economic activity 3.5 (Manufacture of central heating radiators and boilers);
- Radiant heating and cooling: Underfloor heating systems (UFH) are included under economic activity 3.5 Manufacture of energy efficiency equipment as they are part of central heating systems;

- System components: Included under economic activity 3.5, in particular, 3.5(m) energy efficient building automation and control systems, 3.5(n) zoned thermostats and devices for the smart monitoring of the main electricity loads and heat loads, 3.5(o) products for heat metering and thermostatic controls for individual homes, and for central heating systems; and
- Water distribution systems: The product category mainly includes generic pipes and related equipment, which are not listed as relevant economic activities;
- Chimneys: Chimneys are not listed as a relevant economic activity.

EU Taxonomy aligned products of Purmo Group based on the 2024 assessment:

Based on the EU Taxonomy assessment conducted at the end of 2024, Purmo Group’s systems, often sold as complete solutions, are not aligned with the EU Taxonomy criteria. Consequently, the figures for the comparison year 2023 have been adjusted accordingly in the Taxonomy tables.

Purmo Group will continue further research on its products through the EU Taxonomy assessment in 2025.

Minimum safeguard requirements

During the 2024 EU Taxonomy assessment, Purmo Group assessed compliance with minimum safeguards by reviewing the company processes for human rights, corruption, taxation, and fair competition in 2024. The minimum safeguards prevent activities from being labelled as sustainable if they violate human or labour rights, or engage in corrupt, anti-competitive or noncompliant taxation practices. The compliance can be assessed by ensuring there are adequate processes and controls in place in the areas of human rights, corruption, taxation, and fair competition and that there are no breaches or violations. Purmo Group considers its processes to be mostly aligned with the minimum safeguards.

EU Taxonomy accounting principles

The accounting principles for the key figures in the EU Taxonomy have been described in the following sections. Purmo Group avoids double counting by having a clear cost structure in reporting and ensuring that the cost elements are separate for each activity.

The entries in section A1 of the taxonomy tables refer to products that would be taxonomy-eligible if all criteria were met.

Turnover

The total turnover is the Group’s total net sales in 2024, which respectively includes the IFRS 15 revenue according to the EU Taxonomy turnover definition. In the calculation of the key figure for turnover, Purmo Group applies the same IFRS-compliant accounting principles as those applied in the Consolidated Financial Statements. The overall turnover used to calculate the key figure corresponds to the turnover disclosed in the Consolidated Financial Statements. The accounting principles used for turnover are discussed in the Note 2.2 to the Consolidated Financial Statements. The external sales connected to the economic activities are correspondingly reported under Taxonomy eligible turnover, either under Taxonomy aligned or not Taxonomy aligned.

The proportion of EU Taxonomy aligned activities in the Group’s turnover remained at zero (0).

The proportion of EU Taxonomy eligible activities in the Group’s turnover remained at the same level compared to the previous year.

Capital Expenditure

The total Capital Expenditure (CapEx) is the Group's total property, plant, and equipment expenditure in 2024, as presented in Note 3.3 Property, plant, and equipment in the Consolidated Financial Statements on the line of additions, excluding line transfers. The investments are related to the assets or processes associated with the respective economic activities. The total CapEx used in the calculation was EUR 18.5 million in 2024.

The proportion of EU Taxonomy aligned activities in the Group's CapEx remained at zero (0).

The proportion of Taxonomy eligible activities in CapEx decreased from the previous year due to the investments for the company's manufacturing plant in Rybnik, Poland in 2023. These investments into Rybnik's production hall and production lines, among others, were classified as EU Taxonomy eligible in 2023, whereas the majority of the Group's investments in 2024 were not identified as EU Taxonomy eligible.

Operating Expenses

The total Operating Expenses (OpEx) consist of the Group's direct non-capitalised expenses related to research and development and maintenance and repair related to maintaining tangible fixed assets. Purmo Group's Taxonomy OpEx figures include expenses presented in cost-of-sales and Research and Development expenses in the Consolidated Financial Statements Note 2.3 Other income and expenses. OpEx excludes depreciations, amortisations, and impairments. The OpEx figures only include the proportion of expenses which are within the scope of the EU Taxonomy regulation. The total OpEx used in the calculation was EUR 16.9 million in 2024.

The proportion of EU Taxonomy aligned activities in the Group's OpEx remained at zero (0).

The proportion EU Taxonomy eligible activities in the Group's OpEx remained at the same level compared to the previous year.

The key figures reported in the EU Taxonomy are presented in separate tables for turnover, CapEx and OpEx as defined in the regulation below.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover	Proportion of turnover, year 2024	Climate Change Mitigati-on	Climate Change Adaptati-on	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigati-on	Climate Change Adaptati-on	Water	Pollution	Circular Economy	Bio-diversity	Minimum safe-guards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	N	Y	N	N	Y	N	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%	0%	0%	0%	0%	0%	0%	Y	N	Y	N	N	Y	N	0%		
Of which Enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	N	Y	N	N	Y	N	0%	E	
Of which Transitional		0.0	0%	0%						Y	N	Y	N	N	Y	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	594.8	83%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								84%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		594.8	83%	100%	0%	0%	0%	0%	0%								84%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		594.8	83%	100%	0%	0%	0%	0%	0%								84%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		118.3	17%																
Total		713.1	100%																

Y - Yes, Taxonomy eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									

Y – Yes, Taxonomy eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

EL – Taxonomy eligible activity for the relevant objective

N/EL – Taxonomy non-eligible activity for the relevant objective

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	OpEx	Proportion of OpEx, year 2024	Climate Change Mitigati-on	Climate Change Adaptati-on	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigati-on	Climate Change Adaptati-on	Water	Pollution	Circular Economy	Bio-diversity	Minimum safe-guards	Proportion of Taxonomy aligned (A.1.)or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	N	Y	N	N	Y	N	0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%	0%	0%	0%	0%	0%	0%	Y	N	Y	N	N	Y	N	0%		
Of which Enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	N	Y	N	N	Y	N	0%	E	
Of which Transitional		0.0	0%	0%						Y	N	Y	N	N	Y	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	15.5	91%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								91%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		15.5	91%	100%	0%	0%	0%	0%	0%								91%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		15.5	91%	100%	0%	0%	0%	0%	0%								91%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1.5	9%																
Total		16.9	100%																

Y – Yes, Taxonomy eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

EL – Taxonomy eligible activity for the relevant objective

N/EL – Taxonomy non-eligible activity for the relevant objective

ESRS E1 Climate change

E1-1 Transition plan for climate change mitigation

Purmo Group does not yet have a transition plan for climate change mitigation. The company has not yet adopted the transition plan since the company is currently working on policies, business plans and targets related to the transition plan. Purmo Group is committed to developing the required information and aims to establish relevant actions by 2026 as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Purmo Group does not yet have information regarding resilience analysis within the disclosure requirement E1 ESRS 2 SBM-3. The company has not yet adopted a resilience analysis in this area as it is still working on policies, a business plan and targets related to the transition plan.

Actual and potential climate change related impacts, risks and opportunities

- Climate change mitigation
- Climate change adaptation
- Energy.

See the SBM-3 table under ESRS 2 54-57 to read more about the categorisation of the material IROs.

Rising temperatures and more extreme and unpredictable weather events due to climate change greatly impact people's quality of life. Consequently, reducing carbon emissions in the heating and cooling sector is crucial for the energy transition and is a key focus of the renovation wave strategy. Products and solutions from Purmo Group, such as low-temperature radiators, play a vital role in enhancing energy efficiency and reaching net-zero emissions, which also creates sales opportunities for Purmo Group.

Purmo Group's targets, approved by the Science Based Targets initiative (SBTi), aim to reduce absolute Scope 1 and 2 GHG emissions by 54.6% and absolute Scope 3 GHG emissions by 32.5% by 2033.



The steel industry contributes to climate change mainly through GHG emissions during steel production, as the energy-intensive processing of iron ore often relies on fossil fuels. The transportation of raw materials to steel mills, from steel manufacturers and into Purmo Group's factories, and the distribution of finished products, also contribute to the carbon footprint.

The industrial sector accounted for 37 per cent of global energy use in 2022. Despite ongoing efforts to transition from fossil fuels to renewable and zero-carbon alternatives in heating and cooling, progress in these areas has been comparatively slower than in electricity generation. Currently, renewables only account for 23 per cent of energy consumption in the heating and cooling sector. Energy intensive processes like the processing of iron ore and various manufacturing activities, including smelting and refining of metals, contribute significantly to this consumption, and Purmo Group's own operations are substantial contributors. In certain countries where Purmo Group has a presence, renewable energy sources may be scarce or prohibitively expensive, leading to a continued dependence on fossil fuels like coal, oil, and gas. End-users of Purmo Group's products are also to an extent reliant on the existing energy infrastructure which could be a mix of renewable and non-renewable sources depending on the location.

E1-2 Policies related to climate change mitigation and adaptation

Currently, the only policy related to climate change mitigation and adaptation is Purmo Group's Sustainability policy. The Purmo Group Sustainability Policy describes how sustainability and ESG matters are managed at Purmo Group, with a specific focus on addressing climate change concerns as part of its objectives.

Purmo Group has committed to its climate change targets in its Sustainability Policy, particularly by aligning its operations with a 1.5°C future. For more detailed information on these targets, see 'E1-4 Targets related to climate change mitigation and adaptation'.

The non-exhaustive list of the policy commitments includes reaching carbon neutrality in the Group's own operations, reducing embodied steel carbon emissions, and its aim to provide products and solutions that enable energy efficient systems that play an important role in creating sustainable indoor climate comfort.

Although the policy commitments indirectly affect climate change adaptation and renewable energy deployment, these areas are not explicitly addressed in the policy.

The Sustainability Policy is approved by Purmo Group's Board of Directors and is to be followed by all business units, functions, and employees of Purmo Group. The Head of Sustainability, Safety and Wellbeing is responsible for updating the policy.

Purmo Group plans to develop its policies and actions by 2026 to better align with material E1 topics and ESRS guidelines.

E1-3 Actions and resources in relation to climate change policies

One of the overarching policy commitments is to align Purmo Group's business operations with a 1.5° future. In addition to its targets for reducing emissions within its own operations, the Group has also set targets to reduce emissions throughout its value chain.

In Q3 2023, Purmo Group entered into a binding agreement with H2 Green Steel for the purchase of 140,000 tonnes of green steel during 2026–2033. Purmo Group's decision to source green steel from H2 Green Steel is part of the Group's ambitions to align its productions towards a 1.5° Celsius future and carbon neutrality by 2025. Steel represents approximately 50 per cent of all raw material purchases in the Group. H2 Green Steel's plant, under development in Boden, Sweden, will use hydroelectricity to create hydrogen to be used in

the smelting process instead of coal. The process will reduce CO₂ emissions by up to 95 per cent compared to traditional steelmaking.

In 2024, Purmo Group launched a project aimed at reducing emissions within its operations by establishing its own solar photovoltaic system, which enabled the generation of onsite energy. Read more about Purmo Group's renewable energy generation and consumption under energy consumption and mix in E1-5.

Actions planned for the future

To further commit to the Group's policy-statements and targets, the emission reductions in its own operations will be reached by improving energy efficiency and sourcing more energy from renewables. In addition, the Group has plans for all company cars and onsite vehicles to be self-charging petrol hybrid or electric only, as well as have electric car charging points at its premises, by end of 2025.

Moreover, Purmo Group aims for continuous improvement of its sustainability performance by addressing sustainability throughout the value chain. The Group plans to collaborate with its key suppliers and establish agreements to purchase steel with 30 per cent less embodied carbon by 2030.

As part of Purmo Group’s responsible procurement target, it looks to work with logistics providers who are using the most efficient and low carbon methods of transportation, e.g., high efficiency and low emission diesel trucks, moving from road to rail where possible, and partnering with companies who are investing in and using electric or hydrogen powered vehicles.

Other actions to reduce emissions in the Group’s value chain which do not yet have a set timeline include product development aimed at increasing energy efficiency and connectivity. Additionally, the Group seeks to impact use-phase emissions by providing integrated solutions that optimise energy efficiency and engage customers to promote sustainable energy behaviours.

Purmo Group has not yet evaluated whether the planned actions require significant CapEx and OpEx for implementation.

E1-4 Targets related to climate change mitigation and adaptation

Background of setting the targets

In early 2023, Purmo Group announced its intention to align with the ‘Business Ambition for 1.5°C’ campaign which sets science-based emission reduction targets. It is a response to the Science Based Targets initiative’s (SBTi) call for companies to commit to achieving a 1.5°C limit on global warming as well as net-zero emissions by 2050. Science-based targets are emission reduction goals required to realise the Paris Agreement: limiting global warming to well below 2°C above preindustrial levels and pursuing efforts to limit it to 1.5°C.

In 2023, Purmo Group carried out an extensive analysis of its Scope 1, 2 and 3 emissions and held workshops to set and agree on its targets for reducing greenhouse gas (GHG) emissions. Purmo Group’s emission reduction targets were approved in June 2024 by the Science Based Targets initiative (SBTi) organisation.

Scope 1, 2 and 3 targets

Purmo Group’s targets cover Scope 1, 2 and 3 emissions in both the near term (2033) and long term (2050). Purmo Group has also committed to reaching net-zero GHG emissions by 2050 and has set two (2) targets to reach a state of net-zero emissions, which involves reducing their Scope 1, 2 and 3 emissions in line with 1.5°C scenarios.

Purmo Group's targets are set based on a cross-sectoral pathway. Purmo Group ensures the consistency of these targets with its GHG inventory boundaries through its internal reporting practises and processes. Targets are presented below.

- Overall Net-Zero Target is GHG emissions across the value chain by 2050.
- Targets:
 - Near-term: Reduce absolute Scope 1 and 2 GHG emissions by 54.6 per cent by 2033 from a 2022 base year¹. Purmo Group will reduce its Scope 1 emissions by 54.6 per cent and Scope 2 emissions by 54.6 per cent from 2022 by 2033.
 - Near-term: Reduce Scope 3 GHG emissions by 32.5 per cent within the same timeframe.
 - Long-Term: Reduce absolute Scope 1 and 2 GHG emissions by 90 per cent by 2050 from a 2022 base year¹ and Scope 3 GHG emissions by 90 per cent within the same timeframe.

¹ The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Base year

Purmo Group uses the base year of 2022 for both its near-term and long-term science-based targets. A total of 21 production sites and 44 offices as well as warehouses were included in the assessment and defining the targets. The figures for the 2022 base year were refined during 2024.

Purmo Group has aligned itself with both the GHG Protocol and SBTi by choosing 2022 as its base year for its S12 and S3 SBTs. The decision to choose 2022 is based on the following reasons:

- 1) It reflects the Purmo Group's business-as-usual scenario;
- 2) The emissions data for S1, S2, and S3 in 2022 are accurate and verifiable and
- 3) It marks the starting point of Purmo Group's decarbonisation strategy.

In this context, business as usual can be defined as a stable year, unaffected by significant external factors such as strong temperature fluctuations.

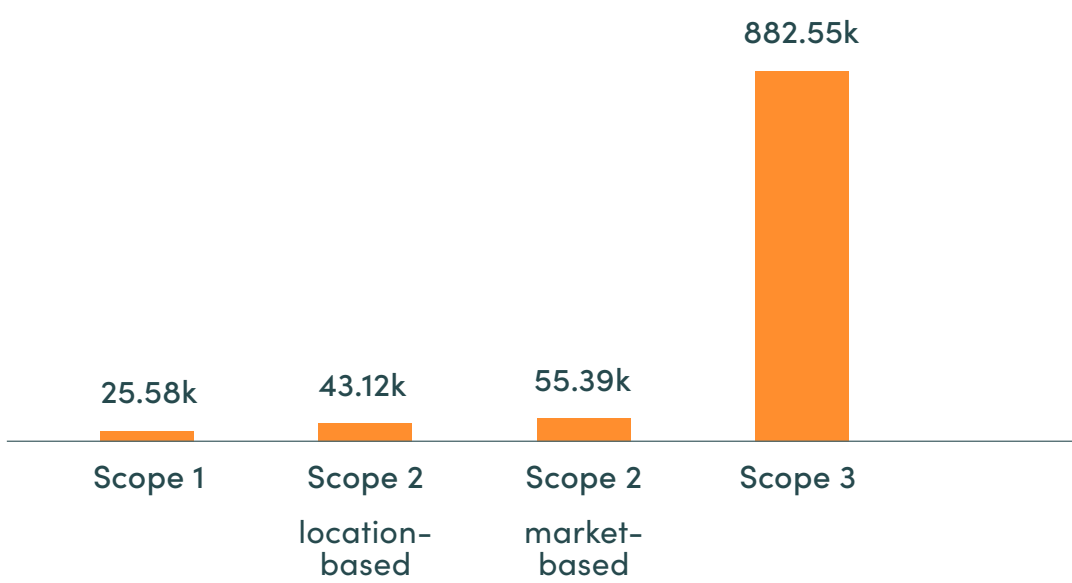
Purmo Group will recalculate its base year in case of significant changes that lead to an aggregate impact of 5 per cent or more on its baseline, including:

- Significant changes in company structure and activities (acquisitions, divestitures, mergers, insourcing or outsourcing, shifts in goods or service offerings).

- Methodological changes. These include updated emission factors, improved data access or updated calculation methods.
- Significant errors: in the case that Purmo Group finds significant errors or several cumulative errors in the base year calculation this will also result in a recalculation.

The baseline values set to Purmo Group’s base year 2022

Total GHG emissions tCO₂e, 2022



Measurements

The baseline value against which progress towards the targets is measured and is represented under these terms:

- Operational control was chosen by Purmo Group as the consolidation approach
- All subsidiaries were accounted for in the inventory boundary
- All GHGs have been included in the inventory and target boundary
- Purmo Group has set a long-term target covering 100 per cent company-wide Scope 1 and 2 emissions
- The proposed long-term Scope 1 and 2 target covers 100 per cent of the Purmo Group’s Scope 1 and 2 emissions in the base year of 2022
- The proposed long-term Scope 3 target covers 100 per cent of Purmo Group’s Scope 3 emissions in the base year of 2022
- A complete screening or inventory has been carried out by Purmo Group with Scope 3 GHG emissions accounting for 92.49 per cent of the total emissions
- A market-based approach is used to account for Scope 2 emissions and to track performance
- More points are available in SBTi’s Net-zero and Near-term Target Validation Report.

The target for near-term emissions-reduction in 2033 is between five and ten years from the submission date of 19 December 2023. Purmo Group agrees to review and, if necessary, recalculate and revalidate its targets following the most recent criteria at a minimum of every five (5) years. Purmo Group has set a 5 per cent significance threshold for emission recalculations.

- The target established is aligned with the sustainability policy and is representative of aligning with a 1.5°C future.

The company has not yet adopted actions or addressed future developments, including changes in sales volumes, shifts in customer preferences or demands, regulatory factors and new technologies and how these will potentially impact both its GHG emissions and reductions. This is because the company is still working on policies, a business plan and targets related to the transition plan.

Purmo Group will work towards the development of a decarbonisation strategy and actions. The expected timeline for completion of this strategy is by 2026. Purmo Group monitors and reports on progress towards science-based targets annually.

Purmo Group has not identified decarbonisation levels related to its carbon emissions reduction targets according to the recommendation of CRSD because it is still working on policies, a business plan and targets related to the transition plan for Purmo Group by 2026.

E1-5 Energy consumption and mix

Purmo Group’s total energy consumption related to its own operations was 191,296 MWh for 2024. Energy consumption comprises all Purmo Group production sites, warehouses, and offices. The calculation excludes Purmo Group’s self-generated energy to avoid double counting. Local factors are used to calculate the energy contained in different fuels.

The total energy consumption from fossil fuel sources was 176,580 MWh for 2024. Purmo Group is operating in NACE’s sector code C, manufacturing, warehouse and retail trade, and manufacturing, in particular. It is stated as a high climate impact sector.

Purmo Group’s total energy from nuclear sources was 4,092 MWh for 2024. From the total energy consumption, the amount of nuclear energy was 2.2 per cent in 2024 for Purmo Group.

The Group’s total energy consumption from renewable sources disaggregated by:

- fuel consumption from renewable sources including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc. was 612 MWh for 2024;

- consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources was 12,674 MWh for 2024 and
- consumption of self-generated non-fuel renewable energy was 1,431 MWh for 2024.

Purmo Group is operating in a high climate impact sector (manufacturing) and disaggregates its total energy consumption from fossil sources by:

- fuel consumption from coal and coal products which was 0 MWh for 2024;
- fuel consumption from crude oil and petroleum products which was 8,365 MWh for 2024;
- fuel consumption from natural gas which was 84,303 MWh for 2024;
- fuel consumption from other fossil sources which was 0 MWh for 2024 and
- consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources, which was 83,911 MWh for 2024.

The energy consumption data has been collected manually from supplier invoices and recorded in an online platform, used by the company for emission monitoring.

Purmo Group has a high percentage of fossil fuels in the total energy consumption. The company is taking action to decrease the amount in the future. Nuclear energy is considered as green electricity in

the EU and is used as primary or secondary source in Sweden and France.

Energy consumption and mix	2024
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products for company cars (MWh)	5,072
Fuel consumption from crude oil and petroleum products for heating (MWh)	3,294
Fuel consumption from natural gas (MWh)	84,303
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	83,911
Percentage of fossil sources in total energy consumption (%)	93.3%
Total fossil energy consumption (MWh)	176,580
Consumption from nuclear sources (MWh)	4,092
Share of consumption from nuclear sources in total energy consumption (%)	2.2%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen) (MWh)	612
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	12,674
The consumption of self-generated non-fuel renewable energy (MWh)	1,431
Total renewable energy consumption (MWh)	14,716
Share of renewable sources in total energy consumption (%)	7.7%
Total energy consumption (MWh)	191,296

Out of the total energy consumption for Purmo Group, 1,431 MWh is from the Group’s own solar energy production and 0 MWh from non-renewable energy production. Renewable energy is generated from the company’s solar panels on top of its manufacturing plants in Yangzhou, China, and Rybnik, Poland.

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR million)	265.3
Total net revenue (Financial statements), EUR Million	713.1

As defined in the high climate impact sectors listed in NACE Sections A to H and Section L in Commission Delegated Regulation (EU) 2022/1288), Purmo Group utilises its high climate impact sector C, (manufacturing and wholesale and retail trade), to determine the energy intensity.

Regarding the net revenue amount from activities in the high climate impact sector, the company refers to the information presented in the Note 2.2 Net Sales in the Consolidated Financial Statements, on the line-item Net sales, and in the table below.

Net revenue figures	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity, EUR million	713.1
Net revenue (other), EUR million	-
Total net revenue, EUR million	713.1

Metrics in E1-5 are not validated by any external body other than the assurance provider.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Energy consumption covers all Purmo Group’s production sites, warehouses, and offices. The calculation excludes Purmo Group’s self-generated energy to avoid double counting. Local factors are used to calculate the energy contained in different fuels. GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The scope of reporting is based on operational control. Reporting covers direct GHG emissions (Scope 1) from Purmo Group’s own operations, indirect GHG emissions (Scope 2) from the production of purchased energy, and indirect GHG emissions from other parts of the value chain (Scope 3), including upstream and downstream.

Significant changes in the definition of the reporting company and its upstream and downstream value chain and their effect on the year-to-year comparability of its reported GHG emissions

As a part of its strategy acceleration programme, Accelerate PG, and in response to overcapacity in the panel radiator market, Purmo Group proceeded with the closure of the radiator production and maintenance departments at its plant in Zonhoven, Belgium in Q1 2024. The Group also decided to proceed with the closure of the Hull plant, with the production transfer to Gateshead, in the United Kingdom in Q4 2024.

Purmo Group announced its intention to exit from business in Russia on 1 April 2022. Russian operations were sold to a Russian investment company in Q3 2024. After the divestment, the Group has no longer any activities in Russia.

In Q3 2024, Purmo Group acquired Unitherm Heating Solutions Ltd., located in Ireland and the United Kingdom. The emissions generated from Unitherm are not part of the GHG calculations as they are not considered material.

Due to plant closures, production volumes in Belgium were significantly lower in 2024 compared

to 2023. There were also major changes in the production volumes in Yangzhou, China.

As a result, the decrease in production volumes also had an impact on the level of the total GHG emissions, which decreased 6 per cent in 2024 compared to the previous year.

Scope 1 and 2 calculations and methodologies

Usage data (or activity data) from Scope 1 and 2 GHG emissions sources were used to calculate Scope 1 & 2 emissions. The data is multiplied by the corresponding emissions factor.

In all cases, the general formula that is applied for calculating Scope 1&2 GHG emissions is:

$$\text{GHG emissions (tCO}_2\text{e)}_i = (\text{activity data})_i \times \sum_{ij} (\text{Emission factor } ij \times \text{GWPI})$$

Where:

i = GHG emissions source, and
j = GHG gas = CO₂, CH₄, N₂O, HFC; PFCs, SF₆, NF₃.

Scope 2 has a dual reporting requirement. Therefore, Scope 2 is calculated by applying two methods:

Location Based method (LB), in which Scope 2 GHG emissions are quantified based on the average

energy-generation emission factors for defined geographic locations. According to this method, applied emission factors are country-specific (or region-specific in the United States of America).

Market Based method (MB) reflects the GHG emissions associated with consumer choices. In this method Scope 2 GHG emissions are quantified based on GHG emissions emitted by the generators from which Purmo Group contractually purchases electricity (bundled with contractual instruments, or contractual instruments on their own).

In the Market Based method, Purmo Group uses residual emission factors to account for the GHG emissions from non-renewable electricity, whereas for the portion of renewable electricity, the emission factor is 0.

Scope 1 and 2 activities

Scope 1 activities include on-site stationary combustion: the burning of fuels in boilers, furnaces, or other equipment that generates heat, steam, or power for use within Purmo Group's operations. It also includes mobile combustion: the emissions from the combustion of fuels in the Group's owned or controlled vehicles. Finally, it is linked to fugitive emissions from refrigerant leakages: the unintentional releases of gases from leakages in air conditioning or refrigeration systems.

Scope 1 emission sources include:

- Natural Gas
- LPG
- Diesel
- Petrol
- Fuel oil
- Propane
- Acetylene
- Biomass
- Biogas and
- Refrigerants.

Scope 2 activities include purchased electricity consumption at both production and non-production facilities, required in the Group's production processes, as well as in other general activities such as lighting, HVAC, and office equipment. Purchased steam consumption is mainly used for production activity at the production sites.

A market-based approach has been used to account for Scope 2 emissions and to track performance. The process of setting boundaries for the GHG emissions targets is based on the operational control approach. Under this approach, Purmo Group accounts for all GHG emissions generated from sources over which it has direct control and where it can influence the decisions that affect GHG emissions. This approach is consistent with the WRI/WBCSD GHG Protocol and general sustainability reporting protocols and guidance.

Scope 3 calculations and methodologies

Purmo Group’s Scope 3 emissions are indirect emissions generated from sources not controlled by the Group but due to its activity along the Group’s upstream and downstream value chain. Scope 3 emissions are all indirect emissions not included in Scope 2, including product lifecycle emissions associated with the use of products from cradle to grave, including transport, storage, sale, use and disposal.

In line with the GHG Protocol Corporate Standard, the Scope 3 categories include indirect Scope 3 GHG emissions from the parent Company, Purmo Group, and 100 per cent of its subsidiaries’ emissions under its operational control. Purmo Group does not have subsidiaries and/or joint ventures that occur outside its organisational boundary and consolidation approach.

Purmo Group used a hybrid approach in its calculations for Scope 3 emissions, meaning both screening and inventory to estimate the Scope 3 emissions. A screening analysis for categories 1, 2, 4, and 6 which used a spend-based model to determine GHG emissions per category based on euros spent. An inventory of Scope 3 emissions was developed for categories 3, 5, 7, 9, 11, and 12.

Purmo Group made limited exclusions to the Scope 3 reporting boundary. Spend-based data for SFERA Comercial e Importadora Ltda in Brazil was excluded. Additionally, spend-based data for Russian operations was excluded due to the unavailability of data. These exclusions represent less than 5 per cent of the GHG inventory.

Purmo Group’s Scope 3 emissions do not include emissions from bioenergy and/or removals from biogenic sources. Therefore, biogenic land-related emissions and removals from bioenergy feedstocks were not included in the Scope 3 boundary.

Purmo Group generates emissions in 10 out of 15 Scope 3 categories. Purchased goods & services and use of sold products show the highest emissions, accounting for 92.5 per cent of Purmo Group’s Scope 3 emissions in 2024.

Scope 3 GHG emissions categories included in the GHG inventory

Purchased goods and services include all upstream emissions from the production of products purchased by Purmo Group in the reporting year.

- Purmo Group used spend-based calculations to measure Scope 3 emissions for purchased goods and services.

- Purmo Group collected financial data from its ERP systems. This data includes the amounts spent on various goods and services purchased by the Group.
- Online emission data platform categorises the spend-based data into activity classes by grouping it on goods and services to reflect the nature of the purchased items. The categories are needed for applying the correct emission factors.
- EXIOBASE3 data system is used as the source for emission factors. By using this database, Purmo Group can estimate the GHG emissions associated with each euro spent.
- Extent of measurement: The spend-based data does not include spend-data for SFERA Comercial e Importadora Ltda in Brazil or Russian operations. The emissions associated with these entities represent less than 5 per cent of the GHG inventory and therefore, have been excluded from the calculations.

Capital goods include all upstream emissions from the production of capital goods purchased by the Group in the reporting year.

- The same activity data and methods were used as for purchased goods and services (Category 1).

Fuel and energy related for Category 3 includes emissions related to the production of fuels and energy purchased and consumed by Purmo Group

in the reporting year that are not included in Scope 1 or Scope 2 emissions.

- Purmo Group used an average-data method to measure Scope 3 emissions for fuel- and energy-related activities.
- Purmo Group collected activity data based on energy consumption by source (data used to calculate Scope 1 & 2).
- An average-data method uses average emission factors for each type of energy source.
- DEFRA GHG reporting conversion factors are used for the reporting period to convert the energy-consumption data into equivalent GHG emissions.
- DEFRA conversion factors are applied to the activity data on energy consumption. For each type of energy consumed, the corresponding emission factor is multiplied by the amount of energy consumed to estimate the GHG emissions.

Upstream transportation and distribution covers emissions from third-party transportation and the distribution of products bought in the reporting year, including shipments from suppliers to the Company’s facilities and logistics services purchased by Purmo Group. This includes both inbound and outbound logistics, as well as inter-facility transfers, using vehicles not owned or operated by the Company.

- The same activity data and methods were used as for purchased goods and services (Category 1).

Waste generated in operations for category 5 encompasses the greenhouse gas emissions resulting from the disposal and treatment of waste, including wastewater, by a third-party, which originates from the operations owned or controlled by Purmo Group within the given reporting year.

- Purmo Group used an average-data method and the recycled content method to measure Scope 3 emissions for waste generated in operations.
- Purmo Group collected activity data on waste generation through an online data platform. This data includes the total tonnes of waste generated by each facility and the final destination of the waste (e.g., landfill, recycling centre, incineration plant).
- The average-data method uses average emission factors for different waste treatment and disposal processes.
- When applying the recycled content method, Purmo Group considers the emissions avoided due to the recycling of materials.
- Purmo Group uses emission factors from ADEME's Bilan Carbone and the US EPA GHG Emissions Factors Hub for the reporting period. These

factors provide average emissions associated with various waste treatment and disposal processes.

- Purmo Group applies the appropriate emission factors to the tonnes of waste generated, to the final destination, during the calculation process. For each waste stream, the corresponding emission factor is multiplied by the amount of waste to estimate the GHG emissions. When recycled content is considered, the emissions avoided by using recycled materials instead of virgin materials are also calculated.

Business travel is the transportation of employees for business-related activities during the reporting year in vehicles not owned or operated by Purmo Group.

- The same activity data and methods were used as for purchased goods and services (Category 1).

Employee commuting is the transportation of employees between their homes and worksites during the reporting year in vehicles not owned or operated by Purmo Group.

- Purmo Group extracts Full-Time Equivalent (FTE) data by site from an internal database for data collection. This data is used to estimate the total commuting emissions.

- The daily commuting distance and transportation mode is based on employee profiles, which differentiate between office workers and production site workers. This distinction is made because commuting patterns can vary significantly between these two groups.
- Official country-specific statistics are used to estimate the average daily commuting distance and the distribution of transportation modes for employees in different countries.
- The average-data method applies average emission factors for different modes of transportation.
- DEFRA GHG reporting conversion factors for the reporting period are used to convert the estimated commuting distances and transportation modes into equivalent GHG emissions.
- During the calculation process, the estimated daily commuting distance is multiplied by the number of working days and the number of employees (FTE) to calculate the total distance travelled per year for commuting. Then, the appropriate DEFRA conversion factors for each transportation mode are applied to this distance to estimate the GHG emissions from employee commuting.

Downstream transportation and distribution

include emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by Purmo Group.

- Purmo Group used a distance-based method to measure Scope 3 emissions for downstream transportation and distribution.
- Activity data is internally collected on shipments to customers/wholesalers from the sites.
- The distance-based method calculates emissions based on the average distance travelled by vehicles transporting the company's products. The data for shipments to customers is estimated based on the transport mode (e.g., 12t lorry, 25t lorry, van, etc.), the average distance travelled, and the average mass delivered.
- DEFRA GHG reporting conversion factors for the reporting are used to convert the transportation activity data into equivalent GHG emissions.
- For the calculation process, the average distance travelled is multiplied by the average mass delivered for each shipment and then applied the appropriate DEFRA conversion factors for each transportation mode to estimate the GHG emissions.

Use of sold products is the end use of goods and services sold by Purmo Group in the reporting year.

- Purmo Group used an average-data method to measure Scope 3 emissions for the use of sold products.
- Sales data is internally collected from the Group’s database, which includes the number of units sold by country, product category, and product model.
- The average-data method calculates emissions based on average usage patterns and energy consumption for the most representative product model in each product family.
- For each representative product model, the company estimates the average yearly energy consumption, lifespan, units sold, product power, yearly use hours, and if applicable, refrigerant type and refrigerant charge. This information is used to calculate the emissions during the product’s operational life.
- If the product uses refrigerants, the refrigerant losses are calculated based on the initial refrigerant charge and type, as well as installation and operating losses according to the Intergovernmental Panel on Climate Change IPCC guidelines.
- Emission factors from the IEA – CO₂ Emissions from Fuel Combustion 2022 and the 2006 IPCC guidelines to convert the energy consumption and refrigerant losses into equivalent GHG emissions.

- For the calculation process, Purmo Group multiplies the average yearly energy consumption by the units sold and the lifespan to estimate the total energy consumed over the product’s lifetime. Then, the appropriate IAE emission factors are applied to this energy consumption to estimate the GHG emissions. For refrigerants, the emissions based on the potential losses over the product’s lifetime are calculated using the IPCC guidelines.

End-of-life treatment of sold products is waste disposal and treatment of products sold by Purmo Group in the reporting year at the end of their life.

- Purmo Group applies an average-data method and the recycled content method to measure Scope 3 emissions for end-of-life treatment of sold products.
- The mass disposed by material type is calculated based on the reported total weight or volume of materials used to produce and package products sold during the reporting year and disposal scenarios for each material are considered.
- Selected EOL scenarios:
- **Product disposal:** Case 1 of PSR-0011-ed1.0-EN-2018 02 09 (Thermopanel V4 EPD)
- **For packaging waste:** EU 27 Packaging waste statistics
- **For refrigerants remaining in the equipment:** Calculation based on the type of refrigerant, initial refrigerant charge, and losses at disposal (2006 IPCC guidelines)

- **For emission factor:** ADEME Bilan Carbone, US EPA 2022 GHG emissions factors hub, 2006 IPCC guidelines.

Scope 3 GHG emissions categories excluded in the GHG inventory

The following items were excluded from Scope 3 emission categories:

- Upstream leased assets are included in Scope 1 and 2, therefore not applicable.
- Processing of sold products are not applicable, because there are no emissions associated with this category.
- Downstream leased assets are excluded for Purmo Group, because the Company does not own any downstream leased assets. There are no emissions associated with this category.
- Franchises category was excluded from Scope 3 inventory, because the Company does not have any franchises. There are no emissions associated with this category.
- Investments are excluded for Purmo Group because there are no emissions associated with this category.

For deliveries to customers (transportation mode, to, from and bulk deliveries), this internal data for emission is collected manually. For deliveries from suppliers, the emission is cost-based (WTW) adjusted for inflation on a country-by-country basis.

Total GHG emissions by Scope 1,2 and 3

	Retrospective		Milestones and target years		
	Base year	2024	2033	2050	Annual % target / Base year
GHG emissions					
Scope 1-GHG emissions					
Gross Scope 1 GHG emissions (tCO ₂ e)	25,576	21,667	11,612		4.96
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	43,117	34,647	19,575		4.96
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	55,393	44,981	25,148		4.96
Significant scope 3 GHG emissions					
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	882,549	684,380	595,721		2.95
1 Purchased goods and services	377,939	230,743			
2 Capital goods	9,002	4,885			
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	11,463	8,626			
4 Upstream transportation and distribution	9,366	24,483			
5 Waste generated in operations	1,347	861			
6 Business traveling	438	726			
7 Employee commuting	1,000	616			
9 Downstream transportations	3,293	4,139			
11 Use of sold products	460,040	402,449			
12 End-of-life treatment of sold products	8,662	6,852			
Total GHG emissions					
Total GHG emissions (location-based) (tCO ₂ e)	951,242	740,694			
Total GHG emissions (market-based) (tCO ₂ e)	963,517	751,028			

GHG intensity based on net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO ₂ e/Monetary unit)	1,038.7
Total GHG emissions (market-based) per net revenue (tCO ₂ e/Monetary unit)	1,053.1
Net revenue used to calculate GHG intensity	713
Net revenue (other)	0
Total net revenue (Financial statements)	713

The company refers to the information presented in the Note 2.2 Net Sales in the Consolidated Financial Statements, on the line-item Net sales, and in the table above.

Outside of scopes-Bioenergy use	Inventory and target boundary (tCO ₂ e)
Biogenic emissions	338.6
Biogenic removals	338.6
Net biogenic emissions from bioenergy use	0

GHG emission source	Unit	Biogenic CO ₂ EF		
	kWh	litres	kgCO ₂ e/kWh	kgCO ₂ e/litre
Biogas	0		0.20	
Biomass – Wood Pellets	721,520		0.35	
Diesel		484,448		0.16
Petrol – Mobile		65,884		0.13

Metrics in E1-6 are not validated by any external body other than the assurance provider.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Purmo Group does not yet have information regarding anticipated financial effects from material physical and transition risks and potential climate-related opportunities since it is not required in the first year of CSRD reporting for Purmo Group.

ESRS E3 Water and marine resources

Actual water related impacts, risks and opportunities

- Withdrawals, water use
- Consumption and
- Discharges, wastewater management.

All these material topics were seen to have an actual negative impact on the environment.

Purmo Group's supply chain involves significant water withdrawals, consumption and discharges following industrial manufacturing processes. As global water scarcity becomes a critical issue, unsustainable use of water poses a significant risk to both the environment and local populations.

Purmo Group has set a water-use reduction target of 30 per cent by 2030 and aims at further developing its policies, actions and targets during the upcoming years.

E3-1 Policies related to water and marine resources

Purmo Group does not yet have policies to manage the material impacts, risks and opportunities related to water and marine resources. This is due to a current lack of adequate resources and other priorities in the company's sustainability strategy. The Group aims to establish relevant policies in 2025, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E3-2 Actions and resources related to water and marine resources policies

Purmo Group has a water reduction target until 2030. The target is not based on a Group-wide water policy but has been set voluntarily. The target is linked to Purmo Group's "Complete Care" sustainability strategy and one of its four focus areas: production. The strategy includes ten commitments; resource efficiency, waste and water-reduction are included in the 24 targets. Progress is followed via an online data platform, into which

In 2024 Purmo Group's total consumption of water was 147 thousand m³.



local plant managers enter data every six months. The target covers all manufacturing plants and water used in production, including areas of water risk in Izmir, Turkey. Purmo Group does not currently have specific actions and resources related to the high-water-risk areas.

The water reduction target has not required significant operational (OpEx) and/or capital expenditures (CapEx) from the Group.

Based on the mitigation hierarchy, Purmo Group's water reduction actions and resources are allocated to reclaiming and reusing water resources to reach the water reduction target of 30 per cent by 2030.

Purmo Group does not yet have full information regarding actions and resources related to water and marine resources, including data points 17-19. The company has not yet adopted all the needed actions or resources in this area due to a lack of adequate resources and other priorities in the company's sustainability strategy. The Group is committed to developing the needed actions and resources. It aims to establish relevant actions and resources in 2025, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E3-3 Targets related to water and marine resources

Purmo Group has a water reduction target of 30 per cent by 2030. The base year of the target is 2021 when the consumption was 210,313 m³ in total. The target is measured by m³ tonnes of the company's usage of water.

The target is linked to Purmo Group's "Complete Care" sustainability strategy and one of its four focus areas: production. The ESG strategy includes ten commitments of which resource efficiency and waste include a water reduction target, being one of the 24 targets in total.

The water reduction target for Purmo Group was based on the wide stakeholder engagement process which was conducted in 2021. It was part of the Group's first materiality assessment, consisting of over 130 interviews, a landscape assessment, and workshops. The outcome of the exercise was the Group's sustainability strategy. The strategy includes prioritised issues and targets, which were approved by the ESG steering committee, Core Leadership Team and the Board of Directors of Purmo Group.

For other general information on the target, the company refers to the information presented in E3-2 section Actions and resources related to water and marine resources policies.

In the baseline year 2021, the water reduction target of 30 per cent was perceived to be achievable for the Group, without specific methodologies or other assumptions used as a basis for the target. The target is not based on conclusive scientific evidence. No other method was used to set the target and there was no further specific analysis conducted. Purmo Group's ambition is to validate the target in its further work in sustainability reporting. There have been no changes to the water reduction target or the assumptions, sources, and processes in calculating the target since 2021.

The water reduction target is voluntary and not driven by local regulations. Therefore, the target has not been specifically aimed at high-water stressed areas. It is not linked to the company's sustainability policy or policies related to water and marine resources as the company has not established this specific policy yet.

Purmo Group is committed to developing further, required information for targets related to water and marine resources. It aims to establish relevant targets and methodologies in 2026, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E3-4 Water consumption

Purmo Group discloses the following information on water consumption in its own operations. All facilities such as operations, warehouses and offices are included in the total water consumption. Water consumption in sales offices is primarily estimated based on the number of employees.

The total water consumption

The total estimated water consumption was 147,483 m³ during 2024. The total water consumption in areas of high-water risk was 21,086 m³ during 2024.

An area at water risk is a water catchment, where several physical aspects exist:

- Activity leading to one or more water bodies to be in less than good status and / or deteriorate in status (as defined in Directive 2000/60/EC of the European Parliament and of the Council⁴), thus pointing to significant issues as regards water availability, quality, quantity (including high water-stress); and/or
- leading to issues regarding the accessibility of water, regulatory or reputational issues (including the shared use of water with communities and affordability of water) for its facilities and the facilities of key supplier(s).

An area of high-water stress is where the percentage of total water withdrawn is high (40–80 per cent) or extremely high (greater than 80 per cent) in the World Resources Institute’s (WRI) Water Risk Atlas tool, Aqueduct.

The total water recycled

The estimated total amount of water stored during 2024 was 1,398 m³ of which 128 m³ was reused. Purmo Group does not yet have information regarding the changes in storage in m³ since it is not required in the first year of CSRD reporting for Purmo Group.

Water consumption in most of the production facilities of Purmo Group is invoiced by local distributors. These production facilities are visited by the distributor physically or online on an annual basis to validate the metric and the invoice. The amount of water is collected from plant meters. For storage and recycling, the estimations are based on the size of the tanks where the water is stored.

For 2024, Purmo Group reports 143,498 m³ of actual water consumption and 3,985 m³ of estimated water consumption (97.3 per cent and 2.7 per cent respectively). The estimation was taken from one of the Group’s sales offices where the company had control over the number of employees and the total water consumption (total water consumption/ number of employees). This method was then applied to the rest of the offices, factored by the number of persons employed.

Regarding the information on water intensity and total water consumption in its own operations in m³ per million EUR net revenue, Purmo Group reports it as 147,483 m³/713.1 EUR million net revenue in 2024. The total water consumption in most plants has been estimated during the year with an annual exact figure from the meters. The data has been collected from all plants of Purmo Group.

E3-4 - Water consumption, m³	2024
Total water consumption, m³	147,483
Total water consumption in m³ in areas at water risk, including areas of high-water stress (Izmir).	21,086
Total water recycled, m³	–
Total water reused, m³	128
Total water stored, m³	1,398
Total water consumption in own operations in m³ per EUR million net revenue.	206.8

ESRS E4 Biodiversity and ecosystems

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

- Land-use change, fresh water-use change and sea-use change
- Direct exploitation
- Pollution and
- Land degradation, desertification, soil sealing.

All these material topics were seen to have an actual negative impact on the environment.

Purmo Group does not own mines. However, purchasing materials from suppliers who engage in unsustainable mining practices indirectly associates the company with the negative environmental impacts of those activities.

Even though Purmo Group's heating and cooling systems reduce local heat pollution compared to traditional ventilation, heat pollution from its ventilation systems could have an impact on biodiversity and ecosystems as the manufacturing process often involves chemicals for cleaning, cooling, or treating metal parts, which can result in wastewater discharge and end up into the environment if not treated properly before released.

The direct exploitation of subsoil minerals through mining leads to land degradation.

Purmo Group has not identified any desertification or soil sealing as a potential impact around its plants. Purmo Group's or its third-party manufacturers' plants, especially if located near residential areas or natural habitats, may contribute directly to noise pollution which may disturb local communities or affect local wildlife. Purmo Group has not conducted an analysis on whether operations directly or indirectly affect biodiversity sensitive areas or threatened species.

"It's not enough to make solutions that perform better for the planet. The ways we make them must be better for the planet, too."

John Peter Leesi, CEO

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Purmo Group does not yet have a transition plan nor consideration of biodiversity and ecosystems in its strategy and business model. The company has not yet adopted a transition plan due to a lack of adequate resources and other priorities in the company's sustainability strategy. Purmo Group is committed to developing the transition plan. It aims to establish it in 2026 as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E4-2 Policies related to biodiversity and ecosystems

Purmo Group does not yet have policies related to biodiversity and ecosystems. The company has not yet adopted policies in this area due to a lack of adequate resources and other priorities in the company's sustainability strategy. Purmo Group is committed to developing the required information regarding policies related to biodiversity and ecosystems. It aims to establish those in 2026 as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E4-3 Actions and resources related to biodiversity and ecosystems

Purmo Group has not yet adopted actions and resources related to biodiversity and ecosystems. The company does not yet have actions and resources in this area due to a lack of adequate resources and other priorities in the company's sustainability strategy. Purmo Group is committed to developing the required information regarding policies, actions, resources and targets in biodiversity and ecosystems. It aims to establish those in 2026 as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E4-4 Targets related to biodiversity and ecosystems

Purmo Group has not yet adopted targets related to biodiversity and ecosystems. Purmo Group is committed to developing the required information regarding the targets in biodiversity and ecosystems. It aims to establish those in 2026 as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E4-5 Impact metrics related to biodiversity and ecosystems change

Purmo Group does not yet have material metrics regarding biodiversity and ecosystems related to its own sites and operations within. Currently, Purmo Group does not have metrics to measure impacts related to biodiversity and ecosystems in its value chain. Purmo Group is committed to developing the required information regarding the impact metrics to biodiversity and ecosystems change. It aims to establish those in 2026 as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

ESRS E5 Resource use and circular economy

The following material topics were seen to have an actual negative impact on the environment.

- Resource inflows, including resource use
- Resource outflows related to products and services and
- Waste.

Purmo Group's impacts on resource use and circular economy are mainly related to the use of packaging materials and raw materials in products as well as industrial waste generated in operations. For example, the use of packaging materials is increasing following the demand driven by Purmo Group's customers for smaller and more frequent deliveries instead of a focus on container or pallet fulfilment. Related to material residuals, Purmo Group produces heating and cooling systems in which fluorinated and halogenated hydrocarbons (HCFCs) are frequently used as refrigerants. These so-called F-gases can remain in the environment as persistent degradation products with partly unexplained long-term effects on the environment and human health, mainly through leakages or improper recycling, both in own operations and downstream.

Purmo Group has set targets related to the use of recycled materials and packaging, elimination of single-use plastics and sustainable sourcing of key materials. Purmo Group aims at further developing its policies, actions and targets during the upcoming years.

E5-1 Policies related to resource use and circular economy

Purmo Group does not yet have policies related to resource use and circular economy. The company has not yet adopted policies in this area due to a lack of adequate resources and other priorities in the company's sustainability strategy. Purmo Group is committed to developing the required information and aims to establish relevant policies in 2025, when needed, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

Purmo Group achieved its first five Environmental Product Declarations, which report the impacts of a product from cradle-to-grave.



E5-2 Actions and resources related to resource use and circular economy

Despite the disclosure of some targets related to circular economy in 2023, Purmo Group does not yet have sufficient information regarding actions and resources related to resource use and circular economy. The company has not yet recorded sufficient actions in this area due to a lack of adequate resources and other priorities in the company's sustainability strategy. Purmo Group is committed to developing the required information and aims to establish relevant actions and resources in 2025, when needed, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines. Product management and PDI will be continuously educated to work efficient fulfilling Purmo Groups target of recycling products.

E5-3 Targets related to resource use and circular economy

In 2023, Purmo Group disclosed three targets related to resource use and circular economy. The scope of the targets includes Purmo Group's own production, with the aim of improving the production phase. The base year of the targets is 2022.

According to the target related to recycled materials and packaging, 100 per cent of Purmo Group's packaging will be from recycled, recyclable, or biodegradable materials by 2030. Purmo Group also aims for the elimination of all single-use plastics used in packaging by 2030. Furthermore, Purmo Group aims to have circular design principles applied to all its new products by 2025.

The goals will, among other things, reduce the use of plastic in packaging, increase the possibility for recycling and waste management.

The targets related to resource use and circular economy were set as voluntary and achievable. Multiple stakeholders were involved in the development of the Group's ESG strategy and targets, including the targets for resource use and circular economy. In addition, multiple workshops and engagements with customers and key stakeholders were completed. Targets are not based on conclusive scientific evidence. Purmo Group does not prioritise targets in absolute values, as all targets are set as relative. In 2025, Purmo Group aims to re-validate the data and ways to measure the targets on an annual basis.

In addition, Purmo Group has set targets to improve its sustainable sourcing of its key materials (e.g., steel, brass, plastic, packaging). This includes materials that have less impact on the environment, such as sourcing lead-free brass and reducing the embodied carbon in the steel. The target was set in 2023, and the target year is 2030. However, the metrics are still being developed and no quantitative values or KPIs are yet available for this target.

Purmo Group is committed to developing the required, further information regarding the targets in 2025, when needed, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

E5-4 Resource inflows

The resource inflows of Purmo Group, which are included in the figures and considered as material, are steel, granulates, paint, aluminium, refrigerants used in production, purchased accessories and components, as well as packaging materials, such as wooden pallets and cardboard boxes. The figures exclude the non-material items for Purmo Group, which are chemicals, water and property, plant and equipment used in its own operations and along the upstream value chain. The scope refers to own operations only.

The overall total weight of products and technical and biological materials used to manufacture products and services during the reporting period 2024 was 158,713 tons. Critical raw and rare-earth materials are included in these figures; however, Purmo Group does not have a method to measure these metrics.

In 2024, Purmo Group purchased 112,225 tons of steel. The amount of recycled steel out of the total steel purchased was approximately 20.445 per cent (based on an average figure submitted by the Group's four largest steel suppliers) which gives 22,944 tons of recycled steel. For all other purchased materials, the weight for 2024 was 31,644 tonnes. Other purchased materials include brass, aluminium, granulate, plastic and expanded polystyrene (EPS), which is raw material. The steel share in a radiator is approximately 98 per cent. The estimated weight of packaging purchased was 14,844 tons in 2024 for the Group.

Biological materials used in manufacturing remain without a calculated weight due to the absence of a current method of measurement. The percentage of biological materials used to manufacture the products and services that are sustainably sourced therefore cannot be given.

Figures include data from all entities that are deemed material.

Methodologies

Purmo Group receives resource inflow data from the procurement department regarding the purchased materials. Packaging figures are estimated.

The amount of product packaging waste for Purmo Group was estimated based on 2022 data, and EU 27 statistics were taken into account for end-of-life consideration. This analysis has also been utilised in the figures for 2024.

Recycled steel

- Based on an average figure submitted by Purmo Group’s four largest steel suppliers.

Packaging materials disposed

- Quantity of materials disposed: For the quantity of materials disposed, Purmo Group has used the amount of raw material purchased in the financial year and used for product fabrication.
- For the end-of-life scenario Purmo Group has used the Thermopanel Product Environmental Profile as a reference to estimate the End-of-Life treatment for of the Purmo Group products.

The data has not been verified by another external party, other than the assurance provider of the CRSD report.

Purmo Group is committed to developing the required, further information regarding resource inflows and aims to establish relevant actions in 2025, when needed, as part of the company’s efforts to enhance its sustainability practices in line with ESRS guidelines.

E5-4 Resource inflows (Procurement data)

E5-4 - Resource inflows (Procurement data)	2024
Overall total weight of products and technical and biological materials used during the reporting period including purchased steel, tonnes	158,713
Total purchased steel, tonnes	112,225
Total weight of polymer, tonnes	26,450
Total weight of aluminium, tonnes	1,981
Total weight of brass and copper, tonnes	2,497
Total weight of others, tonnes	716
Estimated weight of packaging purchased, tonnes	14,844
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking’s products and services, tonnes	22,944
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	14.5%

E5-5 Resource outflows

Products and materials

Purmo Group does not have available Information about the key products and materials designed along circular principles such as durability, reusability, and recycling.

Steel represents about 98 per cent of the weight of a radiator produced by Purmo Group and is 100 per cent recyclable. All other brass or metal components are also recyclable. For other products or packaging materials, the value is currently unknown.

Purmo Group does not yet have information regarding the expected durability of products placed on the market in relation to the industry average. The company does not yet have information regarding the reparability of products (using an established rating system).

Purmo Group is committed to developing the required information regarding resource outflows and aims to establish relevant actions in 2025, when needed, as part of the company’s efforts to enhance its sustainability practices in line with ESRS guidelines.

Waste

E5-5 - Resource outflows	2024
Total amount of waste generated, tonnes	11,167
Hazardous waste diverted from disposal, tonnes	673
Hazardous waste diverted from disposal due to preparation for reuse, tonnes	73
Hazardous waste diverted from disposal due to recycling, tonnes	480
Hazardous waste diverted from disposal due to other recovery operations, tonnes	120
Non-hazardous waste diverted from disposal, tonnes	9,058
Non-hazardous waste diverted from disposal due to preparation for reuse, tonnes	288
Non-hazardous waste diverted from disposal due to recycling, tonnes	8,444
Non-hazardous waste diverted from disposal due to other recovery operations, tonnes	326
Hazardous waste directed to disposal, tonnes	567
Hazardous waste directed to disposal by incineration, tonnes	257
Hazardous waste directed to disposal by landfilling, tonnes	94
Hazardous waste directed to disposal by other disposal operations, tonnes	215
Non-hazardous waste directed to disposal, tonnes	869
Non-hazardous waste directed to disposal by incineration, tonnes	586
Non-hazardous waste directed to disposal by landfilling, tonnes	130
Non-hazardous waste directed to disposal by other disposal operations, tonnes	152
Non-recycled waste, tonnes	1,436
Percentage of non-recycled waste	12.9%
Total amount of hazardous waste, tonnes	1,240
Total amount of non-hazardous waste, tonnes	9,927
Total amount of radioactive waste, tonnes	-

The total amount of waste generated in the reporting period of 2024 was 11,167 tons.

The total amount of waste diverted by recovery operation types was:

- preparation for reuse of 361 tonnes
- recycling 8,924 tonnes
- other recovery operations 447 tonnes.

The amount by weight directed to disposal was:

- incineration 843 tonnes
- landfill 225 tonnes
- other disposal operations 368 tonnes.

The total amount and percentage of non-recycled waste was 1,436 tonnes (12.9 per cent) in 2024.

Methodologies

Different components of waste are collected and recorded by local waste suppliers or, in some cases, by the plants themselves and reported centrally. Each entity inputs its waste and water figures either into an online data platform or if the program is not in use, into the collection Excel. Two sources are later combined and consolidated, from which group figures are formed.

The materials that are included in the waste are hazardous waste, paper, oil, absorbents, emulsions, steel, brass, plastics, aluminium, cans, printer toners, electrical, wood, grinding dust, batteries, fluorescent lights, pipe scrap, biomass, chemicals, refrigerants, emulsions, and organics.

Of hazardous waste, no radioactive use or deposits are used or produced in any of the plants. A precise weight of other hazardous waste is currently not available.

When it was not possible to extract waste generated and water consumed from the data collection platform, it was estimated from square meters. For some production sites, it was not possible to estimate total quantities since square meter information was not available, however, these cases were deemed not significant.

Figures include data from all entities that are deemed material.

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This section focuses on Purmo Group’s workforce, communities, and value chain, including aspects such as human rights, labour standards, community engagement, health and safety, and diversity-and-inclusion. Under double materiality it looks at both risks and opportunities, as well as the effects of these topics by the Group and upon the Group.

ESRS S1 Own workforce

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In Purmo Group's double materiality assessment conducted in 2024, the following topics were considered as material in terms of Purmo Group's own workforce:

Working conditions:

- Secure employment
- Adequate wages
- Freedom of association, the existence of works councils and the information, consultation, and participation rights of workers
- Collective bargaining, including the rate of workers covered by collective agreements
- Work-life balance
- Health and safety.

Equal treatment and opportunities for all:

- Gender equality and equal pay
- Training and skills development
- Measures against violence and harassment in the workplace
- Diversity.

See the SBM-3 table under ESRS 2 to read more about the categorisation and brief descriptions of the material IROs.

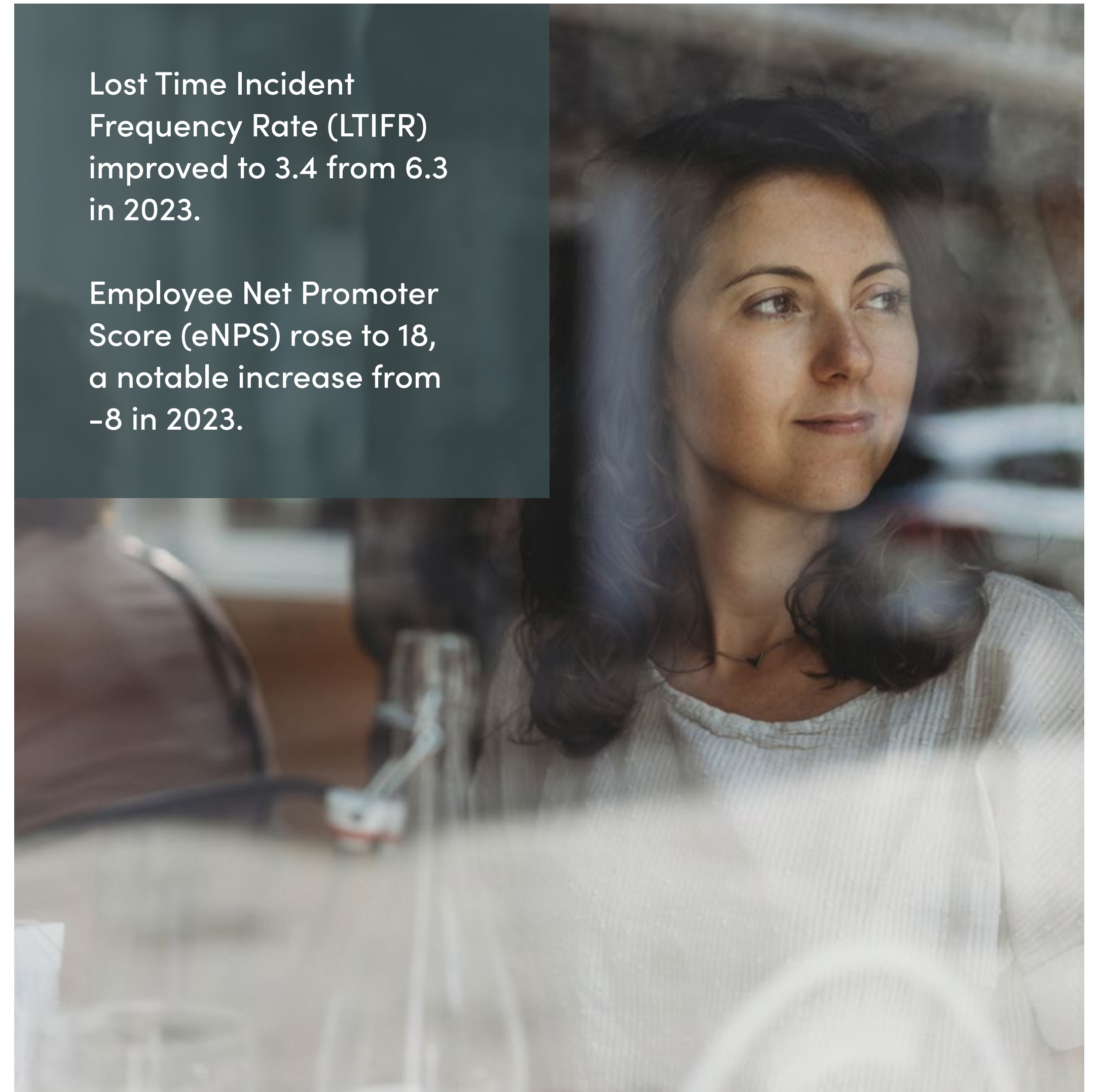
Material impacts are subject to Purmo Group's own employees. The only negative material impact was health and safety. Even though there is variability in safety standards and enforcement across different locations where Purmo Group operates, the impact is more related to individual incidents rather than being a widespread or systemic.

Purmo Group operates numerous factories and warehouses that utilise heavy equipment and materials, which presents a higher risk of severe safety incidents compared to the office environment.

Based on the double materiality assessment, no risk of child labour or compulsory labour has been identified.

Lost Time Incident Frequency Rate (LTIFR) improved to 3.4 from 6.3 in 2023.

Employee Net Promoter Score (eNPS) rose to 18, a notable increase from -8 in 2023.



S1-1 Policies related to own workforce

Purmo Group has a Code of Conduct, which is a parent to its policies for employee engagement, health and wellbeing, equality, diversity and inclusion, human rights, and whistleblowing; all of which cover all group employees.

The Group's Code of Conduct is centred around a strong ethical culture, mandating adherence to responsible and sustainable business practices. The policy is linked to the identified material impact on working conditions: health and safety. It is approved by the CEO and the Board, and written for all employees, stakeholders and third-party operatives. It emphasises safety, respect, integrity, and environmental responsibility as foundation values for guiding the organisation's daily conduct, operations and decision-making. The Code of Conduct explicitly outlines the Group's commitment to international instruments. For example: Purmo Group respects the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work and is dedicated to adhering to the tenets set forth in the UN Global Compact. All relevant policies observe these principles.

The policy applies to all employees and top management, and equivalent standards of conduct

are expected from all persons acting on the company's behalf, such as suppliers, agents, and business partners.

The Group's Supplier Code of Conduct sets out expectations for suppliers and other third parties when doing business with Purmo Group. The policy is linked to the identified material impact on working conditions: health and safety. The Supplier Code of Conduct has been approved by the Board of Directors. It lays out expectations for suppliers to ensure safe and healthy working conditions for their employees and contractors. It sets out expectations for suppliers not to engage in the use of forced or child labour. The Supplier Code of Conduct has been guided by both ILO principles and the United Nations Sustainable Development Goals.

The International Bill of Human Rights and the ILO standards have directed the Group's Supplier Code of Conduct. The key principles of these standards are included in the Code. Regarding the use of workers on short-term contracts and workers employed via third parties and sub-contracting, Purmo Group has guidelines in place to ensure that the rights of workers are aligned with local legislation and international standards. Purmo Group strives to review the health and safety protocols of service providers working as subcontractors, assess their credentials, and request

evidence of their insurance contracts. Efforts are also made to examine details such as pay rates and the equal treatment of employees.

The Group's Employee Engagement policy applies to all company employees. It emphasises the importance of creating a supportive and communicative environment, with the CPO and CEO championing the role of employee engagement in improving satisfaction, retention, productivity, and loyalty. The policy is linked to identified material topic equal treatment and opportunities for all: work-life balance, gender equality and equal pay, training and skills. The comprehensive policy includes provisions for leaders' responsibilities, employee surveys, actionable plans, feedback mechanisms, and the provision of support – all aimed at fostering a culture aligned with the company's values and commitment to continuous improvement. The Head of Employee Experience is accountable for its implementation.

The Group's Equality, Diversity, and Inclusion policy applies to all company employees. It emphasises the company's commitment to a workplace free from discrimination and harassment, and to fostering dignity, respect, and fairness for all. The policy is linked to the material topics working conditions and equal treatment and opportunities for all: secure employment and

measures against harassment. This applies to all employees and potential employees and covers a range of protected characteristics, including age, gender, gender reassignment, race, religion or belief, disability, sexuality, pregnancy or maternity, marriage or civil partnership, and other grounds that cause inequality such as social or economic status. Additionally, other types of non-discrimination are also covered, and hence all grounds are covered. The policy describes the roles and responsibilities of leaders, managers, and employees, and outlines comprehensive support and measurable objectives to sustain a culture of inclusion and diverse talent within the organisation. The policy is all-encompassing and does not make specific policy commitments for particular groups of vulnerability. Specific support is given when issues arise, and groups of particular vulnerability are identified should they appear.

The Group's Global HR Health and Wellbeing policy is approved by the CEO and managed by the CPO. The policy is linked to the identified material impact on working conditions: health and safety. It applies to all company employees and places a priority on establishing a secure and encouraging work setting that encourages both physical and mental employee wellbeing. The policy outlines the company's dedication to safety, work-life balance, and wellbeing initiatives, driven by leadership

and supported through continuous feedback and improvement mechanisms. Purmo Group has an ISO 45001 certified management system for accidents as well as an accident prevention policy.

The Group's Whistleblowing policy has been developed with the objective of promoting ethical and responsible business practices and ensuring compliance with applicable laws and regulations. The policy covers reporting any suspected wrongdoing or dangers related to Purmo Group activities. These include bribery, fraud, criminal activity, health and safety risks, damage to the environment, and breaches of legal or professional obligations. The Head of Legal oversees all investigations to ensure they are conducted in a timely, transparent, consistent, objective, and fair manner. If necessary, cases can be escalated to the CEO or the Board. Investigations can be escalated to the CEO if deemed appropriate by the Head of Legal, especially when Leadership Team members are implicated, the issue is complex or widespread, or if the Head of Legal's impartiality is in question. Cases can be escalated to the Board if the allegations or investigation outcomes warrant their attention. For more information on the policy, the company refers to the information presented in G1.

The Group's Human Rights policy applies to all company employees and business partners. The policy is linked to the identified material impact

on working conditions: health and safety. It is also linked to material topics: work-life balance and equal pay as well as social dialogue, freedom of association and collective bargaining. Finally, it is linked to the material topic of equal treatment and opportunities for all: gender equality and measures against violence and harassment. Approved by the Board of Directors, it commits to upholding human rights in accordance with UNGP and UN Global Compact principles. This responsibility is imposed upon all employees and the supply chain. The policy encompasses due diligence processes, ongoing improvement, and reporting mechanisms to ensure compliance and to address human rights concerns within the organisation and its business relationships. The policy is evidence of dedication to upholding and promoting human rights in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). The policy sets out a number of key commitments, including the provision of a safe and healthy working environment, fair treatment of employees throughout their supply chain, monitoring and reduction of excessive working hours, and the support of flexible working arrangements. Furthermore, the policy demonstrates a commitment to freedom of association and zero-tolerance approach to non-discrimination. The Human Rights policy also includes a zero-tolerance for forced labour and an opposition to modern slavery. The Group's position on child labour is covered by Principle 5 of

the UN Global Compact, of which Purmo Group is a member. The ESG steering group oversees the monitoring of concerns and ensures that they are escalated and addressed as required. The ESG steering group is responsible for the Human Rights policy and the Health and Wellbeing policy. The Chief People Officer has the main responsibility for the Employee Engagement policy and the Equality, Diversity, and Inclusion policy, as well as partly for the Whistleblowing policy. Purmo Group does not disclose remedial practices for human rights issues separately.

In all policies mentioned above, leaders and managers have day-to-day responsibility in ensuring their implementation, and HR is involved in their monitoring. Policies are made available to employees during their onboarding and through engagement through various channels, such as Intranet and the PG People system. Policies concerning local sites are communicated via email by the local HR managers to relevant employees.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Purmo Group engages with its workforce through employee onboarding (a specific system that allows new staff to be onboarded), as well as training, formal employee discussion and questionnaires.

Employees are also engaged directly through career and performance discussions as well as informal discussions. These processes are related to material topics and working conditions, including secure employment, adequate wages, social dialogue, work-life balance and health and safety. The processes are also linked to the material topic of equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, and diversity.

All white-collar employees have a performance review and feedback discussion which is hosted in the PG People system. Local HR managers are responsible for ensuring engagement through discussions and performance reviews.

The Group does not use a global, group-wide agreement with its workers' representatives. The framework agreement is different in each country and depends on local legislation and legal requirements. Work councils and unions are managed by a local HR manager, site managers or heads of legal entities.

The Group ensures transparency in the tracking of performance against targets by communicating with employees on the company intranet, HR

updates, and shopfloor news screens. The Group actively involves its workforce in setting workplace targets through the PGbHappy initiative, which includes the Pulse Survey. PGbHappy is an ongoing statement of commitment to increasing the enjoyment of the work environment.

The Pulse Survey

The Group assesses the effectiveness of the engagement of its employees by using the Pulse Survey results. The group-wide Pulse survey occurs once a year, covering engagement as well as detailed questions about the working environment. The Head of HR and Employee Experience is responsible for the Survey.

The feedback is captured and analysed by local HR teams, as well as by a Group-wide process. All responses are securely stored in the Elete system, which includes both positive and negative feedback. The results are reviewed at both group and local levels to gain insight into employee sentiment.

HR managers address all negative issues identified in the feedback via a chat process, working directly with the groups concerned. Common concerns are addressed centrally, with the aim of leading to resolutions through updates in policies or group-level discussions.

The actions resulting from the survey's responses are monitored by HR managers and the Head of HR. Additionally, subsequent questionnaires are run, responses are monitored, and developments from previous answers are tracked.

Other engagement resources

Resources for employee engagement include the Head of Employee Experience and the Head of HR. Furthermore, support is given from local HR managers.

The Group has an extensive area on its intranet for environmental issues, it publishes ESG thoughts weekly on shopfloor information screens and has a dedicated email channel for ESG discussions from all staff. The Group champions ESG issues using an ongoing campaign titled 'Because We Care'.

There are no current impacts recognised that have arisen from reducing GHG emissions. Purmo Group has not yet developed a transition plan for climate, although the implications of such plans for its own workforce will be more evident in the future.

However, the Group is planning to invest in green-steel, via the purchase of 140,000 tonnes of almost carbon-neutral steel from Stegra (formerly H2 Green Steel) between 2026 and 2033. Information

regarding the green transition has been communicated and more detail is given regularly so that employees understand the implications as the plans unfold. The Group consistently develops its plans for engaging with employees on the transition to green and climate-neutral operations.

The Group does not have a formal global procedure to engage with particularly vulnerable workers. Local sites engage and support vulnerable groups when issues arise, and groups of vulnerability are identified should they appear.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Purmo Group is committed to doing business ethically and responsibly. The Group has a whistleblowing policy and a grievance policy in place, both of which are available to all.

The Grievance Policy varies in content from country to country, but the overall grievance mechanism is similar throughout. An employee can either report a grievance to their line manager or the local HR team. It is then investigated, and the outcome is communicated to the employee. Employees can report grievances either in writing or verbally. For more information on the whistleblowing policy, the company refers to the information presented in G1.

Any issue that an employee comes across can be reported to their manager, to Purmo Group's Legal team, to HR teams, to the CEO or to the Board of Directors. If the matter is considered too delicate or sensitive, the whistleblowing channel may be used.

The whistleblowing policy allows both internal and external parties to report any suspected violations of law or of the Group Code of Conduct. These may include bribery, fraud, or other criminal activities, as well as actions that may pose a risk to health and/or safety. Additionally, any matters related to environmental damage and/or breaches of ethical principles are disclosed through this channel.

The whistleblower policy can be accessed externally from Purmo Group's corporate website and internally through the Intranet or via a QR code on the shop-floor screens.

The Group is committed to fostering an open and transparent environment where whistleblowers can raise genuine concerns without fear of retaliation. For this reason, the system is operated by a third party which directs the report to the relevant decision-makers. These include Purmo Group's Head of Legal and Chief People Officer, the Group's Whistleblowing Committee, and the Board of Directors (in the case of a conflict of interest within the Whistleblowing Committee). The reporter

is furnished with a receipt notice within seven days. The outcome of the investigation and the subsequent handling of the report must be disclosed within three months. Each raised concern is addressed in an appropriate manner and referred to the relevant decision-makers. Each stage of the investigation is recorded.

Our whistleblowing policy ensures that anyone participating in the whistleblowing process will not suffer any adverse consequences as a result of raising a concern. All concerns raised through the channels are handled in a manner that allows the reporter to remain anonymous and protects their identity. Any individual who threatens or retaliates against a whistleblower faces disciplinary action.

The Group does not issue questionnaires or otherwise gather feedback on customer satisfaction with the aforementioned policies. Currently, Purmo Group does not collect data on the level of trust customers have in the policy and channel.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Resources are allocated to the management of material impacts, including to: the Head of Employee Experience, the Head of HR and the Head of Health and Safety. Support is given from local HR managers. Monitoring the effectiveness and targets of actions will be further developed in 2025.

Health and safety

The Group conducts regular health and safety training and drills, as well as regular safety observations and audits, with the objective of preventing workplace incidents and accidents. It fosters an open culture that encourages discussions on employee wellbeing. It also provides weekly health and safety updates, which are displayed on shop-floor screens at most sites.

These actions are related to the material topic working conditions, including secure employment, adequate wages, social dialogue, freedom of association, the existence of works councils and the

information, consultation and participation rights of workers. They also include collective bargaining, including rate of workers covered by collective agreements, work-life balance and health and safety.

All incidents or accidents are processed through the Group's certified ISO 45001 management system. If necessary, appropriate corrective measures are taken to prevent a recurrence of such events and to protect our employees in the best possible way.

All incidents are processed within 100 days and remedies are provided case-by-case, based upon the scope and scale of the incident. All incidents or accidents are processed regardless of their severity.

Based on the lessons learned, best practices and preventative actions are shared with the aim of preventing recurrence. This includes discussions with the local HR manager, plant manager, and senior operations staff to implement preventative actions. These corrective measures are disseminated across the organisation as best practices to prevent similar incidents. The aim is to shift from a reactive approach to an integrated, proactive strategy that incorporates health and safety as a core component of daily operations.

Sustainability

The company conducts quarterly sustainability workshops featuring insights from experts, sharing success stories, and discussing energy conservation through opportunities such as water supply management and the use of green energy. These actions are related to the material topic, training and skills development.

The workshops are open to all employees, providing opportunities for skill development and enhancing understanding of sustainability practices.

Development

The Group is committed to investing in professional development programmes with the objective of enhancing training initiatives and improving individual skills and capabilities.

These actions are related to the material topic of working conditions, including secure employment, adequate wages, social dialogue, freedom of association, the existence of works councils and the information, consultation and participation rights of workers. They also include, collective bargaining, including rate of workers covered by collective agreements, work-life balance as well as health and safety. The actions are also related to the material

topic of equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, and diversity.

The Group is giving further attention to initiatives such as equal pay, diversity initiatives, flexible working hours and providing career-counselling services.

The Group values open dialogue with employees and receiving informal feedback on all actions. A formal process for tracking the effectiveness of actions is implemented where required.

Specific risks and opportunities

The Group has not identified any material financial risk or opportunity related to:

- reputational or legal exposure where people are found to be subject to forced labour or child labour
- disruption of business operations where significant employee turnover or lack of skills or training development threatens business
- market differentiation and greater customer appeal from guaranteeing decent pay and conditions for non-employees.

The Group's Code of Conduct covers material impacts on its own workforce. For instance, it respects the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work and is dedicated to adhering to the tenets set forth in the UN Global Compact. All relevant policies adhere to these principles.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The following targets manage the company's material impacts, risks and opportunities, which are measurable, time-bound, and outcome-oriented. Targets "Future skills for commercial roles" and "Future skills for all employees" are not measurable until 2025. Monitoring the effectiveness and targets of actions will be further developed in 2025.

Pay equality:

Related to the material topic of working conditions, including secure employment, adequate wages, social dialogue, freedom of association, the existence of works councils and the information, consultation and participation rights of workers. They also include, collective bargaining, including rate of workers covered by collective agreements, work-life balance as well as health and safety.

Related to the material topic: Equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace and diversity.

Related to Equality, Diversity and Inclusion policy

- Target: Bridge and eliminate pay gaps and ensure pay equity by 2025. Unit-measured in percentages and relative terms
- Scope: The whole Group
- No baseline year, ongoing target
- The pay gap is measured each year. The Company looks at pay for all employees to make sure that it is fair and in line with local laws and guidelines e.g. The Living Wage in the UK. All of the pay data is based on factual pay rates at the time of it being measured, so there are no assumptions. The company refers to the pay-gap metric for further information presented in section S1-16 – Remuneration metrics (pay gap and total remuneration)
- No changes, limitations, or assumptions in 2024.
- 2024 performance against the target: 6.6 per cent.

Employee engagement and wellbeing:

Related to the material topic: working conditions, including secure employment, adequate wages, social dialogue, freedom of association, the

existence of works councils and the information, consultation and participation rights of workers. They also include collective bargaining, including rate of workers covered by collective agreements, work-life balance and health and safety.

Related to the material topic: Equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace and diversity

Related to Employee Engagement policy

- Target: Develop and provide year-on-year improvement in eNPS and engagement metrics through 2025 using 2020 as a baseline. Employee Net Promoter Score, eNPS
- Scope: The whole Group
- Baseline value and baseline year: -12 in 2020
- Timeline: Target for 2025
- Employees are invited to participate in the Pulse survey in which they are asked to give their feedback on the Company and key topics. One of the key measures in the survey is linked to an eNPS score, and an empirical question: 'How likely is it that you would recommend Purmo Group as an employer to a friend or an acquaintance?' Based on their responses, employees are classified as promoters or detractors. The percentage of detractors is subtracted from the percentage of promoters (eNPS = % of

promoters – % of detractors). The Survey also gives the Company an understanding of how appreciated employees feel, whether they believe their workload is sensible and whether they feel supported and have good health and wellbeing.

- 2024 performance against the target: The 2024 Pulse Survey had an 84 per cent participation rate and the eNPS score (how likely would an employee be to recommend the company to a friend or acquaintance) was 18 (–8 in 2023).

Future skills for commercial roles:

Related to the material topic: Equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace and diversity

Related to Employee Engagement policy

- Target: 100 per cent of commercial sales team (300) trained in sustainable and energy-efficient solutions by 2025
- Scope: Commercial sales team
- No baseline year or value available
- Target for 2025
- HR managers will access a complete record of training with a list of participants recorded centrally. The Group L&D team manage mandatory training on key subjects, which all

employees must complete. There is a large library of other training materials, which employees can access in their own time, covering topics they wish to learn more about to support their development in their role.

- 2024 performance against target: On track, some countries such as Germany, Austria and the United Kingdom have initiated the programme and training. Measurement methods will be developed in 2025.

Future skills for all employees:

Related to the material topic: Equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace and diversity

Related to Employee Engagement policy and training plan (internal policies)

- Target: 100 per cent of our workforce to participate in relevant upskilling and reskilling programmes by 2030
- Scope: The whole Group
- No baseline year or value available
- Timeline: Target for 2030
- HR managers will access a complete record of trainings, a list of participants recorded centrally. Measurement methods will be developed in 2025.

Future talent pipeline:

Related to the material topic: Equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace and diversity

Relationship with policy: Employee Engagement policy

- Target: Offer 50 apprenticeships and internships across the Group by 2024
- Scope: The Whole Group
- No baseline year or value available
- Timeline: Target for 2024
- Target not reached due to inability to measure progress.
- Measurement development: Keep a track record of apprenticeships and internships, at the local HR level with Group-level monitoring.

The Group has set a number of further ongoing targets, including increasing the proportion of women in management positions; achieving zero accidents across the business; and ensuring that 100 per cent of eligible employees complete anti-corruption and bribery training. The company has also committed to partnering with relevant organisations by the end of 2024 to support STEM education for young people, women, and under-represented groups. These targets are not currently

measurable, time-bound, or outcome-oriented as described in ESRS S1-5.

The targets under S1-5 are monitored by PG Management on a quarterly basis.

General methodology of the metrics

The company discloses general information about the methodology, which considers all the metrics as follows.

- There are no significant assumptions or limitations behind the metrics, and the data has not been verified by an external body other than the assurance provider.
- All companies acquired during the year 2024 are included in the data.
- Purmo Group has ended its operations in Russia in 2024, and Russia is no longer included in the data.
- Data is collected from primary sources.
- The data is collected from each country in data sheets that are consolidated at a Group level.
- For each metric where applicable, employees are included in a similar manner as described in chapter S1-6.
- For health and safety, data is provided via an internal system (EcoOnline) to follow health and safety metrics.

S1-6 Characteristics of the undertaking’s employees

Purmo Group is largely a manufacturing and distribution organisation. Typically, in this sector, it is more common to have male employees, and this is also reflected in Purmo Group’s gender distribution numbers. The total number of employees stands at 2,830, with a significant majority being male (2,237), followed by female employees (593).

The employee distribution by country shows that Germany, Italy, Poland, and the United Kingdom each represent at least 10 per cent of the total workforce, highlighting the geographical spread of Purmo Group's operations. Specifically, Poland has the highest number of employees at 735, followed by Germany with 362, Italy with 297, and the United Kingdom with 298.

In terms of contract types, the majority of employees are on permanent contracts (2,687), with a smaller number on temporary contracts (135) and non-guaranteed hours contracts (8). This distribution underscores the company's reliance on a stable, permanent workforce.

At Purmo Group, most employees are permanent employees. However, there is also a need for temporary employees, for example, due to seasonal

fluctuations in product demand and holiday seasons. Further, certain key projects might require an additional workforce for a limited period, which creates a need for temporary employees.

Employee turnover is a key metric. The total number of employees who left during this period is 42, resulting in an employee turnover rate of 1.48 per cent. This metric is crucial for understanding employee retention and the overall stability of the workforce.

This data presented is derived from the employee system, PG People. The employee number reflects a specific point in time and is calculated based on data as of 31 December 2024. It includes all current employees, regardless of their status (Active, On Leave Paid, On Leave Unpaid) and contract type (Permanent, Temporary, Flexible).

Employees whose contracts ended before the last day of the month are excluded from the data. Only those whose contracts were active until the last day of the month are counted as active employees. Individuals who have not yet started their employment are not included in the data.

For the total number of employees, the company refers to the information presented in the financial statements, in chapter 2.4 Employment benefit expenses.

Employee head count by gender

Gender	Number of employees (head count)
Male	2,237
Female	593
Other	0
Not reported	0
Total employees	2,830

Countries in which employees represent at least 10 per cent of its total and above 50 employees.

Country	Number of employees (head count)
Germany	362
Italy	298
Poland	735
United Kingdom	298

Employees by contract type broken down by gender and headcount

	2024				
	Female	Male	Other	Not disclosed	Total
Number of employees	593	2,237	0	0	2,830
Number of permanent employees	560	2,127	0	0	2,687
Number of temporary employees	32	103	0	0	135
Number of non-guaranteed hours employees	1	7	0	0	8
Number of full-time employees	511	2,192	0	0	2,703
Number of part-time employees	82	45	0	0	127

Total number of employees who have left during the reporting period.

For the purpose of calculating employee turnover, “leavers” are defined as employees who left the organisation during 2024. The data includes all employees who leave voluntarily or otherwise, including those who have left due to dismissal, retirement, or death in service. The employee turnover is calculated according to the headcount disclosed above.

	2024
total number of employees who have left the company during period	42
Employee turnover rate, %	1.48%

Coverage of collective bargaining agreement

	2024	
	Collective bargaining coverage ¹	Global percentage of employees by workers’ reps for each EEA countries ¹
Coverage rate	Employees – EEA	Workplace representation
0-19%	Hungary	Hungary Sweden
20-39%	-	-
40-59%	-	-
60-79%	Poland	-
80-100%	Austria	Austria
	Belgium	Belgium
	Finland	Finland
	France	France
	Germany	Germany
	Italy	Italy
	Sweden	Poland

¹ Only countries with 50 or more employees are presented in the table.

Percentage of total employees covered by collective agreements	
Number of total employees	2,830
Number of employees covered ¹	1,959
Percentage %	69.2%

Workplace representation: coverage by workers’ representatives

Percentage of total employees covered by workers’ representatives	
Number of total employees	2,830
Number of employees working in establishments with workers’ representatives ¹	2,038
Percentage %	72%

¹ Some entities didn’t provide data. We have used the assumption that none of the employees of those entities are covered or have workers’ representatives.

S1-8 Collective bargaining coverage and social dialogue

Purmo Group does not yet have information for non-EEA countries regarding S1-8 – Collective bargaining coverage and social dialogue and is therefore not reporting bargaining coverage for non-EEA countries for the first year of reporting.

The existence of collective bargaining and framework agreements depends on the country. The extent to which collective bargaining impacts the terms of employment also varies per country. In

some countries, collective bargaining impacts the terms of employment to a large extent, whereas in others collective bargaining might only determine, for example, the salary level. In countries where there is no collective bargaining, such as the UK, local legal requirements are adhered to.

The countries which are covered by Collective Bargaining are Austria, Belgium, Brazil, Estonia, Finland, France, Germany, Italy, Latvia, Netherlands, Norway, Romania, Spain, Sweden and Turkey.

S1-9 Diversity metrics

Distribution of employees by age group and gender distribution at the top management level

Total number of employees	Employee age distribution	Number	Percentage, %
2,830	Under 30	356	12.6%
	30-50	1,466	51.8%
	Over 50	1,008	35.6%

Purmo Group´s definition of top management follows the ESRS definition of top management

Total number of employees at top management	Gender distribution Top management	Number	Percentage, %
37	Male	28	75.7%
	Female	9	24.3%
	Other	0	0.0%

S1-10 Adequate wages

All Purmo Group employees are paid an adequate wage in line with applicable benchmarks. Wages are determined by either collective agreements (where applicable) or legal requirements in each country of operation. Each country/entity has been asked to report a percentage figure that represents the share of their employees who are paid an adequate wage. After each country has reported the figure, they have been consolidated to reach a figure that represents the percentage of the group’s employees that are paid an adequate wage. Adequate wage is based on applicable benchmarks.

Adequate wage paid	
Percentage of countries that pay the adequate wage	100%

S1-11 Social protection

Employees are covered by social protection, through public programmes or benefits offered by Purmo Group. The public programmes and benefits available also depend on the legal requirements in each operating country. Each entity/country was asked whether their employees were covered fully, partly or not at all. They were asked to provide

that information for five categories. Each entity then reported whether or not their employees had coverage for sickness, retirement, parental leave, employment injury and acquired disability or unemployment, starting from when the worker began. If some entities' employees were not covered for a certain aspect/instance, the percentage of the Group’s employees that the country’s employees represent was calculated. That percentage was then subtracted from 100 per cent (representing the total number of group employees) and presented for that category/instance. An example is presented in the table, where the United Kingdom represents 11 per cent of the Group’s employees. This country was not covered for employment injury, and thus, the coverage for that category was 89 per cent for the whole Group.

S1-12 Persons with disabilities

Purmo Group does not yet have information regarding S1-12 – Persons with Disabilities since it is not required in the first year of CSRD reporting.

S1-13 Training and skills development metrics

Purmo Group does not yet have information regarding S1-13 – Training and skills development metrics since it is not required in the first year of CSRD reporting.

Life event social protection occurs	Employees are covered (Yes/Partly/Not covered)	IF NOT covered or PARTLY covered, report the country/countries	IF NOT covered or PARTLY covered, report the type of employee	Additional comments if any
Sickness	89%	UK	0% of employees in the UK are covered	-
Unemployment starting from when the own worker is working for the undertaking	100%	-	-	-
Employment injury and acquired disability	89%	UK	0% of employees in the UK are covered	-
Parental leave	100%	-	-	-
Retirement	100%	-	-	-

S1-14 Health and safety metrics

The coverage of Purmo Group’s health and safety management system (which is ISO-45001 certified) is 100 per cent.

Purmo Group uses the industry standard for calculating lost time injury frequency rate (LTIFR), which is calculated as follows: LTIFR = number of work-related accidents with absence from work / hours worked x 1,000,000.

The percentage of people in its own workforce who are covered by the undertaking’s health and safety

Purmo Group total amount of employees	Number of people in Purmo Group’s workforce covered by health and safety management system based on legal requirements and/or recognised standards or guidelines	Percentage
2,830	2,830	100%

The number of fatalities as a result of work-related injuries and work-related ill health in 2024 was zero (0).

Number of fatalities as a result of work-related injuries and work-related ill health

Number of fatalities in own employees:	Number of fatalities in other employees working on Purmo Group’s sites:
0.0	0.0

The number and rate of recordable work-related accidents

Number of recordable work-related accidents	Number of total hours worked	Rate of work-related injuries
17	4,996,075	3.4

The number of recordable work-related accidents in 2024 was 17, and the rate was 3.4 (6.3 in 2023). The trend has been positive, and the implementation of a new accident-handling process has proven to be particularly effective in achieving these results. This figure includes only LTIs and does not cover MTIs.

Purmo Group does not have information regarding recordable work-related ill health (subject to legal restrictions on the collection of data) since it is not required in the first year of CSRD reporting.

Purmo Group does not have information regarding the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health, since it is not required in the first year of CSRD reporting.

S1-15 Work-life balance metrics

Purmo Group does not yet have information regarding S1-15 – Work-life balance metrics since it is not required in the first year of CSRD reporting.

S1-16 Remuneration metrics (pay gap and total remuneration)

Purmo Group is committed to building a diverse and inclusive workplace that gives equal opportunities to all employees, irrespective of their gender. The Group is committed to monitoring pay, bonuses and career progression among staff to ensure that all employees, irrespective of their gender, are supported to reach their full potential.

All new staff are recruited under the same structure – their earning ability depends on their success and career progress. Any pay gap difference shown will be a result of differing roles and bandings. It is also important to acknowledge that there are sometimes regional differences in pay, depending on where an employee’s role is based. The pay rates are determined according to national legislation and collective agreements, where applicable.

The data does not include the eight (8) people who have a 0-hour contract. Otherwise, the data includes employees as described in 107.

The hourly rate is the hourly basic pay rate per employee. This figure is calculated using the per annum salary data from PG People system, dividing it by 52 weeks of the year and then the regular number of hours the employee is contracted to work each week.

Gender pay gap, defined as the difference of average pay levels between female and male employees, is expressed as percentage of the average pay level of male employees.

Gender pay gap

KPI	2024
Gender pay gap %	6.6%
Average gross hourly pay level of male employees, EUR	19.7
Average gross hourly pay level of female employees, EUR	18.4

Annual total remuneration

KPI	2024
Annual total remuneration ratio	17.5
Annual total remuneration for the highest paid individual at Purmo Group, TEUR	534,068
Median employee annual total remuneration (excluding the highest paid individual), TEUR	30,465

The gender pay gap includes all Purmo Group employees; however, 0-hour contact workers have been omitted from the calculations.

Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).

S1-17 Incidents, complaints and severe human rights impacts

Total number of incidents of discrimination, including harassment, reported in the reporting period is zero (0).

The total number of complaints filed by the workforce to raise concerns is 3 (including grievance mechanisms). There were no complaints to the National Contact Points for OECD Multinational Enterprises related to the matters defined in the ESRS standard.

The total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements is zero (0).

Each incident, complaint, and impact is collected via the whistleblowing channel, which is open for anyone to report. The Purmo Group CPO and general counsel serve as the administrators of the channel. The company refers to the information presented in G1-1 for more information on the whistleblowing process.

KPI	2024
Total number of incidents of discrimination, including harassment	0
The number of complaints filed through channels for people in the company to raise concerns	3
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints	0

KPI	2024
Number of severe human rights issues and incidents connected to Purmo Group’s own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0
Monetary amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0

The total number of severe human rights incidents, including cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises is zero (0).

ESRS S2 Workers in the value chain

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

In Purmo Group's double materiality assessment conducted in 2024, the following topic was considered as material in terms of Purmo Group's workers in the value chain:

Working conditions:

- Health and safety

Purmo Group sources from manufacturing companies (such as the heavy steel industry). Its global supply chain includes some high-risk countries in which the potential risk of not complying with health and safety regulations is higher, and where health and safety accidents are an unnecessary threat if proper protocols and policies are not in place. At Purmo Group, the health and safety of value chain workers is a critical concern that significantly influences our decision-making, particularly in our supplier management policies and actions, detailed in chapter S2-1.

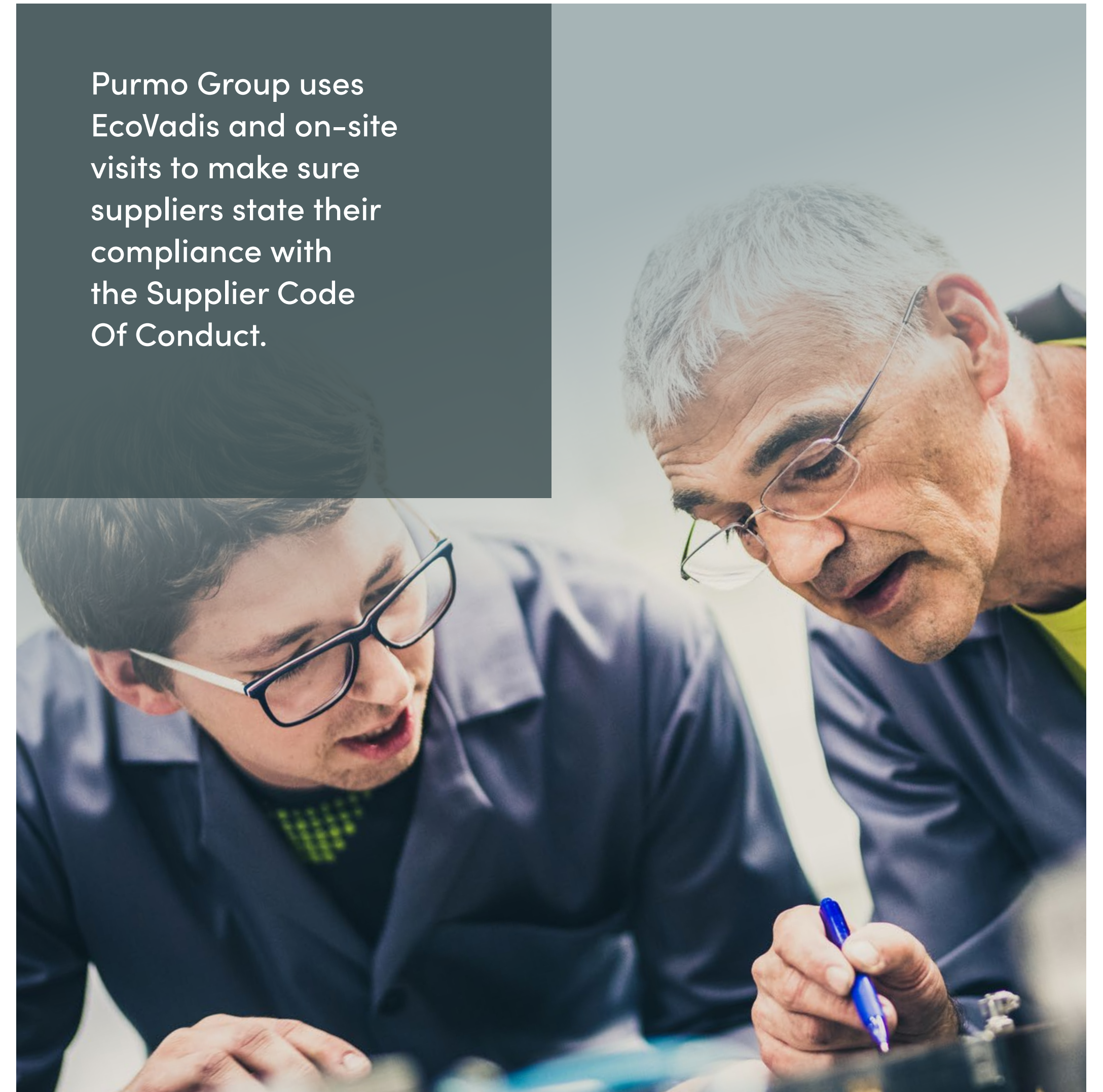
All value chain workers who are likely to be materially impacted through Purmo Group's value chain and own operations are considered in the scope of the disclosure. Blue-collar workers in any part of manufacturing in the value chain can be subject to health and safety issues, injuries or even fatalities. Purmo Group has not identified any particular activities or types of value-chain workers who may be at greater risk. The negative impact is not considered widespread but related to individual accidents in the value chain.

Purmo Group has not identified any material risks or opportunities related to specific groups of value-chain workers.

Based on the double materiality assessment, no risk of child labour or compulsory labour has been identified.

Purmo Group has not recognised any positive impacts or risks and opportunities for Disclosure requirement S2 topics.

Purmo Group uses EcoVadis and on-site visits to make sure suppliers state their compliance with the Supplier Code Of Conduct.



S2-1 Policies related to value chain workers

The Group-wide Supplier Code of Conduct outlines the minimum requirement that Purmo Group expects all suppliers, vendors, and consultants to adhere to, including working conditions, health and safety, anti-bribery/corruption and human rights compliance. In the Supplier Code of Conduct the company addresses the following expectations. Suppliers are expected to ensure the wellbeing of their staff by providing a working environment, where individuals are treated with dignity and respect. Suppliers are expected to comply with applicable laws and regulations on pay, benefits, and working hours, while recognising the right of their employees to reasonable remuneration and rest. Suppliers are expected to respect the rights of individuals to join trade unions and participate in collective bargaining. The company expects its suppliers to ensure safe and healthy working conditions for their employees and contractors. This entails taking measures such as implementing appropriate controls, work and monitoring procedures, emergency plans, and providing safety equipment to prevent workplace hazards and accidents. Suppliers must comply with applicable laws and regulations on health and safety and provide their personnel with appropriate training to enhance their employees' and sub-contractors' awareness of health and safety issues.

The Supplier Code of Conduct is currently only made directly available to Purmo Group's suppliers, but it will also be available to wider stakeholder group on Purmo Group's website in the future. The Head of Procurement at Purmo Group holds the responsibility for ensuring the effective implementation of the Supplier Code of Conduct.

Purmo Group requires suppliers to adhere to their Supplier Code of Conduct and respect the commitments the Group has made in relation to human rights, such as its membership of the United Nations Global Compact and International Labour Organization's Declaration on Fundamental Principles and Rights at Work. There have been no reports or cases of non-respect with the UN Global Compact, International Labour Organization's Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers or partners. Purmo Group is committed to the ten principles of the United Nations Global Compact relating to human rights, labour, environment, and anti-corruption. The company recognises and respects human rights as set forth in the International Bill of Human Rights and the international Labour Organization's Declaration on Fundamental Principles and Rights at Work. Both the Code of Conduct and this Supplier Code of Conduct have been guided by these important principles.

The Group's whistleblowing facility is available to anyone, inside or outside the Group via its websites. Incidents from the whistleblowing system related to value chain workers are dealt with by means appropriate to the case. For a detailed description of the whistleblowing process, the company refers to the information presented in G1 – Business conduct.

Purmo Group explicitly addresses trafficking in human beings, forced or compulsory labour and child labour. Its Supplier Code of Conduct states: "We expect our suppliers not to engage in the use of forced or bonded labour, slavery, or trafficking of persons. We also expect our suppliers to ensure that no form of child labour is used and to oppose practices which inhibit the development of children."

Purmo Group monitors the commitments from the Supplier Code of Conduct through EcoVadis questionnaires. Currently, Purmo Group does not perform internal audits or assessments for monitoring supplier compliance.

Purmo Group's Supplier Code of Conduct, Procurement policy and Human Rights policy are linked to the identified material impact on working conditions: workers in the value chain, including health and safety.

Purmo Group's Human Rights Policy, based on UNGPs and the UN Global Compact, commits to respecting human rights, including health and safety, fair wages, and zero tolerance for forced labour, extending these standards to all value chain workers. The policy is communicated to employees and stakeholders, including VC workers, through training and awareness-raising initiatives. An effective due-diligence process identifies and prevents human rights risks within the value chain, supported by Code of Conduct and Supplier Codes of Conduct, while a whistleblowing channel allows anonymous reporting of violations. Purmo Group does not directly engage with value chain workers. Instead, engagement is facilitated through established policies and EcoVadis.

S2-2 Processes for engaging with value chain workers about impact

Value-chain worker's Health and safety was recognised as a potential material impact among Purmo Group's suppliers. The EcoVadis platform is the main source of understanding any potential health and safety impacts towards Purmo Group's value-chain workers, as well as for engaging with suppliers regarding ESG work. EcoVadis is a third-party ESG questionnaire provider, and engagement with suppliers is indirect. When EcoVadis makes a recommendation, it also effectively monitors its implementation.

The EcoVadis questionnaire is performed annually, and includes questions regarding labour and human rights topics, such as information about supplier policies, measures to prevent health and safety impacts, and performed risks assessment. Recommendations are given based on the findings of the questionnaire.

If the EcoVadis questionnaire reveals any findings, a process for case-by-case corrections will be implemented. If the findings do not align with Purmo Group's standards, the supplier will be changed.

The Head of Procurement is responsible for managing the information received from EcoVadis and is responsible for taking further action when necessary.

The company refers to the information presented in S1 – Own workforce, in chapter S1-2 – Processes for engaging with own workforce and workers' representatives about impacts for Global Framework Agreements or agreements with union federations.

Purmo Group has not identified any material risks or opportunities related to specifically vulnerable groups of value-chain workers.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Purmo Group's Supplier Code of Conduct specifically addresses value-chain workers being aware of its whistleblowing facility as a channel for raising concerns.

Purmo Group's whistleblowing channel can be accessed by anyone in the value chain via any Purmo Group website. Information about the whistleblowing channel is included in the Supplier Code of Conduct.

If an internal or external party reports an incident via the whistleblowing channel, the report is directed to the relevant decision-makers. These include Purmo Group's Head of Legal and Chief People Officer, the Group Whistleblowing Committee, and the Board of Directors (in the case of a conflict of interest within the Whistleblowing Committee). The reporter is furnished with a receipt notice of registration of the report within seven days. The outcome of the investigation and the subsequent handling of the report must be disclosed within three months. Each raised concern is to be addressed in an appropriate manner and referred to the relevant decision-makers. Each stage of the investigation is recorded.

The Whistleblower policy is available to stakeholders outside of the company and can be accessed from Purmo Group's corporate websites. Purmo Group does not yet have information about how external value-chain workers are made aware of and trust these structures or processes as a way to raise their concerns or needs.

The Whistleblower policy and process follow every diligent step in protecting the anonymity and interests of the reporter. The collection and processing of personal data received through the Whistleblowing channel is based on meeting the obligations of the EU Whistleblower Protection Directive, the Finnish Act on Whistleblower Protection and the Finnish data protection legislation.

Notwithstanding information given in S2-2 – Processes for engaging with value chain workers about impact, and the Whistleblower facility, Purmo Group does not have further channels in place for value-chain workers to raise their concerns or needs directly.

Purmo Group's website has information and instructions for the whistleblowing channel. However, no further efforts to promote awareness of the whistleblowing channel among value-chain workers have been completed.

Purmo Group's whistleblowing policy stresses that whistleblowers, any persons related to whistleblowers, or any other individuals who participate in an investigation to resolve reported concerns should not suffer any detrimental treatment as a result of raising a genuine concern, thereby protecting them against retaliation.

In addition to the whistleblowing channel, to get insights into perspectives of value-chain workers that are vulnerable to Health and Safety impacts, Purmo Group uses the EcoVadis platform, which monitors and evaluates suppliers' performance in areas including labour practices and health and safety standards. This platform provides detailed assessments and feedback, ensuring that suppliers adhere to health and safety regulations. Additionally, Purmo Group conducts a thorough due-diligence process when selecting suppliers, carefully evaluating their compliance with health and safety standards and their ability to protect vulnerable workers.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions.

Safe and healthy working conditions are essential to prevent accidents, injuries, and occupational illnesses. Ensuring that workplaces are free from hazards and that workers have access to necessary safety measures reduces suffering and prevents long-term health issues. Purmo Group sources from many suppliers within heavy industry but also other suppliers of manufactured products. Sourcing takes place in countries where health and safety may be taken less seriously. Using suppliers with proper procedures and processes to prevent health and safety issues is important.

No separate supplier audits are performed by the Group. However, Purmo Group trusts that companies with up-to-date ISO certifications have undergone sufficient audits. EcoVadis is used to support monitoring suppliers' ISO certificates. EcoVadis holds the certificates, makes them visible, and flags if any ISO certificate is missing. Some suppliers also complete the EcoVadis survey, resulting in scorecards that are visible to Purmo Group through the platform. These scorecards

also provide the Group with information regarding health and safety-related impacts in the value chain.

EcoVadis status is checked weekly by the procurement department. In addition, suppliers are required to sign an agreement stating compliance with the company's Supplier Code of Conduct. If a supplier makes any progress on any other relevant issue, it becomes visible in EcoVadis.

Monitoring ISO certificates in the EcoVadis portal and signing an agreement stating compliance with Purmo Group's Supplier Code of Conduct are both actions which mitigate the negative impacts to health and safety of workers in the value chain for Purmo Group.

Purmo Group uses EcoVadis and on-site visits to make sure suppliers state their compliance with the Supplier Code of Conduct, also mitigating negative impacts for workers in the value chain, including health and safety.

When onboarding new, significant suppliers, Purmo Group conducts on-site meetings. The Group also performs annual reviews during contract renewals; however, these do not include an assessment of ESG risk or criteria.

There are currently no reports of misconduct on health and safety, or severe human-rights issues or incidents connected to value-chain workers, and therefore Purmo Group has not established a process for the remedy of such incidents. There is also no assessment of effectiveness of Purmo Group's current actions taken.

Purmo Group does not currently have additional capex or investments planned for managing impacts for value-chain workers.

Notwithstanding measures described in Purmo Group's Supplier Code of Conduct, Procurement policy and Human Rights policy, Purmo Group does not have additional actions or initiatives of delivering positive impacts for value-chain workers or other internal practices. The company has not yet adopted actions in this area due to a lack of adequate resources and other priorities in the company's sustainability strategy. Purmo Group is committed to developing the required information and aims to establish relevant actions, when needed, in 2026, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

Actions planned for the future

Purmo Group is dedicated to enhancing its commitment to supplier accountability by increasing the number of suppliers who sign the Supplier Code of Conduct. In the coming years, the Group will actively collaborate with its suppliers to encourage their participation in the EcoVadis survey. This initiative aims to expand the ability to monitor and assess suppliers through the EcoVadis platform, specifically focusing on their adherence to health and safety protocols. By fostering transparency and engagement with suppliers, Purmo Group aims to create a safer and more responsible supply chain that prioritises the health and safety of all workers involved.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

Purmo Group does not yet have information regarding S2-5. The company has not yet adopted targets in this area since it is still working on developing the metrics and auditing protocols for suppliers. Purmo Group is committed to developing the required information and aims to establish relevant targets in 2026, as part of the company's efforts to enhance its sustainability practices in line with ESRS guidelines.

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This section focuses on how the Group governs its sustainability efforts, its board and management structures, policies, and practices. This includes the management of risks, the visibility of ESG matters in making decisions, the engagement of stakeholders, and compliance with relevant laws and regulations.

ESRS G1 Business conduct

G1-1 Business conduct policies and corporate culture

In its double materiality assessment conducted in 2024, Purmo Group considered the following topics as material within Business Conduct:

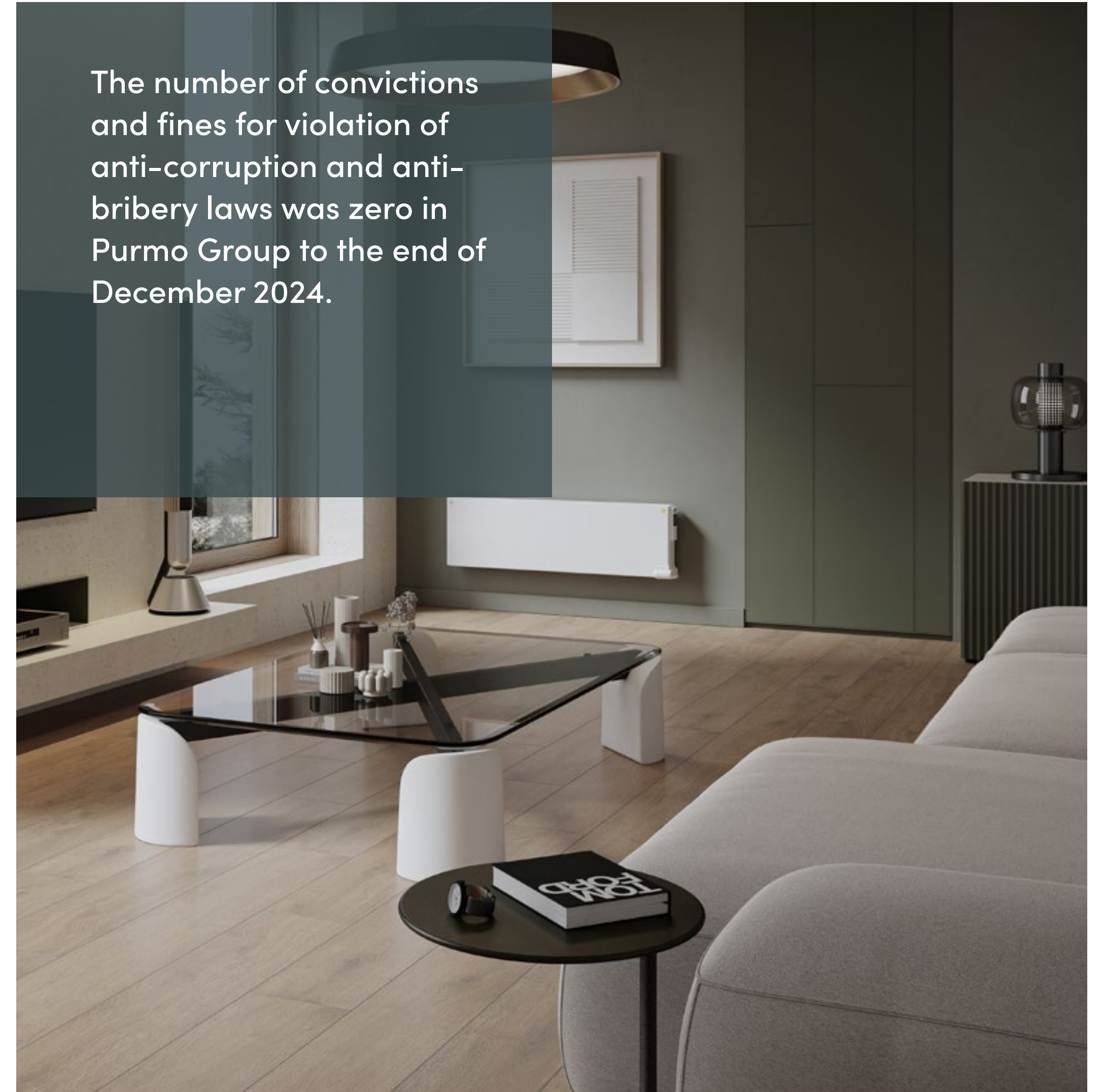
- Corporate culture
- Protection of whistleblowers
- Management of relationships with suppliers and
- Prevention/detection of corruption and bribery.

Of these material topics, Purmo Group's corporate culture, protection of whistleblowers and prevention/detection of corruption and bribery were considered to have a positive impact. However, the company's management of relationships with suppliers was seen to have a negative impact.

Concerning corporate culture, protection of whistleblowers and prevention/detection of corruption and bribery, Purmo Group has a Code of Conduct under which several policies have been approved to promote and foster corporate culture and ethical behaviour. These policies are Supplier Code of Conduct, Anti-Bribery and Anti-Crime Policy, Competition Compliance, Privacy Policy, Sustainability Policy, and Human Rights Policy related to social matters.

For more information about the policies, the company refers to the information presented in S1 Own workforce in section S1-1 – Policies related to own workforce. In particular, the Company refers to section 65 for policies related to the Code of Conduct, Employee Engagement, Equality, Diversity and Inclusion, Health and Wellbeing, Human Rights and Whistleblowing in section S1-1. Regarding third-party standards or initiatives that Purmo Group adheres to through the implementation of the policy, the company refers to S1-1 – Policies related to own workforce.

The number of convictions and fines for violation of anti-corruption and anti-bribery laws was zero in Purmo Group to the end of December 2024.



Purmo Group has a policy for Sustainability and a Supplier Code of Conduct. For the Sustainability policy, the company refers to the information presented in E1-2 – Policies related to climate change mitigation and adaptations. For Supplier Code of Conduct, the company refers to the information presented in S2-1 – Policies related to value chain workers.

Competition compliance is a Group-wide policy needed whenever dealing with competitors, suppliers or customers, whether concluding contracts, contemplating agreements or merely exchanging information with competitors. Competition law is a concern in business life. Rules on cartels, coordinated behaviour, abuse of a dominant market position, as well as regulations on mergers and acquisitions set mandatory limits on commercial activities, all of which are explained in this policy.

The Privacy Policy is made to protect data privacy and is part of Purmo Group's Group-wide compliance activities, risk management and responsible operating principles. This data protection policy defines how all Purmo Group's operations and countries of operation ensure the lawful processing of personal data and a high level of data protection.

Purmo Group has a remuneration policy and a Short-Term Incentive (STI) programme for management, which have been reported transparently since the company's stock listing in 2022. The remuneration policy is available to all employees via the Intranet.

These policies are managed and updated by the Head of Legal and approved by the Board of Directors of Purmo Group apart from the Sustainability policy which is managed by the Head of Sustainability, Safety and Wellbeing. The policies are available for all white-collar employees via the company's Intranet sites.

Purmo Group has no set targets for the G1 topic.

How Purmo Group establishes, develops, and promotes its company culture

Corporate culture is classified as one of the positive material topics in Purmo Group's DMA 2024. Purmo Group supports a culture of safety, wellbeing, and inclusivity with clear guidelines and initiatives that encourage work-life balance, mental health, and diversity. The corporate culture of Purmo Group is based on four principal themes. They are used as the justification for initiatives such as ESG, Health and Safety, and community engagement. They are expressed in the company motto which is visible in every location. The four principal themes are:

- Pride in work, performance, effect on the world and customer satisfaction;
- Care for our solutions, how Purmo Group makes them, Purmo Group colleagues, and the world;
- Courage and ambition for continuous improvement and
- Making changes that deliver significant, meaningful progress.

The four themes are used as the subject of annual awards, the annual staff survey, and the theme of internal initiatives and communications. Purmo Group has a nomination system for rewarding acts that reflect its culture and an annual award ceremony. The mindset for the regular Health and Safety training is based upon these themes. Information screens on shop floors feature content that is based on these themes and gives QR codes for colleagues to interact with them. All workers are encouraged to spend time volunteering in the community in line with the themes, and they are celebrated for it.

Purmo Group's Code of Conduct (CoC) sets clear expectations for legal, fair, and honest behaviour. The Code of Conduct is approved by the Board of Directors, regularly reviewed by the Head of Legal, and is the basis for our annual employee training, supporting compliance and promoting integrity in all business activities.

The effectiveness of Purmo Group's corporate culture is evaluated mainly through employee questionnaires and performance discussions. Purmo Group provides a confidential whistleblowing system and is actively encouraging and guiding employees on how to report any concerns they may have.

The mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction with the Code of Conduct or internal rules

Purmo Group fosters an open culture where employees are actively encouraged to voice their concerns and report any suspected misconduct. There are several ways to raise a confidential concern, including speaking to a manager, Legal, Human Resources, the CEO, or any member of the Board of Directors.

The Group's whistleblowing process allows anonymous reporting, although sufficient detail must be provided to allow for appropriate follow-up. The whistleblowing channel is available to all employees, either via the Group's intranet if they have a PC, or where employees do not have a PC, they can access it via the Group's website on their mobile phones.

Purmo Group’s anti-bribery and anti-crime policy has been drafted to be consistent with requirements in different jurisdictions where Purmo Group operates. It also includes the United Nations Global Compact principle relating to anti-corruption, referred to in the Code of Conduct. The anti-crime and anti-bribery policy will be reviewed against the UN convention on anti-corruption in 2025.

Protection of whistleblowers in Purmo Group

The protection of whistleblowers was another positive material impact identified in Purmo Group’s DMA. Purmo Group is subject to Directive (EU) 2019/1937 regarding the protection of persons who report breaches of Union law (the “whistleblowers”).

The whistleblowing process is designed to allow for anonymous reporting, ensuring that the identities of whistleblowers are protected throughout the investigation. The whistleblowing process is communicated to all employees, with guidance on how to complete the reporting survey and advice on what and when to report.

The Directive (EU) 2019/1937 defines the boundaries of what constitutes whistleblowing, providing a framework for managing the channel and determining which cases are to be kept open or escalated for further investigation outside of the whistleblowing channel.

While there is no designated training for the personnel managing the whistleblowing channel, the process for managing the issue is tailored on a case-by-case basis, depending on the nature of the information disclosed.

The whistleblowing process is designed to allow for anonymous reporting, ensuring that the identities of whistleblowers are protected throughout the investigation.

Purmo Group does not accept threats or retaliation against whistleblowers. Any employee involved in such conduct may be subject to disciplinary action. Purmo Group’s whistleblowing policy sets the principles for the protection of whistleblowers. The company has adopted procedures in this area to ensure the level of protection. Further, a privacy statement for the whistleblowing process is established.

Purmo Group has procedures according to the Directive (EU) 2019/1937 to investigate reports on unlawful behaviour and business conduct incidents (including incidents of corruption and bribery), and to act upon them promptly, independently, and objectively. Incidents reported through the channel that fall outside its scope will be handled individually, with each case receiving a tailored investigation conducted separately from the whistleblowing channel. Purmo Group has an

external service provider to conduct the first evaluation of the report to determine who in the Purmo Group can investigate the report without conflict.

Training on business conduct

Purmo Group’s training practice on business conduct covers both white-collar and blue-collar employees.

For white-collar employees, the training covers the Code of Conduct, Anti-Bribery, Whistleblowing and other selected topics for smaller groups, with e-learning sessions conducted annually. Purmo Group’s anti-corruption and bribery training covers approximately 1,500 white-collar employees, with the ambition to have all white-collar employees in the scope of this training in the mid-term.

Business conduct training is an ongoing annual process, and Purmo Group is committed to monitoring participation rates and other relevant metrics. Human Resources is responsible for providing training to all new personnel for human resources-related, and other ethical behaviour policies, equipping employees with knowledge of corporate culture and identifying and reporting any breaches of conduct. Business-conduct training reinforces policy objectives by ensuring employees understand and adhere to ethical, legal, and

regulatory standards. It promotes a culture of integrity, mitigates risks, and enhances compliance, aligning business practices with organisational values and strategic goals.

There is a challenge in facilitating classroom training for blue-collar workers who may not have access to computers. Information is provided to blue-collar workers in factories and is updated weekly, ensuring they remain informed about relevant topics, including the whistleblowing channel, which is consistently accessible. The difference in training opportunities between blue-collar and white-collar workers is primarily due to the specific nature of their roles. While blue-collar workers may face different types of risks, the training offered is tailored to their specific responsibilities and operational needs. This approach helps to ensure that all employees receive appropriate training relevant to their positions in the company. Classroom training for factory workers who have no Purmo Group account is currently planned in Group Legal and HR functions.

Purmo Group has not established formal targets with regard to business conduct training; however, the Group encourages all staff, managers and HR professionals to complete the training on a regular basis via system reminders both before and after the deadline.

Reports on this matter are submitted monthly, and the list of individuals who have not yet completed the training is forwarded to the HR department.

The functions at most risk with respect to corruption and bribery

The functions that are most at risk with respect to corruption and bribery are those involving white-collar employees, particularly those in decision-making sales roles, as well as in management positions within Purmo Group. The company's employees operate in 23 countries, selling products and solutions to our over 100,000 customers in more than 100 countries whereby the risk is higher in some countries.

G1-2 Management of relationships with suppliers

In its double materiality assessment conducted in 2024, the management of relationships with suppliers was considered the only potential negative material impact by Purmo Group within its Business Conduct.

Sourcing affects communities, people, and the environment. Purmo Group has recently implemented a Supplier Code of Conduct. Currently, no follow-up activities on any social sustainability

topics related to workers in the value chain nor environmental topics are taking place. This is a key area for development, especially given Purmo Group's sourcing from high-risk countries.

Purmo Group has a procurement policy that establishes an effective, accountable, and transparent framework for the procurement of Purmo Group's investments, goods, and services to ensure compliance with ethical and sustainable standards as well as uphold sound governance and prevent the risks in the supply chain.

Procurement concentrates on the strategic process of product or service sourcing (for example researching, negotiation and planning) while the purchasing process focuses on how products and services are acquired and ordered, such as raising purchase orders and arranging payment. Purmo Group's purchasing shall meet or exceed the guidelines set out by the United Nations for Sustainable Development Goals.

Purmo Group has a practice to prevent late payments, specifically to small and mid-sized enterprises. Purmo Group applies a 60 day net payment term in its general terms and conditions for purchases. Due to the presence in several different markets across the world, the payment terms can differ due to local market practices or individual service providers and suppliers. In certain

jurisdictions in which the Group operates, it is a legal requirement to report and comply with prompt payment behaviour.

The selection of suppliers for Purmo Group is made in a neutral and transparent manner and in accordance with the criteria predetermined in the initiation phase or as agreed in the call for tenders. Cost-effectiveness and quality are emphasised in any weighted selection process.

Purmo Group's supplier assessments are conducted using EcoVadis, which evaluates suppliers on selected sustainability criteria. EcoVadis scores and provides improvement suggestions, which are reviewed for the largest suppliers with actions taken accordingly. Personnel working in sourcing are given training for EcoVadis and other systems used in sourcing.

Suppliers with certificates are considered part of the assessment and selection of suppliers for Purmo Group, however, it is not considered as a limiting factor for the selection. On-going communication with Purmo Group's suppliers is conducted and the company aims to manage its supplier relationships with regular meetings with its supplier network. Purmo Group has no supplier-selection based on social or environmental criteria.

G1-3 Prevention and detection of corruption and bribery

Prevention and detection of corruption and bribery was seen as one of the positive material topics in Purmo Group's DMA in 2024.

Purmo Group maintains a strong commitment to combating corruption and bribery, as outlined in the Code of Conduct (CoC). The CoC specifies that gestures of appreciation must align with clear business objectives and suit the nature of the business relationship, with proper recording required.

Purmo Group has a procedure in place for the prevention and detection of corruption and bribery. The Group Head of Legal is responsible for the investigations of corruption and bribery, including an appropriate assignment of the investigation committee, which is separate from the possible chain of management involved.

Purmo Group has thresholds set in the anti-bribery policy for allowed gifts and hospitalities. In case an employee is preparing or has received an invitation to an event or is giving or receiving a gift with value more than allowed in the policy, the employee shall fill out a hospitality format available on the Group Policy Library in the Intranet. The format

includes details of the gift or hospitality and can be completed by all employees to be forwarded to the manager for approval. Once the manager approves the hospitality or gift, the form is forwarded to the Head of Legal for evaluation and comments. The legal function also keeps a register of gifts and hospitalities exceeding the policy thresholds.

The Head of Legal is the investigator of gifts or hospitality and is separate from the chain of management for other functions.

Purmo Group conducts an annual legal and compliance review, which is reported to the Audit Committee. The Head of Legal reports the findings to the Core Leadership Team. The annual legal and compliance review is added to the Audit Committee’s annual clock.

Communication and training on policies for corruption and bribery

The Head of Legal is responsible for communicating policies regarding corruption and bribery. As part of the communication, all white-collar employees receive annual training on these policies, as they are more likely to encounter decision-making situations where bribery could occur. Training on the use of

these forms is provided to those who may require them, but the form includes instructions on the use and process.

Purmo Group’s anti-corruption and anti-bribery training programs are tailored case by case as needed, featuring generic training that includes scenario-based exercises for practical understanding. This training consists of multiple-choice questions and different cases. E-learning modules are specifically provided for white-collar employees.

For the scope and depth of anti-corruption and anti-bribery training, the company refers to the information presented in G1-1– Business conduct policies and corporate culture in the section Training on Business Conduct.

The sales, marketing, and procurement departments, representing 12.9 per cent of total employees at Purmo Group, are at the highest risk regarding corruption and bribery at Purmo Group, in addition to management.

All white-collar employees in sales, marketing, and procurement teams in addition to the Core Leadership at Purmo Group are required to

complete and are covered by mandatory anti-corruption and anti-bribery training.

Management-level employees up to the Core Leadership team at Purmo Group complete the same mandatory training as all other employees. However, board members have not had designated training on the topic.

G1-4 Incidents of corruption or bribery

The number of convictions and fines for violation of anti-corruption and anti-bribery laws was zero in Purmo Group at the end of December 2024. This is the number of incidents involving actors in the company’s value chain where the company or Purmo Group’s employees would be directly involved. The number of incidents was also zero for the Gift and Hospitality Procedure. In addition, no reports have been submitted through the whistleblowing channel. No assumptions or limitations were used in defining the metric and the data has not been verified by an external party, other than the verifier of Purmo Group’s CRSD report.

Assurance Report on the Sustainability Statement

This document is an English translation of the Finnish Assurance Report on the Sustainability Statement. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Purmo Group Plc

We have performed a limited assurance engagement on the group sustainability statement of Purmo Group Plc (business identity code 2890898-5) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Purmo Group Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of Purmo Group Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Purmo Group Plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and

- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

Preparation of the sustainability statement requires company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe company's possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We interviewed the company's management and persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability statement.
- We acquainted ourselves to the background documentation and other records prepared by the company, as appropriate and assessed how they support the information included in the sustainability statement.
- We conducted site visits to the selected operational sites.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the process description prepared of the double materiality assessment and other documentation and background materials.
- In relation to the EU taxonomy information we interviewed the management of the company and persons with key roles in reporting taxonomy information to understand how taxonomy eligible activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the bookkeeping, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

Helsinki, 19 March 2025

KPMG OY AB

Authorized Sustainability Audit Firm

Kim Järvi

Authorized Sustainability Auditor, KRT

PURMO

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