



Sustainable modular solutions for a fast-moving world



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

Combining unrivalled skill and adaptability, we enable people to work more productively, enhance their learning and improve their quality of life.

Our modular solutions contribute to a truly circular economy meeting the needs of our customers and stakeholders.

With our circular 'Loops within Loops' business model, we are committed to creating smart spaces for people to work, learn and live, whilst having a positive impact on people, the planet and wider society.

Within this report we outline our approach to sustainability and ESG disclosure, our strategy for the future, key performance metrics and evidence of our progress.

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Moving to a Net Zero economy



Mark Higson
Group Chief Executive Officer

"We have started our transition to a low carbon economy, with the circularity of our modular solutions delivering sustainable benefits to our customers, the environment and society."

It is increasingly clear that the world needs to make the transition to net zero carbon. The success of this transition will be measured not only through the environmental impacts of climate change but, importantly, through positive impacts on the societies, economies, and future generations of people.

Key factors that will shape this transition are sustainability and circularity.

At Modulaire Group, sustainability and circularity are integral parts of our solutions and in how we run our business. 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.

To continue our progress, we have developed our ongoing sustainability strategy around three key pillars: Environment, Social and Governance (ESG), with circularity, adaptability, and leasing at the core.

Environment

A key benefit of our solutions and how we work is the ability to manage and reduce our environmental impact and that of our customers and suppliers. The circular nature of our modular solutions mean that they are fully reusable, flexible and reconfigurable to ensure that they are utilised to the fullest, reducing waste and maximising their useful life. Units can have a life of over 30 years and be re-used 20 times or more. This ongoing focus has enabled us to establish our transitional and circular, 'Loops within Loops' model, which

ensures 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 material is recyclable and that a typical modular space unit uses half the embodied carbon of a traditional building. Over the coming years we will focus on activities to keep materials within the loops. We have set out our preliminary road map to net zero based on the TCFD framework (see page 14).

Social

Our modular solutions are designed with a social purpose – we create smart spaces where people work, learn and live. To do this effectively, we understand the importance of listening, engaging, and working in collaboration with our customers, employees, and the communities in which we operate. This collaboration extends beyond our immediate stakeholders and, through initiatives like the United Nations Sustainable Development Goals (UN SDGs) and the United Nations Global Compact (UNGC), we are aligning our actions to deliver on globally shared values for people and the planet. By working together with local communities and international change makers we are making a positive difference to the infrastructure that is meeting society's changing needs.

Governance

We recognise that we must conduct business ethically, considering environmental and community goals and 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 Group in a way that our employees, customers, and shareholders can be proud of and take our commitments to all our stakeholders seriously. We already have strong and robust governance structures in place and, whilst we know that there is more work to be done, this report is

a further step towards transparently reporting on our progress, goals and ambitions. Moving forward we will monitor and disclose more ESG related data and we will make further improvements on our performance as we listen, learn, and develop.

Working with global frameworks

Much of our work to date has encompassed the ESG commitments made within this report, however through the integration of three key frameworks into our business model, we are now measuring our performance against globally recognised standards which provide benchmarks for our contribution to our people, broader society and climate-related risks and opportunities. You can read more about how we have aligned ourselves to the UN SDGs, the UNGC and the Task Force on Climate-related Financial Disclosures (TCFD) on pages 7-9.

A commitment to resilience and progress

Modulaire Group and our more than 4,000 people, working across 25 countries, is committed to supporting society with sustainable modular solutions. As the world emerges from the global pandemic, we will continue to champion sustainability and circularity within our business and support our customers as they do the same.

A focus on circularity...

Circularity is key to the smart spaces that we create for people to work, learn and live.

What we do

Through our in-house expertise, we design modular solutions with sustainability in mind. We are committed to using sustainable materials, improving environmental performance wherever possible and delivering a societal benefit through our smart space applications. We also maintain ongoing dialogue with our customers to help support their own sustainability initiatives and targets. Our modular solutions support the circular economy. Our smart spaces can be modified and reconfigured to adapt to the changing requirements of our customers and their stakeholders, with units easily moved or adapted as the needs of our customers and communities evolve. We continually reuse existing modules during their lifecycle, with refurbishment further extending their life without compromising on quality or performance.

At the end of their useful economic life, our modules are either sold to further extend their lives or dismantled into components, with up to 96% of material recyclable. In production we use lean manufacturing techniques, strict design specifications, and inventory and quality control to limit the amount of waste. The total amount of waste generated from one of our factory-produced modular buildings is around half that of traditional construction. Finally, with production and assembly of our buildings taking place offsite, our people benefit from safer working conditions compared with conventional onsite construction. At Modulaire Group, we are committed to creating smart spaces for people to work, learn and live, with circularity and sustainability driving our approach.

Sustainability and circularity are integral to our business model

ici et ensemble
tous acteurs de notre territoire

25
countries with operations in Europe and Asia Pacific

c.170
depots and branches including 13 design and assembly facilities

c.259,000
modular space and storage units

c.3,400
remote accommodation rooms

...to create smart spaces around the world

With a diverse customer base across sectors that are vital to society, comes a clear responsibility to deliver a sustainable future.

Where we operate

At Modulaire Group we serve nearly 50,000 customers globally in diverse end-markets. This includes mobilising approximately 259,000 modular space and portable storage units, and providing around 3,400 remote accommodation rooms. We have operations in 25 countries in Europe and Asia Pacific, with around 170 depots and branches, and 13 design and assembly facilities. Responsible building and business practices have been intrinsic to Modulaire Group since our foundation. Now, we're harnessing our

expertise working with our customers in industry and services, public administration (including government and education), infrastructure and construction, and energy and natural resources sectors, among others to codify those sustainable practices into a wider-reaching sustainability and ESG strategy. As we further develop, deploy and measure the impact of that strategy across the globe we look forward to driving continual improvements – for our customers, our partners, our suppliers, the environment and wider society.



Meeting the world's changing needs...

Significant megatrends are driving changes in the infrastructure needs of societies around the world.



ECONOMIC DEVELOPMENTS

Economic development and population density, across both developing and developed economies, is increasingly focused in urban centres, bringing new challenges and opportunities for governments and businesses the world over. For emerging economies, this means a huge demand in new, flexible urban spaces that can grow with populations and technological progress. For developed economies, there is a significant requirement to upgrade existing, ageing infrastructure to meet the economic, environmental, and social needs of society.

60% of the global population will live in urban economic centres by 2030

97% of EU building stock needs an upgrade to meet 2050 CO₂ targets

Industrial sectors are relocating along with a desire to produce good domestically

CHANGING DEMOGRAPHICS

The rate of global population increase has steadied in recent years; however, the increase is still projected to be 1.9bn people from 2020 to 2050. Much of this growth will be concentrated in developing economies where infrastructure is less developed, which drives requirements for new flexible solutions and, whilst developed economies are growing less rapidly, their ageing populations bring their own infrastructural challenges. In both cases, the growing and ageing populations are increasing demand for healthcare, housing and education putting institutions under pressure to deliver more and faster for the people they serve.

1.9bn increase in worldwide population from 2020-2050

Higher education levels and longer studies are now the new global norm and are expected to continue to 2050

Ageing populations and higher dependency levels are long-term drivers of demand for social infrastructure

DRIVE FOR SUSTAINABILITY

With rising global temperatures and increased strain on the planet's natural resources, the world is undergoing a dramatic shift in search of climate change solutions. The risks associated with evolving environmental and societal needs is driving a change in approach from governments, investors, businesses, customers, consumers and society, as they look to more sustainable materials and a more socially beneficial circular economy.

10x increase in global use of material resources since 1900 and set to double again by 2030

Buildings are a primary cause of climate change accounting for over 18% of global emissions

Sustainability and ESG have become core topics in all areas of life, politics, and finance

...for how we work, learn and live

The spaces we create meet the needs of customers across a range of sectors including industry and services, public administration (including government and education), infrastructure and construction, and energy and natural resources.



WORK

The future world of work will be one built on flexibility and collaboration, and driven by new technologies. It has become more important than ever that workplaces cater for a diverse range of employee needs and can be adapted quickly as these change. Our approach means that workplaces can grow and evolve whilst being upgraded in line with economic, environmental, and social goals.

LEARN

With growing populations, comes the need for new and safe education facilities amongst other infrastructure requirements. Our modular solutions are developed and customised to meet the needs of education providers across the world.

LIVE

Growing and emerging cities require new thinking as to how to effectively and comfortably accommodate increasing urban populations. Offering short-term flexibility and sustainable longer-term comfort and quality, Modulaire Group's products are designed to cater for urban life.

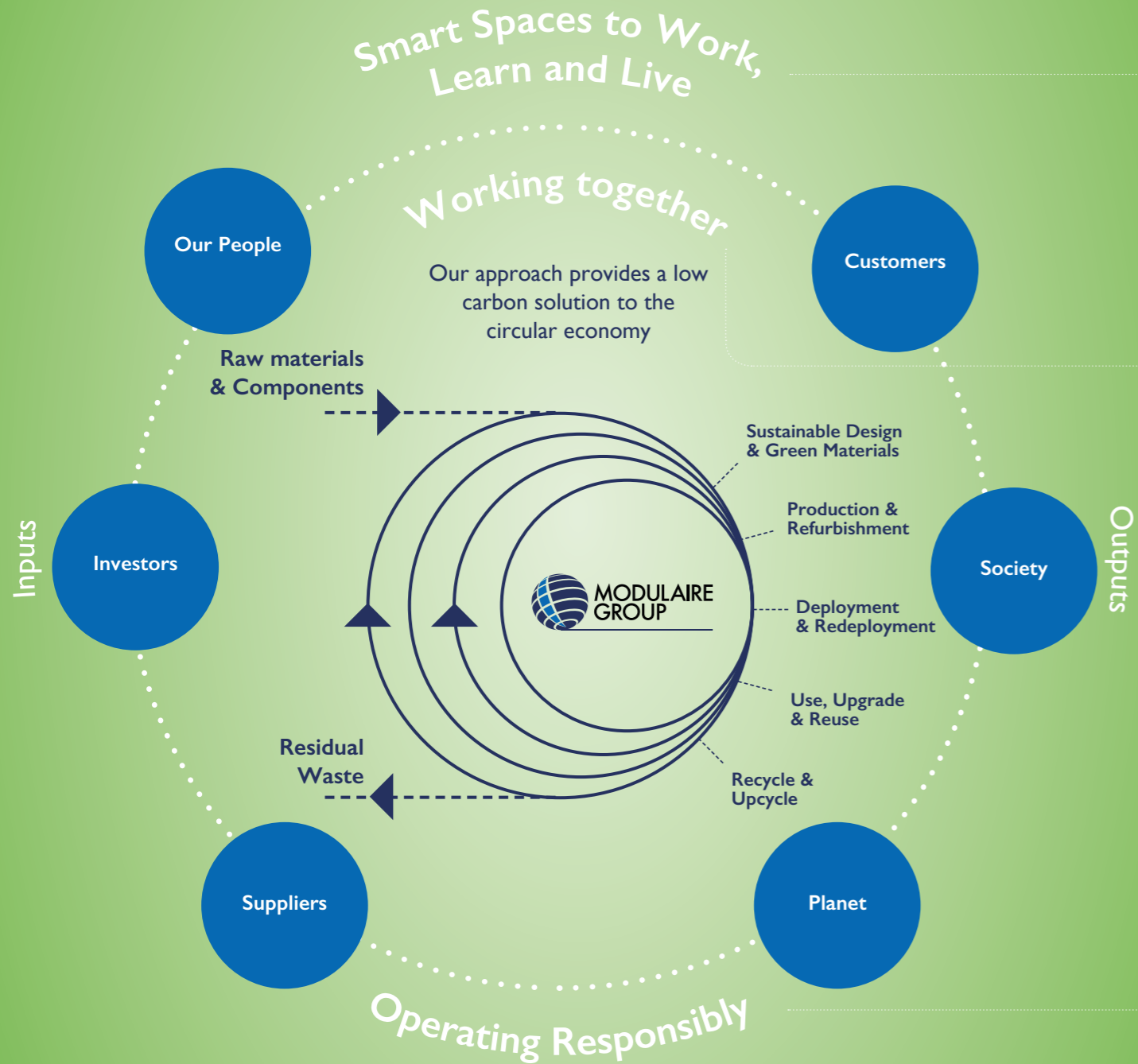


MODULAR SOLUTIONS FOR THE CIRCULAR ECONOMY

Sustainability and circularity are at the heart of our modular solutions. Our business model provides a low carbon solution for the circular economy.

Core leasing business model provides a low carbon solution

Loops within Loops for the circular economy



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. We focus on reduce-reuse-recycle, rather than in a linear economy where resources at the end of life are disposed of (take-make-waste).

This approach has enabled us to establish our transitional, circular model – 'Loops within Loops'. This model is one where the majority of the material has an ongoing life, where materials are retained in use at their highest value for as long as possible and then reused or recycled, leaving minimal residual waste. Our long-term goal is to retain the value of materials and resources indefinitely, with no residual waste at all.

Through our services, projects, and client portfolio, we have integrated sustainability and ESG factors into our vision, purpose, and everyday business.

Our sustainability and ESG 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 performance culture.

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 adaptation and climate change demands.

Leasing

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

Aligned with global frameworks

Our approach to sustainability and our ESG commitments are just a first step towards the circular economy.

As we continue to monitor and design out waste and pollution, whilst actively reusing and recycling, we are finding new opportunities to save resources and materials. This transitional model mitigates risks and will realise climate-related opportunities in alignment with key principles of operating in the circular economy.

Key principles of the circular economy

Minimise embodied carbon



c.73% less carbon emissions vs traditional construction*

* Covers stages of sourcing, manufacturing and transporting to site.

Conserve resources, increase efficiency and source sustainably



20x Units can be reused up to 20x during their lifecycle


Design to eliminate waste and for ease of maintenance and reuse



96% Units are up to 96% recyclable

Manage any waste sustainably and at the highest practicable point of the waste hierarchy



 Establishing baselines



Our approach to circularity is to minimise resource consumption, reduce waste, and maximise the value created by operating within as many “circular loops” as possible – UN SDG 12 and UNGC Principle 7.

We are working in collaboration with our stakeholders to create and develop shared value for people and the planet – UN SDG 9 and 13, and UNGC Principle 8.

We are focused on conducting business ethically, with environmental and community goals, in addition to being a good employer and making our business a success – UN SDGs 4, 5, 11 and UNGC Principles 1-10.

We recognise that our stakeholders want to understand how we will manage the risks and realise the opportunities of climate change, and how we will become Net Zero by 2050. We are in a good position to adapt our units to climate change demands and are already responding with innovative low-carbon technology developments in the transition to a Net Zero world – Task Force on Climate-related Financial Disclosures (TCFD).

“The core of the United Nations Global Compact’s mission is to support companies doing business responsibly by aligning their strategies and operations with ten universal principles on human rights, labour, environment, and anti-corruption. We also support business taking actions to advance the Sustainable Development Goals. We are delighted and encouraged by Modulaire’s initiatives and their membership of the UNGC.”

Steve Kenzie
Executive Director,
UN Global Compact Network UK

Alignment with global frameworks



UN SDG 12: by substantially reducing waste generation through prevention, reduction, recycling, and reuse, and therefore contributing to the circular economy



UN SDG 9: by building resilient infrastructure and upgrading to make them sustainable



UN SDG 13: by taking urgent action to combat climate change and its impacts by integrating climate change measures into policies, strategies, and planning



UN SDG 4: by building and upgrading education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive, and effective learning environments for all



UN SDG 5: by ending all forms of discrimination against all women and girls. We extend this to all forms of discrimination through our Equality, Diversity and Inclusion Policy



UN SDG 11: by making human buildings and spaces inclusive, safe, resilient, and sustainable



In 2021, Modulaire Group became a signatory of the UN Global Compact, demonstrating our commitment to the initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

Principle 7 UNGC Principle 7: by supporting a precautionary approach to environmental challenges.

Principle 8 UNGC Principle 8: by undertaking initiatives to promote greater environmental responsibility.

Principle 9 UNGC Principle 9: by encouraging the development and diffusion of environmentally friendly technologies.

Principles 1-10 UNGC Principles 1-10: Human Rights, Labour, Anti-corruption, Environment.



TCFD: This is our first step of reporting and supporting the Task Force on Climate-related Financial Disclosures (TCFD). See page 14 for climate change strategy based on TCFD framework.

Understanding our stakeholders

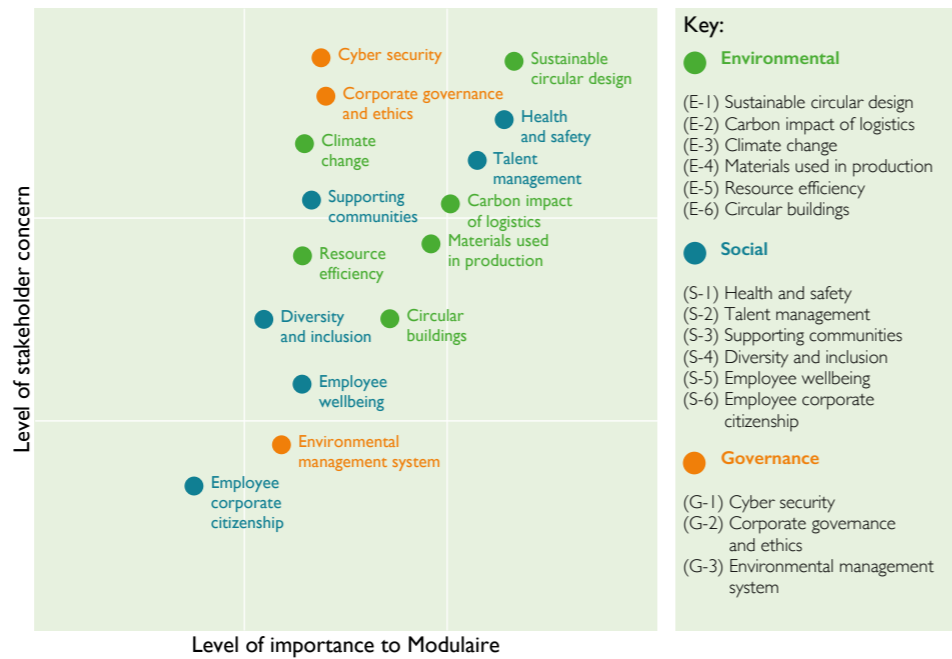
Our approach to materiality

Through a range of consultation mechanisms with a number of internal and external stakeholders representing employees, clients, investors, partners and local communities, we have identified the ESG issues that are most material to our business. Through our analysis, we have further plotted these issues according to how concerned stakeholders are about the issue, and the potential operational, financial, or reputational impact the issue would have on Modulaire Group if not appropriately managed. We also conducted and integrated the internal review of risk and sustainability megatrends to provide a broad spectrum of ESG opportunities and risks.

It is important to note that all the issues identified through this assessment, and many others that have not reached the level of materiality to be included here, are important to us and our stakeholders. The output from our materiality process has helped ensure we focus our strategy on the right topics and create a platform to continually report back on the most important areas.

Materiality matrix

Our materiality matrix maps the priorities identified through understanding the importance of issues to the business and our key stakeholders.



Our strategic approach

ESG refers to non-financial issues which can be influenced by, and can influence, Modulaire Group's business activities, which have been highlighted in our materiality assessment.

ESG factors often represent risks but in a number of cases also present business opportunities, such as the transition to a circular economy, reducing waste and creating value within loops, and developing a roadmap to Net Zero to help our customers adapt to climate change.

Building on our stakeholder engagement and materiality assessment, we have defined our sustainability and ESG strategy, based on the risks and growth opportunities for Modulaire Group.

This strategy represents an initial step and we are committed to deepening our understanding and advancing our approach to climate-related risks and opportunities over time, as we embed our approach to circularity and our 'Loops within Loops' model.

Our sustainability and ESG focus areas

Our long-term sustainability and ESG focus areas aim to minimise carbon emissions for our customers and our Group, and manage our material risks and opportunities. For Modulaire Group, this means: Net Zero carbon of our end-to-end supply chain by 2050 and further developing our 'Loops within Loops' model; enhancing our employment practices to ensure a safe and inclusive environment for our people; and further strengthening our approach to governance.

Stakeholder engagement

Both through our materiality assessment and a range of other channels, we engage with our key stakeholders to ensure we deliver against the objectives of our sustainability and ESG strategy.

Through a stakeholder mapping exercise, we have identified our key stakeholders and channels for engagement, along with overlaying their primary material issues. We continue to pursue open, relationship-driven communication with stakeholders to promote shared, long-term and sustainable growth.

We are careful to match the appropriate communication channel with each group, making every effort to reflect stakeholder feedback in our future policies and actions.

Stakeholders	Key issues	How we engage
Investors	<ul style="list-style-type: none"> Corporate Governance & Ethics 	<ul style="list-style-type: none"> Investor Relations activities Annual Report & Accounts Corporate website
Customers	<ul style="list-style-type: none"> Understanding customers' needs Customer retention Identification of new customers Identification of growth opportunities 	<ul style="list-style-type: none"> Corporate & business unit websites Customer meetings and reviews
Colleagues	<ul style="list-style-type: none"> Learning and development Employee wellbeing Health & safety Diversity & Inclusion 	<ul style="list-style-type: none"> Learning management system Quarterly CEO communication Email bulletins & newsletters Training programmes Local employee surveys Town hall events
Communities and charities	<ul style="list-style-type: none"> Supporting communities 	<ul style="list-style-type: none"> Local charity involvement Support for volunteering
Suppliers	<ul style="list-style-type: none"> Supply chain management 	<ul style="list-style-type: none"> Supplier meetings Regular business reviews Supplier code of conduct
Regulators	<ul style="list-style-type: none"> Meeting regulatory compliance 	<ul style="list-style-type: none"> Dialogue with regulatory and political bodies Industry associations forums
Professional Institutions	<ul style="list-style-type: none"> Supporting standards and frameworks 	<ul style="list-style-type: none"> Meetings and conferences Regular review and feedback

Environmental

- Part of the Circular Economy by leasing, redeploying and end of life recycling
- Sustainable design and manufacturing
- Road map to Net Zero by 2050

Social

- Part of the social and educational infrastructure creating smart spaces for people to work, learn and live
- Safety is top of our agenda, supported by wellbeing programmes and training
- Diversity and inclusion are key values in every aspect of our business

Governance

- Strong compliance focus:
 - code of ethics, anti-corruption policy (with related training)
 - policies for suppliers, corporate citizenship, data protection and cyber security
 - whistleblowing hotline
- The Board and Executive have oversight of climate (e.g. circularity) and social (e.g. safety) risks and opportunities
- ISO Certifications for Quality, Environment and Safety

Monitoring our progress

Our 2025 sustainability and ESG commitments

To deliver on our focus areas, we have outlined the following commitments to 2025, when we will review our targets and timeframes for completion. Alongside this we have started our ESG disclosures and have mapped our key focus areas to create an ESG dashboard to monitor our progress.

All underpinned by the TCFD, UNGC and SDGs



Environmental

- Report to Board progress on Net Zero Strategy through the ESG committee – 4 reviews per annum
- Establish Group Operational Carbon baseline tonnes of annual Scope 1 and 2 for 2020
- Establish Group Operational Energy Intensity per Modular Space Unit based on carbon footprint
- Undertake assessment of carbon footprint of a typical Modular Space Unit (baseline 2020)
- Roll out a Group-wide strategy to reduce or mitigate Scope 1 and 2
- Design and build New Frankfurt Branch using Best Available Technology (BAT) for sustainability to achieve BREEAM Outstanding accreditation

Social

- Zero fatalities
- Reduce Lost Time Incident Frequency Rate (LTIFR) per 100,000 by 15%
- Group Zero Harm Strategy rollout
- Launch Wellbeing Helpline in every SBU (6/6)
- Rollout a Group-wide Equality, Diversity & Inclusion strategy and training
- Establish Employee Retention Rate
- Establish a Voluntary Labour Turnover Rate
- Establish Involuntary Labour Turnover Rate
- Create a Talent Development Programme

Governance

- Rollout of Code of Ethics and Anti-Corruption Policy and related training to all employees (new starters 3 months)
- Establishment of ESG & Sustainability Committee
- ESG & Sustainability Materiality assessment – 2 reviews
- ESG & Sustainability Disclosure Practice – 2 reviews
- Sustainability & ESG, climate related risks and opportunities – 2 reviews
- Cyber risks to be reviewed with the board at least once a year
- Rollout of Cyber Security Policy and related training (new starters 3 months grace)
- Signature of the UN Global Compact
- Group-wide strategy to support the donation and discounting of units to support local community groups

Resource Efficiency

Environmental

- 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
- Establish Group Operational Carbon baseline tonnes of annual Scope 3 for 2021
- Establish Science Based Targets.

Social

- Paid Voluntary Time – 5,000 hrs pa.
- Completion of a global employee satisfaction survey
- Develop a Graduate Programme in all SBUs
- 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

Governance

- Commence group-wide Supply Chain audit for modern day slavery
- All design and assembly facilities to achieve ISO 14001/ISO 9001

Low Carbon Solutions

Environmental

- Source 100 % Renewable Electricity for the Group where available
- Roll out a Group-wide strategy to reduce or mitigate Scope 3

Social

- Increase overall female participation at Board and Senior Management level
- Increase overall proportion of female employees
- Map gender wage gap for all SBUs
- Paid Voluntary Time – 7500 hrs pa.
- Group participate and undertake three UN: March 21st – International Day for the Elimination of Racial Discrimination; June 5th – World Environment Day; December 10th – Human Rights Day

Social

- Paid Voluntary Time – 10,000 hrs pa.

Governance

- Increase number of locations with Management Systems e.g. ISO 14001/ISO 9001

Environmental

- Reduce Intensity ratio Tonnes (91 kg CO₂e per Unit) by 40% (vs baseline 2020)
- Reduce Group total gross emissions in metric tonnes CO₂e by 10% (vs baseline 2020)
- Reduce Group embedded carbon footprint (A1-A5) of a typical Modular Space Unit by 20% (baseline 2020)
- Reduce waste to landfill by 50% per typical unit (vs 2020 baseline)
- Improve the operational energy efficiency for a Modular Space Unit by 20%
- Reduce water consumption by the Group by 10%
- 15% reduction in carbon emissions of logistics vehicles (Scope 1)
- Complete Life Cycle Assessment of all newly manufactured Modular Space Units in our portfolio

Innovation & Scale

- Reduce Scope 1 & 2 GHG emissions 30-40%*
- Reduce Scope 3 emissions 30-40%*
- Total Circularity Units
- Carbon removable
- 100% renewables
- Transform new product portfolio to Net Zero carbon

NET ZERO

Our commitments aim to minimise carbon emissions for our customers and our own company and manage our material risk and opportunities. For Modulaire, this means: Net Zero carbon of our end-to-end supply chain by 2050 and implementing our circular, ‘Loops within Loops’ model.



Abbreviations
SBU – Strategic Business Unit

A pathway to Net Zero

Our products and circular, “Loops within Loops” model have inherent environmental benefits especially when considered in comparison to traditional building, but our ambition is to reach Net Zero carbon both within our business and our supply chain.

We have currently set our target to reach Net Zero by 2050. However, we are confident that once we have completed the actions outlined in our 2025 action plan, we will be in a position to bring that target date forward.

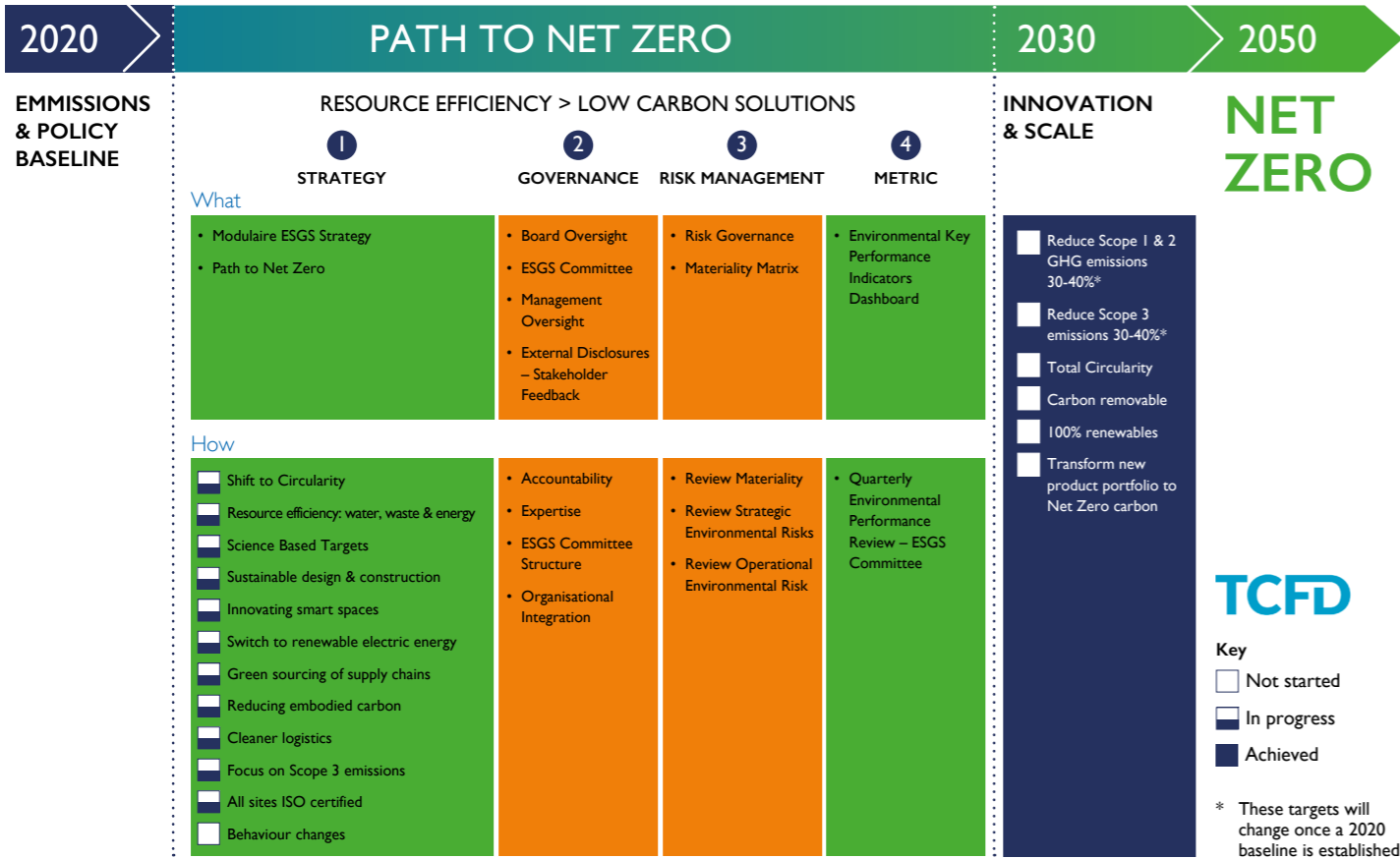
In addition to the circularity of “Loops within Loops” – reusing, repurposing, and recycling our units – we are proactively engaging in actions targeted towards carbon and energy reduction across our locations.

Whilst our products and model already have a lower environmental impact, in order to achieve our long-term ambitions, we must look at all of our activities and processes, along with those of our supply chain.

Reducing our environmental impact is an ongoing activity and is a key part of our growing sustainability agenda, with many opportunities for further improvement already identified.

Meeting our environmental goals on our path to Net Zero

Our approach to climate change uses the four pillars of the TCFD Strategy, Governance, Risk Management, and Metrics.



Data is not always available for individual companies, and there are still quality issues with the data and the methods of calculation. Therefore, the carbon intensity results for 2020 should be seen as indicative, and they should be used together with a broader forward-looking sustainability analysis. The Footprint analysis used a typical Modulaire product, which is produced in France. We are able to disclose our carbon emissions as follows:

2020 Corporate GHG footprint*

- Organisation Emissions Scope 1[†] (13,269 tCO₂e) and for Scope 2* (9,436 tCO₂e) in total 22,705 tCO₂e. This is equivalent to circumnavigating the earth 3,400 times by car
- Carbon intensity ratio is 91 kg CO₂e per Modulaire Unit
- Organisational Water Consumption (m³) 213,640 is equivalent to 85 Olympic sized swimming pools
- Waste (Tonne) 41,037 of which 48% is utilised within the higher waste hierarchy tiers

2020 Product footprint analysis of a typical unit Modulaire Unit**

- Stage A1-A5 (sourcing, manufacturing and transporting to site) approximately 200 (kgCO₂e/m²) v 700- 800 (kgCO₂e/m²) 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 kgCO₂e/m²
- Whole life (excl. B6 heating and lighting during rental) approximately 350 (kgCO₂e/m²) v 900 -1,100 (kgCO₂e/m²) traditional build. This equates to approximately 65% less carbon emissions compared to a traditional build
- For the whole life footprint (410 kgCO₂e/m²), details for an equivalent traditional build are difficult to ascertain due to the lack of benchmarks which include B6 data

* The Corporate GHG footprint calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. Energy, water and waste data was collected from each region in order to calculate a baseline GHG footprint for the business. †Emission factors; Scope 1: Defra 2020 Scope 2:Grid average (Location based); Defra 2020 for UK, IEA 2020 database for all other countries. Residual mix (applied for non-renewable energy under market based method): †AIB (2020) European residual mix 2019” for all European countries (including UK). For countries outside Europe the grid average IEA factor has been used in the absence of published residual mix factors

** 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.



Driving environmental improvements for our customers

Whilst our ‘Loops within Loops’ model is driving circularity and sustainability in our processes, we are actively innovating in the functionality and specifications of our modular solutions to deliver environmental benefits in-use for our customers. With buildings contributing over 18% of global carbon emissions, we know that this is an area where our solutions can have a significant impact and, through our approach to leasing and adaptability, we can consistently upgrade our units with the newest environmentally driven innovations to reduce waste and emissions, and improve energy efficiency.

Innovations driving positive environmental impacts

- Insulation: Improving thermal insulation across our units means that both heating and cooling systems are more efficient, meaning less energy wasted.
- Lighting: Replacing lighting with LEDs, introducing sensor-activation, and designing units with larger windows for more natural light is resulting in reduced energy requirements and better environments for our customers.
- Heating and cooling: Through solar panels, autonomous units and remote monitoring and control, we are reducing the energy requirements of our customers and delivering more energy saving sources of heat.
- Appliances: New appliances are increasing energy efficiency and greatly reducing electricity usage.

97%
of EU building stock needs an upgrade to meet 2050 CO₂ targets

65%
less carbon emissions for whole life comparison to a traditional build*

* (excl. B6 heating and lighting during rental) approximately 350 (kgCO₂e/m²) v 900 -1,100 (kgCO₂e/m²) traditional build.

Committed to our people and our communities

Our key social focus areas are to deliver modular solutions that benefit the communities in which we operate, provide a safe and healthy working environment for our more than 4,000 employees around the world, and to foster a diverse and inclusive culture.

Delivering a social benefit

Our modular solutions are used for schools, healthcare facilities, housing and other vital social infrastructure. As we develop new products and solutions, and adapt and reuse existing units, we work closely with our customers and the communities that they support to ensure that we deliver a positive social benefit. Through aligning our approach with the UN SDGs and UNGC, we will be further measuring and reporting on the impact that our solutions have.

“...we recognise that providing equality of opportunity, valuing diversity and promoting a culture of inclusion are vital to our success.”

Focused on safety

Health and Safety (H&S) is a constant focus at Modulaire Group, and performance is reviewed continually at an operating unit level and monthly at Board, Group Advisory Committee, and Executive Committee meetings. We have dedicated H&S teams throughout the business, embedding our Group strategy at a local level, delivering improvement programmes, and promoting our safety culture. Our H&S strategy is based on the following:

- Active and visible safety leadership from the CEO downwards with management setting the example
- Real, daily change to our people’s behaviour, and prompt correction of any unsafe act or situation, and praise for safe actions
- Risk analysis and assessment for every activity we undertake
- Definition of clear and pragmatic standards, with input taken from colleagues locally and implementation adapted to the local environment
- Regular reinforcement communication and dialogue between operators and managers
- In-depth incident investigation of events, including first aid and near miss incidents
- Applying lessons learnt as part of our continuous improvement
- Identifying and sharing good practices and, when needed, following disciplinary processes.

Fostering an inclusive culture

With more than 4,000 employees from across the world, we recognise that providing equality of opportunity, valuing diversity and promoting a culture of inclusion are vital to our success. We aim to reflect the diversity of the regional, national, and international communities where we deliver solutions and provide an environment where people can be free to be themselves, no matter what their identity or background. Our goal is to create a culture where everyone can reach their fullest potential.

Our Equality, Diversity and Inclusion policy underpins our commitment to the UNGC Principles and the UN SDGs, and we extend this approach to our customers, suppliers, stakeholders and the communities where we operate.



Diversity in action

Diversity is fundamental to our work and to our future, and we constantly look for new perspectives to drive our performance and growth. It is our duty to provide an inclusive and fair workplace, where our colleagues, no matter their background, are given the opportunity to contribute.

We continue to learn from the excellent people practices in place across our markets and are actively driving ‘bottom-up’ communications to ensure successful measures at individual offices and business units can be adopted Group-wide.

A testament to the many benefits of a diverse workforce is Elisabeth, who started with Ausco on a school-based ‘work experience’ programme in 2019 to learn about carpentry from our qualified carpenters in the Townsville factory, Queensland.

In November 2019, Elisabeth was formally employed by Ausco as a 1st Year Apprentice Carpenter in our Townsville factory and commenced her Certificate III in Carpentry with TAFE Queensland (funded and supported by Ausco). Elisabeth then went on to win the North Queensland School Based Apprentice of the Year 2020. She was also awarded the Gold Level Award for “Emerging Indigenous Leader” from St Margret Marys Girls School Townsville upon her graduation.

Elisabeth’s progression in a traditionally male-dominated industry, as an indigenous woman, evidences the potential to make a significant difference, and we will continue to promote the many rewarding careers there are in our industry for all groups.



How we manage our approach

Our commitment to sustainability is championed at every level of Modulaire Group – from our shareholders, our board, senior leaders and management teams through to all our assembly sites and branches.

We will begin to hold quarterly meetings of our Environmental, Social, Governance and Sustainability (ESGS) Committee. These meetings review current performance, share learnings and best practice, and ensure that progress is being made against the targets and objectives across each of our focus areas. A summary of performance is then presented to Modulaire’s Board and Group Advisory Committee on a quarterly basis.

The implementation and delivery of our ESG strategy is incorporated within our business performance review, and internal audit and risk management processes. This helps to identify both risks and opportunities and assign the appropriate level of accountability to ensure we meet our goals and objectives.

Managing our sustainability and ESG risks

Risk	Potential Impact	Mitigation
Sustainability and ESG The risk of climate related, social and governance issues impacting our ability to operate and service our investors, customers and stakeholder needs.	The impact of Sustainability and ESG failure negatively impacts operations, customer relationships, profitability and/or corporate reputation, together with the risk of possible enforcement action.	Our sustainability and ESG materiality matrix maps the risk and priorities identified through understanding the importance of issues to the business and our key stakeholders. These issues were identified through consultation with a number of internal and external stakeholders covering employees, clients, investors, partners and local communities. The output from our materiality process ensures we focus on the right topics, and creates a platform to continually report back on the most important areas.

Please see our 2020 Annual Report for more detail on our risk management activities.



Setting a global standard

At Modulaire Group, we are committed to doing business in the right way to maintain the trust and respect of our customers, our shareholders, other stakeholders and the wider community. Beyond this we want all our stakeholders to have a consistent and high-quality experience when engaging with the Group and our employees, wherever they are in the world and in whatever capacity we are doing business. To ensure this approach, we rolled out a new Group-wide Code of Ethics in 2020. The refreshed Code of Ethics highlights the following key areas:

- Act responsibly, honestly and with integrity
- Show respect and treat others fairly
- Show a commitment to the highest level of business ethics
- Comply with all applicable laws and regulations

Rollout and engagement

As a global business with local delivery teams, we are conscious of ensuring that each business unit is represented and engaged with as we rollout Group-wide policies and standards. For the refreshed Code of Ethics, this meant engaging with colleagues across our global operations to test the approach that was driven at Group-level. The rollout was initiated through a top-down communications campaign from our CEO, emphasising the importance of ethical business conduct and the need for a consistent standard across the business. This was further reinforced by local management teams to ensure that these standards were understood and adopted for the context in which our regional teams operate.

With many of our employees based on-site, we rolled out the Code of Ethics through an e-learning platform enabling remote access and enhancing the Group’s ability to manage and measure completion rates. To date, 88% of employees have completed and signed the refreshed Code of Ethics.



A baseline for reporting progress

Environment

2021

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Report to Board progress on Net Zero Strategy through the ESGS committee – 4 reviews per annum	4 reviews	ESGS	H(E-1,E-6, G-2,G-3)	2020	–	–	12,13	7-9	G	–
Establish a systems Group Operational Carbon baseline tonnes of annual Scope 1 and 2 for 2020	by 2021	ESGS	H(E-1,E-5)	2020	–	–	13	7-9	RM,MT	–
Establish a systems Group Operational Energy Intensity per Modular Space Unit based on carbon footprint	by 2021	ESGS	M(E-4, E-5)	2020	–	–	13	7-9	MT	–
Undertake further assessment of carbon footprint of a typical Modular Space Unit (baseline 2020)	by 2021	ESGS	M(E-6)	2020	–	–	9,12,13	7-9	RM,MT	–
Roll out a Group-wide strategy to reduce or mitigate Scope 1 and 2	by 2021	ESGS	H(E1)	2020	–	–	13	7-9	S	–
Design and build New Frankfurt Branch using Best Available Technology (BAT) for sustainability to achieve outstanding accreditation	by 2021	DE SBU	M(E-5)	2020	–	–	9,11,12,13	7-9	S	–

2022

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	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	–	–	9,11, 12,13	7-9	S	–
Greening of Supply Chain and ESG Protocols for Suppliers	by 2022	CASS	H(E-1-6)	2021	–	–	9,11, 12,13	7-9	S,R,M,M	–
Establish Climate Adaptation Plans for each SBU	by 2022	ESGS	H(E-1,E-3, G-3)	2021	–	–	13	7-9	S	–
Biodiversity Impacts Protocols for Modulaire sites	by 2022	ESGS	H(E-3)	2021	–	–	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	–
Establish Group Operational Carbon baseline tonnes of annual Scope 3 for 2021	by 2022	ESGS	H(E-2, E-5)	2021	–	–	13	7-9	S, M	–
Establish Science Based Targets.	by 2022	ESGS	H(E-3, E4)	2021	–	–	9,11, 12,13	12	S, M	–

2023

OUR COMMITMENT	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Source 100 % Renewable Electricity for the Group where available	by 2023	SBU	H(E-3)	2022	–	–	9,12,13	7-9	S,M	–
Roll out a Group-wide strategy to reduce or mitigate Scope 3	by 2021	ESGS	H(E-2,E-3)	2022	–	–	13	7-9	S,M	–

Environment continued

2025

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Reduce Intensity ratio Tonnes (91 kg CO ₂ e per Unit) by 40% (vs baseline 2020)	by 2025	SBU	H(E-1-6)	2020	91 kg CO ₂ e per Unit	–	9,11,12,13	7-9	G, S,R,M,M	–
Reduce Group total gross emissions in metric tonnes CO ₂ e by 10% (vs baseline 2020)	by 2025	SBU	H(E-1-6)	2020	22,707 tCO ₂ e	–	9,11,12,13	7-9	G, S,R,M,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 ₂ e/m ²	–	9,11,12,13	7-9	G, S,R,M,M	–
Reduce waste to landfill by 50% per typical unit (vs 2020 baseline)	by 2025	SBU	H(E-1)	2020	21,259 tonnes	–	9,11,12,13	7-9	S,M	–
Improve the operational energy efficiency for a typical Modular Space Unit by 20%	by 2025	CASS	H(E-1-6)	2020	64 kWh/m ² (NIA) based on educational usage profile	–	9,11,12,13	7-9	G, S,R,M,M	–
Reduce water consumption by the Group by 10%	by 2025	SBU	M(E-5)	2020	213,640 (m ³)	–	9,11,12,13	7-9	S,M	–
15% reduction in carbon emissions of logistics vehicles (Scope 1)	by 2025	SBU	H(E-1-6)	2020	9,505 tCO ₂ e	–	9,11,12,13	7-9	G, S,R,M,M	–
Complete Life Cycle Assessment of all newly manufactured Modular Space Units in our portfolio	by 2025	CASS	H(E-1-6)	2020	–	–	9,11,12,13	7-9	G, S,R,M,M	–

Environment

(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

Social

2021

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Zero fatalities	Zero	HR	H(S-1)	2020	0	–	4,9,11	1-6	RM	–
Reduce Lost Time Incident Frequency Rate (LTIFR) per 100,000 by 15%	0.7 by 2021	HR	H(S-1)	2019	0.82	–	4,9,11	1-6	RM	–
Group Zero Harm Strategy rollout	by 2021	HR	H(S-1)	2021	–	–	4,9,11	1-6	RM	–
Launch Wellbeing Helpline in every SBU (6/6)	by 2021	HR	M(S-5)	2020	–	–	4,9,11	1-6	–	–
Rollout a Group-wide Equality, Diversity & Inclusion strategy and training	by 2021	HR/ESGS	M(S-4)	2020	–	–	4,5	1-6	–	–
Establish Employee Retention Rate	by 2021	HR	M(S-5)	2020	–	–	4,5	1-6	–	–
Establish a Voluntary Labour Turnover Rate	by 2021	HR	M(S-5)	2020	–	–	4,5	1-6	–	–
Establish Involuntary Labour Turnover Rate	by 2021	HR	M(S-5)	2020	–	–	4,5	1-6	–	–
Create a Talent Development Programme	by 2021	HR	H(S-2)	2020	–	–	4,5	1-6	–	–

2022

Our Commitment	Target	Dept.	Materiality Level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Paid Voluntary Time – 5,000 hrs pa.	5,000 hr paby 2022	HR	H(S-3)	2021	–	–	4,5,11	1-6	–	–
Completion of a global employee satisfaction survey	by 2022	HR	H(S-2)	2021	–	–	4,5,11	1-6	–	–
Develop a Graduate Programme in all SBUs	by 2021	HR	H(S-2)	2021	–	–	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)	2021	–	–	4,5,11,9,13	1-6	–	–
Zero fatalities	Zero	HR	H(S-1)	2020	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	0.82	–	4,9,11	1-6	RM	–

Social continued

2023

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Increase overall female participation at Board and Senior Management level	by 2023	HR	M(S-4)	25.2%	25.2%	–	4,5,11	1-6	–	–
Increase overall proportion of female employees	by 2023	HR	M(S-4)	12.6%	12.6%	–	4,5,11	1-6	–	–
Map gender wage gap for all SBUs	by 2023	HR	M(S-4)	2022	–	–	4,5,11	1-6	–	–
Paid Voluntary Time – 7500 hrs pa.	Zero	HR	H(S-3)	2021	–	–	4,5,11	1-6	–	–
Group participate and undertake three UN: March 21st – International Day for the Elimination of Racial Discrimination; June 5th – World Environment Day; December 10th – Human Rights Day	by 2021	HR	M(S-6)	2021	–	–	4,5,11,9,13	1-6	–	–

2024

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Paid Voluntary Time – 10,000 hrs pa.	10,000 by 2024	HR	H(S-4)	2020	–	–	1,6	1-6	–	–

Social

(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

2020

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Formalisation of a business code of conduct /corruption prevention policy	by 2020	Board	H(G-2)	2020	Yes	–	4,5,9,11,13	I-10	RM	Achieved
Existence of an alert/ Whistle blowing system	by 2020	Board	H(G-2)	2020	Yes	–	4,5,9,11,13	I-10	RM	Achieved
Supplier Code of Conduct trained out to all employees (new employees 3 months grace)	80% training by 2020	Legal	M(G-2)	2020	88.6%	–	4,5,9,11,13	I-10	RM	Achieved
Ethics and Anti-corruption Supplier Code of Conduct trained out to all employees (new employees 3 months)	80% training by 2020	Legal	M(G-2)	2020	88.6%	–	4,5,9,11	I-10	RM	Achieved

2021

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Rollout of Code of Ethics and Anti-Corruption Policy and related training to all employees (new starters 3 months).	90% training by 2021	Legal	H(G-2)	2020	88.6%	–	4,5,9,11,13	I-10	RM	–
Establishment of ESG & Sustainability Committee	by 2022	ESGS	H(G-2)	2021	–	–	4,5,9,11,13	I-10	–	–
Update ESG & Sustainability Materiality assessment	Annual Review by 2021	ESGS	H(G-2)	2021	–	–	4,5,9,11,13	I-10	–	–
Sustainability & ESG, climate related risks and opportunities	Annual Review by 2021	HR	M(G-3)	2021	–	–	4,5,9,11,13	I-10	–	–
Cyber risks to be reviewed with the board at least once a year	Zero	HR	H(G-2)	2020	–	–	4,5,9,11,13	I-10	RM	–
Rollout of Cyber Security Policy and related training (new starters 3 months grace)	by 2022	HR	H(G-1)	2021	–	–	4,5,9,11,13	I-10	RM	–
Signature of the UN Global Compact	by 2021		H(G-2)	2020	–	–	4,5,9,11,13	I-10	S	–
Signature of TFCFD	by 2021		H(G-2)	2020	–	–	13	I-10	S	–
Group-wide strategy to support the donation and discounting of units to support local community groups			H(G-2)	2020	–	–	4,5,11	I-10	–	–

Governance continued

2022

Our commitment	Target	Dept.	Materiality level	Baseline	2020	2021	SDG	UNGC	TCFD	Status
Commence group-wide Supply Chain audit for modern day slavery	by 2022	CASS	H(G-2)	2021	–	–	4,5,9,11	I-10	RM	
All design and assembly facilities to achieve ISO 14001/ISO 9001	by 2022	CASS	H(G-2)	2021	–	–	4,5,9,11,12	I-10	RM	

Governance

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



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