

MO DU LO

SUSTAINABILITY REPORT

BUILDING TODAY FOR A BETTER TOMORROW



ENVIRONMENT



SOCIAL



GOVERNANCE



CONTENTS

Overview of the report structure

MODULO publishes its third Sustainability Report for the 2025 reporting year, demonstrating its continued commitment to transparency, accountability and sustainable development.

The report is prepared on a consolidated basis and covers both MODULO Decorative Solutions and its subsidiary, MODULO Stone. It brings together the company’s key environmental, social and governance disclosures, supported by quantitative indicators and narrative reporting.

Where relevant, the report is informed by applicable non-financial reporting requirements and voluntary sustainability reporting guidance.



INTRODUCTION

About this Report	3
-------------------	---



CEO MESSAGE

	4
--	---



EXECUTIVE SUMMARY

Who We Are in Brief	5
Key ESG Results 2025	5
External Recognition	5



THE COMPANY

General Information	6
MODULO Global Presence	6
Corporate Governance & Board of Directors	7
Values & Stakeholders	8



PORTFOLIO & PRODUCTS

Product Ecosystem	9
Sustainable Packaging	11



SUSTAINABILITY

ESG Approach & Framework	12
Environment	13
Carbon Footprint & GHG Emissions	14
Energy & Climate Transition	16
Resources & Waste	17
Air Quality & Water Management	18
Social — People, Labour & Human Rights	19
Workforce Development	20
Workforce Demographics	21
Diversity & Equal Opportunities	21
Employees Wellbeing, Health & Safety	22
Governance & Ethics	24
Responsible Supply Chain	25
SDG Alignment	26
Certifications & ESG Performance	28



ESG PERFORMANCE DATA

ESG KPI Tables and Methodology	32
--------------------------------	----



CONCLUSIONS & FUTURE COMMITMENTS

2030 Objectives	35
Continuous Improvement Approach	35

INTRODUCTION

A structured and measurable approach to sustainable growth

MODULO remains committed to its customers, whether they are large retail chains or real estate developers seeking customized solutions. The company ensures that its wall cladding systems are consistently well received in the interior and exterior design market, while maintaining high standards of quality, durability, and reliability.

This report includes both quantitative and qualitative data, as well as specific objectives related to the consolidated activity of Modulo Decorative Solutions and Modulo Stone. Starting in September 2025, MODULO Stone integrated the activity previously performed by MSAS, a service provider comprising a seven-person team dedicated to MODULO. The activity became part of the company's internal structure under direct ownership, replacing the previous shared-service arrangement and strengthening operational control.

In the field of interior and exterior design, aesthetic requirements must be complemented by the sustainability of materials and systems that are durable and perform consistently throughout their lifecycle. Delivering relevant solutions today means not only meeting client expectations, but also promoting responsible resource management and optimized applications across a wide range of use cases.

In 2025, MODULO continued to strengthen its commitment to sustainability despite an unpredictable economic and geopolitical environment. The year was marked by increasing cost pressures, rapid legislative changes, and evolving regulatory requirements with a direct impact on operations.

At the European level, the construction sector recorded a slight decrease of approximately 0.8%, with a more pronounced decline in the real estate construction segment, which is particularly relevant for the interior and exterior materials industry. In Romania, the construction sector maintained a significant contribution to the economy, representing approximately 8.7–9% of GDP. Growth was mainly driven by infrastructure investments, while the residential segment showed signs of stagnation or contraction in certain areas.

For MODULO, 2025 was defined by a careful balance between operational optimization and continued investment in strategic areas, including energy efficiency, environmental responsibility, and product portfolio development. The company focused on consolidating its position in its main markets — Romania and France — while maintaining a relevant presence in international markets.

Through this report, MODULO aims to provide a balanced and transparent overview of its sustainability performance. It highlights both positive developments — such as the continuation of energy efficiency initiatives, the maintenance of key certifications, and the strengthening of ESG governance — as well as the challenges encountered in a complex external environment.

During 2025, MODULO achieved several important milestones across its sustainability pillars:

- **Environmental Responsibility:** In 2025, MODULO reduced combined Scope 1 and Scope 2 greenhouse gas emissions by 33.1% compared with 2024, reaching 911.1 tCO₂e. This performance was supported by lower natural gas and electricity consumption, increased use of renewable electricity and continued process optimization. MODULO also assessed Scope 3 emissions for the first time, expanding the reporting boundary to selected value-chain emission categories.
- **Social Responsibility:** Operating in a challenging labor market context, characterized by fiscal changes and increased workforce mobility, MODULO maintained operational continuity while continuing to promote employee stability, health and safety, fair working conditions, and inclusive workplace practices.
- **Governance and Ethics:** Governance practices were further strengthened through the integration of ethical and anti-corruption principles, enhanced oversight of sustainability-related risks by management, and increased transparency through ESG reporting aligned with international frameworks.
- **Innovative Products and Services:** MODULO continued to develop adaptable and sustainable wall cladding solutions that combine aesthetic value with long-term performance, supporting efficient use of resources and meeting the diverse requirements of residential, commercial, and renovation projects.

Overall, MODULO approaches sustainability as an integral part of its business strategy, focusing on long-term resilience, operational efficiency, and responsible growth in a continuously evolving market environment.

2025 CONTEXT

- European construction sector: -0.8%
- Romania: ~8.7–9% of GDP contribution
- Residential market: stagnation / slowdown

MODULO
THE FASHION HOUSE FOR WALLS

Sustainability is not only about materials, but about how resources are managed across the entire lifecycle.

Natural materials
Responsible choices
Lasting impact

Designing spaces
Building a sustainable future



ENVIRONMENT

Emission reduction & energy efficiency



SOCIAL

Employee stability & safety



GOVERNANCE

Ethics & transparency



PRODUCT

Sustainable cladding solutions

CEO STATEMENT

A leadership perspective on responsibility and long-term impact



Iulian Gabriel Mangalagiu
CEO

Mr. Iulian Gabriel Mangalagiu serves as CEO and oversees the company’s daily activity.

What I have learned over the years is that sustainability is not built only through strategies, reports or objectives. Although these are very important, the real challenge is to demonstrate, every day, that sustainability is reflected in the way we work, the way we treat people, the way we solve problems and the responsibility we assume for the decisions made within our company. Our objective is to think and act beyond immediate and local impacts, adopting a long-term and integrated perspective..

Behind each indicator presented in this report, there are real people, daily efforts and many small actions that together define who we are as a company.

In recent years, we have continued to invest in workplace safety, employee stability, professional development and environmental responsibility. We have improved our training programs, increased the share of renewable electricity used in our operations, maintained transparent labor practices and continued to strengthen our internal standards through constant involvement in operational processes.

At the same time, we recognize that the future of responsible business also involves adapting to new technologies. MODULO encourages employees to simplify processes, improve efficiency, reduce repetitive tasks, and create more value for both people and the company.

For us, sustainability means building a business that is able to ensure continuity, remain responsible, and continuously adapt to new challenges. We must recognize that the current economic and political context remains difficult. Rising raw material costs, changing consumer behavior, the push for low-cost products, sometimes lacking consistent quality standards, as well as increasing tax burdens and regulatory pressures, have made it more difficult to financially support all the goals we would have liked to achieve at the pace initially planned.

I am proud that this report reflects not only compliance with standards and regulations, but also the culture we continue to build at MODULO – a culture based on responsibility, teamwork, transparency, adaptability and continuous improvement. We know there is still much to do, but we remain committed to growing responsibly, protecting our people and building long-term trust with our employees, customers and partners.

Sustainability is not only about strategies, reports or objectives... but about how we work and take responsibility.

A handwritten signature in black ink, appearing to be 'I. Mangalagiu', written in a cursive style.

WHO WE ARE IN BRIEF

A snapshot of MODULO’s identity, operations and market presence

MODULO Decorative Solutions is a European producer and distributor of decorative stone veneers, brick slips and 3D wall panels, combining industrial production with craftsmanship, product innovation and practical installation systems.

Based in Turda, Romania, MODULO operates an integrated production site and serves both B2B and B2C markets across several European countries. The company manufactures cement- and gypsum-based decorative cladding products and complements its portfolio with selected natural stone and installation accessories.

Sustainability is integrated into MODULO’s development model through energy efficiency, responsible resource management, product durability, certified management systems and annual greenhouse gas emissions reporting.



FOUNDED
French stone veneer legacy since 1984



ROMANIAN PRODUCTION SITE
Turda, Romania, operational since 2004



EMPLOYEES
129 employees at year-end 2025



MAIN PRODUCTS
Decorative stone veneers, brick slips, 3D wall panels, accessories



MARKETS
B2B, B2C, DIY, distributors, international sales



PRODUCTION MODEL
Cement- and gypsum-based manufacturing, with selected natural stone portfolio

This profile provides the foundation for MODULO’s ESG approach: a manufacturing company focused on reducing operational impact while continuing to develop durable, accessible and design-oriented wall cladding solutions.

KEY ESG RESULTS 2025

Measurable progress across emissions, energy and reporting maturity

In 2025, MODULO continued to improve its ESG performance, with strong progress in operational emissions reduction, energy efficiency and greenhouse gas reporting maturity. Scope 1 and Scope 2 emissions decreased significantly compared with 2024, while the company expanded its climate reporting by assessing material Scope 3 categories for the first time.

These results confirm the effectiveness of MODULO’s energy efficiency measures, renewable electricity procurement and continuous improvement approach.

ESG result	2025 result	Evolution / note
Scope 1 emissions	830.5 tCO ₂ e	-27.6% vs. 2024
Scope 2 emissions, market-based	80.6 tCO ₂ e	-62.5% vs. 2024
Total Scope 1 + 2 emissions	911.1 tCO ₂ e	-33.1% vs. 2024
Eco-efficiency ratio	2.12 kgCO ₂ e/m ²	-8.9% vs. 2024
Natural gas consumption	3,793.8 MWh	-27.4% vs. 2024
Electricity consumption	733.52 MWh	-32.2% vs. 2024
Renewable / green electricity	329.17 MWh	44.9% of total electricity
Scope 3 emissions	6,505.5 tCO ₂ e	First year assessed
Total GHG footprint, Scope 1 + 2 + 3	7,416.2 tCO ₂ e	Includes first Scope 3 assessment

Scope 3 was assessed for the first time in 2025. As Scope 3 was not quantified in 2024, year-on-year comparison is not applicable. The inclusion of Scope 3 reflects an expansion of MODULO’s reporting boundary and a stronger basis for future value chain engagement.

Reporting validation and future assurance

The preparation of this report involved a multidisciplinary internal team, supported by cross-functional review and validation processes to enhance the consistency and reliability of the reported information. Environmental indicators, including Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, were developed with the support of specialized external environmental consultants using internationally recognized methodologies. As part of MODULO’s commitment to continuous improvement and alignment with internationally recognized sustainability reporting practices, the company will progressively evaluate the implementation of independent external assurance for future sustainability reports, taking into account the maturity of its reporting processes and available resources.

EXTERNAL RECOGNITION

Certified systems, independent assessment and transparent reporting

For the third consecutive year, MODULO has strengthened its commitment to sustainability principles. It measures, evaluates and seeks to continuously improve its ESG performance, in accordance with the Group’s standards, customer expectations and specific market requirements.

This progress is demonstrated by the maintenance of ISO certifications audited by Bureau Veritas, positive results in external customer audits and recognition through the EcoVadis Bronze Medal awarded in 2026, based on MODULO’s sustainability assessment.

- 

EcoVadis Sustainability Assessment
Bronze Medal / Score: 68/100
Recognition of MODULO’s ESG performance across environment, labour & human rights, ethics and sustainable procurement.
- 

ISO 9001 — Quality Management
Certified management system supporting consistent product quality, process control and customer satisfaction.
- 

ISO 14001 — Environmental Management
Certified framework for managing environmental impacts, resource efficiency and compliance obligations.
- 

ISO 45001 — Occupational Health & Safety
Certified system supporting workplace safety, risk prevention and employee wellbeing.
- 

Environmental Product Declaration (EPD) — Product transparency
Product-level environmental documentation supporting life-cycle transparency and environmental performance communication.
- 

Annual GHG Reporting — Carbon footprint monitoring
The 2025 greenhouse gas inventory was prepared in accordance with the GHG Protocol and covers Scope 1, Scope 2 and selected Scope 3 categories. Scope 3 emissions were assessed for the first time in 2025, expanding the company’s reporting boundary and supporting future value-chain engagement.

GENERAL INFORMATION

A clear view of our operational footprint and business fundamentals

Founded in France in 1984 and established in Romania in 2004, MODULO has evolved into a leading European manufacturer of decorative brick and stone veneers made from cement and gypsum materials. Our operations are centered in Turda, where we manage an integrated production site combining traditional craftsmanship with continuous process optimization.

During 2025, the construction sector experienced a period of contraction, requiring increased adaptability across the industry. MODULO remained focused on maintaining competitiveness through operational efficiency, product quality, and responsible resource management.

Our production model is semi-manual, relying on the expertise and craftsmanship of our Turda-based workforce. Core functions—including sourcing, production planning, manufacturing operations, and coordination—are managed locally, ensuring flexibility, responsiveness, and consistent quality control.

The MODULO Group includes two companies in Romania: MODULO Decorative Solutions SRL and its subsidiary, MODULO Stone SRL.

The Turda facility covers approximately 27,500 sqm and employed 129 people at year-end 2025. During the year, MODULO maintained its ISO 9001, ISO 14001, and ISO 45001 certifications, alongside Environmental Product Declarations (EPDs) covering key product categories, demonstrating continued compliance with internationally recognized standards.

Despite challenging market conditions throughout 2025, MODULO continued to strengthen its operational resilience and long-term sustainability performance. Capital expenditure reached approximately EUR 370,000, supporting production efficiency, operational improvements, and sustainability-related initiatives, while total revenue amounted to approximately EUR 11.5 million.



27,500 sqm
production plant



1,400,000 sqm
production capacity



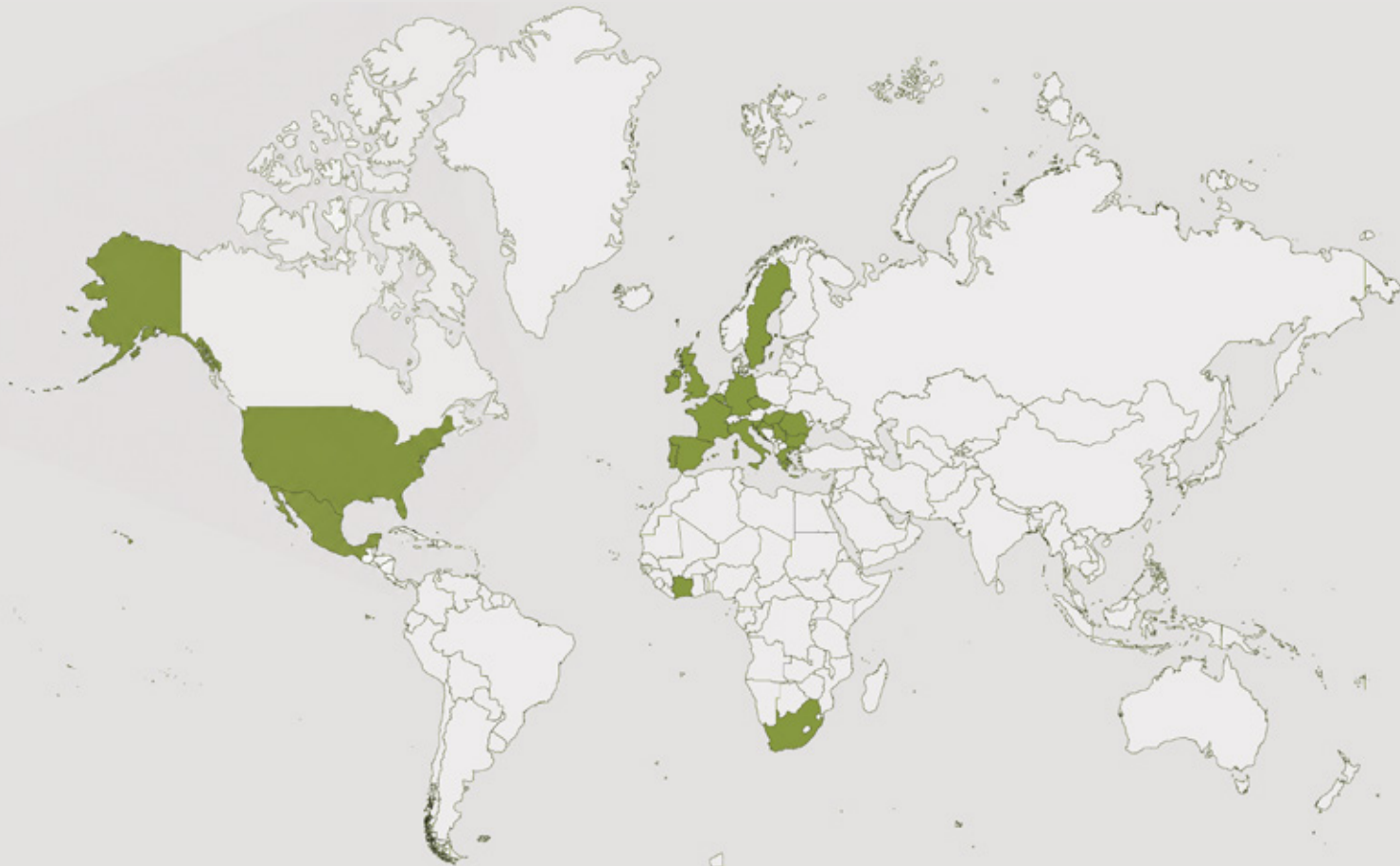
129 employees



MODULO GLOBAL PRESENCE

Active distribution across Europe and selected international markets

MODULO Presence



In 2025, MODULO continued to strengthen its international presence, focusing on consolidating its position in core European markets while expanding into new territories.

The company maintains strong distribution and sales channels across Central and Eastern Europe, particularly in Romania, Hungary, Bulgaria, and Poland. France remains the most mature and strategic market, serving as a reference point for product positioning and brand development.

In Western Europe, MODULO expanded its network of partners and sales agents, including presence in Germany, Belgium, the United Kingdom, Spain, and Italy. These efforts support the company's objective of building a balanced and resilient distribution model.

Beyond Europe, MODULO sustains its presence in North America — Canada and the United States — and Africa — South Africa — through direct deliveries and strategic collaborations. This international footprint reflects the company's adaptability and commitment to long-term market development.

CORPORATE GOVERNANCE & BOARD OF DIRECTORS

A structured framework for ownership, oversight and accountability

Key Investors Overview

A strong ownership structure supporting long-term growth

MODULO's shareholder structure reflects a strong foundation for long-term development, combining private equity leadership with additional private investor participation.

Since 2021, SEET Investment Holdings, a private equity fund, has been the majority shareholder, holding 91.4% of shares and providing strategic direction, financial stability, and long-term growth support.

The remaining shareholding is held by private investors, ensuring continuity and alignment with the company's development objectives.



This ownership structure enables MODULO to maintain a long-term strategic perspective, supporting investments in operational efficiency, product development, and sustainability initiatives.

Board of Directors

Strategic oversight and accountability

MODULO is governed by a Board of Directors composed of four members with diverse international backgrounds, bringing complementary expertise and perspectives to the company's decision-making process.

The Board provides strategic oversight, supervises executive management and supports alignment between business performance, risk management and sustainability objectives.

At present, the Board does not include independent members, with governance responsibilities assumed by appointed directors and shareholders.



Anthony Stalker



Didem Anil



Sebastian Tcaciuc



Iulian Gabriel Mangalagiu

VALUES & STAKEHOLDERS

Core values guiding responsible growth and long-term partnerships



Trust & Transparency

We build trust through transparency, ethical conduct and responsible communication in all internal and external interactions.



Respect & Responsibility

We uphold respect by valuing diversity, ensuring fair practices, and acting responsibly towards employees, partners, and communities.



Quality & Professionalism

Professionalism is reflected in our commitment to quality, continuous improvement, and delivering durable, high-performance solutions aligned with best practices.



Adaptability & Innovation

Adaptability drives us to be proactive and innovative, enabling us to respond efficiently to evolving market and sustainability challenges.

At MODULO, trust, responsibility, quality and adaptability are reflected in everyday decisions — from the way we design products and manage resources, to the way we work with employees, customers and partners. Every MODULO product reflects more than design: it reflects consistency, care, technical know-how and long-term commitment.

Key Stakeholder Groups: Employees • Customers • Suppliers • Distributors & Partners • Investors & Shareholders • Certification Bodies • Public Authorities • Local Communities



The fashion house for walls
Built on trust. Driven by responsibility.
Measured through action

PRODUCT ECOSYSTEM

A comprehensive range designed for performance and versatility

Product Portfolio Overview

Decorative wall solutions for interior, exterior and complete installation systems

MODULO offers a comprehensive portfolio of decorative wall cladding solutions, combining aesthetic versatility with durable performance. All products are manufactured in Turda, Romania, using carefully selected raw materials and controlled production processes, complemented by a curated range of natural stone sourced internationally.

The portfolio includes stone and brick veneers, 3D architectural panels, and a complete range of installation accessories, designed to function as an integrated system. This ensures consistency in quality, ease of installation, and long-term durability across all applications.

Our product portfolio reflects a strong commitment to innovation, quality, and sustainability. Through continuous improvement and optimized production processes, we ensure that each product—from design to final manufacturing—meets high standards of precision, functionality, and reliability.

The use of natural gypsum and efficient production methods contributes to reducing material waste and energy consumption, supporting our objective of delivering environmentally responsible solutions without compromising on design and performance.

All MODULO-manufactured products are rigorously tested in internal laboratories or by independent third parties to verify compliance with applicable quality, safety and environmental performance standards.



Product Lifecycle & Circularity

Although our products are designed for a long service life, MODULO encourages selective demolition and recycling of mineral-based materials whenever technically feasible. Product end-of-life considerations are integrated into product development. During the manufacturing process, internally generated production rejects are assessed and, where technically feasible, crushed and reincorporated into the production process as raw materials. This approach reduces virgin raw material consumption, supports the circular use of materials within the production process and minimizes manufacturing waste while maintaining product quality.

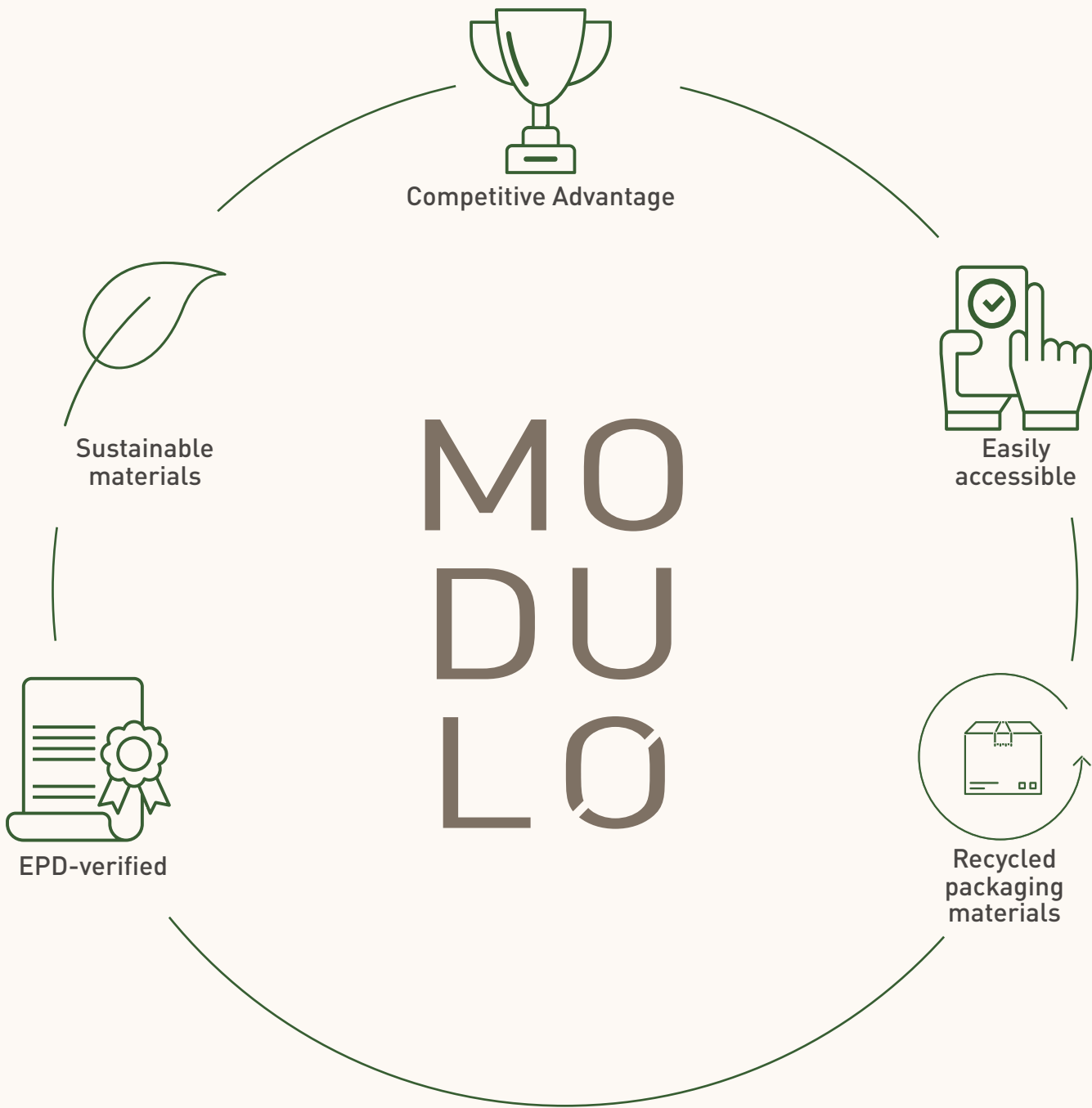
MODULO-manufactured product ranges are produced in Turda, Romania, using carefully selected natural and mineral-based materials and controlled production processes. The portfolio is complemented by a curated range of natural stone sourced internationally — China, Egypt, India, Turkey, and Vietnam.

Product system components

- **Brick Slips:** gypsum / cement
- **Stone Veneers:** gypsum / cement
- **Natural Stone:** 100% natural materials
- **3D Wall Panels:** gypsum-based composite
- **Accessories:** adhesives, grouts, protectors, cleaners

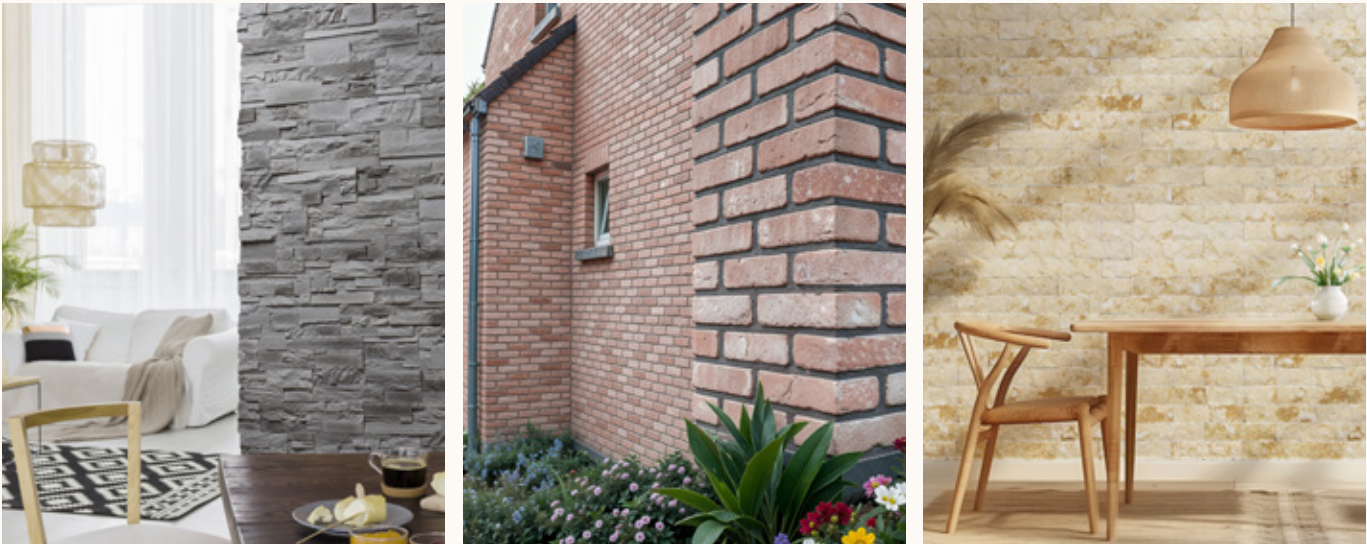
Integrated Product System

A structured approach to materials, performance and installation



Our product ecosystem is built on a structured combination of certified performance, responsible material sourcing, and operational efficiency.

MODULO maintains an integrated framework aligned with international standards, supported by ISO certifications and Environmental Product Declarations (EPD), ensuring transparency, reliability, and compliance.



Material and application diversity across interior and exterior solutions

By combining industrial precision with craftsmanship, MODULO delivers solutions that meet both functional and sustainability requirements, while remaining accessible and easy to implement across a wide range of applications.

- **EPD-verified performance:** Core product ranges are covered by Environmental Product Declarations, providing transparent lifecycle data and independently verified environmental information.
- **Responsible sourcing:** Natural gypsum (98% purity) is sourced locally in Turda, without fly ash or synthetic substitutes, reducing environmental footprint at source.
- **Accessible solutions:** Products are widely available through DIY chains, online platforms, and direct sales, ensuring ease of access and installation.
- **Integrated accessories:** Adhesives, grouts, protectors and cleaners support complete installation and maintenance.



SUSTAINABLE PACKAGING

Optimized materials and design for reduced environmental impact

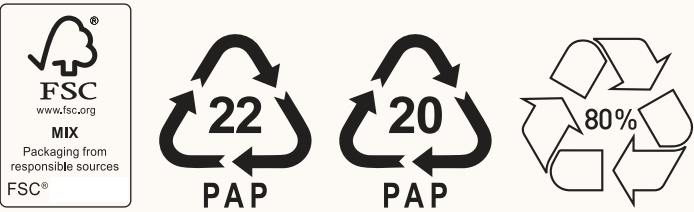
MODULO integrates sustainability into packaging design through measurable material optimization, recyclability and regulatory compliance. In 2025, packaging improvements were aligned with the company’s broader environmental strategy, including resource efficiency, waste reduction and carbon footprint monitoring aligned with Scope 3 reporting.

- **Sustainable design:** Packaging is optimized to reduce material consumption while ensuring product protection and transport stability
- **Certified sourcing:** FSC-certified cardboard ensures responsible sourcing of raw materials
- **Recycled content:** Up to 80% recycled content in cardboard packaging
- **Fully recyclable:** 100% recyclable cardboard packaging across all product lines
- **Material efficiency:** Optimized packaging formats and corrugated separators reduce material use while maintaining transport stability
- **PVC-free packaging:** Elimination of non-recyclable plastic components in primary packaging
- **End-of-life optimization:** Packaging is designed to facilitate correct sorting, recycling and circular material recovery by end users

These packaging practices support MODULO’s environmental and sustainable procurement performance, particularly in the areas of responsible sourcing, materials management and product end-of-life optimization. Packaging optimization supports MODULO’s environmental performance by reducing material intensity and improving transport efficiency. The associated value-chain impacts are included, where applicable, in the company’s Scope 3 emissions assessment.

Packaging compliance and labeling are aligned with national regulations, including extended producer responsibility (EPR) requirements across all markets, ensuring transparency, recyclability and correct waste sorting by end users.

ALL COUNTRIES



ITALY

SCATOLA	ETICHETTA	FOGLIO INTERNO
PAP20	PAP22	PAP20
Raccolta differenziata CARTA		

FRANCE



Optimized packaging formats reduce material consumption while ensuring product protection during transport and handling.

ESG APPROACH & FRAMEWORK

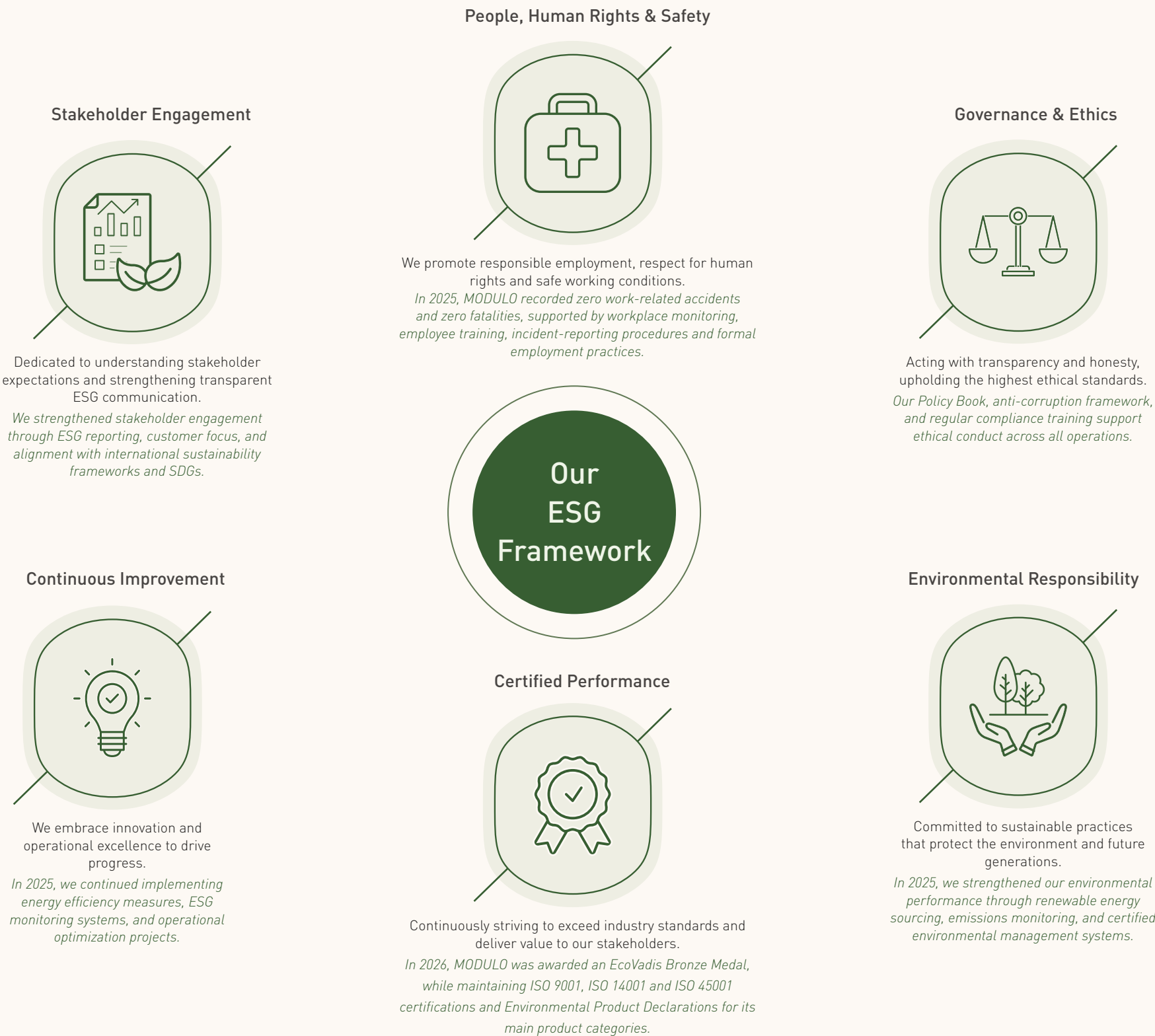
A structured framework for measurable and responsible growth

At MODULO, sustainability is embedded in our long-term strategy and operational framework.

Our approach is structured around measurable environmental performance, responsible resource management, and strong governance practices.

We continuously monitor and improve key sustainability indicators across production, sourcing, and logistics, aligning with international standards and climate-related objectives.

Through a combination of certified systems, operational optimization, and transparent reporting, we ensure that sustainability is not only a commitment, but a measurable component of our business performance.



ENVIRONMENT

Measuring and reducing environmental impact across operations and product lifecycle

911.1 tCO₂e

Total Scope 1 + 2 emissions (2025)

-33.1%

Scope 1 + 2
reduction vs 2024

44.9%

of total electricity consumption from
renewable sources

Indicator	2024	2025
Scope 1 emissions	1,147 tCO ₂ e	830.5 tCO ₂ e
Scope 2 emissions	215 tCO ₂ e	80.6 tCO ₂ e
Total Scope 1 + 2	1,362.0 tCO ₂ e	911.1 tCO ₂ e
Electricity consumption	1,081.59 MWh	733.52 MWh
Natural gas consumption	5,227 MWh	3,793.8 MWh
Eco-efficiency ratio	2.38 kgCO ₂ e/m ²	2.12 kgCO ₂ e/m ²
Renewable / green electricity	—	329.17 MWh

Methodological note: The eco-efficiency ratio is calculated as combined Scope 1 and market-based Scope 2 emissions divided by the total square metres produced during the reporting year.

Scope 3 emissions, 2025

6,505.5 tCO₂e — first year assessed

2025 Environmental Reporting Focus

- Significant reduction in emissions driven by lower natural gas consumption
- Renewable electricity backed by Guarantees of Origin represented 44.9% of total electricity consumption in 2025.
- Expanded GHG reporting boundary through first-time Scope 3 assessment
- Improved eco-efficiency ratio by approximately 9% compared with 2024

Scope 3 emissions were assessed for the first time in 2025 and amounted to 6,505.5 tCO₂e. As Scope 3 was not quantified in 2024, year-on-year comparison is not applicable. The inclusion of Scope 3 reflects an expansion of MODULO’s reporting boundary and a stronger basis for future value chain engagement.

MODULO’s environmental performance is driven by continuous monitoring, measurable targets, and operational improvements across energy use, emissions, and resource efficiency.

Our approach focuses on reducing the operational carbon footprint, improving visibility across the product lifecycle, optimizing energy consumption and minimizing waste through responsible material use and recovery practices.

By integrating environmental considerations into production and sourcing decisions, we ensure long-term efficiency and reduced impact across all operations.



CARBON & EMISSIONS
Lowering emissions and carbon footprint.



ENERGY EFFICIENCY
Improving energy efficiency.



RESOURCE EFFICIENCY & CIRCULARITY
Maximizing resource use and recycling.



RESPONSIBLE VALUE CHAIN
Supporting a low-impact value chain.



Committed to a more sustainable future through responsible production and innovation

2026 Environmental Focus

Maintain a waste recovery rate above 90% and continue compliance with packaging and packaging waste regulations through monitoring, reporting and assessment of packaging-related requirements, including preparation for applicable PPWR obligations.

Improve waste management and segregation process documentation, implementing basic tracking of waste quantities, and formalizing procedures to ensure consistent records and traceability by Q4 2026.

Improve energy management by documenting energy consumption and efficiency opportunities through a simple internal annual assessment, ensuring consistency and comparability of data year-over-year, with results consolidated by Q1 for the previous year.

Strengthen water resource monitoring and reporting by maintaining annual tracking of water consumption indicators and assessing feasible opportunities for responsible water use and operational efficiency improvements where technically applicable.

Implement targeted environmental training programs covering key environmental topics (including energy, waste and resource efficiency), tailored to relevant employee categories, ensuring at least 70% overall employee coverage by Q4 2026.

Carbon Footprint & GHG Emissions

Tracking emissions and reducing impact across production stages

Carbon Footprint Management and Decarbonization Progress

MODULO strengthened its carbon footprint management approach in 2025 through a structured and annually updated GHG monitoring system aligned with international standards.

The GHG inventory covers Scope 1, Scope 2 and selected Scope 3 categories, supporting annual monitoring and consistent environmental reporting over time.

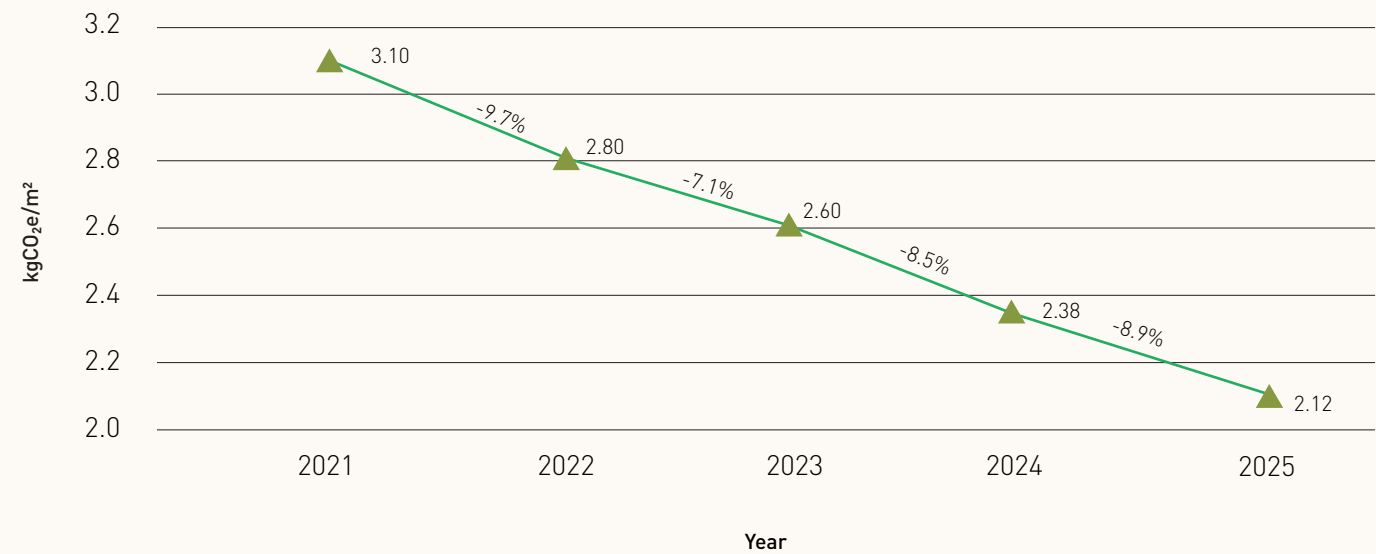
In 2025, MODULO further advanced its decarbonization trajectory, achieving a new low in operational emissions intensity while expanding the scope and accuracy of its GHG reporting across operations.

Key Results

- Measurement & Reporting**
 - MODULO maintains a comprehensive GHG inventory aligned with the GHG Protocol, covering Scope 1, Scope 2, and selected Scope 3 categories.
 - Scope 3 emissions were reported for the first time in 2025, amounting to 6,505.5 tCO₂e and increasing transparency across the value chain.
 - The carbon footprint methodology continues to integrate production waste and additional emission sources, improving accuracy and completeness.
- Performance**
 - The eco-efficiency ratio, calculated as Scope 1 + 2 emissions per m² produced, improved by approximately 9% year-over-year, reaching 2.12 kgCO₂e/m² in 2025.
 - This result confirms the continued downward trend from previous years and reflects sustained operational improvements.
 - Emissions reduction was driven by lower natural gas consumption, increased use of renewable electricity, and process optimization.

- Scope 3 Overview**
 - Scope 3 reporting marks a key step in aligning with advanced ESG reporting standards and enables future value chain decarbonization strategies.
 - Key Scope 3 contributors include transportation, purchased goods and services, and energy-related upstream activities.
 - Initial Scope 3 reporting provides a foundation for future reduction strategies and supplier engagement.
- Strategy & Outlook**
 - The emissions reduction strategy is supported by energy efficiency improvements, local sourcing, and continuous production optimization.
 - The long-term decarbonization plan remains on track, supported by annual monitoring, performance reviews, and progressive expansion of reporting scope.

Eco-efficiency Ratio Improvement (2021 - 2025)



2021: Baseline year with highest emissions recorded at 3.1 kgCO₂e/m²

2022: Emissions decreased by 9.7%, reaching 2.8 kgCO₂e/m²

2023: Emissions further decreased by 7.1%, reaching 2.6 kgCO₂e/m²

2024: Emissions decreased by 8.5%, reaching 2.38 kgCO₂e/m², outperforming the annual target

2025: Emissions intensity improved by approximately 9%, reaching 2.12 kgCO₂e/m²

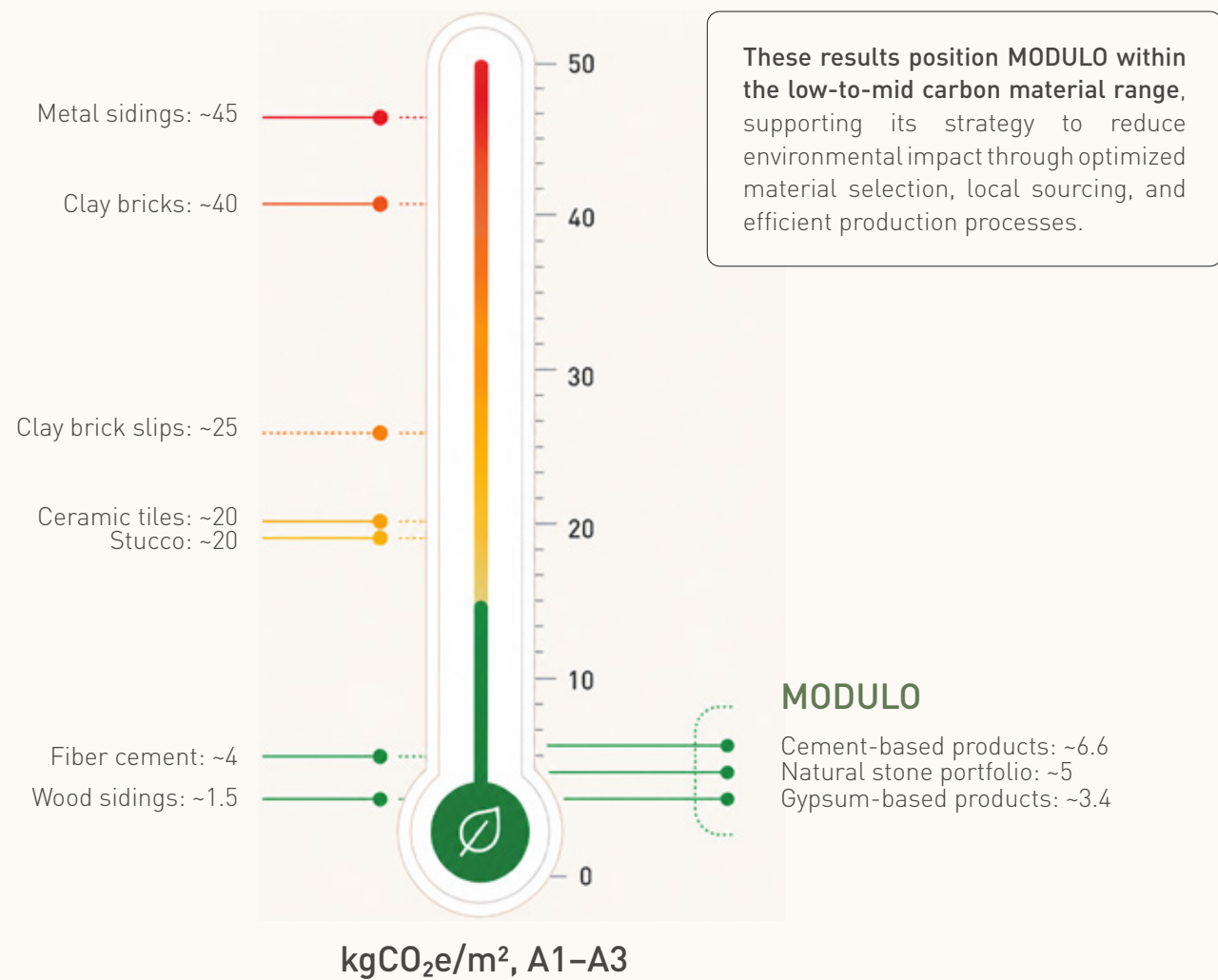
MODULO continues to enhance its carbon management practices by improving data accuracy, expanding reporting scope, and accelerating emissions reduction initiatives.

These efforts support a structured transition toward lower-carbon operations and alignment with international climate and ESG frameworks.

Comparative Carbon Footprint of Cladding Materials (GWP A1–A3)

Values are based on Global Warming Potential (GWP) for production stages (A1–A3), calculated in accordance with EPD methodology.

Indicative carbon footprint benchmark for cladding materials



Methodological note: Benchmark values are indicative and are based on available Environmental Product Declarations and lifecycle datasets for the A1–A3 production stages. Results may vary depending on product composition, manufacturing location, declared unit and the methodology applied by each source.

Carbon Footprint Benchmarking Results

- MODULO products demonstrate competitive carbon performance across key cladding materials, with cement-based products averaging ~6.6 kgCO₂e/m² and gypsum-based products reaching ~3.4 kgCO₂e/m² (A1–A3).
- Compared with other common cladding materials, MODULO’s products are aligned with industry benchmarks and, in many cases, have a lower carbon footprint for the A1–A3 production stages. For example:

- | | |
|---|--|
| ■ Wood sidings (~1.5 kgCO ₂ e/m ²) | ■ Stucco (~20 kgCO ₂ e/m ²) |
| ■ MODULO gypsum-based products (~3.4 kgCO ₂ e/m ²) | ■ Ceramic tiles (~20 kgCO ₂ e/m ²) |
| ■ Fiber cement (~4 kgCO ₂ e/m ²) | ■ Clay brick slips (~25 kgCO ₂ e/m ²) |
| ■ Natural stone (~5 kgCO ₂ e/m ²) | ■ Clay bricks (~40 kgCO ₂ e/m ²) |
| ■ MODULO cement-based products (~6.6 kgCO ₂ e/m ²) | ■ Metal sidings (~45 kgCO ₂ e/m ²) |

Natural Gypsum Sourcing as a Lower-Impact Alternative

In contrast to common industry practices, MODULO avoids the use of fly ash or synthetic gypsum and instead sources high-purity natural gypsum from quarries located near its production facility in Turda. This local sourcing approach reduces transport distances and contributes to a lower carbon footprint.

Natural gypsum extraction and processing require significantly less energy than synthetic gypsum production, resulting in lower CO₂ emissions. By working with nearby suppliers, MODULO maintains strict quality control and raw-material traceability, ensuring consistent material standards while reducing the need for extensive post-processing.

Beyond its environmental benefits, natural gypsum supports MODULO’s strategy of using locally sourced, lower-impact materials, ensuring consistent product quality while reducing environmental impact across the value chain.

Energy & Climate Transition

Tracking emissions and reducing impact across production stages

Energy Efficiency

In 2025, MODULO continued to strengthen its energy efficiency strategy through advanced monitoring systems and operational optimization across production processes.

Following the completion of metering installations initiated in 2024, the company now benefits from real-time data on gas, electricity, and water consumption, enabling more accurate performance tracking and identification of efficiency opportunities.

Key measures implemented include:

- Optimization of compressed air systems through variable-speed compressors
- Reduction of natural gas consumption through equipment upgrades
- Improved insulation of curing systems to minimize energy loss
- Transition to LED lighting across production areas

These actions contributed to a measurable reduction in energy intensity and supported the overall decarbonization strategy.

Renewable / Green Electricity Supply Agreement

In 2024, MODULO signed an electricity supply agreement with OMV Petrom that includes electricity from certified renewable sources, marking an important step in the company's energy transition strategy.

In 2025, electricity from certified renewable sources represented 329.17 MWh, equivalent to 44.9% of MODULO's total electricity consumption. The renewable origin of this electricity was supported by Guarantees of Origin and reflected in the 2025 GHG inventory.

ESG Impact and Benefits

- Reduction of Scope 2 emissions
- Increased energy sourcing transparency
- Improved resilience against energy market volatility

Outlook

MODULO aims to further increase the share of electricity sourced from certified renewable sources, while continuing to explore additional supply agreements and on-site generation opportunities. Starting in July 2025, 60% of the electricity purchased by MODULO was certified as originating from renewable sources. Beginning on 1 January 2026, 100% of the electricity purchased and supplied to MODULO is certified as originating from renewable sources.



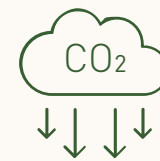
Partner since 2024

2025 certified renewable electricity

329.17 MWh | 44.9% of total electricity consumption

Energy Transition Roadmap

To support its long-term decarbonization objectives, MODULO has defined a structured roadmap focused on energy efficiency, renewable energy adoption, and continuous emissions reduction.



1. Reduction of CO₂ Emissions

MODULO continues to reduce emissions intensity through operational efficiency and lower-impact energy sources, maintaining a consistent downward trajectory.



2. Energy Efficiency Measures

Ongoing investments in equipment upgrades, process optimization, and real-time monitoring systems support continuous improvements in energy performance.



3. Transition to Renewable / Green Electricity

The integration of renewable / green electricity marks a key milestone, with further expansion planned through additional sourcing agreements and potential on-site generation.



4. Sustainable Operations

Internal initiatives focused on resource optimization, waste reduction, and operational discipline contribute to improved overall environmental performance.



5. Carbon Footprint Management

Annual carbon footprint assessments, including production waste and newly reported Scope 3 emissions, enhance transparency and support long-term decarbonization planning.

MODULO will continue to use its energy transition roadmap to monitor progress, guide investments, improve energy efficiency and support its long-term climate objectives.

Annual carbon footprint assessments will remain a key component of this approach, ensuring transparency, accountability, and measurable progress toward long-term decarbonization targets.

Resources & Waste

Optimizing resource use and minimizing waste across operations

Waste Management

MODULO applies a structured waste management approach based on waste prevention, selective collection, material recovery and full compliance with applicable environmental legislation. Waste is segregated at source and transferred only to authorized waste management contractors. Whenever technically feasible, internally generated production rejects are crushed and reintroduced into the manufacturing process as secondary raw materials, supporting resource efficiency and the circular use of materials.

In 2025, the reported quantity of waste increased compared to previous years. This variation was primarily driven by a scheduled maintenance activity involving the cleaning of the technological decanter and the removal of accumulated sediments. These materials had built up over several years and their removal resulted in a one-off increase in the quantity of waste generated during the reporting period, rather than reflecting a change in the company’s day-to-day operational performance or waste management practices.

The increase is also reflected in the waste inventory carried forward between reporting periods. Despite this temporary variation, all waste quantities remained within the limits established by the company’s Environmental Authorization and were managed in accordance with applicable legal requirements.

2025 Reporting Context

The increase in waste reflects a one-off decanter cleaning and accumulated sediment removal, not a change in ordinary operating performance.

Packaging recovery and recycling initiatives support MODULO’s circular economy objectives and strengthen the environmental practices monitored through external sustainability assessments.



FSC-Certified Packaging Cardboard

Supporting responsible sourcing and recyclable cardboard solutions



Recycling & Recovery

Waste sorting and recovery programs across operations

9.3 tCO₂e

Scope 3 emissions

From water and waste, 2025

Waste Streams Monitored

Aggregates • construction waste • concrete • wood • organic waste • WEEE
• batteries • scrap metal • paper/cardboard • plastics

2025 PERFORMANCE

95%

Waste Recovery Rate

Maintained through established segregation, recycling and recovery practices.

Waste streams monitored: aggregates, paper and cardboard, metals, plastics and other operational materials.

Indicator	2023	2024	2025
Total waste generated	188.79 t	226.79 t	543.30 t
Non-hazardous waste generated ¹	179.29 t	217.96 t	536.56 t
Hazardous waste generated	9.50 t	8.83 t	6.74 t
Waste recycled/recovered ²	117.99 t	264.93 t	569.51 t
Waste transferred to disposal	—	—	7.90 t
Waste recovery rate	75%	95%	95%

Source: MODULO internal waste management reports and environmental monitoring data.

¹ Non-hazardous waste was calculated as total waste generated minus hazardous waste generated.

² Quantities recycled/recovered may include waste held in opening stock and may therefore exceed the waste generated during the same reporting year.

Waste Streams Monitored

543.30 t

Generated

Total waste generated

569.51 t

Recovered

Including opening stock

7.90 t

Disposal

Transferred to DG

Resource Management Outlook

MODULO’s resource management approach combines waste recovery, packaging optimization, and continuous process improvement to support circular economy principles and reduce the environmental impact of its operations.

Future initiatives will focus on further improving resource efficiency, reducing material losses, strengthening circular practices, and enhancing environmental data transparency.

Air Quality & Water Management

Monitoring air emissions and water use across operations

Air Quality

Air emissions are monitored in accordance with applicable environmental permits and legal requirements. Measurements are performed by accredited laboratories at the required frequency, and results are reviewed to ensure compliance and identify opportunities for continuous improvement.



AIR EMISSIONS MONITORING

2025 stationary-source measurements

Indicator	2025 measured range	Applicable limit
Sulphur dioxide	<2.80 mg/Nm³	35 mg/Nm³
Carbon monoxide	73.3–73.7 mg/Nm³	100 mg/Nm³
Nitrogen oxides	3.3–53.7 mg/Nm³	350 mg/Nm³
Total dust	2.0–2.2 mg/Nm³	5 mg/Nm³

Source: laboratory reports CJ2502942, CJ2502943 and CJ2502944.

Three production dryer stacks monitored. All measured concentrations were below the applicable limits.

Air emissions are monitored in accordance with applicable environmental permits and legal requirements. Measurements are performed by accredited laboratories at the required frequency, and results are reviewed to ensure compliance and identify opportunities for continuous improvement.

✓ All measured concentrations were below the applicable limits.

Water Management

Water consumption is monitored annually and supplied exclusively by third-party sources. The company continuously seeks opportunities to optimize water use through process efficiency and good operational practices. Total water consumption decreased from 10,849 m³ in 2023 to 8,127 m³ in 2025.

Indicator	2023	2024	2025
Scope 3 emissions from waste & water	—	—	9.3 tCO ₂ e
Water consumption	10,849 m³	—	8,127 m³
Waste streams monitored	—	—	Aggregates, construction waste, concrete, wood, organic waste, WEEE, batteries, scrap metal, paper/cardboard, plastics
Water-related flows monitored	—	—	Water supply, wastewater treatment

10,849 m³

Water consumption

2023

8,127 m³

Water consumption

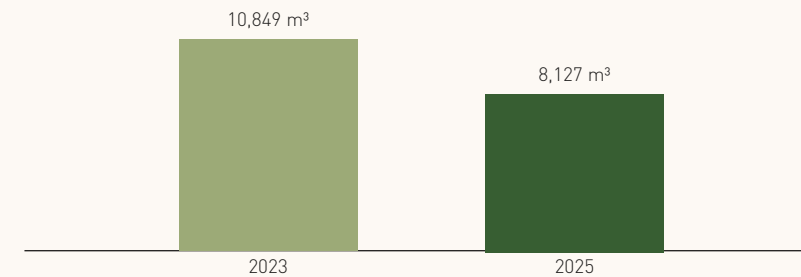
2025

-25.1%

Reported decrease

2023 - 2025

Water Consumption Trend



Water-Related Flows Monitored

Water Supply

Supplied exclusively by third-party sources

Wastewater Treatment

Included in annual environmental monitoring

Environmental Monitoring & Outlook

MODULO combines accredited air-emissions measurements, annual water-consumption monitoring and operational data reviews to improve visibility across key environmental impacts.

Future initiatives will focus on improving resource efficiency, strengthening monitoring and documentation, and evaluating feasible opportunities for responsible water use and operational improvements.

SOCIAL — PEOPLE, LABOUR & HUMAN RIGHTS

Strengthening people, safety and workplace standards through measurable actions

64 / 100

Labor & Human Rights score
(EcoVadis 2026)

0 major incidents

Major labor or workplace
compliance incidents in 2025

100% coverage

Formal employment and social
protection framework

Indicator	2024	2025
Health & Safety framework	ISO 45001 maintained	ISO 45001 maintained – Zero work-related accidents
Employee Relations & Human Rights	Core policies implemented	Policies strengthened; 0 discrimination or harassment incidents reported
Training & Development	Training programmes ongoing	Annual training plan implemented; quarterly review process maintained
Major workplace compliance incidents	0	0
Workforce stability	Moderate labour market pressure	Increased workforce mobility driven by labour market and fiscal changes; retention measures reinforced

2025 People Reporting Focus

- Maintained transparent internal communication through publicly available internal policies, mandatory onboarding training and an anonymous employee suggestion system supporting open dialogue and continuous improvement.
- Maintained a zero-accident rate throughout 2025, supported by preventive health and safety measures, regular training and the ISO 45001 management system.
- Implemented an annual training plan covering both technical and soft skills, structured by employee category and reviewed quarterly to address operational and development needs.
- Reviewed and updated the Internal Regulation and Collective Labour Agreement together with Employee Representatives, ensuring alignment with operational requirements and applicable Romanian labour legislation.

2026 People Focus

Implement a centralized ESG training framework to monitor learning activities, average training hours per employee and achieve at least 70% employee participation by Q4 2026.

Strengthen equal opportunity across the employee lifecycle by reinforcing anti-discrimination, anti-harassment and fair recruitment practices through annual awareness initiatives, confidential reporting channels and targeted HR training by Q4 2026.

Continue monitoring workforce stability through annual reporting on employee turnover, age demographics and key workforce indicators, supporting evidence-based workforce planning and retention initiatives.

MODULO is committed to respecting internationally recognized human rights as a fundamental responsibility and an integral part of responsible business conduct. The company is committed to providing a workplace where every employee is treated with dignity, fairness and respect, regardless of gender, age, nationality, disability, religion or any other legally protected characteristic. Our Human Rights approach is embedded throughout the employment lifecycle, including recruitment, employment conditions, equal opportunities, health and safety, learning and development, employee representation, ethical conduct and continuous dialogue.



OUR PEOPLE
Promoting diversity,
equity and respect.



WELL-BEING & SAFETY
Ensuring health, safety
and well-being for all.



DEVELOPMENT
Investing in knowledge,
skills and continuous learning.



ENGAGEMENT
Building a culture of trust,
collaboration and open
communication.

Human Rights Framework

- ✓ Equal employment opportunities
 - ✓ Fair recruitment
 - ✓ Zero tolerance for discrimination
 - ✓ Prevention of harassment
 - ✓ Freedom of association
 - ✓ Safe working conditions
- ✓ Zero tolerance for child and forced labor
 - ✓ Ethics and whistleblowing, supported by clear internal procedures defined in the company's Internal Workplace Regulations.



Workforce Development

Employment stability, workforce adaptation and long-term capability

Workforce Development

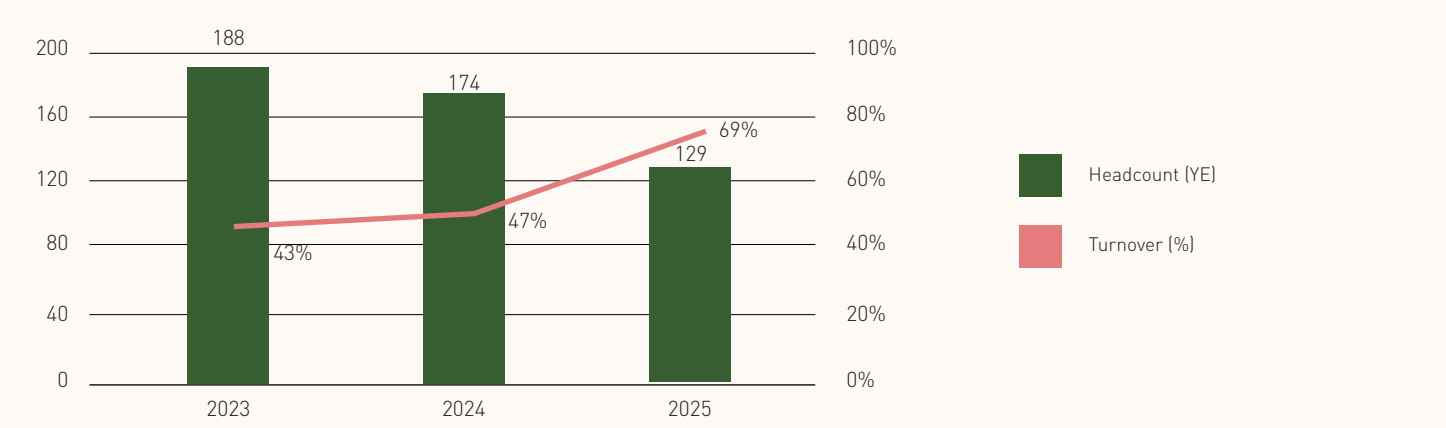
People remain at the center of MODULO’s long-term sustainability strategy. Despite a challenging business environment marked the company continued to prioritize employment stability, fair working conditions, employee wellbeing and professional development.

The Romanian labor market was significantly impacted by legislative changes in early 2025, resulting in lower net income for many employees despite increases in the gross salaries. At the same time, declining sales and reduced production volumes required MODULO to carefully balance employee support with long-term business sustainability. Workforce adjustments were managed primarily through natural attrition, while operational continuity was maintained through a two-shift production model and targeted organizational adjustments.

At the end of 2025, MODULO employed **129 people**, compared with **174 employees in 2024** and **188 employees in 2023**. The reduction reflects the company’s adaptation to lower production volumes and changing market conditions rather than a shift in its commitment to responsible employment.

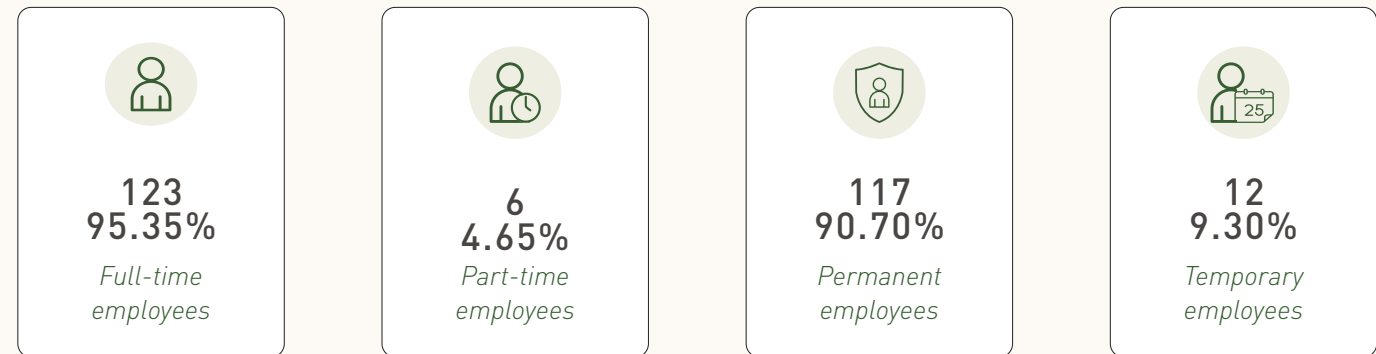
Employee turnover increased from **43% in 2023** to **47% in 2024** and reached **69% in 2025**, reflecting the highly competitive labor market, fiscal changes that affected employees’ purchasing power, and the operational adjustments required during a difficult year for the construction sector. Although workforce mobility increased, the company continued to invest in retaining key employees and preserving essential know-how.

Headcount & Turnover Overview



Employment Structure (2025)

MODULO continues to favour stable employment relationships. At year-end 2025:



Employment Contract Structure

Despite the high staff turnover, the share of **full-time employees and permanent contracts remains high**, which shows the maintenance of a stable core of staff. A notable structural shift can be observed in terms of contract types. The share of permanent employees increased significantly to 90.7% in 2025, while temporary contracts fell below 10%. This indicates a clear shift towards more stable employment relationships, even in a context of high workforce volatility.



“ Our people are our greatest strength. Together, we build the future of MODULO. ”

Workforce Demographics

Understanding workforce structure and long-term talent sustainability

MODULO aims to combine experienced employees with newer generations entering the workforce. The average employee age reached **45.1 years** in 2025, reflecting a mature workforce with significant operational expertise. Employees aged **41–60 years** represent the largest segment of the organization, supporting production continuity and technical know-how.

Age Repartition

Employee seniority further demonstrates the company’s stable workforce. The average length of service reached **5.5 years**, while more than **30% of employees (40 people)** have been with MODULO for over ten years. At the same time, **64 employees** have less than five years of service, reflecting continued recruitment activity over recent years and the company’s continuous effort to integrate new employees into its operations.

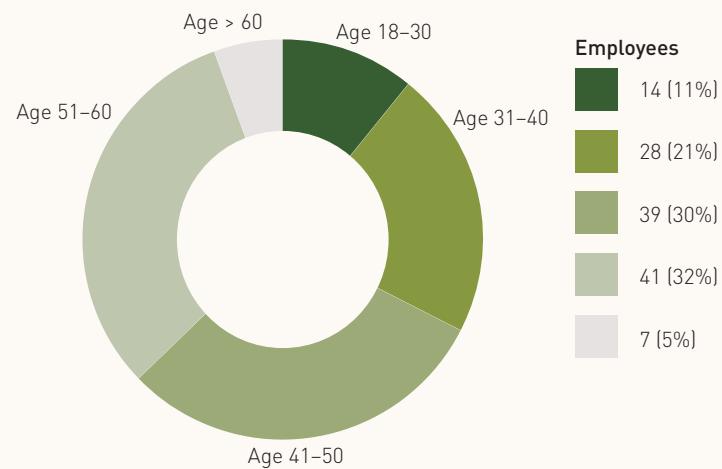
Seniority

The relatively low proportion of employees in younger age groups reflects both demographic pressures and the declining appeal of industrial operational roles among younger generations.

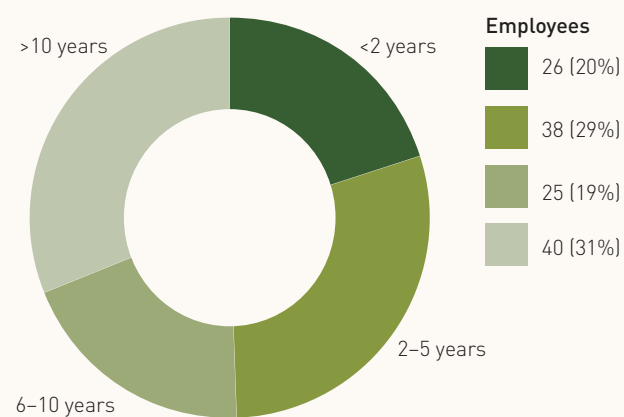
However, a focus on concrete actions to renew the workforce, plan for succession, retain younger employees, and adapt to an increasingly competitive labor market is needed.

This demographic trend will continue to require management attention in the coming years, particularly regarding recruitment, workforce planning and long-term operational stability.

Age Distribution



Seniority Distribution





45.11 Years
Average Age



5.55 Years
Average Seniority



64 Employees
with less than 5 years of service



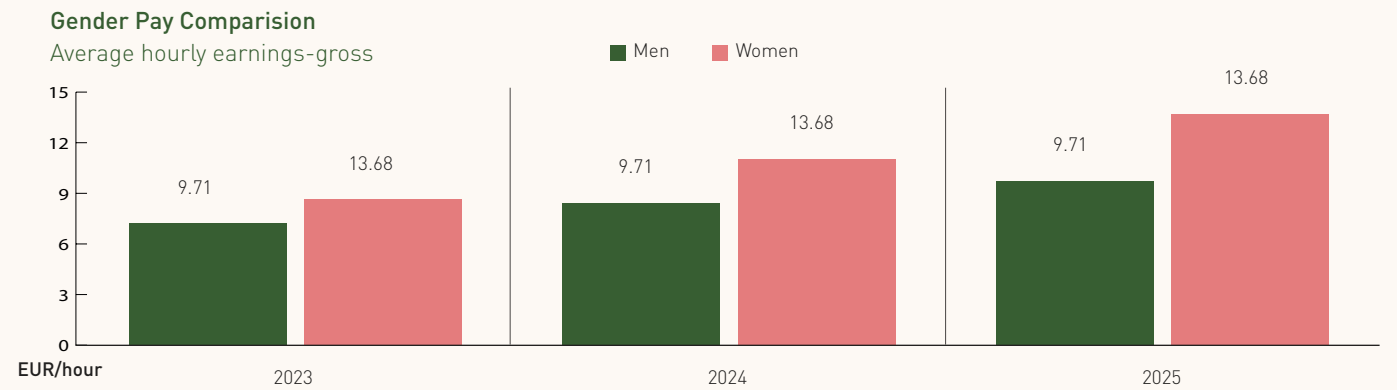
31%
Employees with >10 Years Service

Diversity & Equal Opportunities

Promoting fairness, equal treatment and an inclusive workplace culture

MODULO is committed to equal opportunities, fair employment practices and non-discrimination throughout the employee lifecycle.

At year-end 2025, women represented 20.2% of the workforce (26 employees), while men represented 79.8% (103 employees).



This gender distribution reflects the operational profile of a manufacturing company where production activities remain predominantly male, even if recruitment, remuneration and career development continue to be based on competence, qualifications and performance, attracting women in construction production field remain difficult.

The distribution of women in the 10 highest paid positions increased from 30% in 2024 to 40% in 2025. This improvement is influenced by the inclusion of the team in France, while the proportion remained stable when considering only the Romanian workforce. The gender distribution in senior management remained stable in 2025, with 6 male and 3 female representatives. This reflects a relatively balanced structure.

MODULO also monitors remuneration to ensure equal pay principles are applied consistently. Average hourly earnings reached EUR 13.68 for women and EUR 9.71 for men in 2025. The gender pay gap remains in favor of women, with values 31% higher in 2024 and 40% higher in 2025, indicating that, on average, female employees earn more than male employees. The result is mainly influenced by the distribution of roles and not by the wage inequality for equal work, including the average annual hourly earnings of both Romanian and French colleagues.

The company’s remuneration approach aims to provide fair and competitive compensation while maintaining long-term business sustainability. In 2025, the minimum gross hiring salary at MODULO Decorative Solutions was **RON 4,675 per month**, approximately **15% above** the Romanian national minimum gross wage of **RON 4,050**. The corresponding minimum net salary remained approximately **8% above** the national minimum net wage, excluding meal vouchers and other employee benefits.

Including overtime, operational allowances and performance-related bonuses (excluding meal vouchers), the average gross monthly income of production employees reached RON 5,838, while the average net monthly income was RON 3,250.

Qualified support positions, including production support, maintenance, warehouse and management functions, received remuneration aligned with the level of responsibility, professional qualifications and market conditions, in accordance with the company’s internal compensation framework.

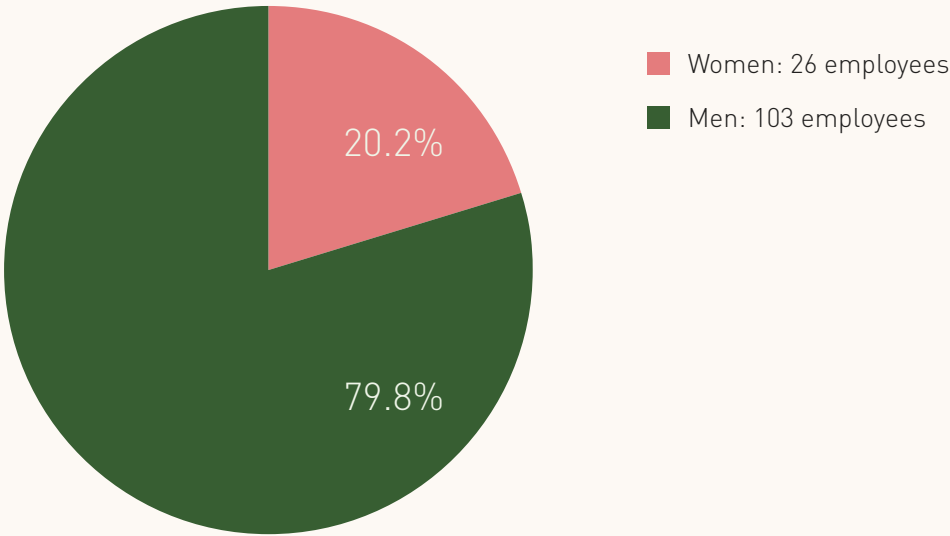
Salary benchmarking is performed using Romanian labor legislation, the national minimum wage and publicly available salary statistics issued by the National Institute of Statistics, supporting consistent and market-informed remuneration practices.

Looking ahead, one of the company’s priorities will be preparing for the implementation of the **EU Pay Transparency Directive (Directive (EU) 2023/970)**. During 2026, MODULO intends to review its remuneration framework, assess the Romanian implementation requirements and develop a phased action plan to strengthen pay transparency and maintain fair and equitable remuneration practices in line with future legislative requirements.

Diversity & Equal Opportunities — continued

Promoting fairness, equal treatment and an inclusive workplace culture

Workforce Gender Distribution (2025)



Women in the 10 Highest-Paid Positions

Women represented 40% of the 10 highest-paid positions in 2025



0

Discrimination incidents reported in 2025



100%

Employees covered by Equal Opportunity Policy



Parental Support

Additional financial support provided equally to new parents regardless of gender

Employee Wellbeing, Health & Safety

Supporting people through fair working conditions, stability and a safe workplace

Our Commitment to Employees

MODULO considers its employees a fundamental component of its long-term success. The company remains committed to providing stable employment, fair working conditions, and a supportive workplace environment that promotes professional development, well-being, and mutual respect.

At the end of 2025, MODULO employed 129 people across production, logistics, administrative, and support functions. Despite ongoing challenges in the construction materials sector and continued organizational adjustments, maintaining workforce stability and preserving key competencies remained important priorities. Employee retention, workforce planning, and succession management continue to be monitored through regular HR reporting and management reviews.

MODULO provides all employees with formal employment contracts, social protection coverage, meal vouchers, occupational health services, and access to professional development opportunities. Employee rights, working conditions, social benefits, and health and safety provisions are regulated through the Collective Labor Agreement and internal company policies. Compliance with labor legislation and employment standards is regularly reviewed through internal controls and external audits.

Employee well-being remains a key focus area. During 2025, the company increased the value of meal vouchers from approximately EUR 4 per worked day to approximately EUR 7 per worked day, helping employees manage increasing living costs and supporting financial stability. Meal voucher expenses represented approximately 11.7% of total net salary-related expenses during the year.

The company also maintains a strong commitment to transparency, employee dialogue, and responsible labor practices. No cases of illegal or undeclared labor were identified during 2025, while compliance with employment requirements continued to be verified through customer audits, factory inspections, and regulatory reviews.

Through these measures, MODULO continues to strengthen employee engagement, maintain a responsible working environment, and support the long-term sustainability of its workforce.



129

Employees (year-end 2025)



5.55 years

Average seniority



100%

Employees covered by Collective Labor Agreement and social protection framework



EUR 7/day

Meal voucher value in 2025

Employee Wellbeing, Health & Safety

MODULO maintained a strong health and safety performance throughout 2025, supported by structured monitoring mechanisms, employee participation programs, regular training, and continuous workplace risk assessment.

The company recorded zero work-related accidents and zero fatalities during the reporting period. Absenteeism improved from 17% in 2024 to 14% in 2025, reflecting the effectiveness of preventive measures and employee well-being initiatives.

Health and safety management remains supported by ISO 45001 certified processes, regular medical examinations, PPE programs, employee feedback mechanisms, and ongoing incident reporting procedures.



0

Work-related Accidents



0

Fatalities



14%

Absenteeism Rate



ISO 45001

Certified Health & Safety Management System



Safe Workplace Culture

Continuous monitoring, employee participation, preventive training and certified management systems support a safe working environment across all operations.



2025 workplace air monitoring

Inhalable dust measurements ranged from 0.53 to 2.16 mg/m³ across the five monitored production areas, below the applicable 8-hour limit of 10 mg/m³.

Source: laboratory reports CJ2501940 – CJ2501944.

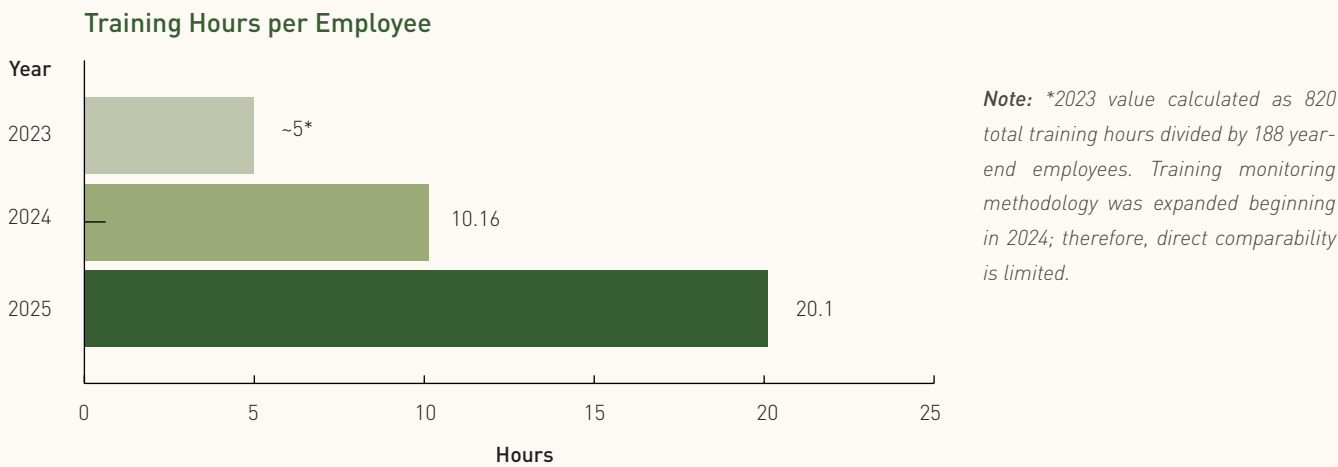
Training & Development

Employee wellbeing remains a core component of MODULO’s sustainability strategy. Beyond legal compliance, the company seeks to provide a safe, respectful and supportive working environment where employees can develop professionally and contribute to long-term organizational success.

At the same time, structured monitoring mechanisms are in place, regular training, and incident reporting procedures. Employee feedback mechanisms are also implemented, with participation rates of approximately 10–14%, including a significant share of suggestions related to health and safety.

Investment in employee training increased significantly, with total training hours rising from 820 in 2023 to 2,590 in 2025.

During 2025, special attention was given to the training and professional development of team and department leaders in the areas of occupational health and safety, the environment, and waste management, utilizing external educational institutions.



2,590

Training Hours



7

Trainees Employed



20.1

Training Hours per Employee



Leadership

Management Development Programs



Environment & Safety

Specialized ESG Training

GOVERNANCE & ETHICS

Ensuring transparency, ethical conduct and structured ESG oversight

MODULO recognizes that effective governance is essential to achieving long-term sustainability objectives and maintaining stakeholder trust. Governance principles are integrated into daily operations through structured management systems, transparent reporting practices, ethical business conduct, and continuous performance monitoring.

The company maintains a governance framework designed to support compliance, risk management, operational excellence, and responsible decision-making across all business activities. Sustainability considerations are embedded within strategic planning processes and are monitored through measurable environmental, social, and governance indicators.

Through annual sustainability reporting, certified management systems, supplier engagement, and ongoing performance reviews, MODULO seeks to ensure accountability, transparency, and continuous improvement throughout its operations.

Governance Pillars

Ethics & Compliance

MODULO promotes ethical business conduct through internal policies, compliance procedures, and a commitment to transparency in all business relationships.

Risk Management

Operational, environmental, and business risks are continuously assessed through structured management systems and periodic performance reviews.

ESG Reporting & Transparency

Annual sustainability reporting, carbon footprint assessments, and ESG disclosures provide stakeholders with transparent and measurable performance information.

Responsible Decision-Making

Environmental and social considerations are integrated into investment planning, operational improvements, procurement activities, and long-term business strategy.

66 / 100

Ethics score (EcoVadis 2026)

68 / 100 overall ESG score

76th percentile

0 incidents

No corruption, compliance or regulatory breaches identified

Indicator	2024	2025
Governance structure	Defined	Strengthened at management level
Ethics & compliance framework	Implemented	Formalized & integrated
ESG reporting	Initiated	Structured KPI-based reporting
External audits & validations	Ongoing	Continued (clients & authorities)
Transparency & disclosure	Standard	Improved consistency & traceability
Data privacy	Basic safeguards in place	GDPR compliance maintained with appropriate safeguards in place; no data breaches identified

Whistleblowing and Speak-Up Mechanism

MODULO maintains a formal Whistleblowing Procedure, integrated into its Internal Regulation and aligned with the requirements of Romanian Law No. 361/2022 on the protection of whistleblowers. The procedure enables employees, business partners and other stakeholders to report suspected breaches of law or the company’s ethical standards through confidential internal reporting channels.

To ensure independence and confidentiality, all reports are managed by an external legal counsel acting as the designated impartial recipient. Reports may be submitted through multiple channels, including e-mail, telephone, written correspondence, face-to-face meetings and anonymous reporting mechanisms. The procedure establishes clear timelines for acknowledging, investigating and responding to reports, while strictly protecting the identity of whistleblowers and prohibiting any form of retaliation.

Strong governance is the foundation of our business. We are committed to ethical conduct, transparency, accountability and continuous improvement in all our decisions and actions.



ETHICS & INTEGRITY

We conduct our business with honesty, fairness and respect.



COMPLIANCE

We comply with all applicable laws, regulations and internal policies.



TRANSPARENCY

We provide clear, accurate and timely information to our stakeholders.



ACCOUNTABILITY

We take responsibility for our actions and performance.



RISK MANAGEMENT

We identify, assess and manage risks proactively to ensure business resilience.

2025 Governance Reporting Focus

- The Policy Book was launched during 2024. Internal documents, procedures, personnel records, and internal communications are updated annually.
- In 2025, inspections were conducted by the Territorial Labor Inspectorate (ITM – labor compliance), the National Environmental Guard (GNM – environmental compliance), with no fines or major compliance risks identified.
- The ethical principles of anti-bribery, anti-corruption, prevention of conflicts of interest and prohibition of improper benefits are integrated into internal framework documents through clear and applicable procedures. They are public and easy to access.
- No data breaches identified; GDPR compliance maintained with appropriate safeguards in place.
- ESG oversight maintained at management level, with structured and transparent sustainability reporting processes in place.

2026 Governance Focus

Business Compliance: Establish and implement an annual policy review process by June 2026, ensuring that all relevant audit inputs (ESG, ISO, Mazars, EcoVadis) are consolidated, internal policies and procedures are updated accordingly, and an action plan is defined and communicated annually.

Business Ethics: Deliver annual scenario-based ethics training (≥80% employees), ensure 100% policy acknowledgment, and develop practical guidance (Q&A).

Corruption risk assessment: Conduct, document and review a corruption risk assessment covering key business areas, with mitigation measures defined by Q4 2026.

ESG Governance & Disclosure: Strengthen ESG governance by adopting an integrated reporting approach across internal processes, external audits, client requirements and certifications, and by defining and monitoring quantitative ESG KPIs to ensure consistent, traceable and aligned sustainability disclosures by Q4 2026.

Ensure an active whistleblowing channel and empower employees to report concerns, reaching ≥90% awareness by Q4 2026.

Responsible Supply Chain

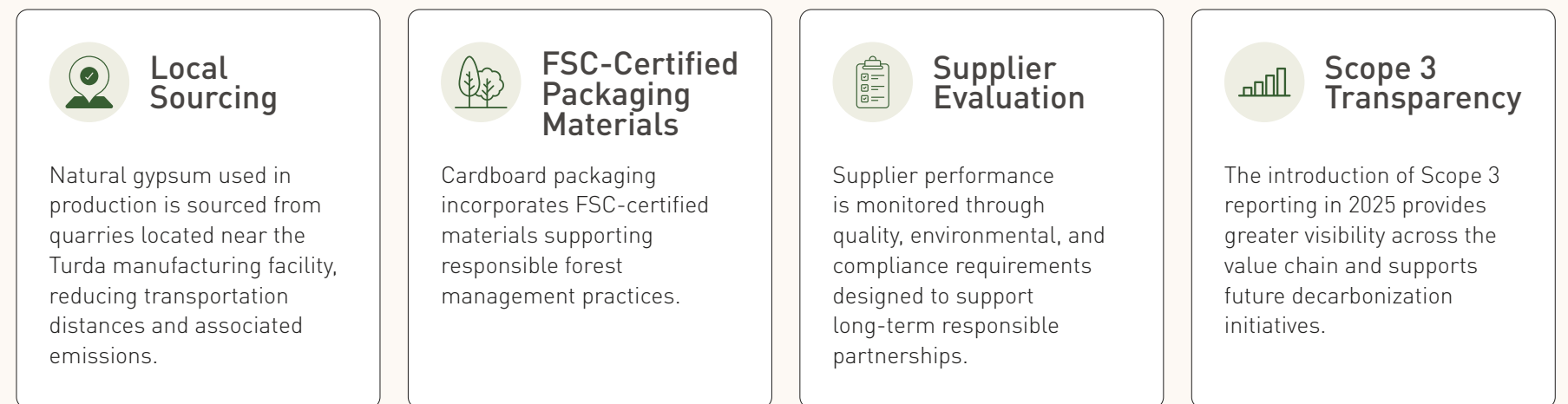
Promoting responsible sourcing and transparency across the value chain

MODULO recognizes that sustainability extends beyond its own operations and includes the environmental and social performance of suppliers, logistics partners, and service providers. Responsible procurement practices are therefore integrated into supplier selection and ongoing business relationships.

The company prioritizes suppliers capable of supporting quality, environmental, and compliance requirements while promoting transparency throughout the value chain. Local sourcing strategies are applied whenever feasible in order to reduce transportation impacts and strengthen supply chain resilience.

In 2025, MODULO further expanded its environmental reporting framework through the inclusion of Scope 3 emissions, improving visibility into upstream and downstream activities and supporting future supplier engagement initiatives.

Key Focus Areas



Future Direction

MODULO will continue strengthening responsible procurement practices through increased supplier engagement, improved environmental data collection, and the gradual integration of sustainability considerations into supply chain decision-making processes.



SDG ALIGNMENT

Connecting measurable ESG indicators with relevant Sustainable Development Goals

Aligned with the 2030 Agenda developed by the United Nations, MODULO Decorative Solutions integrates the Sustainable Development Goals (SDGs) into its business strategy and operational framework.

Operating within the European Union framework, MODULO contributes to sustainable and inclusive development by focusing on the areas where its impact is most relevant: labor practices, environmental responsibility, ethical conduct, responsible sourcing and product transparency. Our commitment is supported by external validations, including international client audits and our EcoVadis Bronze Medal.

The SDG mapping presented below connects selected internal ESG indicators with relevant Sustainable Development Goals and supports annual internal review, management reporting and continuous improvement.



SDG	MODULO focus area	2025 indicator	Evidence / result
SDG1	Formal employment and social protection	Employees covered by formal contracts	100% formal employment
SDG 3	Health & Safety	Work-related accidents	0 accidents / ISO 45001 maintained
SDG4	Training & development	Training hours	2,590 hours
SDG 5	Equal opportunities	Gender pay and non-discrimination	0 discrimination cases reported
SDG 7	Renewable energy	Renewable electricity share	44.9% in 2025
SDG 8	Decent work	Collective Labor Agreement coverage	100% coverage

Detailed SDG Internal Mapping

	KPI Indicator	Basis for Assessment / Evidence
SDG 1: End poverty MODULO aims to promote fair employment in the current and local labor context, legal and transparent labor relations, as well as access to social protection for all employees.	Percentage of employees covered by formal employment contracts	Modulo Decorative Solutions manages all employment contracts through both the company’s electronic HR system and the national electronic labor registry system. All employees receive a signed and validated copy of their employment contract no later than their first working day. To stabilize labor relations, the percentage of permanent employment contracts increased in 2025.
	Percentage of employees earning above the national minimum wage	All employees receive a base salary above the Romanian national minimum wage. The average net salary across the company is approximately 76.5% higher than the Romanian national minimum net wage (RON 4,543 compared to RON 2,574). In 2025, the Group also integrated a team of 7 employees in France within Modulo Stone operations. Employment conditions, professional classifications (Cadre / Non-Cadre), qualifications and role-specific requirements continue to be managed in accordance with applicable French labor legislation and employment standards. A more detailed assessment of employment practices, compensation structure and social indicators related to the French operations will be further consolidated during the full 2026 reporting cycle.
	Percentage of employees living above the national poverty line	Based on salary benchmarking and income analysis, all employees earn income levels above the national poverty threshold. This indicator is supported by the remuneration practices described above.
	Percentage of personnel costs represented by social protection contributions	In Romania and France, mandatory social contributions ensure broad access to healthcare, pension, unemployment, and medical leave benefits. The company contributes and transfers all legally required social contributions without delays, including health insurance contributions (10%) and social/pension insurance contributions (25%) calculated from gross salaries in Romania. In France, the company complies with the applicable social security contribution system managed through national institutions such as URSSAF and complementary pension and health insurance schemes, covering healthcare, retirement, unemployment protection, workplace accident insurance and statutory employee benefits in accordance with French labor legislation.
	Number of identified cases of illegal or undeclared labor	Zero cases identified. Compliance is periodically validated through external client audits, including unannounced on-site factory inspections and employee sampling, as well as inspections performed by national labor authorities.
SDG 2: End Hunger MODULO contributes to SDG 2 – Zero Hunger by supporting employees’ access to food and basic daily necessities through the granting of meal vouchers for each working day. This benefit contributes to employees’ well-being and financial stability, particularly in the context of increasing living costs.	Percentage of total personnel expenses represented by meal voucher expenses	All employees receive meal vouchers for each worked day, in compliance with Romanian legislation, where meal vouchers are intended primarily for the purchase of food and essential goods. Beginning with 2025, MODULO increased the value of meal vouchers from approximately EUR 4/worked day to approximately EUR 7/ worked day . The granted value was close to the maximum level allowed under Romanian legislation during most of 2025. Meal voucher expenses represented approximately 11.7% of total net salary-related expenses for the entire year.
SDG 3: Ensure Health and Safety Environment Good Health and Well-Being by ensuring a safe and healthy working environment for all employees, in compliance with Romanian occupational health and safety legislation and international standards.	Number of work-related accidents / injuries / fatalities	Occupational incidents are monitored and reported in accordance with legal requirements and ISO 45001 procedures. The goal of zero fatalities and a continued reduction in workplace accidents was achieved once again in 2025.
	Percentage of personnel expenses represented by health insurance contributions	Mandatory health insurance contributions are fully paid by the company in compliance with Romanian and French legislation, ensuring employees’ access to public healthcare services and medical leave compensation.
	Number of paid medical leave days	Medical leave days are monitored through HR and payroll systems. Compensation is supported partly by the employer and partly through the Romanian National Health Insurance system, according to legal provisions.

	KPI Indicator	Basis for Assessment / Evidence
SDG 3: Ensure Health and Safety Environment Good Health and Well-Being by ensuring a safe and healthy working environment for all employees, in compliance with Romanian occupational health and safety legislation and international standards.	Coverage of periodic occupational medical examinations	All employees undergo mandatory medical examinations before employment and periodic occupational health evaluations. Annual medical reports are issued by the occupational medicine provider.
	Percentage of employees receiving Health & Safety training	All employees participate in mandatory occupational health and safety training sessions, documented and periodically renewed according to legal requirements and workplace risks.
	Availability of personal protective equipment (PPE)	PPE is provided for 100% of employees based on documented workplace risk assessments and monitored through internal safety procedures.
	Collective Labor Agreement coverage	Health and Safety rights and responsibilities are specifically regulated through a dedicated section of the Collective Labor Agreement applicable within the company.
SDG 4: Quality Education Modulo Decorative Solutions contributes to SDG 4 – Quality Education by supporting professional development, practical learning opportunities, and educational initiatives for both employees and young people in the community.	Number of employees included in annual training plans	All employees are included in the company’s training plan. 100% of them receive training on occupational health and safety including emergency situations, environmental protection (recycling, waste management, and the impact of current operations), ethics, policies, and employee rights. Separately, the training plan also includes professional categories that receive training tailored to the needs of the profession.
	Number of training hours delivered annually	Internal and external training sessions are documented and monitored through HR and training records. Between 2023 and 2025, the average number of training hours allocated per employee increased from approximately 5 hours/employee/year to approximately 15 hours/employee/year. The increase was driven by additional professional development programs and specialized EHS qualification trainings for support staff. At the same time, the company progressively improved its internal monitoring methodology. Prior to 2024, training activities were monitored mainly by participation per course/employee, while starting with 2024 the monitoring system was expanded to include training hours per employee and more detailed training records.
	Number of educational partnerships or community educational activities	In partnership with the Faculty of Architecture and Urbanism, Timișoara, Modulo organized practical internship programs for second-year Interior Design students. Modulo participated as a partner in educational activities dedicated to Green Education Week, involving two school classes from primary education institutions.
	Number of young people employed through summer job programs	The company facilitates paid work experience opportunities for young people, above 18 years old through temporary SUMMER JOBS.
SDG 5: Gender Equality by promoting equal opportunities, non-discrimination, and maternity protection within the workplace. The company applies equal treatment principles throughout recruitment, employment, remuneration, and career development processes.	Existence of internal anti-discrimination and equal opportunity policies	Equal treatment principles are regulated through internal procedures, HR practices, and the Collective Labor Agreement.
	Gender pay comparison (men vs. women)	Remuneration levels are periodically reviewed by professional category and position to ensure compliance with equal pay principles.The gender pay gap remains in favor of women, with values 31% higher in 2024 and 40% higher in 2025, indicating that, on average, female employees earn more than male employees
	Proportion of women in managerial or coordination positions	Gender representation in leadership and coordination roles is monitored through HR and ESG reporting.
	Collective Labor Agreement coverage regarding maternity protection	Maternity protection rights and workplace adaptation measures are specifically regulated through dedicated provisions included in the Collective Labor Agreement. Pregnant employees benefit from workplace adaptations, schedule adjustments, and additional protections according to legal requirements and internal procedures.
	Number of employees benefiting from parental support measures	Employees becoming parents receive an additional social support payment of approximately EUR 555 net, granted equally regardless of gender, position, performance or seniority within the company.
SDG 6: Clean Water and Sanitation ensuring employees’ access to potable drinking water, sanitation services, and appropriate hygiene conditions within the workplace.	Proportion of employees with access to potable drinking water	100% of employees with access to potable drinking water, supported through monthly and annual potable water invoices and utility records.
	Availability of sanitation and hygiene facilities	100% of employees have access to bathrooms, showers, changing rooms, and washing facilities within the company premises. Cleaning products and sanitation materials are regularly procured and documented through supplier invoices.
SDG 7: Affordable and Clean Energy SDG MODULO supports SDG 7 by increasing the use of renewable electricity and monitoring its greenhouse gas emissions as part of its long-term carbon reduction objectives.	Percentage of electricity purchased from renewable sources	Renewable electricity share increased from approximately 30% to 60%, with a target of 100% by 2026.
	Scope 1 and Scope 2 emissions monitoring	Greenhouse gas emissions are measured and monitored annually.
	Scope 3 emissions assessment	Scope 3 emissions measurement was initiated in 2025.
	Carbon reduction target	The company established a carbon footprint reduction target of 15% by 2030.
SDG 8: Decent Work and Economic Growth promoting stable employment, fair working conditions, professional development, and safe workplaces.	Employee turnover rate and average tenure	Workforce stability and employee retention are monitored annually through HR reporting and employment records. The number of employees, their age and length of service, and the number of new jobs created are tracked annually and presented in the People section. Employment evolution and newly created positions are monitored annually through HR and organizational records. Over the past two years, considerable efforts have been made to promote jobs and recruit workerse from the local pool.
	Percentage of employees covered by the Collective Labor Agreement	Employee rights, working conditions, health and safety provisions, and social benefits are regulated through the Collective Labor Agreement applicable within the company.

Matters related to sustainability, including environmental, social and governance aspects, continue to be systematically monitored and reported to the Board of Directors through the ESG governance framework established at MODULO Group level. In 2025, the company further strengthened this approach by integrating structured KPI-based reporting and aligning internal practices with evolving ESG standards and stakeholder expectations.

Annual ESG reporting enables MODULO to track performance, monitor progress against clearly defined objectives and ensure full accountability. All data is consolidated at Group level, supporting transparency, comparability and informed decision-making across the organization.

Sustainability remains embedded in the company’s governance structure, with responsibilities integrated at management level and aligned with Group standards. This ensures that ESG considerations are consistently reflected in operational and strategic decisions.

In 2025, no significant compliance breaches, financial penalties or regulatory risks were identified, confirming the robustness of the governance framework. External validations, including client audits and certification processes, further support the reliability and credibility of MODULO’s sustainability practices.

CERTIFICATIONS & ESG PERFORMANCE

Independent validation of quality, safety, and environmental performance

MODULO maintains a certified Integrated Management System aligned with international standards, ensuring consistent performance across quality, environmental stewardship, and occupational health and safety.

Our management system is built on documented processes, strong governance, and a culture of continuous improvement — helping us deliver reliable products, protect the environment, and provide a safe and healthy workplace for our people.

2025 CERTIFICATION & REPORTING COVERAGE

- ISO certifications:** ISO 9001, ISO 14001 and ISO 45001 maintained in 2025
- Product declarations:** Environmental Product Declarations (EPDs) maintained for cement-based and gypsum-based wall cladding product categories
- Emissions inventory:** Annual GHG inventory prepared in accordance with the GHG Protocol
- Scope categories:** Scope 1, Scope 2 and material Scope 3 categories included in the 2025 GHG inventory



PLANT SAFETY

INDEPENDENTLY CERTIFIED BY
BUREAU VERITAS

ISO Certificates

Internationally certified systems for quality, safety, and environmental management

ISO 9001:2015



Quality Management

Ensure consistent product quality and customer satisfaction.

ISO 14001:2015



Environmental Management

Supports environmental stewardship and responsible resource use.

ISO 45001:2018



Occupational Health & Safety

Promotes safe working conditions and the well-being of our people.

WHAT THE CERTIFICATIONS SUPPORT



Process consistency

Standardized processes and controls drive reliable outcomes and efficiency.



Product quality

Independent validation ensures high product quality and customer trust.



Environmental responsibility

Systematic management of environmental impacts and resource efficiency.



Workplace safety

Structured approach to hazard management and employee well-being.



Continuous improvement

A culture of monitoring, evaluation and ongoing enhancement.



In 2025, **MODULO** maintained Bureau Veritas certifications for ISO 9001, ISO 14001 and ISO 45001, confirming the robustness and consistency of our integrated management system.

ENVIRONMENTAL PRODUCT DECLARATIONS (EPD)

Verified environmental product performance

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 performance of products.

In 2025, MODULO continued to maintain Environmental Product Declarations (EPDs) for both cement-based and gypsum-based wall cladding product categories, providing independently verified environmental performance information.



EPDs support future improvements in Scope 3 data quality by providing product-level lifecycle information.

Environmental
Product
Declaration

EPD®

ECO PLATFORM
EPD
VERIFIED

In accordance with ISO 14025:2006 and EN 15804:2012+A2:2019/AC:2021 for:

Cement-based wall cladding

from

MODULO DECORATIVE SOLUTIONS

MODULO

MY LIFE STYLE, MY DESIGN

Programme:

Programme operator:

EPD registration number:

Publication date:

Valid until:

The International EPD® System, www.environdec.com

EPD International AB

S-P-10909

2023-12-09

2028-12-08

An EPD should provide current information and may be updated if conditions change. The stated validity is therefore subject to the continued registration and publication at www.environdec.com

Environmental
Product
Declaration

EPD®

ECO PLATFORM
EPD
VERIFIED

In accordance with ISO 14025:2006 and EN 15804:2012+A2:2019/AC:2021 for:

Gypsum-based wall cladding

from

MODULO DECORATIVE SOLUTIONS

MODULO

MY LIFE STYLE, MY DESIGN

Programme:

Programme operator:

EPD registration number:

Publication date:

Valid until:

The International EPD® System, www.environdec.com

EPD International AB

S-P-11626

2023-12-09

2028-12-08

An EPD should provide current information and may be updated if conditions change. The stated validity is therefore subject to the continued registration and publication at www.environdec.com

Benefits of EPD-certification

Transparency

Provides transparent and comparable environmental information.

Decision support

Helps customers and partners make informed sustainable choices.

Lifecycle perspective

Assesses environmental impacts across the entire product lifecycle.

Global standards

Aligned with ISO 14025 and EN 15804+A2 international standards.

Independent verification

Provides independently verified environmental performance information.

MODULO 2025 SUSTAINABILITY REPORT

29

Carbon Footprint & GHG Reporting

Transparent measurement and reporting of environmental impact

MODULO maintains a structured greenhouse gas (GHG) reporting framework designed to monitor, evaluate, and continuously improve its environmental performance. Carbon footprint assessments are conducted annually using internationally recognized methodologies aligned with the GHG Protocol and lifecycle assessment principles. The reporting framework covers direct and indirect emissions associated with manufacturing activities and supports informed decision-making regarding energy efficiency, resource management, and long-term decarbonization objectives.

In 2025, MODULO further expanded the scope and accuracy of its environmental reporting by integrating Scope 3 emissions and continuing the inclusion of production waste within carbon footprint calculations. These developments provide a more comprehensive view of environmental impacts across the value chain and strengthen reporting transparency.



Reporting Framework



Reporting standard

GHG Protocol – Corporate Accounting and Reporting Standard



Emission factor sources

UK BEIS GHG Conversion Factors 2025 / Ecoinvent 3.11 / EU AIB



Consolidation boundary

Operational Control



Verification status — GHG inventory

Not externally verified for this reporting cycle

Quantified GHG emissions inventory – 2025

Scope	Category name	tCO ₂ e
Scope 1	Stationary & Mobile Fuel Combustion	830.47
Scope 1	Company Transport / Fugitive GHGs	0
Scope 1 total		830.47
Scope 2	Electricity / Heat & Steam	80.60
Scope 2 total		80.60
Scope 1 + 2 total		911.07
Scope 3	Purchased Goods & Services / Capital Goods	2,091.24
Scope 3	Fuel- and Energy-Related Activities (upstream)	206.65
Scope 3	Upstream Transportation & Distribution	1,037.34
Scope 3	Waste Generated & Water Used in Operations	9.29
Scope 3	Business Travel	69.25
Scope 3	Employee Commuting & Remote Working	81.07
Scope 3	Downstream Transportation & Distribution	3,010.92
Scope 3 total		6,505.5
Grand total	Scope 1 + 2 + 3	7,416.2

Scope Definitions

- Scope 1: Direct emissions**
Direct emissions generated from company-controlled sources, primarily related to fuel and natural gas consumption within manufacturing operations.
- Scope 2: Purchased electricity**
Indirect emissions associated with purchased electricity used in production and operational activities.
- Scope 3: Value-chain emissions**
Indirect value-chain emissions, including purchased goods and services, fuel- and energy-related activities, business travel, employee commuting, waste generated in operations, and other relevant upstream processes. Scope 3 emissions were reported for the first time in 2025, expanding transparency across MODULO’s value chain.

Key Reporting Principle

- Annual carbon footprint assessment and performance review
- Methodology aligned with internationally recognized GHG accounting standards
- Inclusion of production waste within environmental impact calculations
- Inclusion of Scope 3 emissions within the reporting boundary
- Continuous improvement of environmental data quality and reporting accuracy
- Support for long-term decarbonization planning and ESG reporting requirements

Reporting Benefits

- Through annual GHG reporting, MODULO is able to:
- Monitor environmental performance trends over time
 - Identify opportunities for emissions reduction
 - Support energy efficiency and resource optimization initiatives
 - Improve transparency for customers, partners, and stakeholders
 - Align sustainability management with international ESG expectations

Data quality and next steps

- Scope 1 and Scope 2 emissions are based primarily on invoice-level utility data, fuel purchase records, and supplier documentation
- Scope 3 reporting quality will be strengthened by increasing the use of supplier-specific primary data, EPDs, and activity-based calculation approaches.
- Future efforts focus on Scope 3 reporting maturity, supplier engagement, and potential third-party verification in future cycles
- The 2025 GHG Inventory was prepared in accordance with the GHG Protocol and based on invoice-level internal data. No external assurance was performed for this reporting cycle.

Looking Forward

MODULO will continue publishing annual carbon footprint assessments as part of its sustainability reporting framework. Future efforts will focus on improving data quality, strengthening Scope 3 reporting, supporting supplier engagement initiatives, and advancing long-term decarbonization objectives across the value chain.

EcoVadis Bronze Medal 2026

Independent ESG assessment and international sustainability recognition

EcoVadis is one of the world’s most widely used sustainability rating platforms, evaluating more than 150,000 companies globally through internationally recognized ESG criteria.

In 2025, MODULO completed a comprehensive EcoVadis sustainability assessment covering environmental management, labor and human rights, ethics, and sustainable procurement practices.

The assessment resulted in the award of the EcoVadis Bronze Medal in 2026, recognizing MODULO’s structured ESG management approach and commitment to continuous improvement across sustainability topics.



EcoVadis Bronze Medal – 2026

Score: **68 / 100**

Top 35% of companies assessed globally

Assessment validity: April 2026 – **April 2027**

Percentile: **76th** percentile

Key Strengths Identified by EcoVadis

- Structured environmental management
- Annual carbon footprint reporting
- Certified management systems (ISO 9001, 14001, 45001)
- FSC-certified packaging materials
- Responsible sourcing practices
- Continuous ESG performance improvement

EcoVadis reporting focus addressed in this report

- Scope 3 emissions are included for the first time in 2025.
- Energy consumption and renewable / green electricity are disclosed.
- Waste recovery and monitored waste streams are presented in the Environment chapter.
- Labor, health & safety, ethics and procurement indicators are mapped across the ESG sections.

ENVIRONMENT



70 / 100

Policies and actions focused on reducing environmental impact, including energy use and emissions monitoring.

LABOR & HUMAN RIGHTS



64 / 100

Practices supporting employee well-being, health and safety, and fair working conditions.

ETHICS



66 / 100

Implementation of policies addressing anti-corruption, transparency, and responsible business conduct.

SUSTAINABLE PROCUREMENT



75 / 100

Initial framework for integrating sustainability criteria into supplier evaluation and selection processes.

The EcoVadis Bronze Medal confirms MODULO’s progress in integrating sustainability into daily operations and provides a framework for further improvement across environmental, social, ethical, and procurement practices.

ESG KPI Tables and Methodology

Measuring progress across Environmental, Social and Governance priorities

MODULO continuously monitors its sustainability performance through a structured set of ESG indicators, aligned with internal objectives and international reporting practices.

These indicators provide a transparent view of environmental impact, social responsibility, and governance effectiveness, supporting data-driven decision-making and long-term performance improvement.

Category	KPI	2024 Key Goals	2024 Performance	2024 Notes	2025 Target/Focus	2025 Performance	2026 Key Goals
Environment	Waste Management	Increase waste recycling rates to 75%.	Achieved	95% recovery rate	Achieve an 85% recycling rate across all waste categories.	Achieved – Recycling rates have remained consistently high, at over 80%	Maintain a waste recovery rate above 90% and continue compliance with packaging and packaging waste regulations through monitoring, reporting and assessment of packaging-related requirements, including preparation for applicable PPWR obligations.
							Improve waste management and segregation process documentation, implementing basic tracking of waste quantities, and formalizing procedures to ensure consistent records and traceability by Q4 2026.
	Energy	Conduct feasibility studies for photovoltaic implementation by 2025.	Pending	Applied for EU funding for photovoltaic panels in 2024. Implementation by 2026 planned.	Complete internal feasibility and initiate procurement, pending funding approval.	The studies and options have been documented, including applications for eligible funding streams. Implementation using grant funds depends on factors beyond the company's control.	The target for installing photovoltaic panels is set on an annual basis, depending on new funding opportunities for which the company becomes eligible.
						Purchasing electricity from an authorized supplier that can certify the green origin. Starting in July 2025, 60% of the electricity purchased by Modulo is certified GREEN.	100% of the energy purchased and supplied by the provider will be certified as GREEN
							Improve energy management by documenting energy consumption and efficiency opportunities through a simple internal annual assessment, ensuring consistency and comparability of data year-over-year, with results consolidated by Q1 for the previous year.
	Environmental Operations	Reduce energy consumption per unit of production by 5%.	Energy intensity improved by approximately 9% (2.12 kgCO ₂ e/m ²), exceeding the annual improvement target.	In 2024, energy consumption dropped by 10%, due to efficiency and lower production.	Reduce energy consumption per unit produced by at least 3%, regardless of total production volume.	Achieved – Eco-efficiency improved to 2.12 kgCO ₂ e/ m ² , supported by lower natural gas consumption and continued energy efficiency measures.	Continue improving process eco-efficiency through operational optimization and increased use of renewable electricity.
	GHG Emissions	Decrease CO ₂ emissions by 5% by 2025.	Pending	Awaiting calculations.	Reduce Scope 1 and Scope 2 CO ₂ emissions by at least 5%.	Achieved – Total Scope 1 and Scope 2 emissions decreased by 33.1% year-over-year (911.1 tCO ₂ e), exceeding the annual reduction target.	Continue implementing the decarbonisation roadmap, increasing renewable electricity use and reducing operational GHG emissions toward the 2030 target.
	Water consumption monitoring				Maintain annual monitoring and internal reporting of water consumption data in relation to production volumes, while evaluating practical opportunities for water efficiency improvements within operational processes.	Achieved – The largest amount of water consumed comes from the actual production process, where prefabricated raw materials are mixed with water to produce the intermediate product prior to drying. The production process does not allow for the reuse of wastewater, as the water quality would affect the quality of the finished product.	Strengthen water resource monitoring and reporting by maintaining annual tracking of water consumption indicators and assessing feasible opportunities for responsible water use and operational efficiency improvements where technically applicable.
	Environmental Monitoring and Risk Assessment				Environmental and operational risk evaluations as part of the environmental permitting and renewal process, in line with Romanian legal requirements.	Met – Environmental monitoring activities were performed in accordance with permit and legal requirements, including emissions and workplace environmental assessments. The environmental permit remained valid throughout the reporting period.	Maintain and document a structured environmental monitoring and risk assessment process covering company operations, including periodic monitoring of emissions, dust, workplace environmental conditions and other relevant environmental factors, together with review of occupational health and workplace safety aspects. 0 environmental non-conformities 100% mandatory reporting.
	Training and awareness						Implement targeted environmental training programs covering key environmental topics (including energy, waste and resource efficiency), tailored to relevant employee categories, ensuring at least 70% overall employee coverage by Q4 2026.

Category	KPI	2024 Key Goals	2024 Performance	2024 Notes	2025 Target/Focus	2025 Performance	2026 Key Goals
Social	Hires and Leavers	Reduce turnover at or below 40%, focus on support roles and maintain turnover under 20%.	Not met	Overall turnover 47.4%, support roles turnover 25.9%.	Maintain turnover below 40% and for support roles below 22%.	Not Met – The year 2025 was a particularly challenging one; changes to payroll taxes determined employees migrating to Western European countries or, within the local region, to sectors operating in other fields of activity.	Continuous monitoring of the labor market and personnel, ensuring a steady supply of suitable workers. Improve workforce stability by reducing first-year employee turnover to below 35% by Q4 2026, through enhanced onboarding processes and targeted retention measures
	Age Breakdown	Regularly monitor workforce age demographics.	Met	Average age stable at 43 years.	Continue monitoring.	Met – Reporting, at least twice a year the average age and relevant data such as trends in retirement eligibility.	Continuously monitor, reporting twice a year in conjunction with other HR metrics and on compliance with zero-tolerance policy for forced and child labor, ensuring age verification is documented for 100% of candidates prior to employment.
	Workforce Governance & Pay Transparency						Implement pay transparency requirements by defining and documenting clear career development frameworks, including roles, responsibilities, evaluation criteria and progression principles based on competencies and performance, ensuring structured application across the organization by Q4 2026.
	Executive Pay Ratio	Pay consistently 20% above national minimum wage.	Met	Blue-collar wages 38% above minimum.	Maintain pay at least 10% above national minimum wage for blue collars employees.	Met – The salaries of all employees exceed the minimum wage by at least 10%, and when compared to the average wage, the difference applies to only a small number of positions.	Implement by the end of Q3 the European Directive 970/2023 regarding Pay Transparency, non-discriminatory criteria for setting salaries, and evaluation criteria for determining fair wages. Procedural documentation and reporting to stakeholders.
	Gender Pay Ratio	Reduce gender pay gaps to <5%.	Partially met	7% difference in blue-collar roles. Women earn more company-wide.	Monitor variations and apply corrective actions where necessary.	Partially Met – The gender pay gap remains in favor of women. The result is mainly influenced by the distribution of roles and not by the wage inequality for equal work, including the average annual hourly earnings of both Romanian and French colleagues.	Starting with 2026, gender pay gap will be monitoring and reporting will be conducted in accordance with the Pay Transparency Directive.
	Social Policies	Compliance with anti-discrimination and harassment prevention Principles	Met	Policy revised per EU Directive 2000/78/EC. 0 Incidents Reported, Raising awareness about this Policy and Good Behaviors Practices	Conduct annual internal review.	Met – All internal documents are public; employees receive training upon joining the company; an open dialogue is maintained through the suggestion box, where anonymous forms can be submitted.	Continue strengthening anti-discrimination and harassment prevention measures across all employment stages, including recruitment, onboarding, workplace integration, performance evaluation and career development processes, through regular awareness activities, employee communication and monitoring mechanisms. Provide targeted anti-discrimination and fair recruitment training for HR personnel and recruitment specialists by Q4 2026 to support equal opportunity and objective selection practices.
	Social dialogue & employee representation				Maintain social dialogue practices through regular collaboration with employee representatives and periodic review of internal labor-related documents in accordance with Romanian labor legislation and operational needs.	Employee Representatives elected in 2024 in accordance with Romanian Social Dialogue Law. Internal Regulation and Collective Labor Agreement reviewed and updated in 2025 together with employee representatives, considering operational needs and applicable legal requirements.	Organize the new democratic election process for Employee Representatives in accordance with Romanian Social Dialogue legislation and continue periodic review of the Collective Labor Agreement and Internal Regulation, including updates driven by legislative changes and employee feedback.
	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.	Met – Zero accidental rate for 2025	Reinforce HSE protocols. Strengthen proactive safety reporting practices and maintain a minimum of 24 near miss reports annually to support continuous improvement of workplace health and safety performance.
	Training	Annual compliance training for relevant employees.	Met	Training hours increased 116% with new tracking system.	Continue compliance-focused training.	Met – An annual training plan is developed both for soft skills and technical ones, organized by employee category or department, and is updated quarterly. The regulatory framework could be improved	Implement a centralized ESG training framework and track average training hours per employee, ensuring ≥70% coverage by Q4 2026.
							Develop and implement an annual ESG training programme addressing the EcoVadis improvement areas (human rights, anti-corruption, energy conservation and climate action, and non-discriminatory recruitment), achieving at least 80% employee participation and maintaining complete documented evidence for all training sessions by the end of 2026.
	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.	Met – Modulo has become a partner in environmental education as part of the school curriculum’s “Green Week” program for elementary school students.	Continued active involvement in the community and tracking of volunteer hours.
	SDG Alignment & Human Rights continuous monitoring					Met – An internal audit to assess key performance indicators is conducted annually, and the results are presented to the management team and included in board presentations.	Maintain alignment with relevant Sustainable Development Goals (SDGs) by consolidating Labor & Human Rights and social impact monitoring across key areas (employment conditions, employee wellbeing, human rights, health & safety, equal opportunity and training), ensuring consistent annual tracking and reporting through internal HR and ESG metrics by Q2 2027 for 2026.

Category	KPI	2024 Key Goals	2024 Performance	2024 Notes	2025 Target/Focus	2025 Performance	2026 Key Goals
Governance	Business Compliance			The Policy Book was launched during 2024.	Internal documents, procedures, personnel records, and internal communications are updated annually.	Achieved	Establish and implement an annual policy review process by June 2026, ensuring that all relevant audit inputs (ESG, ISO, Mazars, EcoVadis) are consolidated, internal policies and procedures are updated accordingly, and an action plan is defined and communicated annually.
		Zero fines or sanctions for Modulo during 2023.	Achieved		No fines, legal disputes or sanctions for 2025.	Achieved – In 2025, inspections were conducted by the Territorial Labor Inspectorate (ITM – labor compliance), the National Environmental Guard (GNM – environmental compliance) with no fines or major compliance risks identified.	No fines, legal disputes or sanctions for 2026.
	Business Ethics	Zero instances of non-compliance with ethical standards. Conduct mandatory annual ethics training for 100% of employees.	Achieved	The Policy Book was launched during 2024.	Continue mandatory annual ethics training for 100% of employees.	Achieved – The ethical principles: anti-bribery, anti-corruption and conflict of interest, unfair benefitsare integrated into internal framework documents with clear and applicable procedures. They are public and easy to access.	Deliver annual scenario-based ethics training (»80% employees), ensure 100% policy acknowledgment, and develop practical guidance (Q&A).
							Conduct, document and review a corruption risk assessment covering key business areas, with mitigation measures defined by Q4 2026.
							Ensure an active whistleblowing channel and empower employees to report concerns, reaching »90% awareness by Q4 2026.
	Data Privacy	Achieve 100% compliance with GDPR and other data protection laws.		No breaches or risks identified in 2024. Basic safeguards in place.	Maintain compliance; monitor regulatory changes.	Achieved – No data breaches identified; GDPR compliance maintained with appropriate safeguards in place.	Review and update the GDPR compliance framework by Q3 2026 by aligning internal policies with new legislative requirements (including pay transparency), ensuring proper documentation, and maintaining compliance without any data security incidents
	ESG Governance & Disclosure	Strengthen ESG oversight at management level and ensure transparent, comprehensive sustainability reporting.	Achieved	ESG oversight integrated into management processes, supported by an internal ESG responsible; disclosures are evidence-based, documented, and aligned at Group level.	Maintain ESG oversight within Board and Management agendas and ensure consistent, transparent ESG reporting.	Achieved – ESG oversight maintained at management level, with structured and transparent sustainability reporting processes in place.	Strengthen ESG governance by adopting an integrated reporting approach across internal processes, external audits, client requirements and certifications, and by defining and monitoring quantitative ESG KPIs to ensure consistent, traceable and aligned sustainability disclosures by Q4 2026.

2030 OBJECTIVES

Building on Progress Achieved in 2025

The progress achieved throughout 2025 provides a solid foundation for MODULO’s long-term sustainability ambitions. Continuous improvements in environmental performance, responsible governance practices, employee well-being, and ESG transparency support the company’s commitment to sustainable growth and long-term value creation.

Looking ahead to 2030, MODULO will continue integrating sustainability principles into business operations while focusing on measurable environmental, social, and governance objectives aligned with stakeholder expectations and international sustainability frameworks.

Key Objectives for 2030

Climate & Environmental Performance

- Continue reducing carbon intensity through energy efficiency improvements and operational optimization.
- Increase the share of renewable electricity within total energy consumption.
- Expand environmental data collection and reporting capabilities across operations.
- Improve resource efficiency and reduce material losses throughout production processes.
- Maintain annual carbon footprint assessments and strengthen emissions reduction planning.

Circular Economy & Resource Management

- Increase recovery and recycling rates where technically and economically feasible.
- Continue using recyclable and responsibly sourced packaging materials.
- Support circular material flows and responsible waste management practices.
- Improve monitoring of environmental indicators associated with production activities.

People & Workplace

- Maintain safe and healthy working conditions across all operations.
- Strengthen employee engagement, professional development, and workforce stability.
- Promote equal opportunities, diversity, and fair treatment throughout the organization.
- Support knowledge transfer and workforce succession planning.

Governance & Responsible Business

- Strengthen ESG governance and sustainability reporting practices.
- Continue responsible procurement and supplier engagement initiatives.
- Improve transparency across the value chain through enhanced environmental reporting.
- Maintain compliance with international standards and management systems.

2030 Priorities

- Decarbonization
- Renewable Energy
- Circular Packaging
- Employee Development
- ESG Transparency

CONTINUOUS IMPROVEMENT APPROACH

Sustainability as an Ongoing Journey

MODULO views sustainability as a continuous improvement process rather than a fixed destination. Environmental performance, employee well-being, responsible business conduct, and operational excellence are regularly monitored through established management systems, annual assessments, and measurable performance indicators.

The company remains committed to maintaining transparent sustainability reporting, strengthening stakeholder engagement, and continuously improving the quality and scope of ESG information disclosed.

The introduction of Scope 3 reporting, the continued use of Environmental Product Declarations (EPDs), annual greenhouse gas assessments, EcoVadis participation, and internationally certified management systems demonstrate MODULO’s commitment to continuous improvement and accountability.

Looking Forward

In the coming years, MODULO will continue to:

- Publish annual sustainability reports.
- Maintain annual carbon footprint assessments.
- Monitor progress against environmental and social objectives.
- Improve ESG data quality and reporting transparency.
- Strengthen responsible sourcing and supplier engagement practices.
- Support innovation that contributes to lower environmental impact and higher resource efficiency.

By combining operational excellence, responsible governance, environmental stewardship, and employee engagement, MODULO aims to create long-term value for customers, employees, partners, and communities while contributing to a more sustainable built environment.

Building durable products, responsible operations, and sustainable value for future generations.

MO DU LO

Sustainability Report
2025

v.26_07.1.7