



# RESPONSIBLE SOURCING HANDBOOK

## ESG and Sustainability Requirements

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# INTRODUCTION



# Introduction

**Our mission is clear:** to shape the future with purpose, sustainability, and innovation at its core – meeting the evolving needs of our stakeholders. The Circular Economy is not just our strategy; it is the foundation upon which we build the future.

**Sourcing responsibly is** a fundamental value of Modulaire Group and its subsidiaries. We are setting standards for our suppliers to conduct business fairly and with integrity. We have a shared responsibility for our Stakeholders and the environment, and applying our Group policies creates a strong business culture and reputation.



This handbook will aid suppliers in understanding the requirements and values we expect to see in order to work with Modulaire Group and its subsidiaries.

**James Odom** ←  
Group General Counsel

# About Modulaire Group

**Modulaire Group (Modulaire)**

is Europe and Asia Pacific’s leading specialist in modular services and infrastructure. Combining unrivalled skill and adaptability, we create smart spaces for people to work, learn and live. We deliver added value for our customers through our equipment, connectivity and furniture solutions. With operations in 23 countries, and over 330,000 modular units, our skilled workforce delivers the space solutions our customers need.

Modulaire Group owns the brands Algeco, Altempo, Ausco, Advanté, NET Modular, Module Tech, Portacom, and Uniteam. We are a responsible business and comply with all legal requirements of the countries where we operate with the highest degree of integrity and ethics. Responsible conduct is a critical element of our corporate culture and embedded in our strategy. Modulaire’s overall goal is to create smart spaces for people to work, learn and live.



Working across  
**23 countries**  
in Europe and Asia Pacific



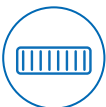
Around  
**5,000 employees**



Serving over  
**53,000 customers**



Approximately  
**330,000 modular space units**  
and portable storage units



Around  
**5,000 remote**  
accommodation rooms



Extensive network of  
**139 service centres**  
including 13 design and assembly facilities



With  
**Operating brands**  
including: Algeco, Advanté, Altempo, Ausco,  
Module Tech, NET Modular, Portacom and Uniteam

# Our Value Proposition



## INDUSTRIAL

We understand the unique challenges faced by industrial projects and our high quality modular units and services can deliver turnkey solutions for the largest and smallest of spaces.



## CONSTRUCTION AND OFF-GRID SOLUTIONS

From a simple construction site cabin container or storage space, to multiple office containers with cafeteria and sanitary facilities, our team of experts support construction sites every day.



## HEALTHCARE

Our modular units deliver significant benefits for medical teams and patients, ensuring service continuity and minimal disruption. The high-quality environments are tailored to meet patient needs, from heating and lighting controls, to security and privacy measures.



## EDUCATION

We build and supply modular classrooms, enabling schools, educational institutions and childcare facilities to create additional space quickly and flexibly for growing student populations and during renovations.



## DEFENCE

From furnished military barracks to lifesaving shelters, we provide tailored modular solutions, including fire-resistant units and outer staircases.



## DATA CENTRES

Our modules support the construction of data centres, providing versatile and functional spaces, with comprehensive furnishings.



## SHOPS AND BUSINESSES

We provide modular shops and business solutions, enabling a faster response in local markets and helping business to capitalise on supply and demand trends.



## ACCOMMODATION

Our versatile modular housing units are fully customisable and used for many purposes, including temporary and permanent accommodation, dormitories, workforce housing, stayover villages and emergency shelters.

The background of the slide features three large, overlapping circles in a dark blue color. The circles are positioned such that they create a sense of depth and movement, with the central circle being the most prominent.

# **RESPONSIBLE SOURCING MATTERS**

# Sustainable Procurement Matters

**Sustainable procurement** is the practice of integrating environmental, social, and governance (ESG) criteria into purchasing decisions to minimise negative impacts and promote responsible business

practices. It ensures that organisations source goods and services in a way that supports sustainability goals, ethical labour practices, and environmental protection while maintaining economic viability.

## OUR APPROACH

- We make procurement decisions based on objective factors such as quality, service, price, sustainability, integrity and delivery.
- We do not tolerate any form of modern slavery within our business or suppliers and will investigate any alleged breaches.
- Bribery and corruption are criminal offences. We do not and will not offer, accept or pay bribes or improper inducements to anyone for any purpose.
- We will carry out assessments on our suppliers and report our progress

## OUR EXPECTATIONS

Modulaire Group requires all suppliers to comply with the standards outlined in this handbook and the supporting policy documents. Any questions regarding these requirements should be directed to your local procurement representative.





# Legal Matters

**Modulaire Group expects** all its suppliers to sign a contract with us subject to our standard conditions of purchase, before they can act as our supplier. Our contracts include binding obligations on the supplier to comply with the Supplier Code of Conduct.

**The Modulaire ESGS** Policy and Code of Conduct, along with other Group policies, set out clear obligations for supply chain partners regarding anti-bribery and corruption, human rights and modern slavery, and the prevention of anti-competitive practices.

**Modulaire holds its** suppliers to the highest standards and a breach of these key obligations entitles us to terminate the relationship immediately.

# ESG and Sustainability Matters

The Modulaire Environment Social Governance and Sustainability (ESGS) strategy represents our intent to establish ESGS commitments uniformly across the Group.

It is built on our stakeholder engagement process and double materiality assessment, addressing the material topics, risks and opportunities identified for our business.

| OUR STRATEGIC APPROACH IS DESCRIBED IN THE TABLE BELOW                                                                                                                                  |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TARGET NET ZERO BY 2050                                                                                                                                                                 | DELIVER ON SOCIAL VALUE                                                                                                                                                                                         | STRONG GOVERNANCE                                                                                                                                                                                                                |
| <ul style="list-style-type: none"><li>– Be part of the Circular Economy</li><li>– Drive sustainable design and manufacturing</li><li>– Act on climate risks and opportunities</li></ul> | <ul style="list-style-type: none"><li>– Place safety and wellbeing at the top of our agenda</li><li>– Create smart places for people to work, learn and live</li><li>– Ensure diversity and inclusion</li></ul> | <ul style="list-style-type: none"><li>– Maintain our strong compliance focus</li><li>– Active oversight by the board and Executive of ESGS</li><li>– Achieve ISO certifications for Environment Sustainability and ESG</li></ul> |





# Certification & Standards Matters

**Goods and services** must meet quality, safety, and environmental certifications to ensure performance and reliability e.g - FSC Certification for wood, – EN 10204 Certificate for Steel  
Required basic standards e.g. ISO 9001 (quality), 14001 (environment) , 45001 (health and Safety)  
Where possible Life Cycle Analysis (LCA).

# Circularity Matters

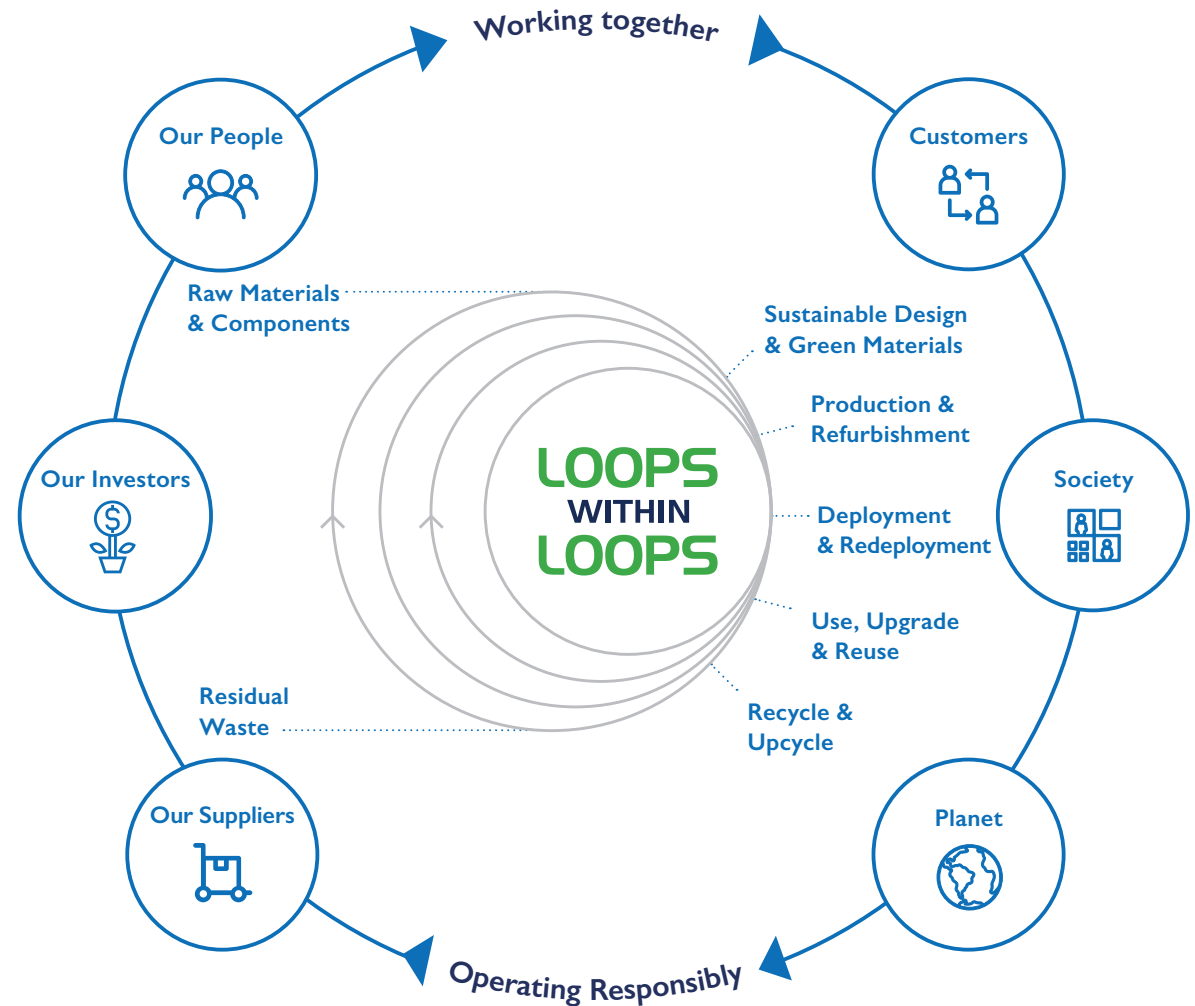
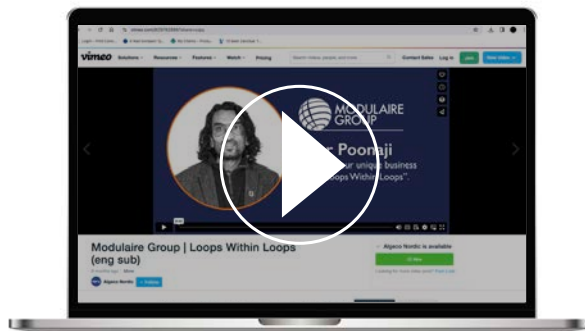
**Loops within Loops** is our sustainable circular business model. It simply means we use innovative sustainable design solutions to produce modular units that can stay in service longer, going round and round again.

**This reduces the** use of virgin materials, minimising resources and waste. By designing in sustainability and designing out waste, we produce a circular product that can be reused, refurbished, remade and assembled. We do this to meet the expectations

of our stakeholder groups, who want maximum value with minimum impact.

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

SEE LOOPS WITHIN LOOPS IN ACTION BELOW:



# **SUPPLIER REQUIREMENTS AND GUIDANCE**

# Modulaire Group Policies

## Code of Conduct

**The Supplier Code** of Conduct reflects our commitment to act ethically and with integrity in all business relationships. To ensure our suppliers and contractors comply with these values, we require them to adhere to the code, with a commitment not to use slave labour or participate in human trafficking. New suppliers must agree at on-boarding stage, understanding that our trading relationship may be discontinued if they should fail to comply.

## Responsible Sourcing Policy

**The purpose of** Modulaire Group's ESGS Responsible Sourcing Policy (RSP) is to ensure collaboration with suppliers along the value chain, embed ESGS at all stages, review ESGS performance as part of routine supplier relationships, improve our knowledge of the supply chains upon which we depend and drive continuous ESGS improvement.

**Our approach cannot** and does not seek to cover every eventuality; it defines the key behaviours and actions we expect of our suppliers and all those working with us so that together we meet the highest standards.

## MODULAIRE GROUP POLICIES:

- Anti-bribery and Corruption Policy
- Code of Ethics
- Cybersecurity Policy
- Customer Data Privacy Policy
- EDI Policy
- ESGS Policy
- Gift and Entertainment Policy
- Global Data Privacy Policy
- Health and Safety Policy
- Modern Slavery and Human Trafficking Compliance Statement
- Policy on Electrification of Machinery, Forklifts and Vehicles
- Policy on Sustainable Use of Water
- Policy on Waste Management
- Responsible Sourcing Policy
- Speak-Up Policy
- Supplier Code of Conduct
- Supplier Data Privacy Policy

*For policies, please visit the Modulaire Group website.*



# Transparency

## Modulaire Group requires

transparency and trust across all operations. Illegal acts, falsification, deception, and corruption are strictly prohibited. We expect openness and

ongoing improvement from suppliers. Transparency also helps consumers understand responsible sourcing efforts and promotes consistent standards across industries.

# Supplier Code of Conduct

**All suppliers to** Modulaire Group and its subsidiaries must follow our Supplier Code of Conduct, which outlines the minimum ethical and operational standards required to do business with us.

**Suppliers are also** expected to have their own Code of Conduct, guiding staff behaviour in **five key areas: integrity, objectivity, confidentiality, professional behaviour, and competence**. This ensures alignment with our values and ethical expectations.





# Supplier Policies

**Suppliers are expected** to have their own policies in place which helps guide their decision making and to promote a positive business culture.

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## ESSENTIAL POLICIES INCLUDE:

- Code of Conduct
  - Health and Safety
  - Modern Slavery and Human Trafficking
  - Sustainability Policy (including waste and water management and biodiversity)
  - Responsible Sourcing
  - Equality, Diversity, and Inclusion
  - Data protection and Privacy
-

# Human Rights Declaration

**Suppliers must prioritise** human rights, treating all individuals with dignity and respect. Legal frameworks, such as the UK Modern Slavery Act, require companies to address issues like forced labour and unsafe working conditions in their supply chains. Transparency builds trust and helps prevent such violations.

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## WE ALIGN OUR RESPONSIBLE SOURCING APPROACH WITH INTERNATIONAL STANDARDS, INCLUDING:

### ■ ILO Fundamental Principles and Rights at Work

– Covering freedom of association, no forced labour, and non-discrimination.

### ■ UN Guiding Principles on Business and Human Rights (UNGPs)

– outlining how businesses should protect and respect human rights.

### ■ UN Global Compact (UNGC)

– We are a signatory since 2021 and report annually on progress toward its ten principles. <https://www.unglobalcompact.org/what-is-gc/participants/144802-Modulaire-Group>

### ■ UN Sustainable Development Goals (UN SDGs)

– Especially SDGs 4, 5, 9, 11, 12, and 13, integrated into our operations and services.

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# Quality, Health, Safety & Environment

**Suppliers must prioritise** health and safety by maintaining ISO 45001 (or equivalent), reporting serious incidents, and ensuring all workers are insured for injuries or illness.

**Risks must be** assessed and reduced through safe equipment, clear routines, and proper use of PPE – provided clean and free of charge. All incidents and near misses must be recorded, investigated, and addressed.

**Hazardous materials** must be managed in accordance with both local and international regulations.

All buildings and structures must comply with established safety standards. Emergency procedures should incorporate alarm systems, clearly marked exits, routine evacuation drills, and thorough documentation.

**We work with** suppliers to raise awareness, share best practices, and allow time to address any issues.

# Modern Slavery and Child Labour

**We have zero** tolerance for modern slavery and child labour. Suppliers must comply with our compliance statement and have their own policy to prevent such practices across their operations and supply chains.

**Working hours must** meet local and minimum international requirements. Recruitment must be fair, with contracts signed before work or training starts. Terms must be understood, and major changes agreed in writing.

**Wages must meet** legal minimums, be paid on time, and cover added living costs if working away from home. Required uniforms must be provided free of charge.

**Suppliers may consult** the CORE Coalition's Beyond Compliance Guide to strengthen their policies.

For further guidance see the [\*Ethical Trading Initiative's Guide to Buying Responsibly\*](#)





# Diversity, Equity and Inclusion

**Everyone deserves to** feel safe and respected at work. All workers must have equal opportunities and be free from discrimination in any employment-related matter, regardless of personal background or identity.

**Suppliers must have** a clear, accessible policy that rejects discrimination, bullying, harassment, violence, and abuse, and defines unacceptable behaviour.

# Biodiversity and Protecting the Environment

**Suppliers must avoid** practices that harm ecosystems, wildlife, or local communities. Unsustainable farming, deforestation, and exploitation of workers have no place in our supply chain.

**Waste must be** safely managed, and environmental impacts assessed during operational changes. Water use must follow legal permits. Suppliers should prioritise recycled materials, supporting our Loops within Loops strategy to reduce waste.

**Raw materials must be responsibly sourced.**

## SUPPLIERS MUST NOT USE TIMBER, FIBRE, OR RAW MATERIALS IF:

- The source is unknown or illegally harvested
- It contributes to conflict or violates human rights
- It comes from genetically modified trees
- It threatens high conservation areas or converts natural forests, unless justified by clear social and environmental benefits



# Approach to Non-conformance

We aim to support suppliers in meeting these requirements through collaboration and shared improvement. However, repeated non-compliance – or unresolved zero-tolerance issues – will result in ending the business relationship. We only work with those who share our values.

If systemic challenges exist, we can develop an action plan. Suppliers are expected to continuously improve their ethical and responsible sourcing practices.



# CHECKLIST AND TOOLS

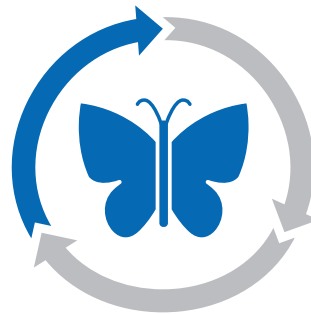


# ESGS Checklist for Suppliers



## Governance & Compliance

- ☐ Uphold strong governance standards.
- ☐ Strictly comply with local laws in all operating regions.
- ☐ Ensure the Board holds ultimate responsibility for sustainability.



## Environmental Responsibility

- ☐ Integrate ESG principles into all business activities.
- ☐ Minimise environmental impacts while improving sustainability.
- ☐ Reduce the environmental footprint of operations.
- ☐ Support sustainability improvements across the supply chain.
- ☐ Measure and report direct carbon emissions (Scope 1 and 2) and provide data to Modulaire.



## Social Responsibility

- ☐ Act responsibly toward employees, customers, suppliers, communities, and society.
- ☐ Foster a safe, inclusive, diverse, and inspiring workplace.
- ☐ Align ESG efforts with human rights principles, including UNGC and ILO guidelines



# IT Checklist for Suppliers

## SUPPLIER CYBERSECURITY & MODULAIRE GROUP DATA PROTECTION CHECKLIST

### 1 Compliance & Governance

- ☐ Comply with data protection laws (e.g., GDPR, GCPA).
- ☐ Comply with cybersecurity laws (e.g. NIS 2, CRA).
- ☐ Establish clear information security and governance.
- ☐ Ensure transparency in Modulaire Group data handling.

### 2 Baseline Security Controls

- ☐ Protect your assets against malware.
- ☐ Regularly update systems and patch vulnerabilities.
- ☐ Backup data regularly, preferably offline.
- ☐ Train employees on cybersecurity best practices.
- ☐ Securely store and process personal and business Modulaire Group data.
- ☐ Restrict access to Modulaire Group data to authorised personnel only.

### 3 Risk based, appropriate and proportionate security controls

- ☐ Consider international standards self-assessment or certification (e.g. ISO/IEC 27001, NIST CSF, SOC 2, CIS Controls, CSA CCM)

### 4 Third-Party & Supply Chain Security

- ☐ Ensure subcontractors and vendors follow cybersecurity standards.
- ☐ Require secure data handling across the supply chain.

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### MODULAIRE GROUP

- Internal cybersecurity reference standard : NIST CSF
  - Formal supply chain risk management process for place of IT vendors
-



# Pre-Screening ESG Information Requirements

- ☐ Company details
- ☐ Sustainability credentials (e.g. ISO14001, EcoVadis, SBTi)
- ☐ Human rights, working conditions,
- ☐ Health and safety practices
- ☐ Anti-corruption
- ☐ Carbon emissions data
- ☐ Steel/aluminum import volumes if relevant
- ☐ Declaration on any fines or penalties in the last 5 years

## PRE-SCREENING DATA REQUIREMENTS

### **Level 1 – Basic Requirements (for SMEs):**

This initial pre-screening stage is designed for Small and Medium-sized Enterprises (SMEs). It includes fundamental data requirements along with our ESGS Terms and Conditions.

### **Level 2 – Advanced Requirements (for Large Companies):**

This more comprehensive pre-screening stage applies to large corporations and includes detailed data requirements beyond the basic level.

**Please note:** The Basic Level (Level 1) will be gradually phased out over time as we transition toward a unified advanced precreening process using a single questionnaire.



# Due diligence for High-Risk Product/Service and Regions

An expanded version of the Advanced questionnaires, specifically tailored for high-risk products, services, and regions. This includes more detailed and targeted questions, and may also involve an on-site visit for verification purposes.



# Carbon Calculator

## Carbon calculators estimate

your carbon footprint – often including scope 1, 2, and 3 emissions – based

on inputs like transport and energy use. Many also suggest ways to reduce emissions.

## Free tools include:

### ■ SSE ENERGY SOLUTIONS

<https://www.sseenergysolutions.co.uk/business-energy/net-zero-hub/carbon-footprint-calculator>

### ■ CARBON TRUST

<https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/sme-carbon-footprint-calculator>

### ■ SME CLIMATE HUB

<https://smeclimatehub.org/start-measuring/>

### ■ NATWEST CARBON PLANNER

<https://www.natwest.com/business/green-banking/carbon-planner.html>

### ■ SECR

<https://secr.uk/carbon-calculator/>

### ■ TERRAPASS

[https://terrapass.co.uk/?utm\\_source=terrapass.com&utm\\_medium=referral&utm\\_campaign=redirect](https://terrapass.co.uk/?utm_source=terrapass.com&utm_medium=referral&utm_campaign=redirect)

### ■ THE SUPPLY CHAIN SUSTAINABILITY SCHOOL CARBON CALCULATOR TOOL

<https://www.supplychainschool.co.uk/free-carbon-calculator-for-supply-chains/>



# UNDERSTANDING OUR VALUE CHAIN

## – Impacts, Risk and Opportunities



# Our Value Chain

**There are three main channels to our business:**

leased units, sold buildings and long-term leased units which we call 'remote'. While we have greater control over the impacts connected with our own operations, we have begun collaborating with stakeholders to address upstream and downstream environmental impacts, risks, and opportunities. We believe in open dialogue with our stakeholders and meet them regularly to listen to feedback.



# Extraction Raw Material



## ■ IMPACT

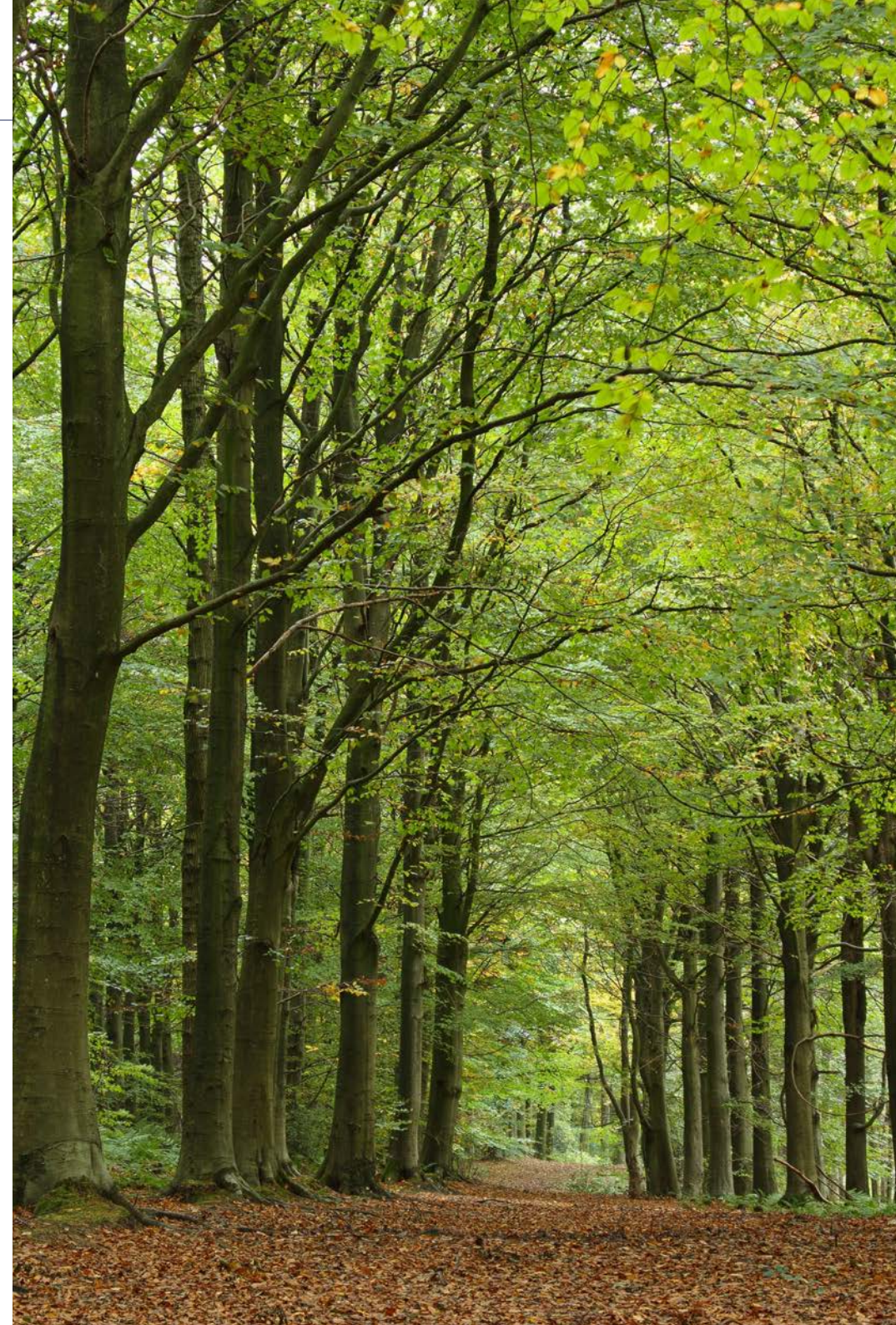
- Depletion of natural resources and habitat destruction
- High energy consumption and carbon emissions
- Pollution of air, water, and soil
- Social and ethical concerns, including displacement of communities

## ■ RISK

- Regulatory restrictions and environmental compliance costs
- Supply chain disruptions due to geopolitical or resource scarcity issues
- Reputational damage from unsustainable practices
- Long-term financial instability as resources become scarce

## ■ OPPORTUNITY

- Development of sustainable extraction technologies
- Increased use of recycled and alternative materials
- Strengthening Environmental and Social and Governance (ESG) commitments
- Investment in responsible sourcing to improve efficiency and reduce waste



# Transport



## ■ IMPACT

- Transport is a major source of greenhouse gas emissions. Shifting to cleaner fuels and electric vehicles helps reduce pollution.
- Safe working conditions for drivers and logistics workers are essential. Transport also affects communities through noise, congestion, and accessibility.
- Companies must follow ethical practices, avoid corruption, and comply with global regulations – especially when operating across borders.

## ■ RISK

- **Change:** Extreme weather can disrupt transport routes and damage infrastructure.
- **Labor Issues:** Driver shortages, poor working conditions, and reliance on contractors can hurt reputation and performance.
- **Regulatory Pressure:** New laws on emissions, safety, and reporting can be costly and complex.
- **Cybersecurity:** Digital systems used in logistics are vulnerable to hacking and data breaches

## ■ OPPORTUNITY

- **Innovation:** Investing in electric fleets, alternative fuels, and energy-efficient transport reduces emissions and operating costs.
- **Digital Transformation:** AI, IoT, and blockchain improve tracking, safety, and efficiency.
- **Inclusive Practices:** Better working conditions and diversity initiatives attract talent and improve brand image.
- **Sustainable Finance:** ESG-focused transport companies can access green bonds and sustainability-linked loans.



# Manufactured Products



## ■ IMPACT

- Manufacturing contributes nearly 23% of global greenhouse gas emissions and consumes over 50% of global energy resources. It also generates significant waste, especially in sectors like electronics and packaging.
- The sector supports over 450 million jobs worldwide, but faces scrutiny over labor practices, safety standards, and community impact.
- Complex global supply chains can obscure unethical practices. In 2023, 42% of manufacturing firms were flagged for governance risks like poor oversight and corruption.

## ■ RISK

- **Climate Regulations:** Pressure to meet net-zero targets and reduce Scope 3 emissions is mounting. Many manufacturers struggle with visibility across their supply chains.
- **Labor & Human Rights:** Risks of forced labor, unsafe conditions, and wage violations – especially in regions with weak oversight.
- **Waste & Resource Scarcity:** E-waste and material shortages pose logistical and reputational challenges.

## ■ OPPORTUNITY

- **Innovation:** Shifting to renewable energy, circular design, and low-carbon materials can cut costs and emissions. Companies like Interface are leading with recyclable products.
- **Supply Chain Collaboration:** Ethical sourcing and supplier ESG alignment boost resilience and brand trust.
- **Financial Incentives:** ESG-focused manufacturers can access green bonds, sustainability-linked loans, and avoid future carbon taxes.



# Direct Suppliers\*



## ■ IMPACT

- Suppliers influence carbon emissions, waste, and resource use. Their practices affect a company's overall sustainability footprint.
- Working conditions, labour rights, and community impact at supplier sites reflect on the buying company's reputation.
- Ethical sourcing, transparency, and compliance with laws are essential for responsible supplier relationships.

## ■ RISK

- **Lack of Visibility:** Many companies don't track ESG performance beyond first tier suppliers, making it hard to spot issues.
- **Human Rights Violations:** Forced labour, unsafe conditions, and wage abuse can occur, especially in high-risk regions.
- **Environmental Harm:** Poor waste management or pollution by suppliers can lead to legal and reputational damage.
- **Regulatory Pressure:** New laws require companies to report ESG data from their supply chains, including direct suppliers.

## ■ OPPORTUNITY

- **Better Supplier Screening:** ESG assessments during supplier selection help avoid future risks.
- **Collaboration:** Working with suppliers to improve ESG practices builds resilience and trust.
- **Access to Green Finance:** Companies with ESG-compliant suppliers may qualify for sustainability-linked loans or green bonds.
- **Competitive Advantage:** Transparent and ethical sourcing attracts customers and investors.

*\*Direct suppliers are businesses that deliver goods or services directly to a company or, in some cases, to the company's customers—such as through cross-hiring arrangements.*





Climate control



Digital heater



Electric vehicle charger



Solar motion sensor



PV panels



Solar lighting



Lighting tower



Electric door closer



Recycling bins



Satellite broadband



Fire extinguishers



Water dispensers



Lower carbon use



Better health & safety



Improving connectivity

# Value Added Products Services (VAPS) Suppliers Approach

A **VAPS supplier** is a supplier that provides components or services which enhance the standard modular offer. This includes furniture, digital systems, energyefficient equipment, or sustainable materials. These suppliers contribute significantly to product performance, customer experience, or environmental objectives.

## ASSESSMENT OF VAPS

VAPS are evaluated using a risk-based approach. Suppliers are asked to complete ESG-related questionnaires. Depending on the level of risk associated with the product or region, the evaluation ranges from basic information checks to detailed due diligence covering ethics, labour conditions, and environmental impact.

## KEY TERMS AND CONDITIONS

VAPS suppliers must sign the company's supplier agreement. This includes compliance with the Supplier Code of Conduct and mandatory clauses on anti-bribery, fair competition, confidentiality, human rights, modern slavery and data protection. Any major breach can result in immediate termination of the relationship.

## APPLICABLE POLICIES

Suppliers must comply with all relevant corporate policies. These include responsible sourcing, modern slavery, equality and inclusion, health and safety, data privacy, cybersecurity, environmental protection, and whistleblowing.

## SUMMARY

VAPS suppliers are strategic suppliers subject to ESG screening and contractual commitments. They are expected to fully adhere to all group policies and may be disengaged in the event of non-compliance.

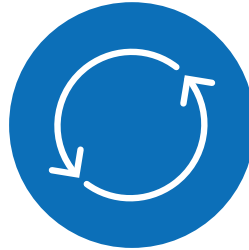
# Cross Hire Suppliers

**An external supplier** or partner engaged to provide goods or services not owned or directly supplied by the company, which are billed to the customer. This may include rentals (e.g. temporary fencing) or one-off purchases and subcontracted services (e.g. furniture or third-party site works).

**Cross-hire suppliers are subject to the same responsibilities and standards outlined in this handbook.**



# Materials / Waste



## ■ IMPACT

- Waste contributes to pollution, landfill overflow, and resource depletion. Poor disposal practices can harm ecosystems and biodiversity.
- Waste mismanagement affects communities through health risks, poor sanitation, and reduced quality of life near industrial zones.
- Companies are expected to track, report, and reduce waste. Failure to do so can damage reputation and investor trust.

## ■ RISK

- **Regulatory Fines:** Stricter laws on hazardous and non-hazardous waste can lead to penalties if not followed.
- **Reputational Damage:** Poor waste practices can trigger backlash from consumers, NGOs, and investors.
- **Operational Costs:** Inefficient waste handling increases disposal fees and resource loss.
- **Supply Chain Exposure:** Waste generated by suppliers can reflect poorly on the company if not monitored.

## ■ OPPORTUNITY

- **Circular Economy:** Reusing, recycling, and designing products for minimal waste can cut costs and boost sustainability.
- **Innovation:** New materials and processes (like biodegradable packaging or zero-wastemanufacturing) attract eco-conscious customers.
- **ESG Reporting:** Strong waste management improves ESG scores and access to green financing.
- **Stakeholder Engagement:** Transparent waste policies build trust with communities, regulators, and investors.



# APPENDIX

# GLOSSARY

**ACCIDENT:** An unplanned event causing injury, illness, or death.

**ANTI-COMPETITIVE PRACTICES:**

Actions taken by a business to reduce or eliminate competition in a market, ultimately harming consumers.

**BASE LOCATION:** The main workplace in an employment contract.

**BIODIVERSITY:** Variety of life in ecosystems, including forests and soils.

**BUSINESS ETHICS:** Standards for moral behaviour in business.

**CARBON FOOTPRINT:** A measure of the amount of carbon dioxide released into the atmosphere as a result of the activities of a particular organisation.

**CHILD LABOUR:** Work by children under legal working age or under 18 if harmful or excessive.

**CONVERSION:** Major change of a natural ecosystem to other land use.

**DEFORESTATION:** Loss of natural forests due to farming, plantations, or severe damage.

**DISCRIMINATION:** Unfair treatment based on personal characteristics, affecting equal opportunity

**FORCED, BONDED OR PRISON**

**LABOUR:** Work done under threat or coercion, including through debt or detention.

**LIFE CYCLE ANALYSIS (LCA):** A method for evaluating the environmental impacts of a product, process, or service throughout its entire life cycle from raw material extraction to disposal.

**FOREST:** Land over 0.5 ha with tree cover above 10%; not farmland.

**GRIEVANCE MECHANISM:** A process for raising and resolving concerns about human rights or environmental harm.

**GREENHOUSE GASES:** Gases contributing to climate change (e.g. CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O).

**HAZARD:** Threat to health, life, or environment.

**HAZARDOUS WORK:** Work that poses a significant risk to a person's health, safety, or well-being.

**HIGH CONSERVATION VALUE AREAS:** Areas with important ecological or cultural value.

**INDIGENOUS PEOPLES:**

Self-identified groups with distinct cultural and historical ties to land.

**LIGHT WORK:** Non-harmful work for children over legal age, max 14 hours/week.

**LOCAL COMMUNITIES:** Populations near or affected by business activities.

**NATURAL ECOSYSTEM:** Ecosystems that resemble their original, human-unchanged form.

**OZONE-DEPLETING SUBSTANCES:** Chemicals that damage the ozone layer (e.g. CFCs, HCFCs).

**RAW MATERIALS:** Inputs in production, including food and packaging.

**RENEWABLE ENERGY:** Naturally replenished energy (e.g. wind, solar, hydropower).

**SAFE AND HEALTHY WORKPLACE:** A work environment that actively prevents illness or injury.

**SEVERE ENVIRONMENTAL POLLUTION:** Long-term or widespread ecological harm.

**SOCIAL VALUE:** Refers to the wider benefits, both financial and non-financial, that an organisation can bring to a community, economy, or environment.

**STAKEHOLDERS:** A person or group of people who are positively or negatively impacted by a project, initiative, policy or organisation

**SUPPLIER:** Any provider of goods or services to Modulaire Group.

**SUPPLY CHAIN:** The network of organisations, people, activities, and resources involved in getting a product or service from its origin to the end consumer.

**UNSUSTAINABLE FARMING:** Agricultural practices that deplete natural resources, degrade ecosystems, and compromise the long-term viability of production.

**VALUE CHAIN:** The full process from product creation to end use and reuse.

**YOUNG WORKER:** Person aged under 18 but above minimum working age.

# GLOSSARY

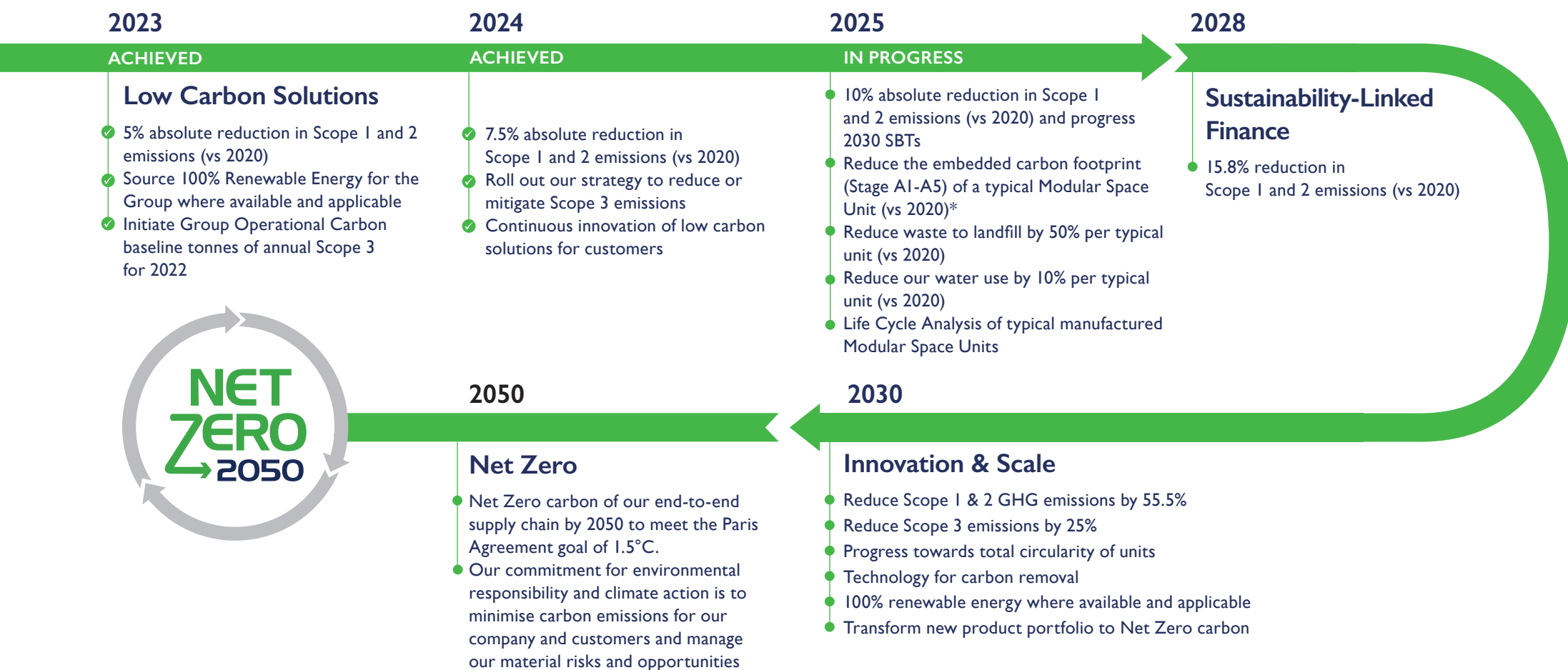
## Abbreviations:

|                |                                                         |
|----------------|---------------------------------------------------------|
| <b>ESG</b>     | – Environmental, Social, and Governance                 |
| <b>ESGS</b>    | – Environmental, Social, Governance, and Sustainability |
| <b>VAPS</b>    | – Value Added Products and Services                     |
| <b>KPI</b>     | – Key Performance Indicator                             |
| <b>ISO</b>     | – International Organisation for Standardisation        |
| <b>FSC</b>     | – Forest Stewardship Council                            |
| <b>LCA</b>     | – Life Cycle Analysis                                   |
| <b>RSP</b>     | – Responsible Sourcing Policy                           |
| <b>EDI</b>     | – Equality, Diversity, and Inclusion                    |
| <b>ILO</b>     | – International Labour Organisation                     |
| <b>UNGC</b>    | – United Nations Global Compact                         |
| <b>UN SDGS</b> | – United Nations Sustainable Development Goals          |
| <b>PPE</b>     | – Personal Protective Equipment                         |
| <b>CORE</b>    | – Corporate Responsibility                              |
| <b>GDPR</b>    | – General Data Protection Regulation                    |
| <b>SBTI</b>    | – Science Based Targets initiative                      |
| <b>SMES</b>    | – Small Medium Enterprises                              |
| <b>AI</b>      | – Artificial Intelligence                               |
| <b>IOT</b>     | – Internet of Things                                    |
| <b>NGOS</b>    | – Nongovernmental Organisations                         |

**Modular construction, also known as offsite construction,** is a building method where structures are built in a factory-controlled environment and then transported to the site for assembly. These buildings can be temporary or permanent and are designed to meet quality, safety, and environmental regulations. This approach enhances efficiency, minimises waste, and accelerates project completion compared to traditional onsite construction. Modular buildings are fully customised to suit the client's project requirements, including tailored interiors that align with their specific needs.



# Net Zero: Our Pathway and Progress



# KPIs and Targets

| TARGET/KPI TYPE          | SCOPE            | TYPE OF TARGET     | BASELINE YEAR                    | TARGET                                                                                           | TARGET YEAR |
|--------------------------|------------------|--------------------|----------------------------------|--------------------------------------------------------------------------------------------------|-------------|
| GHG emissions            | 1, 2, 3          | Net Zero           | 2020                             | Net Zero carbon of our end-to-end supply chain by 2050 to meet the Paris Agreement goal of 1.5°C | 2050        |
| GHG emissions            | 1, 2             | Emission reduction | 2020                             | Reduce scope 1 and 2 GHG emissions by 55.5%                                                      | 2030        |
| GHG emissions            | 3                | Emission reduction | 2022                             | Reduce scope 3 emissions by 25%                                                                  | 2030        |
| Renewable energy         | 1, 2, 3          | Absolute           | 2020                             | 100% renewable energy where available and applicable                                             | 2030        |
| Circular Economy (Waste) | Zero to landfill | Intensity          | 2020 – 52 kg/unit                | Reduce waste to landfill by 50% per typical unit                                                 | 2025        |
| Water                    | Water purchased  | Reduction          | 2020 – 0.86 m <sup>3</sup> /unit | Reduce our water use by 10% per typical unit                                                     | 2025        |

