



THERMAFLEX®

Sustainability Report

2023



At Thermaflex, our goal is to make a positive contribution to our environment by delivering sustainable insulation solutions that help minimise energy waste and optimize the use of natural resources.



CONTENTS

FOREWORD	4
SUSTAINABILITY AT THERMAFLEX	5
THE WORLD OF THERMAFLEX	6
APPROACH	7
ANALYSIS	8
OUR IMPACT	
Scopes	9
Geographies	10
Activities	11
Reduction	12
GOALS 2023	13
VISION 2023 – 2030	14

FOREWORD

Dear readers,

It is with great pleasure that I present to you the Thermaflex sustainability report for 2023. While sustainability and corporate social responsibility have been at the core of Thermaflex since its foundation, this year we have taken meaningful steps to better understand and measure our impact, and have formulated an ambitious strategic plan for the years ahead.

In today's world, the need for sustainable solutions has never been more pressing. Climate change poses serious challenges, and the urgent transition towards a low-carbon future demands our immediate attention and action. At Thermaflex, we embrace this responsibility wholeheartedly and are committed to take meaningful steps to increase our positive impact on the world.

Heating and cooling account for a large fraction of global CO₂ emissions. By developing and producing solutions for efficient thermal energy distribution we help reduce energy consumption and contribute to the global efforts in combatting climate change. We produce high-quality products in an environmentally sustainable manner, which is recognized by our Cradle-to-Cradle certifications and Environmental Product Declarations. We take our own responsibility and simultaneously contribute to the necessary transition to a low-carbon economy.

We are committed to further reducing our carbon footprint in the coming years and are determined to be a leader in sustainability by moving ahead of all regulatory requirements. To reduce our CO₂ footprint, we will completely transition to renewable energy over the coming years. Besides that, we are actively exploring ways to reduce gas emissions in our production through energy efficiency measures and product innovation.

This sustainability report serves as a testament to our commitment to transparency and accountability. We believe that sustainability is not just a goal, but a continuous journey. By means of this report, we are excited to share our journey with you.

We are proud of what we have achieved in the past year and are looking forward to making impactful steps in the coming years within all direct Thermaflex operations and in our value chain as a whole. Thermaflex will pursue this journey with dedication and a strong commitment.



Hans de Haas
CEO Thermaflex International

SUSTAINABILITY AT THERMAFLEX

We are Thermaflex. We develop and produce high-quality and sustainable insulation solutions across the world. Our innovative solutions help clients save energy and extend the lifespan of both insulation and the system it protects.

At Thermaflex, our purpose is to deliver energy savings and sustainability with high-quality, innovative insulation concepts. Lower energy consumption means lower costs for our customers and their end users, lower emissions of harmful substances, and longer service lifespans for buildings, systems, appliances, and machines. Win-win-win!

Our often customized insulation materials also offer protection, impact resistance, and sound insulation. They are suitable for many applications, including heating and cooling systems for buildings, district heating networks, transport, shipbuilding, machines, products, equipment and packaging.



We carry out comprehensive life-cycle assessments (LCAs) for our products to demonstrate and share the environmental friendliness of our products through all stages of their life cycle. Based on these assessments we publish environmental product declarations (EPDs), certified by an external party. Through this transparent 'sustainability passport' of our products we are enabling companies to make sustainable decisions.

We sustainably produce all our products and only offer products that:

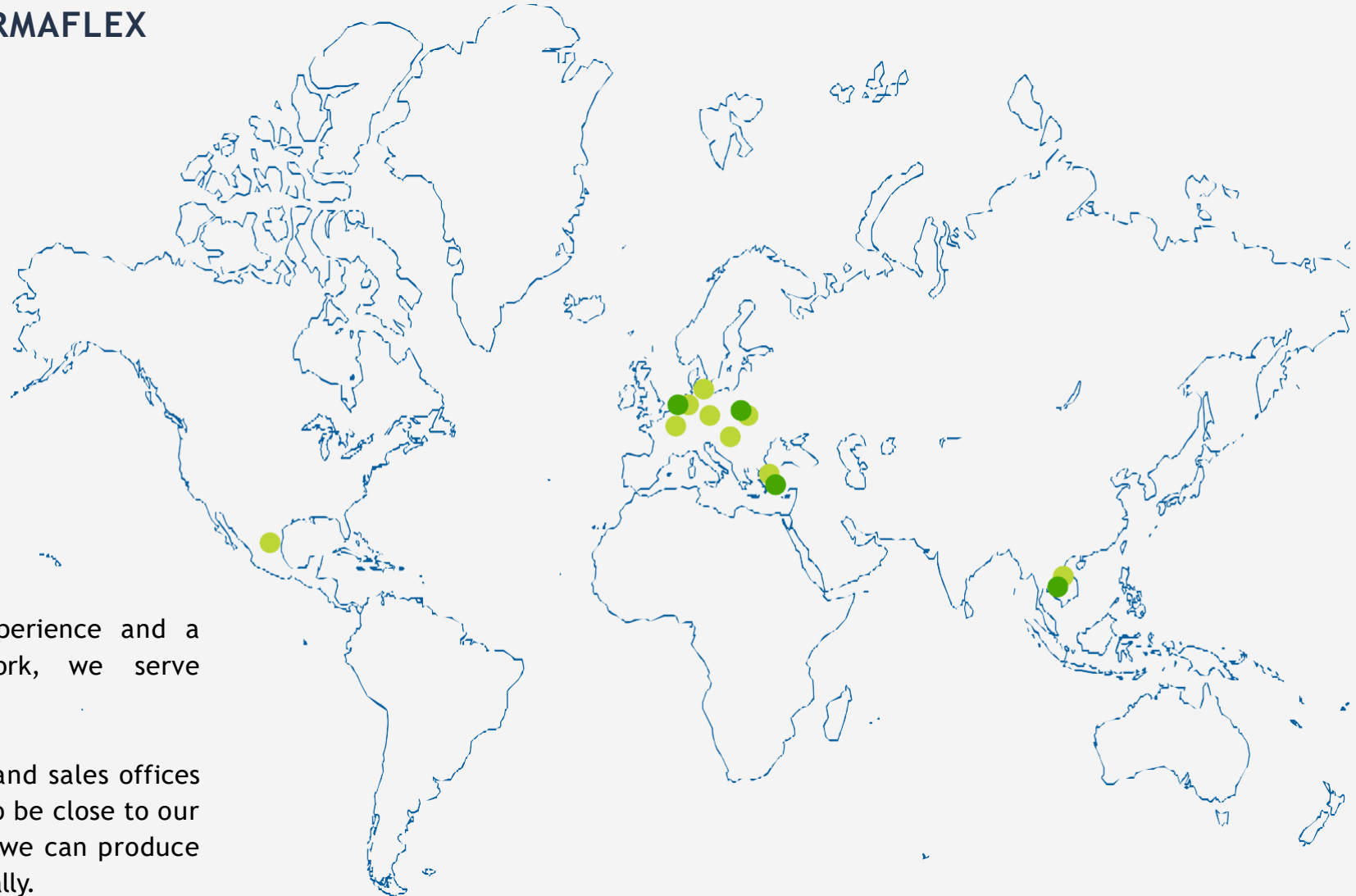
- Are fully recyclable
- Are made in an environmentally friendly way
- Are made by suppliers that share our principles
- Consist of safe materials
- Minimise energy waste and maximize the use of renewable energy

We are the only insulation supplier that has Cradle-to-Cradle certifications for its products. The Cradle to Cradle Certified Product Standard is the world's most ambitious and actionable standard for designing and making products that enable a healthy, equitable, and sustainable future. This certification is unique in the industry and is a testament to our commitment to sustainability.



THE WORLD OF THERMAFLEX

- Thermaflex Factories
- Thermaflex Sales Offices



With over 45 years of experience and a strong international network, we serve customers on all continents.

Having production facilities and sales offices across the world allows us to be close to our customers. Because of this, we can produce and deliver our products locally.

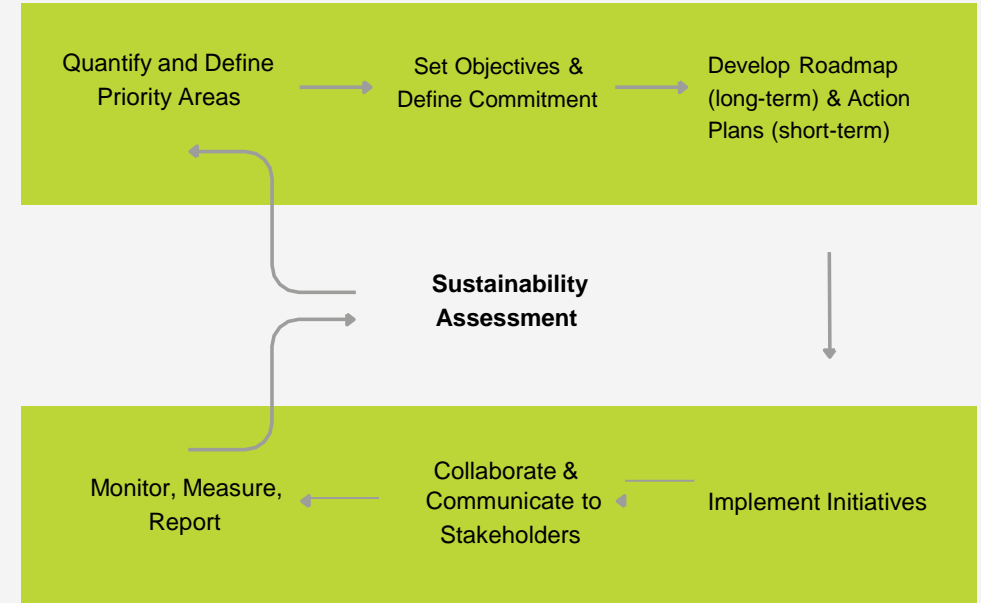
OUR APPROACH

Sustainability has always been part of the DNA of Thermaflex. Until 2018, Thermaflex was a certified Benefit Corporation (B Corp), the highest and worldwide known performance standard for companies meeting social sustainability and environmental performance standards. To become a B Corp we had to go through a rigorous certification process, which we passed convincingly.

Because of changing market conditions and the significant costs of such certifications, we decided to pause our B Corp certification in 2018. However, our commitment to and passion for sustainability has never stopped. In 2023 we decided that we wanted to reassess where we stand in our sustainability journey by gaining quantifiable insights and defining an ambitious commitment for the years to come. We know we are an impactful company, but recognize that there are always possibilities to reduce our footprint and become a more sustainable company.

That is why we set out to calculate the CO₂ footprint of all Thermaflex operations over the year 2022. This sustainability assessment allows us to 1) gain insights into our footprint, 2) define priority areas to reduce our footprint, 3) set quantified targets and make long-term commitments, and 4) have a baseline to measure our reduction strategies against.

We realize and recognize that sustainability has many dimensions, and that CO₂ emissions are one of them. We decided to focus on CO₂ emissions in our calculations as these are most significant to Thermaflex. However, as you will read in this report, our actions and commitment do not stop there.



ANALYSIS

Our CO₂ footprint analysis was completed at the beginning of 2023. We used the standards provided in the internationally recognized Greenhouse Gas Protocol (GHG) as a guideline for all calculations and reporting. To calculate our footprint correctly, we partnered up with Coolset, a carbon accounting platform.

Concerning the scope of the analysis, the CO₂ footprint of all Thermaflex production entities has been calculated, these are located in the Netherlands, Poland, Turkey, and Thailand. Besides that, the CO₂ footprint of the sales entities in Germany and France has been calculated as well. The calculations have been made over the year 2022.

The gathered data and insights are presented in the Thermaflex sustainability dashboard and have been discussed and shared with colleagues within the whole of Thermaflex.

The value chain (Scope 3 emissions) was also part of our footprint analysis. As we do not yet have access to sustainability data from all of our suppliers, information is in some cases based on industry standards and averages, in line with the GHG Protocol. Gaining more accurate insights into various aspects of our value chain and adding these to our emission analysis is something we will actively work on in the coming year(s).



OUR IMPACT: Scopes

The concept of emission scopes was introduced by The Greenhouse Gas Protocol. It differentiates between direct emissions caused by own operations and indirect emissions caused by company's the supply chain. In our analysis emissions were also divided in scope 1, 2, and 3.

The CO₂ footprint of Thermaflex in 2022 was 17.213 tons of CO₂.

Scope 1 Emissions - Direct greenhouse gas emissions from sources owned or controlled by the reporting organization. These include emissions from on-site fuel combustion, gas consumption, and owned or operated transportation.

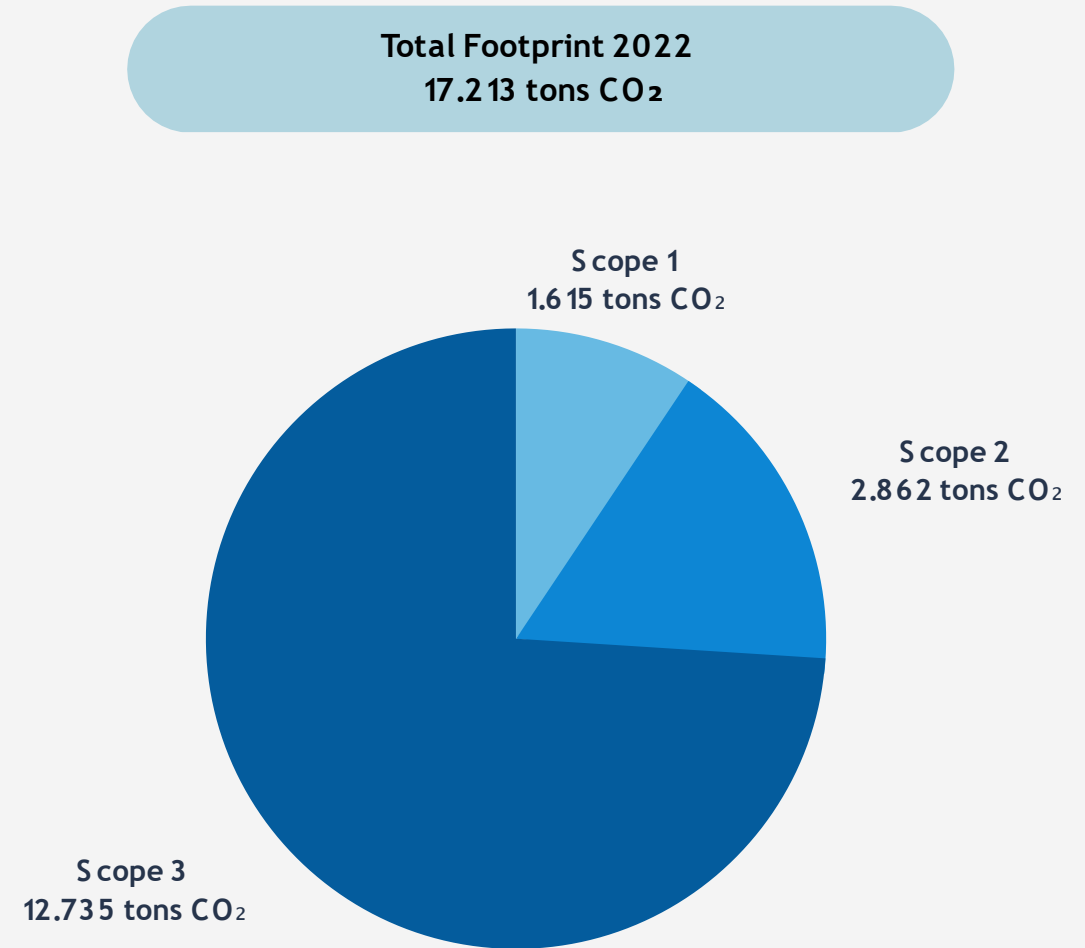
In 2022, Thermaflex emitted 1.615 tons of CO₂ (9%) in its Scope 1. The largest part of these emissions are related to the use of gas for heating and degassing operations in our production sites.

Scope 2 Emissions - Indirect greenhouse gas emissions resulting from the consumption of purchased electricity, heat, or steam by the reporting organization.

In 2022, Thermaflex emitted 2.862 tons of CO₂ (17%) in its Scope 2. These emissions are exclusively related to the use of electricity in our offices and factories.

Scope 3 Emissions - Indirect greenhouse gas emissions that occur throughout the entire value chain of the reporting organization. This includes emissions from activities such as purchased goods and services and transportation of products.

In 2022, Thermaflex emitted 12.734 tons of CO₂ (74%) in its Scope 3. In line with most production companies, the largest share of these emissions is related to the procurement of raw materials and the transportation of finished goods.

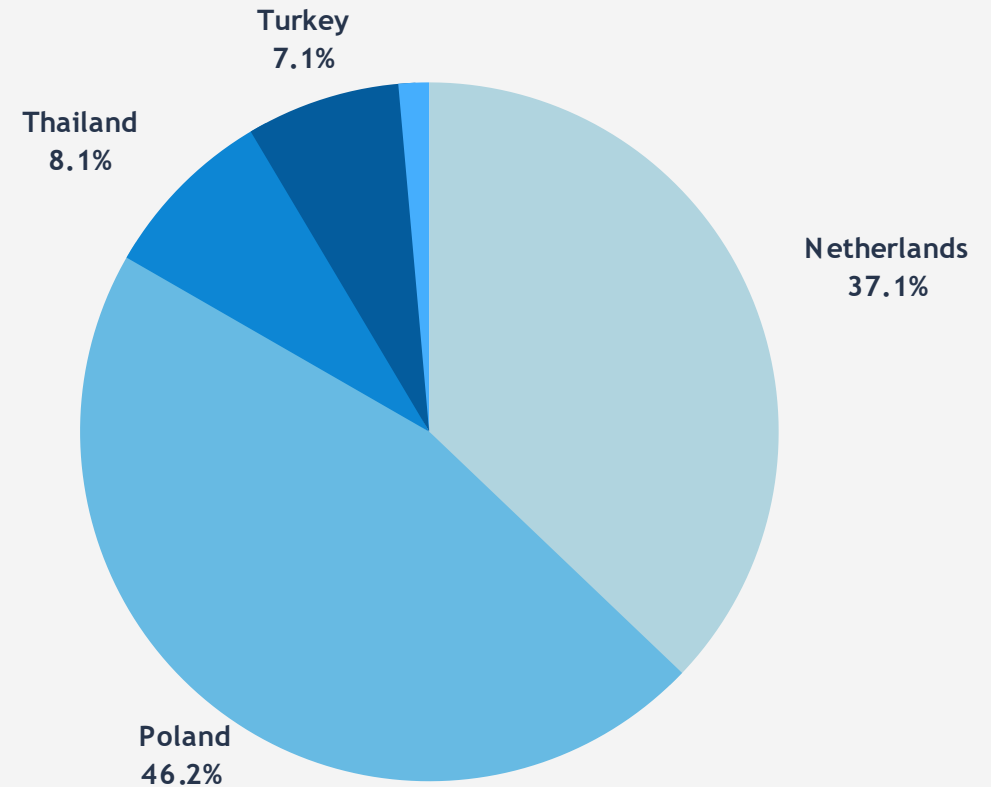


OUR IMPACT: Geographies

The production facilities in the Netherlands and Poland account for the greatest share of the total CO₂ footprint of Thermaflex (37% & 46% respectively).

The operations in Thailand account for approximately 8% of total emissions, while Turkey takes up 7%. The sales offices of Thermaflex take up only a small fraction of the total footprint.

The composition of the CO₂ footprint of the four production entities is largely similar but does differ in some aspects. This has to do with geographical differences in how our products are produced as well as the energy sources that are used for production.



OUR IMPACT: Activities

The three main emission hotspots are the categories of raw materials (47% of total emissions), energy (28% of total emissions), and transport (13% of total emissions). Combined, these three categories account for almost 90% of the total CO₂ emissions of Thermaflex. Consequently, these are the main areas we will focus on with regard to our CO₂ reduction strategies.

Raw materials

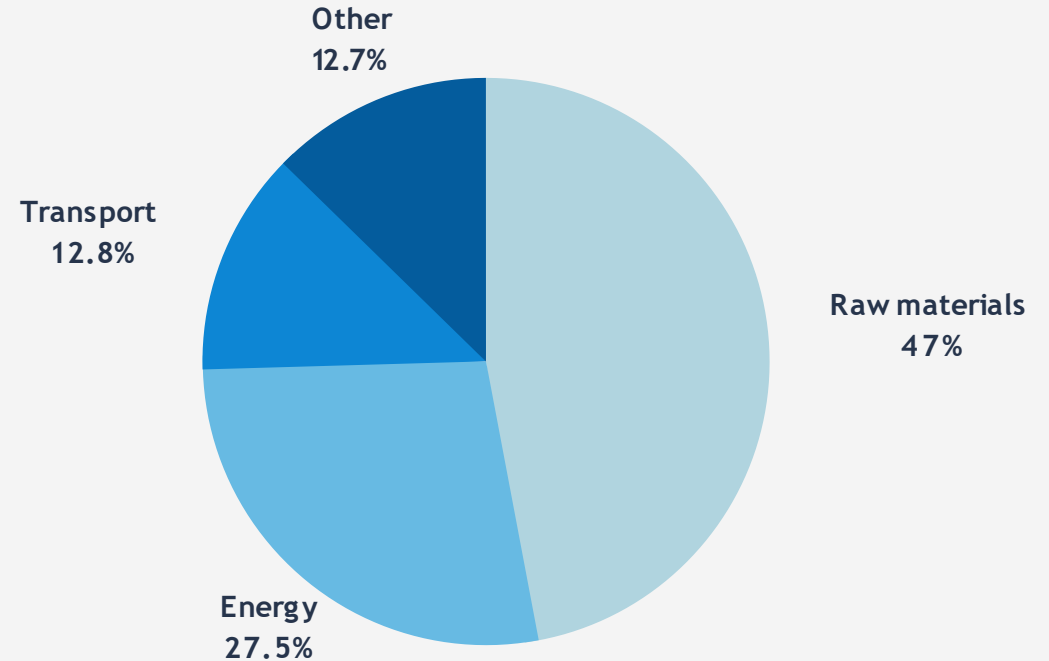
The procurement of raw materials needed for the production of insulation materials on production sites is the largest source of emissions for Thermaflex. This category includes all raw materials purchased to produce Thermaflex's products.

Energy

Within the energy category, there are three main sources of emissions. The largest contributor is emissions from electricity (17% of the total footprint). Besides that, emissions from gas (including isobutane) contribute significantly (9% of the total footprint). Gas is used in production for degassing operations in the Thermaflex production sites. Finally, fuel usage, mainly for (lease) cars and motorbikes, constitutes 2% of the total footprint.

Transport and logistics

The emissions within the transport category mainly stem from road freight, which is the primary method of transport for Thermaflex (12% of total emissions). In some cases, goods are transported over water (0,5% of total emissions).



OUR IMPACT: Reduction

We are committed to reducing CO₂ emissions across all of our operations. To this end, we have formulated several emission reduction objectives.

As elaborated on later in this report, we will mainly focus on emissions that are in our control (Scope 1 and Scope 2 emissions), but will also work to reduce our indirect emissions. For our Scope 1 and Scope 2 emissions, we are employing various reduction strategies and plans.

Renewable energy

Transitioning to renewable energy sources is one of the key steps for Thermaflex to reduce emissions in production. To this end, we are concretely working and researching opportunities to install on-site renewable energy systems. Additionally, we are looking into switching/entering into long-term power purchase agreements with renewable energy providers to ensure a long-term sustainable energy supply.

Gas

In the coming years, we will actively explore ways to eliminate the need for gas in our production processes. We will do this through product development and innovation, and by investing significantly in technologies that can eliminate gas from production.

Energy efficiency

We are continuously working to become more energy efficient in anything we do, by focusing on electrification in our operations and buildings and implementing energy-saving technologies.

Scope 3, our value chain

For our indirect, Scope 3, emissions we have identified several focus areas that we will work on to reduce CO₂ emissions in our value chain. Through supply chain optimization we will assess the sustainability of our supply chain and collaborate with suppliers to minimize emissions. Where possible, we will source materials from environmentally responsible sources. Furthermore, we will investigate ways to lower emissions from transport by looking at low-carbon transport and considering alternatives to trucking. Lastly and above all, we are actively seeking opportunities to collaborate with customers, suppliers, partners industry peers, sustainability networks, and environmental organizations.



GOALS 2023

In 2023 we have taken concrete steps in our sustainability ambitions by measuring our CO₂ footprint. Besides that, we have started the groundwork for Thermaflex's sustainability vision and strategy for the current year and the years to come. Our objectives for the year 2023 are listed below.



MEASURING AND MAPPING OUR IMPACT

Measure our CO₂-footprint to understand our impact on company-level, this enables us to identify areas where we can reduce our carbon footprint.



SUSTAINABILITY REPORT

In line with our core values, publish a sustainability report to share our sustainability progress and journey.



SETTING OBJECTIVES AND DEFINING COMMITMENT

Define a clear ambition so we can develop a roadmap for the future. The sustainability objectives and commitments will guide Thermaflex on its journey.



REDUCTION

Develop short-term and long-term plans to reduce the CO₂-footprint of Thermaflex.



SUSTAINABILITY AT PRODUCT-LEVEL

Further measure and map the impact of our products at the product-level by conducting Life Cycle Assessments of our (new products) to be able to track product sustainability.



SUSTAINABILITY DATA COLLECTION

Establish robust processes for collecting and storing sustainability data.



CERTIFICATION

Maintain our Cradle-to-Cradle certifications and obtain additional Environmental Product Declarations for our products.



CULTURE OF SUSTAINABILITY

Foster a culture of sustainability amongst our employees, customers, partners and other stakeholders by communicating our progress and ambitions.



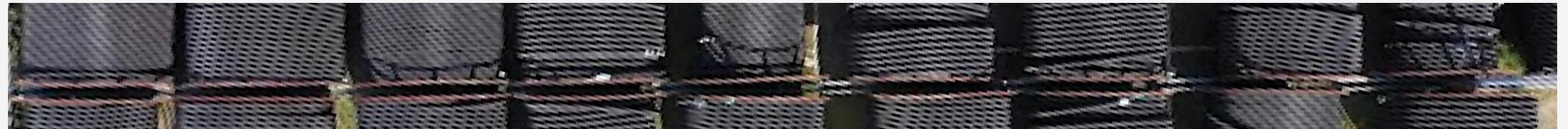
VISION 2023 - 2030

In 2030, we aim to be net-zero in all emissions that are directly controlled by Thermaflex. Effectively, this means that Thermaflex will be carbon neutral in Scope 1 and Scope 2 emissions. Over the coming years, we will balance these emissions as much as possible through various reduction strategies. If we are unable to balance these emissions fully, we will compensate for the remaining Scope 1 and Scope 2 emissions in 2030. This ambitious goal is motivated by our drive to take responsibility and to be a sector leader in the transition towards a more sustainable world.

Before the end of 2030, the Scope 1 and Scope 2 emissions of Thermaflex will be net-zero.

In pursuit of our long-term sustainability objectives, Thermaflex recognizes the importance of taking actionable steps to ensure progress. To provide a clearer focus and a shorter-term perspective, we have defined a robust midterm goal.

Before the end of 2027, Scope 1 emissions will be 30% lower compared to the index year 2022. Before the end of 2025, Scope 2 emissions will be net-zero.



To reach the mid- and long-term goals we will make significant investments in clean energy production (solar), further develop our production processes, and where possible replace assets for climate-neutral options. Our emphasis and focus in the coming years will be on reduction, as we do not see compensation as a stand-alone solution.

Scope 3

We recognize that a significant part of our footprint falls within the value chain (Scope 3). On top of our net-zero ambitions for Scope 1 and Scope 2 emissions, we are also committed to engaging with our indirect emissions.

We will especially focus on the raw materials we purchase and the way we transport our finished products. We as Thermaflex alone can only make a small difference in this world, but we are highly motivated to engage and collaborate with our suppliers, customers, and partners.



We take responsibility

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