



Sustainability Report **2024**

Our Commitment to a Greener Future



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





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A message from our CEO



Dear readers,

It is with great enthusiasm that I present to you the Thermaflex Sustainability Report for 2024. Sustainability and corporate social responsibility have always been at the core of our mission and operations at Thermaflex, and this year we have made significant progress in our sustainability journey. I am proud that we have again deepened our understanding of our environmental impact and have made strong advances in our effort to become even more sustainable.

In the world today, the need for sustainable solutions continues to be pressing as the transition to a low-carbon future requires immediate and concerted efforts. At Thermaflex, we wholeheartedly embrace this responsibility, committing ourselves to impactful actions that enhance our positive contribution to the world.

We are the only insulation and pre-insulated piping supplier that has Cradle to Cradle® certifications for its products. This product standard is the most ambitious and actionable standard and highlights our broad commitment to sustainability. We don't only make products in an environmentally friendly way, our products are fully recyclable and consist of safe, high-quality materials.

In 2023, we have made great progress towards our goals by executing on our roadmap. We have managed to achieve significant CO₂ reductions through several projects in our facilities, production, and further operations. I find it fantastic to witness the enthusiasm in the teams and their commitment to increasing our positive impacts.

This sustainability report embodies our commitment to transparency and accountability. We view sustainability not as a destination, but as an ongoing journey. Through this report, we are excited to share our progress and milestones with you.

We are proud of our achievements the past year and are excited to take further impactful steps in the year(s) ahead, both within direct Thermaflex operations and in our value chain as a whole.

With unwavering dedication and a strong commitment, Thermaflex will continue to lead the way in sustainability. Thank you for joining us on this journey!



Committed to combatting climate change, we reduce energy consumption and lead the transition to a low-carbon economy. With Cradle to Cradle certifications, we produce high-quality, environmentally sustainable products. Our dedication to sustainability goes beyond regulations, as we embrace renewable energy and innovate for a greener world.



Hans de Haas
CEO Thermaflex International

Sustainability at Thermaflex



We are Thermaflex. We develop and produce high-quality and sustainable insulation and pre-insulated piping solutions across the world. Our innovative solutions help clients save energy and extend the system lifespan.

Our purpose is to deliver energy savings and sustainability with high-quality, innovative insulation and pre-insulated piping concepts. Lower energy consumption means lower costs for our clients 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 products also offer protection, impact resistance, and sound insulation. They are suitable for many applications, including heating and cooling systems, district heating and cooling 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
- Minimize energy waste and maximize the use of renewable energy

We are the only insulation and pre-insulated piping 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



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 closer to our customers. Because of this, we can produce and deliver our products locally.



Our Approach



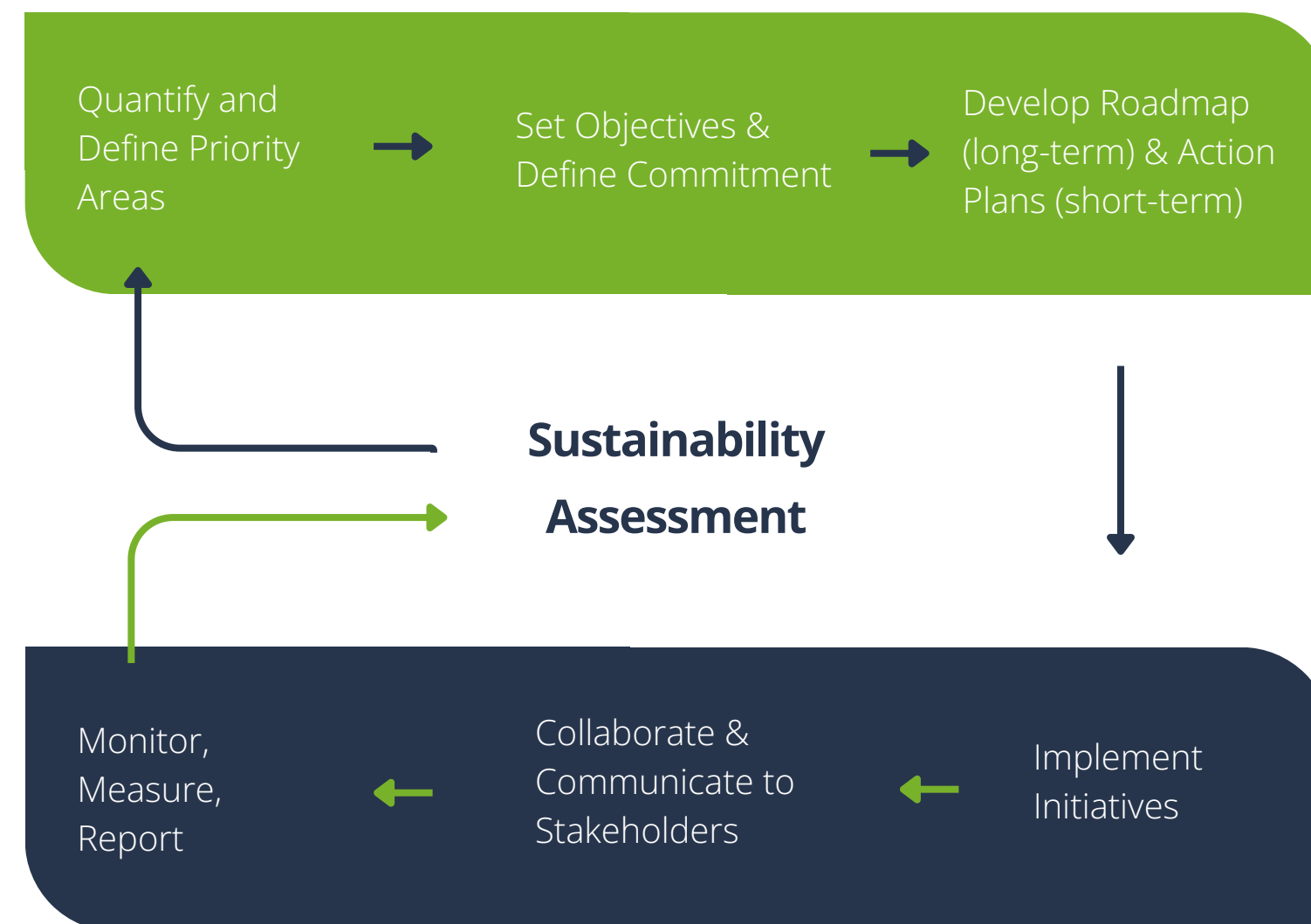
Sustainability has always been part of the DNA of Thermaflex. Until 2018, Thermaflex was a certified Benefit Corporation (B Corp), the highest and worldwide known performance standard for companies meeting social sustainability and environmental performance standards. To become a B Corp we had to go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

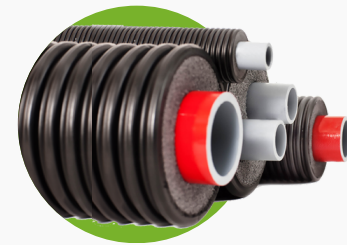
In 2023, we decided that we wanted to reassess where we stand in our sustainability journey by gaining quantifiable insights and defining an ambitious commitment for the years to come. We know we are an impactful company, but recognize that there are always possibilities to reduce our footprint and become a more sustainable company.

This year we, again, set out to calculate the CO₂ footprint of all Thermaflex operations over the year 2023. This sustainability assessment allows us to 1) gain further insights into our footprint, 2) track progress on our goals and priority areas to reduce our footprint, 3) track progress on our long-term commitments, 4) measure our reduction strategies against the baseline.

We realized 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.



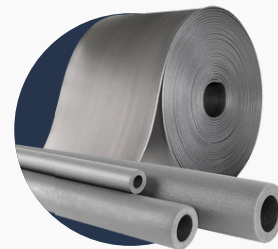
Our Cradle to Cradle Certified® Products



Flexalen®600 +
Flexalen®Protectube +
Flexalen®PB

Cradle to Cradle Certified® Silver v3.1

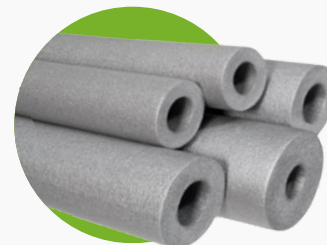
C2C Certified Material Health Certificate™ Silver v3.1



ThermaSmart® Pro
+ ThermaGo Elast

Cradle to Cradle Certified® Bronze v3.1

C2C Certified Material Health Certificate™ Bronze v3.1



ThermaEco

Cradle to Cradle Certified® Silver v3.1

C2C Certified Material Health Certificate™ Silver v3.1



TQ-AIR

Cradle to Cradle Certified® Silver v3.1

C2C Certified Material Health Certificate™ Silver v3.1

Analysis

Our CO₂ footprint analysis was completed at the beginning of 2024 and includes emission data from 2023. We used the standards provided in the internationally recognized Greenhouse Gas Protocol (GHG) as a guideline for all calculations and reporting. Where needed we used our calculations from last year as a basis for this year's analysis.

Concerning the scope of the analysis, the CO₂ footprint of all Thermaflex production entities has been calculated, these are 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 2023.

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 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 continue to actively work on in the coming year(s).



Results: 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 the companies in the supply chain. In our analysis emissions were also divided in Scope 1, 2, and 3.

The CO₂ footprint of Thermaflex in 2023 was 13.793 tons of CO₂.

Scope 1 Emissions

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

In 2023, Thermaflex emitted 1.202 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. Compared to last year, we have made good progress in becoming more energy efficient, Scope 1 emissions have decreased by 25%.

Scope 2 Emissions

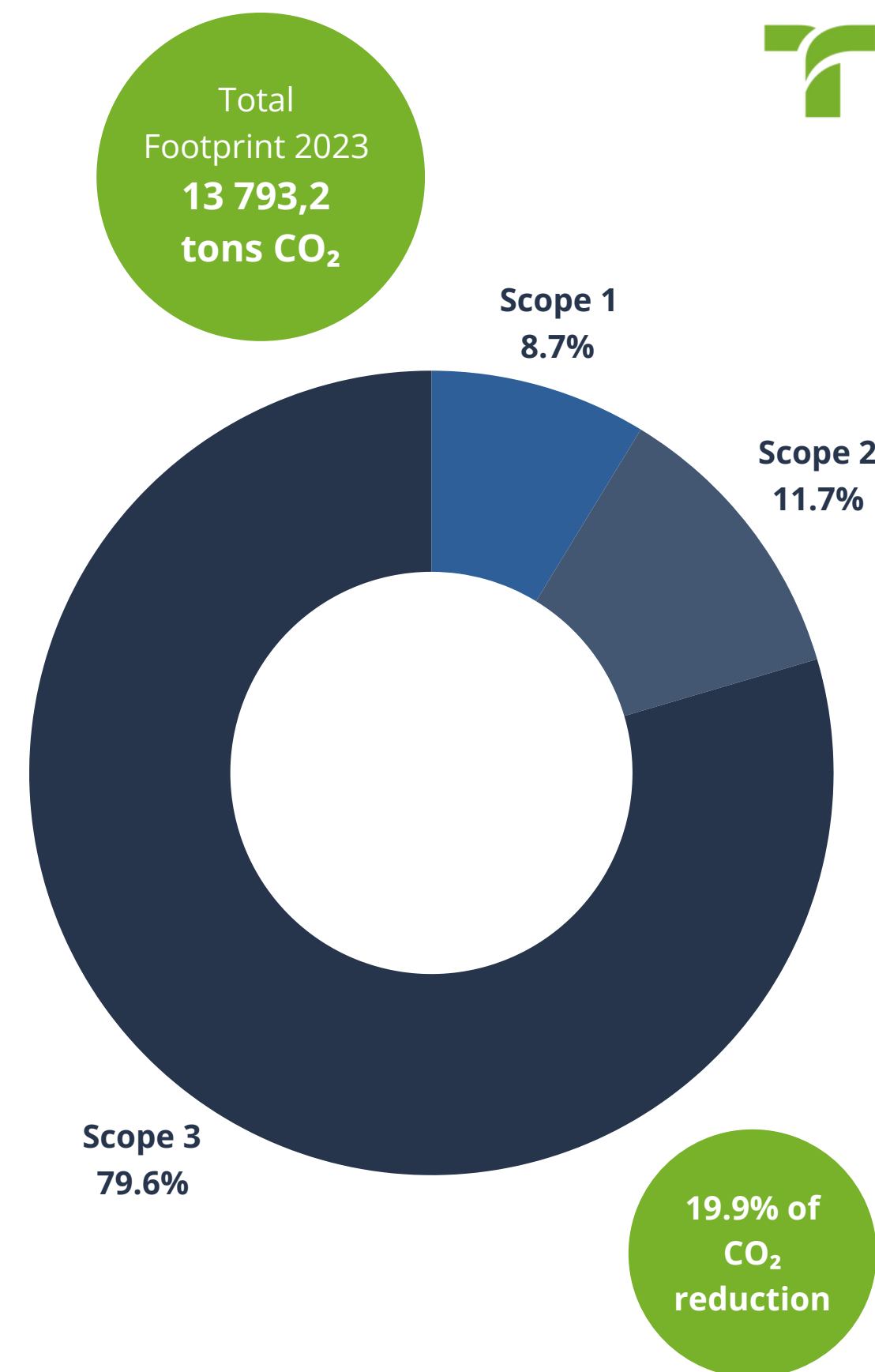
Indirect greenhouse gas emissions resulting from the consumption of purchased electricity, heat, or steam by the reporting organization.

In 2023, Thermaflex emitted 1.617 tons of CO₂ (12%) in its Scope 2. These emissions are exclusively related to the use of electricity in our offices and factories. We've booked great progress here, shifting to renewable energy sources where possible, this has resulted in a reduction of over 40% in 2023.

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 2023, Thermaflex emitted 10.974 tons of CO₂ (79%) 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.



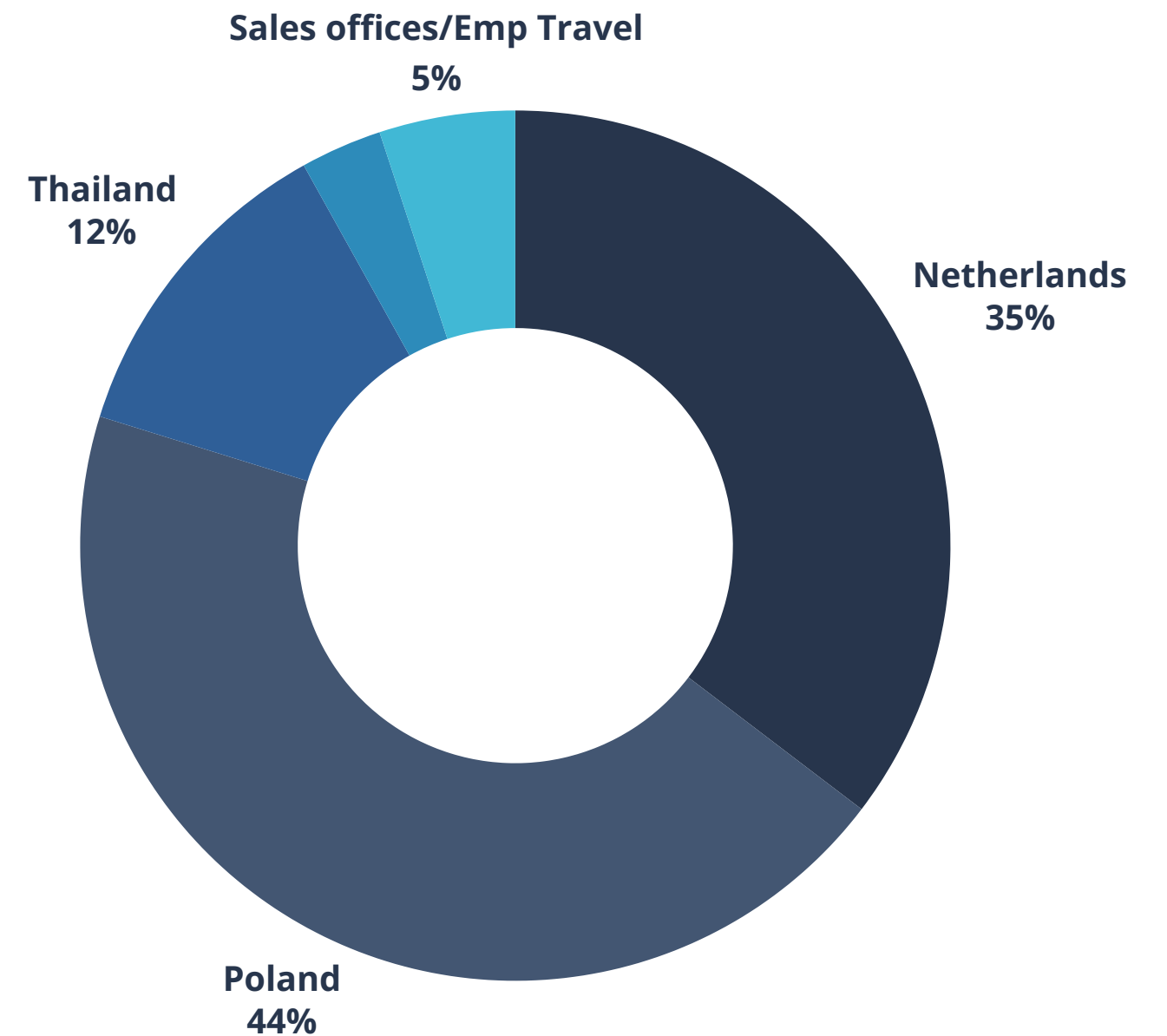
Results: Our Impact - Geographies



Our operations in the Netherlands and Poland account for the greatest share of the total CO₂ footprint of Thermaflex (35% and 44% respectively).

The facilities in Thailand account for approximately 12% of total emissions, while Turkey takes up 3%. 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.



Results: Our Impact - Activities



The three main emission hotspots continue to be the categories of raw materials (59% of total emissions in 2023), energy (22% of total emissions in 2023), and transport (15% of total emissions in 2023). Combined, these three categories account for almost 90% of the total CO₂ emissions of Thermaflex. These are the main areas we are focusing on in our CO₂ reduction strategies, and in these areas we have managed to make significant progress over the past year.

Raw materials

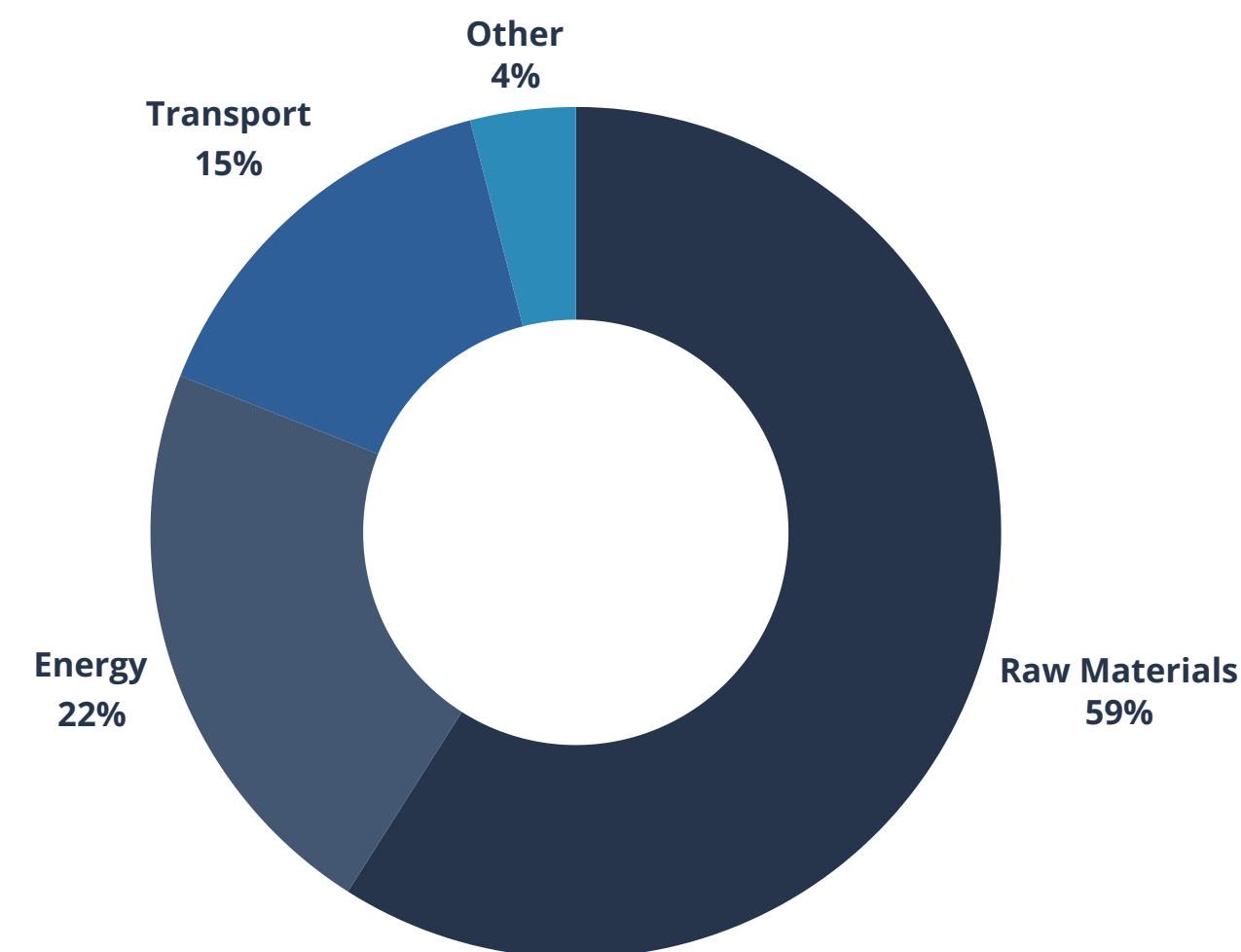
The procurement of raw needed to produce insulation materials on production sites is the largest source of emissions for Thermaflex. While we are working internally and with our suppliers to continue to find innovative ways to drive down emissions in raw materials, this is a long-term objective. This 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, here we have made great progress in 2023 and will continue to do so into 2024 by shifting to renewable energy sources. Besides that, emissions from gas (including isobutane) contribute significantly to our total footprint, here we are making and continue to make progress. Finally, fuel usage, mainly for (lease) cars and motorbikes, constitutes a small share of our total footprint.

Transport and logistics

The emissions within the transport category mainly stem from road freight, the primary method of transport for Thermaflex. When possible, we transport our goods over water as the emissions from are lower.



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 earlier 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. In 2023 we have booked great progress by “going green” in all our operations in the Netherlands. We are currently transitioning to renewable energy at our facilities in Poland by 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. Whether big or small initiatives, we are excited to take them on!

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.



Going Green



100% renewable energy
for Thermaflex



EKO Premium



Achievements 2023



Measuring our CO₂ footprint gave us valuable insights into our operations and guided us in identifying ways we can become more sustainable. We have laid a strong groundwork for Thermaflex's sustainability for the years to come. For 2023, we had set concrete objectives to guide our sustainability ambitions. While some of these objectives will be ongoing and continuously improved, we managed to achieve all of them.

Measuring and mapping our impact:

-  **Sustainability Report**
In line with our core values, we publish a yearly sustainability report to share our sustainability progress and journey.
-  **Setting objectives and defining commitment**
In 2023 we have defined a clear ambition and roadmap for the future to guide our sustainability journey. Currently we are on track of executing this roadmap.
-  **Reduction**
In 2023, we have implemented various CO₂ reduction initiatives focused on different emission scopes and have made great impact. In absolute terms, we have reduced our CO₂ footprint by over 20% from 2022 to 2023, a great achievement!
-  **Sustainability at product-level**
In 2023 we continued our focus on product-level sustainability by further measuring and mapping the impact of our products by conducting Life Cycle Assessments of our products.

-  **Sustainability data collection**
While this is an ongoing process, in 2023 we have made great progress in our sustainability data collection within all of our operations.
-  **Certification**
In 2023 we have maintained our Cradle to Cradle certifications and continued working on obtaining renewed or new Environmental Product Declarations for our products.
-  **Culture of Sustainability**
In 2023 we have launched various efforts to continue to foster a culture of sustainability amongst our employees, partners, and other stakeholders by communicating our progress and ambitions.

Goals 2024



In 2024 we have taken concrete steps to book progress on Thermaflex's sustainability ambitions. We will continue to work towards our multi-year vision and strategy to be net-zero in emissions that are directly controlled by Thermaflex.

We will continue to make progress on the objectives for 2023 and specifically work on the following objectives in 2024:

"Go green"



We have transitioned our operations in the Netherlands to fully use renewable energy, in 2024 we will continue to transition to renewable energy in parts of our operations where this is possible.

Reduction



We have devised action plans to bring CO₂ emission down within our operations. These initiatives include energy optimization, efficiencies in production, reducing waste at our offices, sustainable employee-commuter programs, charging stations at our offices, and working with our suppliers.

Cradle to Cradle



We are the only insulation supplier that has Cradle to Cradle certifications for its products. In 2024 we will continue to work hard to maintain and expand these certifications, highlighting the sustainable nature of our products.

Environmental Product Declarations



In 2024 we will continue to carry out Life-Cycle Assessments (LCAs) to monitor the product-level sustainability of our products and to gain Environmental Product Declarations (EPDs) that we can share with our customers and partners.

Scope 3



As we recognize that a significant share of our total footprint falls within the value chain (Scope 3), we will work on initiatives to better understand Scope 3 emissions and work on reduction efforts. Our focus within Scope 3 emissions will be on raw materials and transport of our finished goods.

Data collection



Collecting high quality-data is key in tracking our sustainability journey, in 2024 we will continue to focus on optimizing data collection to be able to accurately measure and report on progress.

Vision 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.

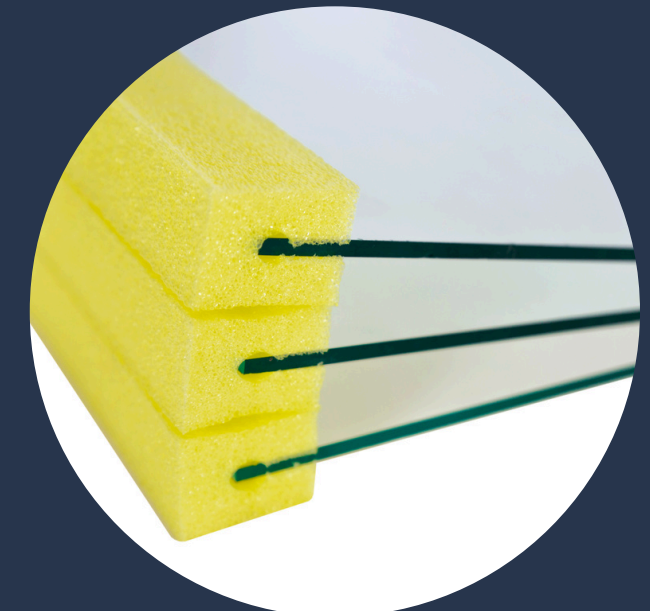
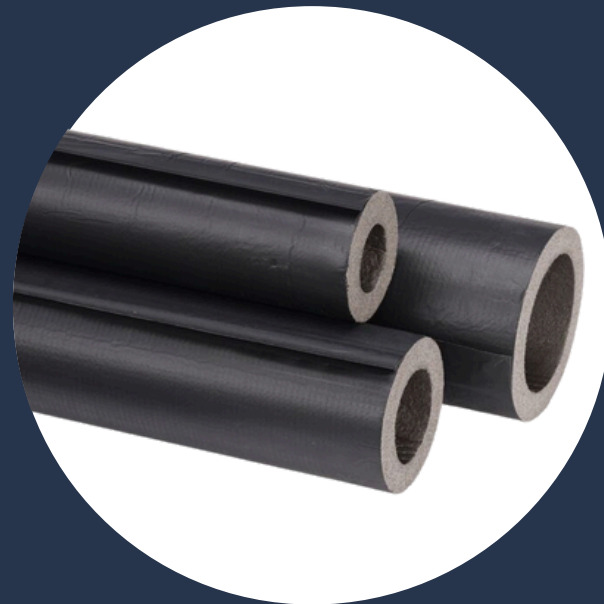
To reach the mid-and long-term goals we will make significant investments in clean energy production (solar), further develop our production processes, and where possible replace assets for climate-neutral options. Our emphasis and focus in the coming years will be on reduction, as we do not see compensation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



Our Environmentally Friendly Products





THERMAFLEX®
We take responsibility

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