



SUSTAINABILITY REPORT

MODULO, in its pledge towards a better tomorrow, proceeds to publish its second Sustainability Report, regarding the year of 2024, showcasing its ongoing commitment to sustainable development and establishing new milestones for future progress.

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We are proud to present our second Sustainability Report, marking the continuation of an ongoing journey toward transparency and accountability. This report has been meticulously crafted in line with the Ministry of Finance Orders No. 1938/2016 and No. 2844/2016, as well as Directive 2014/95/EU and the EU's non-binding guidelines for non-financial reporting.

The report will refer in a consolidated manner, to both MODULO DECORATIVE SOLUTIONS and its subsidiary, MODULO STONE.

INTRODUCTION

In 2024, MODULO reaffirmed its commitment to sustainability through continuous adaptation and strategic planning. Amidst a challenging economic and geopolitical environment—with rising operational costs and volatile markets—we focused on optimizing resources and enhancing efficiency. By maintaining a clear view of market dynamics, we identified realistic growth opportunities in the European interior and exterior design sectors.

Building on our inaugural 2023 report, this second edition highlights the progress achieved and the obstacles encountered over the past twelve months. It unifies the activities of MODULO DECORATIVE SOLUTIONS and its subsidiary MODULO STONE, and has been prepared in accordance with relevant regulations (Ministerial Orders no. 1938/2016 and 2844/2016, EU Directive 2014/95, and EU non-financial reporting guidelines).

Through transparent disclosures, we showcase both our successes—such as retaining ISO certifications and increasing the share of renewable energy—and the areas where we must accelerate change. This comprehensive overview underscores our efforts to balance operational excellence with environmental stewardship.

With this report, we reaffirm our dedication to contributing to global sustainable development goals while honoring local specificity and upholding our company values. We continue to engage stakeholders at every level to ensure our strategies reflect both community needs and industry best practices. As we move forward, MODULO will further integrate circular economy principles into our product lifecycle and strengthen partnerships with suppliers to reduce carbon emissions. Our goal is to foster innovation that drives long-term resilience and shared value for all stakeholders.



CEO MESSAGE



Iulian Gabriel Mangalagiu
CEO

Mr. Iulian Gabriel Mangalagiu is mandated as CEO in conducting the daily activity of the company.

CEO Statement

It is my pleasure to introduce our second annual Sustainability Report, reflecting our company's continued commitment to responsible growth and ethical business conduct.

While 2023 marked the foundation of our sustainability efforts, 2024 has been a year of consolidation and deeper integration of sustainability principles into our business processes. In 2024, we continued to build on last year's progress by regularly reviewing how our daily operations can better support our environmental and social responsibilities.

Building on last year's achievements, we have realized an internal Sustainable Development Goals (SDGs) audit that guided our journey forward. We have initiated the process of mapping our contributions and embedding these priorities into our internal policies.

In parallel, we developed our Policy Book which includes, in addition to the basic principles of harmonizing sales and marketing strategies with the production activity needed to sustain the business, also human approach aspects such as a clear grievance mechanism, an ethics and anti-corruption policy and key labor commitments. These tools will support transparency, compliance, and the rights of our employees to a safe and inclusive work environment.

As we move ahead, we remain fully aware that sustainability is not a destination, but a responsibility. It is a continuous process of improvement, learning, and accountability. We are proud of the progress we have made—but we are also conscious that the path forward requires sustained dedication and collaboration.

We remain committed to having a lasting impact—both for our current stakeholders and for the generations to come.

Board of directors

MODULO is managed by a Board of Directors formed out of 4 Directors of mixed nationalities, each therefore integrating its culture in the decision-making progress. Now, there are no independent members in the Board of Directors.



Anthony Stalker



Didem Anil



Sebastian Tcaciuc



Iulian Gabriel Mangalagiu



Key Investors Overview

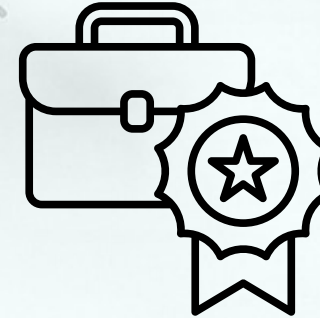
- "SEET INVESTMENT HOLDINGS – 91.4%"
- "Private Investor – 5%"
- "Private Investor – 3.6%"

In 2021, SEET INVESTMENT HOLDINGS, a private equity fund, became the majority shareholder with 91.4% of shares, ensuring growth and strategic guidance. Two additional private investors hold small ownership positions of 5% and 3.6% respectively.



TRUST

Building trust through transparency and honesty in all our internal and external interactions.



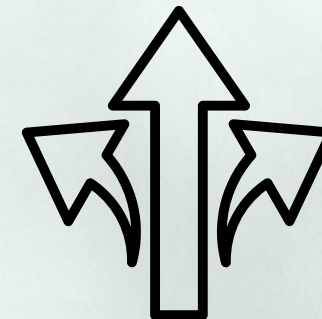
PROFESSIONALISM

Professionalism is demonstrated by our commitment to performance, continuing learning, and being dedicated to best practices in everybody's profession and ethical conduct.



RESPECT

We uphold respect by valuing diversity and treating everyone with dignity.



FLEXIBILITY

Flexibility drives us to be proactive, practical, and adaptable in a constantly changing and unpredictable environment.

CORE VALUES



PLANT SAFETY

As a confirmation of MODULO's commitment to sustainable activity, **in 2024 we successfully maintained Bureau Veritas certifications for our Integrated Management System, covering ISO 45001, ISO 14001, and ISO 9001.** This recertification process demonstrates our ongoing dedication to the highest standards in occupational health and safety, environmental management, and quality control.

By adhering to these rigorous standards, we continuously assess, monitor, and improve our processes—ensuring the highest quality for our products and a safe, responsible workplace for all employees.

ESG KPI's

Category	KPI	2024 Key Goals	2024 Performance	2024 Notes	2025 Target/Focus
Governance	Business Ethics	Zero instances of non-compliance with ethical standards. Annual ethics training for 100% employees.	Achieved	Policy Book was launched during 2024. https://ateliermodulo.fr/policy-book/	Continue mandatory annual ethics training for 100% of employees.
	Data Privacy	Achieve 100% compliance with GDPR and other data protection laws.	Achieved	No breaches or risks identified in 2024. Basic safeguards in place.	Maintain compliance; monitor regulatory changes.
	Sustainable Governance	Strengthening ESG oversight at management level with quarterly reviews.	Achieved	ESG oversight to remain on the quarterly agenda of Board and Management meetings.	ESG oversight to remain on quarterly agenda.
	Disclosure Practices	Increase transparency through comprehensive sustainability reporting.	Achieved	Internal ESG Manager monitors both qualitative and quantitative ESG criteria; group reporting at least annually.	Maintain at least same level of coherence and comprehensiveness in ESG reporting.
	Legal Compliance	Zero fines or sanctions for Modulo during 2023.	Achieved	No fines, legal disputes or sanctions for 2024.	No fines, legal disputes or sanctions for 2025.
Environment	Environmental Operations	Reduce energy consumption per unit of production by 5%.	In 2024, energy consumption dropped by 10%, due to efficiency and lower production.	Outperformed target; equipment upgrades, optimized operations.	Reduce energy consumption per unit produced by at least 3%.
	GHG Emissions	Decrease CO ₂ emissions by 5% by 2025.	Decreased by 8.5%, reaching 2.37 kg CO ₂ /sqm.	2024 calculation includes production waste (for first time).	Reduce Scope 1 and Scope 2 CO ₂ emissions by at least 5%.
	Energy	Conduct feasibility studies for photovoltaic implementation by 2025.	Applied for EU funding for photovoltaic panels in 2024. Implementation planned for 2026.	Starting November 2024, 30% of MODULO's total energy consumption is covered by renewable energy, contractually supplied by OMV Petrom.	Complete internal feasibility and initiate procurement, pending funding approval.
	Waste Management	Increase waste recycling rates to 75%.	Achieved: 95% recovery rate.	Policy for sorting and recycling fully implemented.	Achieve an 85% recycling rate across all waste categories.

Category	KPI	2024 Key Goals	2024 Performance	2024 Notes	2025 Target/Focus
Social	Hires and Leavers	Reduce turnover at or below 40%, support roles turnover under 20%.	Not met: Overall turnover 47.4%, support roles turnover 25.9%.	Market conditions and restructuring; remains below historical highs.	Maintain turnover below 45% and for support roles below 22%.
	Age Breakdown	Regularly monitor workforce age demographics.	Met: Average age stable at 43 years.	Age diversity maintained.	Continue monitoring.
	Executive Pay Ratio	Pay consistently 20% above national minimum wage.	Met: Blue-collar wages 38% above minimum.	Wage competitiveness maintained.	Maintain pay at least 10% above national minimum wage.
	Gender Pay Ratio	Reduce gender pay gaps to <5%.	Partially met: 7% difference in blue-collar roles. Women earn more company-wide.	Office/support roles held mostly by women; ongoing salary audits.	Monitor variations and apply corrective actions where necessary.
	Compensation & Benefits	Offer competitive packages aligned with benchmarks.	Met	Pay above national and construction minimums.	Review and adjust packages annually in a very competitive local context and unpredictable political and economic context
	Social Policies	Compliance with anti-discrimination laws.	Met	Policy revised per EU Directive 2000/78/EC. 0 incidents reported.	Conduct annual internal review.
	Health and Safety	Maintain zero-accident rate.	Met	No work-related accidents in 2024. 100% of employees receive protective equipment from the first day of work. For existing employees, at least 2 complete sets/year.	Reinforce HSE protocols.
	Training	Annual compliance training for relevant employees.	Met	Training hours increased 116% with new tracking system.	Continue compliance-focused training.
	Social Projects	Support at least two community initiatives per year.	Met	Supported education and internship projects in 2024.	Support at least two initiatives in education, sustainability, or inclusion.

Category	KPI	2024 Key Goals	2024 Performance	2024 Notes	2025 Target/Focus
SDG-Internal Audit	SDG 1 – End Poverty	% employees with legal contracts; % paid above minimum wage.	100% legal employment and fair wages.	Achieved: all employees legally employed, paid above minimum.	Continue wage fairness monitoring, compliance alignments.
	SDG 2 – End Hunger	Meal voucher distribution rate.	Daily meal vouchers granted to all employees.	Achieved: 100% compliance with legislation.	Evaluate increase in meal voucher value.
	SDG 3 – Health & Safety	ISO 45001 certification, % with regular medical checks, % with PPE, no. of work accidents, % trained.	Maintain certification and ensure access to health services.	Achieved: health system in place, medical coverage provided.	Structured audit on health & safety KPIs; expand mental health programs.
	SDG 4 – Quality Education	Internship programs, annual training plan coverage.	Implement training plan and run internship programs.	Achieved: internships completed, role-based training.	Extend training: digital skills, cross-training.
	SDG 5 – Gender Equality	Pay gap monitoring, % policies for equal opportunities.	Maintain zero-discrimination, maternity protection.	Achieved: policies active, support for maternal health.	Formalize gender KPI monitoring, awareness workshops.
	SDG 6 – Clean Water & Sanitation	Access to drinking water, showers, hygienic spaces.	Ensure access to clean water, sanitation facilities.	Achieved: facilities functional, maintained.	Add sustainability focus (water efficiency, awareness).

Matters related to sustainability, the environment, social and governance issues are regularly reported to the Board of Directors by the appointed ESG Representative at MODULO Group level. In 2024, MODULO strengthened its ESG governance by integrating annual ESG reporting at the group level, ensuring alignment with the requirements of our ultimate shareholder – an investment fund administered by CEECAT Capital.

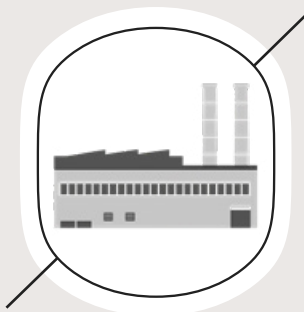
Annual ESG reports allow us to monitor our progress, track KPIs, and ensure full accountability for our sustainability goals. All reports are consolidated at the group level, ensuring transparency and oversight.

Therefore, at MODULO, sustainability remains deeply embedded in our core governance structure, overseen by the Board of Directors. This approach reflects our commitment to responsible decision-making and accountability at all levels.

In 2024, no financial penalties or sanctions were registered for any ESG compliance breaches, demonstrating the ongoing effectiveness of our governance system.



OUR COMPANY



27,500 sqm
production plant



1,400,000 sqm
production capacity



166 employees



Founded in France in 1978 and established in Romania in 2004, MODULO has grown into one of Europe's most relevant producers of decorative brick and stone veneers made from cement and plaster. Our operations are firmly anchored in Turda, where we operate a single integrated production site, combining traditional craftsmanship with a continuous drive for process improvement.

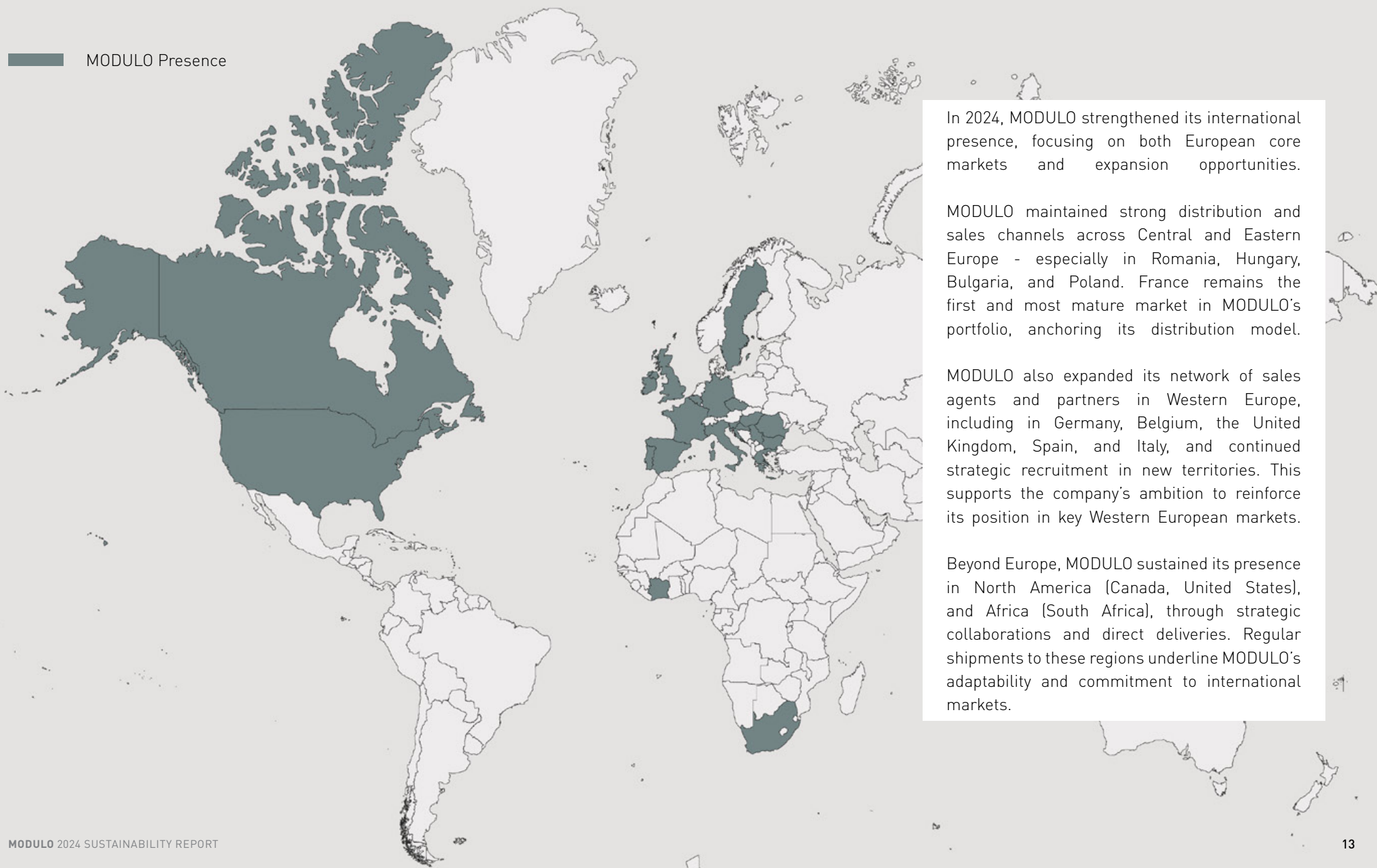
In 2024, our industry experienced a notable market contraction, challenging all players to adapt and innovate. Against this backdrop, MODULO remained focused on maintaining relevance and competitiveness by optimizing internal resources, safeguarding product quality, and leveraging the strength of its local team.

Our production remains semi-manual, relying on the skills and know-how of our Turda-based employees. All core functions – sourcing, production planning, operations, and team coordination – are performed locally. The MODULO Group includes two companies in Romania (MODULO DECORATIVE SOLUTIONS SRL and its subsidiary MODULO STONE SRL).

Our facility in Turda covers approximately 27,500 sqm and employs an average of 166 people. Throughout 2024, we continued to enhance operational discipline and ensure traceability in all processes, while also retaining our ISO 9001, ISO 14001, and ISO 45001 certifications. Product certifications such as EPD and other market-specific standards were also preserved.

Although the economic context remained challenging and is expected to remain difficult in 2025, we are committed to reinforcing our market presence through agility, quality, and responsible use of resources. Capital expenditure in 2024 amounted to 370,000 EUR, supporting our resilience efforts. Sales revenue reached 13,408,000 EUR, reflecting the combined effects of market pressure and our ongoing transformation.

MODULO presence in the world 2024



In 2024, MODULO strengthened its international presence, focusing on both European core markets and expansion opportunities.

MODULO maintained strong distribution and sales channels across Central and Eastern Europe - especially in Romania, Hungary, Bulgaria, and Poland. France remains the first and most mature market in MODULO's portfolio, anchoring its distribution model.

MODULO also expanded its network of sales agents and partners in Western Europe, including in Germany, Belgium, the United Kingdom, Spain, and Italy, and continued strategic recruitment in new territories. This supports the company's ambition to reinforce its position in key Western European markets.

Beyond Europe, MODULO sustained its presence in North America (Canada, United States), and Africa (South Africa), through strategic collaborations and direct deliveries. Regular shipments to these regions underline MODULO's adaptability and commitment to international markets.

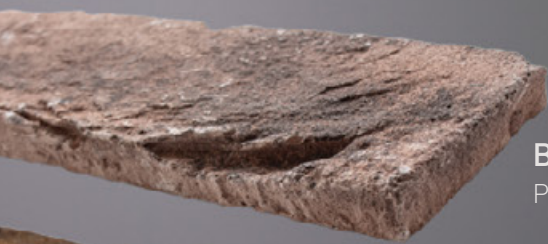
PORTFOLIO

Our product portfolio highlights our commitment to innovation, quality and sustainability. Through our focus on innovation and continuous improvement, we ensure that each product, from conceptual design to final manufacturing, meets the highest standards of precision and functionality. By using high-precision CNC and additive manufacturing, which guarantees a waste-free process, we target reducing both wasted materials and energy consumption in the prototyping phase. Similarly, the use of natural gypsum and a more efficient production process confirm our dedication to providing environmentally responsible solutions without compromising on design and performance.

Our products are rigorously tested through our internal laboratory or certified by third parties to align with the highest sustainability and safety standards.



MODULO offers a varied range of stone, brick veneers and 3D architectural elements, all produced in Turda, Romania, alongside the natural stone, imported from China, Egypt, India, Turkey and Vietnam.



Brick Veneers
Plaster / Cement



Stone Veneers
Plaster / Cement



Natural Stone
100% Natural



3D
Plaster Composite



Accessories

Adhesives
Joints
Protectors
Cleaners



Our company operational standards ensure to maintain safety, quality and environmental ISO certifications, as well as EPD product performance certifications. Issued by accredited bodies in accordance with international standards, these certifications confirm in front of our customers that our products have been evaluated for compliance and quality, providing transparency and help to foster confidence in our brand. By focusing on continuous improvement and third-party validation, MODULO delivers products that meet the highest standards of performance, sustainability, and market requirements.

MODULO's products respond to the customers' needs, enjoying a competitive advantage, as they are:

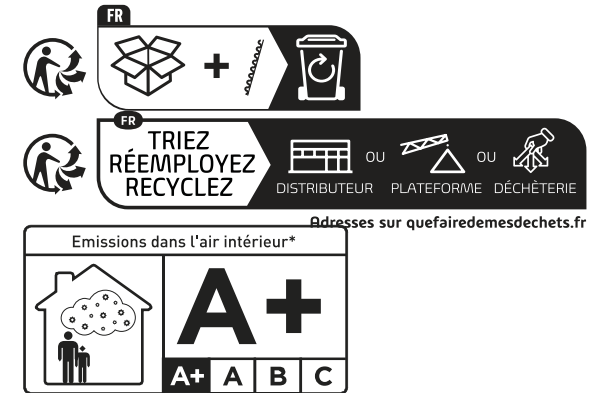
- **EPD certified:** All main product ranges remain covered by third-party Environmental Product Declarations, ensuring verified environmental performance and transparent lifecycle information.
- **Sustainable (green):** MODULO uses only natural gypsum (98% purity) sourced locally in Turda, without fly ash or synthetic substitutes. Cement and aggregates are also sourced with strict environmental control, reflecting our commitment to minimizing negative impact.
- **Easily accessible:** MODULO products are distributed via major DIY chains, online platforms, and direct sales—making them widely available and easy to install.
- **Packaged in 80% recycled cardboard, with low weight, respecting EU safety and environmental norms:** Packaging remains 100% recyclable, with no PVC, fully aligned with our sustainability objectives. In 2024, we extended the recycled content and improved

PACKAGING

- Modern design
- Sustainable
- FSC certified materials (sustainable forest exploitation)
- Min **80% recycled material**
- **100% Recyclable cardboard**
- **Recycled** paper/corrugated cardboard separators
- **PVC free** packaging



France



Italy

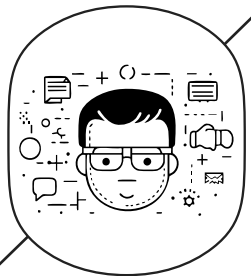
SCATOLA	ETICHETTA	FOGLIO INTERNO
PAP20	PAP22	PAP20
Raccolta differenziata CARTA		

All countries



SUSTAINABILITY

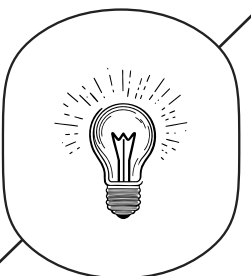
CUSTOMER-FOCUSED



Dedicated to understanding and fulfilling our customers' needs and aspirations.

We passed a rigorous ADEO audit, achieving "top supplier" status and maintaining strong client relationships.

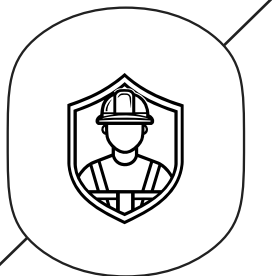
INNOVATION



We embrace creativity and innovation to drive progress and adapt to change.

We launched a new PV feasibility study and implemented resource optimization projects this year.

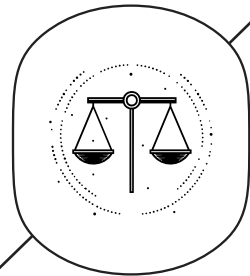
SAFETY



Prioritize safety and maintaining optimal working conditions.

In 2024, we maintained a zero-accident record and provided new PPE to all employees.

INTEGRITY

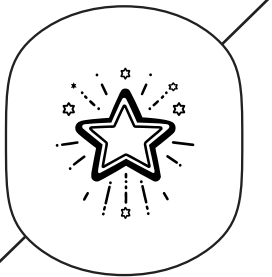


Acting with transparency and honesty, upholding the highest ethical standards.

Our Policy Book, anti-corruption rules, and annual compliance training ensure transparency at all levels.

our VALUES

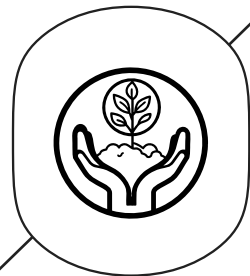
EXCELLENCE IN QUALITY



Constantly striving to exceed industry standards and deliver the best for our clients.

All major certifications (ISO 9001, 14001, 45001, EPD) were maintained in 2024.

SUSTAINABILITY



Committed to sustainable practices that respect the environment and future generations.

We increased renewable energy use to 30% and reached a 95% recycling rate in 2024.

At MODULO, sustainability is at the core of our operations and long-term strategy. As a responsible manufacturer, we are committed to reducing our environmental impact, aligning with global climate goals, and supporting the transition to a low-carbon economy. Our initiatives focus on measurable improvements across all aspects of our production process, from raw material sourcing to energy efficiency and carbon footprint reduction.

By investing in certifications, advanced monitoring systems, and long-term reduction plans, MODULO ensures that its products and processes contribute positively to both the environment and the communities we serve.

ISO Recertifications

MODULO has successfully maintained its ISO 9001 (Quality Management), ISO 45001 (Occupational Health and Safety Management), and ISO 14001 (Environmental Management) certifications for 2024, following independent audits by Bureau Veritas. By adhering to these rigorous standards, we systematically assess, monitor, and reduce our environmental footprint, ensuring continuous improvement and compliance with global best practices.

These recertifications in 2023 further demonstrate our ongoing commitment to maintaining high standards of quality, safety, and environmental responsibility across all our operations.



Bureau Veritas Certification

MODULO DECORATIVE SOLUTIONS S.R.L.
22 December 1989 Boulevard, No. 29, 401113 Turda, Cluj County, Romania

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 45001:2018

Scope of certification

Production and sale of decorative reconstituted stone for indoor and outdoor decorations based on cement and indoor decorations based on plaster, with accessories.
Production and sale of thermal insulated decorative panels for outdoor and indoor, with accessories.
Sale of natural stone, with accessories.

Original cycle start date*	23-06-2011
Expiry date of previous cycle**:	22-06-2023
Certification / Recertification Audit date**:	24-05-2023
Certification / Recertification cycle start date:	02-06-2023

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **22-06-2026**

Certificate No. **RO2023.5604747S** Version: **No.1** Issue date: **02-06-2023**

Previous Certificate No. **RO2020.076.044S**

Certification body address: 5th Floor, 66 Prescott Street, London E1 8HG, United Kingdom
Local office: 165 Splaiul Unirii, Building TN Offices 3, B Wing, 5th Floor, Bucharest, 3rd District, 030133, Romania



Further clarifications regarding the scope and validity of this certificate and the applicability of the management system requirements, please call: +4021318380

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Bureau Veritas Certification

MODULO DECORATIVE SOLUTIONS S.R.L.
22 December 1989 Boulevard, No. 29, 401113 Turda, Cluj County, Romania

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 14001:2015

Scope of certification

Production and sale of decorative reconstituted stone for indoor and outdoor decorations based on cement and indoor decorations based on plaster, with accessories.
Production and sale of thermal insulated decorative panels for outdoor and indoor, with accessories.
Sale of natural stone, with accessories.

Original cycle start date*	23-06-2011
Expiry date of previous cycle**:	22-06-2023
Certification / Recertification Audit date**:	24-05-2023
Certification / Recertification cycle start date:	02-06-2023

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **22-06-2026**

Certificate No. **RO2023.5604747E** Version: **No.1** Issue date: **02-06-2023**

Previous Certificate No. **RO2020.076.044E**

Certification body address: 5th Floor, 66 Prescott Street, London E1 8HG, United Kingdom
Local office: 165 Splaiul Unirii, Building TN Offices 3, B Wing, 5th Floor, Bucharest, 3rd District, 030133, Romania



Further clarifications regarding the scope and validity of this certificate and the applicability of the management system requirements, please call: +4021318380

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Bureau Veritas Certification

MODULO DECORATIVE SOLUTIONS S.R.L.
22 December 1989 Boulevard, No. 29, 401113 Turda, Cluj County, Romania

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

Scope of certification

Production and sale of decorative reconstituted stone for indoor and outdoor decorations based on cement and indoor decorations based on plaster, with accessories.
Production and sale of thermal insulated decorative panels for outdoor and indoor, with accessories.
Sale of natural stone, with accessories.

Original cycle start date*	23-06-2011
Expiry date of previous cycle**:	22-06-2023
Certification / Recertification Audit date**:	24-05-2023
Certification / Recertification cycle start date:	02-06-2023

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **22-06-2026**

Certificate No. **RO2023.5604747Q** Version: **No.1** Issue date: **02-06-2023**

Previous Certificate No. **RO2020.076.044Q**

Certification body address: 5th Floor, 66 Prescott Street, London E1 8HG, United Kingdom
Local office: 165 Splaiul Unirii, Building TN Offices 3, B Wing, 5th Floor, Bucharest, 3rd District, 030133, Romania



Further clarifications regarding the scope and validity of this certificate and the applicability of the management system requirements, please call: +4021318380

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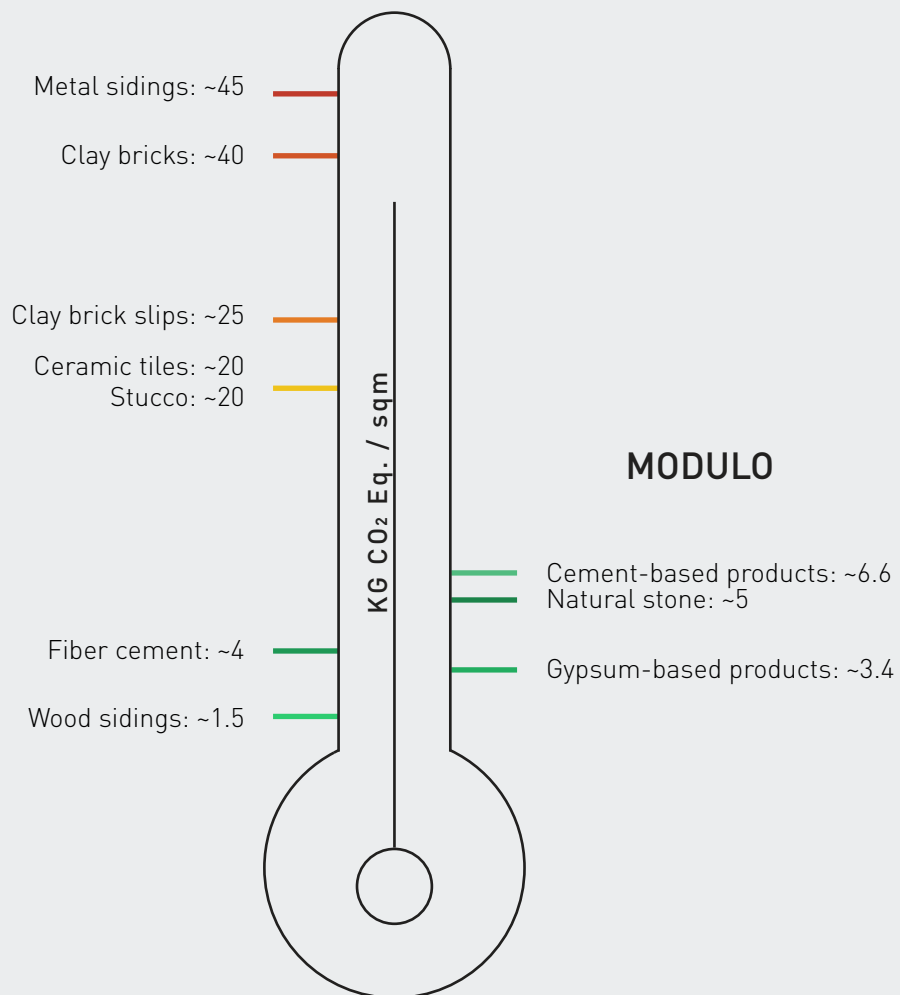


EPD Certification – Commitment to Sustainability

EPD (Environmental Product Declaration) Certification is a process that validates the lifelong environmental impact of our main product categories. This certification is obtained through an active evaluation process under international standards, aiming to help customers and partners make informed choices regarding the environmental impact of MODULO's products.

In 2024, we maintained our EPD certifications for both cement-based and gypsum-based product lines, reaffirming our commitment to transparency, responsible manufacturing, and sustainable construction solutions.

OTHERS



Current Results:

- On average, for the production stages (A1–A3), MODULO cement-based reconstituted wall cladding products have a Global Warming Potential (GWP) of **6.6 kg CO2 Eq. / sqm** (0.244 kg CO2 Eq. / kg of product), while gypsum-based products have a GWP of **3.4 kg CO2 Eq. / sqm** (0.259 kg CO2 Eq. / kg of product). These values were calculated from cradle to gate (A1–A3) with optional modules A4, A5, C1–C4, and module D.

- Compared to other common cladding materials, MODULO's products are well-aligned with industry benchmarks and, in many cases, are more environmentally efficient. For example:

- Wood sidings (~1.5 kg CO2 Eq. / sqm)
- MODULO Gypsum-based products (~3.4 kg CO2 Eq. / sqm)
- Fiber cement (~4 kg CO2 Eq. / sqm)
- Natural stone (~5 kg CO2 Eq. / sqm)
- MODULO cement based products (~6.6 kg CO2 Eq. / sqm)
- Stucco (~20 kg CO2 Eq. / sqm)
- Ceramic tiles (~20 kg CO2 Eq. / sqm)
- Clay brick slips (~25 kg CO2 Eq. / sqm).
- Clay bricks (~40 kg CO2 Eq. / sqm)
- Metal sidings (~45 kg CO2 Eq. / sqm)



In spite of common industry practice, we avoid using fly ash or synthetic gypsum and instead source natural gypsum (98 % purity) from quarries just outside our Turda plant. This local sourcing strategy lowers raw-material costs and cuts transport distances, resulting in a significantly smaller carbon footprint.

Natural gypsum extraction and processing consume far less energy than the power-intensive methods required to produce synthetic gypsum, which translates into substantially lower CO₂ emissions. By working with nearby suppliers, we also maintain tight quality oversight and traceability, ensuring each batch meets our purity standards without the need for extensive post-mining treatment.

Beyond its environmental benefits, natural gypsum has a long history of trusted use across industries. Its sustainable and accessible nature makes it an ideal material for our production, ensuring we deliver high-quality products while minimizing environmental impact.



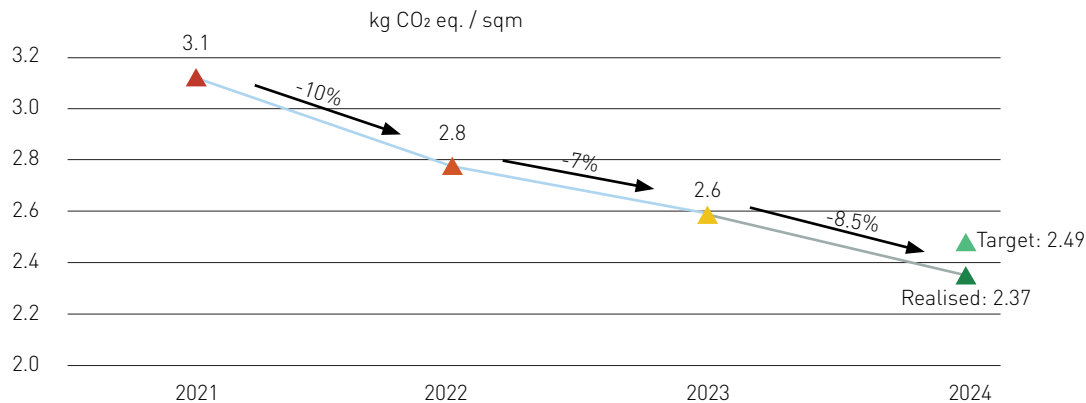
Carbon Footprint Measurement and Five-Year Target Plan

MODULO continued to measure and reduce its carbon footprint, with updated calculations and tracking in 2024. Our methodology, aligned with international standards, covers all production activities and is benchmarked annually.

Key Results:

- In 2024, emissions data is being recalculated in collaboration with Servelect.
- The last reported value for cement-based products was 2.6 kg CO₂/sqm (2023), with a five-year reduction target plan in place.
- For gypsum-based products, the last available value remains 3.4 kg CO₂/sqm.
- Measures in 2024 included a switch to 30% renewable energy, equipment upgrades, and further optimization of energy and gas consumption.
- The reduction plan remains on track, with annual progress reviews.
- Note: For 2024, the carbon footprint calculation includes production waste, which had not been considered in previous years. As a result, the 2024 figure may reflect a more comprehensive emission estimate.

Key Achievements



2021: Highest emissions recorded, at 3.1 kg CO₂ Eq. / sqm of product.

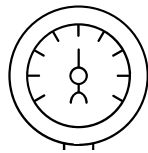
2022: Emissions decreased by 9.7%, reaching 2.8 kg CO₂ Eq. / sqm.

2023: Emissions further decreased by 7.1%, reaching their lowest point yet at 2.6 kg CO₂ Eq. / sqm.

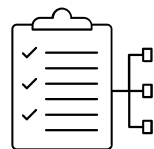
2024: Emissions decreased by 8.5%, reaching 2.37 kg CO₂ Eq. / sqm.

MODULO remains committed to publishing transparent annual carbon footprint reports and pursuing new reduction opportunities through ongoing investment in energy efficiency and sustainable operations.

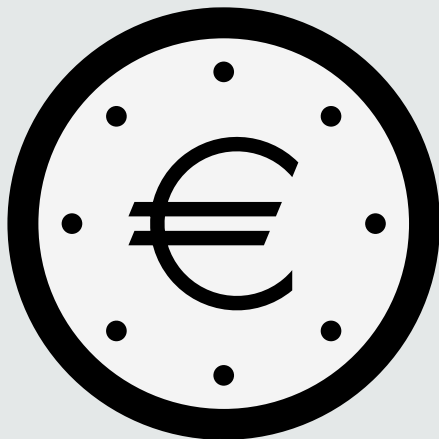
Energy Efficiency



During 2024, MODULO continued the implementation of its European grant project for advanced metering, finalizing the installation of gas, electricity, and water meters across production lines. The main objective was to obtain accurate, real-time data to identify new opportunities for improved energy efficiency.



The installation process is expected to be fully completed by the end of 2024. Based on the collected data, a comprehensive action plan will be developed to further reduce energy consumption and CO₂ emissions, with implementation deadlines set for 2025.



Starting in November 2024, MODULO transitioned 30% of its total energy consumption to renewable sources. Additional efficiency measures included:

- Purchasing two new compressors (including one with variable speed), targeting a 30% reduction in monthly energy consumption.
- Replacing the burner for the Signature dryer to lower gas usage.
- Operating only the upgraded, insulated curing system to minimize energy loss.
- Installing LED lighting across all production areas.

Feasibility studies for the installation of photovoltaic panels are ongoing, with funding applications submitted and project completion scheduled for 2026.

Green Energy Supply Agreement with OMV Petrom

Context and Objectives

In October 2024, MODULO signed Addendum No. 1/2023 to Electricity Supply Contract No. 162/2023 with OMV Petrom S.A. Under this addendum, 30 % of the electricity supplied throughout the contract term will come exclusively from renewable sources. OMV Petrom delivers the corresponding Guarantees of Origin, certified by the competent Romanian authorities.

ESG Impact and Benefits:

- **Carbon Footprint Reduction:** Shifting a significant share of consumption to renewables helps cut CO₂ emissions from production and logistics.
- **Supply Stability:** Access to green energy ensures price predictability and shields against market volatility.
- **Strategic Alignment:** This partnership underscores MODULO's commitment to energy transition and supports our energy KPIs (2024 target: 30 % green energy, 2025 target: 50 % green energy).

Preliminary Results (Nov–Dec 2024):

- **Green Energy Achieved:** 30 % of total consumption for November and December.
- **Estimated Emissions Reduction:** 15 % (internal projection).
- **Cost Savings:** Approximately 5 % compared to standard conventional energy rates.

Outlook for 2025:

- **Expansion:** Negotiating to increase the green energy share to 50 % of consumption starting in 2025.
- **Additional Partnerships:** Evaluating collaborations with local providers for wind or solar power.
- **Green Objectives:** Implementing continuous energy quality monitoring and quarterly emissions reporting (tracking renewable vs. conventional electricity).



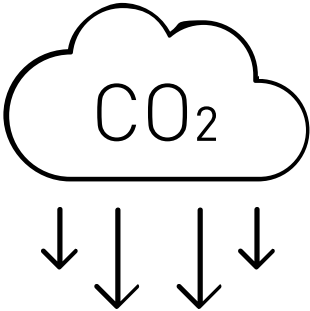
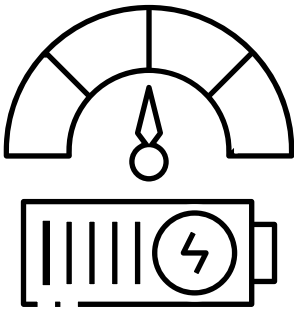
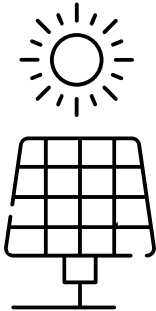
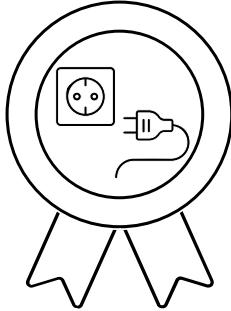
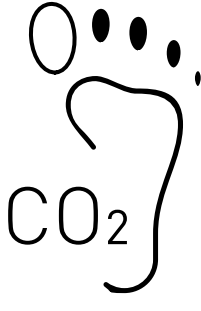
OMV Petrom

Partner since 2024

Minimum 30 % of supplied electricity must be renewable and backed by Guarantees of Origin.

To reinforce the 2025 and 2030 sustainability ambitions, MODULO established clear objectives for 2024 focused on advancing sustainable practices.

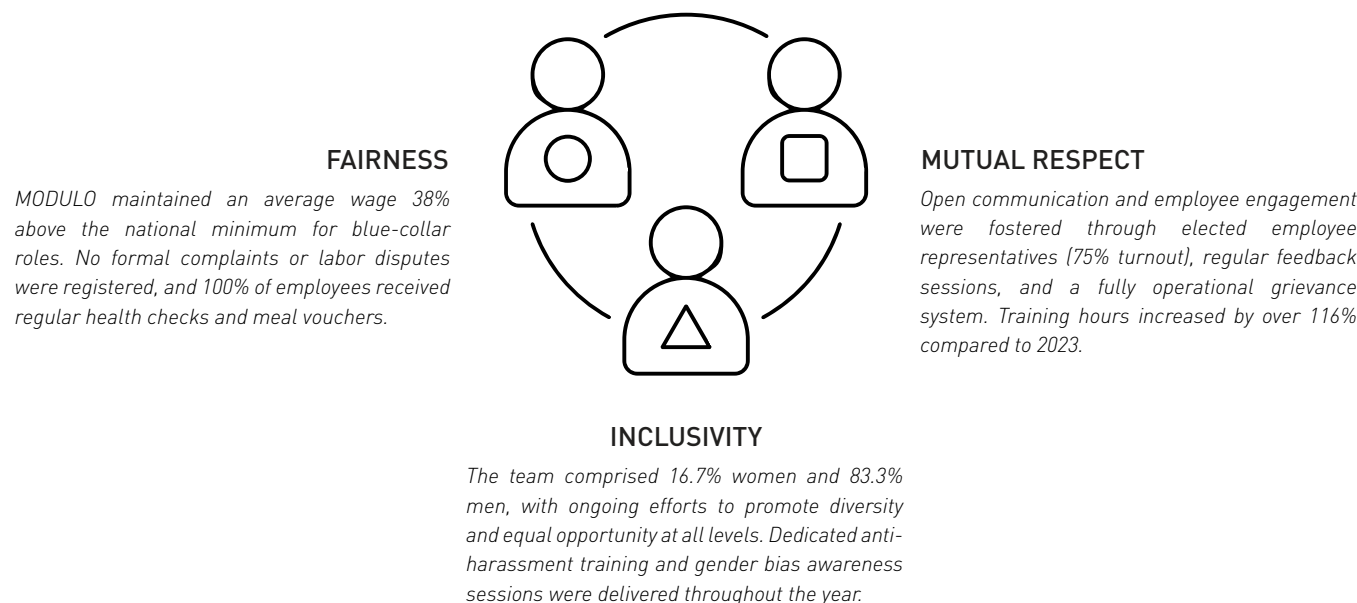
Commitment to a Green Future – 2024 Goals:

Reduction of CO ₂ Emissions	Implementation of Energy-Saving Measures	Transition to Renewable Energy	Promotion of Sustainable Practices	Carbon Footprint Recalculation
				
<p>MODULO targeted a further 3% reduction in CO₂ emissions per square meter by end of 2024. The last reported figure (2023) was 2.6 kg CO₂/sqm for cement-based products.</p> <p>In 2024 emissions decreased by 8.5%, reaching 2.37 kg CO₂ Eq. / sqm.</p>	<p>In 2024, MODULO achieved a 10% reduction in overall energy consumption (outperforming the 5% target) by installing two new compressors (one with variable speed), optimizing gas and electricity use on all curing lines, and upgrading to LED lighting throughout the facility. Only the best-insulated curing system is now used, further lowering gas consumption.</p>	<p>Starting in November 2024, 30% of all electricity consumed at MODULO comes from renewable sources. The company has completed feasibility studies for installing photovoltaic panels, submitted EU funding applications, and plans to implement the project by 2026.</p>	<p>MODULO continued internal campaigns to reduce waste, encourage carpooling, switch off idle equipment, and unplug unused devices. The company's waste recycling rate increased to 95% in 2024, up from 75% in prior years.</p>	<p>In 2024, MODULO completed a new carbon footprint calculation in collaboration with Servelect, using updated energy coefficients and incorporating, for the first time, production waste into the final figures. This more comprehensive methodology ensures greater accuracy and reflects the full environmental impact of our operations.</p>

MODULO will continue to publish annual carbon footprint assessments, using them as a strategic tool to monitor progress and guide the next phase of our five-year emissions reduction plan.

In 2024, our focus remained on fostering a healthy, transparent, and supportive relationship between employees and the company. This approach was especially important in a year marked by continued economic pressures and legislative updates impacting our workforce. Our actions reflect our commitment to a fair, inclusive, and sustainable work environment, fully aligned with ESG principles and our core values.

This year marked a further step in strengthening labor relations, with the continuous implementation of our updated Policy Book, the maintenance of our Collective Bargaining Agreement, and enhancement of the grievance and suggestion system—used by 13.5% of employees in 2024. These efforts emphasize fairness, inclusivity, and mutual respect, reinforcing the foundation for a positive and collaborative workplace.



Significant efforts were made to maintain financial stability for our team during increases in the minimum wage and sector taxation. Salaries were adjusted to protect employees' net earnings, and extra measures were taken to support quality of life.

Amid these changes, MODULO prioritized transparency and dialogue between employees and management, reinforcing a culture of trust and solidarity, and ensuring that all team members felt valued and supported.

By navigating these challenges together, we reaffirmed our dedication to building a resilient and sustainable workforce. Every step we take supports long-term well-being for our people and the communities we serve.

Our Commitment to Diversity, Inclusion, and Fair Compensation

As part of our ESG strategy, MODULO continues to prioritize diversity, inclusion, and fair remuneration for all employees. In 2024, women represented **16.7%** of our total workforce, with **83.3%** men. This distribution reflects the nature of our business—manufacturing for the construction industry—which traditionally attracts more male workers, especially in physically demanding production roles.

However, women held a majority of support (TESA) positions, accounting for over **52%** of office staff. In production, over **90%** of roles remain filled by men.

Gender Pay & Equal Opportunity:

Our annual salary analysis confirmed that, in 2024, women continued to earn on average **13.1% more than the company’s median hourly wage and 15.5% more than men**. These figures are driven by the higher concentration of women in high-skilled office and administrative positions. No formal gender discrimination complaints were reported in 2024.

Policies and Initiatives

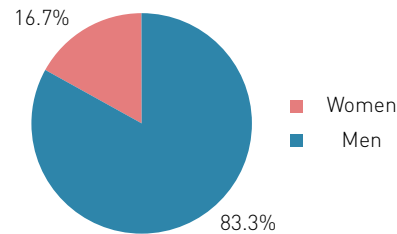
We maintained mandatory annual training on gender bias awareness and anti-harassment, with 100% employee participation. All compensation, recruitment, and development processes are audited annually to ensure full compliance with our ESG policies and commitment to equal opportunity.

At a national level, MODULO continues to outperform industry benchmarks for diversity and pay equity in construction. We remain dedicated to promoting opportunities for women in support functions and to maintaining pay equity for all employees.

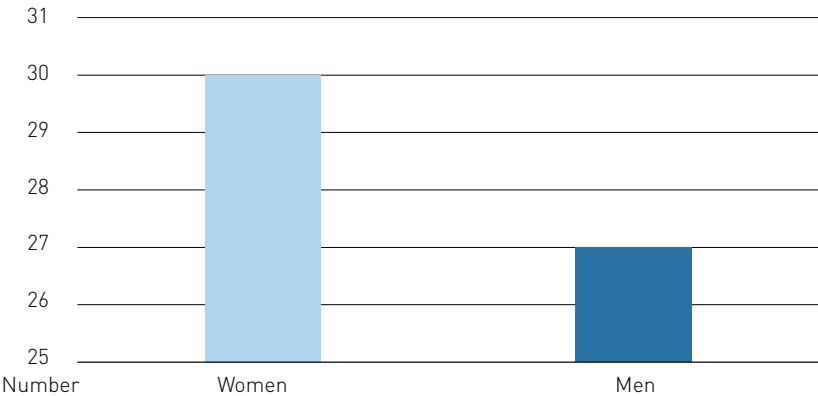
Diversity & Inclusion

No formal discrimination complaints. 100% participation in bias/anti-harassment training.

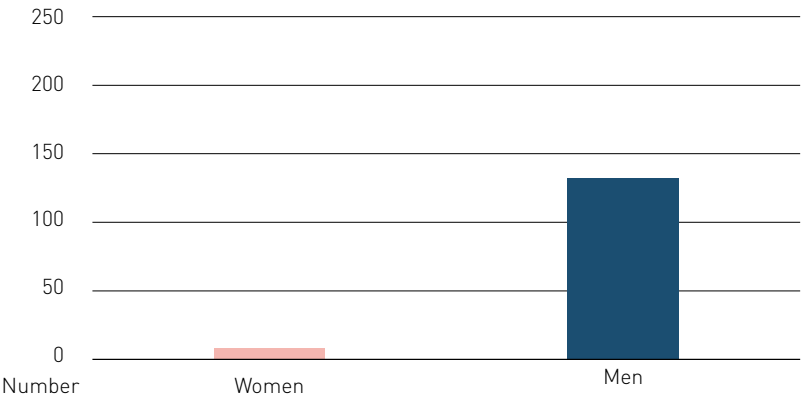
Employees on cumulative payrolls/year



TESA Employees - support positions



PRODUCTION Employees



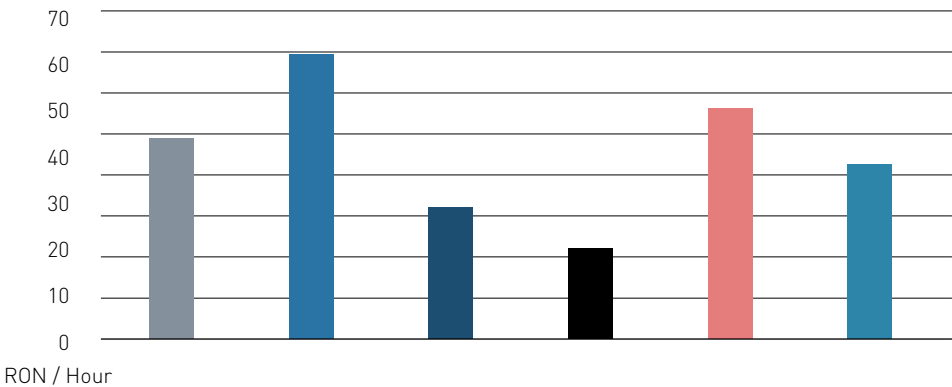
Competitiveness and Employee Well-Being

In 2024, MODULO employees continued to benefit from compensation levels significantly above the national minimum wage. **The average company-wide hourly wage was EUR 9.68 (or 49.7% higher than the legal minimum of EUR 4.43/hour)**. Within the company, production roles exceeded the minimum by 34%, while TESA (office/support) roles were over 70% above the legal threshold. **Women represented 16.7% of total employees**, with an average age of 41.9 years. The average hourly wage for women was **EUR 11.11**, while men earned **EUR 8.47** per hour, resulting in an **unadjusted gender pay gap of -31.13% in favor of women**—a reflection of their concentration in higher-skilled office positions. Blue-collar wages for both men (EUR 6.64) and women (EUR 6.18) also remained well above both the national and industry minimums.

All employees received meal vouchers, regular health checks, access to enhanced training programs, and full social protection. The company covered all mandatory contributions, including pension and unemployment insurance, with social services accounting for over 30% of total salary expenses in 2024.

While industry and cultural factors continue to limit female representation in production roles, MODULO remains dedicated to promoting pay equity and advancing career opportunities for women wherever feasible. Our ongoing commitment to fairness and inclusion is reflected in regular salary audits, 100% participation in annual bias-awareness and anti-harassment training, and the continued absence of any gender discrimination complaints.

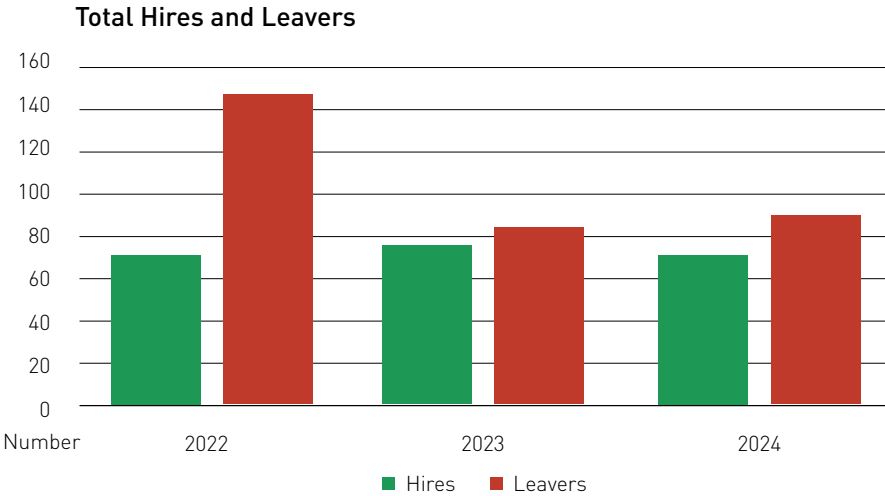
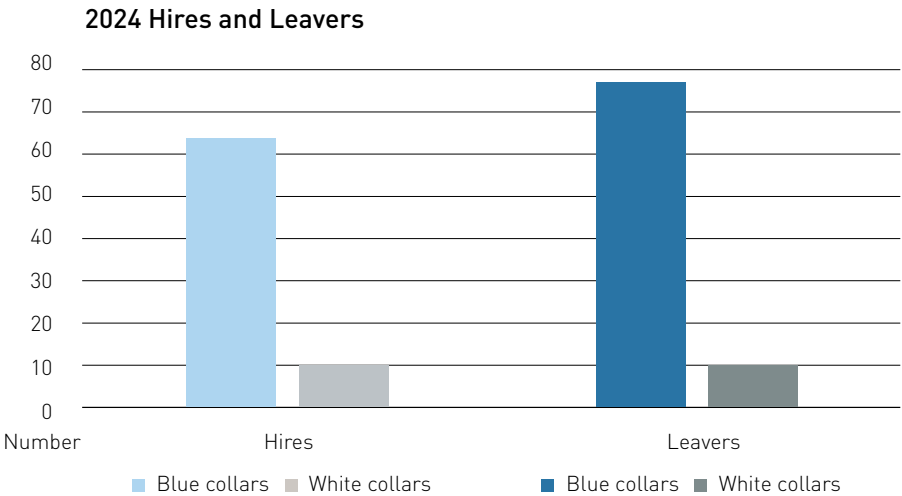
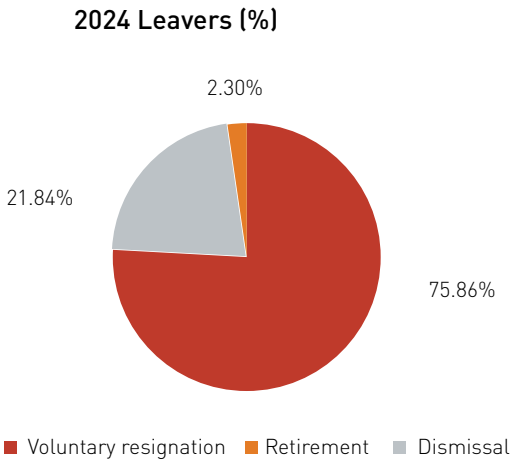
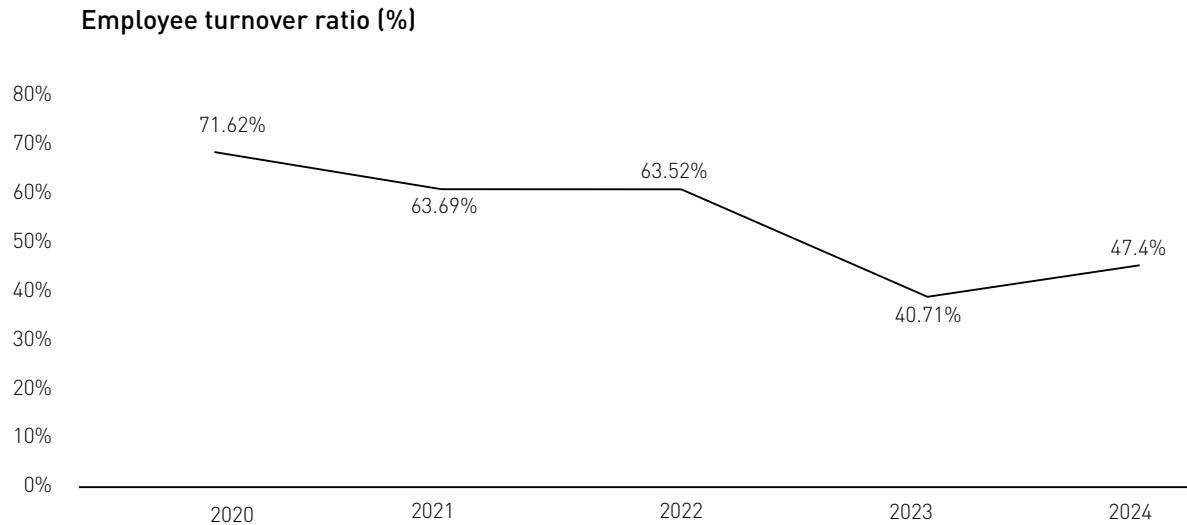
Average hourly wage



- Average hourly wage/total company
- Average hourly wage/TESA
- Average hourly wage/Production
- National minimum wage per hour 2024
- Average hourly wage for women
- Average hourly wage for men

* According to the data and the approximate average exchange rate of 1 EUR = 4.97 RON for 2024.

In 2024, MODULO’s employee turnover ratio increased slightly to 47.4%, following a historic low of 40.7% in 2023, but remaining below the high values from previous years (63.5% in 2022, 63.7% in 2021). This shift reflects adjustments in organizational structure and labor market trends. Despite the moderate increase, employee retention remains a key area of focus, with continued efforts to stabilize and support the workforce.

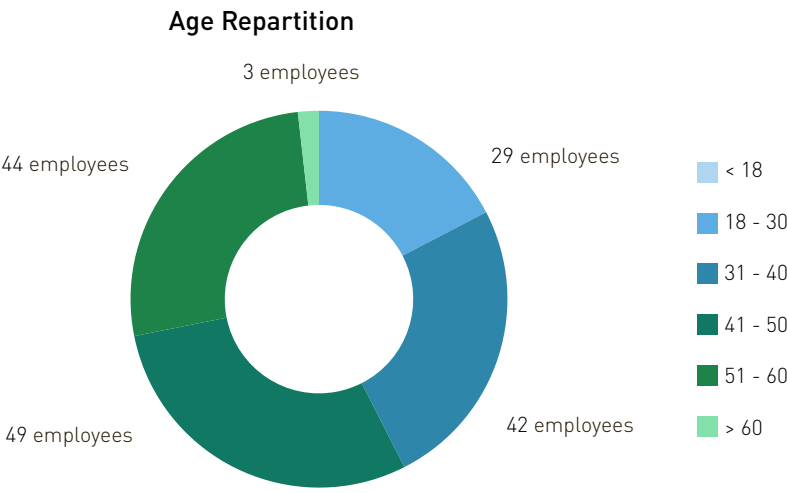


We continuously monitor the age structure of our workforce to maintain a diverse and balanced team. In line with our commitment to inclusive opportunities, MODULO does not employ individuals under the age of 18. In 2024, we further strengthened our partnerships with educational institutions and continued to support internship, exchange, and work experience programs, offering students and young professionals meaningful exposure to real-world work environments. These initiatives are designed to nurture future talent, foster hands-on learning, and support career development.

It is important to clarify that participants in these programs do not hold employee status, as they are involved in temporary, unpaid activities focused on personal and professional growth. MODULO’s approach prioritizes educational value and development, rather than direct financial benefit to the company. This ongoing commitment ensures the sustainability of our workforce by balancing experienced staff with new generations of skilled professionals.

Average Age

The average age of our employees in 2024 is 42 years, highlighting a stable and experienced workforce. At the same time, our commitment to internships and work-experience programs continues to bring younger talent into the organization, supporting a healthy generational mix and ensuring long-term sustainability.



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MODULO

THE FASHION HOUSE FOR WALLS

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