

**PURMO**  
GROUP

2024

# Sustainability Review



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## Introduction



**One of the most memorable achievements in 2024 was Purmo Group's first report under the Corporate Sustainability Reporting Directive. I want to focus on that because I think its significance goes beyond simply compiling it.**

Completing a CSRD report is a legal requirement for all companies of over 250 employees, €50 million turnover or more than €25 million in total assets. It works on the idea of 'double materiality', which means examining how sustainability affects a business and how the business affects sustainability. It's an exhaustive process but one that we have taken time to bring it into our business, to understand, and then to share that understanding.

We have discovered achievements as well as areas that need improvement. The report has required us to examine every part of what we do and, as well as answer specific questions, consider whether our actions are not just good but heading in a direction that is good.

Good is a very underrated word.

The EU is considerably behind the rate of building renovation required to hit its 2050 goals. Purmo Group can play a significant part in improving that by supplying smarter products and by helping installers to commission sustainable solutions more quickly, easily and reliably. This is why we are moving further into solutions and progressing with product development.

Perfect indoor climates should not cost the planet's climate. If we can increase the installation of sustainable solutions and also show that we're more sustainable in the ways we do it, then perhaps we can say that we are a force for good.

**John Peter Leesi**  
CEO



**It's been over three years since we launched the sustainability approach we that we call 'Complete Care'.**

We wanted to create something that included every aspect of our responsibility. We wanted

it to be transparent, measurable and to extend beyond our business. By working with employees, customers and suppliers we developed '10' commitments that represented four all-encompassing areas: our solutions, our production, our people and the communities around us.

Since then we have published Environmental Product Declarations, validated our emissions against science-based targets, and completed our first full report under the Corporate

Sustainability Reporting Directive (CSRD). It makes me proud to see that Complete Care has passed all of these milestones without having to be altered at all.

Our 2024 CSRD report represents thousands of manhours of self-examination, approved by an external validator. It is as complete a view as can be offered of the effect of sustainability on Purmo Group, and of Purmo Group on sustainability. I encourage you to dive into that document and explore it.

With that report being so complete, we've taken a different approach to this year's sustainability review. We're presenting our footprint, our strategy and our achievements in a set of infographics and explanations that will bring this essential subject to life for all readers.

Sustainability fascinates and motivates me. I hope this review will do the same for you.

**Sam Hodlin**  
Head of Sustainability, Health and Wellbeing

## Overview

**Purmo Group is a leading manufacturer of sustainable indoor climate products and solutions, delivering energy efficiency improvements for the heating and cooling of buildings and reducing associated carbon emissions.**

In 2024, our targets for reducing GHG emissions were approved by the SBTi. The targets cover Scope 1, 2 and 3 emissions in both the near term (2033) and long term (2050). We also set a target to reach net zero emissions by 2050.

Last year, we produced one of Europe's first externally assured and CSRD-compliant sustainability reports. This involved the development of significant new reporting processes and policies and over 800 sustainability data points.

We were ranked in the top Excellence class in the ESG Transparency Awards 2024, which recognize organizations that have adopted forward-looking sustainability concepts and communicated them effectively. Based on these results, we were named as a leading company within the evaluation.

Purmo Group reduced its lost time injury frequency rate by over 48% from 6.3 to 3.4.

There were just 17 accidents resulting in lost time, compared with 33 in 2023.

Employee Net Promoter Score rose to +18 from -8. That's over 15 points above the external manufacturing benchmark.



2023

2024

6.3

3.4

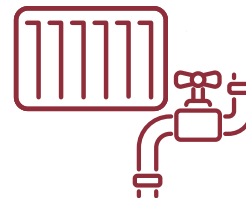
33

17

-8

+18

Also in 2024



**5** New Environmental Product Declarations for radiator and pipe manufacture



**80%** of our waste was recycled



**20%** of the steel we bought was recycled (22,944 tonnes)

## The challenge we all face

The climate crisis needs no introduction. It is now, it is urgent and it is driving almost every agenda, for governments, businesses and consumers.

### Heating and cooling: the scale of the challenge

The combined EU + UK population of 517 million people lives in 200 million households in 120 million buildings and uses 17.3% of all the regions' energy to heat and cool their homes.



**17.3%** of all Europe's energy is used to heat and cool homes.



**80%** of existing buildings need renovation to meet the EU's 2050 target.



**1%** is the current annual rate renovation rate. The required rate is 3.1%.

**There is a long way to go.**

## About Purmo Group

Purmo Group is a leading supplier of **sustainable indoor climate comfort solutions**.

Our heating and cooling systems are designed to offer the highest levels of comfort and efficiency.

Our vision is to create a future where complete solutions for heating, cooling and ventilation, and a focus on better-performing buildings rather than individual products mean that sustainability is at the forefront of everything we do.

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

#### Solar Panels

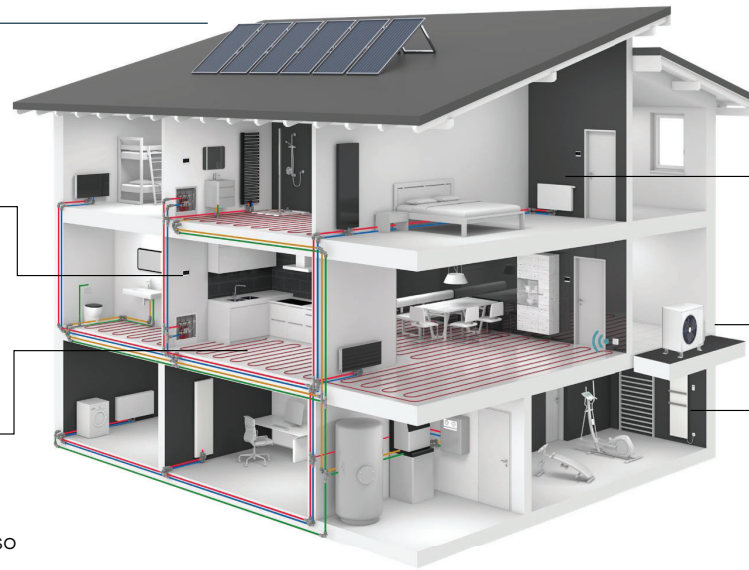
Renewable energies are the future, and our photovoltaic systems and solar panels are designed to have the lowest environmental impact.

#### Heating controls

Our wired, wireless and internet-based heating controls enable real-time indoor climate management so the heating is only on where and when it needs to be.

#### Underfloor heating

Electrical or hydronic underfloor systems are an energy-efficient alternative to radiators. They can also be installed in walls or ceilings, and used for cooling as well as heating.



#### Hydronic Radiators

These energy-efficient solutions use water to spread the heat throughout the home. The addition of our low-energy, forced-air fans can make them up to 70% more efficient.

#### Heat Pumps

Heat pumps aren't just an efficient way of heating the home, they can cool it too. They can also be powered by solar panels and combined with systems for domestic hot water.

#### Electrical Radiators

With recent advances in building insulation, electric heating is also a viable efficient heating solution, and can be driven by solar panels.

## Making changes that matter

People are rethinking buildings: where they live, where they work, how they heat them, and what they demolish or renovate.

Faster, more efficient solutions are needed. However, these solutions by their very nature, use energy and create emissions of their own. They have to be manufactured, packaged and transported.

So Purmo Group has placed itself at the centre of the complex challenge created by indoor climates, and we are approaching it courageously and ambitiously.

The changes we have made are already making a measurable difference. And we will keep doing more, as we strive to be ever-more energy and cost efficient, and above all, sustainable.

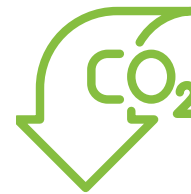


**Aligning with a 1.5° future**

We've committed to reducing our Scope 1 & 2 GHG emissions by over 54% by 2033. That's a saving of almost 45,000 tCO<sub>2</sub>e – mitigating the effect of heating over 25,000 average houses for a year.

**-54%↓**

Reducing our Scope 1 & 2 GHG emissions by over **54% by 2033**



We will be saving almost **45,000 tCO<sub>2</sub>e**



We will mitigate the effect of heating over **25,000** average houses for a year

## Complete Care

We believe that our actions can have a significant effect on climate change, so sustainability is at the heart of our strategy 'Complete Care'.

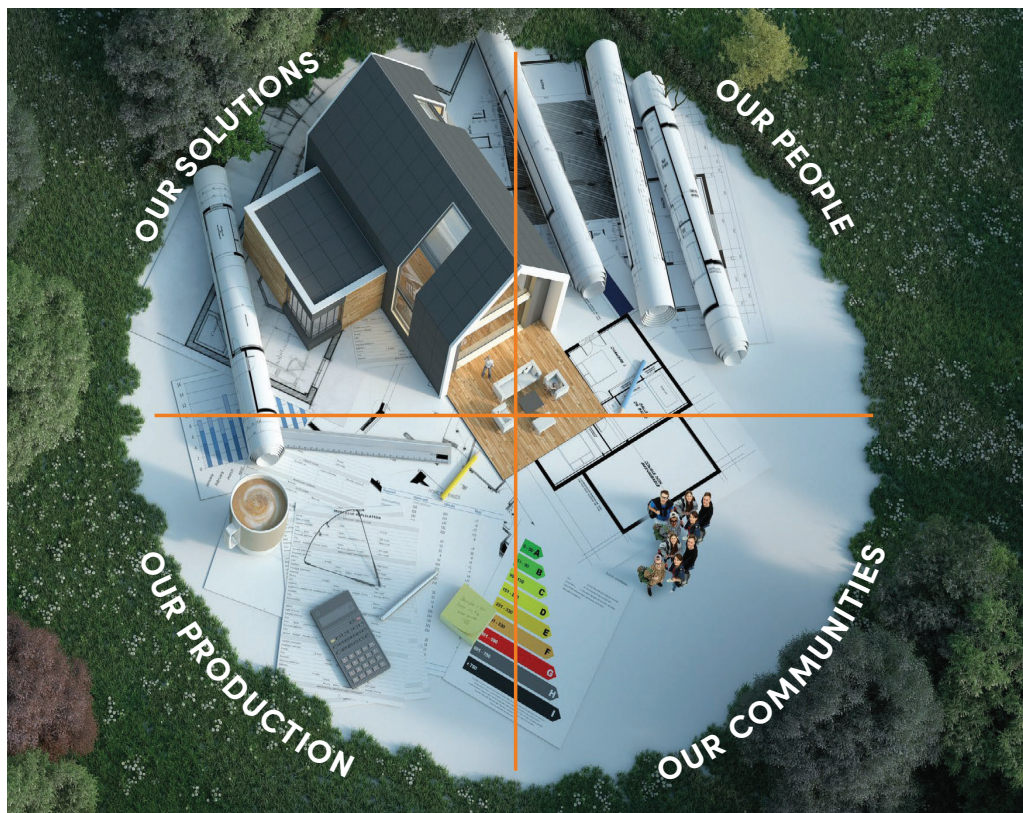
There's no point in 'half-caring'. That's why we have (probably) the most complete ESG strategy in the industry, and *that's* why we call it Complete Care.

It means we care about everything we touch.

Complete Care splits this into four areas:

- 1. The things we make - Our Solutions**
- 2. The way we make them - Our Production**
- 3. The people who work for us - Our People**
- 4. The communities who live with us - Our Communities**

Within these four areas, we have made ten distinct commitments – our pledges to really make a difference. Our progress in these is measured by the Corporate Sustainability Reporting Directive – an EU directive that makes all companies' ESG reporting transparent and comparable.



Four areas that cover everything, **ten commitments** in our hearts and a leading measurement system – now that's complete.

## The average EU citizen

In the following infographics, we have used an average EU citizen as defined by the statistics of Eurostat, an official data source for the European Parliament.

Supplementary data was obtained from the European Automobile Manufacturers' Association (ACEA), the European Environment Agency (EEA), and other sources such as Enerdata and Odyssee-Mure.



### The average EU citizen

#### Aged 44

Uses 52,596 litres water/year

#### Produces waste/year

115 kg landfill

147kg recycling

129kg incineration/recovery

99kg compost

22kg other

#### of which:

186kg is packaging

(76 kg paper / cardboard, 36kg plastic)

### Citizen A's household

3.7 rooms

2.3 people

9 radiators at 25 KG each

### Citizen A's household energy consumption per year

#### Heating/cooling air

9,691.3 kWh      1,647.5 kg CO<sub>2</sub>

#### Heating water

2,252.7 kWh      383.0 kg CO<sub>2</sub>

#### Cooking

952.5 kWh      161.9 kg CO<sub>2</sub>

#### Lighting and appliances

2,101.5 kWh      357.3 kg CO<sub>2</sub>

#### Total (including other uses)

15,119 kWh and 2,570.2 kg CO<sub>2</sub>

### Citizen A owns 0.56 cars which are powered:

33% Petrol

31% Hybrid electric

14% Battery electric

12% Diesel

7% plug-in hybrid

3% other

### Average emissions

0.108 kg CO<sub>2</sub>/km

Citizen A travels 12,000 km/year, sharing with 0.6 others.

7,500 km/single person/year

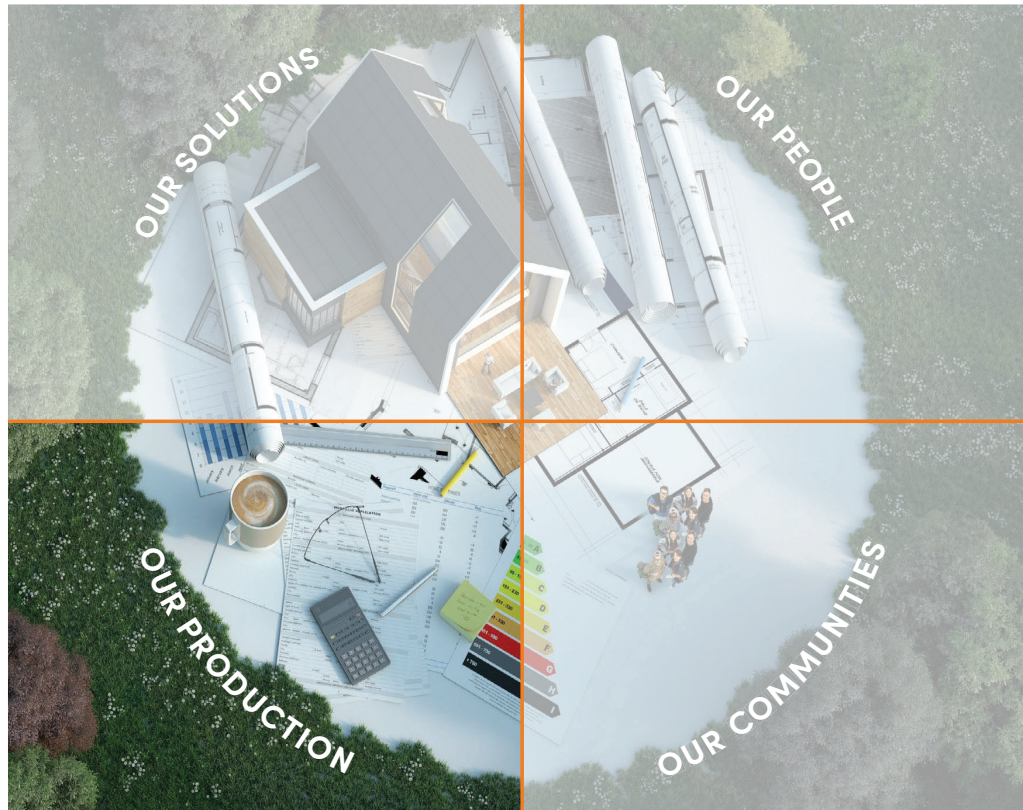
810kg CO<sub>2</sub>/year

## OUR PRODUCTION

To achieve our sustainability goals, we are improving the way we make and deliver our solutions. We are making our production facilities cleaner and greener, and drastically reducing emissions across the lifecycle of our products.

### **Emissions, sourcing and waste**

We are optimising the energy we use in our manufacturing, the materials we use, its supply chains, the energy used by our customers to power our products and the amount and type of waste we generate. In short, we are making changes in every area of production.



## OUR PRODUCTION

### Commitment 1.

### Emissions and energy. We will align with a 1.5° future and target carbon neutrality

#### Greenhouse gas emissions

In 2024 our manufacturing plants continued to focus on reducing their overall Greenhouse Gas emissions. With challenging targets to achieve, we have launched multiple initiatives to make our production facilities greener and more energy-efficient.

We consumed as much water as the annual consumption of over 2,800 people.



#### The scale of the challenge

In 2024 we:

- consumed over **147,000 m<sup>3</sup>** of water in our production facilities. That's as much water as the annual consumption of over 2,800 people.
- bought over **14,000 tonnes** of packaging materials. Equivalent to the packaging used by over 75,000 EU citizens.
- used **191,296,000 kWh** of energy. Enough to heat and cool **19,740** average houses for a year.

**We plan to reduce all of these dramatically.**

Emissions related to electricity consumption fell by 18% in two years.



2022 55,261 tCO<sub>2</sub>e

2023 48,589 tCO<sub>2</sub>e

2024 44,842 tCO<sub>2</sub>e

That reduction is the same as the emissions from heating and cooling over 6,500 houses for a year.

Scope 1 and 2 greenhouse gas emissions fell by 15% and 18% respectively



**We are committed to bringing these down even further – so watch this space.**

## OUR PRODUCTION

### Commitment 2.

**Resource efficiency and waste. We will eliminate waste and use less resource to make products.**

#### Rethinking the supply chain for sustainability

The design, production, packaging and sale of our products all have an environmental impact. We are carefully choosing which materials to use and how we source them to minimise our impact on the planet. We take the whole supply chain, environmental footprints and recyclability into consideration, and every decision has an impact.

#### Sign-on-Glass

Sign-on-Glass is an electronic proof-of-delivery system which means we have paper-free deliveries in the UK. Going paperless contributes to the reduction of deforestation, waste and CO2 emissions. 24,000 pages not printed each month adds up to almost 300,000 pages a year.



That's equivalent to the waste paper produced by **19.7 average people in a year.**

#### MagicCompact

In Gateshead, our new powder-coating system MagicCompact, automatically adjusts power usage, reducing electricity consumption up to 15% during normal operations. It has also reduced powder consumption by a similar amount, and reduced the need for compressed air by up to 30%.

**The efficiency of the system has driven a huge reduction in the amount of waste going to landfill – it really is a sustainability success story.**



**80% of our waste in 2024 was recycled**

#### Total waste: 11,167 tonnes

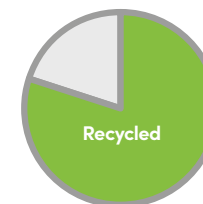
Reused	361 tonnes	3%
Recycled	8924 tonnes	<b>80%</b>
Incinerated / recovered	1289 tonnes	12%
Landfill	224 tonnes	2%
Other disposed of	367 tonnes	3%

#### Average EU Citizen

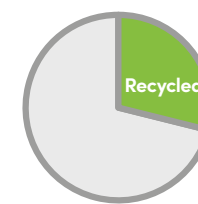
Total waste	511 kg	
Recycled	147 kg	<b>29%</b>
Incinerated / recovered	129 kg	25%
Landfill	115 kg	23%
Compost	99 kg	19%
Other	22 kg	4%

**That's significantly more than the average EU citizen.**

**As a group we already outperform the average EU citizen in responsible waste-handling and recycling.**



**We recycled 80% of our waste**



**Average EU Citizen recycled only 29%**

## OUR PRODUCTION

### Commitment 3.

#### Responsible sourcing

##### Sustainability starts at the beginning

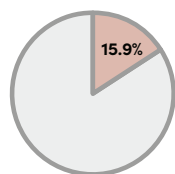
To build our products we source steel, brass, plastic, polymers and packaging materials. We do this responsibly, aiming to minimise the impact on the environment and on people.

Since early 2020 we have used stronger but thinner steel grades to make panels with the same heat performance and pressure resistance. This has both reduced the amount of material and waste, and improved energy efficiency in production.

Our supply chains are complex, which creates environmental and social risk. Metals have to be mined and polymers rely on crude oil extraction. We are developing sustainable sourcing practices, so we can make informed supplier choices and optimise the environmental and social performance of the supply chain.

##### Making a difference in sourcing our raw materials

Total resources (steel, polymers, aluminium, brass and copper) brought in: 158,713 tonnes.



Of these, 25,251 tonnes or 15.9% were secondary reused or recycled.

**A good start – but still plenty of room for improvement**

##### The recycling revolution

Packaging is often single-use, meaning it is used for a short time and then disposed of. We are changing this and by 2030,

100% of Purmo Group's packaging will be from recycled, recyclable, or biodegradable materials.



22% of the steel we purchase is recycled.

**Steel makes up about 98% of the weight of a radiator and is 100% recyclable.**

We use more steel than any other material. In 2024, Purmo Group purchased 112,225 tonnes of it, 22,944 tonnes of which (20%) was recycled.

##### Committed to greener steel

From 2026, we will be sourcing 20,000 tonnes of near zero-emission steel annually, and this will make up 10% of the steel we use – enough to produce the radiators for almost 89,000 average homes (each home having 9 radiators weighing an average of 25kg)

Conventional steel production produces 1.89 tonnes of CO<sub>2</sub> per tonne of steel produced. 20,000 tonnes at 95% fewer emissions will mitigate the CO<sub>2</sub> of heating and cooling 21,800 average homes for a year, or 8,300 car journeys around the planet in an average car.



Equivalent to heating and cooling 21,800 average homes for a year.

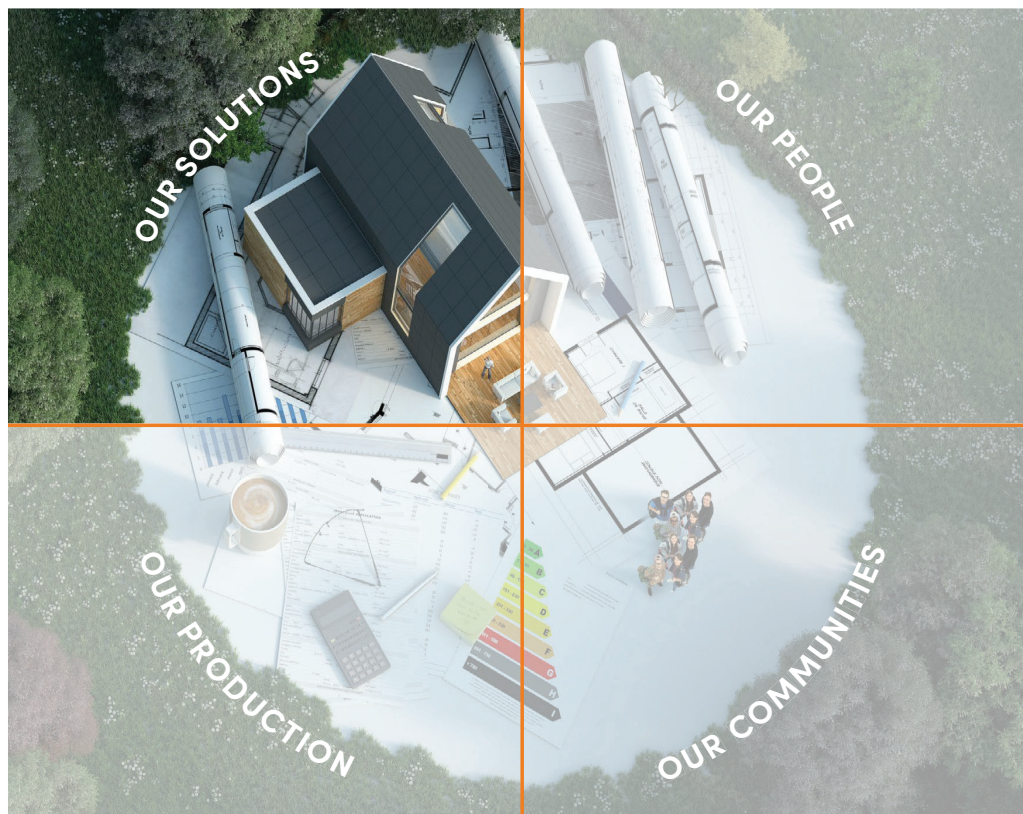
## OUR SOLUTIONS

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

We want to minimise the carbon footprint of our heating and cooling solutions, so that they are kinder to the planet in terms of their production, supply, and working lifetime.

With this in mind, when developing our solutions we apply circular design principles, with a focus on durability, reparability and recyclability.

And of course, all our solutions optimise energy efficiency by using sustainable heating and cooling sources, complementing insulation systems and including smart controls.



## OUR SOLUTIONS

### Commitment 4.

#### Helping customers save energy and make sustainable choices.

##### Passing on the baton

Our responsibility to the planet doesn't stop at the factory gate. We provide clear information about our efficient, circular and integrated systems as well as the lifetime environmental impact of all our products so that installers and homeowners can make informed choices about the system that is best for them.

Our solutions can be paired with our smart controls and we ensure our customers are fully up-to-speed on maximising the efficiency of their heating and cooling systems. Our Unisenza Plus system can make sure that just enough heat is directed to the rooms where it's needed. When used effectively, our solutions can reduce energy usage significantly. It is down to us to make sure that our products are working to their full potential after they leave our care.

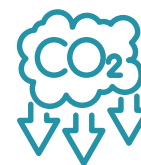
##### Thermostatic radiator valves – a huge opportunity

A European Buildings Automation Controls Association (EUBAC) study on room temperature control shows that about 41% of EU homes have only manual radiator valves installed. So around 70 million homes, or 500 million radiators, could benefit from an upgrade to thermostatic radiator valves. EUBAC estimates that replacing standard valves with TRVs could:

Save up to **18%** of the energy consumption of an average property.



That's almost **300kg** of CO<sub>2</sub> per property per year.



**70 million** homes, or **500 million** radiators, could benefit from thermostatic radiator valves.

**This is just one area where we can make a real difference**

## OUR SOLUTIONS

### Commitment 5. Applying circular design principles to all products.

#### Becoming circular

The world's current manufacturing industries are approximately 8% circular. This means that only 8% of all global materials are re-used, or recycled at the end of their life.

Continuously using and disposing of materials depletes natural resources and causes excessive waste generation. It is a major threat to the environment. So, we are moving from a linear philosophy of 'make-use-dispose' to a circular one of 'make-use-re-use/recycle' to stop this from happening.

Applying circular design principles to our product development adds sustainable and long-lasting value to our entire range, and we are constantly creating more circularity-focused solutions. Circularity is the future.



Only 8% of all global materials are re-used, or recycled at the end of their life.

#### Repurposing radiators

In the UK up to a thousand Purmo Group reworkable radiators are scrapped each year. We want to repurpose these – **this would be enough to furnish 111 average homes with nine radiators each.**



#### Circularity in action

In 2025 we will roll out circularity guidelines to the whole business so we can make our products and solutions more recyclable at the end of their life. This will be an important step towards **making circularity a reality.**

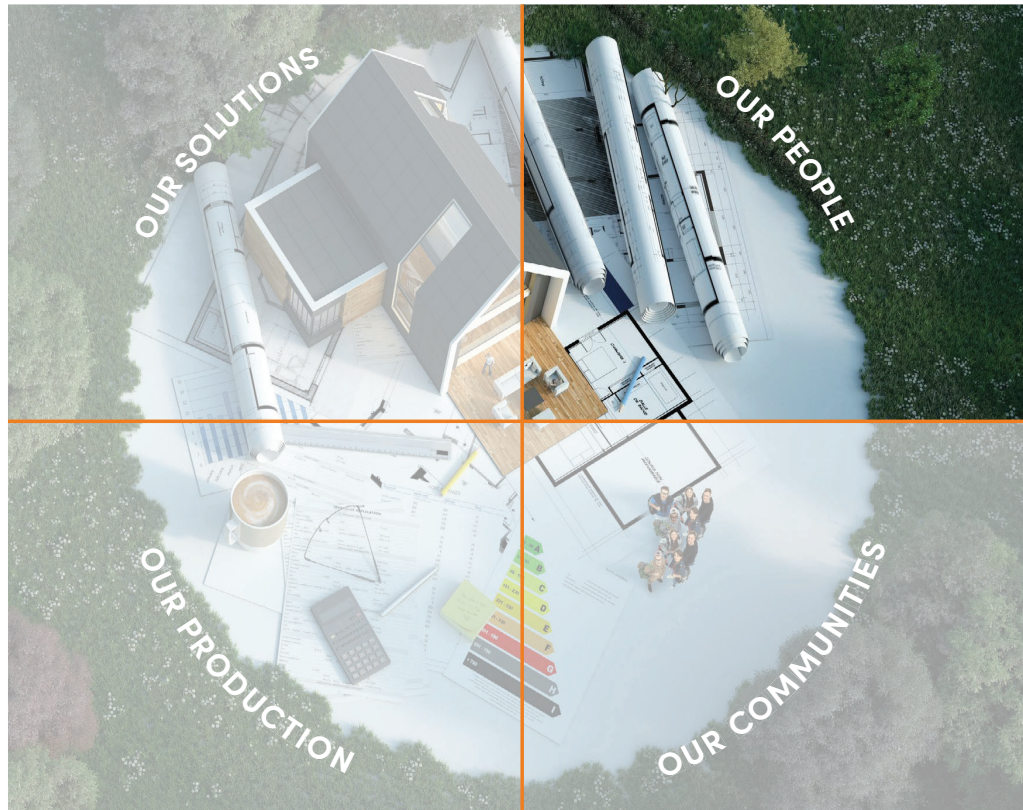


## OUR PEOPLE

### Creating a workforce fit for the future.

We are more than the products we produce and more than the indoor climate solutions we offer. Purmo Group is nothing without the people who keep us up and running every day. We value them and what they do, and we have committed to a workplace which provides them with **prospects, well-being** and **happiness**.

In return we ask all our people to commit to live up to our sustainability ambitions in everything they do at work.



## OUR PEOPLE

### Commitment 6.

### Create a diverse and inclusive culture within Purmo Group.

#### Embracing our differences

Too many workplaces have operated historically with discrimination, systemic inequality and unconscious bias. At Purmo Group we believe that a healthy business is both diverse and inclusive, and where everyone feels they have the same opportunities to progress and to thrive. It has also been shown that companies which are more diverse outperform their less diverse peers.

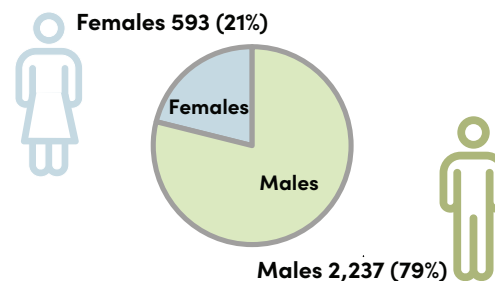
**Everyone wins in a diverse and inclusive culture.**

#### Positive action

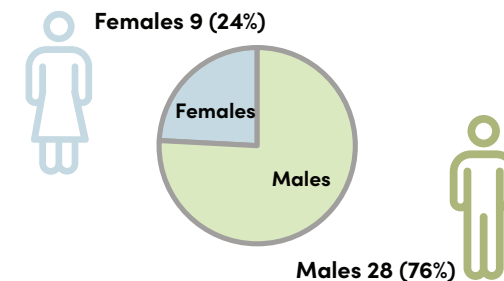
In 2024 we continued to focus on increasing the number of women in senior management positions, bridging and eliminating pay gaps between men and women and creating a discrimination-free culture.

We are committed to equal opportunities. Our gender balance in top management was broadly reflective of the whole workforce.

### Purmo Group workforce in 2024



### Purmo Group top management in 2024



**In 2025 we will continue to focus on creating a culture which respects and values everyone's contribution.**

## OUR PEOPLE

### Commitment 7.

## Ensure our employees are satisfied at work Group

#### Winning hearts and minds

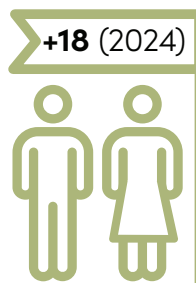
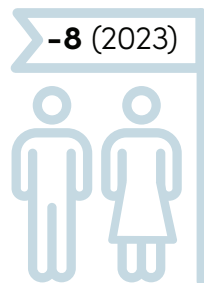
It is known that positive employee engagement can increase productivity and profitability. It gives people a sense of belonging, and lets them know that they are important to us. It helps retain valued staff members and attract new talent.

We have introduced positive programmes in internal communication & feedback, learning & development, and health & wellbeing, all of which have contributed to employee engagement and satisfaction. We measure how well we are doing through our Pulse Survey, which asks our people about their daily working experience, and gives them an opportunity to raise their concerns.

Each year we identify areas where we need to improve. These include introducing more discussions about individual career planning, and working to identify early signs of stress and alleviate it.

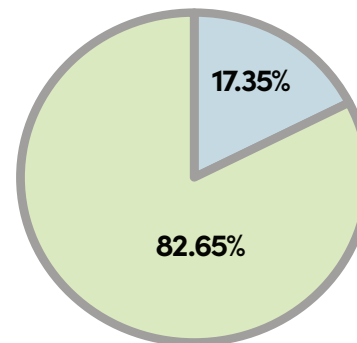
#### Greater satisfaction

In 2024 we ran our Pulse survey once again, with a participation rate of 94%, up from 93% in the previous year. This year, our Employee Net Promoter score rose to +18 from -8 previously. This means that our employees are more satisfied and less likely to leave. They are also more likely to recommend us as an employer.



#### Employee turnover rate: 17.35%

That's 491 employees who left us last year, from a workforce of 2,830.



## OUR PEOPLE

### Commitment 8. Inspire a future-fit workforce through training and skills development.

#### Improving communication skills

In 2024, 90 of our employees each spent at least eight hours a month improving their fluency in English. That's equivalent to over 110 days at school. As a result, over 80% of them increased their language ability by at least one level. This year, another 90 colleagues have signed up to join them in improving their language skills.

**90** of our employees  
each spent at least  
eight hours a month  
improving their  
fluency in English.



#### Learning for growth

Manufacturing will be greatly impacted by automation and digitization, and the existing skills gap is only expected to increase. So we are giving our employees the learning they need to be successful and help us grow our business.

Our basic HVAC training was created with Burgenland University in Austria, and is available for our own employees as well as external professionals. We are piloting an advanced course, and are setting up academies in the UK and Poland.

Meanwhile, our learning & development platform continues to expand. It provides a broad range of mandatory and optional courses, and can track completion and pass rates, helping us target areas of the business where competence can be improved. This has accelerated the roll out of our Code of Conduct, Bribery and Anti-Corruption, and Sustainability Competence Building training.



**27** apprentices  
across the business.

We have continued to roll out our apprenticeship programme, with 27 apprentices across the business.

## OUR PEOPLE

### Commitment 9.

### We will ensure Purmo Group is a safe place to work.

#### Reducing workplace accidents

Manufacturing plants by their nature are high risk environments. However, we are determined to reduce our accident rate to zero. Our compliance-first health and safety strategy is tough. Our training is continuous, and we monitor and report all safety incidents so we can learn from them.

We share health and safety lessons across the group, and it is a priority at the highest levels. We aim to eliminate workplace accidents completely.

#### Lost time incident frequency rate

The lost time incident frequency rate (LTIFR) is a measurement of incident frequency, indicating the number of lost-time incidents per million man-hours worked.

After a poor LTIFR result of 6.3 in 2023, we took actions at local, operational and group level. As a result, in 2024 our LTIFR decreased to 3.4 – a strong improvement, and our all-time best result.



**2023**

**6.3**

**2024**

**3.4**

Lost-time incidents per million man-hours



### We have been trialling exoskeleton technology

#### Exoskeletons on trial

Exoskeletons are externally worn, mechanical structures that support and assist the human body and can be beneficial for workers in demanding jobs. We have been trialling exoskeleton technology in two of our plants to evaluate how they can help prevent musculoskeletal injuries. This should help prevent long-term health problems in the future.

#### A safety milestone

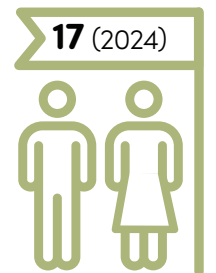
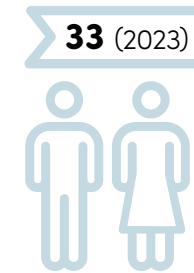
In 2024 our plants in the Nordics all achieved a noteworthy 1,000 days without incident.



#### Aiming for zero

2023: 33 workplace accidents  
2024: 17 workplace accidents (or 0.00034%)

**A reduction of 48%. We're aiming for zero.**



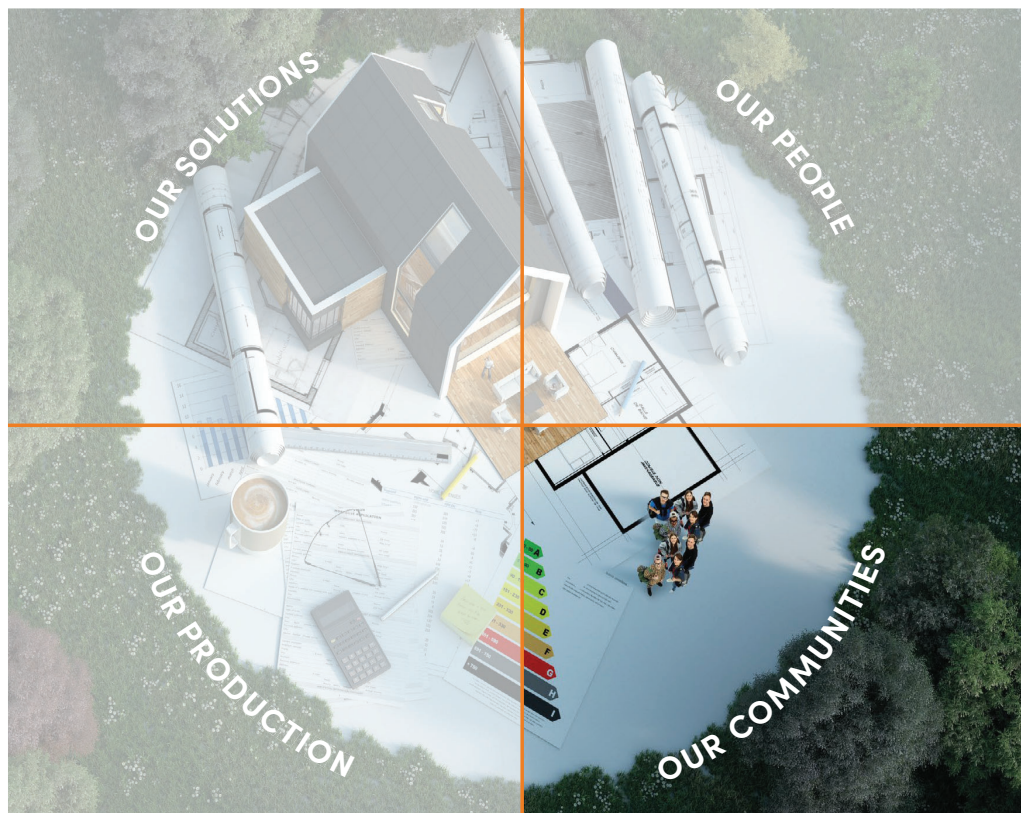
**Workplace accidents**

## OUR COMMUNITIES

### Being a good neighbour

Our focus is on making the built environment much less of a burden on the natural environment. Nowhere is this more relevant than in the local communities where our manufacturing operations are based.

We operate in 23 countries throughout Europe, and in every location, we want to be a welcome and positive member of the local community. So we encourage all our staff to dedicate a working day each to making their communities better for others.



This year, teams and individuals from across the business have continued to volunteer their time and skills to support local causes.

We've found it to be a great way to engage our teams, build collaboration, and most importantly to be a good neighbour to the local communities we are part of.

## OUR COMMUNITIES

### Commitment 10.

**We will support the most vulnerable people to have access to adequate shelter and indoor climate.**

In 2024, our employees in twelve countries spent over 5,392 hours volunteering to help local projects. That's almost three years of work, based on a 40-hour week.

#### Volunteering projects throughout Europe

- Beekeeping in Poland
- Litter picking in Germany
- Working with people with disabilities in Belgium
- Work at a dog shelter in Ukraine
- Children's temporary home in Hungary
- Tree planting in the UK
- Helping toads cross the road in Germany



**Beekeeping  
in Poland**



**Tree planting  
in the UK**



**Work at a dog  
shelter in Ukraine**

**5,392 hours  
volunteering**



**Litter picking  
in Germany**

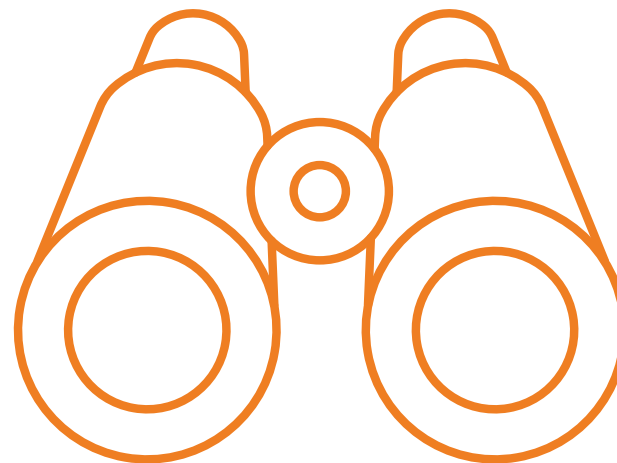
## Looking ahead

We hope you have enjoyed learning about our journey towards sustainability. It is a journey that is only just beginning, and we know that it will take time and effort to get to where we need to be.

In 2025, we will reassess and update our strategy to ensure it remains relevant and that we are on track. We will report on our progress again next year and we hope you will join us as we change and learn.

Ensuring a sustainable future for the generations to come is a mammoth task, and can seem insurmountable. It is down to all of us to make changes that count, and every step towards a lower carbon footprint will make a difference. We are doing our best to play our part. Thank you for coming on the journey with us.

You can read more online at: [www.purmogroup.com/sustainability/sustainability-reports/](https://www.purmogroup.com/sustainability/sustainability-reports/) or for more in-depth data take a look at our recently published CSRD report for 2024.



## Jargon buster

It's easy to get lost in the world of sustainability and there is a lot of jargon used. Here you'll find some of the terms we've referred to in our report, for more clarity.

### **Carbon intensity**

Carbon intensity measures the amount of greenhouse gas emissions, typically carbon dioxide (CO<sub>2</sub>), produced for each unit of economic activity or output. It's a key performance indicator (KPI) used to track progress on reducing a company's or country's carbon footprint.

### **CSRD**

The Corporate Sustainability Reporting Directive is new European Union (EU) legislation that requires all large companies to publish regular reports on their environmental and social impact activities. It uses a reporting framework called ESRS.

### **Double materiality**

Double materiality is a concept that considers the impact of a company on the environment and society in addition to its own interests. It's a key part of sustainability reporting and is required to comply with CSRD.

It is an extension of the accounting concept of 'materiality', which is the idea that information is important enough for a reasonable person to consider.

### **Emission factors**

An emission factor (EF) is a coefficient that describes the rate at which a given activity releases greenhouse gases (GHGs) into the atmosphere. They are also referred to as conversion factors, emission intensity and carbon intensity.

### **Environmental Product Declarations**

An Environmental Product Declaration (EPD) is a document that reports a product's environmental impact throughout its life cycle. EPDs are based on a product life-cycle assessment (LCA), which evaluates a product's environmental effects from raw material extraction to disposal. EPDs are standardized so that different materials can be easily compared.

### **ESRS**

European Sustainability Reporting Standards, a standard framework for companies to report on their environmental, social, and governance (ESG) impacts.

### **EU taxonomy**

The EU Taxonomy establishes a common language to define sustainable investments, and takes into consideration the impact on climate mitigation, adaptation, natural resources, pollution and biodiversity.

### **Green House Gas Emissions**

Greenhouse gases (GHGs) are atmospheric gases, both natural and human-made, that trap heat and contribute to the greenhouse effect and global warming by absorbing and emitting infrared radiation.

### **ISO certifications**

ISO stands for the International Organization for Standardization. It's an independent, non-governmental organization that develops and publishes international standards, essentially setting global guidelines for various aspects of industry and technology. These standards, like ISO 9001 for quality management or ISO 14001 for environmental management, are designed to promote consistency, quality, and safety across industries, helping businesses operate more efficiently and effectively.

### **Scope 1,2 and 3 Emissions**

Scope 1 emissions are direct greenhouse gas (GHG) emissions that a company generates from sources that it owns or controls.

Scope 2 emissions are indirect greenhouse gas (GHG) emissions that come from the production of energy that a company purchases and uses. This includes emissions from the generation of electricity, steam, or cooling.

Scope 3 emissions are everything else. Scope 3 emissions represent all indirect greenhouse gas (GHG) emissions that occur in a company's value chain, but are not directly owned or controlled by the company itself. These emissions are categorized as 'value chain emissions' and include activities both upstream (e.g. supplier activities) and downstream (e.g. product use and disposal) of the company's operation.

### **UNGC**

UNGC is the UN Global Compact – a United Nations initiative that encourages businesses to align their strategies and operations with ten principles related to human rights, labour, environment, and anti-corruption. It's a voluntary framework, not legally binding, designed to promote sustainable and socially responsible business practices.

## Position papers

**Our opinion on Governance, ethics and transparency.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-esg](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-esg)

**Our opinion on responsible sourcing.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-responsible-sourcing](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-responsible-sourcing)

**Our opinion on local community action.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-local-community-action](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-local-community-action)

**Our opinion on employee Health, Safety and Wellbeing.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-health-safety-wellbeing](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-health-safety-wellbeing)

**Our opinion on creating a future fit workforce.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-future-fit-workforce](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-future-fit-workforce)

**Our perspective on circular solutions.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-circular-solutions](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-circular-solutions)

**Our opinion on climate transition.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-climate-transition](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-climate-transition)

**Our opinion on sustainable materials.**

[www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-sustainable-materials](http://www.purmogroup.com/en/sustainability/case-studies-and-thought-leadership/persp-sustainable-materials)

