MODULAIRE GROUP

Sustainable modular solutions for a low carbon future

ESGS Report 2022

Modulaire Group "Modulaire" is a leading provider of modular services and infrastructure, offering flexible, cost-effective, high quality and timely solutions to help customers efficiently meet their needs for space and remote accommodation in a variety of end-markets.

Modulaire has over 292,000 modular space and portable storage units and 4,400 remote accommodation rooms. We serve around 49,000 customers through an extensive network of 212 branches and depots (including 15 assembly facilities) across 23 countries in Europe and Asia-Pacific. Modulaire operates as Algeco, its largest brand, across much of Europe and the United Kingdom. Other operating brands include Advanté in the United Kingdom, Altempo in France, Algeco Chengdong in China, Ausco and NET Modular in Australia, and Portacom in New Zealand.

This is our third annual Environment, Social, Governance and Sustainability (ESGS) report, which shares our ESGS themes, actions, and progress from 1 January 2022 to 31 December 2022, unless otherwise stated. The focus areas are noted within our materiality matrix and meet the needs of our business strategy. All our operations are in scope unless otherwise stated.

We continue to integrate the Task Force on Climate-related Financial Disclosures (TCFD) framework within our reporting structure, believing in the fundamental importance of its principles of effective disclosure. We include distinct sections for each of the TCFD four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. By adhering to these principles and staying abreast of latest reporting developments, Modulaire will ensure that reporting practices remain aligned with international sustainability standards.

www.modulairegroup.com

Abbreviations:

ABC training	Anti-bribery corruption training
ESGS	Environment, Social, Governance and Sustainability
SBU	Strategic Business Unit
SDG	Sustainable Development Goal
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact

Contents

About this report 2
Group CEO introduction 3
Our safety culture 4
Our approach 5
Governance 8
Strategy 10
Risk Management 19
Metrics and Targets 22
Key actions for 2023 35
Performance data 36

Front cover: Algeco units (France), Biodiversity Plan (Germany), ESGS training programme (Nordics), UNGC Flag Day celebrations

Group Chief Executive Officer's introduction

Modulaire is committed to safe and sustainable operations. We work to maximise the life cycle of our units, reducing waste, energy and costs and to help our customers meet their ESGS obligations.

"By pursuing operational excellence, we are increasing the long-term resilience of our business, with policies on electrification and renewable energy sources now embedded across the business."

Mark Higson
Group Chief Executive Officer

Performance Highlights 2022

26% reduction
Scope 1 & Scope 2 market-based emissions vs 2020

54% Renewable Energy

460 hours
ABC training

4,616 hours
Volunteering

362 hours
Cybersecurity training

Participated in 3 UN days
International Women's Day
World Day for Safety and Health at Work
World Mental Health Day

Completed
Supply Chain Survey
TCFD Climate Scenarios

I am pleased with our progress this year based on our five strategy and performance pillars. Safety remains our number one priority and I am pleased to report we achieved our target for zero fatalities. However, we fell short on the targeted reduction to the lost time incident frequency rate. A company-wide safety survey and observation training for almost 1,000 managers was completed to ensure a continuing emphasis on our safety performance, and we have revised our safety plan to further reduce incidents.

Our Strategy Pillars:

Safety and ESGS

Operational Excellence

Mergers and Acquisitions

Growth

People

Our ambitious goal of achieving Net Zero by 2050 is encouraging our teams to work with passion and pride, finding new ways to reduce our environmental impacts and delivering social value to the communities in which we operate. Many of these achievements are shared in this ESGS report, including reducing our Scope 1 and 2 market based emissions by 26%.

It is encouraging to see the progress we are already making on decoupling our operations from fossil fuels. By pursuing operational excellence, we are increasing the long-term resilience of our business, with focus on electrification and renewable energy sources now embedded across the business.

Together, our people are innovating with new low carbon solutions that reduce our own emissions and those of our customers, as we work to create value through excellence in everything we do. Space-as-a-service model is a paradigm shift in the way the infrastructure industry works. It allows customers to increasingly demand spaces which are aligned with their ESG and Sustainability commitments. The same is true of our own investors.

From fixed solar roof panels for our modular units, to freestanding electric vehicle charge points, we are sharing details of some of these exciting value-added products and services in this report, which are already delivering positive results.

These activities are only possible through the talent and dedication of our people around the world. We continue to invest in a culture that brings together the very best of our employees, with their unique skills, experiences and abilities. I was pleased to take part in our celebrations for International Women's Day in March, where we held an open and honest discussion on breaking the barrier to achieving gender equality (UN SDG 8). We have increased awareness in our workforce around unconscious bias and will continue to drive forward change in our sector for this important area.

In this report we share our actions to further embed ESGS into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders through our communication channels.

I continue to believe there are significant opportunities to help our customers, suppliers, and stakeholders to address the challenges of climate change and to deliver growth in the low carbon and circular economy.

Advancing our Safety Culture

Safety continues to be our number one priority across the Group. It forms a key part of our first Strategy Pillar, Achieving Zero Harm and Leading on Sustainability. In 2022, we invested considerable time and effort in a comprehensive review of our safety processes and approach, together with the training of over 1,000 managers and supervisors on Safety Leadership Essentials. The focus of the review and training was to provide the tools and approaches to help move the Group from a reactive approach to safety, to a proactive one, where people are looking out for safety issues and for each others wellbeing.

In 2022, the Group also celebrated World Safety Day with activities and events across the Group.

In recent years, the Group has seen a significant reduction in the Lost Time Accidents Frequency Rate (LTAFR), as can be seen in the table below.

Year	LTAFR
2019	0.88
2020	0.80
2021	0.66
2022	0.66

"Personally I am very proud to work for a company that puts safety and ESG highest on the agenda. It is the responsibility of all of us to look out for each other and ensure that all of our colleagues go home safely every day."

Steinar Aasland
Managing Director, Nordics

Achieving Zero Harm

We have developed a 5 Year Safety Plan, which consists of four key themes as set out below, along with associated actions, that we will deliver against in order to improve our safety performance to World Class levels:

- **Visible, Felt Leadership** - Leaders live Safety Values. They listen & speak to hearts and minds of colleagues and demonstrate consistent commitment to safety first.
- **Standards & Processes** - Safety management processes are embedded into the business and are consistent across the Group with appropriate adaptation to local risk profiles or regulations. They are simple, well communicated and understood, easily accessible and implemented effectively.
- **Best Practices & Innovation** - Processes/supporting technology are in place to support & sustain the safety management system. We continually improve performance by identification and sharing of internal and external best practice and digitalization of operations/safety.
- **Organisation & Safety Skill Development** - We empower and engage all our people to put safety first. We provide the appropriate safety knowledge, competence and confidence for people to perform their roles effectively.

Our ESGS purpose

At Modulaire, we create smart spaces for people to work, learn and live. We want to help generate economic prosperity, do social good and contribute to environmental responsibility. Where we can make a difference, we will, with our products and our people.

"We have turned our passion for sustainability into action."

Angèle Brucker
Managing Director
Eastern, Northern and Southern Europe

Through our Strategy Pillar One, we work as one team to achieve Zero Fatalities safety and to lead on ESGS. These two performance objectives run side by side throughout our business activities and processes. Together, we seek to reduce or mitigate our environmental and social impacts and to improve governance and our sustainable practices.

To achieve our ESGS purpose we have developed a companywide ESGS policy and objectives to shape our decision-making and actions at all levels. They are underpinned by three frameworks that provide ambitious approaches and governance, the United Nations Global Compact Principles, the United Nations Sustainable Development Goals and the Task Force on Climate-related Financial Disclosures for strong and environmental governance.

ESGS Purpose

Environmental

- Provide customers with sustainable and circular solutions (*Loops within Loops*)
- Help to improve the sustainability performance of our supply chain
- Design and deliver safe, energy-efficient, low-carbon solutions to our customers using clean and innovative technology where possible
- Reduce our environmental (energy, carbon, water and waste) impacts onsite and off-site, and work on climate adaption and biodiversity

Social value

- For employees, contractors and visitors, provide a safe, inclusive, diverse and motivating environment
- Promote organisational change management to meet ESGS commitments
- Empower our employees to add value for our customers, suppliers and communities
- For communities, act responsibly and create social value through our group initiatives and focused local programmes

Governance

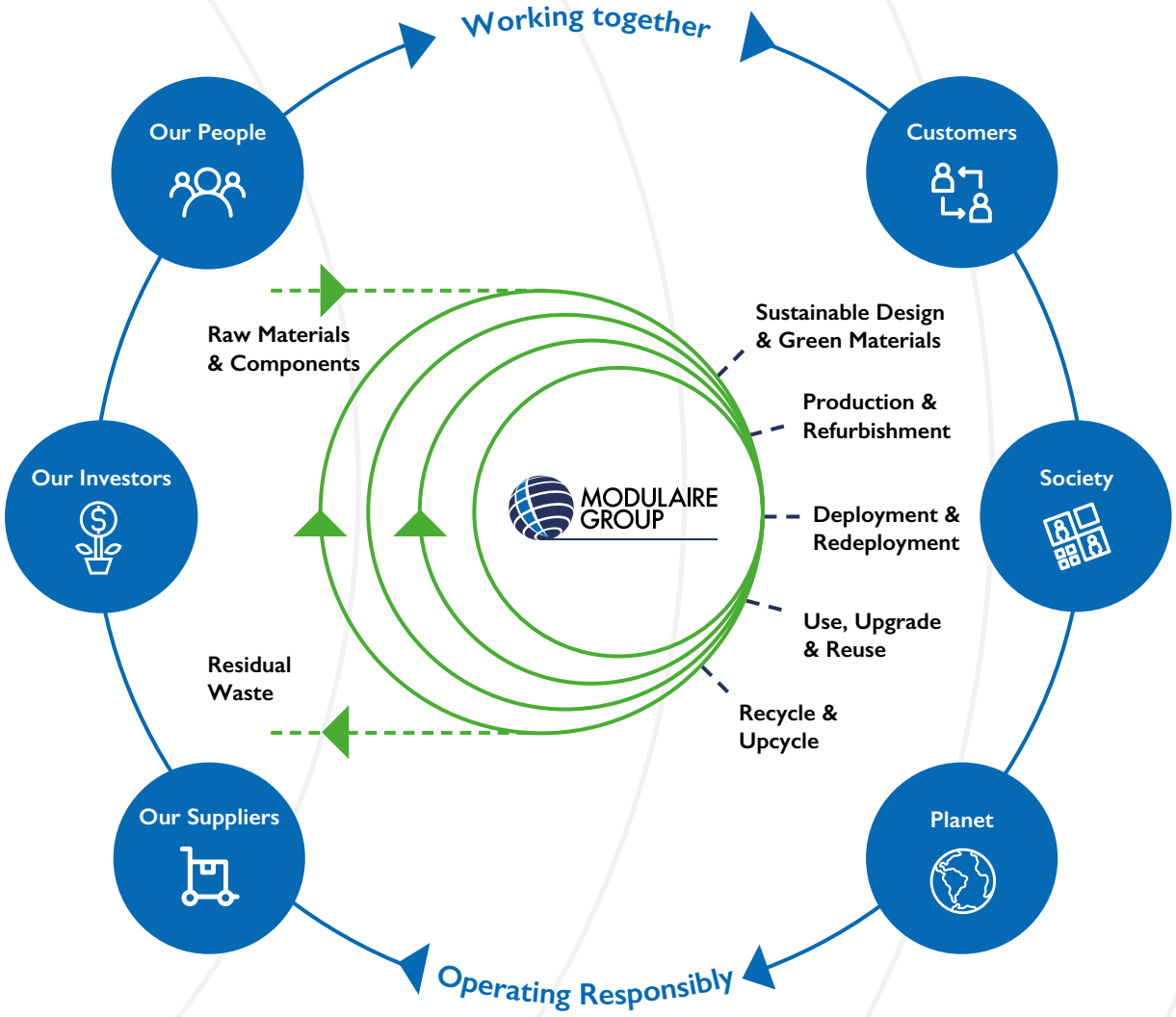
- Strict compliance with applicable local legislation for ESGS
- All Group functions and business units to contribute and report on Modulaire's ESGS commitments and targets
- Achieve sustainable growth and robust business performance through responsible corporate governance and an open dialogue with all stakeholders
- Meet sustainability objectives
- Support commitments to the UN Sustainable Development Goals (4, 5, 9, 11, 12, 13), the UN Global Compact Principles (Human Rights, Labour, Environment and Anti-Corruption) and the Task Force on Climate-related Financial Disclosures framework to establish the Net Zero and Climate Adaptation plans

Loops within Loops

Loops within Loops is our sustainable circular business model. It simply means we use innovative sustainable design solutions to produce modular units that can stay in service longer, going round and round again. This reduces the use of virgin materials, minimising resources and waste. By designing in sustainability and designing out waste, we produce a circular product that can be reused, refurbished, remade and assembled. We do this to meet the expectations of our stakeholder groups who want maximum value with minimum impact.

Our sustainable modular solutions contribute to an advancing circular economy. Whilst we are in the early stages of realising the full potential benefits of our activities, the steps that we are taking to better understand the risks and opportunities of the transition to a low carbon economy are bringing measurable benefits to our customers, the environment and the societies in which we operate.

See *Loops within Loops* in action below:



Advancing the circular economy

Our overarching goal is to be the global modular services and infrastructure leader. Our solutions enable people to work and learn productively and improve communities - but we want to achieve a truly circular economy. Our *Loops Within Loops* business model serves customers and stakeholders by helping to address some of the risks we face as climate change reshapes the economy.

Circularity

By minimising resource consumption and operating in as many 'circular loops' as possible, our modular solutions are less intensive than traditional construction, with a lower carbon footprint.

Adaptability

By being fully reusable, flexible, reconfigurable and recyclable, our units can adapt to changing demands and shifting demographics to meet climate change adaptation and demands.

Leasing

By leasing out assets, they remain under our control for their full lifecycle. We can innovatively manage environmental issues, such as recycling and waste, to minimise environmental and social impacts.

"Our low carbon solutions are meeting the needs of customers with Net Zero and Social Value ambitions. We have started our drive to a low-carbon world; by providing products and services that will meet our customer expectations and enable environmental and social stewardship."

Alexis Salmon-Legagneur
Director-General, ALGECO

Key principles	Our current approach	
Minimise embodied carbon	c.73%	less carbon emissions vs traditional construction[1]
Conserve resources, increase efficiency and source sustainably	20x	Units can be reused, on average, up to 20x or more during their lifecycle[1]
Design to eliminate waste and for ease of maintenance and reuse	96%	Units are up to 96% recyclable[1]
Manage any waste sustainably and at the highest practicable point of the waste hierarchy		*Loops within Loops* approach

1. 2020 Product footprint analysis of a typical Modulaire unit is based on:
- Stage A1-A5 (sourcing, manufacturing and transporting to site) approximately 200 ($kgCO_2e/m^2$) v 700- 800 ($kgCO_2e/m^2$) for a traditional build. This equates to approximately 73% less carbon emissions compared to a traditional build.
- In use (B1-B6) and end of life (C1-C4) emissions total 210 $kgCO_2e/m^2$. This equates to approximately 65% less carbon emissions compared to a traditional build
- For the whole life footprint (410 $kgCO_2e/m^2$), details for an equivalent traditional build are difficult to ascertain due to the lack of benchmarks which include B6 data
- Product footprint calculated in accordance with EN 15978:2011. Modulaire typical unit based on Advance 8000 two classroom unit assembled in France. Typical benchmarks for education buildings based on Whole Life-Cycle Carbon Assessments Guidance (Mayor of London, October 2020). Whole life figure provided in this guidance exclude any allowance for energy consumed during the in-use phase.

Managing our approach

We are a responsible business and comply with all legal requirements of the countries where we operate with the highest degree of integrity and ethics. Responsible conduct is a critical element of our corporate culture and embedded in our strategy.

We recognise that we must conduct business ethically, considering environmental and community goals, as well as being a good employer, as we focus on the growth and success of our business. Our Executive team and Board are fully committed to running Modulaire in a way that our employees, customers, shareholders and suppliers can be proud of and take our commitments to all our stakeholders seriously. We already have strong governance structures in place and moving forward, we will monitor and disclose more ESGS-related data, making further improvements to our performance as we listen, learn, and develop.

Our Modulaire Group Board of Directors provides ESGS oversight and is responsible for approving material ESGS initiatives, disclosures and reports. The Board established an ESGS Committee and benefits from its dedicated oversight of our ESGS programme.

The ESGS Committee reviews our performance, commitments and key performance indicators, meeting twice a year to make recommendations to the Board. Chaired by our Group CEO, it is responsible for defining Modulaire's ESGS purpose and implementing strategy.

"We believe that strong governance backed by strong leadership provides ESGS strategic intent, direction and action."

James Odom
Group General Counsel

Our governance structure

The Board

↕

Environment, Social, Governance and Sustainability Committee

↕

Group Function/SBU/OBU representations and relevant subject experts, including safety leads

Environment, Social, Governance and Sustainability Forum

Our Group General Counsel and Director of ESGS are together responsible for the ESGS function, policy and strategy. They ensure implementation and the provision of any necessary resources. Our Strategic Business Units (SBUs) have responsibility for coordinating, supporting, reporting and implementing the ESGS initiatives.

In line with best practice, we update our ESGS policy and documentation, or generate new documentation, on an ongoing basis to ensure compliance and for continuous improvement.

Delivering on our commitments

Our commitment to ESGS is championed at every level of Modulaire, from our shareholders, Board, senior leaders, and management teams, to all our assembly sites and branches. The delivery of ESGS strategy is incorporated into key processes including business performance review, internal audit and risk management. This helps to identify risks and opportunities and enables us to assign the appropriate level of accountability to ensure we meet our objectives and KPIs.

Our SBUs ensure that local policies and procedures are consistent with the ESGS policy, and that data reported to the Group is accurate and maintained. In 2022, the following have been created or updated to align with new strategy and frameworks:

- Electrification Policy
- Equality, Diversity and Inclusion Policy
- Modern Slavery and Human Trafficking Compliance Statement

Respecting Human Rights

Modulaire has a framework of policies, processes and programs in place to identify and reduce potential human rights impacts, including modern slavery and human trafficking.

We are committed to improving our supplier governance framework to include enhanced visibility through the supply chain.

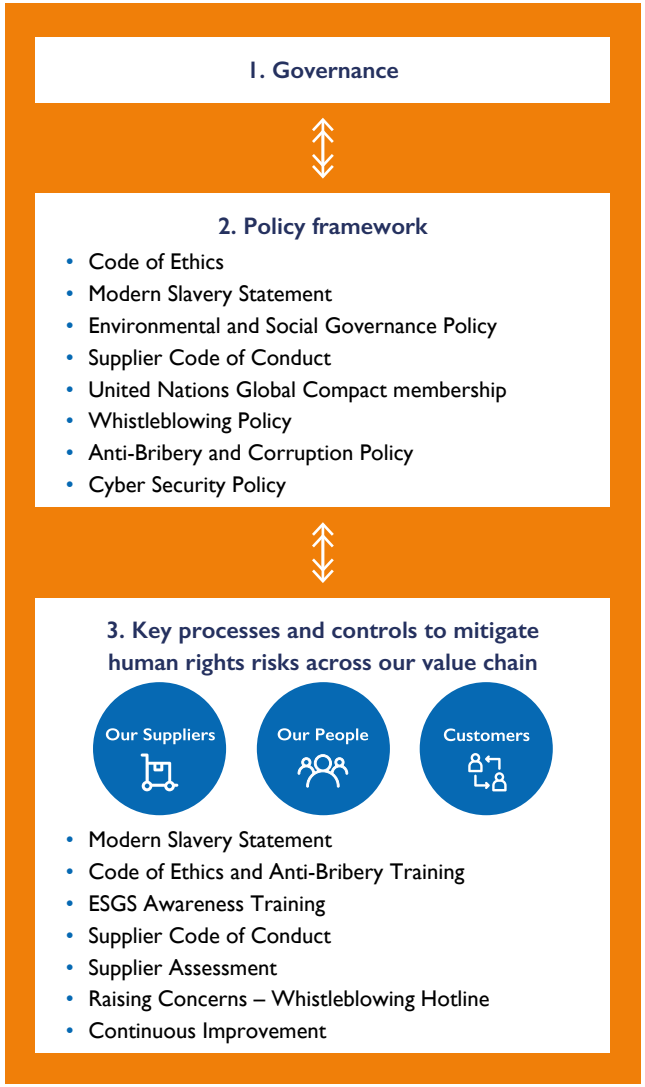
Our approach

Our modern slavery risk assessment considers the three key modern slavery risk factors of:

- Vulnerable populations
- High-risk sectors
- High-risk geographies

Our **Modern Slavery Statement** can be read on our website: www.modulairegroup.com/modern-slavery-act

Our focus for 2023 is the roll out of our Responsible Sourcing Policy and screening suppliers with our new assessment process and training the procurement team. We will request our direct suppliers to cascade human rights and modern slavery standards down the supplier's own supply chains.



Reviewing our risks

Based on risk factors we have identified, there are varying levels of modern slavery risk exposure across our business:

Our suppliers: we can potentially be exposed to modern slavery risk if it is present in our supply chain. For example, goods from high risk countries or base-skill workers engaged in high risk category services such as cleaning or building maintenance. Based on our supply chain profile, the risk of modern slavery in direct suppliers remains relatively low. We recognise that the risk of modern slavery may increase further down our supply chain (Tiers 2 and below) where we have lower visibility and generally lower ability to influence.

Our people: we can potentially be exposed to modern slavery risk as an employer. However, as the majority of our workforce is directly employed, the risk of causing modern slavery in our role as an employer is low.

Customers: there may be a risk of exposure to modern slavery through the leasing services, for example, units provided to clients operating in sectors with base-skill labour and long, complex supply chains (such as construction sectors) can present a higher risk of exposure to modern slavery.

Our ESGS strategy

The Modulaire ESGS strategy represents our strategic and tactical intent to establish ESGS commitments uniformly across our group.

In our strategy, we set out ambitious objectives and targets aligned to the United Nations Sustainable Development Goals, the United Nations Global Compact and meeting the Net Zero approach established by the Task Force on Climate-related Financial Disclosures. It builds on our stakeholder engagement and materiality assessment, addressing the risk and growth opportunities identified for our business.

We focus on the 5 R process: Refuse, Reduce, Reuse, Repair, Recycle. This approach has enabled us to establish our transitional circular business model – Loops within Loops – where materials are retained in use at their highest value for as long as possible, then reused or recycled, leaving minimal residual waste.

The Modulaire ESGS strategy features three key Sustainability pillars: Environment, Social and Governance (ESG), with circularity, adaptability and leasing at the core. We are committed to deepening our understanding and advancing our approach to climate-related risks and opportunities over time.

"Our long-term goal is to maintain the value of materials and resources indefinitely, with minimum residual waste."

Kristian Grimsbo
Marketing & ESG Director
Nordics

ESGS strategic objectives – our call to action

Environmental

Target Net Zero by 2050 using our *Loops within Loops* model

1. Be part of the circular economy by leasing, redeploying and end of life reuse
2. Drive sustainable design and manufacturing
3. Act on climate risks and opportunities

Social

Measure and deliver on Social Value

1. Place safety at the top of our agenda, supported by wellbeing programmes and training
2. Create smart places for people to work, learn and live
3. Ensure diversity and inclusion remain key values in every aspect of our business

Governance

Continue to strengthen our approach to governance

1. Maintain our strong compliance focus:
   - code of ethics, anti-bribery and corruption policy
   - policies for suppliers, corporate citizenship, data protection and cyber security
   - whistleblowing hotline
2. Active oversight by the Board and Executive of ESGS
3. Achieve ISO certifications for Environment

Global standards for global business

Modulaire Group employs more than 4,400 people, working across 23 countries. We are committed to supporting the United Nations Global Compact and broader society; we will continue to champion Environment, Social value, Governance and Sustainability within our business and support our stakeholders.

"The global standards we have adopted encourage and direct best practice such as improved risk management, increasing trust in our business and investor support. It also increases engagement with our stakeholders and most importantly, our people are proud to participate."

Inder Poonaji
ESG and Sustainability Director

Aligning with positive frameworks

We make our ESGS strategy and performance transparent by measuring and communicating it against three external global standards – the United Nations Sustainable Development Goals, the United Nations Global Compact Principles and the Task Force on Climate-related Financial Disclosures. We do this so our investors, customers, suppliers and society at large can understand our approach to sustainability and assess our progress. We share our ESGS performance data on our website and in this report.

We support the Paris Agreement's aims on climate change and contribute through our ESGS strategy to achieve Net Zero emissions across our value chain by 2050.

Our ESG & Sustainability purpose framed against UN SDGs

1. To achieve long-term success, we are transitioning to a sustainability strategy with circularity at its core, providing modular space for people to work, learn and live.

2. We work in collaboration with our stakeholders to create and develop shared value for people and the planet. We create products that make a positive difference to society while contributing to our ongoing success.

3. We conduct business with a focus on ethical, environmental and community goals, whilst being a good employer and fostering a diverse and inclusive culture.

United Nations Sustainable Development Goal

We are contributing to the global community.

While working through our *Loops within Loops* business model, we act on six UN SDGs that complement our business purpose, vision and operations. They are SDG 12 (Responsible Consumption and Production); SDG 9 (Industry Innovation and Infrastructure); SDG 13 (Climate Action); SDG 4 (Quality Education); SDG 5 (Gender Equality) and SDG 11 (Sustainable Cities and Communities). These goals have been integrated into our everyday activities through our services, projects and customer portfolio.

United Nations Global Compact

We are delivering for social good.

We became signatories to the UNGC in April 2021 and are currently updating policies and practices to reflect the ten Principles. The UNGC supports the SDGs of Agenda 2030, as adopted by the UN member states in 2015. As a signatory to the UNGC, Modulaire Group reports annually on its progress in the area of sustainable corporate governance against the ten Principles in the form of a Communication on Progress report.

Task Force on Climate-related Financial Disclosures

We are taking climate action for Net Zero.

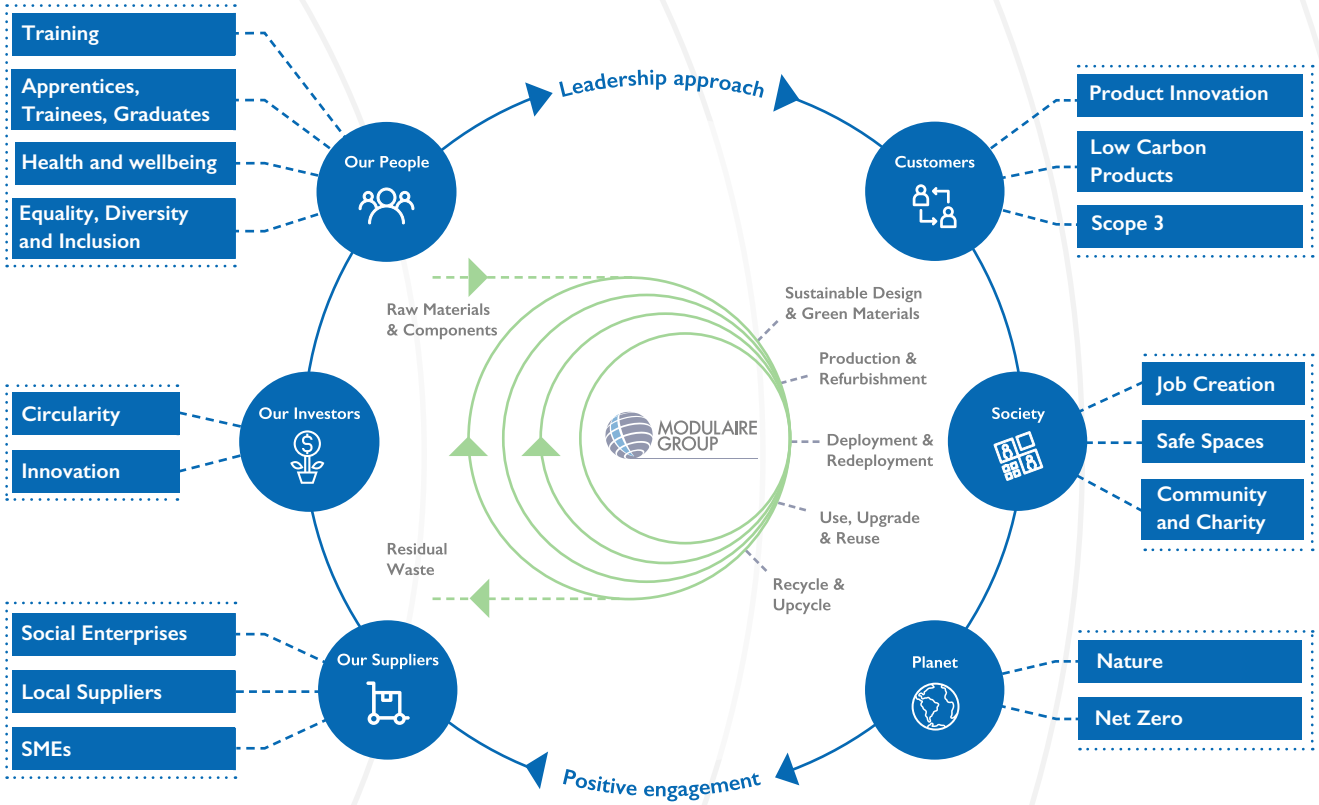
We became signatories to TCFD in May 2021 and based our roadmap to Net Zero on the recommendations of the TCFD report. We are sharing our progress towards meeting these recommendations in this report. As a signatory to TCFD, this non-financial declaration combines aspects and reporting on the following key issues: stakeholder concerns in the materiality matrix, environmental, social and governance factors, including business ethics and compliance, anti-corruption and bribery.

Understanding our social value

Social Value is the contribution that an organisation makes to society by delivering economic prosperity, social good and environmental responsibility. It forms a part of our *Loops within Loops* business strategy and can be measured by proxy or actuals, through quantitative and qualitative approaches.

At Modulaire, we are in the process of listening, engaging and collaborating with our stakeholders to learn more about the social value our activities can deliver. Our key social focus areas are to deliver modular solutions by providing smart spaces that benefit the communities where we operate, to provide a safe and healthy working environment for our employees worldwide, and to foster a diverse and inclusive culture.

We amplify our social value by aligning our actions with those of international change-makers like the United Nations Sustainable Development Goals and the United Nations Global Compact. By doing so, we can makea positive contribution to the social infrastructure meeting society's changing needs.



Pathway to Net Zero

We are reducing our environmental impacts, decoupling fossil fuels from our operations and driving energy efficiency to reach Net Zero by 2050. It is an ambitious target and needs commitment across our business, backed by credible actions.

We understand climate change is one of the most critical global priorities impacting the world today and we are mitigating our risk, whilst embracing new opportunities. We depend on materials and energy to make our units. Our programmes for resource efficiency, electrification, renewable energy and sustainability awareness, are all key to our ESGS strategy, whilst supporting the people in our supply chain and preparing for the future. It is inspiring our people to deliver robust results with purpose across our pathway to Net Zero.

As called for in the Paris Agreement, to keep global warming at no more than 1.5°C, global carbon emissions need to reduce by 45% by 2030 and reach Net Zero by 2050. Modulaire Group is targeting Net Zero by 2050; however, we are confident that once we have completed the actions outlined in our 2028 Climate Action Plan, we will be able to bring that target date forward.

"Here at Modulaire Group we thrive on continuous improvement targets, it's part of our values. And Net Zero by 2050 is the ultimate target! It's a key feature of Operational Excellence – the elimination of waste in all our operational activities through the development of our people. Together we are identifying so many opportunities to recover, repair and reuse parts and materials."

Tim Jones
Head of Operational Excellence

Sustainability Linked Finance

Modulaire works in major private and public sectors and has raised approximately €3 billion in sustainability-linked financing, backing its credentials. Investors want to ensure that assets are future-proofed against tightening regulations and the changing climate. This financing incentivises our business to achieve ambitious sustainability performance targets, which are aligned to our Net Zero plans.

Technology is changing fast in our sector, especially on the sustainability front, whether it is installed EV chargers on site, the latest solar PV units on roofs or IoT monitoring devices measuring air quality. This facility enables our operations to invest in low carbon solutions with speed.

Our leasing space-as-a-service business model ensures that we can act fast and offer the most up-to-date solutions to customers.

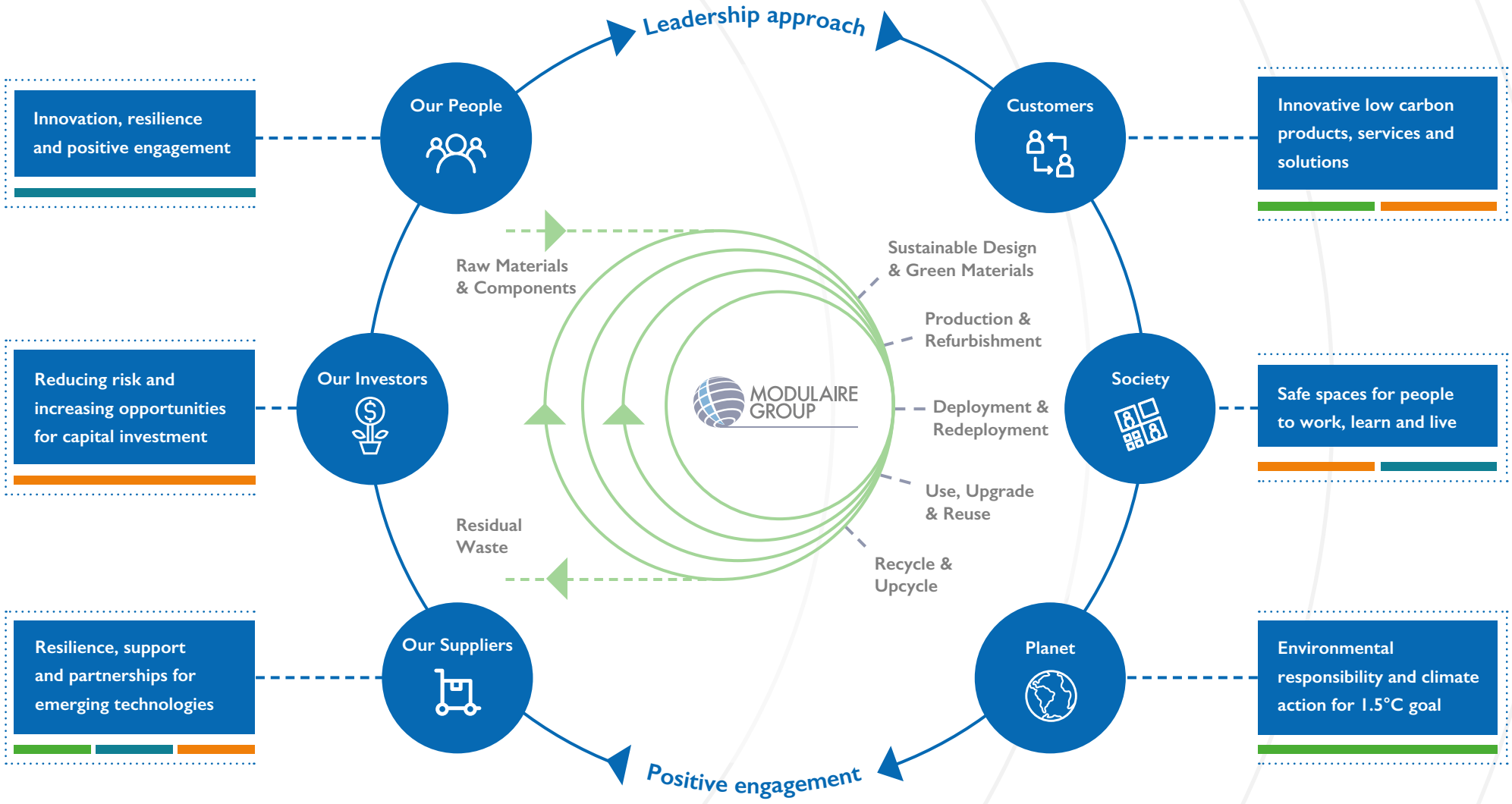
"The green bond has enabled us to bring on line emission reduction technology and low carbon solutions with greater confidence and at a faster pace."

Sebastien Denis
Responsible Marketing Innovation /Innovation Marketing Manager

Powering up with renewable electricity

We are working to power our business with renewable electricity and in many parts of the world, the sun is one of the best energy sources. In Madrid, we have installed solar panels at our depot that are able to generate and supply one third of our energy needs onsite, whilst the remainder is supplied through renewable electricity certificates. Madrid was the perfect choice for this project thanks to its sunny climate and mature panel market. The investment delivers a competitive return and reduces CO_2 emissions onsite by 25t every year.

Targeting Net Zero: benefits to our stakeholders



Key:

Environmental Social Governance

Our Net Zero Plan

2022

Resource Efficiency

- Implement Internal Climate Change and Circular Design Key Principles Protocols for new modular space unit designs
- Greening of Supply Chain and ESG Protocols for Suppliers
- Establish Climate Adaptation Plans for each SBU
- Biodiversity Impacts Protocols for Modulaire sites
- Frankfurt Branch assessment for BREEAM

2023

Low Carbon Solutions

- 5% absolute reduction in Scope 1 and 2 emissions (vs 2020)
- Source 100% Renewable Energy for the Group where available and applicable
- Initiate Group Operational Carbon baseline tonnes of annual Scope 3 for 2022

2024

- 7.5% absolute reduction in Scope 1 and 2 emissions (vs 2020)
- Roll out our strategy to reduce or mitigate Scope 3 emissions
- Continuous innovation of low carbon solutions for customers

2025

- 10% absolute reduction in Scope 1 and 2 emissions (vs 2020)
- Reduce the embedded carbon footprint (Stage A1-A5) of a typical Modular Space Unit (vs 2020)[1]
- Reduce waste to landfill by 50% per typical unit (vs 2020)
- Reduce our water consumption by 10%
- Life Cycle Analysis of all newly manufactured Modular Space Units

2030

Innovation & Scale

Environmental

- Reduce Scope 1 & 2 GHG emissions by 30-40%
- Reduce Scope 3 emissions by 30-40%
- Progress towards total circularity of units
- Technology for carbon removal
- 100% renewable energy where available and applicable
- Transform new product portfolio to Net Zero carbon

2050

Net Zero

Net Zero carbon of our end-to-end supply chain by 2050 to meet the Paris Agreement goal of 1.5°C.

Our commitment for environmental responsibility and climate action is to minimise carbon emissions for our company and customers and manage our material risk and opportunities.

[1] See page 7

Innovating low carbon solutions for customers

"ESGS is no longer just a nice to have, it's become a must have for any responsible business today. At Modulaire Group, we understand that being environmentally and socially responsible is not only the right thing to do, but it's also good for business. By focusing on ESGS factors, we are able to create products and innovate in ways that not only meet the needs of our customers but also benefit society as a whole. We believe that this approach will lead to a more sustainable future and drive long term success for our company."

David Muntañola
Group Commercial Director

Hydrotreated Vegetable Oil powered generators

We have introduced a range of turnkey HVO-powered generators for customers seeking to reduce environmental impacts onsite. HVO offers a low carbon, low emission alternative to conventional diesel. With advanced telemetry as standard, customers access accurate real-time data reporting for fuel management and GPS location.

Electric Vehicle charging points

Our new EV chargers are stand-mounted, which means our customers can decide exactly where and when power is needed. Built with reliability, safety and climate resilience in mind, they feature proven IP65 rated hardware and can be used in extreme temperatures from -30°C to 55°C.

‘Plug and Play’ PV solar panels

In 2022, we introduced a new customer solution, supplying solar panels on a fixed rooftop frame for our modular units. The panels are helping to build climate resilience and reduce energy costs by reducing reliance on the local electricity grid.

Each system is adjustable and programmable according to energy usage needs, with a design that facilitates rainwater flow.

McDonald’s Restaurant UKGBC Net Zero Carbon Building

Our UK team has delivered the UK’s first carbon Net Zero McDonald’s restaurant in Market Drayton, utilising a modular solution. It was the first building in the country to meet the UK Green Building Council’s Net Zero Carbon Framework, minimising environmental impact and achieving a Net Zero build.

Building modules were constructed using a steel-framed system, a totally recyclable material, and sourced from a UK supplier with certified Environmental Policy Declarations. Sustainable features include sheep’s wool insulation, with cladding, ceiling, floor and wall tiles made from recycled plastic, a rainwater harvesting system, wind turbine electricity generation and photovoltaic car park lighting. The kitchen incorporates a heat exchange that feeds into the dining area for energy efficiency. The restaurant was 80% completed in our factory before being transported to site, minimising waste and maximising quality control, efficiency and speed of construction.

“We’ve already started to roll out some of these innovations to other restaurants, but what is exciting about Market Drayton is the fact it will act as a blueprint for our future new builds. We believe that our food needs to be served in restaurants that are sustainable for the future. Market Drayton is a big step towards making that a reality.”

Beth Hart
Vice President, Supply Chain and Brand Trust, McDonald’s

“This is a landmark project for McDonald’s and the building industry as a whole. Achieving a Net Zero carbon build confirms that the ambitious targets set for the built environment are achievable using our modular and offsite solutions.”

Graham Stevenson
Construction Manager Algeco UK

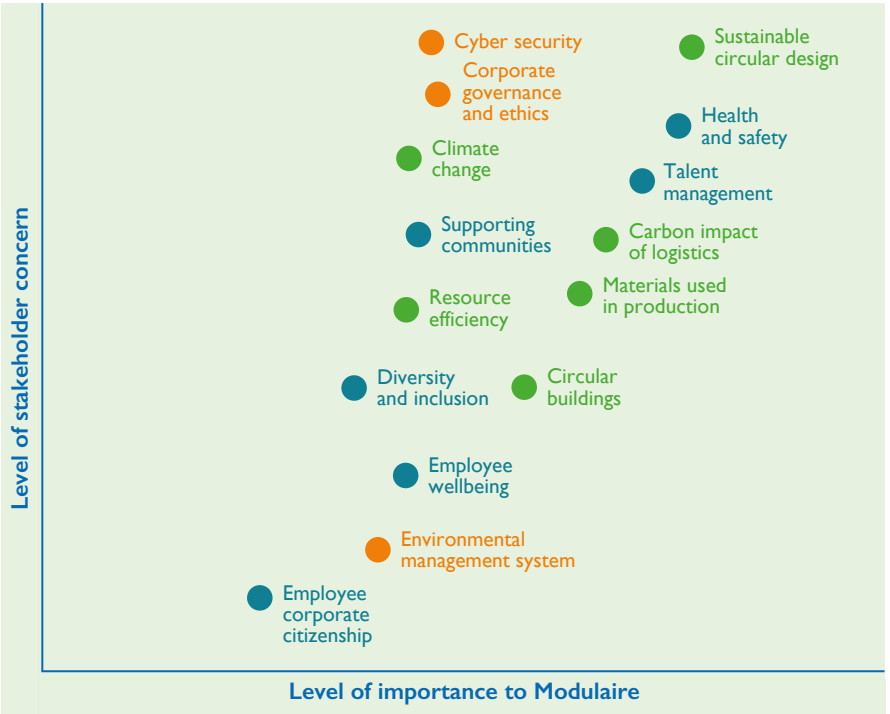
Managing our ESGS Risks

We believe in an open dialogue with our stakeholders and meet them regularly to listen to feedback. We assess the ESGS risks, issues and trends for our business and use a materiality matrix to map the results, showing us the levels of stakeholder concern, measured against the level of importance they represent to our business.

Our materiality consultation process covers both internal and external stakeholder groups, including employees, customers, investors, partners and local communities. We have also conducted a desktop review to assess risk and sustainability megatrends to provide a broad spectrum.

This process helps us to understand changing opinions or needs and to scan the horizon for emerging opportunities. It ensures we focus on the right trends and allocate resources to the most critical areas. The results are reviewed by our ESGS Committee, where issues are assessed twice a year.

Our Materiality matrix



Key:

Environmental

E-1 Sustainable circular design
E-2 Carbon impact of logistics
E-3 Climate change
E-4 Materials used in production
E-5 Resource efficiency
E-6 Circular buildings

Social

S-1 Health and safety
S-2 Talent management
S-3 Supporting communities
S-4 Diversity and inclusion
S-5 Employee wellbeing
S-6 Employee corporate citizenship

Governance

G-1 Cyber security
G-2 Corporate governance and ethics
G-3 Environmental management system

Our Material issues

We have identified and prioritised the most critical ESGS issues for Modulaire Group as follows:

Environmental

- Net Zero carbon from our end-to-end supply chain by 2050 and Circularity
- Sustainable design
- Resource efficiency
- Operational environmental management

Governance

- Cybersecurity
- Corporate Governance
- Ethics

Social

- Health and safety
- Talent management
- Supporting communities
- Diversity and inclusion
- Employee wellbeing
- Corporate citizenship

Additional ESGS issues were raised concerning our industry, relating to energy performance, materials used in the production of modular buildings, safety and the carbon impact of logistics. Our ESGS strategy makes consideration of all the topics.

Assessing our climate-related risks

This year we conducted a review of climate-related risks and opportunities across the Modulaire Group and are sharing the results in this report. Using the best practice framework of the Task Force on Climate-related Financial Disclosures (TCFD), we assessed both the physical and transition risks and opportunities for our business.

Physical risk

Physical risk refers to the direct impacts of climate change on Modulaire's assets, operations, and supply chain from extreme heat, wildfire, extreme rainfall, riverine flooding and sea level rise/coastal flooding. Hazards were assessed using scenario data produced by downscaled global climate models. Hazard exposure was measured at each of Modulaire's operating assets including offices, depots, manufacturing facilities, as well as those for key suppliers.

Transition risk and opportunity

Transition risk and opportunity refers to the potential impacts of a low carbon transition on demand for our services, or the impact of carbon pricing on our operating costs. Data from sources such as the International Energy Agency (IEA) World Energy Outlook and the Network for Greening the Financial System (NGFS) was used to understand the policy, market, and technology implications of a transition in the sectors and geographies where we operate. We assessed the potential for increased demand for low carbon building solutions and increases in demand from our core market sectors. The analysis was conducted at a regional level in our core operating regions.

Using scenario planning

Physical and transition impacts were assessed under two scenarios:

3.2°C - 5.4°C

A higher warming or current policies scenario, with minimal climate policy, leading to an increase in global average temperatures of 3.2°C - 5.4°C by 2100 (relative to a pre-industrial period).

1.6°C - 3.2°C

A lower warming scenario, where global average emissions are reduced to Net Zero by 2050, driven by the implementation of climate policies globally. Warming is limited to a 1.6°C – 3.2°C rise in global average temperatures by 2100.

The scenarios were applied for the **short term** (2020-30), **medium term** (2030-40) and **long term** (2040-50).

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Our Climate risks and opportunities (TCFD approach)

Building business resilience

The scenario planning analysis showed us there are immense opportunities for Modulaire Group. It reinforces the importance of our business strategy *Loops within Loops* to thrive in a low carbon transition. Our modular solutions will be a key part in the emissions reduction and climate resilience strategies of our customers and communities.

While we face transition and physical risks, the scenario analysis suggested revenue opportunities could meaningfully exceed the operating and capital risks of all scenarios assessed. We are confident climate risks can be addressed with our Biodiversity and Climate Change Adaptation Plan. We will use this analysis to inform our Climate Change Adaptation Plan and address risks at facilities that are most impacted. Further, our carbon reduction strategy will enable us to minimize carbon pricing risks.

"We have found the TCFD risk assessment framework has provided tangible results for Modulaire. The approach it delivers is robust and strategic and we are already utilising the outcome as part of our 5 pillar strategy."

Dietmar Muller
Managing Director, DACHS

Risk/Opportunity	Description	Current policy / Higher warming scenario	Net Zero Lower warming scenario
Transition opportunity: Increased revenue from demand for low carbon and resilient building solutions	Customers will need infrastructure and building services that are resilient to climate impacts, and that help meet emissions reduction targets. Our modular services provide options promoting circular design, with lower embodied carbon and they require less energy to operate than traditional buildings - increased demand will generate significant revenue opportunities.	Opportunity	High Opportunity
Transition risk: Carbon pricing	Carbon pricing may impact the cost of fuel, as well as the cost of heating and cooling at our facilities. It may also increase the price of raw materials that may have high embodied carbon. The risk is deemed low, based on our business model and our climate transition planning. Our commitment to circularity and Net Zero carbon emissions should allow us to minimize the potential impact of carbon pricing.	Low Risk	Low Risk
Physical risk: Operating impacts from high heat, carbon pricing, extreme rainfall	Our facilities globally (depots, warehouses, manufacturing locations, etc.) may experience operational impacts from increasing exposure to extreme heat and extreme rainfall. Extreme heat in particular can lead to increased health and safety risks associated with heat stress, and potentially decreased worker productivity. Extreme rainfall can lead to localised flooding, which can impact the ability of our facilities to operate. The risks are highest in our Asia Pacific locations and in Southern Europe. The risk was deemed low to moderate as, while some facilities may be highly exposed to extreme heat and rainfall, our operations have the ability to adapt their activities to minimize the risk to workers and productivity. For example, during periods of high heat, our facilities can shift operating hours to earlier in the day to avoid work during peak temperatures.	Low/Moderate Risk	Low/Moderate Risk

Measuring our performance

We measure our performance to keep improving. We learn from the results, understanding more about where to best employ our resources and the training our people may need to succeed.

To deliver the objectives of our ESGS strategy, we have defined a clear set of actions with associated targets scheduled to 2050. We measure progress against these targets using Key Performance Indicators (KPIs). We review our local and group progress on a monthly basis, seeking continuous improvement and share findings across our business through our Global ESGS Forum. You can read about our Environment, Social and Governance targets in this report.

Setting environment metrics and targets

We have set interval targets for 2025, 2028 and 2030 to consistently measure progress, with the key ESGS metric being total GHG emissions across our operations. This is reported for our direct Scope 1 (e.g. fuel use) emissions and our indirect Scope 2 (e.g. purchased electricity) emissions. Our reduction targets for 2025 and 2028 are connected to our Sustainability Linked Financing, which has enabled us to accelerate our approach to emissions reduction focusing on factories, assembly sites, logistics and awareness training programmes.

Target
2.5%
reduction
in tCO_2e yoy*

By 2025
10%
reduction
Scope 1 & 2 emissions

By 2028
15.8%
reduction
Scope 1 & 2 emissions

By 2050
Net Zero
emissions

* These reduction targets are market based on Scope 1 and 2.

Protecting the environment

We work responsibly and seek to promote environmental stewardship. On our sites, this means using a high level of operational controls to reduce pollution and noise. At several sites we are already using natural climate adaptation features including sustainable drainage to prevent flooding and rainwater harvesting to conserve water. We have introduced Climate Adaptation Plans at each of our Strategic Business Units and Biodiversity Impacts Protocols for all Modulaire sites. Offsite, we are enabling volunteering opportunities for our people, who are making a positive difference to protect and sustain the environment in their local communities.

As we continue to reduce our own direct environmental impacts, we are also reducing those of our customers. The cyclical nature of our modular leasing solutions means our units can have a life of over 30 years and can be reused 20 times or more. It ensures that most of the material used in the assembly of our units has an ongoing life with very little residual waste. We estimate that up to 96% of our materials are recyclable and that our typical modular space unit uses 73%[1] less of the embodied carbon of a traditional building. Over the coming years, we will focus on activities to keep materials within these loops, providing our customers with sustainable, low carbon and circular products and services.

"Electrification is an exciting opportunity for Modulaire to reduce fossil fuel dependency across our operations. We want to electrify and change our energy sources to renewables onsite and offsite. It builds our resilience, benefits the environment and delivers social value for our communities by improving health and wellbeing, with less air pollution and noise."

Letian Ma
ENSE SESG Manager,
Algeco, Netherlands

Progress against our environmental KPIs

Of our six environmental 2022 KPIs, we have achieved five. One further KPI is ongoing in 2023.

KPI	Progress	Status
Reduce Group total gross Scope 1 and 2 market-based emissions in metric tonnes CO2e by 2.5% (vs baseline 2020)	Achieved	●
Implement Internal Climate Change and Circular Design Key Principles Protocols for new modular space unit designs	Achieved	●
Greening of Supply Chain and ESGS Protocols for Suppliers	Achieved	●
Establish Climate Adaptation Plans for each Strategic Business Unit (SBU)	Achieved	●
Biodiversity Impacts Protocols for Modulaire sites	Achieved	●
Design and build new Frankfurt branch using Best Available Technology (BAT) for Sustainability to achieve outstanding accreditation	Ongoing	●

Key ● Achieved ● Ongoing ● Not achieved

Our environmental focus continues around resource efficiency and the procurement of renewable energy. We have reviewed approaches and made progress in purchasing renewable energy, concluding the purchase of renewables in Australia (64% of the total energy consumed in Australia). We have also completed a study on resource efficiency with an action plan for implementation.

Two significant climate change KPIs: Establish Climate Adaptation Plans for each SBU and Biodiversity Impacts Protocols for Modulaire sites, were completed and consolidated into a single document, Biodiversity and Climate Adaptation Protocols. Along with further work on Climate Change Risks and Opportunities, we have now established focus areas of work for all countries; for example, our Australian colleagues participated in National Tree Planting Day, an activity organised by PlanetArk for the Brisbane City Council and local catchment networks. Our employees planted over 800 trees to provide shade and cover and help in carbon sequestration.

We have developed an ESGS Awareness programme for all employees in 2022. The short training activity provides awareness and encourages employees to participate in sharing ideas to reduce energy, water and waste. Each SBU has carried out a pilot and ongoing sessions with positive feedback.

To combat rising waste disposal costs and improve material management, Poland introduced the 5R program to enhance the utilisation of materials. The team reached an 80% reduction in waste cost per unit delivered and a 90% reduction in waste to landfill in kg compared to the start of the project.

[1] Whole life (excl. B6 heating and lighting during rental) approx 350 ($kgCO_2e/m^2$) v 900-1,100 ($kgCO_2e/m^2$) traditional build.

Measuring our Carbon Footprint

We measure the carbon footprint of our operations and a typical product to identify our impacts and determine opportunities for cost and carbon savings on our path to Net Zero emissions.

Our Operational Carbon Footprint*

We engaged PricewaterhouseCoopers LLP ('PwC') to provide Independent Limited Assurance over our 2022 greenhouse gas emissions data, in accordance with the ISAE3000 and ISAE3410 standards. The numbers subject to assurance are shown by the symbol Δ in the table, 2020 and 2021 figures are included for comparison.

The PwC Independent Limited Assurance Report and our detailed reporting criteria can be viewed on the Modulaire website. We are able to disclose our carbon emissions as follows:

GHG emissions data for the reporting period of 1st January 2022 to 31st December 2022

As the Directors of Modulaire we confirm that we are solely responsible for the preparation of the ESGS Report including this Directors' Statement and for reporting the ESG performance metrics in accordance with the reporting criteria set out within this document.

We confirm, to the best of our knowledge and belief, that we have:

- designed, implemented and maintained internal controls and processes over information relevant to the measurement, evaluation and preparation of ESG performance metrics that is free from material misstatement, whether due to fraud or error;
- established objective reporting criteria for preparing and presenting the ESG performance metrics, including clear definition of the entity's organisational boundaries, and applied them consistently;
- presented information, including the reporting criteria, in a manner that provides relevant, complete, reliable, unbiased/ neutral, comparable and understandable information;
- reported the ESG performance metrics in accordance with the reporting criteria.

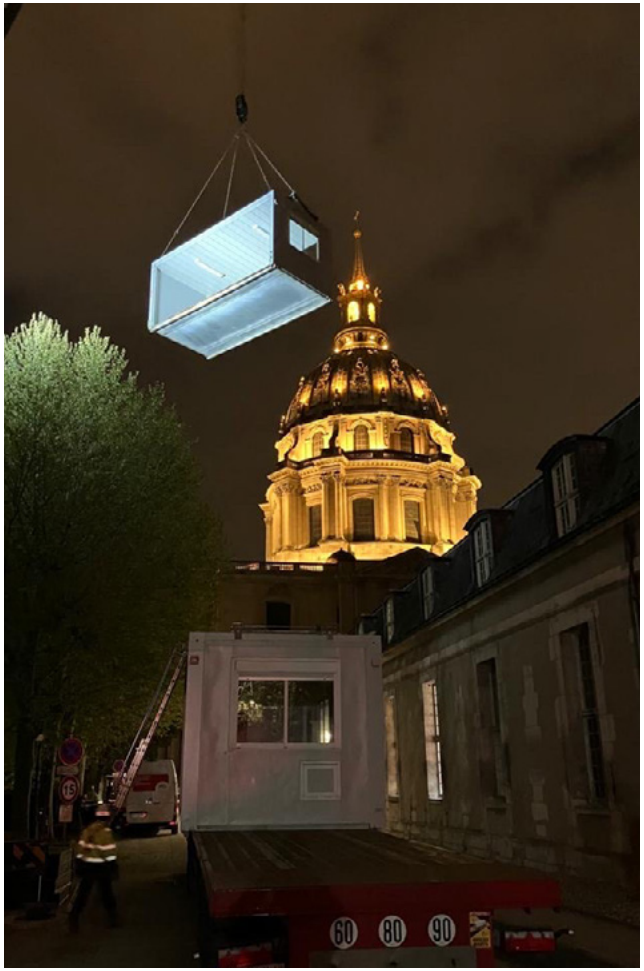
James Odom
Group General Counsel

For and on behalf of the Board of Directors of BCP V Modular Services Holding III Limited

	2020** 1st January 31st December (tCO2e)	2021 1st January 31st December (tCO2e)	2022 1st January 31st December (tCO2e)
Scope 1 Greenhouse Gas Emissions	15,345	16,111	Δ 15,559
Scope 2 Greenhouse Gas Emissions - location based method (tCO2e)	10,927	11,663	Δ 10,844
Scope 2 Greenhouse Gas Emissions - market based method (tCO2e)	12,801	13,781	Δ 5,193
Total (Market Based)	**28,146**	**29,892**	**20,752**

* The Corporate GHG footprint calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard.

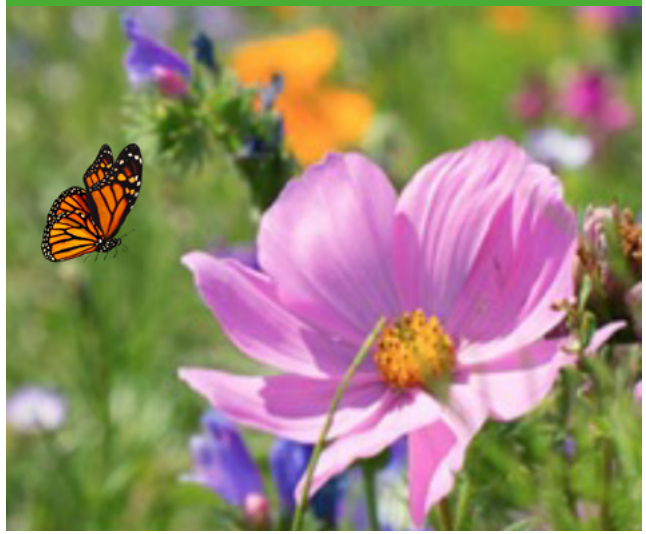
** We have restated in 2021 as a result of acquisitions in line with our methodology statement – see our website



Reducing environmental impacts

Biodiversity plan in action

With help from the Nature and Biodiversity Conservation Union in Germany, we have implemented a planting scheme to support Biodiversity and promote wellbeing at our Algeco HQ site in Kehl. Our people helped to plant wildflowers, berry bushes and create raised beds. These features will enhance nesting sites for animals such as birds, butterflies and bees. Every month, maintenance is carried out by people from a local disability workshop.



Energy savings in France

In Saint Amour, teamwork has been key to reviewing our energy efficiency, with a focus on natural gas as the most significant contribution to the site's carbon footprint. Together, our employees identified actions to optimise the temperature in the painting oven which has resulted in a 30% annual reduction in natural gas consumption and associated cost savings.

Switching on electric vehicles

We are decarbonising our business and promoting electrification where feasible. In Italy, Algeco has introduced seven electric forklifts of different tonnage to serve our operations across the country and achieving 40% coverage. The electrification of the forklift fleet reduces the site's annual diesel consumption by over 80,000 litres, whilst also reducing noise and pollution for our people.

Materials not Waste in Poland

To improve material management and combat rising waste disposal costs in Poland, our team introduced the 5R methodology: Refuse; Reduce; Reuse; Repair and; Recycle. As a result, changes included buying recyclable fitted carpets, Rockwool waste repurposed as insulation for the warehouse, and materials such as wooden boards, PVC flooring and Styrofoam reclaimed by suppliers to give them a second life. The team achieved a significant 80% reduction in waste cost per unit delivered and a 90% reduction in waste to landfill in kg compared to the start of the project.

"Improvement is always possible. We used 5R to challenge ourselves, saying, 'What if we ask producers, not recycling companies'. It has given us great results. We have formed new partnerships, reduced our environmental impacts, reduced costs and improved our waste segregation."

Jakub Łazowy
Country Manager, Poland
Winner of the Modulaire Senior Leaders of Tomorrow Award

National Tree Planting Day

Many hands made light work of planting approximately 800 trees in Brisbane, where our sites participated in National Tree Planting Day, an activity organised by PlanetArk for the city council and local catchment networks. Our Ausco employees assisted with administration and managing aspects and helped coordinate the movement of approximately 120 other volunteers. The trees and plants will provide valuable shade cover and create vital urban green spaces that will benefit native wildlife, mitigate the effects of urban heat sinks and contribute to the sequestration of carbon. Local indigenous plants were selected to withstand natural phenomena such as the recent floods experienced in Brisbane.

Reusable modular unit covers, Sweden

Setting new standards in Denmark

Sustainability is a key focus in our project for Copenhagen Municipality called 'Nytteindsatsen'. It is large office building to serve more than 180 citizens and 20 employees, and will also be used for new and practical return to work courses for the unemployed. The building features 20 of our KUBUS modules and has been equipped with solar cells on the roof and bigger heat pumps. It complies with all Danish BR18 regulations for permanent construction and the beautiful outside facade was created in collaboration with the Danish architect Kullegaard.dk to elegantly blend into the surroundings.

Award-winning EcoLogic units, UK

In November 2022, Advanté's EcoLogic Solar range was awarded two International Green Apple Awards, the Champion Award for Building & Construction: Innovation, and a GOLD Award for Building & Construction: Science. The units are self-contained static cabins powered by EcoLogic Solar hybrid technology. With a full-roof solar array, they bring renewable energy to sites, reducing carbon emissions, noise and fuel costs. As a result, Advanté's winning paper was published in The Green Book, the leading international work of reference on environmental best practices.

Vertical farming in France

We have supplied over 200 units for the world's leader in the production of premium insect-based ingredients, who are creating a large vertical farm. The unique complex covers an area of some 45,000 m² and 36 metres high, built to breed meal worms, and with a built-in automated food processing unit. The space-efficient vertical construction uses 30 times less land than standard cattle farming.

Delivering for social good

Our modular solutions are designed with a social purpose – we create smart spaces where people work, learn and live. They are frequently used for schools, healthcare facilities, housing and other vital social infrastructure. To do this effectively, we seek to understand the difference we are making to people's lives and the changes we are making to the planet. We call this social value.

Modulaire volunteering programme in action

A visit to a local home for the elderly to provide companionship, Italy

Social purpose and actions

Promoting equality, diversity and inclusion

Modulaire is committed to encouraging equality, diversity and inclusion (EDI) and eliminating unlawful discrimination. We extend this commitment to our customers, suppliers, stakeholders and members of our communities where we operate. We seek to create a fair and inclusive workplace environment where people can be free to be themselves no matter what their identity or background. We believe that diversity is fundamental to our work and to our future. We welcome new perspectives, recognising that they will drive our performance and our growth. We will ensure that each employee is respected and valued so that everyone can reach their fullest potential and contribute.

Providing a safe and healthy workplace

We are committed to ensuring the continuous improvement of health and safety at work and will ensure it remains a core business value. We believe that all incidents of personal injury and occupational ill health are preventable. All employees, contractors and visitors have a right to expect a safe place of work and Modulaire is committed to providing the highest standards of occupational health and safety to safeguard the wellbeing of all those working, visiting or living near our operations.

Algeco France helping to distribute toys for NGO Les Restaurants du Coeur.

Progress against our Social KPIs

Of our seven Social 2022 KPIs, we have achieved five.

KPI	Progress	Status
Zero Fatalities	Achieved	●
Completion of a global employee safety survey	Achieved	●
Reduce Lost Time Incident Frequency Rate per 100,000 by 15%	Not achieved	●
Paid Voluntary Time of 5,000 hours per annum	Not achieved	●
Develop a Graduate/Apprentice/Trainee Programme in all SBUs	Achieved	●
Participate and undertake three UN Days: March 8th - International Women's Day; April 28th – World Day for Safety and Health at Work; October 10th – World Mental Health Day	Achieved	●

Key ● Achieved ● Ongoing ● Not achieved

We made good progress on all our Social targets, with five out of the seven KPIs achieved, including most importantly Zero Fatalities. Progress is accelerating with a continuing emphasis on our safety performance, we have developed a revised Safety Plan to help drive further reductions.

On 25th March 2022, a detailed annual report - Communication on Progress (COP) - was submitted to the United Nations Global Compact, sharing our progress against the ten United UNGC Principles. The Modulaire COP report qualified at a Global Compact Advanced level and is available to all on the UNGC website.

A key objective in Q1 2022 was to focus on Sustainable Development Goal 5 (Gender Equality). On 8th March 2022, International Women's Day was celebrated across our business with activities and discussions focusing on gender equality. Each of our six regions organised workshops and awareness sessions based on the theme "Break the Bias".

Our Strategic Business Units celebrated World Safety Day with talks from experts and in Germany, our people created and shared a video to mark World Mental Health Day on 10th October 2022. In the film, our Group HR Director, SBU Managing Director and ESG Manager shared information about the importance of keeping mentally and physically healthy and the actions we can take.

Our people around the world have volunteered many hours to support social activities in local communities. In October, a volunteering programme took place in Italy at depots including San Gemini, Bari, and Marcignago, where around 200 employees cleaned green areas and the streets, and visited a local home for the elderly to provide companionship.

All SBUs have now developed programmes for Graduates, Apprentices and Trainees. Our Beverwijk site in the Netherlands was selected as part of the annual Industrial Study Tour for the manufacturing post-grads at the Institute for Manufacturing, University of Cambridge.

Measuring Social Value

Different people are affected by different aspects of our business every day. We want to understand the worth and importance they place on these aspects and impacts.
It enables us to deliver for social good, providing solutions that create social value for our people and our stakeholders.

Our approach is to:

- Embed social value as part of business process and ESGS policies, as an added lens to our *Loops within Loops* model
- Work with our stakeholders to improve understanding of social value
- Capture data and intelligence, including qualitative, quantitative, comparative and environmental changes
- Collect information to express the amount of value created or preserved using collected or proxy data
- Demonstrate the social value generated through our business activity

We are developing ways to measure the social value created or preserved from our actions and activities. It is a new focus for our business and we will advance it over time. We have set a baseline and platform to measure our efforts and highlight areas for improvement. We will capture data and relevant proxys over the coming year and test our findings with our stakeholder groups.

Our Social Value baseline

Stakeholders		Theme	Output	Qualitative	Quantitative (#)	Coverage
Our people	EP	Apprentices, trainees, graduates	Provides Education, experience, and salary for future leaders	No of Apprentices, trainees, graduates employed	92	Group
	SG	Health & wellbeing	Supports a healthier and happier workforce	World Mental Health Day – See page 31	1	Group
	SG	Health & wellbeing	Supports a healthier and happier workforce	Employee Assistance Programme	All employees	Group
	SG	Equality, diversity & inclusion	Promotes education and fair opportunities	Females at Board and Senior Management level	24%	Group
	SG	Equality, diversity & inclusion	Promotes education and fair opportunities	Overall proportion of female employees	21%	Group
Our Investor		Innovation	Promotes *Loops within Loops*	New low carbon products – See page 17	–	Group
Our suppliers	SG	Social enterprises	Promotes social prosperity	See page 31	4	UK
Customer	EP	Low carbon products	Promotes social innovation	See page 17	–	Group
Society	SG	Job creation	Promotes local skills and employment	No. of net jobs created	173	Group
	SG	Safe spaces	Supports healthier, safer and more resilient communities	See page 27	–	Group
	SG	Community & charity	Supports and builds resilient communities and environment	Paid Volunteering Days	4,616	Group
Planet	ER	Net zero	Helps decarbonising and safeguarding of our Planet and improves working efficiencies	See page 14	–	Group
	ER	Nature	Help nature and increase environment responsibility	See page 26	–	Group

EP-Economic Prosperity, SG- Social Good, ER-Environmental Responsibility

Social initiatives

Promoting Social Enterprises

Algeco UK has sourced and introduced a range of products from Social Enterprises, offering our customers the same specifications (or better), whilst making a positive impact for social good.

Social Enterprises are businesses that reinvest most of their profits into social or environmental initiatives and projects. They often employ people who face barriers to finding work elsewhere, so benefit local communities in multiple ways.

The new Algeco product range includes building signage, drinking water dispensers, period products and flooring. We are offering internal and external signage from a Social Enterprise that provides job opportunities for vulnerable people where more than 75% of the workforce has a disability or a health condition. The flooring is made by a zero waste management Social Enterprise that redirects discarded carpet tiles, grades them and supplies them to community organisations and businesses across the UK.

These partnerships are delivering benefits for all parties and each product generates a Social Return on Investment report via the supplier, providing the audit trail organisations may need to demonstrate social value.

Promoting good health & wellbeing

We value our people and believe that a healthy active lifestyle can make a positive contribution to wellbeing. In the Nordics, a social initiative called Algeco Sports was introduced to challenge and inspire employees to get physically active inside and outside of work. Over 20% of staff participated, resulting in positive employee feedback. The team also introduced education days regarding life balance, mental health and safety. These activities help to deliver our ESGS purpose and also align with our commitment to UN SDGs, building a strong sense of purpose for our people.

"I am proud to be a part of a company with leaders who possess great expertise in sustainability and social responsibility. I have great confidence that the decisions they make within Algeco contributes to a sustainable and better world."

Grisel Garcia
HSE OBU Sweden

New flexible learning solutions

In Germany, the Algeco Academy was developed in partnership to improve our focus and approach to learning and development. It aims to make professional standard training accessible to all colleagues. In September 2022, an online learning management system was launched delivering different formats such as e-learning, live sessions and booking with external providers. It has received great feedback, in particular around how it supports our people to manage their learning flexibly.

Supporting graduate training

Our UK Carnaby manufacturing facility welcomed postgraduates from the University of Cambridge, studying for an MPhil in Industrial Systems, Manufacture and Management, who were eager to learn about how offsite construction is transforming the built environment.

The students took a tour of the facility and discovered more about how to utilise Lean Manufacturing, along with Design for Manufacturing and Assembly, and how to deliver efficiencies and value that are well beyond those achieved by conventional onsite construction.

World safety and health at work day

As part of our Safety journey to Zero Fatalities, our whole group participated in the World Day for Safety and Health at Work on 28 April, which promotes the prevention of occupational accidents and diseases. In 2022, the day had a specific focus on enhancing social dialogue towards a culture of safety and health and in the Nordics, our teams engaged in talks, reflections and completed practical tasks around safety behaviours, life-saving rules, wearing PPE, incidents, accidents and near misses. Employees were encouraged to identify opportunities for continuous improvement and in Denmark, a First Aid course was carried out including resuscitation and defibrillator techniques.

Watch our video here: #letsacttogether

Build your own training centre

Our team in France have built their own training centre in St Amour to train colleagues in electrical plumbing skills.
The training is delivered voluntarily by existing managers, with content that is being generated by experienced colleagues and supported by HR. The training is open to all employees who want to develop their skills and so far 49 people have received 1,700 hours of electrical training.

Supporting communities in Côte d'Ivoire

As a part of our commitment to ensure social value, Algeco Belgium and Netherlands continues to support a UNICEF project which aims to reduce plastic waste. The project is a women-led recycling market that transforms Côte d'Ivoire's plastic waste into safe and sustainable building materials at low cost. The successful project has now brought over 13,000 students to classrooms in Côte d'Ivoire with over 250 classrooms built.

"We are proud to support a project that's empowering local communities.
It's reducing pollution, creating employment opportunities for vulnerable women and building new classrooms that make education more accessible for children."

Irina Kuzminykh and Veerle Leduc
Algeco Benelux

Celebrating International Women's Day

On March 8th 2022, we celebrated International Women's Day across our business, underlining our commitment to achieving gender equality. Our site managers in France gave a dedicated speech about the importance of the day and our people participated in a 'selfie' fundraising challenge raising more than €3300 for NGO Toutes à l'école to support high-quality education for girls in Cambodia.

"I am proud to be a part of a global company that supports local work.
We give our time to charity, for example, the local nursing home, the mothers' aid organization, and the fight against cancer.
It makes me happy that we can be professional in construction, a good partner for our customers, but also grounded enough to give to those in need."

Anja Grove
Project manager OBU Denmark

Demonstrating responsible governance

"We are working with our suppliers to continue building understanding and awareness of sustainability and disclosure systems and frameworks. Our mandatory screening process will be a strong focus in the year ahead."

Elsa Delliére
ESG Director,
Algeco France

Progress against our Governance KPIs

We have achieved two of our three Governance 2022 KPIs. One further KPI is ongoing in 2023.

KPI	Progress	Status
Commence group-wide Supply Chain audit for modern day slavery	Achieved	●
All design and assembly facilities to achieve ISO 14001	Ongoing	●
Rollout of Cyber Security Training	Achieved	●

Key ● Achieved ● Ongoing ● Not achieved

We have made progress in these areas with two out of the three KPIs achieved. We conducted a supply chain audit to assess the performance of our key first-tier suppliers (representing 80% of our purchasing spend). The audit was based on the United Nations Global Compact's four areas: labour and human rights, environment, anti-corruption and business ethics and sustainable procurement, with a particular focus on Modern Slavery. Around 42% of targeted suppliers responded. The assessment enabled us to review associated ESG issues and exposure to material ESG risks. Based on the results, we are launching a mandatory ESGS screening questionnaire for all suppliers in 2023.

We have made substantial progress against the commitment to our design and assembly facilities by achieving the ISO 14001 standard at all facilities, except in New Zealand, where we are awaiting audit and certification. We are proud that the Nordics successfully obtained ISO certificates (9001, 14001, and 45001) whilst recently merging four businesses that use different systems and working methods and operating in five countries. These certifications bring benefits such as trust, safety, quality and sound environmental management.

We have completed Cyber training for all computer users, although further education and other initiatives are underway.

Our business in France has been awarded a Gold rating in the sustainability survey assessment conducted by EcoVadis. This recognition places them among the top 5% of companies assessed in our industry regarding sustainability performance. EcoVadis is the world's most trusted provider of business sustainability ratings. It assesses over 90,000 companies, from over 160 countries, across 200 business sectors, on corporate policies, initiatives and achievements in four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.

GOLD 2022 ecovadis Sustainability Rating

Working together, learning together

ESGS forum

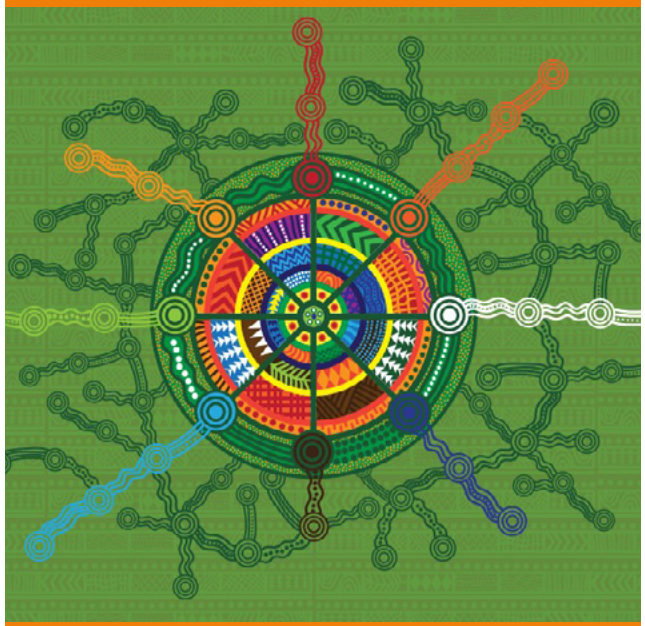
In 2021, we introduced a global forum for our people to learn and share more about our ESGS priorities and activities. The online events are open to everyone across our business and regularly achieve over 200 people attending from across the world in different time zones. Led by our ESGS team, the monthly forum provides an overview of our regional achievements, new focus areas and shares inspiring stories from inside and outside of our business. We invite industry experts, customers and suppliers to share their thoughts and knowledge with the forum, communicating best practice and supporting our innovation process.

"I love it because it's accountable, pacey and positive. I get to understand more about how we're making a difference and creating value in our business and communities."

Janin Wascinski
ESG Manager

Reconciliation Action Plan (RAP)

We are making a meaningful contribution to reconciliation with practical actions and goals to drive greater equality and understanding of First Nation cultures and traditions in Australia. The AUSCO Modular RAP is a voluntary commitment, made to sustainably and strategically advance reconciliation by fostering genuine care, respect and understanding. It is supported by a new artwork called "Building Connections", based on the five human needs: access to water, food, air, sleep and shelter. The circular shape references traditional shelters from both Aboriginal and Torres Strait Islander Cultures with wood, bark, rock, leaves and earth represented in the patterning.



Building Connections by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji), We are 27 Creative

"Being a fundamental part of the Reconciliation Action Plan journey since 2016 has been insightful, enjoyable, and educational. I acknowledge and admire the tenacity and endurance of a Peoples and Culture that has survived for over 60,000 years and their deep connection to country. I get great satisfaction being part of a business providing opportunity for self-empowerment for First Nations Peoples to prosper and contribute, which flows on to generate social and economic equality to build a better fabric of society for all Australians."

Leanne McKellar
Bid Administrator at Ausco Modular

Our focus for the future

We will ensure that transparency and integrity are at the heart of these next steps – we will prioritise the swift and consistent reductions in emissions that our commitments rely upon.

To build a complete picture of our risks and opportunities and ensure conformity with the TCFD recommendations, Modulaire Group intends to commit to several important actions:

- Key areas of climate-related focus for Modulaire Group are the provision of good quality, verifiable ESGS data, as well as renewable energy and resource efficiency across energy, logistics, waste, and water.
- Update a full suite of climate-related risks and opportunities, including financial quantification where appropriate and detailed Climate Adaptation Plans. Modulaire Group will be able to justify why climate-related risk management decisions are made.
- Calculate our entire GHG inventory, including all Scope 3 categories providing a 360 vantage of our emissions footprint, allowing us to set and track our value chain impact and feed into the risk management processes.

Our Action Plan for 2023

Electrification

Environmental targets

1. Reduce absolute Scope 1 and 2 emissions in metric tonnes CO_2e by 5% (vs 2020)
2. Initiate Group Operational Carbon tCO_2e baseline tonnes of annual Scope 3
3. Source 100% Renewable Electricity where available and appropriate

Social value

Social targets

1. Increase overall female participation at Board and Senior Management level (vs 2020)
2. Increase the overall proportion of female employees (vs 2020)
3. Map gender wage gap for all SBUs where legislated
4. Participate, action and undertake three UN days: March 21st - International Day for the Elimination of Racial Discrimination; June 5th - World Environment Day; December 10th - Human Rights Day.

Risk management

Governance targets

1. Screen for ESGS criteria for new and renewed supplier contracts
2. Progress Cyber Security Training
3. Update Materiality Assessment

A baseline for reporting progress

Environment KPIs

2022

	Target	Dept.	Materiality level	Baseline	2021	2022	SDG	UNGC	TCFD	Status
Implement Internal Climate Change and Circular Design Key Principles Protocols for new modular space unit designs	by 2022	CASS	H(E-1,E-3, G-3)	2021	–	Yes	9,11, 12,13	7-9	S	●
Greening of Supply Chain and ESG Protocols for Suppliers	by 2022	CASS	H(E-1-6)	2021	–	Yes	9,11, 12,13	7-9	S,RM,M	●
Establish Climate Adaptation Plans for each SBU	by 2022	ESGS	H(E-1,E-3, G-3)	2021	–	Yes	13	7-9	S	●
Biodiversity Impacts Protocols for Modulaire sites	by 2022	ESGS	H(E-3)	2021	–	Yes	13	7-9	S	●
Frankfurt Branch assessment for BREEAM	by 2022	DE SBU	H(E-3, E-5)	2021	–	–	9,11, 12,13	7-9	S,G	●

2023

	Target	Dept.	Materiality level	Baseline	2022	2023	SDG	UNGC	TCFD	Status
5% absolute reduction in Scope 1 and 2 emissions (vs 2020)*	by 2023	SBU	H(E1-6)	2020	26% reduction	–	9,11,12,13	7-9	G,S,RM,M	–
Initiate Group Operational Carbon baseline tonnes of annual Scope 3	by 2023	ESGS	H(E-2, E-5)	2023	–	–	13	7-9	S,M	–
Source 100% Renewable Electricity for the Group where available and applicable	by 2023	SBU	H(E-3)	2023	–	–	9,12,13	7-9	S,M	–

2024

	Target	Dept.	Materiality level	Baseline	2023	2024	SDG	UNGC	TCFD	Status
7.5% absolute reduction in Scope 1 and 2 emissions (vs 2020)*	by 2024	SBU	H(E1-6)	2020	–	–	9,11,12,13		G,S,RM,M	–
Rollout a Group-wide strategy to reduce or mitigate Scope 3 emissions	by 2024	ESGS	H(E-3, E4)	2022	–	–	9,11, 12,13	12	S,M	–

* Targets have been amended to provide better clarification based on priorities

Key ● Achieved ● Ongoing ● Not achieved

Key

(E-1) Sustainable circular design H
(E-2) Carbon Impact on Logistics H
(E-3) Climate Change H
(E-4) Material used in Production M
(E-5) Resource Efficiency M
(E-6) Circular Building M
H – High
M – Medium
SBU – Strategic Business Unit
CASS – Centre for Asset Sourcing and Supply
ESGS – ESG Sustainability
SDG – United Nations Sustainable Development Goal
TCFD – Task Force on Climate-related Financial Disclosures
UNGC – United Nations Global Compact

Environment KPIs

2025

	Target	Dept.	Materiality level	Baseline	2020	2025	SDG	UNGC	TCFD	Status
10% absolute reduction in Scope 1 and 2 emissions (vs 2020)*	by 2025	SBU	H(E1-6)	2020	28,146** tCO_2e	–	9,11,12,13	7-9	G,S,RM,M	
Reduce Scope 1 and 2 market-based emissions intensity ratio Tonnes (91 kg CO_2e per Unit) (vs baseline 2020)	by 2025	ESGS	H(E-2,E-3)	2020	91 kg tCO_2e per unit	–	13	7-9	S,M	–
Reduce Group embedded carbon footprint (A1-A5) of a typical Modular Space Unit by 20% (baseline 2020)	by 2025	CASS	H(E-1-6)	2020	200 $kgCO_2e/m^2$	–	9,11,12,13	7-9	G, S,RM,M	–
Reduce waste to landfill by 50% per typical unit (vs 2020 baseline)	by 2025	SBU	H(E-1)	2020	83 kg/unit	–	9,11,12,13	7-9	S,M	–
Reduce water consumption by the Group by 10% per typical unit	by 2025	SBU	M(E-5)	2020	0.83 m^3/Unit	–	9,11,12,13	7-9	S,M	–
Complete Life Cycle Assessment of all newly manufactured Modular Space Units in our portfolio by 2025	by 2025	CASS	H(E-1-6)	2020	–	–	9,11,12,13	7-9	G, S,RM,M	–

* Targets have been amended to provide better clarification based on priorities
** Rebaselined 2021

Key

(E-1) Sustainable circular design H
(E-2) Carbon Impact on Logistics H
(E-3) Climate Change H
(E-4) Material used in Production M
(E-5) Resource Efficiency M
(E-6) Circular Building M
H – High
M – Medium
SBU – Strategic Business Unit
CASS – Centre for Asset Sourcing and Supply
ESGS – ESG Sustainability
SDG – United Nations Sustainable Development Goal
TCFD – Task Force on Climate-related Financial Disclosures
UNGC – United Nations Global Compact

Social KPIs

2022

	Target	Dept.	Materiality Level	Baseline	2021	2022	SDG	UNGC	TCFD	Status
Paid Voluntary Time – 5,000 hrs pa.	by 2022	HR	H(S-3)	2022	0	4,616	4,5,11	1-6	–	●
Completion of a global employee safety survey	by 2022	HR	H(S-2)	2022	–	Yes	4,5,11	1-6	–	●
Develop a Graduate/Apprentice/Trainee Programme in all SBUs	by 2021	HR	H(S-2)	2022	–	92	4,5	1-6	–	●
Group participate and undertake three UN Days: March 8th – International Women's Day; April 28th – World Day for Safety and Health at Work; October 10th – World Mental Health Day	3 UN dates by 2022	HR	M(S-6)	2022	–	Yes	4,5,11,9,13	1-6	–	●
Zero Fatalities	Zero	HR	H(S-1)	2021	1	0	4,9,11	1-6	RM	●
Reduce Lost Time Incident Frequency Rate (LTIFR) per 100,000 by 15%	by 2022	HR	H(S-1)	2021	0.66	0.66	4,9,11	1-6	RM	●

2023

	Target	Dept.	Materiality level	Baseline	2020	2023	SDG	UNGC	TCFD	Status
Increase overall female participation at Board and Senior Management level	by 2023	HR	M(S-4)	2020	25.2%	–	4,5,11	1-6	–	–
Increase overall proportion of female employees	by 2023	HR	M(S-4)	2020	12.6%	–	4,5,11	1-6	–	–
Map gender wage gap for all SBUs where legislated	by 2023	HR	M(S-4)	2022	–	–	4,5,11	1-6	–	–
Paid Voluntary Time – 5,000 hrs pa.*	by 2023	HR	H(S-3)	2022	–	–	4,5,11	1-6	–	–
Group participate and undertake three UN Days: March 21st – International Day for the Elimination of Racial Discrimination; June 5th – World Environment Day; December 10th – Human Rights Day	by 2023	HR	M(S-6)	2023	–	–	4,5,11,9,13	1-6	–	–

2024

	Target	Dept.	Materiality level	Baseline	2023	2024	SDG	UNGC	TCFD	Status
Paid Voluntary Time – 5,000 hrs pa.*	by 2024	HR	H(S-4)	2024	–	–	1,6	1-6	–	–
Group participate and undertake three UN Days: March 8th – International Women's Day; April 28th – World Day for Safety and Health at Work; 5th June – World Environment Day	by 2024	HR	M(S-6)	2024	–	–	4,5,11,9,13	1-6	–	–

* Targets have been amended to provide better clarification based on priorities

Key

(S-1) Health & Safety H
(S-2) Talent Management H
(S-3) Supporting Communities M
(S-4) Diversity & Inclusion M
(S-5) Employee Wellbeing M
(S-6) Employee Corporate Citizenship M

Governance KPIs

2022

	Target	Dept.	Materiality level	Baseline	2021	2022	SDG	UNGC	TCFD	Status
Commence group-wide Supply Chain audit for modern day slavery	by 2022	CASS	H(G-2)	2022	–	Yes	4,5,9,11	1-10	RM	●
All design and assembly facilities to achieve ISO 14001/ISO 9001	by 2022	CASS	H(G-2)	2022	–	–	4,5,9,11,12	1-10	RM	●
Rollout of Cyber Security Training	by 2022	IT	H(G-1)	2022	–	362 hours	4,5,9,11,13	1-10	RM	●

2023

	Target	Dept.	Materiality level	Baseline	2023	2024	SDG	UNGC	TCFD	Status
Screen for ESGS criteria for new and renewed contract for Suppliers	by 2023	CASS	H(G-2)	2023	–	–	4,5,9,11	1-10	RM	–
Progress Cyber Security Training	by 2023	IT	H(G-1)	2023	–	–	4,5,9,11,13	1-10	RM	–

2024

	Target	Dept.	Materiality level	Baseline	2023	2024	SDG	UNGC	TCFD	Status
Implementation of CSRD	by 2024	ESGS & Finance	H(G-2)	2024	–	–	4,5,9,11,13	1-10	G,S,RM,M	–

Key
(G-1) Cyber security H
(G-2) Corporate Governance & Ethics M
(G-3) Environmental Management Systems L

Faster, smarter, modular.

We are Europe and Asia Pacific's leading specialist in modular services and infrastructure.

At Modulaire Group, we are committed to creating smart spaces for people to work, learn and live, with circularity and sustainability driving our approach. The spaces we create meet the needs of customers across a number of sectors including construction, public administration, energy and natural resources, as well as industry, business services and infrastructure. With operations in 23 countries, and over a quarter of a million units, we can design and deliver unique spaces wherever and whenever our customers need them. As the drive increases for companies to be more accountable for their footprint, sustainability is at the heart of all our solutions, without the permanence of our offering compromised. Combining unrivalled skill and adaptability, we enable people to work and learn productively, whilst increasing social value.

Units can be reused, on average,

20x

or more during their lifecycle

Units are up to

96%

recyclable

c.73%

less carbon emissions vs traditional construction

Our ESGS Team

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Advanté

Altempo

安捷诚栋 ALGECO CHENGDONG

AUSCO MODULAR

NET MODULAR

PORTACOM Building Solutions

Disclosure statement

Task Force for Climate-related Financial Disclosures (TCFD) statement

For the current reporting period, disclosures are consistent with the TCFD recommendation. Where disclosures do not apply to Modulaire Group or where a complete disclosure is still under development, an explanation is provided here:

- Risk assessment timeframes – Modulaire Group has reviewed climate-related risks and opportunities across the business which are included in this report. An updated materiality matrix will be included in our 2023 reporting.
- Climate scenarios – To plan for the transition to a zero carbon economy, Modulaire Group will build on quantified outcomes of TCFD Strategy a) disclosure. This report includes the results of our analysis.
- Scope 3 emissions – Our 2023 ESGS report will include Scope 3 figures meeting the recommended guidelines of the TCFD Metrics & Target b) disclosures.

We published further information on ESGS financial matters on our website, particularly related to our sustainability-linked financing and related limited assurance of data in accordance with the recommendations of the TCFD initiated by the Financial Stability Board.