

**2025**  
**SUSTAINABILITY REPORT**



## 2025 Sustainability highlights

In 2025, Purmo Group advanced its reporting maturity through the publication of its externally assured, CSRD-compliant 2024 Sustainability Report. The 2025 report builds on this foundation while reflecting the Group's current non-mandatory reporting status and is not presented as CSRD-aligned. Our progress was recognised with a group-wide EcoVadis Bronze rating.

**We accelerated decarbonisation** in partnership with Danfoss. The collaboration advanced energy optimisation, heat recovery and electrification opportunities, with clear actions identified across four plants. This work informs our Scope 1 and 2 roadmap and supports our SBTi-validated commitments.

**We reduced our emissions.** During the reporting period, Scope 1 and 2 emissions decreased by 20.6%, while Scope 3 emissions were reduced by 3.5%.

**We strengthened our circularity and packaging strategies.** We aligned group-wide frameworks to guide design, procurement and production decisions, helping reduce waste, lower resource use and accelerate the transition to circular product systems.

**We expanded our Environmental Product Declaration (EPD) portfolio** to support more transparent customer engagement. 10 new EPDs strengthen tenders, support customer dialogue and differentiate our offering in sustainability-driven markets.



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**At Purmo Group, sustainability is structured around our Complete Care framework, covering four focus areas: production, solutions, people and communities.**

Following recent regulatory developments, including the EU “stop-the-clock” decision and Omnibus package, the Group is currently not within the scope of mandatory CSRD reporting. This report has been prepared with reference to the CSRD-based framework used in 2024 to support continuity and comparability of disclosures.

The Group continues to advance its readiness for future requirements by monitoring regulatory developments and preparing for the simplified ESRS standards.

## ESRS 2 General disclosures

### **BP-1 General basis for preparation of the sustainability report**

The sustainability report has been prepared on a consolidated basis, comprising the parent company Purmo Group Topco (UK) Limited (formerly Project Grand Topco (UK) Limited) and its subsidiaries (collectively, the 'Group' or individually 'Group companies'). Thus, it is aligned with the preparation of the Group's financial statements.

Following the EU "stop-the-clock" decision, which postponed the application timeline of the Corporate Sustainability Reporting Directive (CSRD) for certain companies, Purmo Group is not within the scope of CSRD for the 2025 reporting year.

While the Group is not currently within the scope of the CSRD, this report has been prepared with reference to the CSRD-based framework used in 2024. The report has not been subject to external assurance for the reporting year. For the previous reporting (2024) year, the sustainability report was externally assured and constituted a CSRD-compliant sustainability report. For 2025, only GHG emissions (Scope 1-3) are externally assured.

The sustainability disclosures presented in this report are based on the outcomes of the Group's double materiality assessment. During the assessment, the identification of impacts, risks and opportunities was focused on activities within the Group's own operations, as well as across the upstream and downstream value chains.

This report 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.

Purmo Group is not subject to mandatory EU Taxonomy Article 8 reporting for 2025, and this report therefore does not include EU Taxonomy KPI disclosures. The Group will continue to monitor future Taxonomy requirements.



**Purmo Group's employees operate in 21 countries and distribute the Group's products and solutions to customers in more than 80 countries.**

**Purmo Group's value chain**



<sup>1</sup> 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 report, 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 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) years and above

The definitions for the time horizons follow the organization'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 prioritises the use of actual data. Where actual data is not available, estimates are applied based on comparable production sites, manufacturing processes or products. Estimations are used primarily to fill gaps in power and gas data.

For non-production sites that do not report through the data platform and where invoice-based or internally estimated data is unavailable, consumption is estimated based on site configuration (office or warehouse + office). In these cases, electricity consumption is derived using a ratio of total consumption to the number of FTEs for each site type and applied to similar sites.

Waste and water data are sourced from the data platform where available, or estimated based on site area (sqm). For certain sites, estimation was not possible due to missing sqm data; however, these sites were assessed as not material given their limited operational impact.

The preparation of this sustainability information requires the use of judgements, estimates and assumptions, particularly for indirect emissions (Scope 3). Estimates are continuously reviewed, and any revisions are reflected in the reporting

period. Restatements are clearly disclosed to ensure transparency, and estimated data from indirect sources is presented in the appropriate context.

### **The level of accuracy**

In Purmo Group's sustainability report, 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.

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 EXIOBASE, which may not capture specific operational details.

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 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 recognized 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 report are systematically documented and corrected, with a clear and established audit trail.

## **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.

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.

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, the Core Leadership 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.

During 2025, Purmo Group strengthened its leadership team to support execution and growth. Erik Hedin joined as Chief Financial Officer, reinforcing financial discipline, cash flow focus and capital allocation. Joern Neubert was appointed Chief Operating Officer, strengthening operational execution and efficiency. Jacob Madsen joined as Chief Commercial Officer, supporting the shift toward system integration and solution-based selling.

Purmo Group's complete management team is presented on the company's website.

### **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 Well-being 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 and Group Communications 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 and Group Communications is also responsible for monitoring policy implementation and for performance-reporting to CLT on a bi-monthly basis. Purmo Group's Head of Sustainability and Group Communications 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 and Group Communications. 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 and Group Communications
- Document reviewer: ESG steering group
- Document approver: Board of Directors
- Execution of policy: Core Leadership Team, all divisions and group functions

#### **Board of Directors composition and expertise**

At the end of 2025, the Board of Directors consisted of three (3) non-executive members and one (1) executive member.

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.

- 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 optimization solutions built on lithium-ion battery technology for businesses since 2024.

Board members of Purmo Group have access to continuous professional development opportunities, including relevant sector-specific training.

#### **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.

The Board of Directors consists of three (3) male and one (1) female member. The gender diversity ratio is 25 per cent.

All members of the Board of Directors are non-independent of the Company.

**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 and Group Communications 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 and Group Communications 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 and Group Communications 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 and Group Communications 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 and Group Communications 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

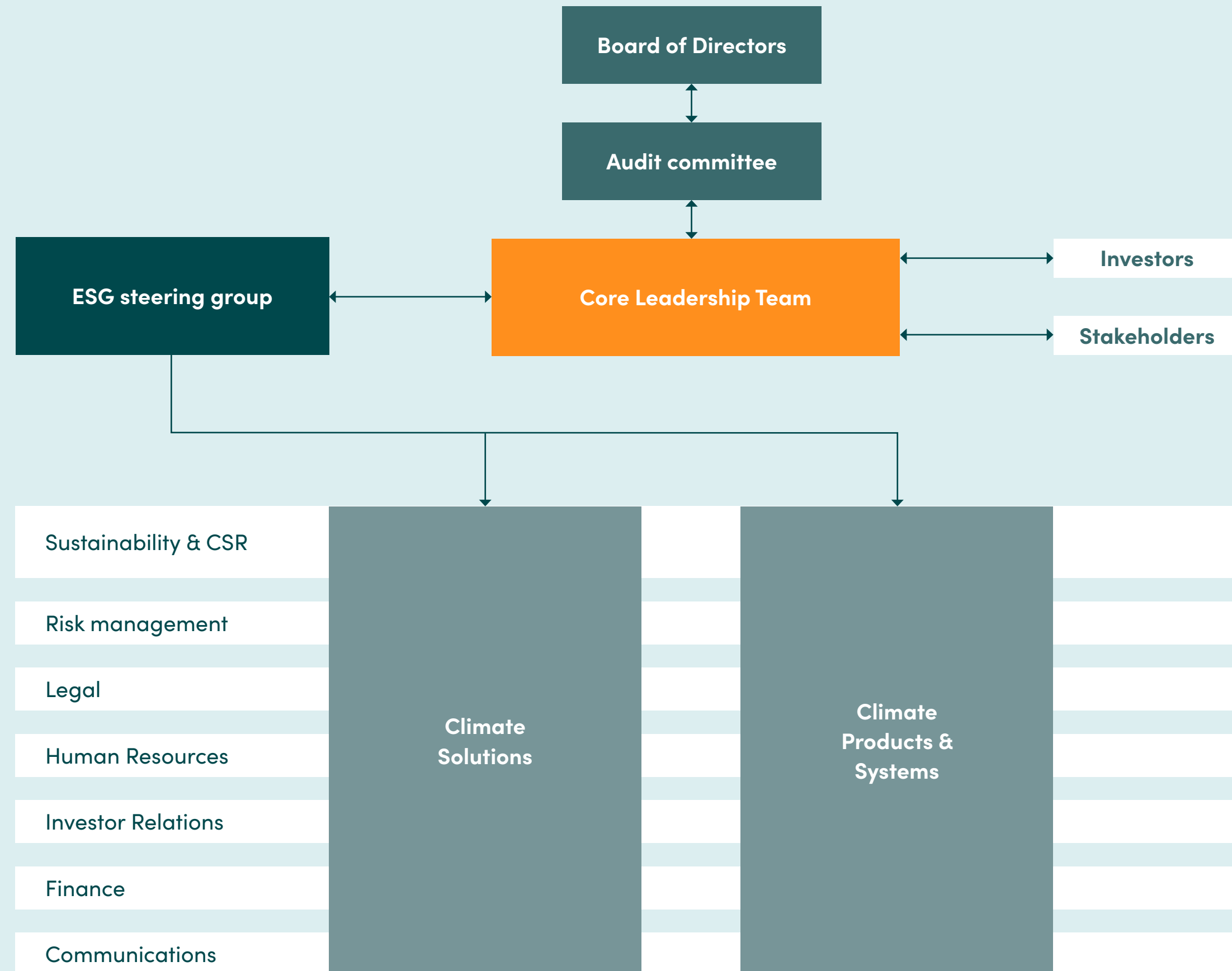
for the CLT's approval and monitors progress bi-monthly.

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 2025**



**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 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 and Group Communications 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 and Group Communications 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 and Group Communications 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.

In 2025, the CEO, other management and employees participating in short-term incentive plans and programmes were subject to ESG-related targets, including Group Safety (Lost Time Injury Frequency Rate, LTIFR) and Carbon Intensity. The wider personnel of Purmo Group were not incentivised by ESG-related targets in 2025.

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

## **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 and Group Communications.

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 are 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\*, 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.

### **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.

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: 40 per cent, Northern Europe: 28 per cent, Central and Eastern Europe: 17 per cent, Southern Europe: 11 per cent, Rest of the World: 5 per cent.

The company has manufacturing in 10 countries and over 100,000 installer customers in over 80 countries. Purmo Group has two business divisions: Climate Products & Systems and Climate Solutions. The Climate Products & Systems division represents approximately 78 per cent of net sales, whereas the Climate Solutions division represents approximately 22 per cent of net sales.

Targeted acquisitions, including Unitherm (late 2024) and UFHN, expanded system integration capabilities in the UK and Ireland and supported growth in Climate Solutions. Integration progressed well and contributed positively to commercial momentum. During the reporting period Purmo Group also closed three locations: Beijing (office), Vårgårda (warehouse) and Williston (office & warehouse).

Purmo Group did not have any banned products or services in any of its markets in 2025. Purmo Group does not have activities and revenues in the fossil-

fuel sector, chemicals production, controversial weapons and the cultivation and production of tobacco.

**Business model and value chain**

*Upstream: inputs and supply chain*

Purmo Group sources raw materials and collaborates with suppliers to develop more sustainable materials and production methods. The company invests in R&D and uses the EcoVadis platform to improve supply chain sustainability and transparency.

*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.

\* Source: European Commission Energy Performance of Buildings Directive 2024.



**Headcount by country 2025**

Country	31 December 2025	31 December 2024
Austria	124	141
Belgium (incl. Netherlands)	74	88
Brazil	50	47
China	81	78
Czech Republic	5	6
Denmark	6	7
Estonia	2	2
Finland	39	46
France	116	130
Germany	321	362
Hungary	151	172
Ireland	51	49
Italy	273	298
Latvia	2	2
Macedonia (Remote)	1	0
Norway (Remote)	4	0
Poland	726	735
Romania	27	30
Spain	3	10
Sweden	203	236
Turkey	76	86
United Kingdom	294	298
United States	0	7
<b>Total</b>	<b>2,629</b>	<b>2,830</b>

**Purmo Group's global presence, 2025**

**Operations in 21 countries and 2,629 employees in 2025**



## **SBM-2 Interests and views of stakeholders**

To complement the double materiality assessment (DMA), the Group engaged with selected internal and external stakeholders, including customers, employees (particularly sales and functional leadership), and suppliers. Stakeholders were selected based on their relevance to the Group's value chain and their potential exposure to or impact on key sustainability topics.

Investors, communities, and local governments were not included in this phase of the assessment due to the prioritisation of operational and value-chain-related stakeholders. However, the Group recognises their importance and aims to expand stakeholder engagement to these groups in future assessments.

Stakeholder engagement was conducted through targeted interviews and expert consultations across key markets and functions. The insights gathered were used to validate and refine the outcomes of the DMA. While no new material topics were identified, stakeholder input reinforced the prioritisation of existing ESG topics, particularly in areas related to energy efficiency, product performance, and regulatory compliance.

The Group maintains ongoing dialogue with its stakeholders and is developing a more structured and standardised engagement framework to ensure consistent and systematic input into strategy and reporting processes.

Stakeholder expectations are reflected in the Group's project delivery across different segments. Case examples demonstrate how customer requirements, regulatory expectations, and end-user needs are integrated into practical solutions, including energy-efficient residential developments, critical infrastructure and healthcare projects, and technically demanding environments such as Arctic conditions.

The Head of Sustainability and Group Communications is responsible for overseeing stakeholder engagement and its integration into the Group's strategy through continuous evaluation processes, including market analysis, peer benchmarking, business reviews, and customer engagement.



**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
<b>E1</b>			
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	<p>The steel industry contributes to climate change mainly through GHG emissions from energy-intensive iron ore processing, often powered by fossil fuels. Steel represents a significant amount of all raw material purchases in Purmo Group.</p> <p>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.</p>
Energy: energy consumption	Actual negative impact, Short to medium-term AND Risk, Short to long-term	Raw materials, supplier, own production, logistics	<p>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.</p> <p>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.</p>
<b>E3</b>			
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
<b>E4</b>			
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 utilize 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 <sub>2</sub> . 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.
<b>E5</b>			
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
<b>S1</b>			
Own workforce: Secure employment, Adequate wages	Potential positive impact, short-term to long-term	Own production	Through permanent contracts and providing adequate wages we can have a positive impact to our own workforce.  Purmo Group focuses on prioritizing 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.
Own workforce: Social dialogue, Freedom of association, Collective bargaining	Actual positive impact, long-term	Own production	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.
Own workforce: Work-life balance	Actual positive impact, short to long-term	Own production	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.
Own workforce: Health and safety	Actual negative impact, short to long-term	Own production	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 minimized through health and safety protocols and policies.
Own workforce: Gender equality and equal pay for work of equal value	Actual positive impact, short to long-term	Own production	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.
Own workforce: Training and skills development	Actual positive impact, short to long-term	Own production	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.
Own workforce: Measures against violence and harassment in the workplace	Actual positive impact, short-term	Own production	Employees can report issues to their manager, HR, the Legal team, the CEO, or the Board; for sensitive matters, the Whistleblowing channel is available.
Own workforce: Diversity	Actual positive impact, short to long-term	Own production	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.
<b>S2</b>			
Workers in the value chain: Health and safety	Actual negative impact, short term	Supply chain	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.

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 well-being 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.

**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.

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.

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 the its efforts to enhance its sustainability practices in line with ESRS guidelines.

**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.

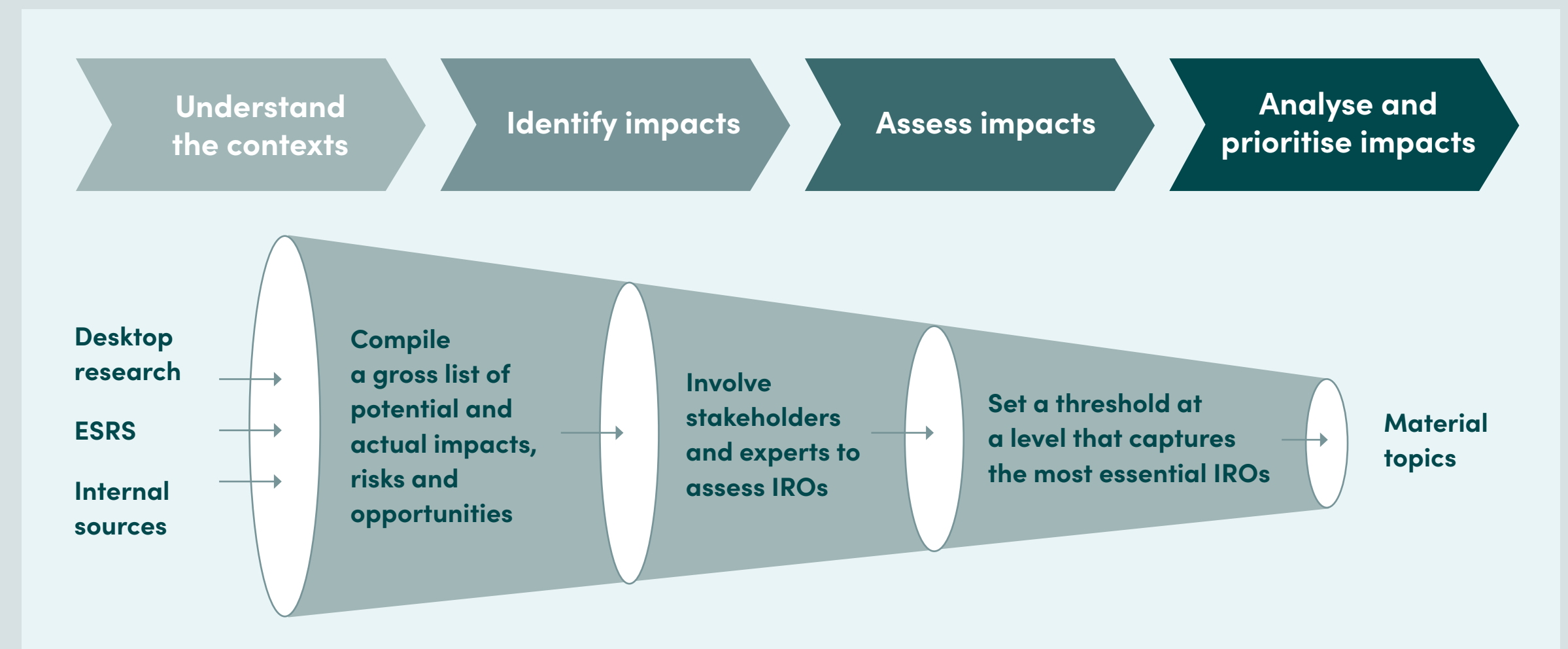
To increase the insights gained from the desktop research, Purmo Group engaged in a structured dialogue with stakeholders. Read more about the dialogue under the chapter [Consultation with affected stakeholders](#).

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. Utilizing 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 recognized 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, stakeholder dialogue was a key component. External experts conducted discussions with internal stakeholders from functions such as operations, sourcing and HR,

as well as with selected external stakeholders. The list of interviewees was developed in collaboration with the Group's Head of Sustainability and Group Communications. In addition to interviews, Purmo Group used input from industry experts to gain broader insights into relevant sustainability impacts, risks and opportunities.

**Prioritisation of negative and positive impacts**

Purmo Group's management team, including the Group's Head of Sustainability and Group Communications 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".

**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

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

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. Moreover, material sub-topics and sub-sub-topics were identified from eight standards in total.

Material topics were validated by Head of Sustainability and Group Communications. 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 and Group Communications.

**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 established indoor climate comfort brands, including Emmeti, Finimetal, Myson, Purmo, Radson, Vogel & Noot, Merriott, Thermotech and Unitherm.

In 2025, Purmo Group’s employees operated in 21 countries, with manufacturing activities in 10 countries and products and solutions distributed to customers in more than 80 countries.

The double materiality assessment focused on the Group’s own operations and value chain, with

particular attention to key operating and sourcing geographies, including Italy, Sweden, Germany, the United Kingdom, Austria, Belgium, China, Poland, Turkey and Hungary.

**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 and transition plan during 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 report

### A list of Disclosure Requirements in the sustainability report

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G1-1–Business conduct policies and corporate culture	69
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G1-3 – Prevention and detection of corruption and bribery	72
G1-4 – Incidents of corruption or bribery	73

**ESRS 2 Appendix B. List of datapoints in cross-cutting and topical standards that derive from other EU legislation**

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
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 (e)			Delegated Regulation (EU) 2020/1816, Annex II	
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, Article 12.1 (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 reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
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 reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
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 EPRTR 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 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 reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
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 reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
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 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** 2

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**Environmental information** 33

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ESRS E1 Climate change 34

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ESRS E4 Biodiversity and ecosystems 47

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ESRS S2 Workers in the value chain 64

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ESRS G1 Business conduct 69



During 2025, our Scope 1 and 2 emissions decreased by 20.6%, while our Scope 3 emissions decreased by 3.5%.

## ESRS E1 Climate change

### Material impacts, risks and opportunities

Purmo Group identified climate change mitigation, climate change adaptation and energy as material topics in its double materiality assessment. These topics include both actual and potential impacts, risks and opportunities related to the Group's own operations and value chain.

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 include:

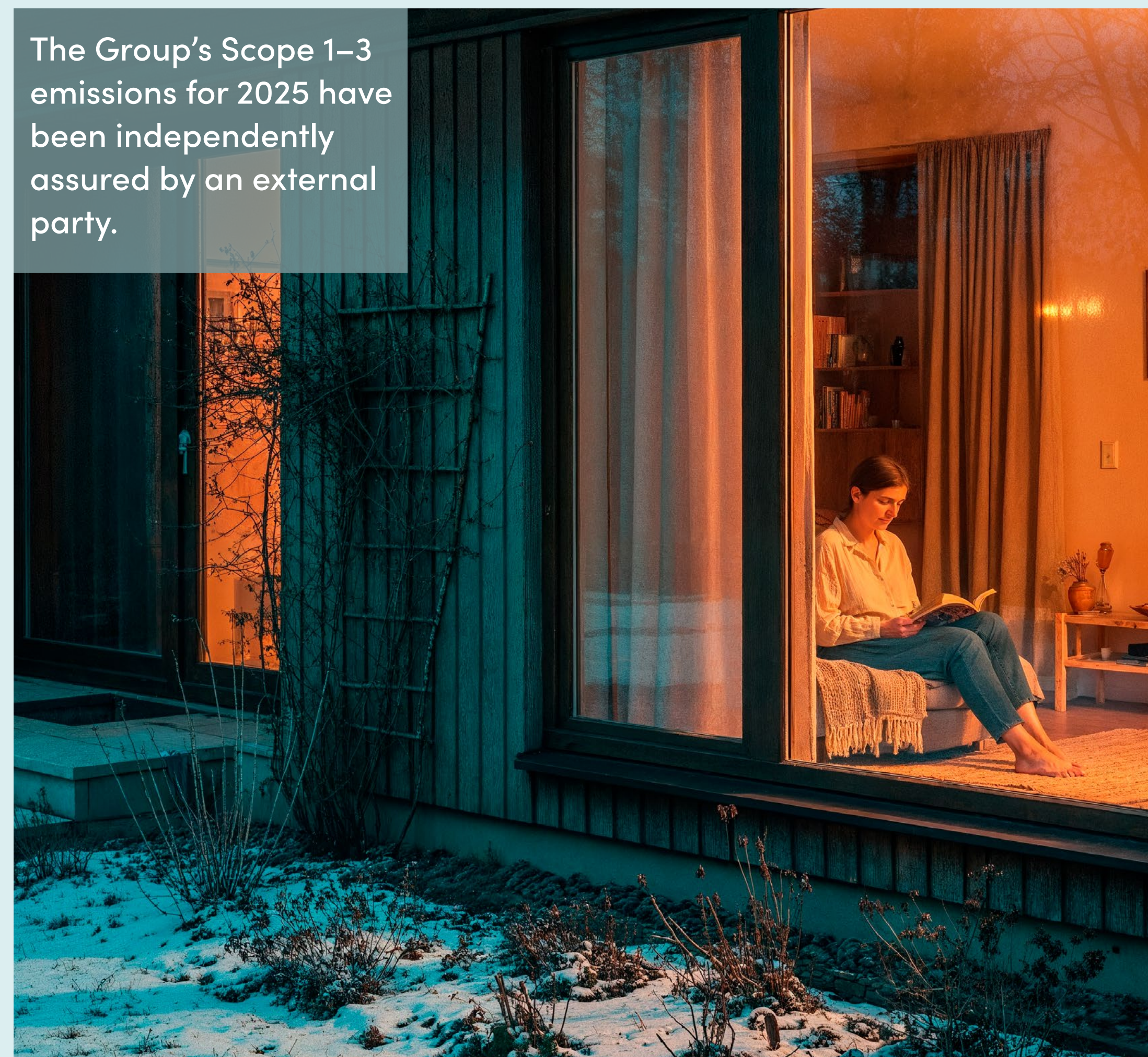
- Climate change mitigation
- Climate change adaptation
- Energy

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

Climate change is leading to rising temperatures and more frequent and unpredictable extreme weather events, significantly affecting people's quality of life. As a result, reducing carbon emissions in the heating and cooling sector is essential for the energy transition and remains a central element of the renovation wave strategy. Purmo Group's products and solutions, such as low-temperature radiators, contribute to improved energy efficiency and support the transition to net-zero emissions, while also creating growth opportunities for the Group.

The transition from fossil fuels to renewable and zero-carbon energy sources in heating and cooling has progressed more slowly than in electricity generation. This is largely due to the energy-intensive nature of processes such as iron ore processing and metal production, including smelting and refining, to which Purmo Group's own operations also contribute. In some of the countries where the Group operates, access to renewable energy may be limited or costly, resulting in continued reliance on fossil fuels such as coal, oil and gas. In addition, end-users of Purmo Group's

The Group's Scope 1–3 emissions for 2025 have been independently assured by an external party.



products remain partly dependent on local energy infrastructure, which may include both renewable and non-renewable sources depending on the region.

The steel industry is a significant contributor to climate change, primarily due to greenhouse gas emissions generated during production, where fossil fuels are often used in energy-intensive processes. Emissions are also generated across the value chain, including the transportation of raw materials to steel mills, deliveries from steel suppliers to Purmo Group's facilities, and the distribution of finished products.

### **E1-1 Transition plan for climate change mitigation**

Purmo Group does not yet have a transition plan for climate change mitigation. As part of its preparations for the mandatory ESRS requirements from the financial year 2027, and its ongoing familiarisation with the simplified ESRS standards, the Group will develop a transition plan. This work will form part of a broader effort during 2026 to strengthen the Group's climate-related governance in line with forthcoming regulatory expectations.

### **E1-2 Policies related to climate change mitigation and adaptation**

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.

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.

### **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°C 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.

During 2025, we accelerated decarbonisation in partnership with Danfoss. The collaboration advanced energy optimisation, heat recovery and electrification opportunities, with clear actions identified across four plants. This work informs our Scope 1 and 2 roadmap and supports our SBTi-validated commitments.

Furthermore, the Group implemented energy efficiency and fuel-switching actions across its operations, including replacing oil-fired systems with gas-fired solutions and electrifying material handling equipment, such as transitioning from LPG-powered to lithium-ion electric forklifts.

The share of renewable electricity was also increased through supply contracts and Energy Attribute Certificates (EACs), reducing Scope 2 emissions on a market-based basis. The Group continues to advance product development towards energy-efficient indoor climate solutions and has

committed to sourcing steel with lower embodied carbon, including green steel, as part of its longer-term decarbonisation approach.

### **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 proportion of electric vehicles in company operations has been increased steadily.

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 percent 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.

- To reach net-zero 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 year<sup>1</sup>. 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 year<sup>1</sup> and Scope 3 GHG emissions by 90 per cent within the same timeframe.

<sup>1</sup> 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 S1, S2 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 decarbonization 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:

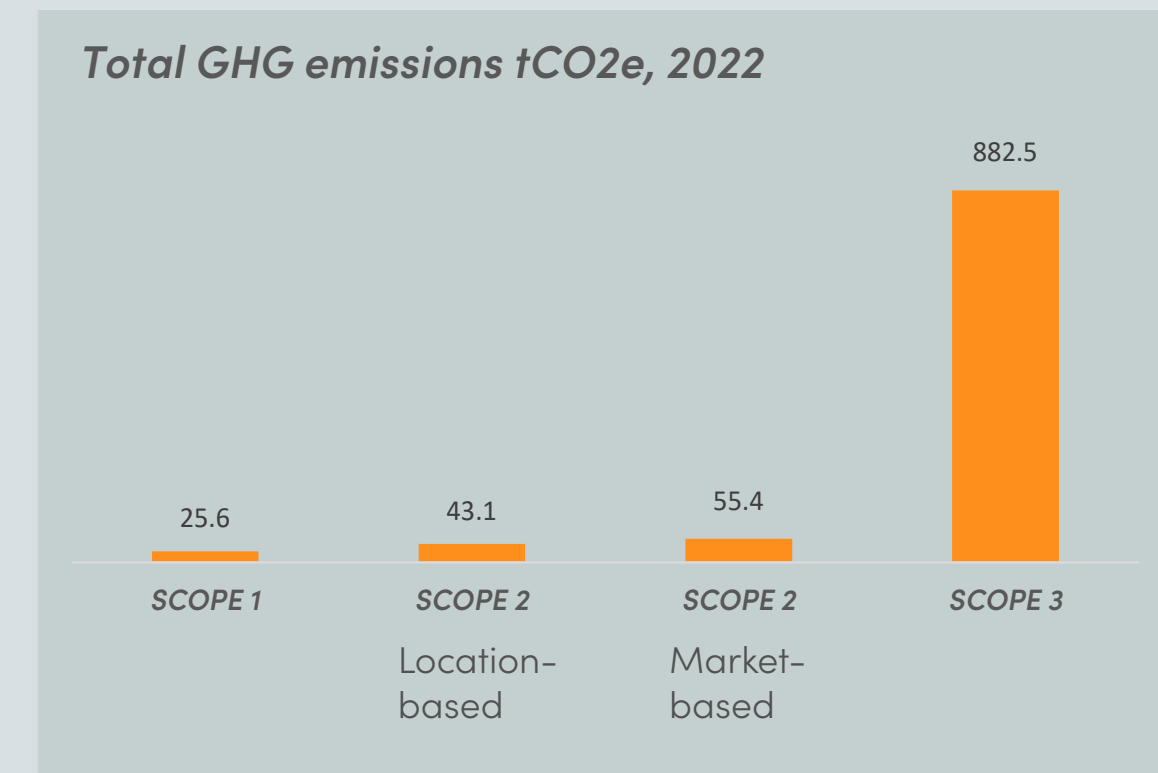
- Significant changes in company structure and activities (acquisitions, divestitures, mergers, insourcing or outsourcing, shifts in goods or service offerings).
- Methodological changes. These include updated emission factors, improved data access or updated calculation methods.
- Significant errors: 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**

**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 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 2026–2027. Purmo Group monitors and reports on progress towards science-based targets annually.

**E1-5 Energy consumption and mix**

During 2025, certain refinements were made to the comparison year (2024) consumption data. These updates did not impact the reported 2024 emissions, as the corrected figures had already been applied in the emissions calculations. The previously reported consumption figures were affected by a technical data export issue.

Purmo Group’s total energy consumption related to its own operations was 174,744 (186,074) MWh for 2025. Energy consumption comprises all Purmo Group production sites, warehouses, and offices. Local factors are used to calculate the energy contained in different fuels.

The total energy consumption from fossil fuel sources was 150,193 (170,241) MWh for 2025. 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.

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 379 (722) MWh for 2025;
- consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources was 20,392 (13,681) MWh for 2025 and
- consumption of self-generated non-fuel renewable energy was 3,780 (1,431) MWh for 2025.

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 (0) MWh for 2025;
- fuel consumption from crude oil and petroleum products which was 8,636 (11,401) MWh for 2025;
- fuel consumption from natural gas which was 82,841 (83,736) MWh for 2025;
- fuel consumption from other fossil sources which was 525 (535) MWh for 2025 and
- consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources, which was 58,190 (74,569) MWh for 2025.

The energy consumption data has been collected 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 energy consumption. The company is taking action to decrease the amount in the future. Consumption data from nuclear sources is not available.

3,780 (1,431) MWh is from the Group's own solar 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 consumption and mix	2025	2024*
Total energy consumption (MWh)	174,744	186,074
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products for company cars (MWh)	4,416	5,723
Fuel consumption from crude oil and petroleum products for heating (MWh)	4,220	5,678
Fuel consumption from natural gas (MWh)	82,841	83,736
Fuel consumption from other fossil sources (MWh)	525	535
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	58,190	74,569
<b>Total fossil energy consumption (MWh)</b>	<b>150,193</b>	<b>170,241</b>
<b>Percentage of fossil sources in total energy consumption (%)</b>	<b>86.0%</b>	<b>91.5%</b>
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen) (MWh)	379	722
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	20,392	13,681
<b>The consumption of self-generated non-fuel renewable energy (MWh)</b>	<b>3,780</b>	<b>1,431</b>
Total renewable energy consumption (MWh)	24,551	15,833
<b>Share of renewable sources in total energy consumption (%)</b>	<b>14.0%</b>	<b>8.5%</b>

\*During 2025, certain refinements were made to the comparison year (2024) consumption figures.

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.

### 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.

The Group's Scope 1-3 emissions for 2025 have been assured by an independent external assurer.

**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**

During the reporting period, the Group strengthened its sustainability-oriented growth strategy through the acquisition of two businesses focused on indoor climate solutions, namely Unitherm (UK/Ireland) and UFHN (UK). These acquisitions support the Group’s transition towards integrated, energy-efficient indoor climate systems and contribute to long-term value creation in accordance with ESRS requirements.

**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 emission factor and global warming potential (GWP) to convert results to CO2 equivalent.

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

$$\text{GHG emissions (tCO}_2\text{e)}_i = \sum_j [(\text{activity data})_i \times (\text{emission factor})_{ij} \times (\text{GWP})_j]$$

Where:

i = GHG emissions source

j = GHG gas = CO2, CH4, N2O, HFCs, 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**

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'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 per cent of Purmo Group's Scope 3 emissions in 2025.

### **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 are used 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 IEA 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.

### 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. As part of its preparations for the mandatory ESRS requirements from the financial year 2027, and its ongoing familiarisation with the simplified ESRS standards, the Group will develop the necessary methodologies and processes to assess and disclose such impacts in the future.

**Total GHG emissions by Scope 1,2 and 3**

	Retrospective		Milestones and target years			
	Base year / 2022	2024	2025	2033	2050	Annual % target / Base year
<b>GHG emissions</b>						
<b>Scope 1-GHG emissions</b>						
Gross Scope 1 GHG emissions (tCO2e)	25,576	21,667	17,233	54.60%		
<b>Scope 2 GHG emissions</b>						
Gross location-based Scope 2 GHG emissions (tCO2e)	43,117	34,647	27,731			
Gross market-based Scope 2 GHG emissions (tCO2e)	55,393	44,981	35,670			
<b>Significant scope 3 GHG emissions</b>						
Total Gross indirect (Scope 3) GHG emissions (tCO2e)	882,549	684,380	660,252			
1 Purchased goods and services	377,939	230,743	214,680			
2 Capital goods	9,002	4,885	5,293			
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	11,463	8,626	7,275			
4 Upstream transportation and distribution	9,366	24,483	26,629			
5 Waste generated in operations	1,347	861	757			
6 Business traveling	438	726	897			
7 Employee commuting	1,000	616	692			
9 Downstream transportations	3,293	4,139	6,414			
11 Use of sold products	460,040	402,449	390,204			
12 End-of-life treatment of sold products	8,662	6,852	7,409			
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO2e)	951,242	740,694	705,216			
Total GHG emissions (market-based) (tCO2e)	963,517	751,028	713,154			

**Outside of scopes**

Outside of scopes-Bioenergy use	Inventory and target boundary (tCO2e) in 2025	Inventory and target boundary (tCO2e) in 2024
Biogenic emissions	195.2	338.6
Biogenic removals	195.2	338.6
Net biogenic emissions from bioenergy use	0	0

## ESRS E3 Water and marine resources

### Material impacts, risks and opportunities

The following water-related material topics were identified as having an actual negative impact on the environment:

- 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 notable water withdrawals, consumption and discharges associated with industrial manufacturing processes. Water is an essential resource across several stages of production, and its use requires careful management.

As global water scarcity becomes an increasingly critical challenge, the unsustainable use of water can pose significant risks to both the environment and surrounding communities. This highlights the importance of responsible water management practices throughout the value chain.

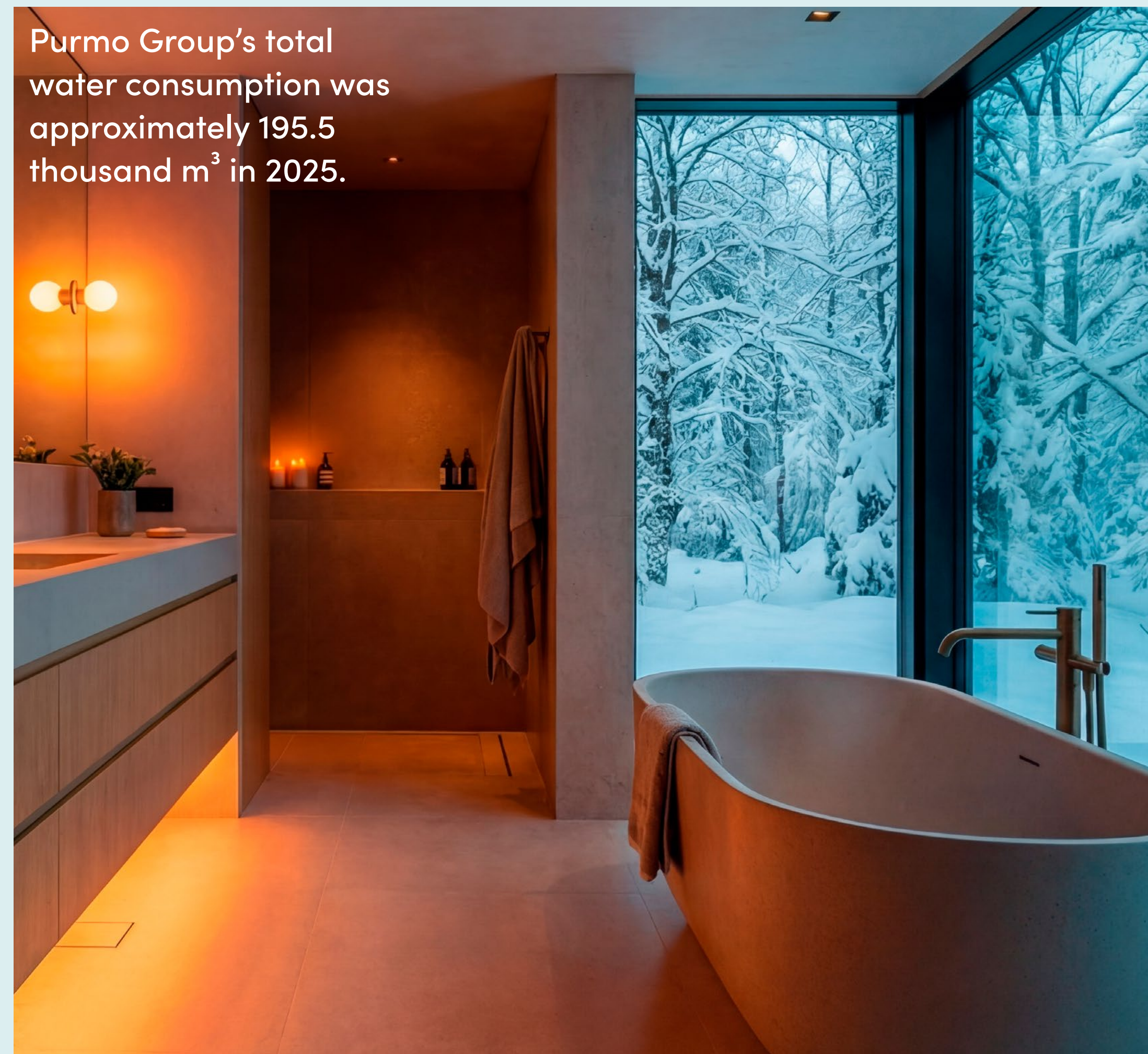
### E3-1 Policies related to water and marine resources

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. As part of its preparations for the updated CSRD requirements, the Group will develop and formalise relevant policies alongside its familiarisation with simplified ESRS standards.

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

Purmo Group has not yet fully defined its actions and resources related to water and marine resources. This reflects current prioritisation and resource constraints within the Group's sustainability programme. As part of its familiarisation with the simplified ESRS standards, the Group is committed to further developing and implementing appropriate actions and allocating the necessary resources in this area.

Purmo Group's total water consumption was approximately 195.5 thousand m<sup>3</sup> in 2025.



### **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 m<sup>3</sup> in total. The target is measured by m<sup>3</sup> 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, as part of the company's efforts to enhance its sustainability practices in line with the simplified 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 for production sites is primarily activity-based data extracted from our online reporting system. Consumption for warehouses and sales offices is primarily estimated based on the number of employees.

During 2025, refinements were made to the comparison year (2024) figures for total water consumption and water consumption in areas of high water stress. Consumption figures reported in 2024 were affected by a technical data export issue.

#### **The total water consumption**

The total estimated water consumption was 195,486 (169,686) m<sup>3</sup> during 2025. The total water consumption in areas of high-water risk was 34,840 (26,811) m<sup>3</sup> during 2025.

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 Council<sup>4</sup>), 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 estimated total amount of water stored during 2025 was 1,395 (1,398) m<sup>3</sup> of which 402 (128) m<sup>3</sup> was reused.

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 2025, Purmo Group reports 195,486 (169,686) m<sup>3</sup> of water consumption. Data for recycled water is not available.

E3-4 - Water consumption, m3	2025	2024*
<b>Total water consumption, m3</b>	<b>195,486</b>	<b>169,686</b>
Total water consumption in m3 in areas at water risk, including areas of high-water stress.	34,840	26,811
Total water reused, m3	402	128
Total water stored, m3	1,395	1,398

\*During 2025, refinements were made to the comparison year (2024) figures for total water consumption and water consumption in areas of high water stress.

## ESRS E4 Biodiversity and ecosystems

### Material impacts, risks and opportunities

**The following biodiversity and ecosystem-related material topics were identified as having an actual negative impact on the environment:**

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

Purmo Group's material impacts related to biodiversity and ecosystems arise mainly through its upstream value chain, particularly from raw material sourcing and supplier activities. The extraction and processing of metals such as steel, zinc and copper may contribute to habitat destruction, soil erosion, water pollution and pressure on local ecosystems.

In addition, manufacturing and supply chain activities may contribute to pollution, waste generation, water use and other environmental pressures that can affect biodiversity and ecosystem quality. Purmo Group has not yet completed a formal assessment of all sites located in or near biodiversity-sensitive areas, and further work will be carried out as the Group develops its approach.

As part of preparations for the updated CSRD requirements, the Group will develop a transition plan alongside its familiarisation with simplified ESRS standards.



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

Purmo Group has not yet integrated biodiversity and ecosystems into its strategy and business model, nor developed a related transition plan. Current prioritisation and resource allocation have limited progress in this area. As part of its broader sustainability development, the Group will assess and develop these elements alongside its familiarisation with simplified ESRS standards.

#### **E4-2 Policies related to biodiversity and ecosystems**

Purmo Group has not yet established formal policies related to biodiversity and ecosystems. This reflects current prioritisation within the Group's sustainability programme. The Group intends to develop relevant policies and supporting frameworks, including as part of its familiarisation with simplified ESRS standards.

#### **E4-3 Actions and resources related to biodiversity and ecosystems**

Purmo Group has not yet defined specific actions or allocated dedicated resources related to biodiversity and ecosystems. The Group plans to further develop

its approach, including defining actions, allocating resources and enhancing internal capabilities, as part of its ongoing sustainability work and familiarisation with simplified ESRS standards.

#### **E4-4 Targets related to biodiversity and ecosystems**

Purmo Group has not yet set specific targets related to biodiversity and ecosystems. The Group intends to establish relevant targets as its approach in this area develops, including in connection with its familiarisation with simplified ESRS standards.

#### **E4-5 Impact metrics related to biodiversity and ecosystems change**

Purmo Group does not yet have defined metrics to assess impacts on biodiversity and ecosystems across its own operations or value chain. The Group will develop appropriate metrics and monitoring practices as part of its continued sustainability development and familiarisation with simplified ESRS standards.

# ESRS E5 Resource use and circular economy

## Material impacts, risks and opportunities

The following material topics were identified as having 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 related to resource use and the circular economy mainly arise from the consumption of raw materials and packaging, as well as the generation of industrial waste in its operations. The demand for packaging materials has increased, partly driven by changing customer needs favouring smaller and more frequent deliveries instead of bulk shipments.

In addition, some of the Group's products rely on refrigerants containing fluorinated and halogenated hydrocarbons. These substances can persist in the environment as long-lived degradation products, with partly uncertain long-term effects on ecosystems and human health.

Environmental impacts may occur through leakages or insufficient end-of-life treatment, both in the Group's own operations and further along the value chain.

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 to further develop its policies, actions and targets during the upcoming years.

### **E5-1 Policies related to resource use and circular economy**

Purmo Group has not yet established formal policies related to resource use and the circular economy. However, during 2025, the Group strengthened its circularity and packaging approaches by aligning group-wide frameworks to guide design, procurement and production decisions, supporting waste reduction, more efficient use of resources and the transition towards circular product systems. The Group plans to further develop formal policies as its sustainability work progresses, as part of its familiarisation with simplified ESRS standards.



During 2025, Purmo Group published ten new Environmental Product Declarations to enhance transparency and support informed dialogue with customers.

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

In 2025, we aligned group-wide frameworks to guide design, procurement and production decisions, helping reduce waste, lower resource use and accelerate the transition to circular product systems. The Group will continue to develop related actions and allocate resources as its approach evolves, as part of its familiarisation with simplified ESRS standards.

### **E5-3 Targets related to resource use and circular economy**

Purmo Group has set three targets related to resource use and the circular economy, covering its own production operations with the aim of improving the efficiency and sustainability of the production phase.

One of the targets focuses on materials and packaging, with the objective that 100% of packaging will consist of recycled, recyclable or biodegradable materials by 2030. In addition, the Group aims to eliminate all single-use plastics in packaging by 2030. Purmo Group has also set a target to apply circular design principles to all new products; however, this target has been postponed.

The targets related to resource use and circular economy have been defined as voluntary and achievable. Their development involved a broad range of internal and external stakeholders, supported by workshops and engagement with customers and key partners. The targets are not based on conclusive scientific evidence, and are set as relative rather than absolute. In the future, the Group aims to further validate the underlying data and measurement approaches on an annual basis.

In addition, Purmo Group has established targets to improve the sustainable sourcing of key materials, such as steel, brass, plastics and packaging. This includes initiatives such as sourcing lead-free brass and reducing the embodied carbon of steel. These targets were set in 2023 with a target year of 2030; however, related metrics are still under development and no quantitative KPIs have yet been defined.

### **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 2025 was 158,340 (158,713) tons. Critical raw and rare-earth materials are included in these figures.

In 2025, Purmo Group purchased 111,618 (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 22,820 (22,944) tons of recycled steel. For all other purchased materials, the weight for 2025 was 31,913 (31,644) tonnes. Other purchased materials include brass, aluminium, granulate, plastic and expanded polystyrene (EPS). The steel share in a radiator is approximately 98 per cent. The estimated weight of packaging purchased was 14,809 (14,844) tons in 2025 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 utilized in the figures for 2025.

### **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.

Purmo Group is committed to developing the required, further information regarding resource inflows and aims to establish relevant actions between 2026 and 2027, as part of the company's efforts to align its sustainability practices in line with ESRS guidelines.

### E5-4 Resource inflows (Procurement data)

E5-4 - Resource inflows (Procurement data)	2025	2024
Overall total weight of products and technical and biological materials used during the reporting period including purchased steel, tonnes	158,340	158,713
Total purchased steel, tonnes	111,618	112,225
Total weight of polymer, tonnes	26,235	26,450
Total weight of aluminum, tonnes	1,757	1,981
Total weight of brass and copper, tonnes	3,438	2,497
Total weight of others, tonnes	484	716
Estimated weight of packaging purchased, tonnes	14,809	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	22,820	22,944
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	14.4%	14.5%

### E5-5 Resource outflows

#### Products and materials

Steel accounts for approximately 98% of the weight of a radiator produced by Purmo Group and is fully recyclable. Other metal components, such as brass parts, are also recyclable. For other product materials and packaging, the recyclability rates are currently not fully defined.

The Group does not yet have sufficient information on the expected durability of its products in comparison to industry benchmarks, nor on product reparability based on established rating systems.

Purmo Group will continue to develop its data, methodologies and understanding related to resource outflows and product circularity as part of its ongoing sustainability work and familiarisation with simplified ESRS standards.

### Waste

Figures in the chart below include data from all entities that are deemed material.

E5-5 - Resource outflows	2025	2024*
<b>Total amount of waste generated, tonnes</b>	<b>9,914.2</b>	<b>12,336.2</b>
<b>Hazardous waste diverted from disposal, tonnes</b>	<b>940.5</b>	<b>691.2</b>
Hazardous waste diverted from disposal due to preparation for reuse, tonnes	79.0	74.6
Hazardous waste diverted from disposal due to recycling, tonnes	723.1	493.4
Hazardous waste diverted from disposal due to other recovery operations, tonnes	138.4	123.3
<b>Non-hazardous waste diverted from disposal, tonnes</b>	<b>7,966.6</b>	<b>10,210.7</b>
Non-hazardous waste diverted from disposal due to preparation for reuse, tonnes	166.8	311.4
Non-hazardous waste diverted from disposal due to recycling, tonnes	7,478.3	9,542.7
Non-hazardous waste diverted from disposal due to other recovery operations, tonnes	321.5	356.6
<b>Hazardous waste directed to disposal, tonnes</b>	<b>562.2</b>	<b>607.4</b>
Hazardous waste directed to disposal by incineration, tonnes	360.4	271.0
Hazardous waste directed to disposal by landfilling, tonnes	112.4	104.3
Hazardous waste directed to disposal by other disposal operations, tonnes	89.5	232.0
<b>Non-hazardous waste directed to disposal, tonnes</b>	<b>444.8</b>	<b>826.8</b>
Non-hazardous waste directed to disposal by incineration, tonnes	198.5	511.6
Non-hazardous waste directed to disposal by landfilling, tonnes	245.8	147.1
Non-hazardous waste directed to disposal by other disposal operations, tonnes	0.5	168.2
<b>Total amount of radioactive waste, tonnes</b>	<b>0</b>	<b>0</b>
<b>Total amount of hazardous waste, tonnes</b>	<b>1,502.7</b>	<b>1,298.6</b>
<b>Total amount of non-hazardous waste, tonnes</b>	<b>8,411.5</b>	<b>11,037.6</b>

\*During 2025, refinements were made to the comparison year (2024) figures.

The total amount of waste generated in the reporting period of 2025 was 9,914 (12,336) tons.

The total amount of waste in 2025 diverted by recovery operation types was:

- preparation for reuse of 246 (386) tonnes
- recycling 8,201 (10,036) tonnes
- other recovery operations 460 (480) tonnes

The amount by weight directed to disposal was:

- incineration 559 (783) tonnes
- landfill 358 (251) tonnes
- other disposal operations 90 (400) tonnes

### **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.

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.

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Purmo Group is committed to responsible business practices that support people's well-being across our operations and value chain, with a focus on safety and inclusion.

## ESRS S1 Own workforce

### Material impacts, risks and opportunities

**In Purmo Group's double materiality assessment, 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 utilize 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 3.2 from 3.4

### **S1-1 Policies related to own workforce**

The Group has established a range of policies covering its own workforce, all underpinned by the Group's Code of Conduct. These include policies related to employee engagement, health and wellbeing, equality, diversity and inclusion, human rights, and whistleblowing. All policies apply to Group employees, and equivalent standards are expected from suppliers, agents and other business partners.

The Code of Conduct forms the foundation of the Group's approach and promotes a strong ethical culture, requiring adherence to responsible and sustainable business practices. It emphasises safety, respect, integrity and environmental responsibility as core values guiding daily operations and decision-making. The Code is approved by the CEO and the Board and applies to employees, stakeholders and third-party operatives. It reflects international frameworks, including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Global Compact.

The Supplier Code of Conduct sets expectations for suppliers and third parties, particularly regarding safe and healthy working conditions and the prohibition of forced or child labour. It is approved by the Board of Directors and is

guided by ILO principles and the UN Sustainable Development Goals. The Group also has guidelines in place to ensure that workers employed through subcontracting or third parties are treated in line with local legislation and international standards. This includes reviewing health and safety practices, verifying credentials and insurance, and assessing aspects such as pay levels and equal treatment.

Purmo Group's Human Rights policy, approved by the Board of Directors, applies to employees and business partners and is aligned with the UN Guiding Principles on Business and Human Rights and the UN Global Compact. It includes commitments related to safe working conditions, fair treatment, monitoring of working hours, support for flexible work, freedom of association, and a zero-tolerance approach to discrimination, forced labour and modern slavery. The ESG steering group oversees the policy and ensures that any concerns are appropriately addressed.

The Group's Global HR Health and Wellbeing policy focuses on creating a safe and supportive work environment that promotes both physical and mental well-being. Approved by the CEO and managed by the CPO it includes commitments related to safety, work-life balance and wellbeing initiatives. Purmo Group also operates an ISO 45001 certified management system.

The Employee Engagement policy aims to foster a supportive and communicative workplace, with a focus on employee satisfaction, retention and productivity. It includes provisions for leadership responsibilities, employee surveys, feedback mechanisms and continuous improvement actions. The policy is implemented under the responsibility of the Head of Employee Experience.

The Equality, Diversity and Inclusion policy promotes a workplace free from discrimination and harassment, supporting fairness, dignity and respect for all employees and potential employees. It covers a wide range of protected characteristics and outlines the responsibilities of leaders, managers and employees, as well as measures to support inclusion and diverse talent.

The Whistleblowing policy enables the reporting of suspected misconduct, including bribery, fraud, health and safety risks, environmental harm and legal breaches. Investigations are overseen by the Head of Legal and may be escalated to the CEO or the Board when necessary.

Across all policies, leaders and managers are responsible for day-to-day implementation, supported by HR in monitoring and follow-up. Policies are communicated to employees during onboarding and made available through internal

channels such as the intranet and the PG People system. Site-specific policies are communicated by local HR teams.

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

Purmo Group engages with its workforce through a structured set of processes, including onboarding, training, regular performance and career discussions, and employee surveys. All white-collar employees participate in annual performance reviews and feedback discussions, while local HR teams are responsible for facilitating engagement across all employee groups. Employee views are gathered through both formal and informal dialogue, as well as through the Group-wide annual Pulse Survey, which assesses engagement and working environment topics.

Employee engagement processes are linked to material topics related to working conditions, including secure employment, adequate wages, social dialogue, work-life balance and health and safety. They also address equal treatment and opportunities, such as gender equality, equal pay for work of equal value, training and skills development, measures against violence and harassment, and diversity.

Resources supporting employee engagement include the Head of HR, the Head of Employee Experience and local HR managers. The Group also promotes engagement through internal communication channels, including its intranet, shopfloor information screens and a dedicated email channel for ESG-related discussions. In addition, ESG topics are actively communicated through the “Because We Care” initiative.

Purmo Group communicates regularly with employees on performance, targets and sustainability-related topics through its intranet, internal communications and shopfloor information channels. The Group does not have a global agreement with workers’ representatives, as frameworks vary by country depending on local legislation and requirements. Work councils and unions are managed locally by HR managers, site managers or heads of legal entities. The Group does not currently have a formal global process to engage with particularly vulnerable workers; however, local sites provide support where needed and address issues as they arise.

### **The Pulse Survey**

The effectiveness of employee engagement is assessed through the annual Group-wide Pulse Survey. The survey covers engagement and working environment topics and is managed by the Head

of HR and Employee Experience. Responses are collected and analysed at both local and Group levels.

Feedback is reviewed by HR teams, and identified issues are addressed through direct engagement with employees. Common themes are addressed centrally, with the aim of driving improvements through updates to policies or Group-level initiatives. Actions resulting from the survey are monitored by HR managers and followed up through subsequent surveys and ongoing tracking of developments.

With 2,030 participants and a 79% response rate (2024: 84%), the Employee Net Promoter Score (eNPS) declined to -4 (2024: 18), primarily reflecting the impact of ongoing restructuring and related uncertainty. Despite the year-on-year decrease, the result remains above the 2020 baseline of -12, indicating overall positive development over time. With four years of comparable data, the Group has a strong foundation for targeted actions to support employees through change.

### **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.

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.

**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 2026 or 2027.

**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.

**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.

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

Purmo Group has defined a set of targets addressing its material social impacts, risks and opportunities, focusing on employee engagement and wellbeing, skills development, and health and safety. These targets are linked to key material topics, including working conditions, equal treatment and opportunities, and training and skills development.

The Group has a target to improve employee engagement through year-on-year development of key indicators, including the Employee Net Promoter Score (eNPS) and participation rates in engagement surveys. These are supported by structured feedback processes and follow-up action plans at both local and Group levels. The results provide insights into employee sentiment and support continuous improvement in the working environment.

In addition, the Group has set a target that all employees have access to and complete relevant training for their roles as part of its approach to skills and workforce development. This includes initiatives to strengthen internal capabilities and support long-term employability across the organisation.

The Group also has a target to maintain a safe working environment and continuously improve its health and safety performance through ongoing monitoring and preventive actions, with LTIFR serving as a key metric. In parallel, the Group supports community engagement through initiatives such as increasing employee volunteering hours.

Purmo Group recognises that not all targets currently fully meet the ESRS requirements for being time-bound and outcome-oriented. As part of its ongoing development, the Group is aligning with updated and simplified ESRS guidance and will continue to refine its targets by defining clear metrics, baselines and monitoring processes. The Group aims to disclose a fully ESRS-aligned target framework by the 2026 or 2027 financial year.



### 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 2,629 (2,830), with a significant majority being male at 2,090 (2,237), followed by female employees at 539 (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 726 (735), followed by Germany with 321 (362), Italy with 273 (298), and the United Kingdom with 294 (298).

In terms of contract types, the majority of employees are on permanent contracts at 2,506 (2,687), with a smaller number on temporary contracts at 112 (135) and non-guaranteed hours contracts at 11 (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 449 (491), resulting in an employee turnover rate of 17.08 (17.35) per cent. 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 2025. 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.

### S1-7 Characteristics of non-employee workers in the undertaking's own workforce

Purmo Group uses non-employee workers in its operations. However, detailed Group-wide data in line with S1-7 requirements is not yet available, and separate quantitative metrics are therefore not reported for 2025.

### Employee head count by gender

Gender	31 Dec 2025	31 Dec 2024
Male	2,090	2,237
Female	539	593
Other	0	0
Not reported	0	0
<b>Total employees</b>	<b>2,629</b>	<b>2,830</b>

### Countries in which employees represent at least 10 per cent of Group's total and over 50 employees.

Country	31 Dec 2025	31 Dec 2024
Germany	321	362
Italy	273	298
Poland	726	735
United Kingdom	294	298

### Employees by contract type broken down by gender and headcount

	2025					2024				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of employees	539	2,090	0	0	2,629	593	2,237	0	0	2,830
Number of permanent employees	515	1,991	0	0	2,506	560	2,127	0	0	2,687
Number of temporary employees	22	90	0	0	112	32	103	0	0	135
Number of non-guaranteed hours employees	2	9	0	0	11	1	7	0	0	8
Number of full-time employees	472	2,048	0	0	2,520	511	2,192	0	0	2,703
Number of part-time employees	67	42	0	0	109	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 2025. 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.

	2025	2024
total number of employees who have left the company during period <sup>1</sup>	449	491
Employee turnover rate, %	17.08%	17.35%

### Coverage of collective bargaining agreement

Coverage rate	2025		2024	
	Collective bargaining coverage Employees – EEA	Global percentage of employees by workers' reps for each EEA countries Workplace representation	Collective bargaining coverage Employees – EEA	Global percentage of employees by workers' reps for each EEA countries Workplace representation
0-19%	Hungary Poland Ireland	Hungary Ireland	Hungary Poland	Hungary
20-39%	-	Finland	-	-
40-59%	-	Sweden	-	Sweden
60-79%	-	-	-	-
80-100%	Austria Belgium Finland France Germany Italy Sweden	Austria Belgium France Germany Italy Poland	Austria Belgium Finland France Germany Italy Sweden	Austria Belgium Finland France Germany Italy Poland

Percentage of total employees covered by collective agreements	2025	2024
Number of total employees	2,629	2,830
Number of employees covered <sup>1</sup>	1,279	1,959
Percentage %	48.6%	69.2%

### Workplace representation: coverage by workers' representatives

Percentage of total employees covered by workers' representatives	2025	2024
Number of total employees	2,629	2,830
Number of employees working in establishments with workers' representatives <sup>1</sup>	1,840	2,038
Percentage %	70.0%	72.0%

<sup>1</sup> 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 currently reports S1-8 collective bargaining coverage and social dialogue information primarily for EEA countries. Non-EEA information is not yet available on a fully comparable basis, although available local information indicates that collective bargaining arrangements exist in certain non-EEA countries.

The existence and scope of collective bargaining and framework agreements vary by country.

In some countries, collective bargaining has a broad impact on employment terms, while in others it may only determine specific elements, such as salary levels. Where collective bargaining does not apply, such as in the UK, local legal requirements are followed.

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 at top management	Gender distribution Top management	Number	Percentage, %
31 Dec 2025	Male	35	85.37%
	Female	6	14.63%
	Other	0	0.00%
31 Dec 2024	Male	28	75.68%
	Female	9	24.32%
	Other	0	0.00%

#### Purmo Group's definition of top management follows the ESRS definition of top management

Total number of employees	Employee age distribution	Number	Percentage, %
31 Dec 2025	Under 30	295	11.22%
	30-50	1,383	52.61%
	Over 50	951	36.17%
31 Dec 2024	Under 30	356	12.58%
	30-50	1,466	51.80%
	Over 50	1,008	35.62%

### 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	2025	2024
Percentage of countries that pay the adequate wage	100.0%	100.0%

### 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.

Coverage varies by country and category, reflecting differences in national legislation, employment arrangements, local benefit practices and the scope of applicable statutory schemes.

### S1-12 Persons with disabilities

Purmo Group does not yet have information regarding S1-12 – Persons with Disabilities.

### S1-13 Training and skills development metrics

Purmo Group does not yet have information regarding S1-13 – Training and skills development metrics.

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	96% yes - 4% partly	UK		Managerial roles in the UK have health insurance as part of contractual terms and conditions.
Unemployment starting from when the own worker is working for the undertaking	74% yes - 26% partly	Denmark, Finland, France, Sweden		Denmark, Finland & Sweden: employees need to be members of an unemployment fund France: not in case of resignation
Employment injury and acquired disability	87% yes, 9% partly, 4% no	Partly: Estonia, Latvia No: UK		Estonia & Latvia: not covered by the government but the employer has insurance UK: employer does not have mandatory employer provided insurance
Parental leave	100% yes	-	-	-
Retirement	100% yes	-	-	-

### 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.

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

KPI	Purmo Group total amount of employees	Number of people in Purmo's workforce covered by health and safety management system based on legal requirements and/or recognised standards or guidelines	Percentage
2025	2,629	2,629	100%
2024	2,830	2,830	100%

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

KPI	Number of fatalities in own employees:	Number of fatalities in other employees working on Purmo's sites:
2025	0	1
2024	0	0

**The number and rate of recordable work-related accidents**

KPI	Number of recordable work-related accidents	Number of total hours worked	Rate of work-related injuries
2025	14	4,438,094	3.2
2024	17	4,996,075	3.4

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 number of recordable work-related accidents in 2025 was 14 (17), and the rate was 3.2 (3.4 in 2024). 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.

Despite this progress, a fatal accident involving an external contractor occurred in 2025 in an unoccupied area of one of the Group’s sites. The incident was reviewed with local authorities, and support was provided to those affected. The local authorities have not taken any enforcement or legal action against the company. However, the event underscores the importance of maintaining safety as the Group’s highest priority.

**S1-15 Work-life balance metrics**

Purmo Group does not yet have information regarding S1-15 – Work-life balance metrics.

**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 11 (8) people who have a 0-hour contract.

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	2025	2024
Gender pay gap %	10.97%	6.60%
Average gross hourly pay level of male employees, EUR	20.2	19.7
Average gross hourly pay level of female employees, EUR	18.0	18.4

**Annual total remuneration**

KPI	2025	2024
Annual total remuneration ratio	18.22	17.53
Annual total remuneration for the highest paid individual at Purmo, EUR	573,000	534,068
Median employee annual total remuneration (excluding the highest paid individual), EUR	31,457	30,465

The gender pay gap includes all Purmo Group employees; however, 0-hour contract 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 0 (0).

The total number of complaints filed by the workforce to raise concerns is 9 (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 0 (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	2025	2024
Total number of incidents of discrimination, including harassment	0	0
The number of complaints filed through channels for people in the company to raise concerns.	9	3
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints	0	0

KPI	2025	2024
Number of severe human rights issues and incidents connected to Purmo's own workforce	0	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	0
Monetary amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0	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 0 (0).

## ESRS S2 Workers in the value chain

### Material impacts, risks and opportunities

**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, including the heavy steel industry, and operates a global supply chain that includes some higher-risk countries where compliance with health and safety regulations may be more challenging. This may increase the risk of accidents if appropriate protocols and policies are not in place. The health and safety of value chain workers is therefore an important consideration in Purmo Group's decision-making, particularly in relation to supplier management policies and practices.

The scope of this disclosure includes value chain workers who may be materially impacted through Purmo Group's operations and supply chain. Potential negative impacts are mainly associated with health and safety risks in manufacturing and heavy-industry supply chains, including injuries or, in severe cases, fatalities. These impacts are considered to relate to individual incidents rather than being widespread across 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, risks or opportunities for Disclosure Requirement S2 topics.



## **S2-1 Policies related to value chain workers**

The Group-wide Supplier Code of Conduct defines the minimum requirements that Purmo Group expects all suppliers, vendors and consultants to comply with, covering areas such as working conditions, health and safety, anti-bribery and corruption, and human rights. Suppliers are expected to provide a working environment where individuals are treated with dignity and respect, and to comply with applicable laws and regulations related to pay, benefits and working hours, while ensuring reasonable remuneration and rest. They are also expected to respect employees' rights to freedom of association and collective bargaining.

The Supplier Code of Conduct further requires suppliers to ensure safe and healthy working conditions for their employees and contractors. This includes implementing appropriate controls, procedures and monitoring practices, as well as providing necessary training and safety equipment to prevent workplace hazards. Compliance with applicable health and safety regulations is required at all times.

Purmo Group requires its suppliers to adhere to the Supplier Code of Conduct and align with internationally recognised principles, including the United Nations Global Compact and the

International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Group is committed to the ten principles of the UN Global Compact and recognises human rights as defined in the International Bill of Human Rights and ILO standards. Both the Code of Conduct and the Supplier Code of Conduct are guided by these frameworks.

The Supplier Code of Conduct explicitly prohibits forced labour, human trafficking and child labour. Suppliers are expected not to engage in any form of forced or bonded labour, slavery or trafficking, and to ensure that no child labour is used in their operations.

Supplier compliance is primarily monitored through EcoVadis assessments. At present, Purmo Group does not conduct internal audits of suppliers. The Head of Procurement is responsible for overseeing the implementation of the Supplier Code of Conduct. The Code is currently shared directly with suppliers and is planned to be made available to a wider stakeholder audience through the Group's website.

The Group's whistleblowing channel is available to both internal and external stakeholders via its website, allowing concerns related to value chain workers to be reported confidentially. Cases are handled based on their nature and severity.

Purmo Group's Supplier Code of Conduct, Procurement policy and Human Rights policy are linked to material impacts related to working conditions of value chain workers, including health and safety. The Human Rights policy, aligned with the UN Guiding Principles on Business and Human Rights and the UN Global Compact, sets out commitments related to fair treatment, safe working conditions, fair wages and zero tolerance for forced labour. These principles are communicated through policies, training and awareness initiatives. While Purmo Group does not directly engage with value chain workers, expectations and monitoring are implemented through its policies and external assessment tools such as EcoVadis.

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

Value-chain worker's Health and safety was recognized 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 prioritizes 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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Governance at Purmo Group is built on clearly defined responsibilities, structured oversight and established policies that support informed decision-making and accountability.

## ESRS G1 Business conduct

### Material impacts, risks and opportunities

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

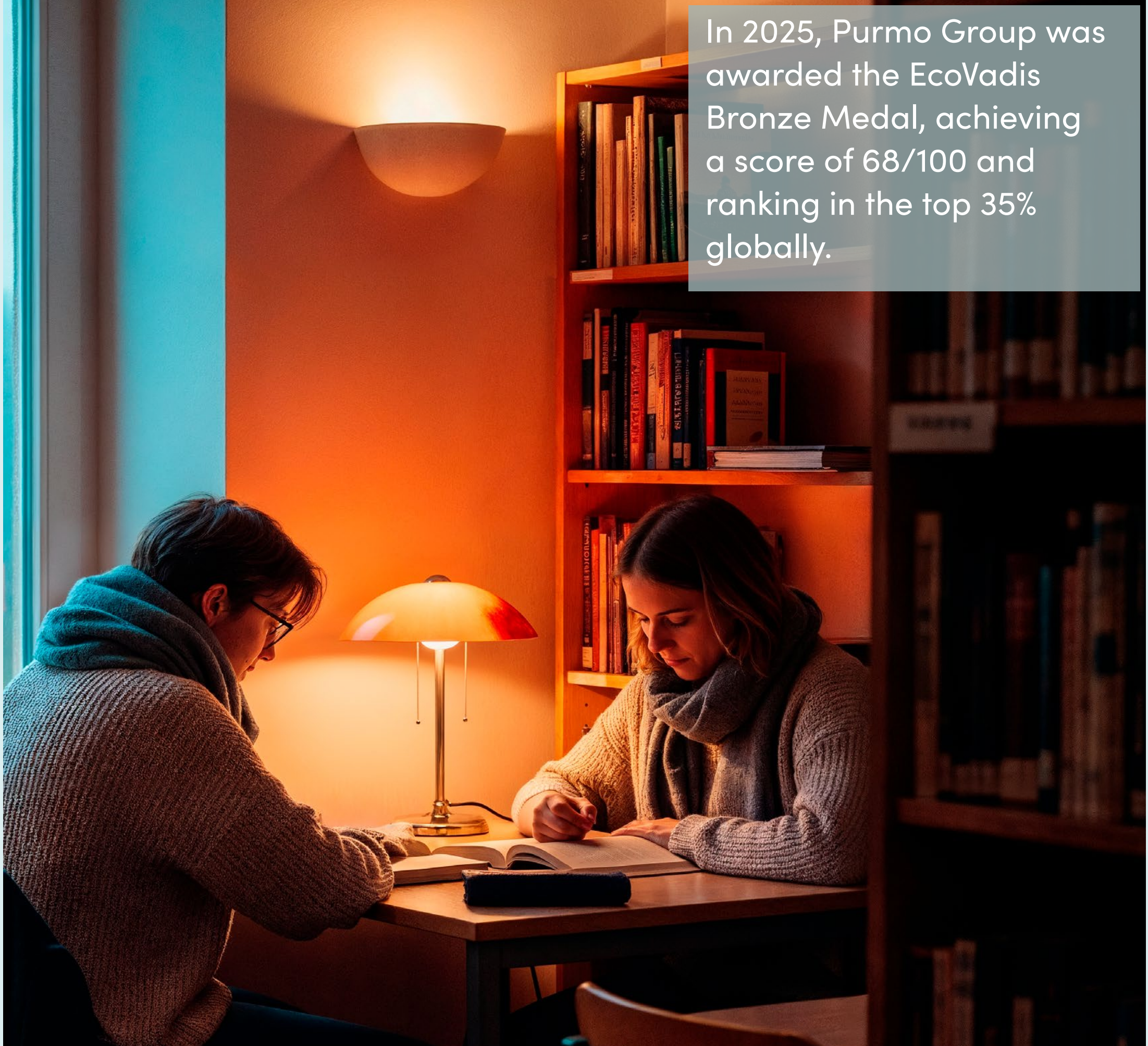
- Corporate culture
- Protection of whistleblowers
- Management of relationships with suppliers and
- Prevention/detection of corruption and bribery.

Corporate culture, protection of whistleblowers, and prevention and detection of corruption and bribery were assessed as having a positive impact. Management of relationships with suppliers was identified as a potential negative impact.

### G1-1 Business conduct policies and corporate culture

Purmo Group's approach to business conduct is supported by its Code of Conduct and related Group policies, which set expectations for ethical behaviour, compliance and responsible business practices. Relevant policies include the Supplier Code of Conduct, Anti-Bribery and Anti-Crime Policy, Competition Compliance Policy, Privacy Policy, Sustainability Policy and Human Rights Policy.

Further information on policies related to employees and social matters, including the Code of Conduct, Employee Engagement, Equality, Diversity and Inclusion, Health and Wellbeing, Human Rights and Whistleblowing, is presented in section S1-1 – Policies related to own workforce. Information on the Supplier Code of Conduct is presented in section S2-1 – Policies related to value chain workers, and information on the Sustainability Policy is presented in section E1-2 – Policies related to climate change mitigation and adaptation.



In 2025, Purmo Group was awarded the EcoVadis Bronze Medal, achieving a score of 68/100 and ranking in the top 35% globally.

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 Well-being. 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, well-being, 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.

### **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.

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.

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.

### **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, data privacy, Human rights 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 21 countries, selling products and solutions to our over 100,000 customers in more than 80 countries whereby the risk is higher in some countries.

### **G1-2 Management of relationships with suppliers**

In its double materiality assessment conducted in 2024, Purmo Group identified the management of relationships with suppliers as the only potential negative material impact under Business Conduct.

Sourcing affects communities, people and the environment. Purmo Group has implemented a Supplier Code of Conduct and is working to strengthen follow-up activities related to social sustainability topics for workers in the value chain, as well as environmental topics. This is a key area for development, especially given Purmo Group's sourcing from higher-risk countries.

The Group has a procurement policy that establishes an effective, accountable and transparent framework for the procurement of investments, goods and services. The policy

supports compliance with ethical and sustainable standards, upholds sound governance and helps manage 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 form available

on the Group Policy Library in the Intranet. The form 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 Legal function 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.

#### **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.

The sales, procurement, logistics and supply chain departments 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 0 in Purmo Group at the end of December 2025. This covers incidents involving actors in the company's value chain where the company or Purmo Group's employees would be directly involved. There were no cases of breaches of the Gift and Hospitality Procedure. In addition, 9 reports have been submitted through the whistleblowing channel.

**PURMO**  
GROUP

**2025**  
**SUSTAINABILITY REPORT**



## Independent Assurance Report on Sustainability Information

### To Purmo Group Topco (UK) Limited

#### Scope of Assurance Engagement

We have performed, at the request of Purmo Group Oy (Business ID 2890898-5), a limited assurance engagement on the group sustainability information specified below.

#### Subject Matter

The subject matter of the assurance engagement is the GHG Emissions Calculation of Purmo Group Oy (Appendix 1) for the reporting period 1.1.-31.12.2025 ("Sustainability Information").

#### 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 GHG Emissions Calculation for the reporting period 1.1.-31.12.2025 has not been prepared, in all material respects, in accordance with the Reporting Criteria defined below.

#### Basis for Opinion

We performed the assurance of the Sustainability Information as a limited assurance engagement in compliance with the International Standard on Assurance Engagements ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Our responsibilities under these standards are further described in the *Responsibilities of the Assurance Provider* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Assurance Provider's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements applicable in Finland that are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The assurance provider applies International Standard on Quality Management ISQM 1, which requires the 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 Company

The company is responsible for the preparation and presentation of the Sustainability Information in accordance with the Reporting Criteria, the GHG Protocol (referred to in this assurance report as the "Reporting Criteria").

The company is also responsible for such internal control as it determines is necessary to enable the preparation of Sustainability Information that is free from material misstatement whether due to fraud or error.

#### Inherent Limitations in the Preparation of the GHG Emissions Calculation

The quantification of greenhouse gas emissions involves inherent uncertainty, as the scientific knowledge used to determine emission factors and the values required to combine emissions of different gases is incomplete.

#### Responsibilities of the Assurance Provider

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the Sustainability Information 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 Sustainability Information.

Compliance with ISAE 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the Sustainability Information, 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 company'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 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 is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included, among others, the following:

- Discussions with individuals responsible for the collection and reporting of the Sustainability Information.
- Obtaining an understanding, through discussions, of the company's key processes and practical procedures related to the collection and aggregation of Sustainability Information.
- Reviewing the documentation and background materials prepared by the company, where applicable, and assessing whether they support the reported Sustainability Information.
- Reviewing the reported Sustainability Information and assessing data quality and the definition of reporting boundaries.
- Assessing the accuracy and completeness of the Sustainability Information by reviewing source documentation on a sample basis.
- Evaluating the application of principles and calculation rules in accordance with the Reporting Criteria by reviewing calculation formulas and performing recalculations.

**Helsinki, 29.4.2026**

**BDO Oy, Audit firm**

**Riitta Laine**

Authorised Public Accountant, KHT