

ESG Report
2024

Foundations
for a Sustainable
Future

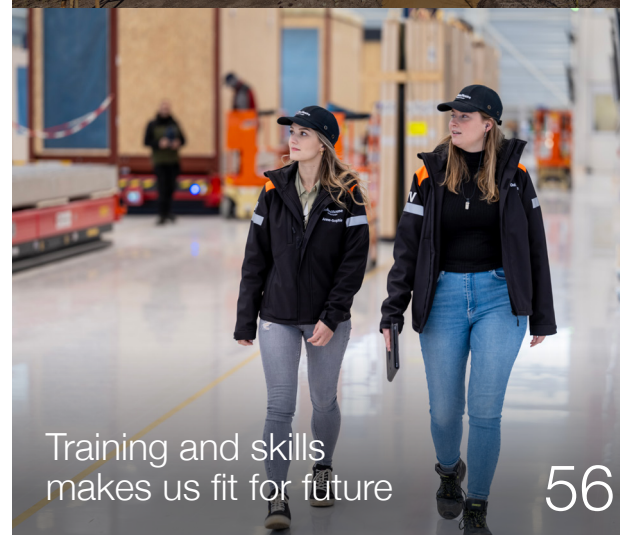


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Actionable Impacts 2024

In this overview, we present our key ESG performance results for 2024, measured against our 2030 targets. We detail the strategic actions undertaken to achieve these outcomes and reaffirm our ongoing commitment to sustainable development.

Affordable Housing

Impact 2024

1,435
Houses

1,068 Students/Starters/Singles
200 Startes/couples/Seniors
167 Family/Migrant workers

Target 2030

8,000
Houses

6,900 Students/Starters/Singles
600 Startes/couples/Seniors
500 Family/Migrant workers

Actions ▶ Increase standardisation and improve efficiency
▶ Targeted focus on housing associations
▶ Continue further digitalization & robotization

Emissions

Impact 2024

26,597

Target 2030

14,654

29% reduction scopes 1-3
99% reduction scopes 1-2
(vs 2019)

Actions ▶ Less carbon in material
▶ Waste reduction
▶ Switch to renewable energy

Healthy & Engaged Employees

Impact 2024

level 3
Safety ladder

0
Fatal accidents

10,43
Injury frequency

Target 2030

level 4
Safety ladder

0
Fatal accidents

< 2
Injury frequency

Actions ▶ Improve ongoing processes
▶ Increase employee engagement

Healthy Living Environment

Impact 2024

SMART technology
available in all modular units

Actions ▶ Automate building functions
▶ Monitor and reduce energy consumption

Circularity

Impact 2024

50%
Mono/recycle streams

< 0.56
MPG

Target 2030

80%
Mono/recycle streams

< 0.30
MPG

Actions ▶ Use of natural materials
▶ Use of recycled materials
▶ Reuse materials



Foreword

Dear Stakeholders,

Daiwa House Modular Europe is committed to innovative and responsible construction, addressing the converging challenges of sustainability, societal needs and market dynamics. In 2024, we saw significant achievements driven by our dedicated employees, who remain committed to our core values: contributing to a sustainable society and environment, prioritizing customers and employees, operating with reliability, safety, and integrity, and embracing innovation. We are addressing critical housing shortages and environmental concerns. Our performance is evidenced by an 11% increase in revenue to €357 million, demonstrating customer confidence in our solutions. Strategic expansion through a new, highly automated production facility in Montfoort strengthens our innovative leadership in European modular and circular construction.

While 2024 was largely successful, challenges with the Landsberger Allee project in Berlin and a write-off on the Bochum project in Germany impacted our financial results. Despite this, our order book remains robust. We are focused on securing contracts with a balanced risk/reward profile, and the market demand for comfortable, affordable, and sustainable housing positions us favourably. Financial reserves, strategic adjustments, and the ongoing support of our parent company, Daiwa House Industry Co. Ltd., ensure business continuity. As we look ahead, we will prioritize accelerated strategy execution and incorporate key learnings from our German projects to fully realize our potential. Our mission extends beyond construction: we strive to positively impact society. We are dedicated to leveraging our modular solutions to address critical needs, including housing shortages, earthquake-resistant construction, and refugee accommodation.

“We are not merely responding to the future of construction; we are actively shaping it with sustainable, circular innovation. Our commitment extends beyond modular construction, prioritizing the safety, well-being, and genuine satisfaction of everyone we touch. At Daiwa House Modular Europe, we build with purpose, for people and the planet.”

Environmental, social and governance (ESG) considerations are integral to our strategy. We are committed to balancing strong financial performance with our responsibilities to people, society, and the planet. Key 2024 achievements include the delivery of 1,435 homes, advancements in CO₂ reduction initiatives, and enhanced employee well-being programs. We recognize areas for improvement, including increasing diversity in management positions and scaling our organizational structure to support our rapid growth. These opportunities represent key areas of focus for development and continuous improvement.

We value our stakeholders' collaboration and support, understanding that together we can achieve significant impact. We are pleased to share our 2024 ESG Report and thank you for your ongoing interest in our sustainability journey.

Harry van Zandwijk, **CEO Daiwa House Modular Europe**

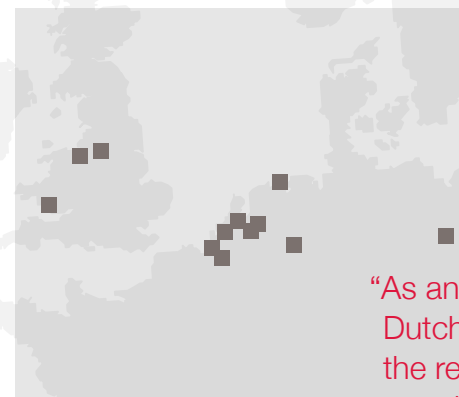
About Daiwa House Modular Europe

Our organisation

Daiwa House Modular Europe (DHME) combines the expertise of the Japanese Daiwa House Group and the European Jan Snel organisation. With almost 70 years of experience in Asia and Europe, we make a difference with modular and circular construction. Daiwa House Group is the largest industrial builder in the world, and Daiwa House Modular Europe and Jan Snel are the largest players in the field of modular and sustainable building solutions in Europe. Thanks to Daiwa House Modular Europe, Jan Snel and Medexs, circular construction possibilities have become infinite.

Together, we can meet numerous housing and accommodation needs and requirements with our wide range of solutions. We construct buildings in an industrialised, circular and modular way for our clients and future residents. We provide high-quality accommodation solutions for residential housing, health care, offices, education, government and industry. As an organisation with Dutch and Japanese roots, the relationship between people and society is at the heart of everything we do. Our circular building method reflects our care for the environment.

Europe's largest
modular builder



“As an organisation with Dutch and Japanese roots, the relationship between people and society is central to everything we do.”

>50

Years of international
experience

>60

Years of experience
in Benelux

Headcount and revenue (breakdown by country and division)

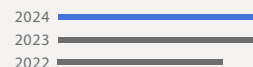
Key figures 2024



Headcount

513^{fte}

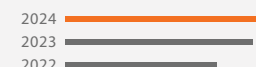
2023 **520**



Revenue

357€ mio

2023 **323**



	2021	2022	2023	2024
Divisions				
Daiwa House Modular Europe*	245	241	307	358
Jan Snel	140	146	170	155
Medexs	44	49	43	0**
Total	429	436	520	513
Country				
Netherlands	401	397	441	395
Other (Belgium, Germany, UK)	28	39	79	118
Total	429	436	520	513

	2021	2022	2023	2024
Divisions				
Daiwa House Modular Europe	99	141	174	205
Jan Snel	76	89	113	113
Medexs	24	30	36	39
Total	200	260	323	357
Country				
Netherlands	155	242	260	310
Other (Belgium, Germany, UK)	44	18	63	47
Total	200	260	323	357

* Daiwa House Modular Europe includes employees who serve all entities within the Group.

** No headcount data has been reported for Medexs in 2024.

Our brands and product groups

We offer future residents and users a perfect living or working solution by developing and constructing homes and buildings that stand for quality, comfort, safety and, above all, sustainability. Daiwa House Modular Europe constructs circular buildings that will not have to be demolished in the future and instead can be dismantled and reused.

Daiwa House Modular Europe has three European brands and fields of business. We operate in the Benelux, Germany and the United Kingdom and have ambitions for further growth in Europe. We manage the following brands:



Housing construction

Specialist in permanent and semi-permanent modular buildings for houses, apartments, student accommodations, senior accommodations, houses for people in need of care, houses for labour migrants, hotels.



Module rental & sale

Specialist in permanent and semi-permanent modular buildings for education, industry, offices, government, specials.



Health Care

Specialist in developing and realising sustainable clinical housing for the health care sector, including installations for the medical and pharmaceutical sector such as entire hospitals, operating theatres, IC wards, MRI rooms, clean rooms, untra-clean ventilation systems, maintainance, validation & consultancy.



We serve multiple customer groups with our three brands

Having a home is a basic human need. Living in a comfortable, safe, high-quality and future-proof home can help people realise their dreams.



With our global expertise, **Daiwa House Modular Europe** can meet the growing demand for sustainable housing in Europe. We offer the following housing concepts for diverse client groups:

- **Houses:** Attractive, sustainable houses for families and couples, that fit well in the streetscape.
- **Apartments:** Affordable homes for starters, couples and singles, with smart and social communal solutions.
- **Student accommodation:** Housing with community facilities for students close to their university or school of applied sciences.
- **Accommodation for seniors:** Barrier-free accommodation that truly feels like home, with great attention to communal facilities.
- **Accommodation for migrant workers:** Practical and comfortable housing with communal facilities.
- **Hotel:** Hotel accommodation and relaxation in high-quality finished hotel rooms.



Jan Snel offers smarter, swifter and more sustainable modular units for rent or sale to be used in market sectors such as:

- **Education:** We provide units for a school, university or childcare centre that needs temporary or permanent capacity for growth, renovation or emergency reasons.
- **Offices and industry:** Everyone deserves a comfortable workplace. Whether it's for a luxury office building, a temporary turnaround office, fire station, information centre or a construction site, Jan Snel has a quality modular solution for any permanent or temporary need.
- **Government:** In today's troubled and uncertain times due to war and climate change, (local) governments have an increasing need for temporary and permanent housing solutions for refugees and asylum seekers.
- **Sports, events and leisure:** From sport halls and VIP lounges to training facilities for professional football clubs and accommodation for Formula 1 racing, our units meet clients' needs.



Medexs offers a total solution in the health care sector, in terms of realising, renovating, expanding or dismantling classified buildings or spaces for the medical and pharmaceutical sector. The offer features a wide range of specialist sustainable building and space solutions, from operating theatres to complete hospitals. Products and services include:

- **Hospitals**
- **Operating theatres: Hotfloors**
- **Clinics**
- **Cleanrooms**
- **Laboratories**
- **Components**
- **Consultancy**
- **Maintenance and validation**

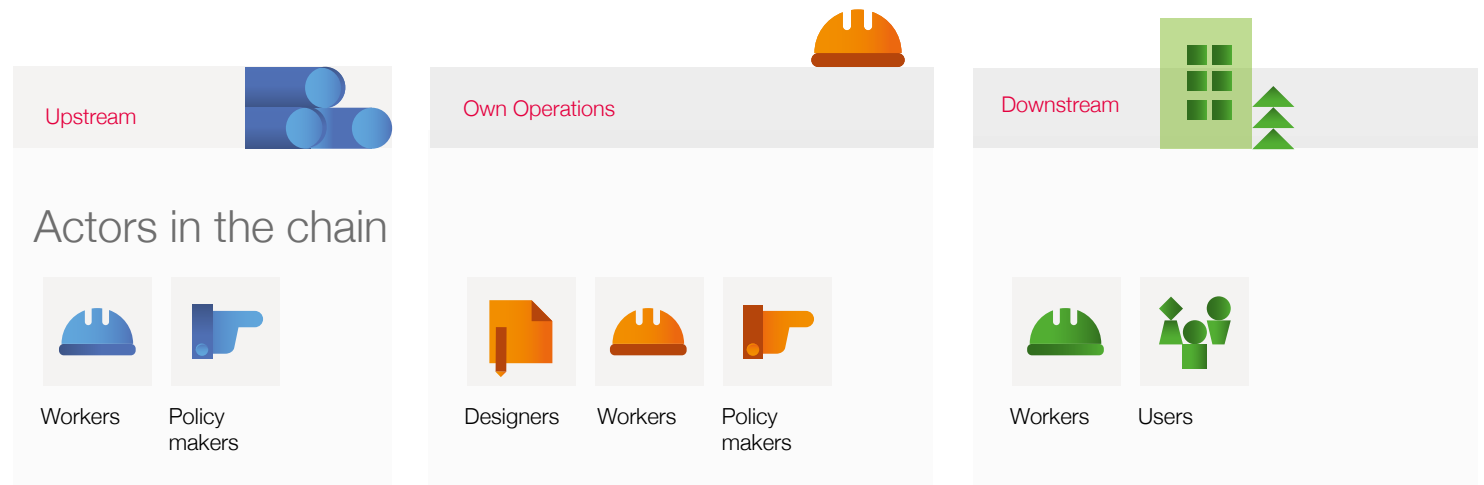
Our circular value chain

How we play our role in the value chain



Daiwa House Modular Europe's circular construction process.

Our aim is to achieve a construction process without waste. As shown in the infographic, 80% of our modules are reused, and our modular construction method emits 50% less CO₂ compared to traditional construction methods.



Impacts in the chain

	Raw materials	Transportation	Suppliers	Design	Production	Waste	Transportation	Placement of modular houses	Use	Dismantling	Reuse
Climate change adaptation (E1)					+			+	+		
Climate change mitigation (E1)	+	+	+	+	+	+	+	+	+	+	+
Energy (E1)	+	+	+	+	+	+	+	+	+	+	+
Resources inflows (E4)	+		+								
Resource outflows (E5)	+		+								
Waste (E5)											
Working conditions (overall) (S1)											
Work-life balance (S1)											
Health and safety (S1)											
Training and skills development (S1)											
Measures against violence and harassment (S1)											
Diversity (S1)											
Health and safety (S2)			+								
Healthy Living Environment (S4)											
Access to affordable housing (S4)											
Corporate culture (G1)			+								
Political engagement and lobbying activities (G1)	+	+	+								
Management of relationships with suppliers (G1)			+								
Corruption and bribery (G1)	+	+	+								

■ ■ opportunities / risks

● ● positive/negative impacts

● ● positive/negative impacts

● ● positive/negative impacts

How we create value

Input capitals

Business model

Output

Outcome

Impact**



During every stage of the building process and beyond, our ambition is to create value. We do this by using and reusing sustainable resources and materials, and by delivering modular solutions that contribute to addressing social developments, such as the housing shortage, the increasing number of refugees who need housing, the ageing of the population, the lack of flow in the housing market, the rising costs of health care and the effects of

earthquakes in the north of the Netherlands. This approach allows us to preserve the value of materials while creating added value for clients, future residents and the world around us. Based on the International Integrated Reporting <IR> Framework, we use various resources to create value for our stakeholders in the short, medium and long term. How Daiwa House Modular Europe creates value is shown in the overview.

* Different survey compared to 2023.

** The Sustainable Development Goals (SDGs) are a set of 17 interlinked global goals. For Daiwa House Modular Europe, it is important to contribute to achieving the SDGs, and we have decided to focus on the four Goals that are most closely linked to our core business activities.

Our strategy and business model

Vision and mission



Daiwa House Modular Europe builds houses all over Europe. We use modular building methods in an industrialised and robotised manner. This building method offers myriad demonstrable benefits in terms of its efficiency, speed, quality, safety and especially sustainability. In other words, we build smarter, faster and more sustainably.



Our business model centres on delivering high-quality, sustainable residential concepts through advanced modular construction. Leveraging decades of experience, we manufacture homes in controlled factory environments, assembling fully equipped modules on-site. This approach offers significant advantages in efficiency, speed, quality, safety and sustainability.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 interlinked global goals designed to be a “shared blueprint for peace and prosperity for people and the planet”. The SDGs were established in 2015 by the United Nations General Assembly with the aim to achieve them by 2030. For Daiwa House Modular Europe, it is important to contribute to achieving the SDGs, and we have decided to focus on the four Goals that are most closely linked to our core business activities:

8 DECENT WORK AND ECONOMIC GROWTH



Through leadership in the value chain, we constantly innovate and respond to changing and growing markets. We are able to provide direct and indirect employment for 520 people and create income for their families.

11 SUSTAINABLE CITIES AND COMMUNITIES



Through sustainable living, we impact cities and communities. We provide people with sustainable homes and create secure, healthy and socially beneficial environments.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Circular design and production methods contribute to responsible production. We create affordable quality for everyone.

13 CLIMATE ACTION



We minimise our greenhouse gas (GHG) emissions and contribute to the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius.



Providing a safe haven for Ukrainian refugees

Flex homes

Client:
Municipality of Zuidplas

Location:
Amsterdam



130
residents

96
apartments



3
levels

In collaboration with the municipality of Zuidplas, Jan Snel has successfully created a safe haven for Ukrainian refugees through the innovative modular construction of the Harmoniya housing location. This new facility, opened in December 2024, offers a secure and welcoming environment for people who have been displaced by the ongoing war in Ukraine.

The Harmoniya housing location is so named to reflect the concept of living in harmony with the community and surroundings. The building features orange and black wooden panels, creating a warm and inviting appearance. Alderman Jan Willem Schuurman commented: “As a Zuidplas municipality, we consider it very important to provide a safe home for Ukrainians who fled their country due to the ongoing war. All temporary homes all have their own kitchen, which ensures more independence and hopefully a nice home, even if it is far away from home.”

We take pride in our contribution to this project, which not only offers a safe place for refugees to rebuild their lives but also exemplifies our commitment to social responsibility and innovative solutions.

Roadmap ESG (Daiwa House Modular Europe)

ESG Roadmap

	Theme	2023	2024	2025	2030	2050	
 Environmental See also page 23	GHG emissions (T-CO ₂ scopes 1-3)	24,374	26,597	18,219 (11% reduction scopes 1-3 and 65% reduction scopes 1-2 vs 2019)	14,645 (29% reduction scopes 1-3 and 99% reduction scopes 1-2 vs 2019)	Positive carbon emissions	
	Waste (mono/recycle streams)	52%	50%	65%	80%	100%	
	MPG	0.498	<0.56	<0.45	<0.30	<0.30	
	Energy (own energy generation)	3.5%	7%	40%	80%	Project: energy positive	
 Social See also page 46	Absenteeism rate	5.64%	5.04%	<5% ³	<4.5%	<4.5%	
	Employee engagement	6.6% ¹	66% ¹	75% ²	75% ²	75% ²	
	Diversity & inclusion (women in management/ women in team leadership)	9% / 1.5%	7.3% / 2.9%	10% / >5%	25% / 15%	30% / 20%	
	Safety Culture Ladder	level 3	level 3	level 4	level 5	level 5	
	Fatal accidents Injury Frequency (IF)	0 6.43	0 10.43	0 <2	0 <1	0 <0.5	
 Governance See also page 79	Access to affordable homes	2,550 houses - 2,130: students/starters/singles - 300: starters/couples/seniors - 120: family/migrant workers	1,435 houses - 1,068: students/starters/singles - 200: starters/couples/seniors - 167: family/migrant workers	3,750 houses - 3,000: students/starters/singles - 425: starters/couples/seniors - 325: family/migrant workers	8,000 houses - 6,900: students/starters/singles - 600: starters/couples/seniors - 500: family/migrant workers	10,000 houses	
	Solid financial position	6%	Solvency: 1.16%	Solvency: 5%	Solvency: 32%	Solvency: 32%	
	Business ethics	Incorporated in company policies	0% of our employees are trained	100% of our employees are aware of and trained regarding our Code of Conduct	100% of our employees are aware of and trained regarding our Code of Conduct	100% of our employees are aware of and trained regarding our Code of Conduct	
	# incidents corruption and bribery	0	0	0	0	0	

¹ Different Survey compared to 2023 ² More realistic target adjusted from 8.0 to 7.5 ³ Adjusted from <4 to < 5

How we engage with our stakeholders

At Daiwa House Modular Europe, engaging with our stakeholders is fundamental to understanding their needs, incorporating their perspectives into our decision-making, and effectively executing our ESG initiatives. We recognise that stakeholder engagement is not just about communication; it is about building connections, understanding diverse perspectives and aligning with strategic goals. Through ongoing dialogue and collaboration, we strive to create mutual value and contribute to a sustainable future.

“Stakeholder engagement is not just about communication; it is about building connections, understanding diverse perspectives, and aligning with strategic goals.”

Our stakeholder engagement serves several key purposes:

- Informed decision-making: Gathering insights from stakeholders helps us understand their priorities and concerns, which informs our strategic planning, risk management and operational decisions.
- Building trust and transparency: Open communication and active listening boost trust and transparency, strengthening our relationships with stakeholders.
- Identifying opportunities and risks: Engaging with stakeholders helps us identify emerging trends, potential risks and opportunities for innovation and improvement related to our sustainability performance.
- Driving positive impact: By understanding the needs of our stakeholders, we can better align our activities with their expectations and contribute to positive social and environmental outcomes.
- Enhancing accountability: Stakeholder engagement provides a platform for us to be held accountable for our actions and progress towards our sustainability goals.

The insights gained from stakeholder engagement are integrated into our decision-making processes at various levels:

- Strategic planning: Stakeholder feedback informs the development and refinement of our overall business strategy, including our sustainability strategy and targets.
- Operational improvements: We use stakeholder input to identify areas for improvement in our operations, products and services, particularly concerning sustainability-related impacts.
- Risk management: Stakeholder perspectives are considered in our risk assessment and management processes, helping us to identify and mitigate potential risks.
- Continuous improvement: We regularly review our stakeholder engagement processes to ensure they are effective and responsive to evolving stakeholder needs.

We have identified the following key stakeholders and understand their interests and views as they relate to our strategy and business model:

- Employees: Focus on fair working conditions, health and safety, competitive rewards, job satisfaction, personal development and open communication. These factors directly impact our ability to attract and retain talent, which is essential for our operational efficiency and innovation.
- Customers: Prioritise value for money, product quality, flexibility, sustainability and timely delivery. Customer satisfaction is essential for our business success and brand reputation.
- Shareholders/lenders/regulators: Concerned with financial performance, transparency, compliance and long-term sustainability. Their support is crucial for our financial stability and ability to invest in sustainable growth.
- Suppliers/subcontractors: Value long-term partnerships, fair pricing, reliable business and opportunities for growth. Strong supplier relationships are vital for ensuring a resilient and sustainable supply chain.
- Competitors: Interested in industry trends, best practices and collaborative solutions to shared challenges like housing shortages, sustainability and safety. Engagement with competitors drives innovation and promotes industry-wide progress.
- Next generation & society: Concerned about environmental protection, resource conservation and social equity. Addressing their concerns is essential for our long-term license to operate and our contribution to a sustainable future.

Stakeholder engagement

The views and interests of affected stakeholders, particularly regarding sustainability-related impacts, are communicated to our administrative, management and supervisory bodies through several channels:

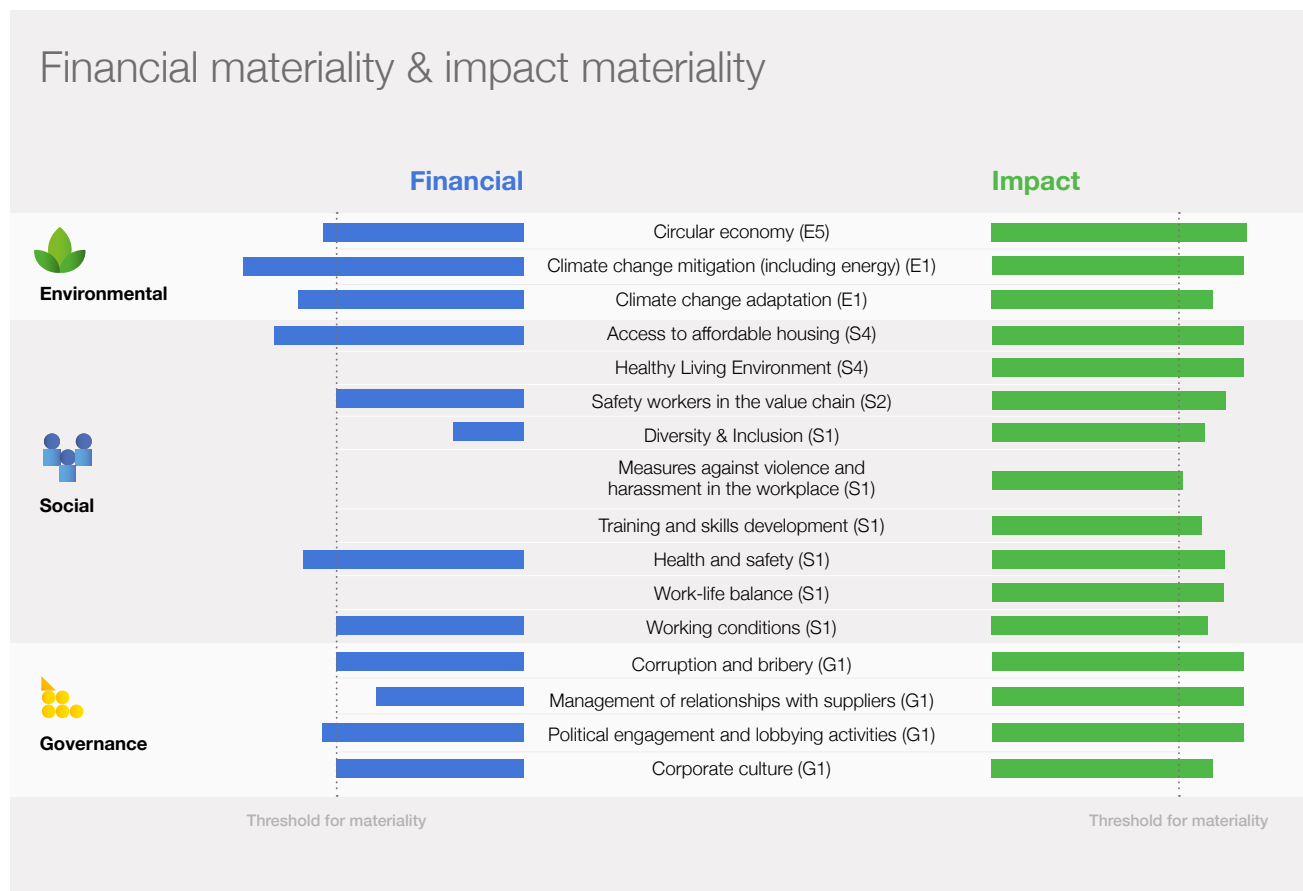
- Regular management reports: Key stakeholder feedback and related analysis are included in regular management reports, providing insights into stakeholder perspectives on sustainability issues.
- Board presentations: Our management team presents updates on stakeholder engagement activities and their implications for the business to the Board of Directors.
- Internal communication: Information about stakeholder views and interests is spread through internal communication channels (Bundeling app and presentations) to ensure that all employees are aware of stakeholder perspectives.

By consistently engaging with our stakeholders, incorporating their feedback into our decision-making and keeping our governing bodies informed, we strive to create a business that is both financially successful and contributes positively to society and the environment.

Key discussion topics	How we engage & the channels we use
Employees - Good working conditions - Health & safety - Reward - Employee satisfaction - Fulfilment - Personal development - Involvement of employees - Communication	- Employee Engagement Survey - Training and development programs - Town hall events/newsletters, intranet app, annual reviews and development meetings - JIB (Jong in de bouw)
Shareholders / Lenders / Regulators - Involvement - Quality - ROI / financial results - Transparency - Compliance - Collaboration - Sustainability	- ESG Report - Financial Report - Website - Specific sessions
Customers - Price quality - Flexible housing - Multifunctional - Sustainability - Speed - Unburden	- Customer meetings - Business reviews - Fairs & events - Experience Centre
Suppliers / Subcontractors - Partnerships - Continuity - Relationship building	- Based on feedback from our suppliers, we now plan annual supplier events at our Experience Centre - Fairs & events - Business reviews
Competitors - Housing challenges - Sustainability - Safety	- Specific/topic related collaboration sessions - Fairs & events
Next generation & society - Clean world - Sufficient raw materials & energy	- Local charities - Employee volunteering - Collaboration with NGOs

Double materiality assessment

Unlike the 2022 double materiality assessment, the 2024 assessment was fully aligned with the CSRD requirements. The following sustainability topics were not found material in the 2024 assessment: laws & regulations, innovation, solid financial position, scarcity of raw materials, partnerships, stakeholder dialogue, digitisation & robotisation, customer satisfaction, impact on local communities. We added climate change adaptation, and being a good employer was subdivided into the sub-topics of diversity & inclusion, measures against violence and harassment, training and skills development, work-life balance and working conditions. Social developments was redefined as access to affordable housing, and Business ethics was specified with the sub-topics corruption and bribery, management of relationships with suppliers including payment practices, political engagement and lobbying activities and corporate culture. With the 2024 assessment, clear impacts, risks and opportunities have been defined and the underlying impacts, risks and opportunities have been identified with a much clearer focus. In total 20 impacts, 10 risks and 5 opportunities have been identified for Daiwa House Modular Europe. In 2024, we updated our double materiality assessment (DMA) that was performed between June and November 2024.



During the assessment the following process was followed:

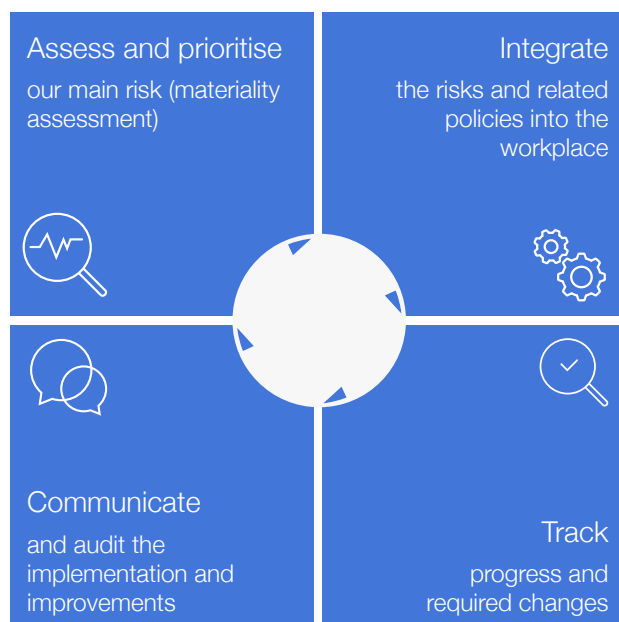
- 1. Governance & oversight:** A cross-functional project team was established, including representatives from HR, Finance, Sustainability, Health & Safety, Communication and Business Control. Regular updates were provided to the Management Team and Board of Directors to get input and validate choices being made about impacts, risks and opportunities.
- 2. Stakeholder engagement & value chain analysis:**
A structured stakeholder engagement process was conducted, identifying key stakeholders including investors, employees, customers, regulators and suppliers. A value chain mapping was performed to understand upstream, own operations and downstream sustainability impacts, risks and opportunities. You will find the value chain in this report.
- 3. Identification & benchmarking of impacts, risks and opportunities (IROs):** A long list of sustainability topics was developed based on ESRS requirements, peer benchmarking, industry trends and other internal and external documentation. Sustainability topics were analysed for impact materiality (impacts on people and or the environmental) and financial materiality (economic risks and opportunities). Workshops and surveys were organised to collect insights and rank each sustainability matter with its impacts, risks and opportunities.
- 4. Materiality assessment & prioritisation:** ESG topics were evaluated using a 5-point impact scale defined per topic, assessing factors such as likelihood, severity, scope and irreversibility. A threshold of 3 was established, ensuring only significant impact, risks and opportunities were classified as material. By setting the materiality threshold at 3 on a 5-point scale, we have ensured that our ESG strategy focuses on the most relevant and impactful issues.
- 5. Validation:** Stakeholder validation interviews were conducted with banks, key suppliers, customers and Supervisory Board members. The final materiality results were reviewed by the Management Team on 25 November 2024 to ensure alignment with corporate priorities.



Our approach to due diligence

We take our responsibility for sustainability seriously. In addition to doing business responsibly ourselves, we also ask our business partners to demonstrate how they deal with sustainability. Within the organisation, Daiwa House Modular Europe has set up systems to regularly review our activities for potential negative impacts and to ensure that our activities align with our stakeholders' expectations. With our due diligence control systems, Daiwa House Modular Europe guarantees stakeholders that our products and processes meet the most stringent standards in the field of building standards, environment, safety and working conditions. Training and audits help to safeguard implementation and continuous improvement.

Our due diligence process focuses on four key areas:



Environmental risks

We are committed to complying with the Paris Agreement. While we fully focus on achieving our goals, we are realistic about the risks we face and the construction sector's contribution to climate change through greenhouse gas emissions. These risks include potential carbon taxes on building materials and increased costs for production. Additionally, the sector faces significant challenges from **physical changes caused by climate change**, such as extreme weather conditions and water shortages. In addition, we limit the input of **raw materials** and output of **waste** through circular business models and promote the use of recycled materials to limit environmental impact. However, finding consistent and high-quality recycled materials can be challenging, leading to increased costs and difficulties in sourcing. Additional testing and certification processes are required to ensure quality and performance, which can contribute to project costs.

Safety risks

Daiwa House Modular Europe's commitment to providing a healthy and **safe workplace** for all employees and contractors is a top priority so that everybody gets home safe every day. While the company implements various controls and measures to ensure safety, it acknowledges that unforeseen events can occur within the factory, construction site or office environments. These events have the potential to cause illnesses, serious injuries or even fatalities, which may result in personal distress to the employee or family members, business disruption, financial losses, reputational damage or legal claims.

Social risks

To fulfil our ambition, it is essential to unlock the complete potential of our **workforce**, attract a diverse pool of talented individuals and nurture their well-being. Failure to effectively attract, develop and retain diverse and skilled employees, as well as capable leaders, and let them work together in harmony, can undermine our ability to execute our strategy and attain the desired outcomes. Failure to keep them **emotionally, socially and physically healthy** will impact our employee engagement, our corporate culture and productivity and hinder reaching our long-term goals. Special attention is required to the risks related to the General Data Protection Regulation (GDPR). We can also have negative impacts on **local communities** when realising our modular construction projects, such as through noise, pollution and biodiversity loss, which can pose risks including legal proceedings, pressure through media or protest.

Assess risks

Based on the materiality assessment, Daiwa House Modular Europe conducts a risk analysis. This includes identifying internal and external risk factors that may affect the organisation in terms of ESG factors. For this we also use the Corporate Risk Governance framework, as shown in the governance, risk management and internal control section of this report, on page 78.

The related due diligence process is mainly headed by three separate teams: the Environmental Team, the Safety Team and the HR Team. As shown in the corporate risk governance framework, we have added the operational departments to the process. The ESG representative is responsible for gathering information from the management and processing it for discussion with the Board of Directors and Supervisory Board. By taking this approach, we create cohesion, increase awareness and empower everyone across the organisation in the transition that we need to make in coming years.

The risk analysis takes place on a continuous basis, and it involves following market developments and discussing risks with external experts as well as with subcontractors, clients and suppliers. The current size of our company allows us to professionalise and streamline this assessment process, and as a result, we have started implementing the corporate risk governance framework.



Environmental risks

We prioritise environmental stewardship through various initiatives and collaborations. Our environmental team consistently monitors existing and emerging environmental issues and regulations. This allows us to stay informed about evolving environmental concerns and adapt our practices, procedures and policies to mitigate risks. We also actively engage with non-governmental organisations (NGOs), universities and suppliers to stay updated on the latest environmental developments and best practices. In addition, environmental requirements are part of our supplier assessment. The requests are not all obligatory, but they provide a basis to start a dialogue for awareness and improvement. We regularly share information about our environmental activities and achievements to create awareness of the developments and risks among employees. This sharing of information encourages a culture of environmental responsibility and motivates individuals to contribute to sustainability efforts. Lastly, we provide employees with a notification tool that enables them to report any malfunctioning or risks and identify new opportunities for environmental improvement.

Safety risks

We have strict safety procedures and policies in place to promote a safe working environment and create a good safety culture. This includes procedures for safety awareness, safe work practices, handling equipment, emergency response plans and personal protective equipment requirements. We provide specific training programs to ensure that employees and contractors are equipped with the necessary knowledge and skills to perform their tasks safely, and we train managers to lead by example. We conduct safety risk analysis on a per-project basis. This proactive approach allows us to identify and address potential hazards and risks specific to each project before they escalate into safety issues. It ensures continuous awareness of safety. If an incident does happen, we have incident reporting and investigation procedures in place. We identify the root causes of accidents or potential risks and take corrective actions to be implemented to prevent recurrence. We strive for stakeholder engagement, and we collaborate with employees, contractors and other stakeholders to promote a safety culture and encourage their active participation in maintaining a healthy and safe workplace. Employees can use our notification tool to indicate unsafe situations or improvement opportunities.

Social risks

There are several policies and procedures in place in which the guiding principles are established for mitigating negative impacts in the working environment. These are primarily owned by HR, approved by the Board of Directors and count for all. We monitor implementation and use via regular reporting. Managers (and employees) are made aware of these policies and any updates. Managers are tasked with following and implementing these policies in their teams. We have established an HRM system and a Power BI dashboard to facilitate our leaders with data on the key risk factors, thereby allowing balanced decision-making. To ensure the good health of our employees, we have a vitality program to stimulate a healthy lifestyle. In addition, we have conducted an updated risk evaluation of all locations focused on physical, mental and social risks (2023-24). Part of this is a voluntary medical checkup with personal advice for all participants. Managers are trained, with the help of external providers, on how to provide the best support to employees who are sick to keep them engaged with the workplace for a smooth recovery and return to work. As for local communities, we involve them from an early stage of project development to safeguard open communication and cooperation. This ensures that community concerns, needs and wishes are considered and integrated into the project design.

Integrate and act

It is essential to incorporate risks and their corresponding policies into the workplace. At our organisation, we proactively identify the required policies that effectively address and mitigate risks, while also ensuring adherence to established procedures. As our organisation continues to grow, we recognise the need for an expanding set of policies to accommodate the increasing scale. We understand the importance of adapting and developing new policies that align with our evolving needs and challenges. This is a continuous process that has our serious attention.



Environmental risks

We assess our CO₂ performance related to materials, waste and energy on a quarterly basis, analysing monthly data. This allows us to track any negative performance and immediately determine the cause of the increase, and it helps us to identify any operational risks causing a negative environmental impact. In addition, we committed ourselves to the SKAO CO₂ Performance Ladder – an external audit device to challenge our strategy, performance and actions to mitigate our environmental risks. The external audit is preceded by an internal audit. The findings in the audits, or the identification of improvements, are the basis for adjusting our strategy or actions. Part of the assessment is the supply chain analysis of our two main contributors to CO₂ emissions. These assessments have been conducted for materials and waste, and they allow us to review the potential risks in the supply chain. To manage environmental risks, we have certified our environmental management system according to the ISO 14001 standard. Monitoring the impact of our projects on local communities is part of our clients' development plans, and we provide the necessary input or help to identify solutions.

Safety risks

We have an effective monitoring system in place to track policy implementation and compliance with procedures. This includes regular audits, reviews and reporting. We are certified for the Safety Certificate for Contractors (highest level) and Safety Cultural Ladder (level 3). Audits are conducted annually by independent certifying bodies.

We regularly review policies and procedures and adapt them as the organisation changes or new risks arise. In addition, we encourage feedback from employees, contractors and visitors to continuously enhance safety measures and address any emerging risks. We have procedures for reporting and handling incidents, including policy violations. This helps to address problems quickly and take corrective action.

Social risks

Data analysis is an important tool for tracking our risks. The main KPIs are related to productivity, such as sick leave and the turnover of employees. We use our regular employee experience survey to monitor overall engagement and engagement on specific topics, like safety, culture, leadership and compensation and benefits, and to assess how effective our measures are for improving our performance. Lastly, the HR department is part of the Safety Certificate for Contractors Safety Cultural Ladder and ISO 9001 audits. Special attention is paid to whether our employees have the right competences to conduct their tasks and thereby mitigate any potential related risks. As for local communities we utilise regular communication channels, public consultations and feedback mechanisms.



Communicate

Daiwa House Modular Europe emphasises open communication to strengthen trust and advance our sustainability efforts. We onboard new employees with training that introduces them to our environmental and safety policies. Our internal app and LeanBMS facilitate regular updates to all employees about our initiatives and progress. We acknowledge the need for improved stakeholder communication and are exploring new channels to enhance engagement and transparency. Our website offers easy access to our environmental and social documentation.

We actively collaborate with suppliers, NGOs and academic institutions to share insights and tackle challenges together. Additionally, our commitment to ESG reporting as of 2021 is evolving towards integrated reporting, including compliance with the European Corporate Sustainability Reporting Directive (CSRD), to achieve transparency in our achievements and goals, with our accountancy partner EY assuring our adherence to standards.

Track

To ensure the effectiveness and compliance of our internal processes, we have implemented both general internal audits and specific external audits. These audits play a vital role in tracking, assessing and evaluating the implementations and improvements. We have two audits that cover companywide topics. J-Sox is an internal audit conducted in the Netherlands for our Japanese shareholder that covers finance (four times a year), HR and IT (both annually). In addition, we have an external audit conducted by an external auditor covering Finance, HR, IT (ISO27001) and general governance.



Environmental



Introduction on Environmental

Daiwa House Modular Europe is driven by a vision of a world where sustainability and circularity are at the core of building construction, manifesting our goal to develop energy-efficient, sustainable and circular buildings. Our commitment is backed by years of expertise in creating housing solutions that prioritise sustainability, aiming for a living environment that is both circular and clean.

Through our innovative industrialised modular building technique, we've made significant strides in contributing to such an environment. Comparative analyses have demonstrated that our method, coupled with our focus on circularity, has led to a substantial 50% decrease in carbon emissions over a building's 75-year lifecycle when compared to traditional construction techniques. Our efforts are geared towards employing sustainable practices, technologies and systems. At the conclusion of their lifecycle, we ensure the repurposing of our building materials, drastically reducing waste.

This section highlights our journey towards achieving circularity by focusing on reducing greenhouse gas emissions, enhancing circular processes and fostering strategic partnerships, thereby illustrating our ongoing commitment to creating flexible and efficient housing solutions through industrialisation.

“Engineering a sustainable future is a complex endeavour. The Paris Agreement’s goals necessitate innovative solutions, collaborative problem-solving and the courage to embrace change across all engineering disciplines.”

– Barry van Wijk,
Head of Plan Development Housing

Roadmap Environmental

Theme	2023	2024	2025	2030	2050
GHG emissions (T-CO ₂ scope 1-3)	24,374	26,597	18,219 (11% reduction Scope 1-3 and 65% reduction scope 1-2 vs 2019)	14,645 (29% reduction Scope 1-3 and 99% reduction scope 1-2 vs 2019)	Positive carbon emissions
Waste (mono/recycle streams)	52%	50%	65%	80%	100%
MPG	0.498	<0.56	<0.45	<0.30	<0.30
Energy (own energy generation)	3.5%	7%	40%	80%	Energy Positive



Climate change

Material impacts, risks and opportunities

Topic	Impacts	Risks	Opportunities
Climate change adaptation	The potential positive impact Daiwa has on climate change adaptation by offering modular construction, which provides the possibility to relocate buildings and homes when local circumstances change due to climate change. This could positively impact people's lives, helping residents and users of modular houses to adapt to climate change.	Daiwa's potential risk, as it faces an increase in operating costs due to higher maintenance and unexpected repair or replacement costs from weather-related damage not covered by insurance. There is also a risk of asset depreciation, such as the potential loss of factory value in the event of flooding, as well as rising insurance premiums driven by the increased frequency of extreme weather events.	Daiwa's opportunity in the mid-term, as there is a growing international demand for climate-adaptive buildings, driven by the impacts of climate change such as sea-level rise, flooding, heat and drought.
Climate change mitigation	The actual negative impact Daiwa has on climate change through the reduction of GHG emissions.	Daiwa's potential risk, as it faces an increase in operating costs due to higher investments required to implement CO ₂ -reduction plans, such as electrification and engineering the usage of sustainable materials.	
Energy	The actual negative impact Daiwa has on the environment from energy use through the entire value chain, such as the transportation and production of materials and transportation of workers to and from projects.	Daiwa's risk, as it will face higher energy costs due to rising energy prices and increased investments in energy-efficient production facilities, such as installing solar panels and using electric trucks for transportation. Additionally, limitations in energy availability at construction sites and production locations could lead to higher costs.	
Energy		Daiwa's actual risk as there is more demand for energy-efficient homes. Daiwa might not be able to provide the right solutions for these homes with its modular products.	

Transition plan for climate change

At Daiwa House Modular Europe, our dedication to mitigating our GHG emissions is unwavering. Utilising the CO₂ Performance Ladder, a rigorously audited tool, we aim to systematically decrease our carbon footprint. This tool's criteria revolve around four key pillars:

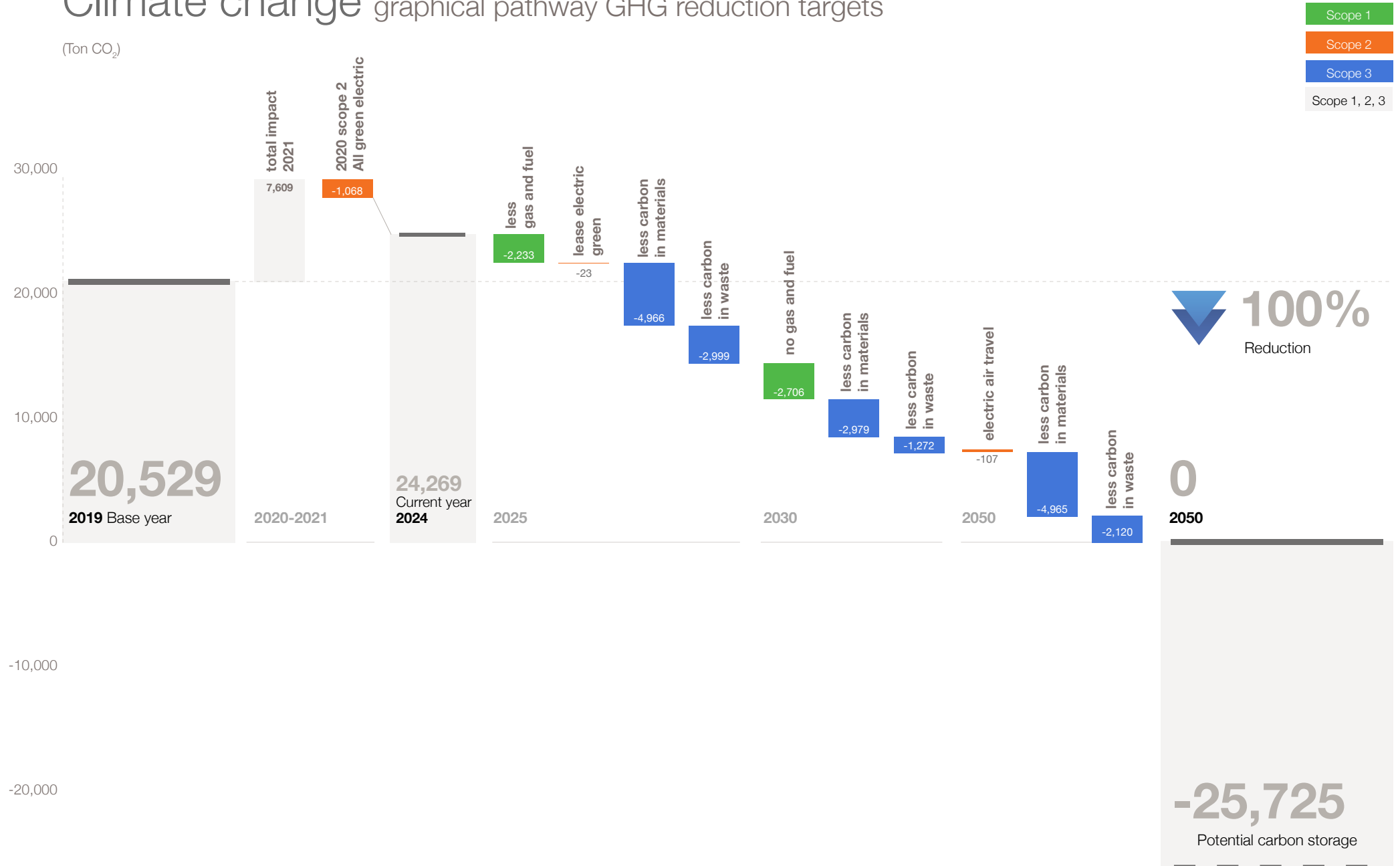
Achieving level 5 on the CO₂ Performance Ladder is a testament to our serious efforts in CO₂ emission reduction, positioning us as a leader in the field. Our active involvement in diverse initiatives, along with our commitment to sharing knowledge and collaborating towards shared environmental goals, underscores this leadership.

We have set forth an ambitious roadmap: to reach carbon neutrality for scope 1 and scope 2 emissions by 2030, and to advance beyond neutrality, becoming climate-positive by 2050. The diagram on the next page outlines the strategic steps we plan to take towards realising these objectives.

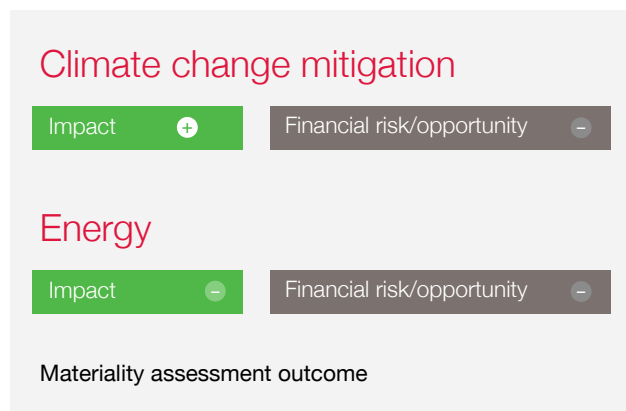


Climate change graphical pathway GHG reduction targets

(Ton CO₂)



Our policies



Objective

This policy outlines Daiwa House Modular Europe's commitment to climate change mitigation and energy. The policy addresses the following environmental impacts and risks relevant to our operations and value chain.

Key content

Climate change mitigation

- Assessing and minimising any negative impacts through CO₂ emissions while maximising any positive effects of its activities.
- Making efficient use of natural resources and promoting the use of sustainable materials with lower CO₂ emissions by adopting our responsible procurement policy.
- Reducing waste production and diverting waste from landfills by promoting efficient resource use, recycling and the use of recycled and recyclable materials.

- Implementing a continuous improvement process by evaluating performance and benchmarking against specific environmental objectives and targets relevant to its business activities.
- Raising awareness of climate change due to CO₂ emissions and how Daiwa Modular Europe can address the issue through training and development of all employees and by encouraging initiatives that improve climate change mitigation.
- Actively collaborating with clients, subcontractors and suppliers to reduce CO₂ emissions of projects, increase knowledge and improve their environmental performance on climate change mitigation.
- Conducting regular audits and annual evaluations of the effectiveness of this climate change mitigation policy and the associated procedures, measurement methods, objectives and targets, as well as monitoring progress towards achieving those objectives and targets.
- Ensuring an effective environmental management system that complies with the requirements of ISO 14001 and the CO₂ Performance Ladder.

Energy

- Making efficient use of energy and water resources while reducing our ecological footprint.
- Maximising the share of renewable energy sources, such as solar and wind energy.
- Analysing and minimising energy consumption, both at production sites and construction locations.
- Developing energy-efficient products.
- Making all logistics processes more sustainable, based on feasibility (grid congestion).

Scope

Upstream: Raw Materials/transportation: GHG emissions during production of materials purchased from suppliers.

Own operations: GHG emissions during production and design process, electricity and gas usage of facilities, transportation.

Downstream: GHG emissions emitted on construction sites and use phase.

Accountability

The COO holds the highest level of accountability for the successful implementation and execution of this policy. The COO reports directly to the CEO and the Board of Directors.

Third-party standards

- ISO 14001 Environmental Management System
- CO₂ Performance Ladder
- STIP procurement

Monitoring

The implementation of this policy is continuously monitored through yearly audits, performance reviews and stakeholder engagement feedback. A sustainability committee conducts quarterly assessments and reports findings to the executive board. This monitoring process is being audited through the CO₂ Performance Ladder certification.

Climate change adaptation

Impact +

Financial risk/opportunity + -

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to climate change adaptation. The policy addresses the following environmental impacts, risk and opportunity relevant to our operations and value chain.

Key content

Providing modular constructions

Modular constructions offer flexibility in configurations and the ability to relocate structures, which is vital for climate adaptation. These buildings can be easily reconfigured or moved in response to changing environmental conditions, such as floods or extreme weather. This adaptability allows for a more sustainable use of space and resources, as buildings can be tailored to new needs or relocated to safer areas as climate risks evolve.

Increasing self-sufficiency

Increasing self-sufficiency in buildings reduces dependence on external resources, enhancing resilience against climate change. This includes integrating energy management systems such as solar panels and energy-efficient technologies, promoting local energy production and mitigating the impact of infrastructure disruptions caused by extreme weather.

Maintain refurbishing possibilities

Maintaining the option to refurbish and adapt buildings is crucial for climate resilience. Retrofitting existing structures, rather than demolishing them, reduces waste and preserves materials. Designing buildings for future renovations allows for long-term durability and enables easy adaptation to future climate impacts, such as improved insulation or flood prevention measures.

Scope

Own operations: Own factories and facilities: might be hit by physical risks such as extreme weather.

Downstream: Placement and use: Offering modular homes to residents, which can be relocated during use phase in order to adapt to climate change.

Accountability

The COO holds the highest level of accountability for the successful implementation and execution of this policy. The COO reports directly to the CEO and the Board of Directors.

Third-party standards

- ISO 14001 Environmental Management System
- CO₂ Performance Ladder

Monitoring

The implementation of this policy is continuously monitored through performance reviews and stakeholder engagement feedback. A sustainability committee conducts quarterly assessments and reports findings to the executive board.

How we monitor and manage our GHG emissions

We measure our GHG emissions quarterly. The results are regularly discussed by the Daiwa House Modular Europe management team. We share the information publicly twice a year via diverse channels such as our website, social media platforms like LinkedIn and other internal communication platforms. Once a year, during the management review, all aspects of the management system are assessed. The purpose of this evaluation is to determine whether measures need to be taken considering the achievement or failure of defined objectives. Among other things, policy and objectives, reduction of energy use and emissions, risks and opportunities and communication policy are evaluated during the annual management review and adjusted where necessary.

Organisational boundaries

For CO₂ emissions, Daiwa House Modular Europe's organisational boundaries have been determined according to the operational sphere of influence principle. In the GHG protocol, this is described as an 'operational boundary'. In practice, this means that we take responsibility for the CO₂ production of activities that fall under Daiwa House Modular Europe, where control clearly lies within our own organisation.

Calculation method and conversion factors

We apply the methodology as prescribed in the [SKAO Handbook 3.1](#). This method requires mention of 'business air travel' and 'personal cars for business travel' separately as Business Travel. The conversion factors we use come from the guideline list at www.co2emissiefactoren.nl. Based on the established operational boundaries, we identified the CO₂ emissions and absorptions due to the organisation's activities. During the emission identification process, in accordance with the GHG Protocol, a distinction is made between three sources of emission (known as scopes) in two categories: direct emissions and indirect emissions.

Scope 1

This includes direct emissions such as the combustion of fuel in fixed machinery, the generation of heat (gas), business transport in vehicles owned by Daiwa House Modular Europe and emissions from refrigeration equipment and climate installations. Germany and the UK are not included due to the small scale of the business in those countries.

Scope 2 and Business Travel

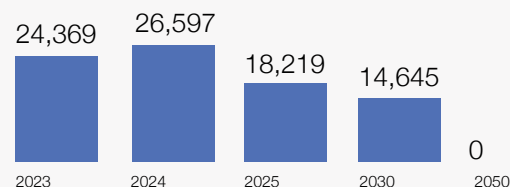
This includes indirect emissions from the generation of purchased electricity. Business air travel and personal cars for business travel are listed separately as Business Travel.

Scope 3

The indirect emissions caused by the business activities of another organisation are listed as scope 3. This concerns emissions from sources not owned by the organisation, on which it can exert no direct influence. Materials used for our buildings are the biggest contributor in scope 3.

Our long-term targets GHG emissions

(T-CO₂ scope 1-3)



Arnhem,
The Netherlands

Client:
FYEO (For Your
Eyes Only)

≡ 1,900m²
Floor area

≡ 2
Number of
levels



Realisation of FYEO's
newest eye care clinic

Medical

In March 2024, Medexs successfully completed the construction of FYEO's (For Your Eyes Only's) newest eye care clinic in Arnhem. This clinic, spanning 1,900 m², marks FYEO's tenth location and represents a significant step in their ambitious growth plan to provide specialised eye treatments across the Netherlands.

The demand for specialised eye treatments in private clinics has surged in recent years. FYEO, with existing locations in cities such as Eindhoven, Amsterdam and Utrecht, has become the largest private clinic in the Netherlands for refractive surgery. Their mission is to enable life without glasses or contact lenses, leveraging over 20 years of experience and a dedicated team of 250 professionals.

The new FYEO clinic in Arnhem has had a significant positive impact:

1. Enhanced accessibility: By opening a clinic in Arnhem, FYEO has made specialised eye care more accessible to clients in the eastern Netherlands, lowering the barrier for treatment.

2. Modern facilities: The clinic features a modern operating complex on the ground floor with two operating rooms, recovery areas, waiting rooms, offices and Central Sterile Services Department (CSA) spaces. The first floor houses consultation and examination rooms, offices and a meeting room.

3. Quality and comfort: The new clinic aligns with FYEO's strategy to bring high-quality, comfortable eye care services closer to clients, ensuring a seamless and pleasant experience.

4. Efficient project execution: Medexs executed all construction and finishing work, including the validation of operating rooms, preparation areas and CSA spaces. Their commitment to quality and efficiency ensured the project was completed to the highest standards.



Our actions to achieve our targets

The following actions have been identified to bring down our GHG emissions related to energy use. Emissions related to materials and waste (scope 3) are discussed in the 'Circularity' section.

Scope 1

Area	Actions realised in 2024	Actions 2025	Actions 26-2030
Electrical equipment	If needed due to malfunction, equipment was replaced with state-of-the-art electrical equipment.	Continue to replace malfunctioning equipment for electric versions.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Gas boilers	We replaced outdated gas heaters with new generation gas heating.	Not included in the SPIE recommendations.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Construction site	- Investigation of alternative fuelled or electric vehicles with the right requirements. - Green electricity at all construction sites.	- Apply HVO100 fuel in generators to reduce emissions. - Finalise blueprint for carbon neutral plan DHME 2024-2026.	Clear policy/roadmap for replacement and new purchased equipment in line with electrical grid growth and net congestion.
Airtightness	Our airtight building design is in accordance with all passive requirements.	No new action required.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Ventilation	We applied efficient CO ₂ coordinated ventilation installations, if possible, with heat pumps.	Finalise blueprint for carbon neutral plan DHME 2024-2026.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Insulation	We applied different insulation materials with lower carbon emissions.	Apply biobased insulation where possible, in line with fire safety and sound regulations.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Scope 2			
Wind energy	SPIE investigation recommended not to further pursue wind turbines.	Finalise blueprint for carbon neutral plan DHME 2024-2026.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Energy storage	SPIE investigation recommended to install batteries for peak shaving and growing energy supply.	Investigate cooperative energy storage and/or energy contracts with companies close to DHME.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Solar panels		If cooperative energy storage is beneficial, consider installing more solar panels on DHME roofs.	Depends on carbon neutral plan, which will be in development during Q1 & Q2 of 2025.
Fleet	- Revised company car lease policy. - Report of possibilities to encourage alternative mobility of employees.	- Promote train travel among employees for distances under 750 km. - Require lease companies to buy green energy certifications for EVs.	Our fleet is electric.

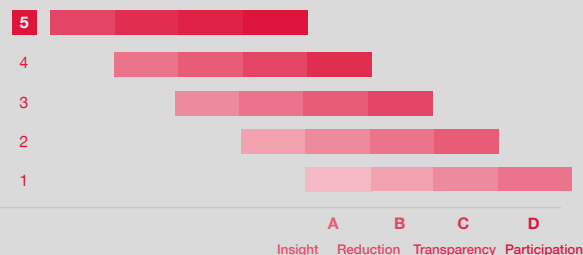
Main achievements in 2024

Performance measurements

1. CO₂ Performance Ladder level 5

We take great pride in maintaining our esteemed status at level 5 of the CO₂ Performance Ladder in 2024. It is important to us to monitor our emissions to set achievable targets, and we are excited to see a rise in benefits for companies that achieve this certification in the procurement process. In addition, our collaboration with Alba Concepts to analyse our modules' existing carbon footprint align with our ambitious footprint reduction targets.

CO₂ performance ladder



2. Growing the electric vehicles in our business fleet

We are expanding our commitment to sustainability by increasing the number of electric vehicles (EVs) in our business transportation fleet from 35 to 44 cars in 2024. This growth aligns with our CO₂ reduction goals and reinforces our dedication to greener mobility. By transitioning more of our fleet to electric, we not only lower our carbon footprint but also reduce fuel and maintenance costs, contributing to long-term savings. Our employee regulations are updated to include that all new business travel vehicles (where possible) should be EVs. This should decrease our business travel emissions significantly over time.



3. DHME and Modulair Nederland Collaboration

Daiwa House Modular Europe is a proud member of Modulair Nederland, actively engaging in discussions on the role of modular design in the circular economy and the transition to a more sustainable construction sector. By promoting modular construction, we support efficient resource use, waste reduction and greater adaptability in building design, aligning with circular principles. Through our collaboration with Modulair Nederland, we contribute to innovative solutions that drive sustainability forward, reinforcing our commitment to responsible and future-proof construction practices.



Metrics

Energy consumption and mix

In 2024, our total energy consumption experienced a rise, a natural outcome of our expansion both within the Netherlands and into Germany. Notably, gas consumption in the Netherlands saw a decline, attributed primarily to the year's milder weather conditions. The inauguration of our Fürstenwalde factory has, as anticipated, led to an overall increase in gas usage compared to the previous year.

The consumption of fossil fuels has notably increased, driven by the expansion in our workforce and the number of projects undertaken. A significant rise can be seen in Germany and Eemshaven in the Netherlands, whereas Belgium and Hulst show a large drop, demonstrating the direction of production focus through employee movement. It is worth mentioning that the electricity share in the transportation fleet fuel consumption has increased significantly, a direct result of company regulations to choose electric vehicles.

On a positive note, the share non-renewable energy takes in total energy consumption continued to decline in 2024, and as total turnover keeps rising year by year, the energy intensity per net turnover has been stable since 2022.

	FY 2021	FY 2022	FY 2023	FY 2024	% dev '24
Scope 1 - Natural Gas Processes (MWh)					
Montfoort (incl. Lopik)	2,171	2,223	2,195	1,597	-27%
Hulst	52	50	4	72	1771%
Eemshaven	90	108	114	111	-3%
Medexs (Rhenen) (60%)	48	43	42	36	-15%
Fürstenwalde			1,151	1970	71%
Total	2,362	2,425	3,506	3,786	8%
Scope 1 - Fossil Fuel Consumption (MWh)					
Montfoort	292	310	358	343	-4%
Hulst + Belgium	67	62	36	20	-46%
Eemshaven	16	12	7	32	321%
Germany	4	3	24	31	28%
Transport	1,350	263	319	282	-12%
Medexs	39	41	44	44	-1%
Project location	328	415	559	565	1%
Total	2,096	1,107	1,348	1,316	-2%
Scope 2 - Processes Electricity (MWh)					
Montfoort	1,582	1,486	1,415	1,392	-2%
Hal 20		184	193	133	-31%
Lopik	175	130	104	62	-40%
Hulst	432	452	442	492	11%
Eemshaven	167	184	184	191	4%
Fürstenwalde			118	830	604%
Medexs	47	53	48	57	20%
Onroad loading	12	22	51	82	60%
Total	2,414	2,512	2,554	3,239	27%
Total non-renewable energy consumption (MWh)	4,458	3,532	4,854	5,102	5%
Total energy consumption	6,872	6,044	7,408	8,341	13%
Share of non-renewable sources in total energy consumption (%)	65%	58%	66%	61%	
Total turnover (x €1.000)	€199,551	€259,618	€323,000	€358,000	
Energy intensity per net turnover	0.03	0.02	0.02	0.02	



Realisation of temporary emergency shelter in Gorinchem

GHG emissions

Our foremost goal is the reduction of our greenhouse gas (GHG) emissions, both in total and per square meter of module production. Unfortunately, this year saw a 9% increase in emissions, primarily due to two factors. The first factor is our expansion, including the opening of new facilities and the addition of staff at these sites, coupled with a rise in diesel consumption for projects in areas lacking robust grid infrastructure. In response, we've adopted hybrid generation solutions to mitigate these effects as much as feasible. The second factor is that modules require less refurbishment because they are used for longer periods in projects. This leads to a decrease in the materials needed to prepare them for new uses. While this is a positive outcome in terms of the high occupancy rate, it impacts emissions by 2%.

Beyond merely electrifying our operations – a challenge due to electricity grid limitations – we are exploring a comprehensive energy strategy with SPIE. Our ambition is carbon neutrality by 2030, necessitating consideration of all alternatives, including hydrogen, solar, wind and potential energy storage solutions. By adopting a holistic approach to this challenge, we are optimistic about identifying effective strategies to achieve our objectives and making significant progress in our sustainability journey.

**Gorinchem,
The Netherlands**

**Clients:
Municipality of
Gorinchem
and COA**

With the new emergency shelter in Gorinchem East, completed together with COA, we offer safe accommodation to about 170 people. The residents, mainly families and refugees applying for a residence permit, come from a different emergency shelter and have therefore been living in Gorinchem for some time.

These modular buildings provide a temporary solution for the next 10 years. Thanks to Jan Snel's flexible construction method, the shelter could be completed quickly and now offers a safe and comfortable living environment. We were also able to realise an office, classroom, reception and bicycle workshop on this site. After 10 years, the premises will be able to be entirely dismantled and given a new function elsewhere.

The influx of refugees remains large, and Gorinchem also provides a place for people who have had to leave their homes and home countries due to different circumstances. This project shows how municipalities, COA and building partners such as Jan Snel can together quickly respond to the demand for sustainable and humane reception.



170
Number of
residents

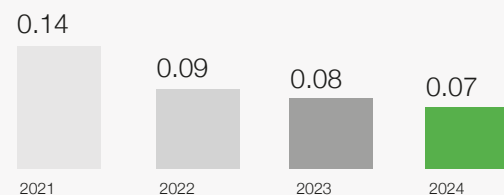


1-2
Number of
levels

GHG emissions

in t-CO ₂	FY 2021	FY 2022	FY 2023	FY 2024	24-23	Milestones and target years		
						2025	2030	2050
Scope 1 - Direct emissions	7,074	4,525	4,939	5,063	3%	2,186		
Stationary combustion equipment	1,383	2,337	2,438	2,665	9%			
Natural gas business premises	456	518	619	827	34%	227		
Diesel project locations	927	1,819	1,819	1,837	1%	446		
Use of fleet (lease)	5,691	2,188	2,501	2,398	-4%			
Petrol business driving	284	402	548	535	-2%	52		
Diesel business driving	1,003	928	912	924	1%	526		
Diesel Transport	4,404	858	1,040	939	-10%	935		
Scope 2 - Indirect emissions	17	36	131	161	23%	50	50	
Electricity consumption	6	11	23	27	15%			
Business air travel	10	25	107	134	25%	50	50	
Scope 3	19,978	18,555	19,300	21,373	11%	15,983	14,595	
Materials production	13,406	12,306	12,498	13,539	8%	10,725	9,384	0
Materials refurbished	478	559	411	332	-19%	382	335	0
Emission of materials	13,883	12,865	12,909	13,871	7%		9,719	
Mono	2,319	2,628	3,229	3,826	18%	1,855	1,855	
Mixed	3,759	3,043	3,149	3,636	15%	3,007	3,007	
KCA	17	19	12	21	75%	13	13	
Total industrial waste	6,095	5,690	6,391	7,483	17%			
Total Emissions	27,069	23,116	24,369	26,597	9%	18,219	14,645	
Total turnover (x €1.000)	€199,551	€259,618	€323,000	€358,000				
GHG intensity per net turnover (tCO ₂ eq/Monetary unit)	0.14	0.09	0.08	0.07				

GHG intensity per net turnover
(tCO₂eq/Monetary unit)



Climate change-related financial effects

Daiwa House Modular Europe faces two significant challenges as a result of climate change risks. Firstly, the construction sector contributes to climate change through greenhouse gas (GHG) emissions. This leads to potential consequences such as carbon taxes imposed on the production of building materials, as well as on power and heat supply during the use phase of buildings. This poses a direct risk for Daiwa House Modular Europe through increases in the price of building materials, production cost increases and pressure on the business case for investors to develop new buildings.

Secondly, stakeholders in the sector are also exposed to risks arising from the physical changes in the environment caused by climate change. These changes include more extreme weather conditions on construction sites, water shortages and other deteriorating environmental conditions such as temperature increases and flooding. These physical risks pose additional challenges to the industry.

To anticipate these developments, Daiwa House Modular Europe has committed itself to a roadmap for the reduction of its GHG emissions, in compliance with the Paris Agreement. The first step was mapping our sustainable footprint, indicating our GHG emissions; our main emission is carbon dioxide (CO₂). Based on the initial footprint, we set short-, medium- and long-term actions and goals. This has a financial impact, both from a process perspective and from a material use perspective.

We must invest in our processes to lower emissions. This includes electrifying our fleet and production facilities, making them more energy-efficient for increased self-reliance and reduced dependency on the electricity grid amidst growing demand. In our buildings, we are enhancing installations and comfort and utilising low-carbon reusable construction materials. We also need to invest in research and development to optimise our products in terms of material use. Materials that are more environmentally friendly do not always comply with the construction's physical requirements, and at times they are significantly more expensive. We are therefore also dependent on the knowledge and willingness of our clients.

Climate change is increasingly on the radar of clients in the construction sector, showing a growing focus on sustainability. However, despite this awareness, incorporating climate-friendly practices remains challenging due to the high costs and the lack of alignment with market norms and conventional business models.

At the beginning of 2024, we started a project with our partner SPIE that aims to develop a SMART plan with measures we need to take in the coming three years to become carbon neutral by 2030.

The potential risk of the physical changes in the environment caused by climate change might actually be a financial opportunity for Daiwa House Modular Europe. Our building process mostly takes place within our factories. Where our traditional competitors might face additional costs due to challenges on the construction site, we are largely assured of steady conditions in the factory.

In addition, the deteriorating environmental conditions might require buildings to be removed over time. Since providing sustainable, reusable modular buildings is our core business, these changes may provide attractive financial opportunities.

Circularity

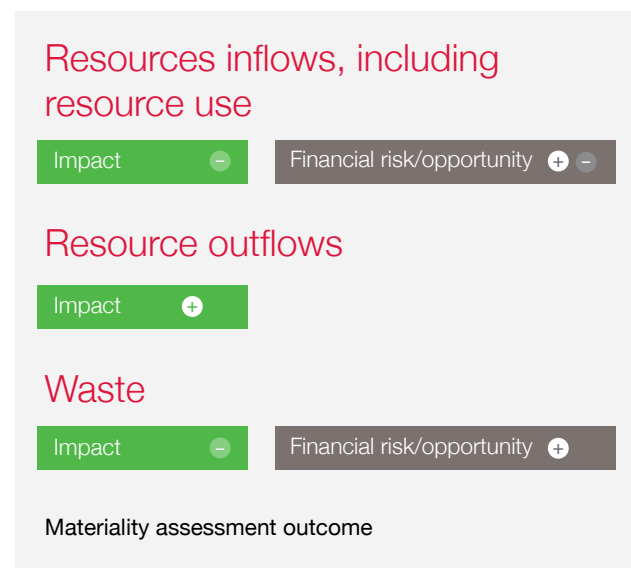
At Daiwa House Modular Europe, our drive for innovation in construction and dedication to fostering a circular economy are at the forefront of our operations. The modularity of our construction approach inherently aligns with circular principles, yet we acknowledge there's more to achieve towards our goals. We envision a world free of waste and are determined in our commitment to material reuse, considering the lifecycle of buildings from their inception. This approach significantly reduces our ecological footprint compared to conventional construction methods.

Our goal is to embrace complete circularity in our production and operations in the near future, enhancing the longevity and value of our housing solutions. We are actively pursuing the best mix of building materials, carefully evaluating their origins and potential for high-quality reuse, including traditional materials like concrete, steel and timber. By leveraging an environmental calculation platform, we gain insights into the impact of our activities across the value chain, from raw materials to disposal. Daiwa House Modular Europe not only presents an opportunity for attractive financial returns but also offers a platform to contribute significantly to enhancing sustainability within the European construction and real estate sectors.

Material impacts, risks and opportunities

Topic	Impacts	Risks	Opportunities
Resources inflows, including resource use	Daiwa's actual negative impact on the environment through resource inflows involves the extraction, use and management of raw materials such as timber, metals and concrete. High resource consumption can lead to the depletion of natural resources, habitat destruction and increased GHG emissions from material extraction and processing.	Daiwa's potential risk, because of increased project costs due to limited supply of raw materials (i.e. steel) caused by resource scarcity, more testing and longer certification processes of innovative/renewable materials and higher regulatory compliance costs. Also possibly increased costs for the use of carbon-intensive materials such as steel and concrete.	Daiwa's actual opportunity, because of more demand for circular, industrialised homes due to increased awareness of the importance of circularity.
Resource outflows	Daiwa's actual positive impact on the environment through circularity focuses on designing modular buildings for disassembly using standardised, industrialised processes. This approach minimises environmental impact by ensuring efficient construction and enabling buildings to be dismantled and reused at the end of their life cycle, promoting circular construction.		
Waste	Daiwa's actual negative impact on the environment through waste in the modular construction sector involves the generation of construction debris, packaging materials and excess building components. If not properly managed, this waste can contribute to landfill overflow, resource depletion and pollution.		Daiwa's actual opportunity, because of reduced costs due to less waste through circular business models and use of recycled materials.

Our policies



Objective

This policy outlines Daiwa House Modular Europe's commitment to the Circular Economy. The policy addresses the following circular impacts, risks and opportunities relevant to our operations and value chain.

Key content

Reducing virgin material and fossil resource use

Daiwa is committed to reducing the use of virgin materials and fossil resources by focusing on the reuse of materials and the integration of natural alternatives in construction. This involves promoting the use of recycled materials, optimising design for material efficiency and prioritising renewable resources. By implementing these strategies, we aim to decrease the environmental impact of resource extraction and reduce the carbon footprint of our buildings. Additionally, we will strengthen our focus on circular economy principles, ensuring that all materials are considered in a closed-loop system to maximise their reuse and minimise waste.

Maintaining and enhancing circular product design through modular, adaptable construction

Daiwa will continue to develop and enhance the modular construction approach, ensuring that buildings are designed for easy disassembly and reuse. This strategy promotes circularity by allowing structures to be reconfigured, reused or relocated as needed, minimising waste and extending the lifecycle of building materials. We will also encourage innovation in modular systems to further reduce reliance on non-renewable resources and improve the adaptability of our buildings to future needs.

Waste reduction and improved recycling practices

Daiwa is focusing on reducing total waste volumes in construction projects by streamlining processes, improving waste segregation and encouraging higher-quality recycling. We will collaborate with partners and suppliers to promote the use of recycled materials and ensure that construction debris is properly processed for reuse. Additionally, we will implement waste reduction initiatives at all stages of the construction process, from design to demolition, to support a more circular economy and reduce environmental impact.

Scope

Upstream: Raw materials, suppliers: Resources and materials bought via suppliers to enable construction of modular homes.

Own operations: Production, assembly, dismantling, reuse of materials, generation of construction debris, packaging materials and excess building components. Procurement: decision-making in the buying process.

Downstream: Providing a circular product which can be easily reused with minimal waste.

Accountability

The COO holds the highest level of accountability for the successful implementation and execution of this policy. The COO reports directly to the CEO and the Board of Directors.

Third-party standards

- ISO 14001 Environmental Management System
- CO₂ Performance Ladder

Monitoring

The implementation of this policy is continuously monitored through yearly audits, performance reviews and stakeholder engagement feedback. A sustainability committee conducts quarterly assessments and reports findings to the executive board.

Our long-term targets

	2023	2024	2025	2030	2050
GHG emissions (T-CO ₂ scope 1-3)	24,369	26,597	18,219 (11% reduction Scope 1-3 and 65% reduction scope 1-2 vs 2019)	14,645 (29% reduction Scope 1-3 and 99% reduction scope 1-2 vs 2019)	Positive carbon emissions
Circularity (mono/recycle streams)	52%	50%	65%	80%	100%
MPG	0.498	<0.56	<0.45	<0.30	<0.30
Energy (own energy generation)	3.5%	7%	40%	80%	Project: energy positive

How we decouple economic activities from environmental impact

Design

Circular design is about designing for disassemble (DfD). DfD is a building design process that allows for the easy recovery of products, parts, and materials when a building is disassembled or renovated. We already take account of the dismantling (end of operational phase) of a building in the engineering phase. The process is intended to maximise economic value and minimise environmental impacts through reuse, repair, remanufacturing and recycling. At Daiwa House Modular Europe, we do this with large-scale industrialised production using standardised processes. In this way we ensure the most efficient product with the least possible environmental impact.

Buildings

Production

We produce the buildings in our own factory under conditioned circumstances. This not only results in maximum effectiveness for costs and lead times, but also in a cleaner construction site in comparison with conventional building methods. Both waste at the construction site and the number of vehicle movements are limited. And, if a building is no longer needed, we remove it quickly and easily: we dismantle it instead of demolishing it. Nowadays, about 80% of components are reused, but of course we are aiming for a full 100% so that, in the future Daiwa House Modular Europe will build both modular and circular and thus contribute to the sustainability of the building industry and a clean world without waste. Industrialised production is optimised by continuously investing in digitalisation and robotisation. This ensures that

our industrialised process became more efficient such as hal 17 in Montfoort, waste is minimised and a high-quality product is continually guaranteed.

Materials

To be able to build and supply high-quality housing solutions, we need various materials and raw materials. Our ambition is to create a closed circuit with circular construction, so that we can contribute to a sustainable world in the most effective way possible. We consider the origin of materials and raw materials, where the first consideration is to use materials with the lowest possible environmental impact. In addition, we look at the high-quality reuse of existing materials such as concrete, steel and timber, as well as possibly applying other natural materials. We believe it is important that the end user gets the best living or working experience through the use of durable materials in our buildings.



Our actions to achieve our targets

We have identified the following actions for the upcoming years to reduce our materials and waste.

Area	Sub-area	Actions realised 2024	Actions 2025	Actions 2026-2030
Materials	Use of natural materials	- Continued to refine the use of alternative concrete and preheated moulds for a more sustainable concrete application. - Explored substitutes for the three materials with the highest environmental impact.	- Reduce steel materials in three-level building designs to achieve the same quality with lower impact. - Continue the preheated concrete floor design.	Applying insights from 2024 testing and evaluating their outcomes.
	Reused materials	Ongoing.	Investigate Cradle2Cradle supply chain options for waste streams.	Ongoing.
	Use of recycled materials	- Initiated partnerships with suppliers of the three most impactful materials to explore and implement more sustainable alternatives within our supply chain. - Advanced our standards for residential living to achieve an environmental impact of less than 0.5 MPG (Materials Purity Grade).	Ongoing.	Ongoing.
	Use of sustainable installations	Ongoing.	Ongoing.	Include the passive house design method to lower the need for large installations.
Waste	Recycling	- Continued the use of clear signage to further improve waste separation. - Waste management is integrated into the setup of new production sites, such as Hall 17 in Bunnik.	Increase waste recycling efforts at project sites to lower costs and increase mono streams.	Ongoing.
	Cutting waste	Ongoing.	Ongoing.	Ongoing.
	Factory production	Ongoing.	Ongoing.	Ongoing.
	Mono streams	- Persist in the deployment of explicit signage to enhance the segregation of waste even further.	Grow mono streams by 3% through increased efforts to educate employees.	Ongoing.
	Supplier	Ongoing.	Conduct a review of suppliers who fail to achieve progress in their product improvements towards meeting our shared environmental objectives and decide on actions.	We plan to implement a procurement policy requiring that used materials be returnable, called 'closed loop' system.
	Waste processors	- Persist in the deployment of explicit signage to enhance the segregation of waste even further.	Ongoing.	Ongoing.

Main achievements 2024

Performance measurements

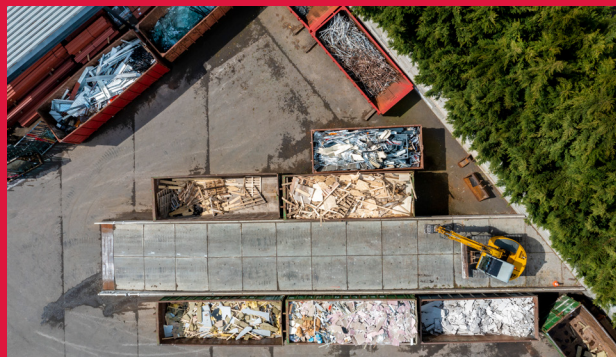
1. Setting circular standards

In 2024, we continue to follow the developments for the sector unified framework for circular construction, The New Normal (Het Nieuwe Normaal – HNN). We actively engage in conversation to set industry standards. This initiative is crucial for both commissioning and contracting entities to define their requirements, processes and outcomes with clarity. HNN empowers our clients by providing a concrete structure to articulate the circular objectives of their projects. Whether shaping the initial vision or offering project leaders practical tools to ensure circular principles are integrated into projects, HNN is instrumental helping clients achieve their circular goals. Through this effort, we are not only establishing what is currently achievable in circular construction but also enlightening stakeholders on possibilities they might not yet have considered.



2. Elevating recycling efficiency: a milestone in mono waste stream enhancement

Modular construction aligns seamlessly with our waste management strategies, as we always account for the lifecycle of our products from acquisition to disposal. Our chief objective in waste management is to establish uniform waste streams, facilitating efficient recycling processes. The process of refurbishing modules is a significant source of our waste. To keep materials in the circular economy loop, we continue to grow mono streams every year.



3. Permanent quality construction in all projects

In 2024, DHME implemented permanent construction quality regulations across all projects to ensure that buildings designed for semi-permanent use meet the highest standards for long-term durability. By adhering to these regulations, we guarantee that structures approved for extended use remain safe, efficient and compliant throughout their lifespan. This approach not only enhances the quality and reliability of our projects but also supports circular construction principles by enabling buildings to be easily refurbished and repurposed for future projects. By integrating these standards, DHME reinforces its commitment to sustainability and innovation in the built environment.



Metrics

Resources entering our organisation

Our commitment to sustainability involves rigorous tracking of the materials we utilise, focusing on the proportion of reused or biobased content. Despite the promising innovations in the construction industry, finding viable alternatives that comply with structural integrity and regulatory standards remains a significant hurdle. For example, current biobased insulation options fail to meet fire safety regulations, underscoring the obstacles we face in incorporating more reused materials into our projects. Nonetheless, we persist in exploring innovative materials, like eco-friendly concrete and additional timber options, as part of our continuous efforts in 2024.

Regrettably, the transition to more sustainable materials showed minimal progress from 2023 to 2024. While we experienced a slight increase in the production of modules, a higher occupancy rate led to fewer refurbishments, resulting in a marginal decrease in material consumption overall. Despite these challenges, there were no major shifts in the overall material composition of our modules.

Resources leaving our organisation: 80% refurbishment

At Daiwa House Modular Europe, we equate modular construction with adaptability. Our structures are designed for easy reorganisation or relocation, allowing us to adapt swiftly to evolving needs, uses and market demands. Instead of demolishing buildings that are no longer required, we opt for dismantling, preparing the modules for refurbishment and a subsequent new life elsewhere.

In May 2022, we engaged Sloopcheck to conduct a comprehensive study on the refurbishment rate of our modules, aiming to quantify the extent of material reuse. This study traced the journey of materials from dismantling an old project to the delivery of refurbished units to a new client, scrutinising the reuse process for each material type. The findings confirmed that we successfully refurbish 80% of our modules, and we have a strategic aim to increase this figure to 100%.

Overall total weight of materials used

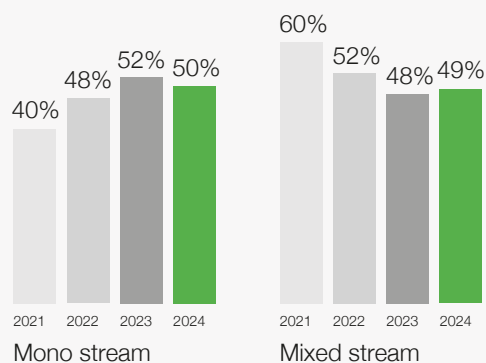
	2022	2023	2024	% Share 2024	% Virgin material	% Reused or recycled
Material (in tons)						
Sandwich panel	388	394	427	1	80	20
Steel reinforcement	593	602	652	2	5	95
Steel frame	4,473	4,543	4,921	16	3	97
Concrete	14,333	14,557	15,768	52	90	10
Pine wood	2,077	2,110	2,285	7	100	0
Fermacell	3,071	3,119	3,378	11	62	38
OSB	1,293	1,313	1,422	5	100	0
EPDM	111	113	123	0	100	0
EPS	182	185	200	1	80	20
Plastic window frame	250	254	275	1	100	0
Rockwool isolation walls	375	381	413	1	60	40
Rockwool isolation roof	244	248	269	1	60	40
Rockwool for fire proofing	40	41	45	0	60	40
Inside doors	75	76	83	0	100	0
Radiator	36	37	40	0	100	0
Marmoleum	198	201	218	1	89	11
Other	25	25	27	0	100	0
Total	27,766	28,199	30,546	100		

Waste

At Daiwa House Modular Europe, we adhere to the principle that waste only becomes waste when it's discarded without purpose. Our primary objective is to assign a meaningful use to every waste stream, treating materials returned to suppliers as valuable raw materials. Moreover, we are committed to reducing waste across all operations. During the design phase, careful selection of material dimensions is crucial. We aim to procure materials pre-cut to the exact sizes required for our production, streamlining the manufacturing process by minimising necessary adjustments and expediting production. Another key strategy is reducing packaging materials, working closely with suppliers to find the most effective solutions.

Thanks to our approach of completing modules to the greatest extent possible before they leave the factory, waste generation on construction sites is kept to a minimum. Any waste produced in our factories is responsibly managed through certified recycling partners.

Waste stream shares



Waste category

(in tons)	FY2021	FY2022	FY2023	FY2024	% Share 2024	Waste stream
Construction and demolition waste	3,758	3,476	3,888	4,598	90	
Concrete rubble	180	0	349	581	11	Mono
A-Wood				19	0	Mono
B-Wood	648	506	772	683	13	Mono
Construction and demolition waste (BSA01)	2,068	1,756	1,866	2,162	43	Mixed
EPS	4	40	47	72	1	Mono
Fermacell	142	207	200	398	8	Mono
Gypsum	43	15	6	14	0	Mono
Glass	8	47	14	0	0	Mono
Hard plastic (PVC pipes/profiles)	19	0	26	23	0	Mono
Insulation	300	313	312	146	3	Mono
Mixed rubble	106	291	0	143	3	Mono
Aerated concrete	6		0	0	0	Mono
Metal	37	173	151	184	4	Mono
C-wood		23	3	0	0	Mono
Paper and cardboard		106	116	92	2	Mono
Granite chips				6	0	Mono
Sandwichpanels				71	1	Mono
Cables			8	4	0	Mono
Industrial waste: non-hazardous	219	295	277	434	8,5	
Industrial waste	173	218	199	350	7	Mixed
Foil (plastic)	41	6	73	77	2	Mono
Plastic		67	0	0	0	Mono
Kit tubes (empty)	5	5	5	7	0	Mono
Other waste or unspecified: hazardous	12	33	139	50	1	
Asbestos-containing building materials				3	0	Mixed
Lead batteries				1	0	Mono
Aerosols	2	2	3	2	0	Mono
Paint/ink solid/pasty milieug(kvp)		8	8	14	0	Mono
Organic waste		14	106	16	0	Mono
PMD		2	5	6	0	Mono
Furniture		3	15	6	0	Mono
Electronics		1	0	2	0	Mono
Total	3,988	3,804	4,304	5,082	100	

Additionally, we emphasise the importance of waste separation to our staff through regular toolbox meetings, ensuring waste is appropriately sorted at the source, and we even recycle outdated protective workwear. Our recycling efforts are aimed at being cost-neutral, with significant reductions in waste streams contributing to our environmental achievements.

Despite these efforts, 2024 saw an overall increase of 17% in waste weight compared to 2023, correlating with a modest rise in module production for permanent building projects. Unfortunately, our intention to grow the number of mono streams—those consisting of a single type of waste—did not materialise. Ultimately, the number of mono streams declined to 50% of total waste. Firstly, this can be attributed to the opening of the new factory in Fürstenwalde, Germany. The generated mixed waste stream has grown more than seven times, and the percentage of mono streams compared to mixed streams was lower than in the Netherlands. And secondly, the total waste weight of mono streams has declined in the Netherlands in 2024 whereas in Germany almost 5 times compared to the previous year.

Resource use optimisation

At Daiwa House Modular Europe, our approach is not to demolish but to repurpose buildings. Within the Jan Snel divisions, module reuse accounted for 83,5% of our operations in 2024, with Jan Snel specialising in providing flexible housing solutions on a rental basis. When these buildings are no longer in use, they are returned to our factory for refurbishment, where it's found that 80% of the materials can be reused, with the remaining 20% disposed of responsibly.

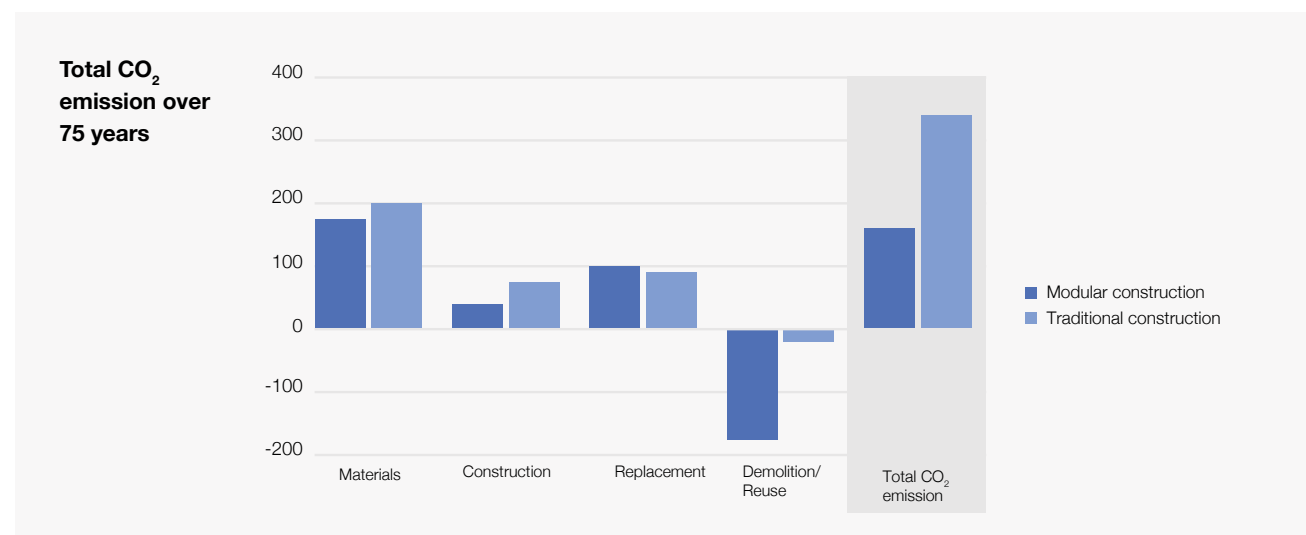
Similarly, the operations of Daiwa Modular Europe and Medexs, which are more long-term oriented, adhere to this principle of reuse. Our buildings are designed to be demountable, allowing them to be relocated and repurposed efficiently. This strategy underlines our commitment to resource optimisation, preferring disassembly over demolition to extend the lifecycle of our materials and structures.

GHG emissions avoided: modular building vs traditional building methods

Every construction project we undertake at Daiwa House Modular Europe contributes to a CO₂ footprint. We conducted a detailed comparison of the CO₂ emissions resulting from modular versus traditional construction methods, with our findings endorsed by EcoReview, experts in life cycle assessments (LCAs) and environmental product declarations (EPDs).

This comparative study focused on a structure spanning 6,000 m² over four floors, projected to have a 75-year service life. An independent assessment quantified the carbon footprint of both a modular and a traditional build, adhering to identical standards. Our review extended to aspects of industrial construction and the environmental advantages of module reuse over traditional demolition. The CO₂ footprint estimations were primarily derived using the NMD Determination Method 3.0, supplemented by CO₂ emission factors from www.CO2emissiefactoren.nl.

The outcomes indicated that modular construction by Daiwa House Modular Europe has 50% lower carbon emissions compared to conventional construction practices. This significant difference is due to our choice of materials, our efficient building process, reduced transport needs and notably, the reusability and refurbishment capabilities of our modules, which altogether contribute to markedly lower CO₂ emissions.





Partnerships for circularity

Daiwa House Modular Europe is committed to creating knowledge and partnerships to accelerate the transition from a linear to a circular economy. Some examples of our key partnerships are:

Knowledge sharing initiatives

Daiwa House Modular Europe is dedicated to promoting the principles of the circular construction economy. We engage in a broad range of activities to disseminate knowledge, including writing articles, as well as hosting and participating in webinars. Our articles are published both on our own platform and on external sites, ensuring that our insights reach a wide audience within and outside the construction industry. Furthermore, we read and participate in articles and webinars produced by other organisations to stay informed about the latest trends and advancements in circular construction. We are also active participants in industry roundtables, webinars and podcasts, all in an effort to both share and enhance our understanding of sustainable construction practices.

TU Delft – SUM (Symbiotic Urban Movement)

Daiwa House Modular Europe joined forces with TU Delft's SUM team for the Solar Decathlon, securing a commendable third place across several categories against competitors from

universities around the world. Following the successful conclusion of this collaboration, we eagerly anticipate engaging in future projects together. In 2023, a group of students toured our new Montfoort factory, Hall 17. In July 2024 a group of students and professors explored new ideas and designs following the modular building method.

Green Deal Timber Construction Covenant

Daiwa House Modular Europe has joined forces with over 80 entities to sign a covenant committing to ensure that 20% of the housing production in the Amsterdam Metropolitan Area (MRA) will utilise timber and other biobased materials by 2025. This initiative is projected to cut CO₂ emissions by around 220,000 tons and reduce nitrogen emissions each year. Securing the STIP certification marked a significant commitment for us towards the timber construction agreement, ensuring all our timber supplies are sustainably sourced. We are exploring the potential to substitute conventional materials in our units with timber. Looking ahead, we aim for 20% of our construction materials to be timber or biobased and are considering the feasibility of replacing traditional concrete floors with timber solutions.

Cirkelstad

Cirkelstad is an organisation focused on stimulating and accelerating the circular economy in the construction sector. They bring together various stakeholders, such as

governments, companies and knowledge institutions, to share knowledge and experience and establish joint circular projects. Cirkelstad assists in developing circular business models, promoting material reuse and creating sustainable construction solutions. Their partners include entrepreneurs (builders, consultants), housing associations, the Provinces, the Municipality of Utrecht, the Ministry of Internal Affairs and universities. Daiwa House Modular Europe joined Cirkelstad as a member to contribute to the transformation of the construction sector.

Accelerating Together: The New Normal

Aiming for a 'Circular Netherlands by 2050', the Dutch government requires the construction sector to accelerate its efforts. Initiated by Cirkelstad and the Dutch Ministry of Internal Affairs, this initiative seeks to fast-track circular construction through an audit model. This model, developed in collaboration with partners like government agencies, research institutes, NGOs and companies, will assess building circularity at various levels, acting as a comprehensive guide for circular practices. Daiwa House Modular Europe is part of the pioneering group involved in this effort. The initiative, known as The New Normal (Het Nieuwe Normaal), is gaining recognition, with clients incorporating it into their proposals. Participation in this program offers Daiwa House Modular Europe significant advantages as the industry progresses towards circularity.

Green paper

Alba Concepts and Cirkelstad have written a green paper about building within the carbon budget. If we continue on our current path, we expect the carbon budget in the Netherlands to be exhausted within seven years, which could mean a carbon lockdown. The goal outlined in the green paper is to stay within 1.5°C of global warming, which will require us to limit CO₂ emissions. Several leading parties are involved; Daiwa House Modular Europe has been chosen as one of the leaders in the field of circular construction and will contribute to the ambition set out in the green paper.

City Deal – circular and conceptual building

City Deal is a Dutch initiative that Daiwa House Modular Europe supports, with the collective aim of reducing the environmental impact of the construction sector and accelerating the transition to a circular construction economy. It is a collaboration of various companies, government institutions and knowledge platforms. It builds on existing networks and initiatives.

NEPROM

The NEPROM (Association of Dutch Project Development Companies) aims to promote cooperation between government and developers in realising real estate projects. Companies wishing to be a member of NEPROM must demonstrate good behaviour based on three core values: due care, integrity and social responsibility. For Daiwa House Modular Europe, the development and exchange of knowledge between the members was an important reason to join.

DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen, or German Sustainable Building Council)

DGNB is an independent non-profit organisation that plays a crucial role in promoting sustainable building practices. With its focus on sustainable construction, DGNB offers valuable resources, including guidelines and certification systems, such

as the renowned DGNB certificate. By aligning our projects with DGNB's standards, we can enhance the reputation of those projects, increase market value and contribute to a more sustainable built environment. Additionally, DGNB provides access for Daiwa House Modular Europe to a rich professional network, training opportunities and informative events related to sustainable construction. This partnership offers guidance and support to tackle sustainable challenges we may encounter.

Local Green Deal municipality Montfoort, NL

In collaboration with local businesses and governmental bodies, we're dedicated to accelerating the energy transition, exploring cooperative strategies to alleviate stress on the energy grid. This initiative ensures that all participating companies have adequate energy while enabling them to share surplus energy they've self-generated.

Financial effects of resource use and circular economy

The essence of the modular construction industry, deeply ingrained in Daiwa House Modular Europe, is the efficient utilisation of resources through material reuse. Our approach to construction not only extends the lifecycle of materials across various applications but also aligns closely with circular economy principles—reusing, refurbishing and recycling materials to foster additional revenue channels.

Scepticism regarding the architectural viability of modular construction diminishes as its benefits become apparent. Utilising modules in construction and embracing circular economy practices distinguishes us from conventional builders, highlighting our dedication to sustainability. Historically, our modular units, particularly in rental ventures, have been repurposed for diverse uses such as schools and offices.

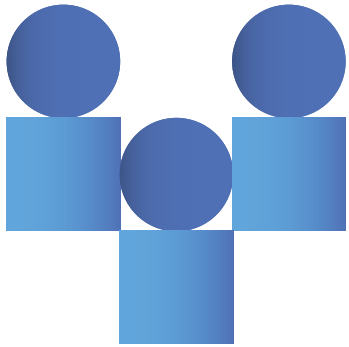
Challenges like resource scarcity and price fluctuations pose risks to the broader construction sector and to us. However,

the standardisation inherent in modular construction promotes efficient material usage, reducing reliance on scarce raw materials. Our preference for materials with high recycled content, like steel with 95% recycled content, mitigates resource scarcity and price fluctuation risks.

Constructing in a controlled factory setting not only minimises waste but also enhances material recycling. Through meticulous planning and precise production, we achieve cost savings and lessen our environmental footprint, fully embracing the circular economy.

This circular approach opens avenues for market expansion and financial gains for Daiwa House Modular Europe. While circular economy principles offer advantages, they also introduce risks, particularly in sourcing consistent, high-quality recycled materials. Challenges in maintaining material quality may lead to increased costs or sourcing difficulties, necessitating rigorous testing and certification to ensure compliance and performance.

Despite potential obstacles, our commitment to sustainable material use and minimising environmental impact remains steadfast. However, the competitive landscape is evolving, with new entrants and traditional firms adopting circular practices. To maintain our industry leadership, we must continually innovate and improve, leveraging our six decades of experience while staying agile in the face of changing market dynamics.



Social



Introduction on Social

In this section, we underline our commitment to being an exemplary employer, championing excellent employment practices, diversity and inclusion, and offering ample opportunities for personal and professional growth. Our goal extends to ensuring a safe, healthy work environment for all team members, including those from staffing agencies, in collaboration with our external partners.

Our dedication also encompasses addressing broader social issues through our housing solutions, like mitigating the housing shortage and responding to public emergencies, including the refugee crisis and the challenges related to seismic activity in the north of the Netherlands. This segment details our approach to these critical social topics, as identified in our materiality assessment.

“While we focus on our current business, we strive to also take responsibility for the future of society.”



– Nico Vester,
Head of HR

Roadmap: our long-term social targets

Theme	2023	2024	2025	2030	2050
Being a good employer	Absenteeism rate: 5.64%	5.04%	<5% ³	<4.5% ³	<4.5% ³
	Employee engagement: 6.6% ¹	66% ²	70% ²	75% ²	75% ²
	Diversity & inclusion: (women in management/women in team leadership) 1.5%/9%	2.9%/7.3%	>5%/10%	20%/30%	20%/30%
Working safely	Safety Culture Ladder: level 3	level 3	level 4	level 5	level 5
	Fatal accidents: 0	0	0	0	0
	Injury Frequency (IF): 6.43	10.43	<2	<1	<0.5
Access to affordable homes	2,550 houses: - 2,130: Students/Starters/Singles - 300: Starters/Couples/Seniors - 120: Family/Migrant workers	1,435 houses: - 1,068: Students/Starters/Singles - 200: Starters/Couples/Seniors - 167: Family/Migrant workers	3,750 houses: - 3,000: Students/Starters/Singles - 425: Starters/Couples/Seniors - 325: Family/Migrant workers	8,000 houses: - 6,900: Students/Starters/Singles - 600: Starters/Couples/Seniors - 500: Family/Migrant workers	10,000 houses



¹ Different Survey ² More realistic target adjusted from 80 to 75% ³ Adjusted from <4 to < 5

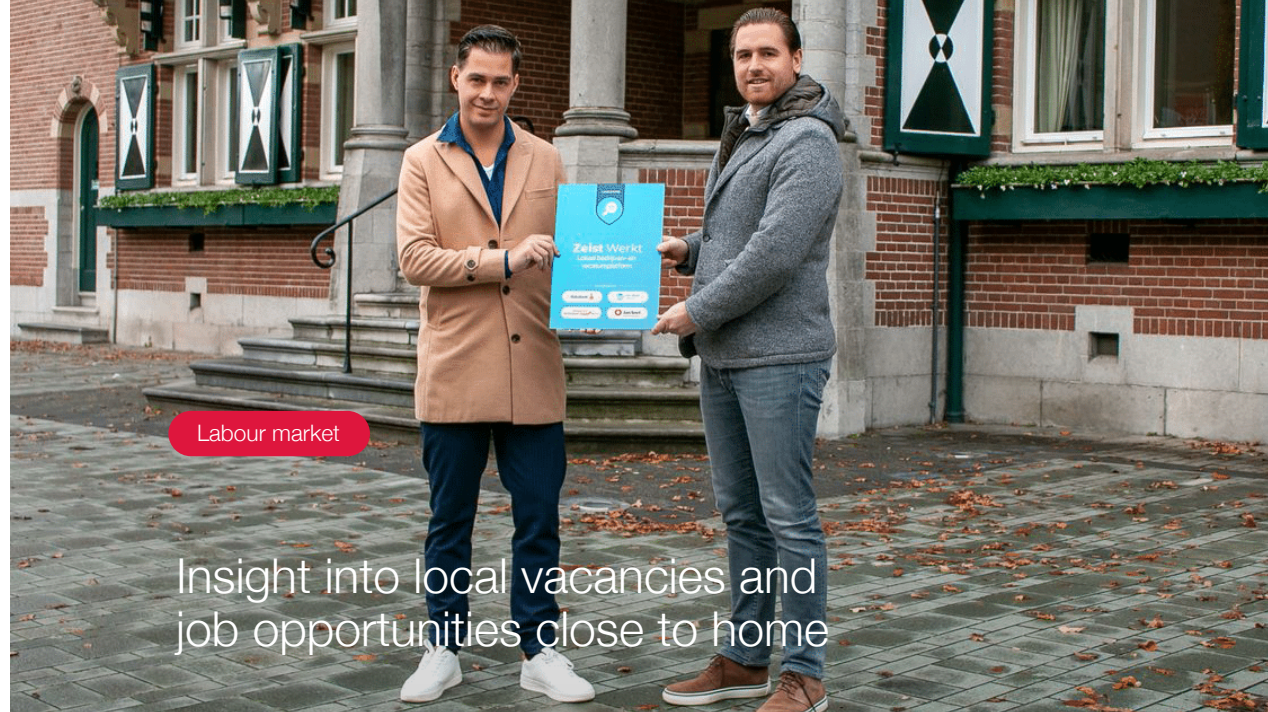


Significant advancements in 2024 included the further integration of our HR Management System, Personio, in our organisation and with other software for payroll and time registration, further structuring onboarding and offboarding activities, improving HR processes and introducing digital tools for onboarding and performance reviews. Together with IT, HR has made significant progress towards accessibility of real time data for managers, allowing for better decision-making and follow up, fully compliant with the General Data Protection Regulation (GDPR).

In 2024, we consolidated our workforce, with growth in Germany, due to the start off our production site in Germany. Our team grew to an average of 513 FTEs, a net decrease of 7 FTE, with an increase from 59 to 100 in Germany. We welcomed 168 new colleagues, which meant that almost 33% of our workforce were dedicated to onboarding and integration. With 120 leavers, our focus on refining recruitment and onboarding processes, and engaging and maintaining our workforce, has been critical.

Looking ahead to 2025, enhancing our onboarding programs and nurturing a culture that values diversity and inclusion remain priorities. Managerial training will still be pivotal in supporting a diverse workforce.

In a competitive labour market, we have employed proactive recruitment strategies to attract talents across generations in both Germany and the Netherlands. To foster our culture and values and build on stability in our workforce, we further partner with external staffing agencies. With our Applicant Tracking System, we will further professionalise our recruitment and selection processes, continuing to build our own network of potential candidates and activate new sources for filling our vacancies, so we are less dependent on recruitment and secondment agencies. With initiatives like a structured apprentice program aiming to welcome 10-20 young employees and/or employees with distance to the labour market in 2025, we're committed to enhancing diversity and inclusion, addressing the labour market's challenges head-on and fulfilling our social return on investment (SROI) responsibilities.



Jan Snel and its parent company Daiwa House Modular Europe are already involved with Montfoort Werkt, Gouda Werkt and Oudewater Werkt. These collaborations are now joined by a partnership with Zeist Werkt and De Bilt Werkt. "We think it is important to be visible in the community and this partnership contributes nicely to that," says Lars van Zandwijk, commercial manager at Jan Snel.

Ben Breedveld, founder of platform Uw Stad Werkt (Your City Works), is pleased with the partnership with Jan Snel. "Residents often cannot even name ten companies in their own area, let alone the current vacancies," he said. "Uw Stad Werkt changes this by clearly displaying all local companies and current vacancies. In this way, the platform brings employers and jobseekers together." Jan Snel is open to all kinds of employees: young, old, enthusiastic, experienced, from

home and abroad and more. As a job creator, the company always finds solutions with partners and facilitates a suitable workplace. 'In our factories, we always work with buddies: teams of two people. We always pair new employees with our experienced colleagues: the experienced colleague can train the new employee. Sometimes this new person does not yet have sufficient technical knowledge; in other cases, they do not yet have the Dutch language skills. That does not matter to us. We are open to everyone, including people with a distance to the labour market. With the help of a permanent core team, we are able to offer everyone the right workplace, and we are proud of that. "In the friendly team, there is always room for new colleagues. With more people, we can realise more homes and thus contribute to the great housing shortage," Lars concludes. "That gives social impact."

Working conditions

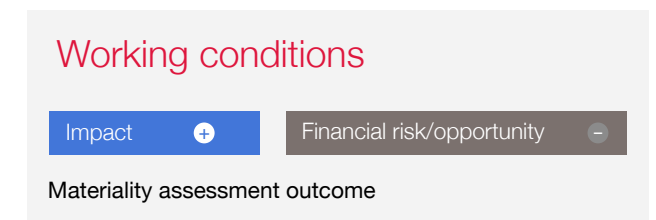
Material impact and risk

Topic	Impact	Risk
Working conditions overall	Daiwa's actual positive impact on people through working conditions relates to key factors such as secure employment, working time, adequate wages and social dialogue. Ensuring proper conditions includes respecting workers' rights to freedom of association, the existence of works councils, and providing information, consultation and participation rights. Additionally, collective bargaining, including the rate of workers covered by collective agreements, plays a crucial role in fostering a fair and supportive working environment.	Daiwa's actual risk, due to scarcity of qualified labour: The shortage of technically qualified personnel in the Dutch/European labour market.

In 2024, a lot of attention was given to Germany, with the production startup and getting all processes and procedures up and running in a challenging environment. Employees from the Netherlands and United Kingdom were seconded to Germany to train and coach new employees, temporary staff and agency workers. New local HR Officers gradually took over all HR related issues from the Corporate HR department. In a challenging environment, with support from the HR Corporate team, the two newly recruited HR Officers and local expertise from our payroll provider, we managed to make the transition as smooth as possible, without major disruptions in recruiting, onboarding and payrolling. In the summer, we implemented and communicated our first company policies for Germany, containing the most relevant policies on social working conditions. In maturing the organisation, we will further refine and adjust the policies to accommodate development and further growth.

In the Netherlands, just before summer, our newly elected first Workers Council was established after a few months of preparation. We hired external expertise to help with the process and to give the Workers Council a quick start. With little union involvement, we now have a formal true representing body of employees and agency workers for our social dialogue. With management and the Workers Council still on a learning curve, the first few months after installing our Workers Council have already proven its worth, with the involvement and advice of our Workers Council supporting better decision-making.

Our policies



Objective

This policy outlines Daiwa House Modular Europe's commitment to making sure working conditions for our workforce are in balance with our employee value proposition, attracting and retaining high performing and talented employees in a competitive environment. The policy addresses the following social impact and risk relevant to our operations and value chain:

- Secure employment
- Working times
- Adequate wages
- Social dialogue

Key content

Secure employment

To accommodate fluctuations in the workload, we use a substantial flexible workforce, both in the office and especially in production, which allows us to scale up and down relatively easily. We do this with fixed partners who, for a fee, partially take on the risk for our permanent staff.

With these partners, we have framework agreements focused on reliability, safety and maintaining quality. Most employees in production start with a temporary contract, which is only changed to unlimited after one year. The ratio of permanent employees to hired staff varies by department, office and/or production, but can range from 90-10% to 20-80%.

Working times

In our company policies, we regulate working hours in the offices and production locations, which varies per location, including mandatory breaks and vacation periods, in accordance with our employment conditions and the guidelines of the Working Hours Act. All employees register hours worked on a weekly basis, which are approved by the manager. Each week managers receive a report in their UKG (our time registration tool) with excessive hours worked for follow up.

Adequate wages

At Daiwa, we adhere to European Union and national legislation of adequate wages, fair wages and minimum wages. All employees at Daiwa receive a wage above the fair wage. In our employment conditions we indicate our labour market positioning. With the exception of a small group of drivers – who fall under the Collective Labour Agreement for Professional Goods Transport – we unilaterally determine employment conditions, reflecting labour market developments in the countries where we operate, particularly in the construction and installation sectors. When establishing and adjusting our employment conditions, we seek advice from specialists. We also use our annual Employee Experience Survey as input for any adjustments to our employment conditions.

Our actions to achieve our targets*

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Working conditions	- Set up Workers Council.	- New function matrix. - Improved reporting and dashboards UKG (time registration system)/Power BI.	- Benchmark positions and salary scales. - Professionalise compensation and benefits.

Social Dialogue

On a regular basis, the Board of Directors and the head of HR discuss various topics with the Workers Council, the official representatives of our employees, which was established in June 2024. Via our Bundeling app, employees are informed of important and interesting topics and are often invited to give comments. As a former family business, our culture is still very informal, which leads to a continuous dialogue between the Board of Directors and employees. Three percent of all employees are part of a collective labour agreement for professional goods and transport, and 97% of all employees are part of our company conditions package. About 99% of agency workers also follow a collective labour agreement, with the primary conditions based on our company conditions.

Scope

This policy applies to all workers in offices, manufacturing sites and Daiwa House Modular Europe's drivers on the road.

Accountability

The Chief Finance Officer holds the highest level of accountability for the successful implementation and execution of this policy and has delegated this to the Head of HR. The Head of HR reports directly to the CFO.

Third-party standards

None.

Monitoring

The implementation of this policy is monitored with monthly reporting and follow up, Workers Council involvement and employee experience feedback. An HR and Safety Committee reviews progress, and the sustainability committee conducts quarterly assessments and reports findings to the executive board.

* Actions have been identified to increase our social impact inside and outside our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation.



Flex homes

**Dronten,
The Netherlands**

**Clients:
Municipality of
Dronten and OFW**

Working together with Municipality of Dronten and Oost Flevoland Woondiensten (OFW), we completed the realisation of 62 flex homes on Educalaan in Dronten. This project proves what is possible when you combine cooperation, innovation and decisiveness. Within just 1.5 years, the homes were designed, built and installed, enabling us to offer young people, refugees and people seeking emergency accommodation a home and contribute to alleviating the housing shortage in the region.



62
Number of
homes



1.5 years
Development and
construction time

At Daiwa House Modular Europe, we are proud that our modular construction solutions are helping to build faster and more sustainable homes. The project in Dronten is a perfect example of how together we can contribute to a flexible and future-proof housing stock.

Harry van Zandwijk, CEO DHME, said: "This project shows how fast and high-quality housing can be realised if we work together. It's not just about buildings, but about people and creating a place they can call home."

Noek Pouw, Managing Director at OFW, said: "We are very proud to have managed this acceleration project with combined efforts. This will grow the social housing stock in Dronten for the third year in a row."

Mental health

Material impact

Topic	Impact
Mental health	Daiwa's actual, negative impact on people through mental health involves the pressures of tight deadlines, high workloads and physically demanding tasks, which can lead to stress, anxiety and burnout. Poor mental health can reduce productivity, increase absenteeism and negatively affect overall well-being.

Maintaining the health and well-being of our employees is important at Daiwa House Modular Europe, as we firmly believe that well-being directly correlates with performance and sustainable outcomes. Ensuring the physical and mental health of our team is a top priority, fostering an environment that supports vitality and promotes the advantages of a healthy lifestyle, not only in the workplace but also through a broader, holistic perspective.

Vitality



In individual cases, our health care provider supports us getting employees back in the workplace, might they have fallen sick due to mental or physical illness. Mental Health, as one of the building blocks from our vitality program, is regularly put on the agenda.

Our policies

Mental health

Impact

Materiality assessment outcome

Objective

This policy is focused on the Health component in the Health and Safety directive. The policy outlines Daiwa House Modular Europe's commitment to making sure all measures are in place stimulation sustainable employment, in balance with far-reaching customer requirements and challenges of our environment. The policy addresses the following social impact relevant to our operations and value chain: Mental health, tight deadlines and high workloads and physically demanding tasks.

Key content

Mental health

Mental health is one of the five themes of vitality (others are Physical Health, Healthy Food, Work Environment and Social Motivation). In our company policies, we have a full chapter focusing on health issues. We put great emphasis on prevention and have tools in place, might employees face health issues. Our health provider gives advice in individual cases and helps training managers and HR in dealing with employees with health issues. Every three years, we offer a voluntary health check to all employees and use the overall reporting for improved policies and procedures. With vitality and health initiatives, we keep the five themes alive.

Our actions to achieve our targets

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Mental health	- Voluntary medical check-up. - Embed in onboarding process for managers. - Offer eLearnings and workshops. - Vitality week '24.	- Voluntary medical check-up. - Vitality week '25.	- Embed in onboarding process for employees. - Embed vitality and health activities in our annual cycle. - Involve (semi-) permanent agency workers. - Tender health care provider and updated processes.

Tight deadlines and high workloads

Most projects and regular activities can be planned long-term, with added idle time for unforeseen circumstances. Deadlines in our projects and processes are carefully monitored by management and discussed by various stakeholders before these are established. We handle variations in our workload with overtime, extra agency workers or temporary staff. Sometimes work is outsourced.

Physically demanding tasks

Physically demanding tasks are part of Working Environment, which is one of the five themes of vitality (others are Mental Health, Physical Health, Healthy Food, Work Environment and Social Motivation). Risks in the working environment are inventoried and mitigated within the legal framework of each country we operate in and updated every three years. All employees in the offices, manufacturing sites and drivers on the road, have the tools to reduce physically demanding tasks. Managers make sure these tools are used properly, and they are checked on a regular basis. Mini breaks and lunch breaks are mandatory in production locations as well as for the drivers on the road.

Scope

This policy applies to all of Daiwa House Modular Europe's workers in offices, manufacturing sites and drivers on the road.

Accountability

The Chief Finance Officer holds the highest level of accountability for the successful implementation and execution of this policy and has delegated this to the Head of HR. The Head of HR reports directly to the CFO.

Third-party standards

None.

Monitoring

The implementation of this policy is monitored with monthly reporting and follow up, Workers Council involvement and employee experience feedback. An HR and Safety Committee reviews progress and reports findings to the executive board.

Diversity and inclusion

Material impact

Topic	Impact
Diversity and inclusion	Daiwa's actual, positive impact on people through diversity involves the promotion of an inclusive workplace that values different backgrounds, perspectives and experiences. A lack of diversity can lead to a less innovative and less dynamic work environment, while fostering diversity enhances creativity, problem-solving and employee engagement. By embracing diversity in hiring, leadership and decision-making, Daiwa can create a more equitable and productive workplace, promoting equal opportunities for all employees and reflecting a broader range of ideas and experiences in its operations.

Daiwa House Modular Europe is wholeheartedly committed to fostering a culture of support and inclusivity within our team. Advancing diversity and rooting out discrimination are key priorities for us, and we aim for a workforce that mirrors the diversity of society itself. We strive to ensure that every employee and applicant receives equal opportunities, with respect and appreciation for each individual's contributions, allowing them to thrive. Our commitment extends to guaranteeing equality and fairness regardless of age, disability, gender identity, marital status, pregnancy and maternity, race, religion or belief, or sexual orientation. We ensure equitable treatment for all staff, whether part-time, full-time or temporary, maintaining a workplace where respect is paramount. Selections for employment, promotions, training or any benefits are made purely on the grounds of individual qualifications and abilities. We actively support and motivate all employees to reach their full potential and bring their unique skills to the fore. This not only fully leverages our organisational skills and resources but also enhances the productivity and efficiency of our entire workforce. However, actions and results to increase diversity and close specific gaps have not yet delivered.

Aiming to appeal equally to men and women, in 2023 we increased our female workforce to 72 FTEs, up from 70 FTEs in 2023. The percentage of women working part-time increased to 42%, while male part-time employees increased to 5%, widening the gap. The pay gap has narrowed to 1.21%, favouring male employees. Currently, we have four female managers, with only one in a senior management role. While we are encouraged by the increase in female hires and the narrowing pay gap, it's evident that further efforts are needed to ensure equal opportunities for all. We're exploring ways to make our workplace more appealing to all genders, including part-time opportunities for better work-life balance and hybrid work models to reduce commuting.

Addressing diversity and inclusion challenges is complex, as these values are still being integrated into our core culture. We debated this with our Supervisory Board and Board of Directors, concluding it would help if these entities would be more divers to set the example. We recognise the need for continuous improvement in our policies and practices to truly embody the principles of diversity and inclusion.

Our policies

Diversity and inclusion

Impact +

Materiality assessment outcome

Objective

The policy outlines Daiwa House Modular Europe's measures to promote diversity and inclusion. The policy addresses the following social impact relevant to our operations and value chain.

Key content

At Daiwa House Modular Europe, we are dedicated to cultivating a diverse and inclusive workplace where all employees feel valued, respected and safe. Discrimination or bias based on factors such as ethnicity, gender, age, sexual orientation, religion, disability or any other protected characteristic is not tolerated. To achieve our diversity goals, we commit to the following principles:

- **Inclusive hiring practices:** Ensuring recruitment strategies attract a diverse pool of candidates, free from bias.
- **Equal growth opportunities:** Promoting fair access to career advancement, leadership roles, and professional development programs.
- **Employee support programs:** Providing mentorship, training, and awareness initiatives to foster an inclusive company culture.

- **Leadership commitment:** The management team actively champions diversity initiatives and ensures policies are enforced consistently.

We have identified our gaps in diversity, and our derived actions, and we report on progress and next steps to the HR and Safety Committee of the Supervisory Board and to external parties like Social and Economic Council (SER).

Scope

This policy applies to all workers in offices, manufacturing sites and Daiwa House Modular Europe's drivers on the road. It excludes agency workers.

Accountability

The Chief Finance Officer holds the highest level of accountability for the successful implementation and execution of this policy and has delegated this to the Head of HR. The Head of HR reports directly to the CFO.

Third-party standards

None.

Monitoring

The implementation of this policy is monitored with annual reporting and follow up, Workers Council involvement and employee experience feedback. An HR and Safety Committee reviews progress and reports findings to the executive board.

Our actions to achieve our targets*

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Diversity and inclusion	- Diversity Lunch. - Identify specific vacancies for women.	- Diversity Lunch '25. - Significant improvement in inclusion (5-7%) through hiring process.	- Add at least two women to Supervisory Board and/or Board of Directors. - Further embed diversity and inclusion in our corporate identity and policies. - Inclusion consistently above industry average.

* Actions have been identified to increase our social impact inside and outside our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation.



The Future of student housing

Student homes

On 25 September 2024, Daiwa House Modular Europe proudly delivered the modular BalPol IV student complex to DUWO Student Housing. Since early October, students have found their new home in this unique project located near TU Delft. The complex consists of 136 sustainable and comfortable studios, offering communal indoor and outdoor spaces as meeting points.

The BalPol IV student complex is designed to provide an inspiring living environment where innovation and sustainability are central. This project stands out due to its rapid realisation through modular construction methods, demonstrating that sustainable and future-proof building can be both efficient and high-quality.

The collaboration with DUWO Student Housing aimed to address the growing demand for student accommodation in Delft. The project involved the construction of 136 modular studios, each designed to offer a comfortable and sustainable living space for students. The complex also includes communal areas that foster a sense of community and provide spaces for social interaction.

The BalPol IV student complex has had a significant positive impact on student housing:

- **Sustainability:** The studios are built with sustainable materials and technologies, ensuring a minimal environmental footprint. This aligns with Daiwa House Modular Europe's commitment to eco-friendly construction practices.
- **Efficiency:** The use of modular construction methods allowed for the rapid completion of the project, reducing construction time and minimising disruption to the surrounding area.
- **Quality of life:** The well-designed studios and communal spaces provide students with a high-quality and comfortable living environment that supports their academic and personal development.

Harry van Zandwijk, CEO of Daiwa House Modular Europe, stated: "The BalPol IV student complex is a perfect example of how we can build efficiently while creating sustainable and high-quality living environments. Together with DUWO Student Housing, we have realised an innovative housing solution that contributes to the future of student housing. I am proud of our team and the collective effort to provide students with a place where they can feel at home and thrive."

Work-life balance

Material impact

Topic	Impact
Work-life balance	Daiwa's actual negative impact on people through work-life balance involves managing the balance between employees' professional responsibilities and personal lives. Poor work-life balance, characterised by excessive working hours, unpredictable schedules or insufficient rest, can lead to stress, burnout and reduced job satisfaction.

Our Employee Experience Survey shows the work-life balance experience of our employees is a little lower than but similar to the overall market. Dashboards are available for managers to monitor overtime and extra hours from their team and to actively spread workload. Overtime for production employees can be mandatory, but often employees volunteer for working overtime and like the extra cash. Our managers make sure overtime is spread across the team, balancing employees wishes with acceptable sustainable employee deployment. We have special family leave available, which employees use sufficiently to reduce their working time to attend special events in their private lives.

Our policies

Work-life balance

Impact

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to making sure employees maintain a healthy work-life balance throughout their professional career. The policy addresses the following social impacts relevant to our operations and value chain:

- Excessive working hours
- Unpredictable schedules
- Insufficient rest
- Family-related leave

Key content

Excessive working hours

In our company policies, we regulate working hours in the offices and production locations, which varies per location, including mandatory breaks and vacation periods, in accordance with our employment conditions and the guidelines of the Working Hours Act. All employees register hours worked on a weekly basis, and these are approved by the manager. Each week, managers receive a report in their UKG (our time registration tool) with excessive hours worked for follow up.

Unpredictable schedules

Only on-call workers by contract have irregular schedules. We have a limited number of on-call workers. All other workers

Our actions to achieve our targets*

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Work-life balance	- 5.92% extra family-related special leave.	- Significant improvement to work-life balance (5-7%).	- Work-life balance > industry average.

have a regular schedule based on their hours per week, in production or office positions. Whenever overtime is required, employees are entitled to refuse, for valid private reasons. Managers make sure overtime is spread across team members.

Insufficient rest

In our company policies, we regulate not only working hours in the offices and production locations, but also mandatory breaks and vacation periods, in accordance with our employment conditions and the guidelines of the Working Hours Act. Breaks are mandatory in production and are logged in our time registration system. In our offices, we allow more autonomy, but the manager is responsible for monitoring. Excessive working hours are reported weekly to the manager for follow up. In our company policies, accrued leave should be taken in the year accrued. Only limited leave can be carried forward. The employee, the manager and HR have an overview of the actual leave balance of all employees at all times, for checks and follow up.

Family-related leave

In our employment conditions, we have special leave opportunities for all kinds of events that can occur in family life, helping employees maintaining a healthy work-life balance. The events range from giving birth and bereavement to

anniversaries, childcare and taking care of a sick family member. Special leave is tracked and recorded in our time registration software.

Scope

This policy applies to all workers in offices, manufacturing sites and Daiwa House Modular Europe's drivers on the road.

Accountability

The Chief Finance Officer holds the highest level of accountability for the successful implementation and execution of this policy and has delegated this to the Head of HR. The Head of HR reports directly to the CFO.

Third-party standards

None.

Monitoring

The implementation of this policy is monitored with weekly reporting and follow up by the manager, regularly with the Workers Council and once a year with an employee experience survey. An HR and Safety Committee reviews progress and reports findings to the Supervisory Board.

* Actions have been identified to increase our social impact inside and outside our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation.



Enhancing diagnostic imaging at AniCura Medical Centre for Animals

Medical

On 12 July 2024, Medexs facilitated the installation of the MAGNETOM Semptra MRI system at the AniCura Medical Centre for Animals (MCD) in Amsterdam. This significant upgrade has substantially improved the centre's diagnostic imaging capabilities, reinforcing AniCura's commitment to providing top-tier veterinary care.

AniCura has rapidly grown into an internationally recognised brand in veterinary medicine, with over 450 animal clinics across Europe, including 100 in the Netherlands. Known for its high-quality veterinary care, AniCura's MCD in Amsterdam is one of the largest animal clinics in the Netherlands, second only to the University Clinic in Utrecht. Operating 24/7, MCD handles referrals from veterinarians and emergency cases, employing over 110 staff across five departments, including Radiology.

Recognising the need for advanced diagnostic imaging, Medexs partnered with AniCura to replace the outdated MRI system at MCD. The existing MRI technology was no longer meeting the detailed

imaging requirements necessary for accurate and timely diagnoses. The decision was made to invest in the MAGNETOM Semptra MRI from Siemens Healthineers, a system optimised for the veterinary market.

The introduction of the MAGNETOM Semptra MRI system has had a transformative impact on the diagnostic capabilities at MCD:

- **Enhanced diagnostic accuracy:** The new MRI system provides high-resolution images, enabling more precise diagnoses in areas such as neurology, oncology, musculoskeletal and cardiac imaging.
- **Improved efficiency:** With advanced AI functionalities, the MRI system streamlines the imaging process and allows for quicker diagnosis and treatment.
- **Increased capacity:** The upgraded MRI system has expanded the clinic's capacity to handle more animals, thereby reducing waiting times and improving overall animal care.

Training and skills development

Material impact

Topic	Impact
Training and skills development	Daiwa's actual, negative impact on people through training and skills development involves providing employees with opportunities to enhance their skills and knowledge. Adequate training ensures that workers stay updated with industry advancements, improving job performance and career growth. A lack of training and development can result in reduced productivity, job dissatisfaction and limited career progression.

With more focus on optimising our core processes in 2024, we saw less investment in individual or group training for skill development or next steps, even if parts of these trainings were subsidised.

All safety and mandatory training are carried out and fully embedded in our day-to-day operations. In our performance management cycle, development and gaps are discussed and actioned, wherever necessary.

Our policies

Training and skills development

Impact

Materiality assessment outcome

Objective

The policy outlines Daiwa House Modular Europe's commitment to training and skills development, in balance with far-reaching customer requirements and the challenges of our environment. The policy addresses the following social impacts relevant to our operations and value chain:

- Stay updated with industry advancements
- Improve job performance
- Support career growth

Key content

Stay updated with industry advancements

In our company policies, we have a full chapter focusing on training and development. Managers make sure employees have all the necessary training, certification and qualifications to perform their tasks, adhering to national and international legislation. Employees and managers share responsibility to maintain legal certification and regularly check on the required skill set. Employees are trained by the vendor or training companies on new equipment, software and/or legislation, and these are embedded in our corporate management system, wherever required.

Our actions to achieve our targets*

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Training and development	- Review our function matrix and add minimum training and competencies requirements. - Embed in onboarding.	- Finalise function matrix and link to capability building needs. - Significant improvement in training (5-7%) based on current gaps.	- Create curricula per function group. - Make these available for all. - Link to our performance cycle. - Embed in our corporate culture a continuous learning culture. - eLearning, workshops and other training facilities for all via a Learning & Development platform.

Improve job performance

In our annual performance reviews between manager and employee, gaps in performance are identified and mitigated via extra training or coaching on the job.

Support career growth

In our company policies, we have a full chapter focusing on training and development. In the annual performance review between manager and employee, career opportunities, ambitions and restrains are discussed and registered. Within the restrictions of budget and time, employees are stimulated to come up with learning and development opportunities for horizontal or vertical mobility, or in-depth knowledge.

Scope

This policy applies to all workers in offices, manufacturing sites and Daiwa House Modular Europe's drivers on the road.

Accountability

The Chief Finance Officer holds the highest level of accountability for the successful implementation and execution of this policy and has delegated this to the Head of HR. The Head of HR reports directly to the CFO.

Third-party standards

None.

Monitoring

The implementation of this policy is monitored with monthly reporting and follow up, Workers Council involvement and employee experience feedback. An HR and Safety Committee reviews progress and reports findings to the executive board.

* Actions have been identified to increase our social impact inside and outside our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation.



Inappropriate behaviour

Material impact

Topic	Impact
Inappropriate behaviour	Daiwa's actual, negative impact on people through violence and harassment in the workplace involves the risk of employees being exposed to abusive behaviour, bullying or harassment, which can create a toxic work environment. Such behaviour can lead to emotional distress, decreased job satisfaction and reduced productivity.

We are still fully committed avoiding incidents in the workplace, for both employees and agency workers. At one of our locations, two agency workers had a conflict, which had a severe impact on their colleagues. Working together with the agency firm, the Team Leader dealt with the situation decisively: both of the employees involved were sanctioned, and later that week, all employees were briefed in a toolbox meeting, with a focus on prevention. Besides this incident, only three other incidents were registered in 2024. This is a relatively low number; employees may see hurdles in reporting incidents. In the last quarter of 2024, we added two external confidential counsels, one via our external medical provider and the other from the Daiwa House group. These two channels should lower the threshold for employees reporting, might this be the cause of the low number of reports.

On 12 September 2024, the Jan van Goyen Medical Centre was inaugurated in the former Slotervaart Hospital in Amsterdam. This new medical centre breathes new life into the previously bankrupt hospital, adding essential medical facilities to the city and helping to reduce waiting lists.

The Slotervaart Hospital, once a vital healthcare institution in Amsterdam, faced financial difficulties and ultimately declared bankruptcy. The closure of the hospital left a significant gap in the city's healthcare infrastructure, increasing pressure on other medical facilities and lengthening waiting times for patients.

Recognising the urgent need for additional healthcare services, Jan van Goyen Medical Centre commissioned Medex to build a new OK complex in two wings of the former Slotervaart Hospital. Hemma Honders, director of Medical Centre Jan van Goyen, calls the opening of the

OK complex an important milestone: "With this new complex, we can reduce waiting times for planned care and offer the quality that our patients have come to expect from us and our parent company OLVG."

The opening of the Jan van Goyen Medical Centre has had a profound positive impact on Amsterdam's healthcare landscape:

- **Increased medical services:** The new centre offers a wide range of medical services, including specialised treatments and advanced diagnostic facilities, addressing the diverse healthcare needs of the community.
- **Reduced waiting lists:** By adding new medical provisions, the centre has significantly reduced waiting times for patients, ensuring timely access to essential healthcare services.
- **Community well-being:** The revitalisation of the hospital has restored a sense of security and well-being among residents, knowing that they have access to high-quality medical care close to home.

Our policies

Inappropriate behaviour

Impact

Materiality assessment outcome

Objective

The policy outlines Daiwa House Modular Europe's measures against violence and harassment in the workplace. The policy addresses the following social impact relevant to our operations and value chain.

Key content

At Daiwa House Modular Europe, we aim to ensure a safe working environment under the best possible conditions, where we interact with one another pleasantly and everyone feels free to be themselves. All employees should feel safe and treated with respect. In our company policies, we have a full chapter with our Code of Conduct, which contains all statements, guiding principles and measurements to prevent abusive behaviour, bullying or harassment. At start of employment, all employees sign for agreement and adhering to these policies as part of our onboarding process. In our introduction program, we emphasise the importance of following these directives. These guiding principles aims to help employees who are confronted with inappropriate behaviour to sanction the perpetrators, and to help managers identify and acknowledge inappropriate behaviour and give them tools for dealing with it. Confidential counsellors have been appointed within the organisation that employees can turn to if they need to report inappropriate behaviour. To maintain a positive and secure work environment, we commit to the following principles:

Our actions to achieve our targets*

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Inappropriate behaviour	- External confidence counsellors installed. - Reduced reported violations.	- Significantly improve Respect (5-7%). - Significantly improve Living company values (5-7%). - eLearning Code of Conduct.	- Respect and Living company values > industry average (63% vs 79% benchmark).

- **Zero-Tolerance Policy:** Any form of physical, verbal or psychological harassment, discrimination or violence will not be tolerated.
- **Clear Reporting Mechanism:** Employees can report incidents through a confidential and structured complaint process managed by HR.
- **Preventive Training & Awareness:** Regular workshops and training sessions will be conducted to educate employees on recognising, preventing and addressing workplace harassment.
- **Support for Affected Employees:** Victims of harassment or violence will have access to professional support, including counselling and legal assistance if necessary.
- **Enforcement & Accountability:** Violations of this policy will result in disciplinary action, including termination where appropriate.
- **Anonymous Reporting Option:** Employees can report violations anonymously to ensure safety and encourage reporting without fear of retaliation.

Agency workers are bound to the same policies via the framework agreements with the agency companies. We train our workforce on these policies on a regular basis.

Scope

This policy applies to all workers in offices, manufacturing sites and Daiwa House Modular Europe's drivers on the road.

Accountability

The Chief Finance Officer holds the highest level of accountability for the successful implementation and execution of this policy and has delegated this to the Head of HR. The Head of HR reports directly to the CFO.

Third-party standards

None.

Monitoring

The implementation of this policy is monitored with annual reporting and follow up, Workers Council involvement and employee experience feedback. An HR and Safety Committee reviews progress and reports findings to the executive board.

* Actions have been identified to increase our social impact inside and outside our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation.

Main achievements 2024

Performance measurements

1. Installation of first Workers Council in the Netherlands

In May 2024, Daiwa House Modular Europe embarked on a significant journey to install our first newly elected Workers Council as the official representative body for employees and agency workers. External expertise preparations started in January, leading to elections in April in three of the five constituencies. In May, the installation meeting was organised with the Board of Directors and the seven elected members. Later that year, they had their first meeting with the Board Committee HR and Safety for introduction and to exchange expectations. For a quick start, we organised external expertise for the Workers Council, so that members could gradually grow in their positions.



2. Improving employee well-being and diversity

In 2024, Daiwa House Modular Europe hosted our third annual Vitality and Health Week in September, focusing on comprehensive well-being, with activities spanning all five dimensions of vitality. The week started with a Diversity Lunch focusing on social motivation and cherishing our multicultural backgrounds. The lunch was a great success in all locations, with office and production employees and agency workers bringing food for sharing from their own cultures, mingling and eating together. With more than 200 active participants, we could taste lots of carefully prepared, original meals from Asia, Africa, South America and across Europe. The exceptionally high attendance rate is indicative of the strong community that sustains Daiwa House Modular Europe. For this occasion, our management added a paid extra half an hour to the lunch break. We hope to make this an annual tradition and embed this in our DNA.



3. Mental health and well-being initiatives

In 2024, Daiwa House Modular Europe reinforced its commitment to employee mental health and well-being through several key initiatives. The company published interviews with employees who had experienced significant stress, highlighting major stressors, symptom recognition, communication with managers and available resources. These articles reached over 60% of the workforce, fostering openness around mental health challenges. Additionally, DHME appointed local well-being ambassadors in all international office locations, empowering them to undertake locally relevant initiatives while promoting the European well-being program. Recognising a broad scope of common mental health complaints, the company established contacts with a range of mental health service providers to offer on-demand services for employees. Through these efforts, DHME aims to be recognised as an employer that emphasises promoting mental health and well-being, both in and outside the workplace.



Performance measurements

At Daiwa House Modular Europe, it is important to monitor our performance with respect to the well-being of our employees. For this reason, we have identified several indicators that are included in our management dashboards and discussed on a regular basis.

Our employees

In 2024, we employed 513 FTEs, of which 72 are women (14.0%), which is slightly higher than last year, 91% (93% in 2023) are permanent employees and 90% are full-time employees (95% in 2023). The average age of our employees is 44 years (43 in 2023). In addition to our own employees, Daiwa House Modular Europe also employs workers via employment agencies. The average number of workers from employment agencies in 2024 was 473 (295 in 2023).

The ratio of external to internal workers increased with 5.7% to 47.99%, which was caused by the startup of the German factory.

All full-time employee (FTE) numbers are reported using the average number of employees per month per year. As for headcounts the numbers are reported at the end of the reporting period (31 December). All data exclude Medexs data for 2024.

Information on employees by contract/gender (FTE)	2021			2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees	47	382	429	58	378	436	70	450	520	72	441	513
Number of permanent employees	35	317	351	44	324	368	65	419	484	66.1	402.6	469
Number of temporary employees	12	66	78	14	54	67	5	31	36	5.7	38.8	44
Number of full-time employees	29	363	391	35	355	390	57	438	495	42	419	460.8
Number of part-time employees	18	20	38	23	23	46	13	12	25	30	23	52.3
Number of workers via employment agencies (FTE, 40 hrs)			255			295			381			473

Information on employees by entity/country (FTE)	2021			2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Daiwa House Modular Europe Jan Snel BV - NL	28	258	286	32	241	273	39	279	318	40	277	317
Jan Snel Zuid BV - NL	5	66	71	7	68	75	8	73	81	7	70	77
Jan Snel Belgium NV - BE	1	10	11	1	9	10	1	10	11	2	10	11
Daiwa House Modular Europe Ltd - UK	3	6	9	3	6	10	4	4	8	3	4	7
Daiwa House Modular Europe GmbH - DE	4	5	8	6	9	16	9	20	29	12	30	42
Daiwa House CB GmbH - DE				1	3	4	3	27	30	8	51	58
Medexs - NL	6	37	44	8	42	49	6	37	43	0	0	0
Total	47	382	429	58	378	436	70	450	520	72	441	513

Gender distribution per age category	2024		
	Female	Male	Total
Below 30	65	17	82
Between 30 and 50	208	38	246
Above 50	190	28	218
Total	463	83	546

Headcount management category	2024		
	Female	Male	Total
Higher Management	25	1	26
Middle Management	22	3	25
Individual contributors	415	79	494
Total	164	83	545

Absenteeism

In 2024, the average absenteeism rate dropped from 5.64% to 5.04%, and in the Netherlands from 7.22% on average to 6.57%, which is still higher than the industry average of 6.03%. In 2024, we continued focussing on absenteeism, which led to a better controlled process, and to substantially reducing our long-term absence and the financial risks involved in social premiums.

To mitigate mental, physical and working environmental issues, based on the formal risk assessment, we offered a few locations a voluntary medical check-up, including lifestyle advice.

Absenteeism in %	2022	2023	2024
Average absenteeism	6.81	5.64	5.04
Daiwa House Modular Europe Jan Snel BV	5.70	5.22	5.86
Jan Snel Zuid BV	11.45	9.22	7.28
Jan Snel Belgium NV	1.15	3.36	2.18
Daiwa House Modular Europe GmbH	3.94	4.42	2.03
Daiwa House CB GmbH	1.10	3.41	1.32
Daiwa House Modular Europe Ltd	3.71	1.13	0.27
Medexs	9.21	5.60	

Long term vs short term absence* in %	2022	2023	2024
Short (< 8 days)	1.20	0.88	1.19
Middle (8 - 43 days)	1.21	0.75	1.33
Long (43 - 366 days)	3.70	2.54	3.01
Extra long (> 366 days)	0.29	2.47	0.71
Total	6.40	6.64	6.24

* Only NL. These figures are excluding Medexs.

Employee engagement and experience

In 2024, we had our first survey with the revamped approach, using a new tool for better understanding and reporting at lower levels in the organisation, allowing all managers with more than five respondents to have their own dashboard for action taking. We also added an external benchmark, to be able to compare ourselves with the external market and make better choices for focus areas. We aim to work on improving our employee engagement and experience at all levels; most managers will need to go through a learning curve for this, as they are not used to the approach.

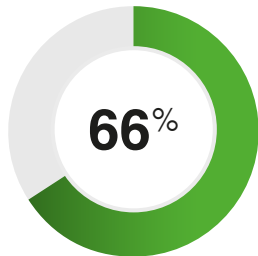
The Employee Experience Survey (EES) took place in October 2024, using a survey based on a best practice approach with scientifically validated questions, to add credibility. With a participation rate of 49% (51% in 2023) and a sufficiently diverse response rate to ensure validity, the overall engagement score was 66% (benchmark Dutch Industry 68%), Experience and expectations was 21% (28%) and Intent to stay 72% (66%). Results on other topics, like Diversity (Inclusion score 74%, benchmark 79%) and Work-Life balance 63% (70%) will be used on our ESG roadmap as well, as a starting point for improvements.

Employee Experience Survey	2024	Bench mark
Engagement	66%	68%
Experience and expectations	21%	28%
Intent to stay	72%	72%
Inclusion	74%	74%
Well-being	67%	75%



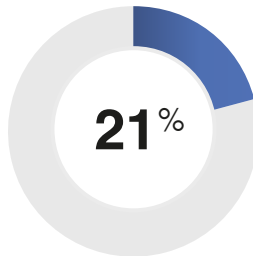
How to track Employee Experience?

Employee Engagement



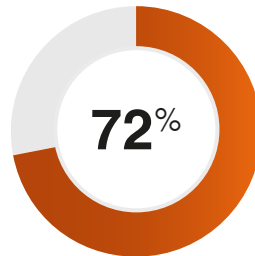
When your employees are engaged, they will be more motivated to achieve or exceed goals.

Experience and expectations



If the experience exceeds expectations, it is good for everyone. The % of expectations exceeded is shown above.

Intentions to stay



Intention to stay
Get a clear indication of how long your people currently want to stay with the company.



At Daiwa House Modular Europe, we are dedicated to enhancing biodiversity in the Netherlands, and 20 May 2024 was #WorldBeeDay. To support this cause, we gave away bee hotels as corporate gifts. These beautiful bee hotels not only beautify gardens but also play a crucial role in supporting our wild bee population.

Our bee hotels are crafted by Bijenhotelkopen.nl, a unique Dutch social enterprise. Bijenhotelkopen.nl operates with a strong social and sustainable mission, producing bee hotels in a social workshop where individuals with a distance to the labour market gain valuable work experience.

Through this collaboration, we are making a positive impact on biodiversity and social inclusion:

- **Promoting biodiversity:** By providing bee hotels, we are creating habitats for wild bees, which are essential pollinators for many plants and crops. This helps maintain and enhance local biodiversity.
- **Supporting social enterprises:** Our partnership with Bijenhotelkopen.nl supports a social enterprise that creates job opportunities for people with a distance to the labour market, fostering social inclusion and economic empowerment.
- **Raising awareness:** By gifting bee hotels, we are raising awareness about the importance of bees and encouraging others to take action to protect these vital pollinators.

We believe in the importance of sustainable initiatives and are proud to make a difference through our support of biodiversity and social enterprises. Celebrating World Bee Day with these meaningful gifts reflects our commitment to environmental and social responsibility.

Training and skills development indicator

In 2024, all employees within scope engaged in the regular performance and career development reviews, from which new joiners and leavers are excluded. We recorded 3,102 official training hours: 4% for Higher Management, 5% for Team Leaders and 91% for all others. Additionally, we organised nine introductory meetings, lasting five hours, for 62 of the newcomers. These figures do not account for eLearning courses (such as safety, compliance and data security training) and on-the-job learning, which are untracked.

Training hours	2022	2023	2024	%
Per gender				
Men	3,756	3,461	2,729	88
Women	412	366	373	12
Per management category				
Higher Management	151	117	124	4
Middle Management	73	338	169	5
Individual contributors	3,944	3,372	2,819	91
Per department group				
Office Jan Snel	253	189	367	12
Office DH Housing	290	379	412	13
Production Jan Snel	1,370	821	912	29
Production DH (Housing)	1,714	2,129	1,140	37
Support staff	223	170	180	6
Transport	320	139	100	3
Total	4,168	3,827	3,102	

Work-life balance indicators

All internal employees are entitled to family leave. External employees are entitled via the agency firms. Use of family leave increased by 5.92% between 2023 and 2024, with about same number of employees. In 2024, 25% of all employees (comprising 19.4% male and 5.39% women) took family-related leave.

Family leaves in hours (ex Medexs)	2022	2023	2024
Short care leave	551	406	416
Long care leave	0	0	71
Special leave	1,265	1,562	632
Additional birth leave	1,224	1,217	850
Paid parental leave	318	1,452	2,974
Unpaid parental leave	1,177	1,281	1,557
Emergency leave	0	40	78
Maternity leave		3,494	3,142
Medical absenteeism		2,046	2,459
Grand Total	4,534	11,498	12,178

Other social activities

We are part of the societies we operate in and try to be an active member.

- Via our Daiwa House Modular Europe Foundation, we supported an organisation helping 42 Ukrainian families in Kiev with a substantial donation.
- We have regular introduction meetings for school students and show them around our experience centre, trying to enthuse them about green building and our products.
- We sponsor TechnoHub, a cooperation of schools in our community, and help them with materials, instructions and events.
- We sponsor the Linschoten loop, a local sporting event, with participation from large groups of employees.

Other social disclosures

Fair remuneration

All employees at Daiwa House Modular Europe receive a wage above the fair wage.

Social security eligibility coverage

All employees in our own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to: sickness, unemployment starting from when own worker is working for Daiwa House Modular Europe, employment injury and acquired disability, parental leave and retirement. All employees have mandatory cover for social security in line with European law. Only self-employed people are not covered by the above and need to take private insurance to cover these risks.

Number of work-related discrimination incidents

Daiwa House Modular Europe reported six work-related discrimination incidents ranging from bullying to discrimination and conflicts. These issues have been handled via trained trust persons and measures have been taken to avoid repetition.

Differences in the provision of benefits to employees with different employment contract types

Apart from self-employed employees, all other employees with different employment contract types have the same provision and benefits.

Grievances and complaints received and resolved relating to workers' other work-related rights

Daiwa House Modular Europe reported no grievances and complaints received and resolved relating to workers' other work-related rights.

Collective bargaining coverage

3% of all employees on payroll are part of a collective labour agreement for professional goods and transport. 97% of all employees on payroll are part of our company conditions package. All agency employees are covered by a collective labour agreement.

Work stoppages

Daiwa House Modular Europe experienced no work stoppages due to disputes between labour and management, including strikes and lockouts during the reporting period.

Social dialogue

At Daiwa House Modular Europe, 100% of our own workforce is represented at the establishment level by our Workers Council. Unions are only involved for 3%.

Severe human rights issues

Daiwa House Modular Europe reports no severe human rights issues and incidents in the reporting period.

“Training plays a vital role in expanding our knowledge base and enhancing organisational efficiency.”

Working safely

Material impacts and risk

Topic	Impact	Risk
Health and safety (own employees)	Daiwa's actual, negative impact on own employees involves the risk of unforeseen events occurring in factories, construction sites or office environments. These events, such as accidents or exposure to hazardous conditions, can lead to illnesses, injuries or even fatalities, causing personal distress to employees and their families.	Daiwa's actual risk, as employees are exposed to unforeseen events that can occur within the factory or at the construction site, which can potentially cause illnesses, injuries or fatalities that can harm the employees' health, resulting in long-lasting health issues or even death. This can lead to business disruption, financial losses and reputational damage or legal claims. Failure to keep our employees physically healthy will impact our employee engagement, our corporate culture and productivity and hinder reaching our long-term goals.
Health and safety (workers in the value chain)	Daiwa's actual, negative impact on workers in the value chain involves the risk of unforeseen events occurring at suppliers, contractors or partner facilities, such as factories or construction sites. These events, including accidents or exposure to hazardous conditions, can result in illnesses, injuries or even fatalities, leading to significant distress for the affected workers and their families. It is essential for Daiwa to ensure that all partners in the value chain adhere to strict health and safety standards to protect workers' well-being.	

“Safety is a shared responsibility, from work floor to management. Only by working together we create a working environment where everyone goes home safely. We prove this every day by encouraging and correcting each other where necessary. Safety always comes first!”



– Edwin van Duivendijk,
Head of Quality, Health, Safety, and
Environment (QHSE)

Managing safety responsibly

This is how we aim to manage safety responsibly:

Safety awareness - From project manager to foreman, and from production worker to office worker. Everyone is aware of the risks.

Safety in the chain - In addition to our own people, we also ensure that clients, contractors, and subcontractors work safely.

Responsible at work - We stay alert and learn from each other. Everyone points out unsafe situations or risky behaviour to each other and we help each other solve it.

Direct action - Unsafe situations are reported and resolved immediately.

All our production and project locations are SCC and SCL certified. We ensure that there is a clear policy for noticing and reporting near-misses, accidents, unsafe situations,

and actions. We focus on this to such extent that not only the number of reports increases, safety improves as well. As a result, we are gaining a better understanding of potential risks. This is how we make our work a little safer every day. We are proud of this.





Safety Culture Ladder

1. Pathological

Who cares, as long as we don't get caught.

2. Reactive

Reliability is important, we do a lot every time we have an incident.

3. Calculative

We have systems in place to manage incidents.

4. Proactive

We continue to proactively work on issues that we still encounter.

5. Progressive

Working on High Reliability is an integral part of our primary process.

At Daiwa House Modular Europe, safety is not just a priority but a collective commitment integral to our operations. In our industry, despite the remarkable outcomes of our projects, the inherent risks of construction cannot be overlooked. Recognising and mitigating these risks through heightened awareness and dedication is our approach to embedding a culture of safety across all levels of our organisation.

The Health, Safety, and Environment (HSE) department plays a pivotal role in this endeavour, ensuring that safety consciousness remains at the forefront for every team member. By collaborating closely with project teams, the HSE department guarantees adherence to all safety, labour and environmental regulations and standards.

Our commitment to safety is matched by our dedication to continuous improvement, driven by active solicitation of employee feedback. Learning from experiences to minimise risks ensures that safety remains our utmost concern at every project site, production facility and office. This commitment is how safety becomes more than just policy – it becomes a fundamental part of our DNA.

Safety culture

Safety culture at Daiwa House Modular Europe is fundamentally about how deeply embedded and actively pursued safety is within our organisation. A robust safety culture is one where the entire organisation, from the ground up, prioritises safety, fully recognising its importance. This culture fosters an ethos of “we work safely, or we do not work at all,” aligning with the highest ideals of the Safety Culture Ladder (SCL) – a framework for evaluating safety awareness and behaviours within companies.

We believe in working safely together. We have defined the following seven behavioural rules:

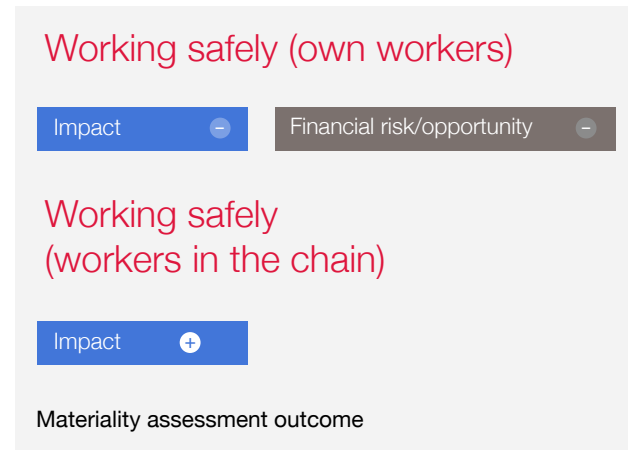
1. We believe safety is a joint responsibility.
2. We allow ourselves to be called to account and confront others about unsafe behaviour.
3. We take immediate action and report all unsafe situations.
4. We work, if we are qualified to do so, with the correct and approved tools/materials.
5. We only start our work after we have understood the (site) safety instructions.
6. We keep our surroundings and workplace clean, tidy and safe.
7. We use our mandatory and additional personal protective equipment.

We actively engage with the SCL as a benchmarking tool to gauge and enhance our safety culture. The SCL serves not just as an assessment but as an incentive for continuous improvement in safe practices both internally and among our suppliers. The level achieved on the ladder reflects the maturity of our safety culture, with Daiwa House Modular Europe reaching level 3 in 2022 and maintaining this level through 2024. This achievement lays a solid foundation for our ambition to advance to level 4 by 2026.

Following a comprehensive gap analysis against the ISO 45001 standard in 2022, our next strategic milestone is to attain ISO 45001 certification by 2025, further solidifying our commitment to exemplary safety standards and practices.



Our policies



Objective

This policy outlines Daiwa House Modular Europe's commitment to health and safety of the consumer and end users, as well as workers in the value chain. The policy addresses the following social impacts and risks relevant to our operations and value chain:

Key content

We are committed, through strong leadership and engagement with the workforce, to creating an incident-free environment where accidents are eliminated and health is protected. This applies to all employees, contractors and members of the public who may be affected by the activities of the company. Current health and safety legislation and relevant approved codes of practice should be complied with at all times.

To achieve these aims, Daiwa House Modular Europe will:

- assess the competence of our employees and supply chain to execute the activities which they are expected to undertake.
- provide such information, instruction, training and supervision as is necessary to enable the safe performance of work activities.
- provide a safe working environment and safe systems of work through design, construction, operation and maintenance of all plant, equipment and facilities.
- provide adequate facilities and arrangements for engagement with the workforce on our projects and in our workplaces.
- enable employees and contractors to raise issues relative to health and safety. No punitive action will be taken against any worker who raises a health and safety concern.
- appoint competent persons to assist in meeting statutory duties where appropriate. This may include the appointment of specialists from outside the organisation.
- provide appropriate welfare facilities for all employees.
- identify hazards, assess risks and, where reasonably practicable, eliminate or reduce risk to an acceptable level.
- provide an effective health and safety management system that meets the requirements of SHE Checklist Contractors (SCC), Safety Culture Ladder (SCL) and FPAL. Provide an occupational health strategy to support industry best practice.
- promote and encourage mutual respect for people involved in our work activities and also in the communities in which we work.

Facilitate the sharing of knowledge and lessons learned, both internally and externally.

Scope

Upstream: workers from suppliers delivering materials.

Own operations: workers from Daiwa working on construction sites.

Downstream: workers on construction sites from partners.

Accountability

The Health and Safety Officer holds the highest level of accountability for the successful implementation and execution of this policy. The Health and Safety Officer reports directly to the CEO and the Board of Directors.

Third-party standards

- Safety Culture Ladder Trede 3
- SHE Checklist Contractors (SCC)
- FPAL

Monitoring

This policy will be periodically reviewed by the directors. Action will be taken to ensure its continuing relevance, effectiveness and adequacy. The company will, each year, establish objectives and monitor performance against those previously established objectives. We will also publish results, with the intent of achieving year-on-year improvement.

► Our actions to achieve our targets

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Safety	- In 2024, we reinforced safety awareness across the organisation, aiming to elevate our standing from level 3 to level 4 on the Safety Culture Ladder. - We effectively communicated, ingrained and enforced seven key behavioural safety rules. - We conducted follow-up sessions to bolster safety awareness among our team. - We ensured widespread familiarity with our 'Safety First' campaign, emphasising its principles across the workforce. - We made all safety documentation and consultation materials accessible in Dutch, English, German, Polish, Romanian and Lithuanian to accommodate our diverse workforce. - We established a norm where all unsafe acts and conditions are reported, promoting a culture in which addressing safety concerns openly and directly is standard practice, thereby fostering an environment of mutual responsibility and dialogue about safety.	- Continue to enhance safety awareness within the organisation, building on our achievements at level 3 of the Safety Culture Ladder and preparing for level 4. - Achieve ISO 45001 certification, underscoring our commitment to international safety management standards. - Conduct follow-up sessions to reinforce safety awareness among our employees. - Emphasise that safety management is a fundamental responsibility of line management. - Analyse incidents reported in 2024 to extract lessons learned and implement long-term corrective measures.	- Elevate our safety awareness initiatives and achieve certification for level 4 on the Safety Culture Ladder, reflecting our commitment to the highest standards of workplace safety culture. - Align with the Dutch government's Health and Safety Vision 2040, aiming for 'zero deaths' at work resulting from substandard working conditions, underscoring our dedication to eliminating all fatal workplace accidents.

* We have identified several actions to increase health and safety within our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation. We highlight a few actions in more detail in this section.



Continuous and proactive improvement

We consistently promote safety, recognising the need for ongoing enhancement. Our improvement strategy includes regular safety discussions with employees and risk management support from the QHSE department, starting from the design phase through to execution. Management and supervisors actively engage in safety dialogues on the work floor, underscoring their commitment to safety.

- **General safety instructions:** Upon starting, all new hires at Daiwa House Modular Europe are briefed on applicable safety rules, regardless of their role.
- **Job specific safety instructions:** Every new employee at Daiwa House Modular Europe receives job-specific safety training on topics such as sawing, overhead crane, aerial work platform or forklift truck use upon joining.
- **Toolbox meetings:** Toolbox meetings, focusing on safety, health and environment topics, occur monthly and last 15-30 minutes. Employees can suggest topics, and attendance is recorded via a sign-off on a registration form.
- **Safety Alerts:** A Safety Alert aims to quickly inform employees about safety topics through brief announcements. It's highlighted in toolbox meetings to reach all employees.
- **Workplace inspections:** Workplace inspections occur monthly in projects and factory halls, led by operational managers or management using a checklist to review safety, health and environmental aspects, including technical safety and safety behaviour like rule compliance and protective equipment use.
- **Safety walks:** Monthly safety walks are held in projects and factory halls, led by a board member and a safety department member, aiming to enhance safety performance through collaborative visits.

- **Observation of (un)safe behaviour:** The observation program by the QHSE department involves regular safety behaviour reviews in production and project sites, directly discussing findings with employees. Periodic analysis of results informs the implementation of improvement programs.
- **Kick-off meeting:** Before starting a project, the project leader or supervisor reviews specific risks, work methods, HSE risks and required personal protective equipment with the team. All attendees, including subcontractors, must sign off on the kick-off meeting.
- **Last Minute Risk Analysis (LMRA):** LMRA is a quick risk analysis done right before work begins to assess and mitigate risks, taking less than a minute. Workers receive a pass upon joining, which must be carried at all times for conducting LMRAs.
- **Internal campaigns:** To boost safety awareness and influence behaviour, we engage employees by highlighting their responsibilities in an approachable manner.
- **Safety awareness workshops:** Small groups regularly meet with safety experts to discuss optimal safety practices. All executives have participated in a follow-up safety awareness workshop.

Coverage of the health and safety management system

Incident reports are meticulously logged in our LeanBMS quality and safety management system, which promptly alerts relevant personnel. This process enables Daiwa House Modular Europe to swiftly address any unsafe conditions, fostering a high level of employee engagement in safety practices. For a detailed overview of our certifications, please refer to the list on page 66. At Daiwa House Modular Europe, our comprehensive health and safety management system encompasses all our employees, ensuring a uniformly protected work environment.

Accident statistics

In 2024, our understanding and management of safety issues significantly advanced. With enhancements to our LeanBMS for online safety incident registration, we've seen an improvement in safety metrics. Notably, there was an uptick in reports of unsafe situations, reflecting a positive shift towards a proactive safety culture where prevention and hazard elimination are prioritised.

Our safety performance, measured by the injury frequency (IF) rate, increased from 6.43 in 2023 to 10.42 in 2024.



Main achievements in 2024

Performance measurements

1. Safety Fürstenwalde – Germany

When we opened our new site in Fürstenwalde in 2024, we carefully implemented our LeanBMS quality and safety management system. The safety policy used in the Netherlands also leads our practices in Germany. This means that all safety, health and quality processes and guidelines will be applied in the same way, ensuring uniformity and continuity within the organisation. To ensure this runs smoothly for everyone, all employees are thoroughly instructed on the applicable safety procedures and guidelines. This includes both theoretical and practical training, so that everyone is aware of the risks and knows how to control them effectively. This approach not only raises the safety culture within the organisation to a higher level, but also ensures a safe and efficient working environment in which employees can work to the same high standards as in the Netherlands.



2. Safety procurement policy

Within DHME, safety plays a central role in procurement policy. Safety aspects are discussed at an early stage and are an essential requirement for all projects. This means that suppliers and subcontractors must not only meet the technical and quality criteria but must also demonstrably work in accordance with the established safety guidelines. To ensure this, a strict pre-selection process is used when selecting subcontractors and suppliers. Only parties that meet the set safety requirements and that demonstrably invest in a safe working environment are eligible for cooperation. This not only guarantees safety on the shop floor, but also the quality and reliability of the services and products provided. This structural approach keeps the organisation working according to high safety and quality standards.



Safety indicators

	2022				2023						2024					
	Mont-foort	Eems-haven	Hulst and Sint Niklaas	Total	Mont-foort	Bunnik	Eems-haven	Hulst and Sint Niklaas	Germany	Total	Mont-foort	Bunnik	Eems-haven	Hulst and Sint Niklaas	Germany	Total
Fatal incident (FA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lost Time Injury (LTI) >1 <15 lost time days, employee	0	0	1	1	2	0	0	0	0	2	2	0	1	0	2	5
Lost Time Injury (LTI) >1 <15 lost time days, temporary worker	2	2	0	4	4	0	0	0	0	4	1	0	1	0	2	4
Lost Time Injury (LTI) >15 lost time days, employee	2	0	1	3	0	0	0	0	0	0	2	1	0	0	1	4
Lost Time Injury (LTI) >15 lost time days, temporary worker	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	1
Lost Time Injury (LTI), total	5	2	2	9	6	0	0	0	0	6	5	1	2	0	6	14
Injury Frequentie (IF), employee	9.89	0.00	19.83	11.62	9.3	0	0	0	0	5.5	24.17	17.48	24.06	0	32.14	19.4
Injury Frequentie (IF), temporary worker	8.72	35.88	0.00	11.40	8.54	0	0	0	0	7.02	2.23	0	8.61	0	11.69	5.69
Injury Frequentie (IF)	9.15	20.65	14.35	11.50	8.78	0	0	0	0	6.43	8.15	12.83	12.69	0	17.14	10.43
Restricted Work Case (RWC)	1	0	0	1	1	0	1	0	0	2	0	0	1	1	1	3
Medical Treatment Case (MTC)	12	4	3	19	7	0	1	4	1	13	2	2	1	3	2	10
First Aid Case (FAC)	7	2	10	19	10	0	0	7	1	18	6	0	0	5	11	22
Accident with material damage only	12	0	14	26	17	1	5	13	0	36	12	0	4	12	2	30
Near miss accidents	25	0	3	28	25	1	1	6	1	34	14	2	4	2	4	26
Unsafe situations	695	146	86	927	566	50	118	126	115	975	517	134	179	73	325	1,228
Unsafe acts	200	29	31	260	152	4	35	39	14	244	129	34	69	28	37	297
Fire Cases	5	1	1	7	5	0	5	1	0	11	1	1	0	0	0	2
Lost Time Injury Rate (LTIR)	1.83	4.13	2.87	2.30	1.76	0	0	0	0	1.29	1.63	2.57	2.54	0	3.43	2.09

Top 5 risk factors

Attitude and behaviour causes	Factors	Topics
Nonchalant / laziness	Procedures	Supervision, policy and documentation
Current working method / we always do it like this / learned to do it like this	Attitude and behavior	Unsafe behaviour and improper use
Easiest way / know it has to be done differently	Protective equipment	First aid and emergency response resources
Ignorance	Design	Order and cleanliness, dust-free work
Haste	Equipment and resources	Working at heights / danger of falling

At Daiwa House Modular Europe we also work with a risk assessment. For all incidents (including unsafe actions/situations and near-misses) we have defined the top five risk-based topics. We have also defined the top five risk factors as well as the top five most common attitude and behaviour causes. The results of our risk assessment are shown in the table.



Access to affordable homes

Material impact

Topic	Impact
Access to affordable homes	Daiwa's actual, positive impact on people addresses the housing shortage in the EU market by providing modular housing solutions that contribute to increasing the availability of homes. Additionally, Daiwa aims to offer affordable housing options, ensuring that housing costs remain at a socially acceptable ratio to household income, making homes accessible to a broader range of people.

Daiwa House Modular Europe is dedicated to providing accessible and affordable modular housing across Europe. This commitment arises from a deep understanding of the critical social impact of housing availability. Europe's housing market faces substantial challenges, including supply shortages, demographic shifts, and affordability crises. DHME utilises modular construction to rapidly increase housing availability, catering to diverse needs, including starters, students, seniors and refugees. By increasing supply, we aim to alleviate market pressures and improve affordability, ensuring housing costs remain reasonable. Demographic trends, such as aging populations and rising single-person households, exacerbate housing challenges. Existing housing often fails to meet specialised needs. The influx of refugees and growing student populations further increase demand. Providing safe, affordable and dignified housing for these groups is crucial for social integration.

We focus on increasing availability through partnerships with social housing associations and municipalities, enhancing affordability by stabilising the market, providing flexible, relocatable housing, ensuring excellent customer service and fostering community engagement through shared facilities. Stakeholder engagement is crucial. We prioritise open dialogue with social housing associations and local authorities to understand community needs. The policy is publicly accessible, with direct communication and training provided to ensure transparency and effective implementation.

Our policies

Access to affordable homes

Impact +

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to access to products and services. The policy addresses the following social impact and opportunity relevant to our operations and value chain.

Key content

This policy aims to ensure that consumers and end-users have access to Daiwa House Modular Europe's modular homes, addressing the housing shortage in the EU market and providing affordable housing options. Therefore, the following elements will be addressed in this policy to ensure availability, affordability and great customer service:

- Increasing availability, by continuously emphasising the need to add new housing to social housing associations, municipalities, developers and investors.
- Affordability. When more housing becomes available, pressure on the housing market will ease and affordability will improve.
- Flexibility. Adding relocatable housing creates a flexible shell around the housing market that reduces pressure.



- Customer service. By providing quality homes and good customer service, the total cost of ownership for the owner is low and so is the cost for the resident. Moreover, it increases the enjoyment of living.
- Community engagement. Providing common facilities and services strengthens residents' sense of community, combats loneliness and improves the quality of life.

Scope

Downstream: residents and institutions living in and utilising modular units (homes for families, singles, couples, students, seniors).

Accountability

The Chief Financial Officer holds the highest level of accountability for the successful implementation and execution of this policy. The CFO reports directly to the CEO and the Board of Directors.

Third-party standards

None.

Monitoring

The implementation of these policies is annually monitored through multiple external audits.

Our actions to achieve our targets

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Access to affordable homes	- All homes completed in 2024 were produced for housing associations intended for tenants in the social and middle segment. Increasing the stock in this segment of the market increases accessibility and affordability.	- By increasing the degree of standardisation and improving efficiency in engineering and design, procurement and production, we are able to improve accessibility and affordability. - By focusing more on targeted housing associations and their specific needs for social and affordable housing, we'll achieve our targets.	- Through further digitalisation and robotisation, we aim to make production even more efficient in order to get rising material, raw material and personnel costs more under control.

Our long-term targets

2025	2030	2050
3,750 houses: - 3,000: Students/Starters/Singles - 425: Starters/Couples/Seniors - 325: Family/Migrant workers	8,000 houses: - 6,900: Students/Starters/Singles - 600: Starters/Couples/Seniors - 500: Family/Migrant workers	10,000 houses

Healthy living environment

Material impact

Topic	Impact
Access to affordable homes	Daiwa's actual, positive impact on residents involves delivering housing solutions that meet promised social and environmental specifications, ensuring a healthy living environment. This includes providing homes designed with high standards of air quality, energy efficiency and overall well-being, aligned with both social and environmental commitments to enhance the quality of life for residents.

Daiwa House Modular Europe prioritises the creation of healthy living environments, recognising their fundamental impact on well-being, social connection and community sustainability. Our “Health and Safety of Residents” policy formalises this commitment, aiming to deliver housing solutions that enhance quality of life and promote physical, mental and emotional health.

Core Principles: DHME's approach is rooted in the philosophy of “Creating dreams, building hearts,” emphasising future-proof housing that harmonises with people and society. We strive to deliver on our social and environmental promises, ensuring homes meet high standards of air quality, energy efficiency and overall well-being.Key elements are:

Air quality:

- Utilising materials that promote high indoor air quality.
- Regular monitoring and maintenance of ventilation systems.

Energy efficiency:

- Integrating energy-efficient designs and technologies.
- Promoting and implementing renewable energy sources where feasible.

Well-being of consumers:

- Maximising natural light and creating comfortable living spaces.
- Incorporating green spaces and recreational areas.

Safety standards:

- Compliance with all relevant health and safety regulations.
- Regular safety audits and risk assessments.

Social and environmental commitments:

- Aligning housing solutions with broader social and environmental goals.
- Engaging with local communities to incorporate feedback.
- Smart Homes: Implementation of home automation to regulate indoor climate, such as ventilation based on CO₂ levels and automatic sunscreens.

Our policies

Healthy living environment

Impact



Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to the health and safety of residents, as well as workers in the value chain. The policy addresses the following social impact relevant to our operations and value chain.

Key content

Daiwa House Modular Europe is dedicated to enhancing the quality of life for residents, patients, employees, children and students by providing safe, healthy and sustainable living and working environments. Our approach is based on key principles that emphasise air quality, energy efficiency, well-being of consumers, safety standards and social and environmental commitments:

- Air quality
- Energy efficiency
- Well-being of consumers
- Safety standards
- Social and economic environmental commitments



Scope

Own operations: Employees and management who are responsible for ensuring the safety of consumers, by ensuring health and safety standards are met and providing sufficient resources to do so.

Downstream: Users of the modular homes and buildings including schools, offices, hospitals, operation theatres and industrial buildings: residents, children, students, employees and patients.

Accountability

The CFO holds the highest level of accountability for the successful implementation and execution of this policy. The CFO reports directly to the CEO and the Board of Directors.

Third-party standards

- VCA** 2017/6.0
- VCA 2017/6.0 Petrochemie

Monitoring

This policy will be reviewed annually to ensure it remains relevant and effective in promoting the health and safety of consumers and end-users of our modular buildings.

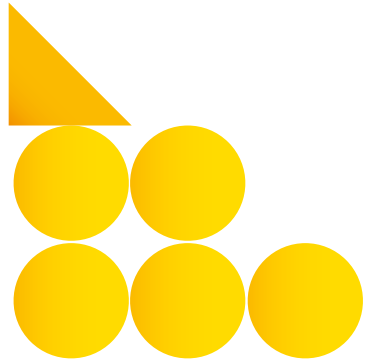
Our actions to achieve our targets

Area	Actions realised 2024	Actions 2025	Actions 2026-2030
Access to affordable homes	- Conducting an in-depth investigation and establishing a roadmap for incorporating SMART technology: this initiative aims to automate building functions, contributing to a healthier living environment by efficiently monitoring and reducing energy consumption.	- DHME contributes to more affordable housing by offering smart energy-efficient homes to social housing corporations, thereby benefiting low-income residents with both lower housing costs and minimal energy bills.	- Implementing SMART technology as a standard feature in all buildings developed for our customers, aiming to enhance the healthy living environment.

Our long-term targets

2025-2050

- Implementation of SMART technology to enhance the healthy living environment.



Governance



Introduction on Governance

At Daiwa House Modular Europe, we adhere to the highest ethical and governance standards, embodying these principles within our culture and operational practices. This section outlines our approach to governance, risk management and internal controls, alongside highlighting our commitment to ethical business conduct. Upholding business ethics positions us as a reliable partner, enhancing customer satisfaction and driving strong financial performance.

“Although it seems that the world around us is somewhat less committed to ESG objectives, we at DHME continue to find ESG the spearhead for the coming years.”



– Richard Brinkman,
CFO

Our Governance structure



Governance, risk management and internal control

Corporate governance at Daiwa House Modular Europe is guided by principles ensuring organisation, conduct and transparency to protect our long-term interests and achieve our sustainability goals. We aim for a balance between management and oversight. ESG is integral to our strategy, with comprehensive governance led by the CEO, who is responsible for the ESG strategy and its execution, under the Supervisory Board's oversight. This approach ensures our commitment to environmental sustainability, economic viability and social responsibility. It involves setting ESG goals, investing in necessary resources, managing risks, reviewing ESG performance and engaging with stakeholders. The CEO, aided by dedicated Sustainability, HR and Quality & Safety teams, ensures the implementation of our ESG strategy, monitors performance and makes necessary adjustments, all

while upholding the values of integrity, responsibility and transparency. The Board of Directors ensures that sufficient sustainability-related expertise is available in the organisation or can be accessed through experts or trainings. Daiwa will continue to focus on the impact, risks and opportunities identified in our double materiality assessment and continuously address any potential gaps in skills. The overview below shows which body of the organisation covers which topic, who is responsible for it and how often they meet per year. In 2024, the double materiality assessment was updated and all impact, risks and opportunities identified in this process will be integrated in each body to ensure they are addressed with effective policies, actions, metrics and targets. Daiwa House Modular Europe has no incentive schemes yet that are linked to sustainability matters.

Governance structure and composition

Daiwa House Modular Europe operates with a two-tier board structure, comprising a Board of Directors with five members and a Supervisory Board with five members. The Board of Directors, currently 100% male, is responsible for the company's management, while the Supervisory Board oversees the company's policies, management and overall affairs, providing advice and guidance to the Board of Directors on strategic matters. The Supervisory Board, 100% independent members, convenes six times annually, with meetings attended by both the Board of Directors and Supervisory Board members. The Board of Directors meets monthly, with full attendance from all board members, ensuring consistent oversight and strategic direction for the company.

Board of Directors and Supervisory Board, including skills and experience

	Harry van Zandwijk	Richard Brinkman	Michael Koerts	Niels Vergeer	Atsushi J. Uemura	Yohiharu Iwamoto	Peter de Zwart	Hirotsugu Otomo	Dick van Hal	Hideto Arai	Harry van de Kraats
Board	Board of Directors						Supervisory Board				
Date of Birth	18-12-1961	03-04-1969	04-06-1971	04-12-1972	17-12-1971	21-6-1965	26-3-1954	31-08-1959	01-07-1958	23-7-1963	05-10-1966
Nationality	Dutch	Dutch	Dutch	Dutch	Japanese	Japanese	Dutch	Japanese	Dutch	Japanese	Dutch
Function	CEO	CFO	CPO	COO	Director	Company Secretary					
Year of Appointment	07-11-2016	02-01-2017	04-10-2017	01-12-2024	01-08-2021	01-09-2023	07-11-2016	01-10-2023	20-04-2023	01-08-2021	02-05-2021
Skills or Experience											
Business Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
International leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Construction	✓		✓	✓	✓			✓	✓		
Finance/ Governance		✓				✓	✓	✓	✓	✓	
Sustainability	✓	✓		✓	✓		✓	✓	✓		✓
Digital Technology		✓		✓			✓				



Risk management processes

At Daiwa House Modular Europe, risk management is a fundamental aspect of our operations and decision-making processes. It's essential not just for protecting the company's business and assets but also for ensuring sustained

performance and value creation. Our Risk and Control Framework comprises a range of procedural and organisational measures implemented across the company. A significant factor in our approach to risk management is our culture, where taking ownership is highly valued and plays a

crucial role. Additionally, we employ various control mechanisms, such as the planning and control cycle, consistent monitoring, regular reviews and thorough reporting, all of which are deeply embedded within our organisational structure.

Risk and control framework Daiwa House Modular Europe

Risk	1	2	3	4
Strategic market influences	Reputation & customer satisfaction	Environmental & climate change	Economic circumstances	Innovative developments
Operational	Healthy & safe working environment	Execution of projects (money, organization, quality, information, time)	Material & supplier shortage	Cyber security & information management
HR	Scarcity of skilled employees			
Financial	Financial reporting risks	Liquidity	Solvability	

Risk management

Key aspects	1	2	3
1. Culture	Open & transparent	Direct/short reporting lines to Board	Clear purpose & strategy
2. Processes and systems	Uniform processes & systems	Training & communication employees	Segregation of duties
3. Rules & regulations	Pricing & calculation module	Uniform ERP/ management system	SHA, authorisation matrix
4. Plan & control cycles	Weekly report (liquidity, sales, utilisation)	Monthly report (full financial & non-financial)	Long term plan/OGSM/ strategy
5. Project acceptance	Standard pricing model	> Bigger project reviewed by at least one board member	> Large project approved by at least two board members

External reviews/ Audits	Who	What	Frequency
1. Internal audit	Deloitte	Internal control	Biennial
2. Financial audit	EY	Annual Report	Annual
3. Fiscal review	Deloitte	VAT, corporate income tax	Annual
4. Certifications	DNV	ISO 9001, ISO 3834, SCC, SCL, product certifications	Annual
5. IT systems	DNV	ISO 27001	Annual
6. Sustainability	DNV	ISO 14001, CO ₂ Prestatieladder, STIP	Annual

Internal reviews/ Audits	Who	What	Frequency
1. SHE and quality reviews	Board & management	Leading en lagging indicators of HSE and product quality	4 x year
2. Financial review	CFO, Finance	J-Sox, monthly report	12 x year
3. IT review	IT, Legal	GDPR, management review, non-conformity	4 x year
4. Sustainability review	Sustainability, CFO	GHG emissions	4 x year
5. Project reviews	Project leader, Sales, Finance, SHE	Positives/negatives and learnings wrt project preparation and execution	After every project > 1 mio
6. MOC review (management of change)	MOC management	Change management, QHSE improvements	Every 6 weeks
7. OGSM & policy review	CFO and management	Strategy	4 x year



Organisation

The management at Daiwa House Modular Europe sets the company's strategy and defines its risk tolerance. Our organisational structure centralises business processes, ensuring streamlined communication directly to management. This structure facilitates the management of all operating company heads and the central oversight of staff departments from our Montfoort head office, enabling rapid and efficient information exchange.

Culture

Daiwa House Modular Europe recognises that organisational culture plays a crucial role in risk management. The inherent uncertainties in projects demand more than just guidelines and procedures; they require flexibility, an open and proactive culture and a strong sense of ownership to address challenges effectively. Leadership by example from the Board and management is essential, as is the accountability for adhering to agreements and acknowledging positive progress.

Internal guidelines and procedures

The LeanBMS business process system outlines both primary and secondary construction activities, incorporating risk management systems to identify and mitigate project risks. This ensures consistency across the group's processes. Additionally, the SAP-based ERP platform plays a significant role in promoting uniformity across the company. Procedures established around the tender process are designed to prevent the acceptance of projects with unacceptable risks, further safeguarding the company's operations and commitments.

Added value

Daiwa House Modular Europe excels by collaborating with partners from the early design stages, leveraging integrated knowledge and skills for project realisation and maintenance. Our approach to risk and cost management delivers added value to our customers and users. We innovate through the combination of knowledge and creativity, offering broadly applicable products and concepts. Through active chain management, we foster partnerships and capitalise on various chain capital flows. Our adoption of 'lean' techniques ensures centralised and clear processes and systems. Our business model meets the demand for comprehensive solutions, encompassing design, engineering, realisation, maintenance and management, thus creating significant value for our customers.

Planning and control cycle

Management holds regular meetings to review operations and strategic progress. During these sessions, they utilise four-week and quarterly reports to evaluate market trends, financial performance against the budget, project progress in both financial and operational terms, and ESG metrics. Additionally, specific project reviews are conducted periodically with the Finance department, involving relevant project managers, to closely monitor ongoing projects.

Audits and control

The company ensures compliance with all relevant laws, regulations and certifications across various domains such as finance, ICT, safety, environment and processes. This is achieved through a range of measures including audits, self-assessment, management information, workplace inspections, observation rounds, project evaluations and financial reviews.

Risk Assessment Matrix (RAM)

At Daiwa House Modular Europe we work with a risk matrix. In this, the probability that a calamity occurs is plotted against the impact of a calamity and its consequences. The impact ranges from 'no consequences' to 'catastrophic' and relates to safety, assets, environment and reputation.

Risk Assessment Matrix (RAM)

Consequences					Increasing probability				
Seriousness	Safety	Environment	Resources	Reputation	A. Very low (0.8)	B. Low (1)	C. Average (2)	D. High (3)	E. Very high (4)
					Unheard of	Virtually impossible (Annually or less / no known reports / control measures adequate)	Unlikely (Monthly or less / report known / control measures adequate)	Very likely (Weekly or less / has occurred / control measures limited)	Almost certain (Daily or continually / frequently occurring / no control measures)
0	No injury or effect on health	No damage / no effects	No damage / no financial consequences	No damage / no public interest	Low (0)	Low (0)	Low (0)	Low (0)	Low (0)
1	Bandage incident No treatment necessary	Minor impact / no effect offsite	Minor damage <10k	Low impact / no public interest	Low (0.8)	Low (1)	Average (2)	Average (3)	High (4)
2	Treatable health damage / Sick leave <1 week	Limited impact / environmental damage with no permanent effects	Limited damage >10k <100k	Limited impact / local interest	Low (1.6)	Average (2)	High (4)	High (6)	High (8)
3	Health damage / Sick leave >1 week	Local impact / remedial measures needed	Local damage >100k <1,000k	Significant impact / national interest	Average (2.4)	Average (3)	High (6)	High (9)	Very high (12)
4	Health damage with lasting injury	High impact / serious environmental damage	Serious damage >1,000k <10,000k	Serious national reputational damage / European interest	High (3.2)	High (4)	High (8)	Very high (12)	Very high (16)
5	Fatal accident	Extensive environmental damage across wide area	Extensive damage >10,000k	Serious international reputational damage	High (4)	High (5)	Very high (10)	Very high (15)	Very high (20)

Double materiality assessment

In 2025, we conducted an update of our double materiality assessment. During this process we identified 10 risks (five environmental, three social and two governance) and five opportunities. We will work on integrating the outcomes of this assessment in our overall risk control framework.

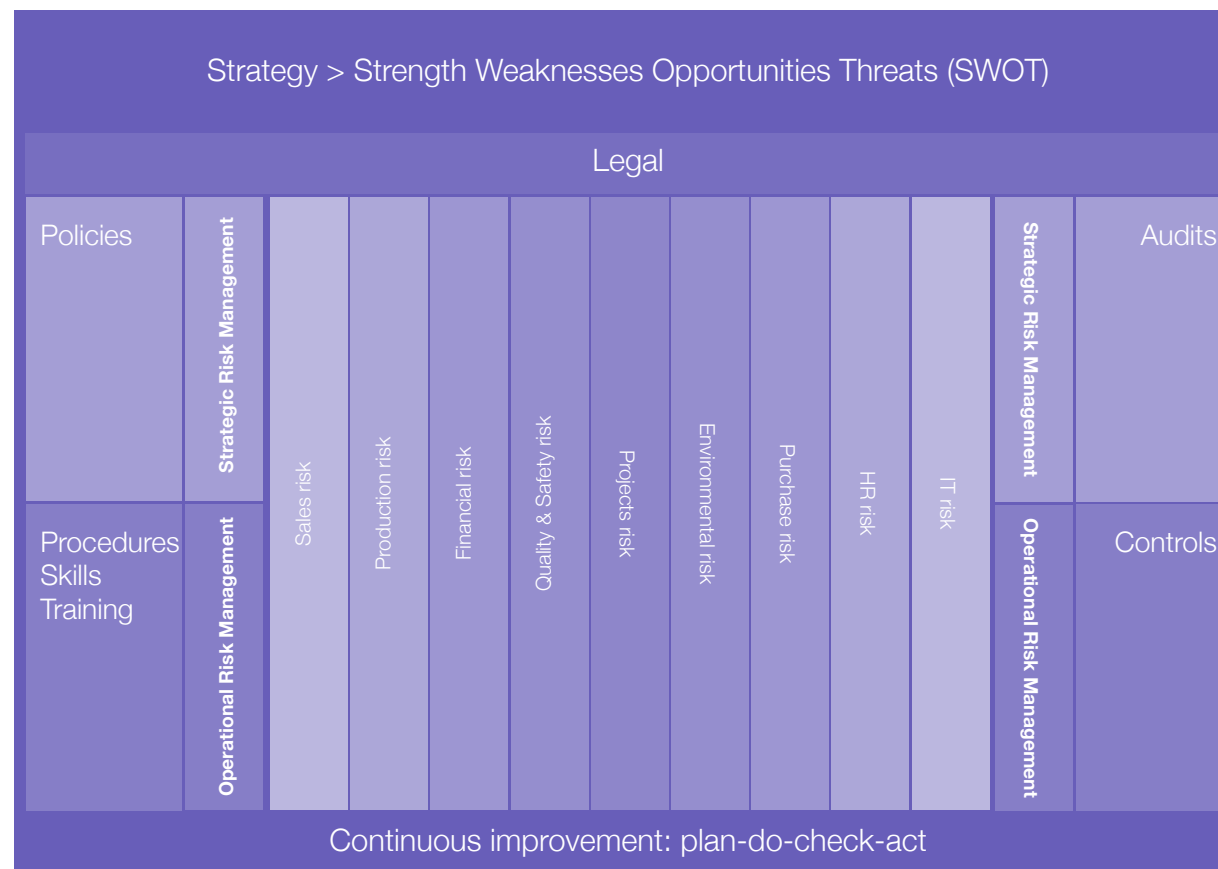
You can find risk on page 80.

Corporate risk governance

We use this framework to identify our opportunities and risks and to translate them into operational actions in order to address challenges structurally. During the operationalisation of these actions, we consult internal and external stakeholders. The corporate risk governance framework is linked to the European Sustainability Reporting Standards (ESRS). This framework is discussed at various levels. For example, management is responsible for identifying the risks and opportunities we have as an organisation, which are then discussed with the Board of Directors and translated into concrete actions. In turn, these will be reported to the Supervisory Board, and reporting takes place at these levels of discussion. This way, we allocate actions, resources and budgets to ensure that the ambitions we have are operationalised.

Internal control processes

Since Daiwa House Modular Europe became a subsidiary of Daiwa Japan in 2021, the Japanese SOX framework was implemented. This framework allows us to have a robust level of internal controls that ensure that our financial reporting is reliable. Also, Daiwa House Modular Europe and its companies have several certifications that are proof of our continuous focus on quality, safety and sustainability (see the overview of certifications on page 85).



Overview of certifications

Certification type	Element	Valid to	Scope	DHME Jan Snel Group BV	DHME Jan Snel BV Montfoort	DHME Jan Snel BV Eemshaven	DHME Jan Snel BV Bunnik	DHME GmbH Bochum	DHME GmbH Fürstenwalde	DHME Ltd	Jan Snel Zuid BV	Jan Snel Belgium NV	DHME Medex Holding BV	G&A Interieur-bouw BV
ISO9001:2015	Quality management	16-12-2026	Design, sell, rent, manufacture, transport, assemble, dismantle, place and move flexible building systems.	✓	✓	✓	✓				✓	✓		
ISO9001:2015	Quality management	16-12-2026	The sale and rental of flexible building systems.					✓		✓				
ISO9001:2015	Quality management	24-04-2024	Offering a total solution in terms of finishing and furnishing operating rooms, cleanrooms, sanitary cells, laboratories, pharmacies, healthcare facilities and other classified (clean) areas.										✓	✓
EN1090-1:2009 / A1:2011 Exc 2	CE-mark steel construction	NA	Structural steel components intended for use in flexible building systems, Execution Class 2, within the areas of validity indicated on the Appendix to Certificate.	✓	✓									
ISO3834-2:2005	FPC welding production	20-07-2026	Steel construction work for flexible building systems.		✓									
ISO14001:2015	Environmental management	16-12-2026	Design, sell, rent, manufacture, transport, assemble, dismantle, place and move flexible building systems.	✓	✓	✓	✓				✓	✓		
ISO14001:2015	Environmental management	16-12-2026	The sale and rental of flexible building systems.					✓		✓				
CO ₂ -Performance Ladder, step 5	Sustainability/ environment	06-10-2024	Design, sell, rent, manufacture, transport, assemble, dismantle, place and move flexible building systems.	✓	✓	✓		✓		✓	✓	✓	✓	✓
STIP Certificering	Sustainability/ environment	NA	Procurement of sustainable timber.		✓									
VCA* 2017/6.0	Safety management	28-01-2024	Carrying out production and installation work for high care areas in the healthcare sector, such as operating theatres, clean rooms, sanitary cells, laboratories, apothecaries, healthcare institutions and classified (clean) areas. Nace code 34.99 and 43.39.										✓	
VCA** 2017/6.0	Safety management	16-12-2026	The manufacture, assembly, disassembly, installation and relocation of flexible building systems. NACE Rev.2: 41.2.	✓	✓	✓	✓				✓	✓		
VCA 2017/6.0 Petrochemie	Safety management	16-12-2026	The manufacture, assembly, disassembly, installation and relocation of flexible building systems in the petrochemical industry. NACE Rev.2: 41.2.	✓	✓	✓	✓				✓	✓		
Safety Culture Ladder Trede 3	Safety management	22-08-2025	Design, sell, rent, manufacture, transport, assemble, dismantle, place and move flexible building systems.	✓	✓	✓					✓	✓		
ISO27001:2013	Information security	31-10-2025	Information security relating to the design, sale, rental, manufacture, assembly, disassembly, installation and relocation of flexible building systems. Transport, storage and transshipment of flexible building systems, according tot the Statement of Applicability version 1.0, dated 14-07-2023.	✓	✓	✓		✓		✓	✓	✓		



Our products and services meet quality, safety, health and environmental requirements. Jan Snel accordingly holds multiple certificates, including ISO 9001, ISO 14001, ISO 3834-2, SCC, SCL, CO₂ Performance Ladder and STIP.

ISO 9001

ISO 9001 is a standard for quality management systems. It is a systematic approach to improving the quality of products and services, which also increases customer satisfaction.

ISO 14001

ISO 14001 is a standard for environmental management systems. It offers a systematic approach for a good environmental management system. At Daiwa House Modular Europe we strive for a fully sustainable production process. ISO 14001 has many advantages, such as providing a structure for the continuous improvement of environmental performance.

ISO 27001:

ISO 27001 is the international standard for information security. It sets out the specification for an effective ISMS (information security management system). ISO 27001's best-practice approach helps organisations manage their information security by addressing people, processes and technology.

ISO 3834-2

ISO 3834-2 defines comprehensive quality requirements for fusion welding of metallic materials, both in workshops and at field installation sites.

KOMO® certification

Having the KOMO® product certification for modular building systems for non-permanent use assures stakeholders that Daiwa's units meet stringent Dutch quality and safety standards. This independent certification provides confidence in the structural integrity, durability, and overall performance of their temporary building solutions, facilitating smoother permitting processes and ensuring user safety.

SCC (and P)**

The Safety Checklist Contractors (SCC) was developed to improve safety, health and the environment in the workplace. SCC is intended for contractors who perform high-risk work for clients or who work under high-risk conditions. More attention to safety, health and the environment does have an effect: people fall ill less often, and we can prevent industrial accidents.

Safety Culture Ladder

To test the level of safety awareness within our organisational culture, we participated in the Safety Culture Ladder (SCL) for the first time in 2020. This test provides a clear indication and guidelines for further growth.

CO₂ Performance Ladder

The CO₂ Performance Ladder is the sustainability instrument in the Netherlands that helps companies and governments to reduce CO₂ emissions and costs, in business, in projects and in the value chain. The Ladder is used as a CO₂ management system and as a tendering instrument.

Sustainable Timber In Place (STIP)

STIP was developed by Dutch timber research institute Stichting Hout Research (SHR) and launched in 2017. It guarantees that accredited suppliers sell exclusively timber from sustainable sources that meet the Dutch Procurement Criteria for Timber, such as PEFC or FSC-certified forests.

Business conduct culture

Material impact and risk

Topic	Impact	Risk
Corporate culture	Daiwa's actual, positive impact on people through corporate culture in the modular construction sector involves shaping the values, behaviours and work environment that influence employee satisfaction, engagement and productivity. A positive corporate culture fosters collaboration, innovation and inclusivity, leading to higher employee morale and retention. Conversely, a negative culture can result in low job satisfaction, disengagement and high turnover.	Daiwa's risk, if the company is not able to make the proper transition from a family-run business to a multi-national; this will be a risk for business operations. Alongside the growth of the company, the internationalisation may ask for a different kind of governance. Management styles may vary in different markets, company sizes or countries.

Our policies

Business conduct culture

Impact



Financial risk/opportunity



Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to corporate culture. The policy addresses the following governance impact and risk relevant to our operations and value chain.

Key content

Daiwa House Modular Europe is committed to a sustainable society by engaging with stakeholders, upholding integrity and driving innovation. Our core values promote trust, openness, professionalism and value creation.

Safety, Sustainability, and Integrity

- Commitment: We prioritise safety, sustainability and integrity, striving to balance the well-being of people, the environment and financial stability.
- Expectations: Employees are expected to embody these values, adhere to guidelines and actively contribute to our commitments.

Conduct and Interpersonal Relations

- Respect and Inclusion: We treat everyone with respect, prohibiting discrimination based on origin, race, gender, marital status, sexual orientation, age, disability, religion, political views, nationality or beliefs. Diverse talents and skills are valued as they enhance performance.
- Prohibited Behaviours: Discrimination, bullying, harassment, aggression or violence are not tolerated.
- Leadership Responsibility: Leaders are expected to exemplify integrity and create an environment where employees feel comfortable voicing concerns without fear of retaliation.

Conflict of Interest and External Activities

- Decision-Making: Employees must make business decisions objectively and transparently, avoiding personal conflicts of interest.
- Disclosure: Potential personal interests that could influence business decisions must be disclosed to supervisors.
- External Activities: Prior approval from supervisors is required for any external activities related to the company to prevent conflicts of interest.

Fair Communication

- Accuracy: All communications and reports must accurately reflect facts to ensure decisions are based on reliable information.
- Financial Integrity: Financial data and internal reports should transparently represent actual circumstances.
- Procedural Compliance: Transactions must be documented according to established procedures. Cash transactions are prohibited unless prior written approval is obtained from the CFO.

Whistleblower protection

- Daiwa House Modular Europe's whistleblower policy provides a secure and confidential channel for employees to report suspected misconduct without the need for definitive proof, relying instead on reasonable suspicion supported by facts or circumstances. This policy promotes a culture of openness, accountability and integrity by effectively addressing internal misconduct and irregularities.
- Reporting Process:
 1. Initial Report: Employees are encouraged to report suspected misconduct to a confidential adviser, preferably in writing to ensure clarity and minimise disputes.
 2. Assessment: The confidential adviser evaluates the report and communicates subsequent steps to the reporting employee.
 3. Notification: Following assessment, the adviser informs the Daiwa House Modular Europe Board, adhering to a procedure agreed upon with the employee.
 4. Investigation: If warranted, the Board or Supervisory Board initiates an investigation into the reported misconduct.
 5. Feedback: Within eight weeks of the initial report, the employee receives information regarding the company's position and any corrective actions to be implemented.

Sustainable growth

To effectively manage the transition from a family-run business to a multinational corporation, Daiwa House Modular Europe will implement the following policy components:

- Governance framework: Establishing a robust governance framework that accommodates the needs of a multinational organisation while preserving our core values.
- Language and cultural training: Providing language and cultural training and support to ensure smooth integration and alignment with our corporate culture across all locations.
- Flexible management: Adopting flexible management styles that cater to the unique requirements of different markets and countries, ensuring consistency in our approach.

Scope

This policy applies to all workers in offices, manufacturing sites, construction sites and drivers.

Accountability

The CEO holds the highest level of accountability for the successful implementation and execution of this policy.

Third-party standards

None.

Monitoring

The implementation of this policy is continuously monitored through performance reviews and stakeholder engagement feedback.

Corruption and bribery

Material impact and risk

Topic	Impact	Risk
Corruption and bribery	Daiwa's actual, negative impact on people and the environment through corruption and bribery involves the risk of unethical practices, such as offering or accepting illicit payments to gain unfair advantages. Corruption can undermine fair competition, lead to substandard building practices and weaken regulatory enforcement, negatively affecting the quality of housing and environmental standards.	Daiwa's actual risk due to corruption and/or anti-competitive bidding practices (collusion to set tender prices, cover pricing and cartel price fixing) in the sector, particularly in relation to obtaining regulatory approval, procurement, inspection and certification processes.

Daiwa House Modular Europe upholds a commitment to conduct its business with the highest levels of honesty and ethical integrity. We have a zero-tolerance policy towards bribery and corruption, ensuring that our business practices and relationships are conducted with professionalism, fairness and integrity, no matter where we operate. Our Anti-Bribery & Corruption policy is designed to establish clear responsibilities for our employees and those associated with us in preventing bribery and corruption. It also provides essential information and guidance on recognising and addressing bribery and corruption.

The consequences of bribery and corruption are severe, including imprisonment for individuals and unlimited fines for Daiwa House Modular Europe, as well as the risk of being excluded from public contract tenders and suffering reputational damage. Therefore, we take our legal obligations very seriously. The term 'third party' in our policy refers to any individuals or organisations our employees may interact with

in their work, including clients, suppliers, business contacts, agents, government bodies and political parties. Our policy details the scope of its application, defines bribery, outlines unacceptable behaviours, specifies employee responsibilities and explains how to raise concerns about bribery or corruption. It also outlines the steps to take if an employee becomes aware of or is a victim of bribery or corruption and describes our procedures for monitoring and reviewing the policy.

We encourage all employees to report concerns about potential malpractice or suspicions thereof at the earliest opportunity. If employees are uncertain about whether a specific act constitutes bribery or corruption, or if they have other related questions, they are advised to speak directly to the Director. This approach ensures that concerns are addressed promptly and effectively, reinforcing our dedication to ethical business practices.

Our policies

Business conduct culture

Impact

Financial risk/opportunity

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to corruption and bribery prevention. The policy addresses the following governance impact and risk relevant to our operations and value chain.

Key content

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. Furthermore, we are committed to implementing and enforcing effective systems to counter bribery.

The purpose of this policy is to:

- Set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption.

- Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- Overall, this policy states that it is not acceptable for any stakeholder involved with Daiwa to:
- Give, promise to give or offer payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give or offer payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure.
- Accept payment from a third party that you know, or suspect, is offered with the expectation that it will lead them to obtain a business advantage.
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that might lead to a breach of this policy.

Scope

The policy applies to all operations of Daiwa House Modular Europe, including upstream suppliers, internal operations and downstream activities, across all geographical regions where we operate.

Accountability

The Chief Financial Officer (CFO) holds the highest level of accountability for the successful implementation and execution of this policy. The CFO reports directly to the CEO and the Board of Directors.

Third-party standards

None.

Monitoring

We will monitor the effectiveness and review the implementation of this policy regularly, considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Director via HR.

Anti-competitive behaviour prevention and detection

Daiwa House Modular Europe has specific clauses dealing with anti-competitive behaviour prevention and detection integrated in its standard labour contracts.

Performance management

Corruption or bribery events

Daiwa House Modular Europe has had no legal proceedings related to corruption or bribery during the reporting period.

Beneficial ownership

20% of Daiwa House Modular Europe is owned by the minority shareholder Harry van Zandwijk, CEO of Daiwa House Modular Europe, and 80% is owned by the majority shareholder, which is Daiwa House Modular Group.

Political influence and lobbying activities

Material impact

Topic	Impact
Political influence and lobbying activities	Daiwa's actual, positive impact on people and the environment through political engagement and lobbying activities involves influencing policies and regulations that govern construction practices, environmental standards and labour rights. If used responsibly, Daiwa's engagement can promote sustainable building practices, improve industry standards and advocate for policies that benefit communities and the environment. However, if misused, lobbying could prioritise corporate interests over environmental protection or workers' rights, potentially leading to weakened regulations or negative social and environmental outcomes.

Political influence and lobbying activities refer to efforts made by individuals, organisations or interest groups to shape government policies, laws and regulations in their favour. These activities aim to influence decision-makers, such as politicians, legislators or government officials, to adopt policies or take actions that align with the interests of the individuals or groups involved in the lobbying process. Although our direct political influence is very limited, we do try, as part of our commercial activities, to establish contacts in the right networks with the relevant administrators, such as aldermen or deputies, as they are stakeholders in the process of land positions and/or decision-making related to the development of (temporary) housing.

In the Netherlands and Germany, we are a member of several associations in order to exert influence in favour of our interests. About once a quarter, we join these associations' meetings. We have no further policy or target for the number of times we have contact with (local) politicians or policymakers.

The organisations we have joined as members include:

- **Platform 3D-Modulaire Woningbouw:** Platform 3D-Modulaire Woningbouw is an expertise centre for modular housing. Several modular builders are member of the association. It was established in 2012 as the Expertise Centre Flex Living for Labour Migrants. It soon became clear that the demand among this target group is very similar to that of other groups, such as refugees with residence permits, students and people with temporary employment contracts. Instead of seeing that as competing demand, their plea is to meet that overall need with a flexible shell in the housing market. That leads to more support in society and better business models for investors and operators. Working towards that is therefore the mission of the Platform 3D-Modulaire Woningbouw.
- **Modulair Nederland:** Modulair Nederland is the trade association for modular circular builders. Modular Netherlands represents the interests of the leading suppliers of modular housing in the Netherlands.

Daiwa House Modular Europe is a member and CEO Harry van Zandwijk is a board member. Together with its members, Modular Netherlands has a focus on strengthening the adaptive capacity of our living environment. Modular Netherlands does this by uniting the innovative power of modular and circular builders and jointly assisting them in their ambitions to provide sustainable housing solutions for the needs of today and tomorrow, from health care and education to offices and homes.

- **Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB):** DGNB is the German Sustainable Building Council – Europe's largest network for sustainable building. DGNB strives to make sustainability and climate protection the new normal. DGNB can be a helping hand for Daiwa House Modular Europe to make sure we are up to date with German laws and regulations regarding sustainability. In addition, we can engage with DGNB to see where improvement opportunities exist in terms of sustainability of our own buildings. The DGNB certification system is designed to make the transformation demonstrably feasible. As a planning and optimisation tool for assessing sustainable buildings, interiors and neighbourhoods, it helps to increase real sustainability in construction projects. The DGNB system is based on a holistic understanding of sustainability that takes into account the environment, people and economic efficiency in equal measure.
- **Bundesverband Bausysteme:** Bundesverband Bausysteme is an association for new developments in industrial prefabrication, rational building projects, new building products and information processing under the aspects of economic building, ecology and sustainability. They maintain important contacts with ministries, committees and bodies at federal and state level on behalf of their members and their interests. They place member-relevant topics there and work on standards, legal requirements, guidelines and regulations.

Our policies

Political influence and lobbying activities

Impact



Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to political influence and lobbying activities. The policy addresses the following governance impact and opportunity relevant to our operations and value chain.

Key content

While our direct political influence is limited, we aim to actively engage with relevant stakeholders as part of our commercial activities. This includes maintaining connections with relevant administrators, such as aldermen and deputies, who play a role in land positions and decision-making processes related to the development of (temporary) housing.

Memberships and engagements

In the Netherlands and Germany, we are a member of several associations to exert influence in favour of our interests. We attend those association meetings approximately once per quarter.

Policy on political contributions and lobbying

- We have no formal policy or specific targets regarding the frequency of interactions with local politicians or policymakers.
- Our lobbying activities are conducted through association memberships and maintaining connections with relevant administrators.

General principles are:

- **Compliance and ethics:** All political engagements and lobbying activities must adhere to applicable laws, regulations and internal ethical standards.
- **Transparency:** We commit to transparent reporting of our political contributions and lobbying efforts, including compliance with registration and disclosure requirements.

Scope

This policy applies to all internal and external stakeholders.

Accountability

The Chief Financial Officer (CFO) holds the highest level of accountability for the successful implementation and execution of this policy. The CFO reports directly to the CEO and the Board of Directors.

Third-party standards

None.

Monitoring

The implementation of this policy is continuously monitored through internal audits, performance reviews and stakeholder engagement feedback.

Management of relationships with suppliers

Material impact

Topic	Impact
Management of relationships with suppliers	Daiwa's actual, positive impact on people and the environment through the management of relationships with suppliers, including payment practices, involves ensuring fair, transparent and ethical practices throughout its supply chain. Timely payments and strong collaboration with suppliers can promote fair labour conditions, support local economies and encourage the adoption of sustainable practices. Conversely, poor management of supplier relationships or delayed payments can lead to financial strain on suppliers, potentially resulting in unethical labour practices, environmental degradation or reduced product quality.

Our policies

Management of relationships with suppliers

Impact

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to its management of relationships with suppliers. The policy addresses the following governance impact relevant to our operations and value chain.

Key content

At Daiwa, we are committed to maintaining responsible and ethical business relationships with our suppliers. Our procurement practices are designed to ensure compliance with trade regulations, promote fair competition and support sustainability within our supply chain. Daiwa strictly complies with trade restrictions and sanctions, only conducting business in and with countries where it is legally permitted. Additionally, we engage only with clients, partners, subcontractors and suppliers that have been approved in accordance with our internal policies. To effectively manage relationships with suppliers and subcontractors, Daiwa House Modular Europe has established a comprehensive policy framework derived from our General Terms and Conditions for Purchasing and Subcontracting, ensuring clarity and mutual understanding in all engagements.

This framework outlines the expectations and responsibilities of both DHME and its partners, ensuring clarity and mutual understanding in all engagements.

Formation and execution of agreements

- Contractual process: All engagements are formalised through written agreements that detail the scope of work, pricing, delivery timelines and other essential terms.
- Acceptance criteria: Agreements are established upon mutual consent, with both parties acknowledging and accepting the specified terms and conditions.

Pricing, payment and financial terms

- Pricing structure: Prices are agreed upon prior to contract execution, with provisions for adjustments in cases of agreed-upon additional or reduced work.
- Payment terms: Invoices are processed according to the payment schedule outlined in the agreement, subject to DHME's verification and approval procedures.
- The contractor maintains a payment term of 45 days after receipt of a correct and complete invoice or as much longer or shorter as agreed in the agreement. In the case of deliveries by SMEs as referred to in Article 6:119a paragraph 6 of the Dutch Civil Code, the payment period shall be 30 days.
- If the performance does not (fully) comply with the agreement, the customer is authorised to suspend payment in whole or in part, without prejudice to the customer's right to compensation, performance or dissolution of the agreement.
- Payment by customer shall be made in accordance with the payment schedule agreed by the parties, failing which payment shall be made without completion, without prejudice to customer's right under Article 17.

Delivery, risk and acceptance

- Delivery protocols: Suppliers and subcontractors are required to adhere to the agreed-upon delivery schedules and methods.
- Risk transfer: The risk associated with goods or services transfers to DHME upon formal acceptance, following thorough inspection and approval.

Performance, delays and penalties

- Execution standards: All work must be performed in compliance with the contract specifications, industry standards and applicable regulations.
- Timeliness: Adherence to project timelines is critical. Delays may result in penalties as stipulated in the agreement, unless justified by force majeure or mutually agreed-upon extensions.

Quality assurance and compliance

- Inspection rights: DHME reserves the right to inspect and test all delivered goods and services to ensure they meet the required standards and specifications.
- Regulatory compliance: Suppliers and subcontractors must obtain all necessary permits and comply with relevant laws and regulations, including those related to safety, environmental protection and labour practices.

Intellectual property and confidentiality

- IP rights: Any intellectual property developed in the course of the engagement is addressed as per the terms of the agreement, ensuring the protection of proprietary information.
- Confidentiality obligations: All parties are obligated to maintain the confidentiality of sensitive information obtained during the course of the engagement.

Safety, order and environmental responsibility

- Workplace conduct: Suppliers and subcontractors must ensure that their personnel adhere to DHME's safety and conduct standards while on-site.
- Environmental stewardship: Commitment to sustainable practices is mandatory, with an emphasis on minimising environmental impact and promoting resource efficiency.

Personnel and subcontracting

- Qualified personnel: Engaged personnel must possess the necessary qualifications and expertise to perform the assigned tasks effectively.
- Subcontracting conditions: Any further subcontracting requires prior written consent from DHME, ensuring that all subcontractors comply with the same standards and obligations.

Termination and amendments

- Contract termination: Provisions for termination are outlined, including scenarios such as breach of contract, insolvency, or prolonged force majeure events.
- Amendment procedures: Any changes to the agreement must be documented in writing and signed by authorised representatives of both parties.

Scope

All suppliers of Daiwa House Modular Europe.

Accountability

The Chief Production Officer (CPO) holds the highest level of accountability for the successful implementation and execution of this policy. The CPO reports directly to the CEO and the Board of Directors.

Third-party standards

Dutch Civil Code, Article 6:119a paragraph 6.

Monitoring

The implementation of this policy is continuously monitored through internal audits, performance reviews and stakeholder engagement feedback. A sustainability committee conducts quarterly assessments and reports findings to the executive board.

Performance management

Payment practices

Daiwa House Modular Europe applies a payment term for debtors of between 14 and 30 days and a payment term for creditors of 45 days and 30 days for SME suppliers. In 2024 all creditors were paid within 43 days on average and debtors paid on average in 38 days.

About this Report (basis for preparation)

Scope of consolidation

The financial statements have been prepared on a consolidated basis and include all legal entities. The reported data in the sustainability statement is prepared on a consolidated basis on a selected number of entities. The sustainability statement has been prepared based on the organisation boundaries as described in the GHG Protocol. For CO₂ emissions, Daiwa House Modular Europe's organisational boundaries have been determined according to the operational sphere of influence principle. In practice, this means that where activities fall under the direction of Daiwa House Modular Europe, the company takes responsibility for CO₂ production, as the management clearly lies within the organisation. The organisational boundaries for the sustainability statement include the group companies within Daiwa House Modular Europe. Jan Snel Holding B.V. Group companies that do not hold resources and activities are excluded. All entities above Daiwa House Modular Europe B.V. are financial entities and have therefore been excluded. If specific data deviate from above, it is specifically mentioned in the sustainability statement. Daiwa House Modular Europe has not used the option to omit information nor exemption from disclosures.

Omissions and changes in preparation due to specific circumstances

The sustainability statement has been made on a consolidated basis based on the above methodology. The emissions in Germany and the UK are expected to increase the upcoming years due to increased activities. Until now, emissions at construction sites in Germany have been excluded from the sustainability statements; they will be included as of 2023.

Time horizon

The goals of the sustainability statement are aligned with the goals of the Paris Agreement. The short, medium and long term are set at 2025, 2030 and 2050. This defined time horizon ensures Daiwa's commitment to long term goals such as the Paris Agreement and to translate these goals to short and mid-term actionable commitments. The goals are reviewed annually, and when progress is insufficient, actions are adjusted accordingly. This review process is part of our audit of the SKAO CO₂ Performance Ladder, a CO₂ sustainability management instrument.

Value chain

The sustainability statement includes the upstream and downstream value chain, as described on page 11, which is the basis to identify Daiwa's impacts, risks and opportunities in this sustainability statement.

Source of estimation and outcome uncertainty

Scope 3 of our GHG emissions includes most estimations and is where our largest impact comes from. Material calculations are based on the Mobius platform, utilising environmental product declarations (EPDs) where available, which is the case for the majority of our materials. If EPDs are not accessible, we use data from the Nationale Milieu Database (NMD) or Ecoinvent. Material inputs are estimated based on cost calculations and the weight of our buildings. As we use modular construction, we often use the same materials across modules. We determine the impact per module and multiply it by the number of modules produced or refurbished.

In the coming year, we aim to improve the precision of our calculations by making them more specific for each project by connecting the systems based on detailed BIM data.

Waste is separated into 35+ different streams, with only three being mixed streams and the rest being mono waste streams. Our waste quantities are based on reports from waste suppliers, and mono waste streams are returned to suppliers for use as raw materials in their products. We have a high level of certainty regarding our waste quantities, but the main uncertainty lies in the impact per waste stream. It is challenging to find national or global CO₂ impact data for each waste stream, especially when dealing with 35+ streams. As a result, we assign a high impact value for construction and demolition waste (mixed streams) and other waste streams (mono streams) and small toxic waste. These values are based on waste authority (NEA) calculations from 2022, which primarily focus on waste incineration. Since our waste incineration percentage is low, our waste impact may be overrepresented. However, until better-regulated sources become available, we adhere to these figures.

Double materiality assessment

This table shows the definitions, the value chain boundaries and the assessment criteria used in the double materiality assessment process.

Double materiality assessment

This table shows the definitions, the value chain boundaries and the assessment criteria used in the double materiality assessment process.

Topic	Impact (I)	Risk (R)	Opportunity (O)	Upstream	Own operations	Downstream
	Environmental					
Climate change Climate change adaptation	The potential positive impact Daiwa has long-term (>5 years) on climate change adaptation by offering modular constructing, which provides the possibility to relocate buildings and homes when local circumstances change due to climate change. This could positively impact people's lives, helping residents and users of modular houses to adapt to climate change.	Daiwa's potential long-term (>5 years) risk, as it faces an increase in operating costs due to higher maintenance and unexpected repair or replacement costs from weather-related damage not covered by insurance. There is also a risk of asset depreciation, such as the potential loss of factory value in the event of flooding, as well as rising insurance premiums driven by the increased frequency of extreme weather events.	Daiwa's potential opportunity in the mid-term (1-5 years). There is a growing international demand for climate-adaptive buildings, including relocatable homes and structures, driven by the impacts of climate change such as sea-level rise, flooding, heat and drought. Customers will increasingly require infrastructure and building solutions that are not only resilient to climate risks but also support emissions reduction goals.		Own factories and facilities: might be hit by physical risks such as extreme weather.	Placement and use: Offering residents modular homes that can be relocated during use phase in order to adapt to climate change.
Climate change Climate change mitigation	The actual negative impact Daiwa has short-term (<1 year) on climate change through the reduction of GHG emissions. Scope 1 covers direct emissions, such as the combustion of fuels in fixed machines, the generation of heat (gas), commercial transport in vehicles owned by Daiwa House Modular Europe and emissions from refrigeration equipment and climate installations. Scope 2 covers indirect emissions from the generation of purchased electricity. The indirect emissions caused by business activities of another organisation fall into scope 3 (material and waste emissions).	Daiwa's potential medium-term (1-5 years) risk, as it faces an increase in operating costs due to higher investments required to implement CO ₂ -reduction plans, such as electrification and engineering the usage of sustainable materials.		Raw materials/ transportation: GHG emissions during production of materials purchased from suppliers.	GHG emissions during the production and design process , electricity of facilities, electrification, procurement, assembly and dismantling.	GHG emissions emitted on construction sites and during use phase .
Climate change Energy	The actual negative impact Daiwa has short-term (<1 year) on the environment from energy use through the entire value chain, such as the transportation and production of materials and transportation of workers to and from projects.	Daiwa's risk in the medium term (1-5years), as it will face higher energy costs due to rising energy prices and increased investments in energy-efficient production facilities, such as installing solar panels and using electric trucks for transportation. Additionally, limitations in energy availability at construction sites and production locations could lead to higher costs or even production halls.		Raw materials, transportation: energy use during production of materials.	Energy used in own offices and production facilities .	Energy used on construction sites , electricity during use phase .

Topic	Impact (I)	Risk (R)	Opportunity (O)	Upstream	Own operations	Downstream
Climate change Energy		Daiwa's actual short-term (<1 year) risk. There is more demand for energy-efficient homes. Daiwa might not be able to provide the right solutions for these homes with its modular products.			Production and design phase: Daiwa might not be able to design/produce energy-efficient homes.	
Circular economy Resources inflows, including resource use	The actual negative impact has short-term (<1 year) on the environment through resource inflows involves the extraction, use and management of raw materials such as timber, metals and concrete. High resource consumption can lead to the depletion of natural resources, habitat destruction and increased greenhouse gas emissions from material extraction and processing.	Daiwa's potential risk in the medium term (1-5 years) because of increased project costs due to limited supply of raw materials (steel for example) caused by resource scarcity, more testing and longer certification processes of innovative/renewable materials and higher regulatory compliance costs. Also possibly increased costs for the use of carbon intensive materials (steel and concrete for example).	Daiwa's actual opportunity in the short term (<1 year), because of more demand for circular, industrialised homes due to increased awareness on importance of circularity.	Raw materials, suppliers: Resources and materials bought via suppliers to enable construction of modular homes.	Procurement: decision-making in buying process.	
Circular economy Resource outflows related to products and services	The actual positive impact Daiwa has short-term (<1 year) on the environment through circularity focuses on designing modular buildings for disassembly (design for disassembly) using standardised, industrialised processes. This approach minimises environmental impact by ensuring efficient construction and enabling buildings to be dismantled and reused at the end of their life cycle, promoting circular construction.				Design, production, assembly, dismantling, reuse of materials, refurbishing homes.	Dismantling of existing modular homes and refurbishing homes for new locations.
Circular economy Waste	The actual negative impact Daiwa has short-term (<1 year) on the environment through waste in the modular construction sector, which involves the generation of construction debris, packaging materials and excess building components. If not properly managed, this waste can contribute to landfill overflow, resource depletion and pollution.		Daiwa's actual opportunity in the short-term (<1 year) because of reduced costs due to less waste through circular business models and use of recycled materials.		Production, assembly, dismantling, reuse of materials, generation of construction debris, packaging materials and excess building components.	

Topic	Impact (I)	Risk (R)	Opportunity (O)	Upstream	Own operations	Downstream
 Social	Own workforce Working conditions overall The actual positive impact Daiwa has short-term (<1 year) on people through working conditions relates to key factors such as secure employment, working time, adequate wages and social dialogue. Ensuring proper conditions includes respecting workers' rights to freedom of association, the existence of works councils and providing information, consultation and participation rights. Additionally, collective bargaining, including the rate of workers covered by collective agreements, plays a crucial role in fostering a fair and supportive working environment.	Daiwa's actual risk in the short term (<1 year) due to scarcity of qualified labour: The shortage of technically qualified personnel in the Dutch/European labour market.			Own operations and HR: All workers in offices, manufacturing sites and drivers on the road. Managed by operations HR.	
	Own workforce Work-life balance The actual negative impact Daiwa has short-term (<1 year) on people through work-life balance involves managing the balance between employees' professional responsibilities and personal lives. Poor work-life balance, characterised by excessive working hours, unpredictable schedules or insufficient rest, can lead to stress, burnout and reduced job satisfaction.					
	Own workforce Health and safety The actual negative impact Daiwa has short-term (<1 year) on people through health and safety involves the risk of unforeseen events occurring in factories, construction sites or office environments. These events, such as accidents or exposure to hazardous conditions, can lead to illnesses, injuries or even fatalities, causing personal distress to employees and their families.	Daiwa's actual risk in the short term (<1 year). A large number of employees are exposed to unforeseen events that can occur within the factory or at the construction site which potentially can cause illnesses, injuries or fatalities that can harm the employees' health, resulting in long-lasting health issues, or even death. This can lead to business disruption, financial losses and reputational damage or legal claims. Failure to keep our employees physically healthy will impact our employee engagement, our corporate culture and productivity and hinder reaching our long-term goals.			Own operations and H&S - HR: All workers specifically on the manufacturing sites and drivers on the road.	Workers on construction sites.
	Own workforce Health and safety The actual negative impact Daiwa has short-term (<1 year) on people through mental health involves the pressures of tight deadlines, high workloads and physically demanding tasks, which can lead to stress, anxiety and burnout. Poor mental health can reduce productivity, increase absenteeism and negatively affect overall well-being.				Own operations and H&S - HR: All workers in offices, manufacturing sites and drivers on the road. Managed by operations HR.	Workers on construction sites.

Topic	Impact (I)	Risk (R)	Opportunity (O)	Upstream	Own operations	Downstream
Own workforce Training and skills development	The actual negative impact Daiwa has medium-term (1-5 years) on people through training and skills development involves providing employees with opportunities to enhance their skills and knowledge. Adequate training ensures that workers stay updated with industry advancements, improving job performance and career growth. A lack of training and development can result in reduced productivity, job dissatisfaction and limited career progression.				Own operations and HR: All workers in offices, manufacturing sites and drivers on the road. Managed by operations HR.	Workers on construction sites.
Own workforce Measures against violence and harassment in the workplace	The actual negative impact Daiwa has short-term (<1 year) on people through violence and harassment in the workplace involves the risk of employees being exposed to abusive behaviour, bullying or harassment, which can create a toxic work environment. Such behaviour can lead to emotional distress, decreased job satisfaction and reduced productivity.				Own operations and HR: All workers in offices, manufacturing sites and drivers on the road. Managed by operations HR.	Workers on construction sites.
Own workforce Diversity	The actual positive impact Daiwa has short-term (<1 year) on people through diversity involves the promotion of an inclusive workplace that values different backgrounds, perspectives and experiences. A lack of diversity can lead to a less innovative and less dynamic work environment, while fostering diversity enhances creativity, problem-solving and employee engagement. By embracing diversity in hiring, leadership and decision-making, Daiwa can create a more equitable and productive workplace, promoting equal opportunities for all employees and reflecting a broader range of ideas and experiences in its operations.				Own operations and HR: All workers in offices, manufacturing sites and drivers on the road. Managed by operations HR.	Workers on construction sites.
Workers in the value chain Health and safety	The actual negative impact Daiwa has short-term (<1 year) on workers in the value chain through health and safety involves the risk of unforeseen events occurring at suppliers, contractors or partner facilities, such as factories or construction sites. These events, including accidents or exposure to hazardous conditions, can result in illnesses, injuries or even fatalities, leading to significant distress for the affected workers and their families. It is essential for Daiwa to ensure that all partners in the value chain adhere to strict health and safety standards to protect workers' well-being.	Daiwa's actual risk in the short term (<1 year) as workers in the value chain, for instance at factories where DHME sources its materials, are exposed to dangerous situations on a daily basis, resulting in injuries or fatal accidents, leading to shortages of materials in the supply chain.		Workers employed by suppliers delivering materials.		Workers employed by partners on construction sites.

Topic	Impact (I)	Risk (R)	Opportunity (O)	Upstream	Own operations	Downstream
Consumers and end users Health and safety	The actual positive impact Daiwa has short-term (<1 year) on residents involves delivering housing solutions that meet promised social and environmental specifications, ensuring a healthy living environment. This includes providing homes designed with high standards of air quality, energy efficiency and overall well-being, aligned with both social and environmental commitments to enhance the quality of life for residents.					Users of the modular homes: residents, hospitals, employees, children, students, patients.
Consumers and end users Access to products and services	The actual positive impact Daiwa has short-term (<1 year) on people addresses the housing shortage in the EU market by providing modular housing solutions that contribute to increasing the availability of homes. Additionally, Daiwa aims to offer affordable housing options, ensuring that housing costs remain at a socially acceptable ratio to household income, making homes accessible to a broader range of people.		Daiwa's actual opportunity in the short-term (<1 year) due to more demand for flexible and affordable housing solutions DHME offers, as a solution to the housing crisis in the Netherlands.			Residents and institutions living in and utilising modular units (hospitals, homes, students, children, patients...).
 Governance						
Business conduct Corporate culture	The actual positive impact Daiwa has short-term (<1 year) on people through corporate culture in the modular construction sector involves shaping the values, behaviours and work environment that influence employee satisfaction, engagement and productivity. A positive corporate culture fosters collaboration, innovation and inclusivity, leading to higher employee morale and retention. Conversely, a negative culture can result in low job satisfaction, disengagement and high turnover.	Daiwa's risk in the medium term (1-5 years) if the company is not able to make the proper transition from a family-run business to a multi-national; this will be a risk for business operations. Alongside the growth of the company, the internationalisation may ask for a different kind of governance. Management styles may vary in different markets, company sizes or countries.		Reaches all internal and external stakeholders.	Reaches all internal and external stakeholders.	Reaches all internal and external stakeholders.
Business conduct Political engagement and lobbying activities	The actual positive impact Daiwa has short-term (<1 year) on people and the environment through political engagement and lobbying activities involves influencing policies and regulations that govern construction practices, environmental standards and labour rights. If used responsibly, Daiwa's engagement can promote sustainable building practices, improve industry standards and advocate for policies that benefit communities and the environment. However, if misused, lobbying could prioritise corporate interests over environmental protection or workers' rights, potentially leading to weakened regulations or negative social and environmental outcomes.		Daiwa's actual opportunity in the short term (<1 year) due to public policy (contact with the authorities): Government contact regarding the feasibility of laws and regulations and regarding better, more innovative tenders.	Reaches all internal and external stakeholders.	Reaches all internal and external stakeholders.	Reaches all internal and external stakeholders.

Topic	Impact (I)	Risk (R)	Opportunity (O)	Upstream	Own operations	Downstream
Business conduct Management of relationships with suppliers including payment practices	The actual positive impact Daiwa has short-term (<1 year) on people and the environment through the management of relationships with suppliers, including payment practices, involves ensuring fair, transparent and ethical practices throughout its supply chain. Timely payments and strong collaboration with suppliers can promote fair labour conditions, support local economies and encourage the adoption of sustainable practices. Conversely, poor management of supplier relationships or delayed payments can lead to financial strain on suppliers, potentially resulting in unethical labour practices, environmental degradation or reduced product quality.			Reaches all of Daiwa's suppliers and workers.	Reaches all of Daiwa's suppliers and workers .	
Business conduct Corruption and bribery	The actual negative impact Daiwa has short-term (<1 year) on people and the environment through corruption and bribery involves the risk of unethical practices, such as offering or accepting illicit payments to gain unfair advantages. Corruption can undermine fair competition, lead to substandard building practices and weaken regulatory enforcement, negatively affecting the quality of housing and environmental standards.	Daiwa's actual risk in the short term (<1 year) due to corruption and/or anti-competitive bidding practices (collusion to set tender prices, cover pricing and cartel price fixing) in the sector, particularly in relation to obtaining regulatory approval, procurement, inspection and certification processes.			Reaches all internal and external stakeholders .	Reaches all internal and external stakeholders .

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Colophon

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