

For internal use

Global diversity, equity and inclusion '**DE&I**' policy

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Related Documents

This chapter shows the relation between this Policy and other documents.

Policies

This Global Diversity, Equity and Inclusion 'DE&I' Policy is part of the BDR Thermea Group Global Policy Framework.

Reference	Document title	Document status (draft/final/to do)
G-P-100.01	Global Code of Conduct	Final
G-P-100.03	Global Whistleblowing Policy	Final
G-S-160.01	UN Global Compact: 10 Principles & SDG's	Final

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Introduction

1. Purpose

To deliver on our objectives it is essential to create a workplace where we all; people from various backgrounds, feel comfortable to speak our mind, feel respected, engaged and have a sense of belonging. Our Diversity, Equity & Inclusion (DE&I) approach enables us to strengthen our ambition to lead the energy transition. Furthermore, it is strongly linked to our values and will support us in shaping a culture of effective collaboration as one team to support our customers with sustainable solutions. For this we rely on the enthusiasm, drive and competencies of all our people from around the world. We consider diversity, equity and inclusion ("DE&I") business critical, not a compliance necessity.

This policy helps BDR Thermea Group to fulfil its responsibilities under the Global Sustainability Agenda and the Code of Conduct.

We recognise that diversity is found in any social identity, such as gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation, and other attributes. Inclusion is the process of involving, accepting, and valuing all people in the workplace regardless of their differences and social identity. BDR Thermea wants to provide psychologically safe working conditions for its employees and other people working under its control.

2. Scope

This policy applies to:

- All regions, business areas, business units, operating entities and functions within the BDR Thermea Group.
- All Employees, incl. temporary.

This policy is aligned with the BDR Thermea Group Global Code of Conduct and aims to set out the minimum standards regarding how BDR Thermea Group deals with Diversity, Equity & Inclusion. It provides the basis from which relevant local and BDU management can further develop specific policies and procedures and implement the necessary measures to assist the business in managing Diversity, Equity & Inclusion.

2.3 Roles and Responsibilities

The Group Management Board is overall accountable and responsible for acting on our commitment towards DEI and ensuring compliance with relevant policies, standards and procedures.

Group Functional Directors, BDU Directors and Local Managing Directors are accountable within their respective units and are responsible for upholding the principles and their supporting standards of this Policy. They may delegate delivery of this accountability, but not responsibility for this accountability.

Relevant Managers within each BDR Thermea Group unit are responsible for ensuring that the policy is implemented and maintained.

All Employees are responsible for adhering to this policy.

(Note: words in *italic* are defined in Appendix A.)

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Requirements

Our ambition is to foster an inclusive work environment, where diversity thrives in support of our strategic ambitions and priorities. The Diversity, Equity & Inclusion Policy, along with our DE&I Strategy, sets out the principles and requirements by which BDR Thermea Group will enhance diversity, equity and inclusion throughout the organisation. The Policy is applicable – but not limited – to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programmes; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity. The DE&I Policy applies to all employees and anyone conducting work on behalf of BDR Thermea Group or any of its operating companies.

The Group HR team is responsible for building and leading the Company's DE&I strategy.

3.1 What do we mean by Diversity, Equity & Inclusion?

To create a workplace as mentioned above, there are three key elements to address: Diversity, Equity and Inclusion. It is important to have a common and shared understanding of what we mean by these:

Diversity includes all the ways in which we differ, encompassing the different characteristics that make one individual or group different from another, like race, ethnicity, gender, disability, sexual orientation, religion, and more.

Equity is the fair treatment, access, opportunity, and advancement for all people.

Inclusion is creating an environment in which any individual or group can be and feel welcomed, respected, supported, and valued to fully participate.

These three combined will help us:

- to retain as well as attract (new) colleagues with different perspectives and competencies to join us in our mission
- to enable and support each of us to develop and grow
- to become (even) more open minded, adaptable/flexible and innovative to support our diverse customer base as we learn to understand our customers and colleagues and how they view the world.

We aspire to bring in and elevate the voices of our people, customers, third parties to truly represent the society we live in and serve. To do this we must have a diverse and inclusive workforce with the best talent at all levels, where everyone has what they need to succeed. In practice this means that we will work to:

- I. Become an employer of choice by providing equal opportunities to future and current colleagues in all the countries we operate in
- II. Create a level playing field by empowering those who do not feel (fully) respected and appreciated (by supporting employee networks)
- III. Create and foster an inclusive workplace enabling constructive collaboration, individual and team development and innovation
- IV. Build long-term relationships with employees, encouraging and supporting individual development. By strengthening career opportunities for each individual within BDR Thermea and beyond we can be more successful together.

To achieve this:

- We are committed to making long term changes to our culture, the way we operate and the content we make, through sustained, genuine engagement with employees at all levels. We realise that making these changes won't be easy and will take time.
- We will set ourselves ambitious targets. It is clear from the current data that, although we have made some progress in recent years, there is still a lot of work to be done. We will need rigorous accountability supported by clear targets, data, and tools. We will systematically monitor and report out on possible areas of internal inequity, formulate and execute action plans to resolve these.
- We align with the UN Global Compact ambitions, which is to work on a global DE&I policy first, expanding that with additional policies, strategy and plans on talent acquisition, talent development and people engagement.

3.2 Guiding Principles

Building on these fundamentals, we will strengthen our systems, processes and behaviours in order to fulfil our ambition and commitments. In doing so we will be guided by the following principles:

- We acknowledge that individual and institutional bias may have excluded colleagues in our organisation, regardless of the intention of those excluding them. We will listen to the stories of those who feel marginalised and we will not deny their experiences. We are committed to challenge the dominant perspectives and actively explore other views.
- Inclusion is a responsibility of all individuals. Those in the role of people manager or generally those in more senior roles also have the accountability for strengthening and safeguarding DE&I within their scope. We will provide tools and guidance to support you in this.
- We will be transparent about our work on DE&I to our colleagues and teams and continue to seek and incorporate their feedback. Our actions will be measured for progress.

- We acknowledge that we cannot address all the DE&I challenges that our organisation faces at the same time, rather we will prioritise and address the key challenges over time.

3.3 From Policy to Plan

We will take a 'gLocal' approach (i.e. a global framework with locally relevant actions) to balance global consistency with local relevance.

At BDR Thermea Group level we will develop a corporate roadmap of prioritised focus areas and actions for the longer term: 2022 – 2025. These will ensure we are in adherence to the UN Global Compact Principles on DE&I. This will be reviewed annually and adjusted if needed. A new roadmap for 2025 – 2030 will be developed and communicated in the second half of 2024.

In addition to the global corporate roadmap to which all entities within BDR Thermea Group will be expected to contribute, countries, BDUs and Head Office will develop their local roadmap and action plan. These local roadmaps and action plans are likely to vary as cultural differences, markets that are served or other differences whilst we encourage to share and build on each other's good practices. The HR business partners in collaboration with the local sustainability leads will play an important role in coordinating and supporting the leaders of their entity.

As a minimum, local management should:

- Establish a DE&I approach and plan in adherence to the global DE&I Policy and Plan, providing adequate resource/time to deliver on the ambition/
- Consult its Employees on matters affecting their psychological safety.
- Provide information and education to Employees regarding DE&I
- Report on the DE&I ambitions on a quarterly basis, like gender diversity
- Ensure that any deliberate breach of the DE&I policy and procedure leads to disciplinary action

Governance

1. Change Management and Approval

In accordance with the Global Policy Framework, this Policy will be reviewed periodically, at least annually. Changes require Group Management Board approval. Changes will be clearly communicated to keep Employees in all group companies updated on such changes.

2. Compliance Monitoring

Monitoring compliance with this Policy is primary the responsibility of local management. Next to this, compliance will be monitored on an ongoing basis by the BDR Thermea Group. Periodically, compliance can be assessed in an internal audit initiated by the Management Board.

3. Exceptions Management

No exceptions to this policy are allowed. Extraordinary exceptions require formal approval by the Management Board.

4.4 Consequences of Breach

Any act by an Employee contrary to this policy shall be regarded as a significant breach of the trust BDR Thermea Group has in its Employee and it considers violations of anti-bribery and corruption requirements a serious breach of the company's Code of Conduct.

BDR Thermea Group will take disciplinary actions appropriate to the violation against the offender if this occurs.

Any third parties, including agents, involved in violations of this policy during acting for or on behalf of BDR Thermea Group will be subject to contractual remedies and, where appropriate, termination of the business relationship.

Revision History

Revision	Revision Notes	Approved By	Date
1.0	First release	Management Board	October 2022



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Appendices



A. Key Terms and Abbreviations

Key terms

- **BDR Thermea Group** – The collection of entities that function as a single economic entity (BDR Thermea) through a common source of control.
- **BDU** – Business Development Unit of BDR Thermea Group
- **Diversity** – includes all the ways in which people differ, encompassing the different characteristics that make one individual or group different from another, like race, ethnicity, gender, disability, sexual orientation, religion, and more
- **Equity** – is the fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups
- **Employee** – A person who is hired in exchange for compensation to provide services to a BDR Thermea Group company on a regular basis, over which that company can control what will be done and how it will be done. This includes people on the payroll, interim staff and agency workers.
- **gLocal** – global framework with locally relevant actions.
- **Inclusion** – is creating an environment in which any individual or group can be and feel welcomed, respected, supported, and valued to fully participate
- **Third party** – Any person, company or organisation which is not a BDR Thermea Group legal entity or Employee with whom BDR Thermea interacts (including, but not limited to, agents, distributors, business partners, customers, consultants, charities and sponsorship partners).