

Annual ESG Report 2025

Purpose in Progress: Realizing Our Sustainable Ambitions



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Key figures

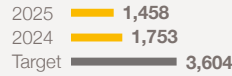
The figures below reflect how Daiwa House Modular Europe creates, preserves and transforms value across its financial, social and environmental capitals — demonstrating that sustainable building and commercial resilience go hand in hand.

Flexible & efficient solutions



1,458

**Access to affordable housing
(# Houses delivered)**



82%

Occupancy rate



10%

**Market share
(Netherlands)**

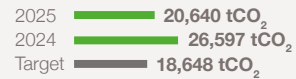


Circularity



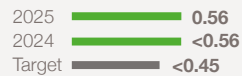
20,640 tCO₂

GHG emissions



0.56

MPG



58%

Mono streams



Safe & engaging people



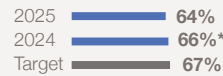
18.05

Injury frequency



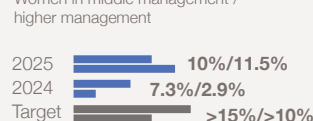
64%

Employee engagement



10%/11.5%

Diversity & inclusion
Women in middle management / higher management

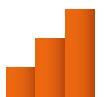


5.92%

Absenteeism



Healthy financial organisation



345€ mio

Revenue

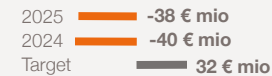


0

**Corruption and bribery
(#incidents)**

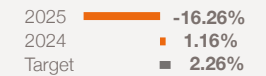
-38€ mio

EBITDA



-16.26%

Solvency



* different survey.

Foreword



Dear Stakeholders,

As a powerful testament to our innovative approach to construction, 2025 was a year defined by duality — one in which our strategic commitment to modular, sustainable solutions delivered significant commercial success, while highlighting the critical need for operational discipline and structural optimisation. This ESG Report reflects both the substantial achievements we are proud of and the urgent course of corrections we are undertaking to secure our long-term value creation with profitable growth.

Profitability remained under pressure in 2025 due to market conditions and investments in operational improvements. I extend my deepest commendation to the Jan Snel team, which achieved its best year ever in terms of profitability, confirming the immense potential of focused, modular execution. These commercial highlights underscore the market's trust in our mission to address critical societal needs, including the ongoing housing shortage.

In 2025, we saw frequent periods of standstill in our production facilities, which is a major concern. Improving capacity utilisation is an immediate operational focus. We continued to manage the complexity of DHME Germany in 2025. The successful delivery of the Landsberger Allee project in Berlin remains crucial. The current lack of a new, secured pipeline in Germany is a challenge we are addressing proactively to ensure coverage for our fixed costs. The priority for 2026 is clear: **securing a profitable project pipeline across the Netherlands, UK, Belgium and Germany.**

In 2025, we also agreed with Medexs, specialising in technologically advanced buildings for the medical sector, to continue operations as independent organisations.

“ I believe true performance goes beyond profit. Operational excellence is the engine that drives both our business success and our ability to deliver sustainable, affordable and resilient solutions. At Daiwa House Modular Europe, we don't see ESG as separate — it is how we combine financial strength with our responsibility to people, society and the planet.”

Our unwavering ESG commitment

Our focus on operational excellence is the foundation that funds our environmental, social and governance mission. ESG considerations are not an add-on; they are integral to our strategy. We remain dedicated to leveraging the circular advantages of modular construction to deliver sustainable, affordable and even earthquake-resistant solutions. We are balancing strong financial performance with our responsibilities to our people, our society and the planet.

I want to thank every employee for their dedication and resilience during this period of transformation. I also thank our parent company, Daiwa House Group, and you, our stakeholders, for your unwavering trust and support. We are focused, we are learning, and we are confident in our ability to realise our full potential and build a more sustainable future together.

We invite you to explore the details of our progress and commitments in the pages of this 2025 ESG Report.

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

About Daiwa House Modular Europe

Our organisation

Daiwa House Modular Europe (DHME) is the leading modular construction organisation in Europe, formed by combining the expertise of the Japanese Daiwa House Group and the renowned European organisation Jan Snel. This powerful collaboration creates a unique entity with unparalleled scale and global experience, driving the transition towards sustainable and circular construction methods across Asia and Europe.

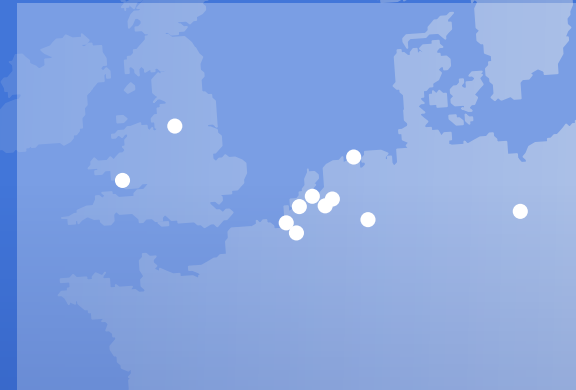
Bringing together 65 years of experience in the Benelux region from Jan Snel and 70 years of international experience from the Daiwa House Group — the world’s largest industrial builder — DHME stands at the forefront of the industry. This synergy allows us to deliver high-quality, industrialised construction solutions at speed and scale.

Our dual heritage and core philosophy

As an organisation with both Dutch ingenuity and Japanese precision at our roots, the relationship between people and society is central to everything we do. Our commitment extends beyond commercial success; it is focused on creating a positive, lasting impact on communities and the environment.

Our unique operational structure enables us to maintain a continuous focus on innovation, reliability and integrity. We leverage the established success of our group entities, particularly Daiwa House Modular Europe and Jan Snel, to redefine what is possible in the field of sustainable building solutions in Europe.

Europe’s largest modular builder



>70
Years of
international
experience

>65
Years of
experience
in Benelux

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

Modular and circular construction: infinite possibilities

Our core methodology is industrialised, circular and modular construction. By manufacturing high-quality, adaptable modules in controlled factory environments, we achieve significant reductions in waste, construction time and on-site disruption. This method inherently reflects our care for the environment. Thanks to the combined expertise of DHME and Jan Snel, modular construction enables a high degree of material reuse and relocation, supporting circular building practices. We can meet numerous housing and accommodation needs with a wide range of solutions, ensuring minimal ecological footprint and maximum material reuse.

High-quality accommodation solutions

We apply our high-quality construction process across a broad range of sectors, providing essential and specialised accommodation solutions for our clients and future residents:

- **Residential housing:** Addressing critical housing shortages with comfortable and affordable homes.
- **Offices and education:** Creating flexible and sustainable working and learning environments.
- **Government and industry:** Delivering secure and reliable accommodation for public and industrial needs.

Our commitment to modularity ensures that our buildings are not only built to last but are also inherently designed for adaptability, allowing them to evolve with societal needs and requirements over time.

Strategic realignment: Medexs

The brand Medexs, specialising in highly customised, technologically advanced buildings for the medical sector, is not part of DHME as of 2025. In 2025, Daiwa House Group and Medexs mutually agreed to continue their operations as independent organisations, each focusing on their specific area of expertise. While Daiwa House Modular Europe and Jan Snel concentrate on standardised, industrially produced modular solutions for housing and commercial use, Medexs specialises in the medical sector. Due to the fundamental differences in production processes — standardisation versus bespoke construction — the decision was made to operate separately as of 15 April 2025. This strategic step enables both entities to serve their respective client groups with greater precision and dedication. Where needed, Daiwa House Group and Medexs will continue to collaborate as preferred partners on projects requiring combined expertise.



Flex homes

Apartments for urgent seekers

Client: WonenBreburg
Location: Tilburg
Segment: a.o. urgent seekers

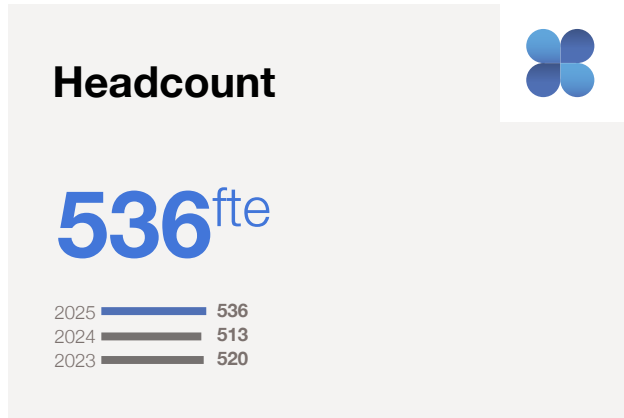
180 apartments

8 months construction time

4 levels

Het Bloemkwartier on Dokter Bloemenlaan in Tilburg is a modular residential development with 180 apartments, commissioned by housing association WonenBreburg in collaboration with the municipality of Tilburg. All homes are self-contained units with their own kitchen, bathroom and toilet. The complex includes a central meeting room, bicycle storage, a communal garden and parking facilities. Although developed as a temporary solution, the flats meet permanent housing requirements.

Employees and revenue (breakdown by country and division)



Divisions	2022	2023	2024	2025
Daiwa House Modular Europe*	241	307	358	386
Jan Snel	146	170	155	150
Medexs	49	43	-	-
Total	436	520	513	536

Divisions	2022	2023	2024	2025
Daiwa House Modular Europe*	141	174	205	224
Jan Snel	89	113	113	121
Medexs	30	36	39	-
Total	260	323	357	345

Country	2022	2023	2024	2025
Netherlands	397	441	395	388
Other (Belgium, Germany, UK)	39	79	118	148
Total	436	520	513	536

Country	2022	2023	2024	2025
Netherlands	242	260	297	248
Other (Belgium, Germany, UK)	18	63	60	97
Total	260	323	357	345

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

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 two 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:

We serve multiple customer groups with our two 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.



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 and hotels.

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 labour migrants:** Practical and comfortable housing with communal facilities.
- **Hotel:** Hotel accommodation and relaxation in high-quality finished hotel rooms.



Module rental & sale

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

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

- **Industry and offices:** Everyone deserves a comfortable workplace. Whether it's for a luxury office building, temporary turnaround office, fire station, information centre or construction site, Jan Snel has a quality modular solution for any permanent or temporary need.
- **Education:** We provide units for a school, university or childcare centre that needs temporary or permanent capacity for growth, renovation or emergency reasons.
- **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.

Timeline: From local roots to European market leader

The early years: foundation & innovation

1960 Foundation of Jan Snel

Jan Snel establishes the company in Montfoort, the Netherlands. Initially focusing on specialized transport (including delivering milk churns), the company quickly identifies the potential of flexible space.



1970s Expansion into modular units

The focus shifts from pure transport to the rental and sale of temporary housing units and office containers.

Growth & international expansion

2014–2015 Scaling up modular projects

Jan Snel executes its first large-scale modular housing projects, proving that industrial construction can compete with traditional methods in quality and scale.

[Read more on page 57](#)



1980s Material innovation & sustainability roots

A pivotal shift occurs in construction methods: Jan Snel transitions from purely steel-based units to a hybrid model incorporating steel, concrete, and wood, laying the groundwork for more permanent and sustainable applications.

[Read more on page 40](#)

2017 Strategic investment by Parcom

Private equity firm Parcom acquires a majority stake (70%) in the company. This provides the capital needed for professionalisation and accelerated international growth into the UK and German markets.

2014-2015

2017

1960

1970

1980





The Daiwa House era: circular leadership

2020 Entry into the UK Market

Establishment of a dedicated UK subsidiary, focusing on the growing demand for rapid, high-quality housing and healthcare facilities.

December 2020 Acquisition by Daiwa House Group

Japanese industrial building giant Daiwa House Group acquires Jan Snel. This merger combines Jan Snel's European agility with Daiwa's global R&D power and 70+ years of industrialized building experience.

2021 Launch of Daiwa House Modular Europe

The company is officially rebranded. While the **Jan Snel** brand continues to focus on specialised sectors (education, industry, and offices) in the Benelux, **Daiwa House Modular Europe** spearheads the permanent residential market.

Strategic Partnership with Capital Bay

A partnership is formed to roll out an integrated platform for prefabricated micro-apartments and modular housing across Europe, specifically targeting the German market.

2023 Opening of New Production Facilities

Commissioning of advanced factories in Montfoort (NL) and Fürstenwalde (GER) to increase production capacity and reduce the carbon footprint through more efficient, factory-controlled assembly.

2020

2021

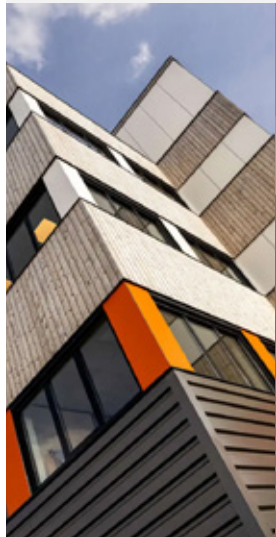
2023

Trends and developments

By 2025, modular housing had evolved from a temporary solution into a mainstream approach for permanent residential development. This shift is underpinned by key industry trends that Daiwa House Modular Europe actively embraces through its strategic focus and daily operations:

Modular construction gains ground

Prefab and modular construction now account for over 20% of total housing production in Europe, with a pronounced emphasis on the apartment sector.



Daiwa's response

As modular construction accelerates across Europe, we continue to invest in scalable, high-performance building systems—particularly within the apartment segment—where speed, sustainability and quality are essential.

Biobased materials in construction

The demand for timber and biobased materials in residential construction is rising, driven by initiatives such as the MRA Covenant on Timber Construction and regional covenants supporting low-carbon building methods.

Daiwa's response

We actively integrate certified timber and biobased materials into our modular systems, aligning with regional frameworks and helping reduce the embodied carbon of our buildings.



Standardisation meets architecture

The sector is rapidly adopting standardisation to drive efficiency and cost reduction—while simultaneously elevating architectural quality to better integrate modular buildings into urban environments.

Daiwa's response

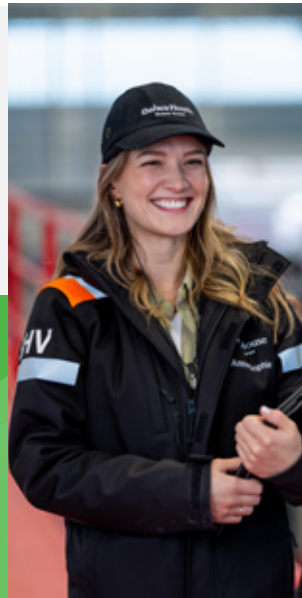
Our approach balances industrial efficiency with architectural excellence. We deliver modular buildings that are not only cost-effective and time-efficient but also visually distinctive and aligned with their surroundings.

Digitalisation & circularity

Design and production are increasingly digitalised, while circular design principles — such as reuse and design for disassembly — are becoming the norm.

Daiwa's response

We embrace digital construction tools like BIM and automated manufacturing to optimise efficiency and support circularity across the value chain — from design to end-of-life reuse.



Housing associations as key delivery partner

Housing associations have become the primary buyers of modular homes, seeking fast, cost-effective solutions to address urgent housing needs for key target groups such as young starters, seniors and migrant workers.

Daiwa's response

We are a reliable partner to housing associations, offering modular solutions that combine affordability, sustainability and rapid deployment to address pressing housing challenges.



Capacity constraints and regulatory challenges

Despite strong potential, the sector continues to experience underutilised factory capacity, mainly due to slow and inconsistent permitting processes — strengthening the call for more centralised national guidance.

Daiwa's response

We advocate for streamlined and nationally coordinated permitting procedures to unlock factory capacity and accelerate the delivery of sustainable, modular housing at scale.

Our strategy and business model

Our vision

A sustainable home for everyone

Our mission

Solving the housing shortage

Our core values

Sustainability

We are consciously working for a sustainable society and nature.

Commitment

We are dedicated to our customers and our employees.

Integrity

We are reliable, work safely and act with integrity.

Innovation

We are driven by innovation in everything we do.

At Daiwa House Modular Europe (DHME), we aim to scale industrialised modular construction as an efficient and sustainable alternative to traditional building methods in Europe. Our strategy is rooted in industrialised, robotic modular construction, shifting the building process from traditional sites to controlled factory environments. This approach delivers proven advantages:

Smarter

We harness robotics and digital precision to deliver consistent quality, safety and scalability.

Faster

Our industrialised model accelerates delivery timelines, enabling rapid response to the acute housing shortage.

Cleaner

We build for a circular future. Our modular homes are designed according to design-for-disassembly principles, enabling relocation, refurbishment and material reuse.

By offering comfortable, affordable and sustainable homes, we provide future residents with high-quality living solutions while actively protecting the planet. Our strategy is structured around four strategic pillars that support our mission to address Europe's housing challenges and our long-term vision: a sustainable home for all.

Our business model

Controlled production

Manufacturing in our factories mitigates risks associated with weather delays, labour shortages and supply chain disruptions common in traditional construction. This controlled environment ensures consistent quality and allows us to maintain production schedules, enhancing our resilience to external factors. It also allows for better material management, minimising waste and optimising resource use, which contributes to both cost control and environmental sustainability.

Supply chain management

Direct control over the production process, including supply lines, strengthens our resilience against supply chain volatility. While we are not immune to global material market fluctuations, our established relationships with suppliers and optimised procurement processes allow us to better manage these risks. We are continually evaluating opportunities to diversify our sourcing and explore local or recycled material options to further enhance supply chain resilience.

Efficient operations

The modular approach significantly reduces on-site construction time (30-50% compared to traditional builds), leading to faster project completion and quicker returns for our customers. This efficiency also minimises our exposure to potential cost escalations or unforeseen delays on site.

Sustainability advantages

Modular construction inherently offers sustainability benefits. Reduced construction time minimises disruption to local communities (noise, dust, traffic). Smaller construction sites and less material transport significantly decrease emissions. The controlled factory environment allows for optimised material usage and waste reduction, further minimising our environmental footprint. We are exploring opportunities to incorporate even more sustainable materials and practices into our production process.

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.

Our strategy

Market leadership in modular and circular construction

DHME is the market leader in modular and circular construction across Western Europe. We focus on mid-sized, multi-storey housing projects that address urgent social needs: student housing, social and affordable housing and housing for migrant workers. By concentrating on these high-impact segments, we support governments, municipalities and housing associations in their missions to deliver inclusive, timely housing solutions. Our international expansion—particularly in Germany, the UK and Belgium—reflects growing demand for sustainable, rapid-build homes. In each region, we seek to strengthen our brand recognition by delivering high-quality modular products with exceptional customer service. Customer satisfaction is central to our growth strategy, and we consistently strive to exceed expectations through tailored design, timely execution and reliable partnerships.

Operator of the most efficient modular and circular production sites

We are building the most efficient and sustainable modular production facilities in Western Europe. Our industrialised production lines are optimised to deliver a minimum output of 350m² per day. From our base in the Netherlands, we are preparing to scale our production model into other European countries and the US. Each site is designed for maximum operational efficiency, with integrated logistics systems, reduced material waste and full circularity of production streams. Our commitment to product quality and cost leadership ensures that our homes remain competitive for both lease and sale. We aim to reduce lifecycle emissions of our buildings through lower-carbon materials, energy-efficient production and circular design. This forward-looking production strategy not only supports our ESG goals but also meets growing market expectations for cleaner construction solutions.

A safe, strong, flexible and efficient organisation





Our people are the foundation of everything we do. We aim to be a top-10 employer in the European construction sector by offering a safe, inclusive and stimulating workplace. DHME invests in the development and well-being of all employees—from factory workers to project managers—through continuous training, transparent communication and modern digital tools. We target an employee engagement score of 75% or higher, recognising that engaged teams deliver better results. Safety is embedded in our daily culture and operations; we promote proactive safety awareness across all sites and regions. In parallel, we are digitalising our core processes and ICT systems to ensure agility, transparency and collaboration. This strong organisational foundation enables us to scale responsibly while retaining flexibility and a people-first culture.

Financial strength and value creation

Daiwa House Modular Europe maintains a healthy financial position that allows us to create long-term value for shareholders and stakeholders alike. We pursue responsible, profitable growth with a healthy margin and carefully considered capital expenditure. Our financial strategy includes a balanced portfolio of sales and leasing options, supported by professional financial structuring and risk management. This approach ensures we have the financial room to invest in innovation, expand operations and weather external uncertainties. With sound risk and control systems in place, we can grow sustainably while safeguarding our impact, commitments and reputation. Through this financial stewardship, we deliver both economic and societal value, aligned with our long-term ESG ambitions.

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:

<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>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.</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Through sustainable living, we impact cities and communities. We provide people with sustainable homes and create secure, healthy and socially beneficial environments.</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Circular design and production methods contribute to responsible production. We create affordable quality for everyone.</p>
<p>13 CLIMATE ACTION</p> 	<p>We minimise our greenhouse gas (GHG) emissions and contribute to the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius.</p>

Our circular value chain

Actors See page 18

Raw materials **ESRS E1, G1**

DHME uses components and materials as input to build modular houses.

16% steelframe **11% fermacell**
52% concrete **5% OSB**
7% pinewood

Suppliers **ESRS E1, E5, S2, G1**

We work together with our suppliers who are responsible for the transportation and sourcing of diverse materials and components.

Meet Daiwa's supply partners on page 104

Reuse **ESRS E1, S4, G1**

We successfully refurbish 80% of our modules. The building blocks are reused in the design or placement of different buildings.

80%
Reuse



Transportation **ESRS E1, G1**

These raw materials are transported on the road or overseas to our production facilities in the Netherlands and Germany.

Read more on page 48



Design **ESRS E1, E5, S1, G1**

We design circular buildings, such as houses, apartments, accommodations or hotels, to our clients needs. Circular design is about designs to disassemble (Design For Disassembly, Form Follows Function). This is done by large-scale industrialized production by means of standardised processes.

Actors See page 18

Production **ESRS E1, E5, S1, G1**

We produce these units in an industrialised modular and demountable construction means circular construction (IFD building). Buildings are assembled quickly and efficiently.

10% **20,640**
Own energy generated tCO₂

Transportation **ESRS E1, S1, G1**

These modular units are transported to the location where the buildings will be placed.

Waste **ESRS E1, E5, S1, G1**

During our production process, we aim to produce with as less waste as possible.

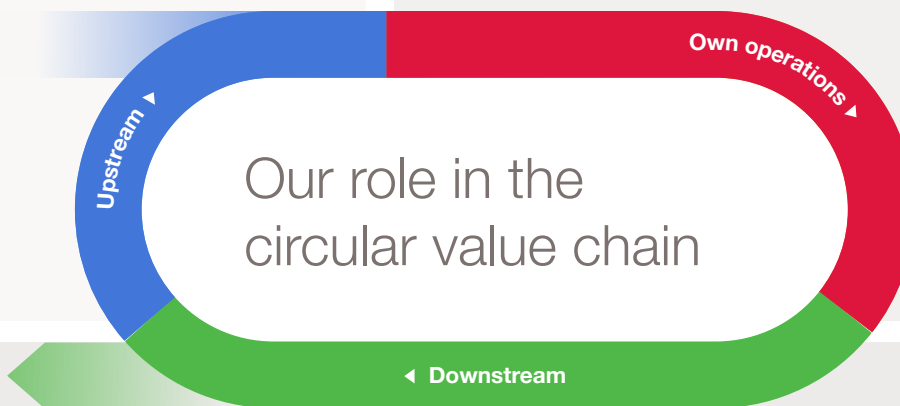
Demolition waste: **37% Construction waste demolition**
1% Insulation
11% B-wood

Actors See page 18

Placement of Modular Houses **E1, S1, S2, G1**

The potential sites can be divided into three: greenfield sites, brownfield sites and grayfield sites. On these locations, the new circular buildings are realised by utilising the produced modular units.

Read more on page 50



Dismantling **ESRS E1, S1, S2, G1**

When a building is not in use anymore, we can dismantle it. We try to keep as much as possible for later reuse.

Use **E1, S4, G1**

Afterwards, the buildings are inhabited by our clients or renters of our clients. Our modular homes are used as healthcare institutions, houses, offices, educational institutes, sports facilities and hotels.

Read more on page 50

How we create value

Input capitals ▶

Financial capital

Assets
Ability
External financing

Human capital

Employees
Contractor

Intellectual capital

Innovation and knowledge about modular construction
Training hours
Knowledge partnerships

Social & Relational capital

Supplier / customer
Partnership
Subcontractors

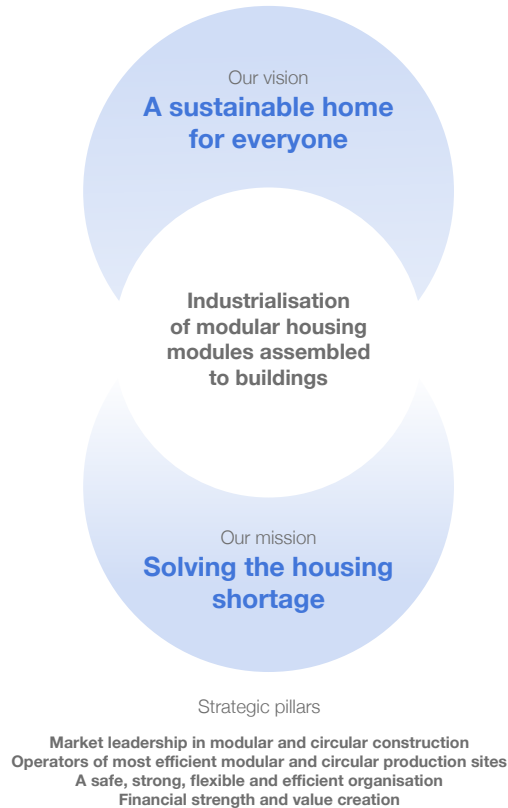
Natural capital

New & refurbished materials
Energy consumption
Used materials

Manufactured capital

Production halls
Machines
Offices

Business model ▶



Output ▶

345 € mio revenue
-16.26% solvency

10% women in middle management positions
11.5% women in higher management positions
18.05 Injury Frequency (IF)
64% employee engagement score

10 partnerships for circularity
1,458 houses produced:
- 290 NCG earthquake-resistant houses
- 177 COA refugee housing
- 991 students, starters, singles, family, migrant workers

367 kg tCO₂ per m³
58% mono streams (recycle streams)

Outcome ▶

Healthy financial organisation

A strong financial base enables investment in innovation, sustainability, and resilience. This ensures long-term value for shareholders and allows us to continue building homes and communities that matter.

Safe & engaging people

We create a safe, inclusive, and inspiring work environment. By continuously investing in training, well-being, and fair working conditions, we empower our people to grow, innovate, and take pride in their work. A highly engaged workforce strengthens our culture and drives the consistent quality of our products every day.

Flexible & efficient solutions

We deliver fast, high-quality modular housing for changing societal demands for social housing associations, students, and migrant workers. This supports inclusive urban development and reduces pressure on public housing systems.

Circularity

Our industrialised, low-waste production facilities reduce energy use and carbon emissions while delivering at scale. Our modular units are designed for reuse, helping drive the circular economy.

Impact



We constantly innovate and respond to changing markets. We are able to provide direct and indirect employment for 520 people and create income for their families.



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



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

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 above.

How we engage with our stakeholders

At Daiwa House Modular Europe, purposeful engagement with our stakeholders is fundamental to understand their needs, incorporating their perspectives into our strategic planning and effectively executing our ESG initiatives. We recognise that stakeholder engagement is not merely a communication exercise. It is about building robust connections, understanding diverse viewpoints and aligning our efforts with shared strategic goals. Through sustained dialogue and collaboration, we strive to create mutual value and accelerate our contribution to a sustainable future.

Our active stakeholder engagement process serves several critical functions that underpin our sustainable business model. The key purpose of our engagement is:

- **Informed decision-making:** We gather vital insights from stakeholders to understand their priorities and concerns, which directly inform our strategic planning, risk management and operational decisions across the organisation.
- **Building trust and transparency:** Open communication and active listening are key to stimulate trust and transparency, significantly strengthening our long-term relationships with all stakeholders.
- **Identifying opportunities and risks:** Engaging proactively helps us identify emerging industry trends, potential risks and crucial opportunities for innovation and improvement, particularly concerning our sustainability performance.
- **Driving positive impact:** By understanding and prioritising the needs of our stakeholders, we can better align our corporate activities with their expectations, thereby maximising our positive social and environmental outcomes.

The insights derived from our engagement activities are systematically integrated into our decision-making processes at multiple organisational levels:

- **Strategic planning:** Stakeholder feedback is a core input used in the development and ongoing refinement of our overall business strategy, including specific sustainability goals and targets.
- **Operational improvements:** We utilise stakeholder input to pinpoint areas for enhancement in our operations, products and services, with a specific focus on mitigating sustainability-related impacts.
- **Risk management:** Stakeholder perspectives are integral to our risk assessment and management protocols, helping us to identify and proactively mitigate potential future risks.
- **Continuous improvement:** We regularly review and adapt our stakeholder engagement processes to ensure they remain effective, relevant and highly responsive to the evolving needs of our partners.

“Our stakeholder engagement is rooted in the belief that long-term progress can only be achieved together. As we navigate the path towards a more sustainable future, we invite our stakeholders to not only hold us accountable, but to help shape the direction of our journey. Through active dialogue and trusted relationships, we turn expectations into action.”

Michiel Gieben,
Head of Sales and Marketing



Stakeholder engagement

We have identified and actively monitor the interests and views of the following key stakeholders as they relate directly to our strategy and business model.

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 financially successful and contributes positively to society and the environment.

Stakeholder group	Impact on DHME	How we engage & the channels we use
<p>Employees</p> <ul style="list-style-type: none"> - Good working conditions - Health and safety - Competitive rewards - Personal development - Employee satisfaction - Involvement of employees - Open communication 	Directly impacts our ability to attract and retain the talent essential for operational efficiency and innovation.	<ul style="list-style-type: none"> - Employee Engagement Survey - Training and development programs - Town hall events - Newsletters, internal app - Annual reviews and development meetings
<p>Customers</p> <ul style="list-style-type: none"> - Value for money - Product quality - Flexibility - Sustainability of solutions - Timely delivery - Unburden 	Essential for securing our business success and maintaining a strong brand reputation in the market.	<ul style="list-style-type: none"> - Customer meetings - Business reviews - Fairs & events - Experience Center - ESG report
<p>Shareholders/Lenders/Regulators</p> <ul style="list-style-type: none"> - Financial performance - Transparency - Regulatory compliance - Long-term sustainability - Involvement - Quality 	Their continued support is crucial for our financial stability and capacity to invest in sustainable growth.	<ul style="list-style-type: none"> - ESG report - Annual report - Website - Specific sessions
<p>Suppliers/Subcontractors</p> <ul style="list-style-type: none"> - Stable long-term partnerships - Fair pricing - Reliable business and opportunities for growth 	Vital for ensuring a resilient, ethical and sustainable supply chain for our modular production.	<ul style="list-style-type: none"> - Annual supplier events at our Experience Center - Fairs & events - Business reviews
<p>Competitors</p> <ul style="list-style-type: none"> - Industry trends - Collaborative solutions to shared challenges (e.g., housing shortages, sustainability and safety) - Best practices 	Engagement drives innovation and promotes beneficial industry-wide progress.	<ul style="list-style-type: none"> - Specific/topic-related collaboration sessions - Fairs & events - ESG report
<p>Next Generation and Society</p> <ul style="list-style-type: none"> - Environmental protection - Resource conservation - Social equity 	Addressing these concerns is essential for maintaining our long-term license to operate and maximising our positive societal contribution.	<ul style="list-style-type: none"> - Local charities - Employee volunteering - Collaboration with NGOs

Community housing

Transforming urban space into inclusive housing

Client: De Alliantie
Location: Amsterdam-Zuidoost
Segment: First-time buyers, tenants, students, young workers, social entrepreneurs

290 apartments
7 levels

De Tafelberg is a residential complex in Amsterdam-Zuidoost that was commissioned by De Alliantie. The project comprises 290 independent apartments for first-time buyers and tenants, including young people who need some guidance, students, young workers and social entrepreneurs. The first residents moved in in the autumn of 2024. The studios have a surface area of approximately 22-27m² and are equipped with their own kitchen and bathroom.

The project is a transformation of the former Koppeling, a treatment centre for Youth Care Plus, into an open and inclusive living environment. In addition to the independent homes, there are communal facilities, including areas for sports, socialising and services. The living concept focuses on combining living with learning, working and social activities at a single location.

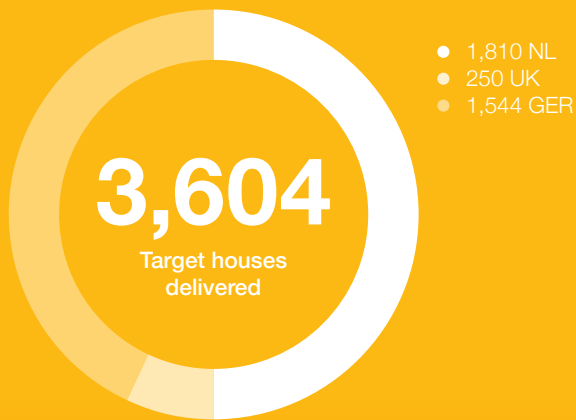
De Tafelberg was realised through a combination of renovation and new construction. The existing part of the complex was renovated by VORM Holding, while another part was demolished and replaced by a new seven-story residential building that was constructed modularly by Daiwa House Modular Europe. The project is part of the broader area development in Amsterdam-Zuidoost, with the aim of creating affordable and inclusive living space.



Performance

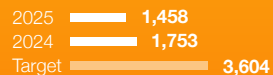
Market leadership in modular and circular construction

Target 2026 projects/houses split per country



Houses delivered

1,458



Daiwa House Modular Europe continues to strengthen its position as a leading provider of modular and circular housing solutions across Western Europe. Our strategy focuses on mid-sized, multi-storey housing projects that address urgent social needs, including student housing, social and affordable housing and housing for migrant workers.

By working closely with housing associations, municipalities and governments, we contribute to delivering timely and inclusive housing solutions in markets facing structural shortages. In 2025, DHME delivered 1,458 homes across its markets (2024: 1,753 homes), primarily in the Netherlands, which remained our largest market.

Looking ahead, the pipeline of projects reflects increasing international expansion, with 3,604 homes planned, including 1,810 in the Netherlands, 250 in the UK and 1,544 in Germany. Operational performance remained stable, with an occupancy rate of 82%, and customer satisfaction was maintained at 7.5, in line with our target levels. In the Netherlands, our market share reached 10%, demonstrating the continued relevance of modular construction in addressing the housing shortage. Through high-quality modular solutions, reliable delivery and strong customer partnerships, DHME continues to build its brand as a trusted partner in sustainable housing development.

Occupancy rate

82%



Market share (NL)

10%



Customer satisfaction

7.5

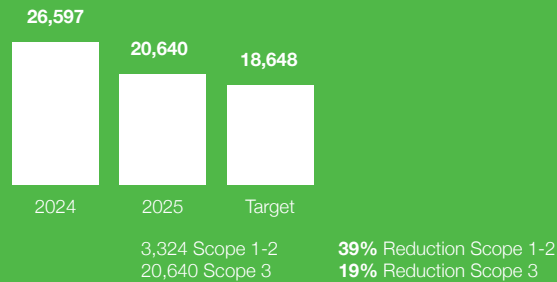


Performance

Operator of the most efficient modular and circular production

GHG emissions

(T-CO₂ scopes 1-3)



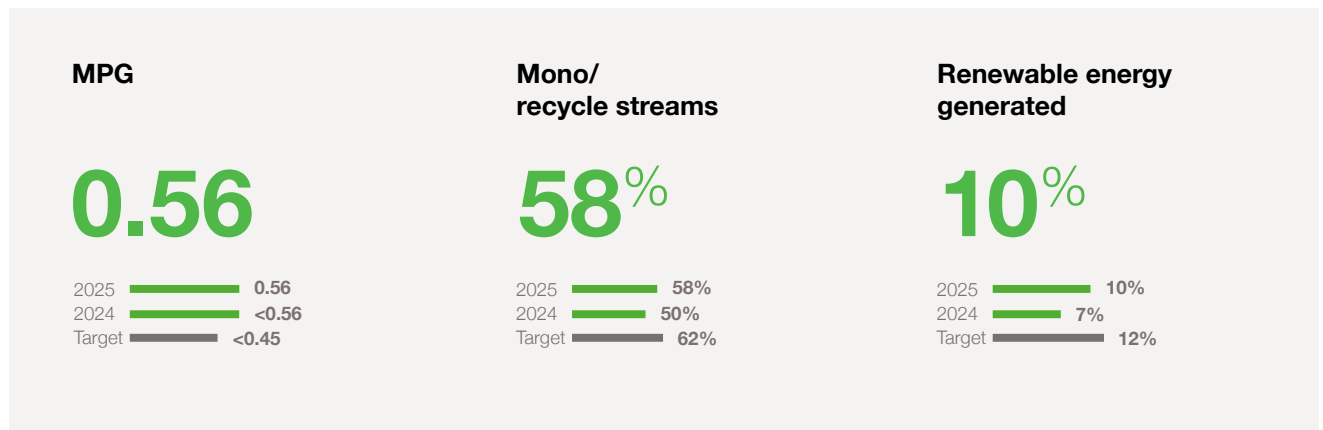
“Engineering a sustainable future is a complex endeavour. With innovative solutions, collaborative problem-solving and the courage to embrace change across all engineering disciplines we are able to meet.”

[ESG statement](#)

Daiwa House Modular Europe continues to invest in efficient and sustainable production facilities to support the growing demand for modular housing across Europe. Our industrialised production model enables us to deliver high-quality modular homes with reduced material waste, optimised logistics and consistent production performance. From our production base in the Netherlands, we are preparing to scale our production model across Europe, including the ramp-up of our facility in Fürstenwalde, Germany.

In 2025, further progress was made in improving the sustainability of our operations. The share of renewable energy generated increased to 10% (2024: 7%), while GHG emissions across scopes 1-3 decreased to 20,640 tonnes CO₂e (2024: 26,597 tonnes).

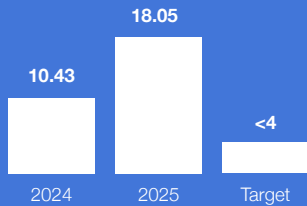
Waste management also improved, with 58% of waste streams separated for recycling (2024: 50%). All modular units produced remain fully relocatable, supporting our circular construction model and contributing to climate change adaptation. Production performance reflects ongoing optimisation of our facilities. In 2025, Production Hall 17 in Montfoort produced 484 modules, while the Fürstenwalde facility produced 2,600 modules, with a target of 10 - 15 modules per day going forward. These improvements support our ambition to further reduce environmental impact while increasing operational efficiency and cost competitiveness.



Performance

A safe, strong, flexible and efficient organisation

Injury Frequency



“Safety is not just compliance, it is a shared responsibility embedded in how we plan, build and operate every day.”

[ESG statement](#)

Our workforce is critical to delivering safe, efficient and high-quality modular construction. We aim to be a leading employer in the European construction sector by providing a safe, inclusive and stimulating working environment that supports professional development, well-being and collaboration across all functions. In 2025, we continued investing in employee development and engagement, delivering 3,298 training hours across the organisation (2024: 3,102). The employee engagement score reached 64% (2024: 66%), reflecting the need for continued focus on leadership, communication and cooperation across teams. At the same time, employee well-being remained a priority, with family leave increasing to 15,084 hours, supporting a healthier work-life balance.

Safety remains central to our operations. While no fatal accidents occurred, the Injury Frequency increased to 18.05 (2024: 10.43), reinforcing the importance of further strengthening our safety culture. Daiwa House Modular Europe maintains Safety Culture Ladder level 3, with the ambition to achieve level 4 at project locations. Long-term absenteeism improved to 3.1% (2024: 3.72%). In parallel, we continued advancing our digital transformation, including ISO27001 compliance improvements and BIM implementation across multiple projects, strengthening collaboration, transparency and operational efficiency across the organisation.

Absenteeism rate

5.92%



Employee engagement

64%

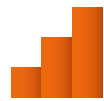


Safety ladder

Level 3

Target 2026: **Level 4**

Performance



Financial strength and value creation

Code of Conduct awareness



Employees are aware & trained about Code of Conduct
Strong governance and responsible business conduct remain central to our operations.

Suppliers Code of Conduct

100%

Maintaining a strong financial foundation remains essential to enabling Daiwa House Modular Europe to deliver sustainable growth and long-term value for both shareholders and stakeholders. Our financial strategy focuses on responsible growth, disciplined capital allocation and robust risk management, ensuring that the organisation remains resilient while continuing to invest in innovation and expansion.

Financial performance remained under pressure in 2025. Our results reflect the challenging market environment and the ongoing investments required to scale our production capacity

and international activities. At the same time, strong governance and responsible business conduct remain central to our operations. All employees (100%) were trained on the Code of Conduct, and all suppliers signed the Supplier Code of Conduct, reinforcing our commitment to ethical business practices. Payment practices remained compliant with agreed terms for both creditors and SMEs. Looking ahead, Daiwa House Modular Europe aims to restore profitability and strengthen solvency, while continuing to invest in sustainable growth and long-term value creation.



Corporate governance and risk management

Our governance framework defines responsibilities, oversight and internal controls to support responsible decision-making and long-term value creation. 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 on the right shows which body of the organisation covers which topic, who is responsible for it and how often they meet per year. All impacts, risks and opportunities identified during the double materiality assessment will continuously be integrated in each body to ensure they are addressed with effective policies, actions, metrics and targets.

Our governance framework



This overview shows which body of organisation covers which topic, who is responsible for it and how often they meet per year.

Board of Directors and Group Executive Team

Daiwa House Modular Europe operates with a two-tier board structure, comprising a Board of Directors with six 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 four 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	Makoto Nakayama	Atsushi Uemura	Peter Zwart	Toshiya Nagase	Manabu Hirabayashi	Dick van Hal	Harry van de Kraats
Board	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Supervisory Board	Supervisory Board	Supervisory Board	Supervisory Board	Supervisory Board
Date of Birth	18-12-1961	03-04-1969	04-06-1971	09-04-1972	17-04-1984	17-12-1971	26-03-1954	26-12-1962	16-03-1967	07-10-1958	05-10-1966
Nationality	Dutch	Dutch	Dutch	Dutch	Japanese	Japanese	Dutch	Japanese	Japanese	Dutch	Dutch
Function	CEO	CFO	CPO	COO	Director	Director	Chairman				
Year of Appointment	07-11-2016	02-01-2017	04-10-2017	12-01-2024	12-01-2025	01-08-2021	07-11-2016	04-01-2025	12-01-2025	15-05-2023	02-05-2021
Skills of experience											
Business Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
International leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Construction	✓		✓	✓		✓					
Finance/Governance		✓			✓		✓	✓	✓	✓	
Sustainability	✓	✓		✓		✓	✓				✓
Digital Technology		✓		✓			✓				

Summary of our remuneration report

The remuneration for (former) directors (including pension premiums) amounts to €4,924,829 in 2025 (2024: €2,043,301) and the remuneration of supervisory directors €35,000 (2024: €35,000), charged to the legal entity and its participating interests.

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

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

Risk management

Key aspects	1	2	3
1. Culture	Open & transparent	Direct/short reporting lines to Board	Clear purpose & strategy
2. Processes & 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

Key meetings	Frequency	Who	What
1. Supervisory Board meetings	4 x year	Supervisory Board & Board	Risks, audit report
2. Audit Committees	4 x year	Selection of Supervisory Board, Board, Management	Risks, audit report
3. Board meetings	12 x year	Board	Strategic, operational
4. Tender Board meeting	Every 2 weeks	Board & Management	Contract management, risks, progress
5. Functional department meetings	12 x year	Members of the team	Operational topics department and department plans
Key internal reviews	Frequency	Who	What
1. SHE and quality reviews	4 x year	Board & Management	Leading and lagging indicators of HSE and product quality
2. Financial review	12 x year	CFO, Finance	J-SOX management report
3. IT review	4 x year	IT, Legal	GDPR, management review, non-conformity
4. Sustainability review	4 x year	Sustainability, CFO	GHG emissions and sustainability targets
5. Project reviews	After every project > 1 m	Project leader, Sales, Finance, SHE	Evaluation of projects (preparation & execution) and lessons learned
6. MOC (Management of Change) review	every 6 weeks	MOC Management	Change management, QHSE improvements
7. OGSM & policy review	4 x year	CFO and Management	Assessment of strategy and policy frameworks
Key external audits	Frequency	Who	What
1. Financial audit	Annual	EY	Annual report
2. Fiscal review	Annual	BDO	VAT, Corporate Income Tax
3. Quality and safety	Annual	DNV	ISO 9001, ISO 3834, SCC, SCL, Product certifications
4. Information security	Annual	DNV	ISO 27001
5. Sustainability	Annual	DNV	ISO 14001, CO ₂ Performance Ladder, STIP
6. Internal audit	1 x every 2 years	Daiwa House Industry	Internal control

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 Business Management System (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 monthly 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.

Double materiality assessment: In 2025, we conducted an update of our double materiality assessment. During this process, we identified ten 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 the ten identified risks and five opportunities on page 34.

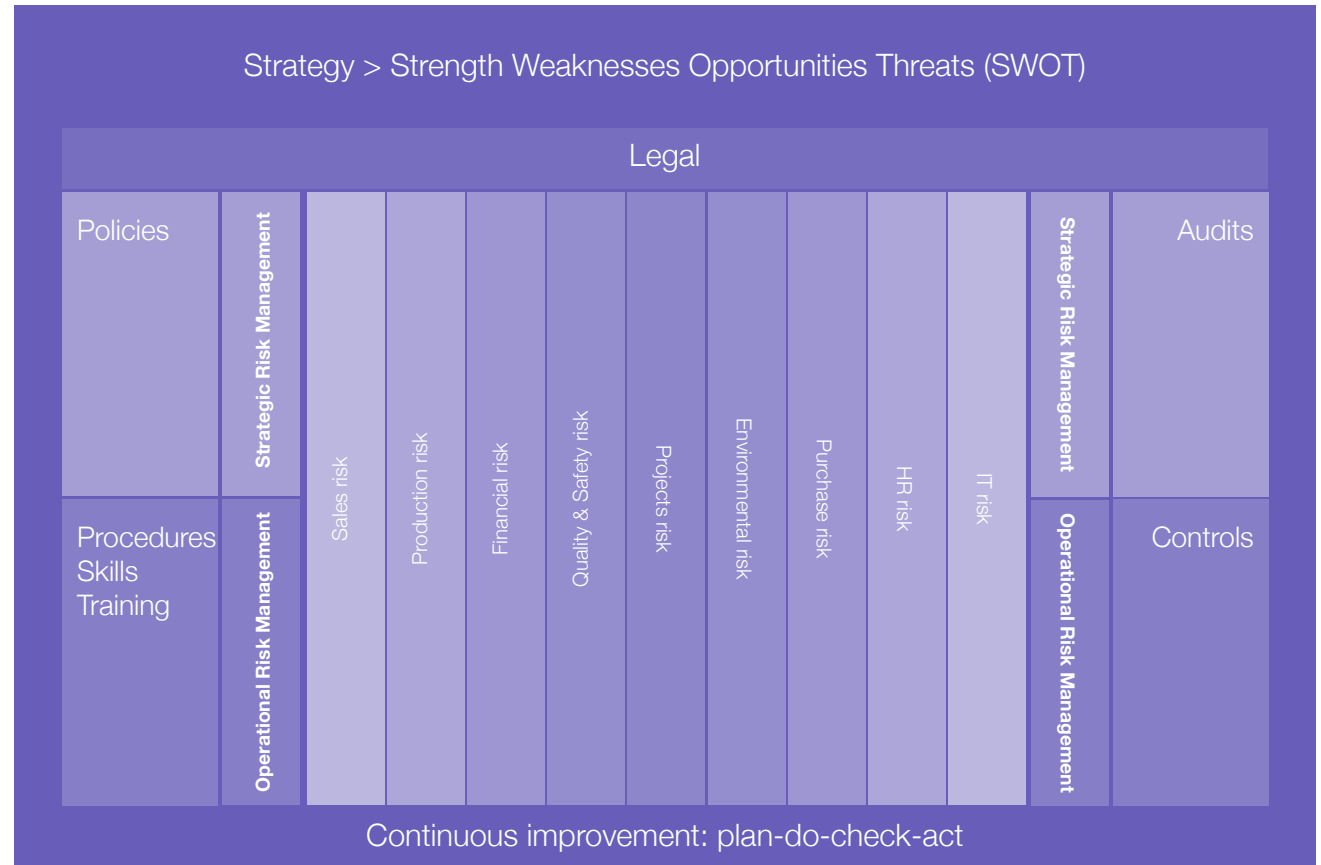
Corporate risk governance: We use this framework to identify our opportunities and risks and to translate them into operational actions in order to address challenges structurally. During the operationalisation of these actions, we consult internal and external stakeholders. The corporate risk governance 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 Process and Risk Management

The Internal Control Process (ICP) is designed to identify, manage and monitor risks in a timely manner and forms an integral part of the organisation's governance and day-to-day management. The process is based on clear responsibilities, transparent reporting lines and a structured Plan-Do-Check-Act cycle. The Internal Control Process is integral to the organisation's business operations and governance. A combination of culture, clear processes, structured consultation moments, and periodic reviews results in a robust system of risk management and internal control. This enables the organisation to grow in a controlled manner, operate in a compliant manner and continuously improve. The internal control process is supported by a fixed consultation structure and internal reviews and monitoring. See the risk and control framework for more details. This consultation structure ensures continuous dialogue about risks and performance at all levels of the organisation. To ensure the effectiveness of the internal control framework, periodic key internal reviews are conducted as illustrated in the framework.

1. Culture and governance

The basis of the internal control framework is formed by an open and transparent organisational culture. Employees are encouraged to actively identify risks, deviations and areas for improvement. The reporting lines to the Management and Board of Directors are short and clear, enabling quick and effective decision-making. The organisation operates on the basis of a clear purpose and strategy, which is periodically evaluated and adjusted. This ensures that risk management is not separate from business operations but is directly linked to strategic and operational objectives.



2. Processes and systems

To ensure consistency and manageability, uniform processes and systems are used throughout the organisation. These are documented and supported by an integrated ERP and management information system. Employees are actively

trained and informed about procedures, internal control measures and their role in these. In addition, segregation of duties is structurally organised within critical processes, such as financial transactions, project acceptance and authorisations, in order to limit the risk of errors and fraud.

3. Legislation and regulations

The internal control framework ensures compliance with relevant legislation and regulations. This is achieved through, among other things:

- A standardised pricing and calculation module.
- A uniform ERP environment.
- A documented shareholders agreement (SHA) and a clear authorisation matrix.

This ensures that decisions are taken within predefined frameworks and that responsibilities are explicitly assigned.

4. Planning & Control cycle

The organisation uses a structured Planning & Control cycle:

- Weekly reports provide insight into liquidity, turnover and occupancy rates.
- Monthly reports contain both financial and (partly) non-financial management information.
- In the longer term, management is based on a multi-year plan, OGSM and strategic objectives.

This cycle makes it possible to identify deviations in a timely manner and take corrective measures.

5. Project acceptance and decision-making

Project risks are explicitly managed through a standardised project acceptance process:

- All projects are assessed on the basis of a standard pricing model.
- Larger projects are assessed by at least one member of the Board.
- Very large projects require the approval of at least two Board members.

This ensures that commercial opportunities are carefully weighed against financial, operational and QHSE risks.

Affordable housing

Creating space for shared living

Client: Woonin housing association
Location: Utrecht
Segment: tenants 27-40 including individuals with refugee status

135 apartments

6 months construction time

10 years relocation time

BEFU is a modular residential area in Utrecht on the former Betonmortel Fabriek site. It was realised as a temporary use of long-vacant location. Commissioned by the Woonin housing association, a flexible housing concept was chosen that meets the need for affordable housing for urgent seekers in Utrecht. The concept emphasises communal living, with shared facilities such as a communal area, a courtyard garden and a roof terrace. A Woonin manager is on site to provide support and maintain daily contact with residents. The residential complex consists of one main building and two adjacent buildings. The homes were produced at the Daiwa House Modular Europe factory in Montfoort and meet permanent construction quality requirements.



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
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.					✓		✓		
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 -prestatieladder trede 5	Sustainability/environment	14-01-2028	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	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	22-08-2028	Design, sell, rent, manufacture, transport, assemble, dismantle, place and move flexible building systems.	✓	✓	✓	✓				✓	✓
ISO27001:2022	Information security	22-10-2026	Information security relating to the design, sale, rental, manufacture, assembly, disassembly, installation and relocation of flexible building systems. Transport, storage and transhipment of flexible building systems, according tot the Statement of Applicability version 1.0, dated 14-07-2023.	✓	✓	✓	✓	✓		✓	✓	✓

* Scope: structural components and kits for steel structures to EXC2 according to EN1090-2 / ISO3834-2:2005 certification valid to 16-12-2027.
 Scope: Manufacture of steel structures and components for steel structures.

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 information security management system (ISMS). 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.

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.



Clinic

Recovery and a new future

Client: Yes We Can Clinics
 Location: Hilvarenbeek
 Accommodation solution: various consultation and group rooms

4 weeks
 construction time

On the grounds of Yes We Can Clinics in Hilvarenbeek, the Jan Snel company constructed five buildings designed to support the recovery and reconnection of young people struggling with their addiction and family. The new facilities ensure that young people and their families can receive even better support on their journey toward a new life. Thanks to the close collaboration between Yes We Can Clinics and Jan Snel, a warm, functional environment has been created that fully aligns with the organisation's vision: building recovery, trust, and a new future.

Sustainability Statement

Environment

Social

Governance



ESG Roadmap

Theme	2024	2025	2026	2030	2050			
Environmental See also page 40	GHG emissions (T-CO ₂ scopes 1-3)	26,597	20,640	18,648	14,645 (29% reduction scopes 1-3 and 99% reduction scopes 1-2 vs 2019)	Positive carbon emissions		
	Climate change adaptation (% relocatable units)	100%	100%	100%	100%	100%		
	Circularity (mono/recycle streams)	50%	58%	62%	80%	100%		
	MPG	<0.56	0.56	<0.45	<0.30	<0.30		
	Energy (own energy generation)	7%	10%	12%	80%	Energy positive		
Social See also page 60	Being a good employer	Absenteeism rate 5.04%	5.92	<6%	<5% ¹	<5% ¹		
		Employee engagement 66% ²	64%	67%	75% ²	75% ²		
		Diversity and inclusion (women in middle/higher management) 2.9%/7.3%	10%/11.5%	>15%/>10%	25%/15%	30% / 20%		
		Training hours 3,102	3,298	NA*	NA*	NA*		
		Inappropriate behaviour (# incidents) 6	18	<10	<5	<2		
	Working safely	Safety Culture Ladder - Level 3	- Level 3	- Level 4 (projects) - Level 3 (production)	- Level 4	- Level 5		
		Fatal accidents 0	0	0	0	0		
		Injury Frequency (IF) 10.43	18.05	<4	<1	<0.5		
	Access to affordable homes	1,753 houses: - 75 NCG earthquake-resistant houses - 95 COA/refugee housing - 1,583 students, starters, singles, family, migrant workers	1,458 houses: - 290 NCG earthquake-resistant houses - 177 COA/refugee housing - 991 students, starters, singles, family, migrant workers	3,604 houses: - 0 NCG earthquake-resistant houses - 0 COA/refugee housing - 3,604 students, starters, singles, family, migrant workers	8,000 houses	10,000 houses		
	Governance See also page 95	Solid financial position (solvency)	1.16%	-16.26%	2.26%	32%	32%	
Business ethics (% employees trained)		0%	100%	100%	100%	100%		
Corruption and bribery (# incidents)		0	0	0	0	0		
Management of suppliers		% suppliers signed CoC	100%	100%	100%	100%	100%	
Political influence and lobby		100% transparency on lobby activities and contributions	100%	100%	100%	100%	100%	

* Targets for Training and Development will be determined in 2026 as training hours per employee.

¹ Different Survey compared to 2023.

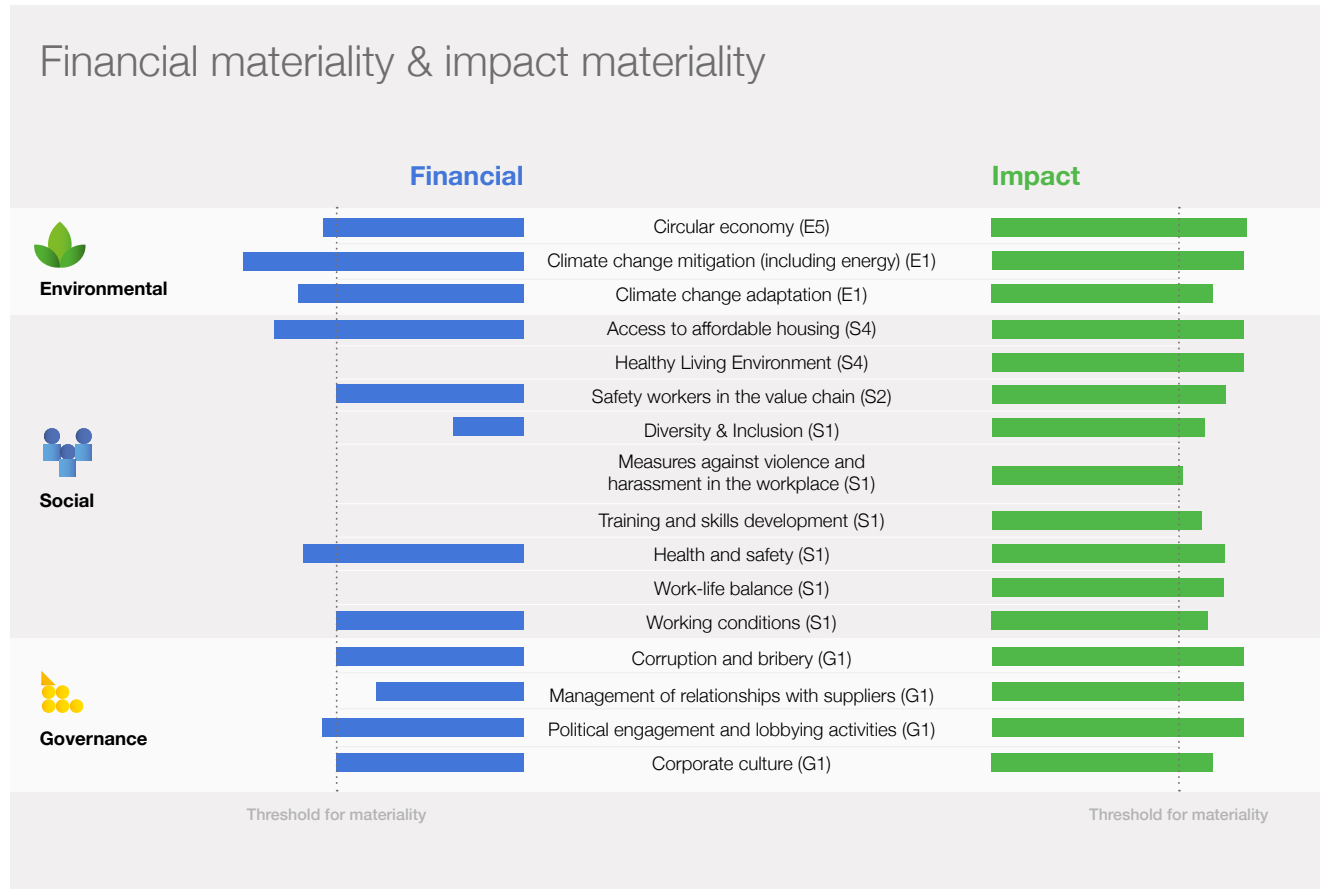
² More realistic target adjusted from 8.0 to 7.5.

Double materiality assessment

In 2024, we updated our double materiality assessment (DMA) that was performed between June and November 2024. In 2025, we evaluated the double materiality assessment on actuality. During the assessment the following process was followed:

1. Governance and 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 and 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. During this analysis we have considered all risks of negative impacts related to our activities, business relationships or geographies. You will find the value chain in this report.



3. Identification and 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 and prioritisation:

ESG topics were evaluated using a five-point impact scale defined per topic, assessing factors such as likelihood, severity, scope and irreversibility. A threshold of three was established, ensuring only significant impact, risks and opportunities were classified as material. By setting the materiality threshold at three on a five-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.

The 2024 assessment was fully aligned with the CSRD requirements. The following sustainability topics were not found material in the assessment: laws and regulations, innovation, solid financial position, scarcity of raw materials, partnerships, stakeholder dialogue, digitalisation and robotisation, customer satisfaction and impact on local communities. We added climate change adaptation, and being a good employer was subdivided into the sub-topics of diversity and inclusion, measures against violence and harassment, training and skills development, work-life balance and working conditions. Social developments were 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. 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.

We cover all the material topics with underlying impacts, risks and opportunities in this report.

Impact, risks and opportunities (IROs)

The 2025 assessment builds on the foundations established in 2024. The IRO list, definitions, value chain boundaries and detailed assessment criteria applied in this process are set out in full in our 2024 Sustainability Report, page 96.

ESG Report 2024

Flex homes

Temporary housing, fully equipped

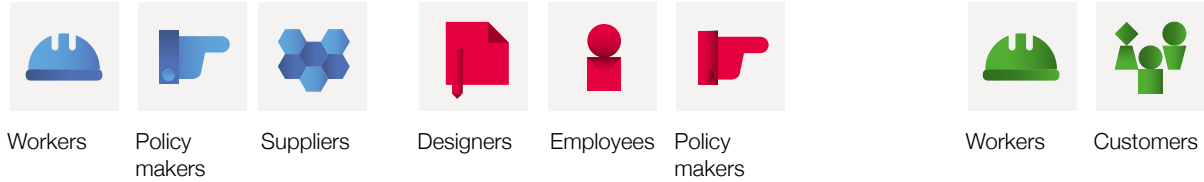
Client: KaFra
Location: Born
Segment: labour migrants

92 residents **30** apartments **3** months construction time

The KaFra Tower in Born is a modular residential tower commissioned by KaFra Housing to house international workers (EU employees). Most of the production of the residential modules took place in advance at the factory. The homes are fully furnished and intended for residents who are temporarily working in the region.



Actors in the chain



Impacts in the chain

	Upstream			Own operations				Downstream			
	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 (E5)	-	-		-	-	-	-				
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

Our approach to due diligence

Daiwa House Modular Europe applies a due diligence approach in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The ESRS framework incorporates internationally recognised due diligence principles, which are reflected in our processes for identifying, assessing, managing and monitoring sustainability-related impacts, risks and opportunities across our operations and value chain.

We recognise our responsibility not only for our own activities but also for impacts linked to our suppliers, subcontractors and business partners. Through structured governance, risk management and internal control processes, we aim to prevent or mitigate adverse impacts while contributing positively to society and the environment.

Our due diligence process follows a continuous cycle:

- 1. Identification and assessment** of impacts, risks and opportunities through the double materiality assessment and risk analysis.
- 2. Integration** of identified risks into policies, procedures and operational decision-making.
- 3. Monitoring and evaluation** of effectiveness through audits, KPIs and internal controls.
- 4. Transparent communication** and continuous improvement.

This approach ensures that sustainability considerations are embedded in strategic decision-making as well as daily operations.

Identification and assessment of impacts, risks and opportunities

The identification and prioritisation of ESG impacts, risks and opportunities are based on the outcomes of Daiwa House Modular Europe's double materiality assessment.

This assessment identifies where our activities have the most significant impact on the environment and society, and where sustainability developments may affect our financial performance.

The assessment is supported by the Corporate Risk Governance framework and involves cross-functional collaboration between the Environmental, Safety and HR teams, operational departments and management. The ESG representative consolidates insights and facilitates discussions with the Board of Directors and Supervisory Board, ensuring appropriate oversight.

Risk identification is a continuous process and includes monitoring regulatory developments, market trends and stakeholder expectations, as well as dialogue with suppliers, subcontractors, customers and external experts.

Key environmental risks include climate change mitigation and adaptation challenges, resource availability and supply chain constraints related to sustainable materials. Safety risks relate to potential incidents within factories, construction sites and offices. Social risks include workforce availability, employee well-being and corporate culture, as the company is transitioning from a family-run to a multinational business. Please see page 36 for all identified risks that came out of the double materiality assessment.

Integration into policies and operational processes

The outcomes of the double materiality assessment and risk analyses are translated into policies, procedures and operational measures. Daiwa House Modular Europe continuously develops and updates policies to address identified impacts and risks, and to support responsible business conduct throughout the organisation.

Environmental risks are addressed through environmental management systems, circular construction principles and collaboration with suppliers and partners to improve material efficiency and reduce environmental impact. Environmental criteria are incorporated into supplier assessments and procurement processes, supporting awareness and improvement throughout the value chain.

Safety risks are managed through structured safety policies, training programmes and project-based risk assessments.



Emergency Shelter

Reusable and Future-Proof

Client: Municipality of Naarden
Segment/housing solution: shelter facility/emergency shelter

8 weeks
construction time

26
apartments

Commissioned by the municipality of Naarden, Jan Snel completed an expansion of an existing shelter accommodation for Ukrainian refugees. The new housing units were installed next to a former hotel, which was already housing 21 families (300 people). There was already community support and the location offered the space for a suitable addition. The modular built complex was completed in 8 weeks. The 26 apartments - each with two bedrooms - provide housing for 104 people. They can also use the common area. The location is intended for ten years. After that, the units can be reused elsewhere. In this way, this social project not only contributes to today's shelter needs but is also prepared for tomorrow's housing needs.

Incident reporting and investigation procedures ensure that lessons learned are translated into preventive actions. Employees, subcontractors and partners are actively involved in maintaining a strong safety culture.

Social risks are addressed through HR policies covering working conditions, health and safety and employee well-being. Implementation is supported through management accountability, training and data-driven monitoring tools. Engagement with local communities takes place at an early stage of project development to identify concerns and mitigate potential negative impacts.

Where adverse impacts occur, corrective actions are defined, implemented and monitored until resolution.

Monitoring and tracking effectiveness

The effectiveness of policies and actions is monitored through a combination of internal controls, performance indicators and independent audits. This enables Daiwa House Modular Europe to evaluate progress and adjust actions where necessary.

Environmental performance is monitored through periodic assessment of CO₂ emissions, energy use, materials and waste streams. Participation in the SKAO CO₂ Performance Ladder and ISO 14001 certification provides external validation and supports continuous improvement.

Safety performance is monitored through audits, certifications and incident reporting systems. Daiwa House Modular Europe maintains certification under the Safety Certificate for Contractors and the Safety Culture Ladder, with annual audits conducted by independent bodies.

Social performance is monitored through employee-related indicators such as absenteeism, turnover and engagement survey results. These insights support the evaluation of policy effectiveness and help identify areas for improvement.

Monitoring results are periodically reviewed by management and reported to the Board of Directors and Supervisory Board as part of the corporate risk governance process.

Communication and transparency

Open communication supports trust and accountability in our sustainability journey. Employees receive onboarding and ongoing training on environmental, safety and social policies, while internal communication platforms facilitate regular updates on initiatives and progress.

Externally, Daiwa House Modular Europe reports on its sustainability performance through its ESG reporting. Policy documentation is accessible through ESG report and website, ensuring transparency towards stakeholders. We actively collaborate with suppliers, NGOs and academic institutions to share knowledge and address shared sustainability challenges.

Our reporting approach continues to evolve towards integrated reporting aligned with ESRS requirements, enabling stakeholders to better understand our impacts, risks, opportunities and long-term value creation.



Experience

Information and Meeting Center

4.5 weeks
construction time

In collaboration with ProRail, we have created a modular information and meeting center in Vught. The information center is not just about conveying information about rail projects; it was also designed to be an inviting space where visitors feel welcome and enjoy a genuine experience. The building combines a meeting space, office spaces, and a conference room, all within a sustainable and inviting design. With wooden elements and a green sedum roof, the building blends naturally into its surroundings.

Introduction on Environmental

At Daiwa House Modular Europe, sustainability and circularity are integral to our modular construction model. Through industrialised building methods, we reduce material use, lower greenhouse gas emissions and design buildings for reuse and relocation, contributing to more sustainable housing solutions. This section outlines our progress in reducing emissions, strengthening circular processes and improving the environmental performance of our operations and products.

“Circular building isn’t just about materials – it’s about mindset. At Daiwa House, we believe that homes should be designed with their next life in mind. By embracing modularity and reuse, we’re not only reducing waste –we’re building a future where housing is smarter, more sustainable and kinder to the planet.”

Barry van Wijk,
Head of Plan Development Housing

Roadmap Environmental



Theme	2024	2025	2026	2030	2050
GHG emissions (T-CO ₂ scopes 1-3)	26,597	20,640	18,648	14,645 (29% reduction scopes 1-3 and 99% reduction scopes 1-2 vs 2019)	Positive carbon emissions
Climate change adaptation (% relocatable units)	100%	100%	100%	100%	100%
Circularity (mono/recycle streams)	50%	58%	62%	80%	100%
MPG	<0.56	0.56	<0.45	<0.30	<0.30
Energy (own energy generation)	7%	10%	12%	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:

- **Insight:** Identifying energy use patterns and calculating the organisation's carbon footprint.
- **Reduction:** Setting aggressive targets for cutting CO₂ emissions.
- **Transparency:** Consistently disclosing our CO₂ reduction strategies.
- **Participation:** Engaging in industry-wide efforts to diminish carbon emissions.

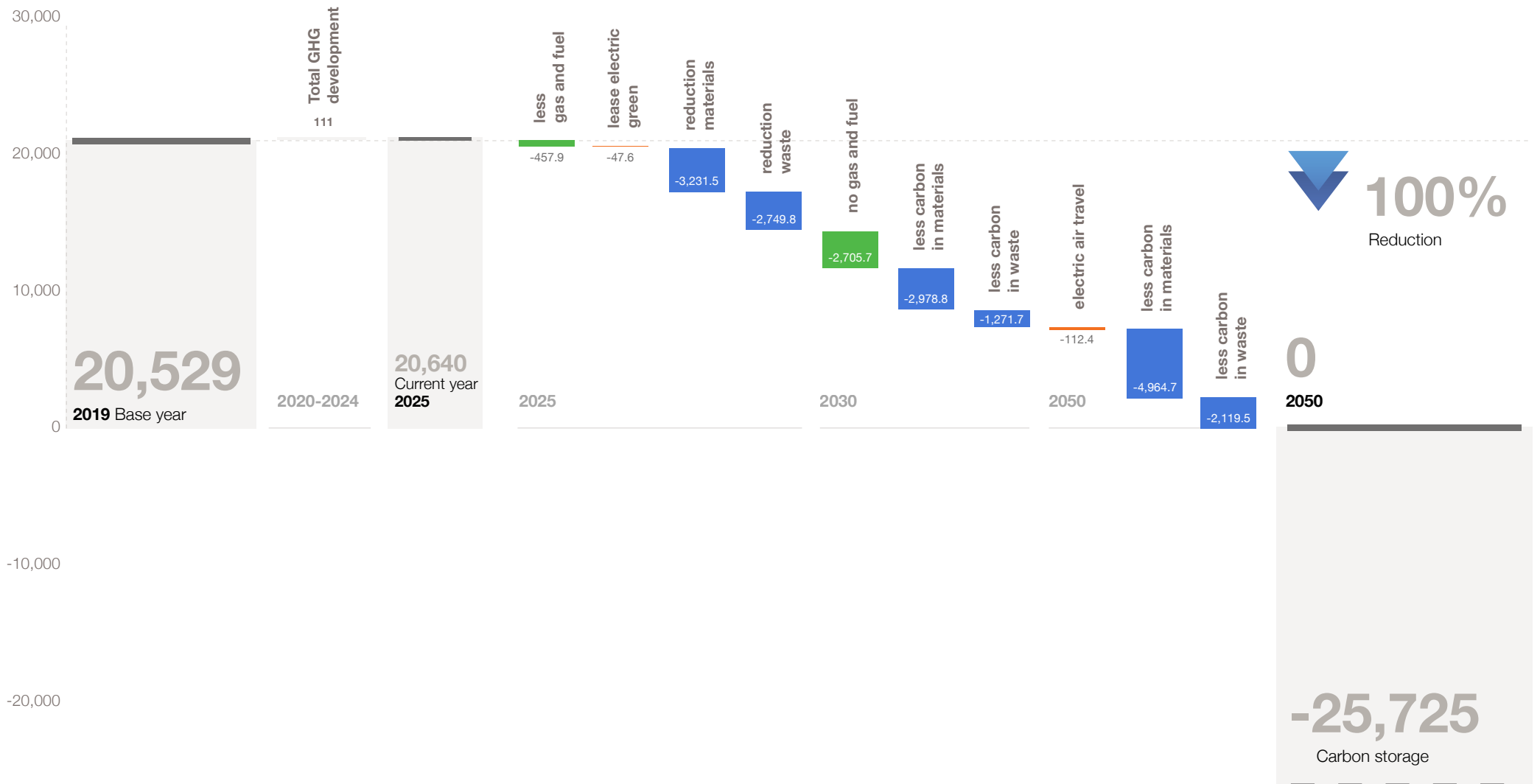
Achieving level 5 on the CO₂ Performance Ladder is a testament to our serious efforts in CO₂ emission reduction, positioning us as a leader in the field. Our active involvement in diverse initiatives, along with our commitment to sharing knowledge and collaborating towards shared environmental goals, 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 that follows outlines the strategic steps we plan to take towards realising these objectives.

Climate change graphical pathway GHG reduction targets

(Ton CO₂)

- Scope 1
- Scope 2
- Scope 3
- Scope 1, 2, 3



Our policies

Climate change mitigation policy

Climate change mitigation

Impact ▾

Financial risk/opportunity ▾

Energy

Impact ▾

Financial risk/opportunity ▾ ▾

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to climate change mitigation and energy. The policy addresses the 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 our 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 our business activities.
- Raising awareness of climate change due to CO₂ emissions, as well as 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.

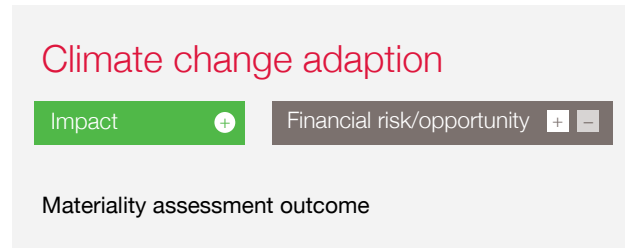
Third-party standards

- 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 policy



Objective

This policy outlines Daiwa House Modular Europe's commitment to climate change adaptation. The policy addresses the 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 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

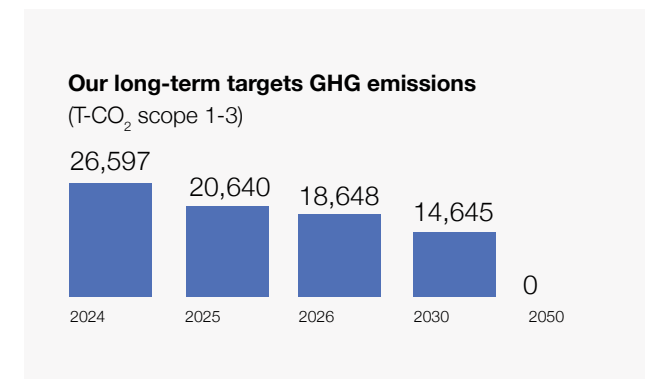
- ISO 14001 Environmental Management System
- CO₂ Performance Ladder

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

Daiwa House Modular Europe monitors its greenhouse gas (GHG) emissions on a quarterly basis and reviews progress regularly within the Management Team. Emissions are calculated in accordance with the GHG Protocol and the methodology of the CO₂ Performance Ladder. Our organisational boundary follows the operational control approach, meaning that emissions from activities under our operational control are included in the inventory. We report emissions across scope 1 (direct emissions from fuel use and company vehicles), scope 2 (purchased electricity and business travel) and scope 3 (value chain emissions, including materials used in our buildings). Scope 3 emissions represent the largest share of our footprint. The results of our emissions monitoring are reviewed annually as part of the management review and inform our climate targets and reduction actions.





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.

	Area	Actions realised in 2025	Actions 2026	Actions 2026 - 2030
Scope 1	Electrical equipment	Continued replacement of malfunctioning equipment with electric alternatives.	Internal transport vehicles will be replaced with electric versions when reaching end of life.	Production sites aim to operate with zero-emission equipment, including electric generators, vehicles and machinery where feasible.
	Gas boilers	Assessed in the carbon-neutral roadmap; currently no immediate replacement actions included in the SPIE recommendations.	Replace diesel aggregates at production sites with hybrid alternatives where possible.	Gas boiler replacement dependent on grid capacity and energy supply contract adjustments with Stedin
	Construction site	Introduced HVO100 fuel for generators (Montfoort fuel tank filled with HVO100 in 2025). Finalised blueprint for carbon-neutral roadmap (2024–2026).	Continue use of HVO100 and apply AdBlue where applicable, to reduce emissions from site equipment.	Develop a clear roadmap for replacing or purchasing equipment aligned with grid capacity and net congestion developments.
	Insulation	Applied biobased insulation materials where possible, subject to fire safety and acoustic regulations.	Increase share of biobased insulation in DHME building models.	Biobased insulation becomes the core insulation material for newly produced modules where technically feasible.
Scope 2	Wind energy	Included in the carbon-neutral roadmap evaluation.	No direct wind energy options currently available for DHME.	Focus on alternative renewable energy solutions such as battery storage, solar energy and green energy contracts.
	Energy storage	Investigated cooperative energy storage and shared energy contracts with neighbouring companies.	Participate in the Montfoort Energy Hub Green Deal initiative.	Further develop energy storage solutions through the Montfoort Energy Hub.
	Solar panels	Evaluated additional solar panel installations; expansion currently limited due to grid congestion and lack of storage capacity.	Explore installation of large-scale battery storage as part of the Montfoort Energy Hub, to optimise solar energy use.	Expand solar generation capacity in combination with battery storage where grid conditions allow.
	Fleet	Promoted train travel for business trips under 750 km and required lease companies to procure renewable electricity certificates for EV charging.	Promote train travel for travel between locations such as Montfoort and Berlin and accelerate fleet electrification.	Achieve a fully electric company fleet.

Main achievements in 2025

Performance measurements

Reducing emissions through renewable HVO diesel

To reduce fuel-related emissions from our operations, Daiwa House Modular Europe actively explores renewable fuel alternatives such as hydrotreated vegetable oil (HVO). In 2025, the fuel tank at our production facility in Montfoort was filled with HVO100, a renewable diesel produced from waste oils and residues that burns significantly cleaner than conventional diesel. During the year, vehicles and machinery at the Montfoort site operated on 131,769 litres of HVO100 to support module production. This initiative contributes directly to reducing our scope 1 emissions and forms part of our broader roadmap to lower greenhouse gas emissions and move towards more climate-neutral production processes.



Electric crane used near Natura 2000 area

As part of its commitment to environmentally responsible operations, Daiwa House Modular Europe increasingly applies low-emission equipment on construction sites. During the dismantling of verandas at a residential park in Uithuizermeeden (North Groningen, the Netherlands), a 50-tonne mobile telescopic crane was required for the work. In line with both our own sustainability ambitions and those of our client, an electric crane was selected. This solution offered clear advantages: zero on-site emissions and significantly lower noise levels, making it particularly suitable for work near sensitive natural areas such as Natura 2000 sites. The project also demonstrated that electric construction equipment can be a cost-effective alternative. Based on this experience, Daiwa House Modular Europe aims to deploy electric cranes more frequently where feasible.



“HVO100 fuel, electric cranes, zero on-site emissions near Natura 2000 — these are not pilots. They are the new standard we are building towards.”

Tessa Semey,
Sustainability advisor



Metrics

Energy consumption and mix

Total energy consumption and related GHG emissions declined in 2025 compared with the previous year. This decrease was partly driven by organisational changes, as Medexs left the partnership with DHME during the year. In 2024, Medexs accounted for approximately 15% of total scope 1 emissions, and its exclusion from the reporting boundary contributed to the overall reduction. At the Montfoort production facility, scope 1 emissions decreased further due to lower production volumes. In contrast, emissions at Eemshaven increased slightly, mainly as a result of colder weather conditions and higher fuel consumption. The Fürstenwalde facility in Germany reported relatively stable emissions, reflecting consistent operational activity. Overall, the 2025 emissions profile reflects both structural organisational changes and regional operational differences, while supporting DHME's continued focus on energy efficiency and emission reduction.

	2021	2022	2023	2024	2025
Scope 1 - Natural Gas Processes (MWh)					
Montfoort (incl. Lopik)	2.171	2.223	2.195	1.597	1052
Hulst	52	50	4	72	91
Eemshaven	90	108	114	111	120
Medexs (Rhenen) (60%)	48	43	42	36	
Fürstenwalde			1151	1970	1971
Total	2.362	2.425	3.506	3.786	3.234
Scope 1 - Fossil Fuel Consumption (MWh)					
Montfoort	292	310	358	343	190
Hulst + Belgium	67	62	36	20	16
Eemshaven	16	12	7	32	30
Germany	4	3	24	31	63
Transport	1.350	263	319	282	189
Medexs	39	41	44	44	
Project location	328	415	559	565	117
Total	2.096	1.107	1.348	1.316	605
Scope 2 - Processes Electricity (MWh)					
Montfoort	1.582	1.486	1.415	1.392	997
Hal 20		184	193	133	32
Lopik	175	130	104	62	48
Hulst	432	452	442	492	347
Eemshaven	167	184	184	191	163
Fürstenwalde			118	830	916
Medexs	47	53	48	57	
Onroad loading	12	22	51	82	89
Total	2.414	2.512	2.554	3.239	2.592
Total non-renewable energy consumption (MWh)	4.458	3.532	4.854	5.102	3.839
Total energy consumption	6.872	6.044	7.408	8.341	6.431
Share of non-renewable sources in total energy consumption (%)	65%	58%	66%	61%	60%
Total turnover (x €1,000)	199,551	259,618	313,000	358,000	363,000
Energy intensity per net turnover	0,03	0,02	0,02	0,02	0,02

GHG emissions

In 2025, total greenhouse gas (GHG) emissions decreased by 22% compared with 2024. This reduction was partly driven by organisational changes following the departure of Medexs, whose emissions were included in previous reporting years. In addition, lower production volumes reduced transport between production sites, while the near completion of the NCG project in Groningen lowered diesel consumption in logistics and site operations. Further reductions were supported by operational improvements, including the introduction of HVO100 renewable diesel at our Montfoort production facility, significantly lowering fuel-related emissions. At the same time, Daiwa House Modular Europe is exploring the development of a local energy hub with neighbouring companies to address grid congestion and support future sustainable production growth.



GHG emissions T-CO₂

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Scope 1 - Direct emissions	7,074	4,525	4,939	5,063	3,164
Stationary combustion equipment	1,383	2,337	2,438	2,665	1,497
Natural gas business premises	456	518	619	827	1,114
Diesel project locations	927	1,819	1,819	1,837	383
Use of fleet (lease)	5,691	2,188	2,501	2,398	1,667
Petrol business driving	284	402	548	535	456
Diesel business driving	1,003	928	912	924	537
Diesel Transport	4,404	858	1,040	939	674
Scope 2 - Indirect emissions	17	36	131	161	160
Electricity consumption	6	11	23	27	48
Business air travel	10	25	107	134	112
Scope 3	19,978	18,555	19,300	21,373	17,316
Materials production	13,406	12,306	12,498	13,539	10,843
Materials refurbished	478	559	411	332	332
Emission of materials	13,883	12,865	12,909	13,871	11,175
Mono	2,319	2,628	3,229	3,826	3,683
Mixed	3,759	3,043	3,149	3,636	2,433
KCA	17	19	12	21	25
Total industrial waste	6,095	5,690	6,391	7,483	6,141
Total Emissions	27,069	23,116	24,369	26,597	20,640
Total turnover (x €1.000)	199,551	259,618	323,000	358,000	363,000
GHG intensity per net turnover (tCO ₂ eq/Monetary unit)	0.14	0.09	0.08	0.07	0.06

Climate change-related financial effects

Climate change presents both transition and physical financial risks for Daiwa House Modular Europe and the wider construction sector.

Transition risks primarily relate to increasing regulation and market expectations aimed at reducing greenhouse gas (GHG) emissions. Potential carbon pricing mechanisms, stricter building standards and rising energy costs may increase the price of construction materials and production processes. These developments can affect project margins and investment decisions within the housing market. At the same time, the transition towards lower-carbon construction requires additional investments in energy-efficient production, electrification of equipment and vehicles and the development of lower-impact building materials and designs.

Physical climate risks also influence financial performance. Increasing frequency of extreme weather events, temperature changes, and water-related risks may disrupt construction activities and increase operational and insurance costs across the sector. Due to its industrialised factory-based production model, Daiwa House Modular Europe is partially less exposed to on-site weather disruptions compared with traditional construction methods, strengthening operational continuity.



During a housing dismantling project in Uithuizermeeden, carried out as part of an NCG (National Coordinator for Groningen) housing project, verandas were removed from a temporary housing park. A mobile telescopic crane with a lifting capacity of approximately 50 tonnes was used for this work. To limit the environmental impact, a fully electric crane was chosen. This crane operates without direct emissions and with a low noise level, reducing the impact on the environment during the work. The use of electric equipment is in line with our application of emission-free solutions in construction and dismantling activities, particularly at locations where noise and emission requirements apply.

To manage these risks, Daiwa House Modular Europe has established a GHG reduction roadmap aligned with the objectives of the Paris Agreement. However, full electrification of production facilities is currently constrained by local grid congestion.

As a response, the company is exploring the development of a shared energy hub with neighbouring businesses, combined with battery storage solutions, to improve energy capacity and resilience. At the same time, increasing demand for sustainable and adaptable housing solutions creates market opportunities for modular construction, supporting long-term value creation.

Circularity

Circularity is a fundamental element of the modular construction model of Daiwa House Modular Europe. By designing buildings as relocatable and demountable modules, materials can be reused and buildings can be adapted or redeployed throughout their lifecycle. This approach reduces waste, optimises material use and supports more efficient construction processes compared with traditional building methods. Daiwa House Modular Europe continues to strengthen circular practices by increasing the use of reusable and recyclable materials, improving material efficiency in production and gaining better insight into environmental impacts across the value chain.

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.

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 100% so that, in the future, Daiwa House Modular Europe's building will be both modular and circular, therefore contributing 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 becomes more efficient – for example, at hal 17 in Montfoort – that 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 policies

Resources inflows, including resource use

Impact − Financial risk/opportunity + −

Resource outflows

Impact +

Waste

Impact − Financial risk/opportunity +

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to the Circular Economy. The policy addresses the 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

	2024	2025	2026	2030	2050
Mono/recycle streams	50%	58%	62%	80%	100%
MPG	<0.56	0.56	<0.45	<0.30	<0.30



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 2025	Actions 2026	Actions 2026-2030
Materials	Use of natural materials	Reduced steel use in three-level building designs while maintaining structural quality. Continued application of preheated concrete floor designs.	Further optimise steel use and increase recycled steel content. Develop new building concepts using timber structures.	Apply insights from pilot testing and integrate low-impact materials into standard building models.
	Reused materials	Investigated Cradle to Cradle Certified® supply chain options for material reuse and waste streams.	Evaluate feasibility and potential implementation of circular supply chain partnerships.	Expand reuse of building materials through circular supply chain solutions.
	Use of recycled materials	Continued application of recycled materials in construction components.	Increase recycled material content in cement mixes.	Apply higher percentages of recycled materials in structural elements such as floor systems.
	Use of sustainable installations	Continued integration of sustainable installations in modular units.	Increase the share of biobased materials used in modules.	Integrate passive house design principles to reduce the need for large installations.
Waste	Recycling	Increased recycling efforts at project sites to reduce waste and increase mono stream separation.	Further expand recycling initiatives at project locations.	Continue improving recycling performance across projects and production sites.
	Cutting waste	Continued optimisation of cutting processes to reduce material waste.	Identify further reduction opportunities in production processes.	Ongoing improvement of material efficiency in production.
	Factory production	Continued optimisation of waste management in factory production.	Develop a plan to reduce BSA percentages at factory and project sites.	Implement measures to reduce construction waste across operations.
	Mono streams	Increased mono stream waste separation by educating employees.	Further increase mono stream waste separation.	Continue improving waste separation performance.
	Supplier	Reviewed supplier performance regarding environmental product improvements.	Define follow-up actions for underperforming suppliers.	Introduce procurement requirements for returnable materials through closed-loop systems.
	Waste processors	Continued cooperation with waste processors to improve waste management practices.	Evaluate opportunities for improved recycling processes.	Continue strengthening partnerships with waste processors to improve circular material flows.

Main achievements 2025

Performance measurements

Engaging suppliers on sustainability

In 2025, Daiwa House Modular Europe strengthened its collaboration with key suppliers through dedicated end-of-year discussions focused on sustainability and emission reduction. These conversations provided insight into suppliers' current sustainability practices and their willingness to work jointly on improving environmental performance across the value chain. Together with suppliers, we explored practical initiatives such as improving waste separation into mono streams and optimising the steel supply chain by prioritising EU-based sources. In addition, opportunities were identified for several suppliers to join the Dutch National Environmental Database (NMD), which could support improvements in our MPG performance. To further strengthen supplier engagement, Daiwa House Modular Europe refined a set of sustainability questions that all new suppliers must address when entering into collaboration with the company, supporting continued progress towards a more sustainable supply chain.



Increasing the use of recycled steel

Daiwa House Modular Europe continues to reduce the environmental impact of its materials by prioritising recycled steel and responsible sourcing. In 2025, approximately 80% of the steel used in our projects was recycled, while 95% was sourced from European suppliers. The use of recycled steel significantly reduces the need for energy-intensive primary steel production, lowering both embodied carbon and scope 3 emissions in our value chain. Sourcing steel within Europe also helps minimise emissions from long-distance transport and supports suppliers operating under EU environmental standards. The Circusterrein project demonstrates how high shares of recycled, European-sourced steel can be applied without compromising structural performance, illustrating how responsible material choices contribute to both quality and improved ESG performance.



Designing for disassembly and circular reuse

Daiwa House Modular Europe integrates circular design principles into its modular construction approach. In our MPG calculations, projects consistently achieve a high Disassembly Potential Index, with scores exceeding 80% and reaching 95% for the "Circusterrein project". This reflects our ability to design buildings that can be dismantled, refurbished and reused with minimal material loss. Designing modules for disassembly allows buildings to be relocated or adapted, significantly reducing material waste and supporting circular construction. This principle will also be applied in the Ravel project, where student apartments are planned to be relocated in 2027, demonstrating how flexible modular design can extend building lifecycles and reduce environmental impact.



Metrics

Resources entering our organisation

Daiwa House Modular Europe monitors the materials used in its modular construction process to increase the share of circular and lower-impact materials. The company continues to explore opportunities to increase the use of recycled, reused and biobased materials, while ensuring compliance with structural, safety and regulatory requirements. Technical and regulatory constraints currently limit the large-scale application of some biobased materials, particularly in areas such as fire safety and insulation performance.

In 2025, total waste volumes declined in line with lower production activity. The number of new and refurbished modules produced decreased by 20% compared with 2024, resulting in a reduction in overall waste generation. Mixed waste decreased by 33%, while mono stream waste decreased by 4%, leading to a higher relative share of separated waste streams. The most significant reductions occurred at project sites and in Eemshaven, where waste volumes decreased by 42% and 45% respectively, reflecting improved waste separation and material efficiency.

Overall total weight of materials used

	2022	2023	2024	2025	Share % 2025	% Virgin material	% reused or recycled
Material (in tons)							
Sandwich panel	388	394	427	342	1%	80	20
Steel reinforcement	593	602	652	523	2%	5	95
Steel frame	4,473	4,543	4,921	3,941	16%	3	97
Concrete	14,333	14,557	15,768	12,629	52%	90	10
Pine wood	2,077	2,110	2,285	1,830	7%	100	0
Fernacell	3,071	3,119	3,378	2,706	11%	62	38
OSB	1,293	1,313	1,422	1,139	5%	100	0
EPDM	111	113	123	98	0%	100	0
EPS	182	185	200	160	1%	80	20
Plastic window frame	250	254	275	221	1%	100	0
Rockwool isolation walls	375	381	413	330	1%	60	40
Rockwool isolation roof	244	248	269	215	1%	60	40
Rockwool for fire proofing	40	41	45	36	0%	60	40
Inside doors	75	76	83	66	0%	100	0
Radiator	36	37	40	32	0%	100	0
Marmoleum	198	201	218	175	1%	89	11
Other	25	25	27	22	0%	100	0
Total	27,766	28,199	30,546	24,465	100%		

Waste category

(in tons)	2023	2024	2025	% share'25	Waste Stream
Construction and demolition waste	3888	4598	3146	91%	
Concrete rubble	349	581	252	7%	Mono
A-Wood		19	0	0%	Mono
B-Wood	772	683	395	11%	Mono
Construction and demolition waste (BSA01)	1,866	2,162	1,282	37%	Mixed
EPS	47	72	40	1%	Mono
Fermacell	200	398	287	8%	Mono
Gypsum	6	14	283	8%	Mono
Glass	14	0	5	0%	Mono
Hard plastic (PVC pipes/profiles)	26	23	63	2%	Mono
Insulation	312	146	41	1%	Mono
Mixed rubble	0	143	179	5%	Mono
Aerated concrete	0	0	0	0%	Mono
Metal	151	184	149	4%	Mono
C-wood	3	0	3	0%	Mono
Paper and cardboard	116	92	94	3%	Mono
Granite chips		6	0	0%	Mono
Sandwichpanels		71	63	2%	Mono
Cables	8	4	11	0%	Mono
Industrial waste: non-hazardous	277	434	259	7,5%	
Industrial waste	199	350	169	5%	Mixed
Foil (plastic)	73	77	81	2%	Mono
Plastic	0	0	0	0%	Mono
Kit tubes (empty)	5	7	7	0%	Mono
Other waste or unspecified: hazardous	139	50	53	1,5%	
Asbestos-containing building materials		3	0	0%	Mixed
Lead batteries		1	0	0%	Mono
Aerosols	3	2	1	0%	Mono
Paint/ink solid/pasty milieu (kvp)	8	14	17	0%	Mono
Organic waste	106	16	15	0%	Mono
PMD	5	6	16	0%	Mono
Furniture	15	6	2	0%	Mono
Electronics	0	2	1	0%	Mono
Total	4,304	5,082	3,458	100,0%	
Mono stream				58%	
Mixed stream				42%	

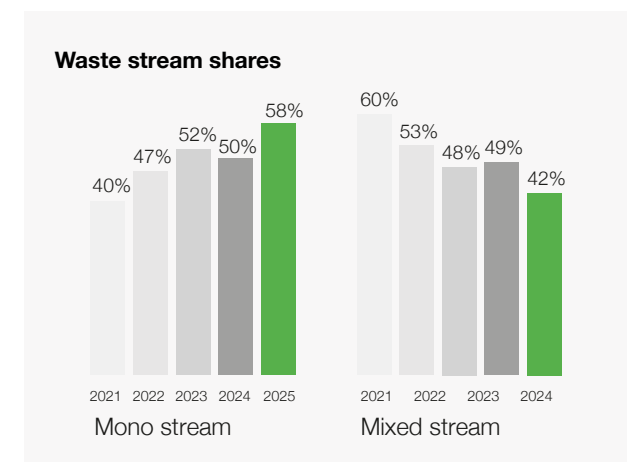
Resources leaving the organisation

Refurbishment and reuse of modules

Modular construction enables Daiwa House Modular Europe to extend the lifecycle of its buildings through relocation and refurbishment. Instead of demolition, modules can be dismantled and redeployed for new applications. A study conducted by Sloopcheck in 2022 confirmed that approximately 80% of our modules are successfully refurbished. Daiwa House Modular Europe aims to further increase this rate over time by improving design for disassembly and material recovery processes.

Waste management and recycling

Daiwa House Modular Europe continues to focus on reducing waste generation and increasing recycling rates across production sites and project locations. In 2025, the share of mono stream waste increased from 50% to 58%, while mixed waste declined to 42%, reflecting improved waste separation practices. Total waste volumes also decreased due to lower production activity and the departure of Medexs from the reporting boundary. In addition, industrial waste volumes were reduced by half compared with 2024, demonstrating continued progress towards more circular material management.

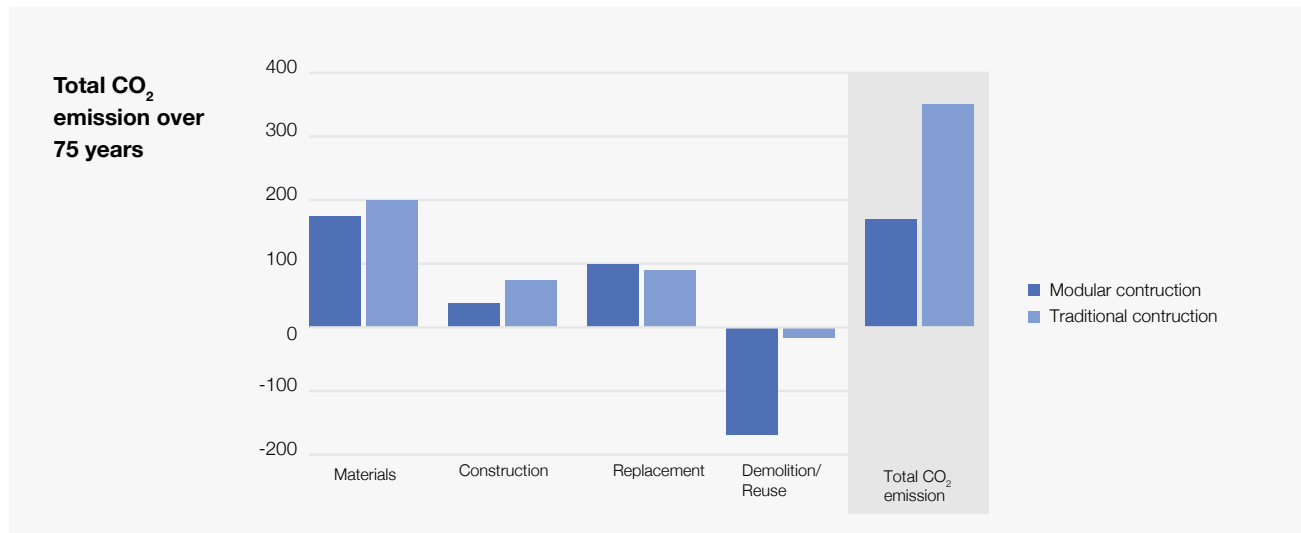


Resource use optimisation

Daiwa House Modular Europe prioritises the reuse and refurbishment of modular buildings to extend the lifecycle of materials and reduce resource consumption. Instead of demolition, buildings are designed to be dismantled and relocated for new applications. Within the Jan Snel division, which focuses on flexible rental housing solutions, 44.6% of projects involved module reuse in 2025. When modules return to the factory after use, refurbishment assessments show that approximately 80% of materials can be reused, while the remaining materials are responsibly recycled or disposed of. This design-for-disassembly approach is also applied in the long-term housing solutions developed by Daiwa Modular Europe, where buildings are engineered to be demountable and adaptable over time.

GHG emissions avoided through modular construction

An analysis of life cycle assessment results, verified by EcoReview, indicates that modular construction can result in up to 50% lower CO₂ emissions over a 75-year lifecycle compared with traditional construction methods. The reduction is primarily driven by efficient factory-based production, reduced transport, material efficiency and the reuse of modules across multiple building lifecycles.



Partnerships for circular construction



To accelerate the transition towards circular construction, Daiwa House Modular Europe collaborates with a range of industry organisations, knowledge institutes and public initiatives. These partnerships support innovation, knowledge exchange and the development of circular building practices across the construction sector.

Research and innovation

- TU Delft – Symbiotic Urban Movement (SUM): Collaboration on innovative modular building concepts and participation in the Solar Decathlon competition.

Industry collaboration

- Cirkelstad: Network of construction companies, governments and knowledge institutions focused on accelerating circular construction practices.
- NEPROM: Association of Dutch project developers promoting collaboration, responsible development and knowledge exchange across the sector.

Circular construction initiatives

- The New Normal (Het Nieuwe Normaal): Sector initiative, led by Cirkelstad and the Dutch Ministry of the Interior, aimed at accelerating circular construction standards and practices.
- City Deal Circular and Conceptual Building: Public-private collaboration focused on reducing environmental impacts and scaling circular building methods.

Sustainable materials and building standards

- Green Deal Timber Construction Covenant: Commitment to increase the use of timber and other biobased materials in housing developments.
- German Sustainable Building Council (DGNB): Partnership supporting sustainable building certification and knowledge sharing on sustainable construction practices.

Regional energy transition

- Montfoort Green Deal: Collaboration with local companies and authorities to explore shared energy solutions and reduce pressure on the electricity grid.

Financial effects of resource use and circular economy

The modular construction model of Daiwa House Modular Europe inherently supports efficient resource use and circular value creation. By designing buildings as relocatable and reusable modules, materials retain value over multiple life cycles, reducing waste generation and creating opportunities for refurbishment, reuse and extended asset utilisation. This approach contributes to cost efficiency while supporting new revenue opportunities, particularly within rental and repositioning activities.

Operating in a controlled factory environment enables more precise material planning and significantly reduces material losses compared with traditional construction methods. Standardisation and industrialised production improve purchasing efficiency and reduce exposure to raw material consumption and waste-related costs. In addition, the use of materials with high recycled content, such as recycled steel, helps mitigate risks related to resource scarcity and price volatility.

At the same time, the transition towards circular construction introduces certain financial risks. The availability of consistent, high-quality recycled or alternative materials remains dependent on market development and certification requirements, which may lead to temporary cost increases or supply constraints. Furthermore, growing adoption of circular practices across the construction sector increases competitive pressure, requiring continuous innovation and operational optimisation.

Overall, Daiwa House Modular Europe's circular construction approach strengthens long-term financial resilience by lowering material dependency, improving production efficiency and supporting sustainable growth opportunities aligned with evolving market and regulatory expectations.

Energy resilience

Future-proof energy on site

Client: COA
Location: Dalfsen
Segment: Asylum seekers

190
residents

96
apartments

6 months
Construction time

[Read more on page 43](#)

“Turning a technical limitation into a future-proof energy solution – fully independent of the public electricity grid.”

The Dalfsen asylum seekers' centre (asielzoekerscentrum, AZC) on Engellandweg opened in November 2025 and provides temporary accommodation for approximately 190 residents. The project was commissioned by COA, the central agency for receiving asylum seekers, and completed within a period of approximately six months. Due to limitations in the available grid capacity, a residential location with a largely independent energy supply was chosen, allowing the location to function fully independently of the public electricity grid.

The location consists of several residential buildings with a total of 96 apartments, supplemented by an office building and an activity building. All buildings are gas-free and equipped with solar panels. The energy supply consists of a limited grid connection, approximately 650 solar panels, an energy storage system with a capacity of about 1,600 kWh and an energy-efficient emergency generator as a back-up. This combination meets the location's entire electricity needs.

The chosen energy solution has been designed as a temporary but future-proof facility. The location is only expected to be connected to the regular electricity grid in the medium term. Until then, the system guarantees a stable and reliable power supply for all residents.



Introduction on **Social**

At Daiwa House Modular Europe, social responsibility is an integral part of how we create long-term value for our employees, partners, customers and society. We focus on providing safe and fair working conditions, promoting diversity and inclusion and supporting the personal and professional development of our people. Our ambition is to maintain a safe and healthy working environment for everyone working at or on behalf of Daiwa House Modular Europe, including employees of contractors and staffing agencies, in close cooperation with our external partners.

“At Daiwa House Modular Europe, being a good employer means creating an environment where people feel safe, respected and empowered to grow every day. Our success is built on the strength of our teams – so we invest in their well-being, skills and sense of purpose, knowing that this is how we build a stronger company and a better society.”

Nico Vester,
Head of HR



In addition to our responsibilities towards our own workforce and value chain, we recognise the broader social impact of our activities. Through our modular housing solutions, we contribute to addressing societal challenges such as housing shortages, the need for affordable housing and the provision of housing solutions in response to public emergencies, including refugee accommodation and housing challenges related to seismic activity in the north of the Netherlands. The topics addressed in this section reflect the social impacts, risks and opportunities identified through our double materiality assessment.

During 2025, we continued to strengthen our approach to employee engagement, workforce development and organisational resilience. Following up on the Employee Experience Survey (EES), targeted actions were implemented to address employee feedback. This resulted in a significantly improved response rate in the 2025 survey and strengthened confidence in the EES as a tool for structural improvement and open dialogue across the organisation.

Market conditions during the year required adjustments in production activities. The flexibility of our workforce structure, including the responsible use of agency workers, enabled us to adapt to changing demand while safeguarding employment

stability for our core workforce and maintaining operational continuity. At the same time, we continued to invest in the development of our people. In the last quarter of 2025, the Board of Directors approved the implementation of a new Learning Management System, with rollout planned for 2026. This system will further strengthen onboarding processes, support training and skills development and enhance compliance with safety and regulatory requirements.

During the year, we further improved the availability and quality of workforce data to support better decision-making. Ensuring that these insights are effectively embedded at middle management level will be a focus area for 2026.

At year-end, Daiwa House Modular Europe employed 536 people across Europe. We welcomed 123 new colleagues, and 141 people left Daiwa. We recognise that continued focus on onboarding, selection, and employee retention remains essential in a competitive labour market. To strengthen recruitment and workforce development, recruitment activities were consolidated under HR, covering permanent employees, apprenticeships, traineeships and social return initiatives. Additional training programmes for practice supervisors are planned for early 2026 to support the development of new and young employees entering the organisation.

Roadmap: our long-term social targets



Theme		2024	2025	2026	2030	2050
Being a good employer	Absenteeism rate	5.04%	5.92%	<6%	<5%	<5%
	Employee engagement	66%	64%	67%	>75%	> 75%
	Diversity & inclusion (women in middle/higher management)	7.3%/2.9% *	10%/11.5%	>15%/>10%	25%/15%	30%/20%
Working safely	Safety Culture Ladder	Level 3	Level 3	Level 4 (projects) Level 3 (production)	Level 4	Level 5
	Fatal accidents	0	0	0	0	0
	Injury Frequency (IF)	10.43	18.05	<4	<1	<0.5
Access to affordable homes		1,753 houses: - 75 NCG earthquake-resistant houses - 95 COA/refugee housing - 1,583 students, starters, singles, family, migrant workers	1,458 houses: - 290 NCG earthquake-resistant houses, - 177 COA / refugee housing, - 991 students, starters, singles, family, migrant workers	3,604 houses: - 0 NCG earthquake-resistant houses, - 0 COA/refugee housing, - 3,604 students, starters, singles, family, migrant workers	8,000 houses: - 6,900 students, starters, singles - 600 starters, couples, seniors - 500 family, migrant workers	10,000 houses

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 2025, continued attention was given to the optimisation of production activities in Germany, including the start-up of module assembly at the LAN site. This process was supported by experienced foremen, Health, Safety, Environment, and Quality officers and production employees to ensure safe working conditions, knowledge transfer and operational stability. This support structure will remain in place until mid-2026 to ensure a sustainable transition to stable operations.

Towards the end of the fourth quarter, part of the organisation shifted its focus to acquiring new projects in the Berlin region. Market conditions and the timing of new projects created a period of uncertainty for some employees. Maintaining transparent communication and providing clarity on future developments therefore remained an important focus area, as we aim to support employee well-being and engagement during periods of operational transition.

Our policies

Working conditions

Impact +

Financial risk/opportunity -

Materiality assessment outcome

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 and 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, 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.

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.

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 and manufacturing sites and to 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

Not available.

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.

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our social targets on working conditions, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Working conditions	<ul style="list-style-type: none"> - Developed a draft function matrix to improve role clarity, transparency and consistency in employment conditions. - Improved workforce reporting and dashboards through UKG platform and Power BI to support monitoring of working time, workforce planning and employment stability. 	<ul style="list-style-type: none"> - Implementation of the function matrix across the organisation to strengthen transparency in roles and career development. - Introduction of a structured job evaluation methodology to support fair and consistent remuneration. - Preparation for compliance with equal pay legislation and alignment of employment practices across locations. 	<ul style="list-style-type: none"> - Benchmarking of positions and salary structures to ensure competitive and adequate wages. - Further professionalisation of compensation and benefits frameworks to support long-term employability, fair reward and employee retention. - Continued strengthening of dialogue between management and employees through structured feedback and consultation processes.

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 an important priority at Daiwa House Modular Europe, as we recognise that employee well-being contributes directly to sustainable performance and a healthy working environment. Through our vitality programme, attention is given to both physical and mental health, promoting awareness and supporting a balanced and healthy lifestyle. Where needed, our occupational health provider supports employees in their recovery and return to work following physical or mental illness, ensuring appropriate guidance and support throughout the process.

Our policy

Mental health

Impact

Materiality assessment outcome

Objective

This policy forms part of Daiwa House Modular Europe's Health and Safety framework and sets out our commitment to promoting mental health and well-being. The policy aims to ensure that preventive and supportive measures are in place to foster sustainable employability, a healthy work environment and a balanced approach to operational demands and employee well-being.

Key content

Mental health

Mental Health is one of the five themes of vitality (the 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, should 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.

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 (the 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 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 and manufacturing sites and to 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

Not available.

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.

Social impact

Driving with Truckrun



On Saturday 20 September 2025, we took part in the Truckrun Groene Hart, which is a large-scale community event in the Green Heart ('t Groene Hart) region in the Netherlands. During this event, more than 120 people with intellectual and/or physical disabilities rode along in trucks through the region. The aim of initiatives like this is to offer an accessible and positive experience for participants, in collaboration with local organisations and volunteers.

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our social targets on mental health, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Mental health	<ul style="list-style-type: none"> - Organisation of a voluntary medical check-up at the Bunnik location to increase awareness of physical and mental health. - Organisation of the Vitality Week 2025 to promote healthy lifestyle choices and well-being awareness. - Strengthening early intervention through short absenteeism conversations. - External analysis of health and vitality policies, including identification of follow-up actions. 	<ul style="list-style-type: none"> - Organisation of a voluntary medical check-up at the Montfoort location. - Clarification of the role of managers in absenteeism management. - Workshops for managers focusing on effective conversation techniques and early recognition of mental health signals. - Improved clarity on the role of the occupational health and safety service for managers and employees. 	<ul style="list-style-type: none"> - Integration of health and vitality topics into onboarding processes. - Embedding vitality and health initiatives into the annual organisational cycle. - Extension of well-being initiatives to (semi-) permanent agency workers. - Tendering of the occupational health provider and optimisation of related processes.

Our long-term targets

	2024	2025	2026	2030	2050
Absenteeism rate	5.04%	5.92%	<6%	<5%	<5%
Employee engagement	66%	64%	67%	>75%	>75%

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 committed to fostering an inclusive and respectful working environment in which all employees are treated fairly and have equal opportunities to develop and contribute. Promoting diversity and preventing discrimination remain important priorities, as we believe that a diverse workforce strengthens collaboration, innovation and long-term organisational performance. Employment decisions, including recruitment, promotion and development, are based on individual qualifications, skills and performance. In 2025, although we continued to work on increasing the representation of women within the organisation, with the female workforce decreasing to 70 FTEs compared to 72 FTEs in 2024. Almost half (48.6%) of our female employees were part-time workers in 2025, compared to 5.4% of male employees.

The overall gender pay gap changed to 2.9%, favouring female employees. At year-end, five female managers were in position, including three in senior management roles. While these developments provide a positive overall perspective, we recognise that further efforts are required to ensure equal opportunities across comparable roles and functions. Preparation for the Equal Pay Act will therefore be an important focus area in the coming year, including an assessment of whether additional measures are required. Results from the Employee Experience Survey showed a slight decrease from 74% to 73%, remaining below the external benchmark of 79%. This underlines the importance of continuing to strengthen our policies and practices to further improve inclusion, engagement and equal opportunities across the organisation.

Our policy

Diversity and inclusion

Impact

Materiality assessment outcome

Objective

This policy sets out Daiwa House Modular Europe's commitment to fostering a diverse and inclusive workplace by promoting equal opportunities, preventing discrimination and creating a respectful and inclusive working environment in which all employees can contribute and develop.

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 and manufacturing sites and to 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

Not available.

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

The following actions have been defined to create a diverse and inclusive work environment in which all employees can contribute and develop support the achievement of our social targets on diversity and inclusion, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Diversity and inclusion	<ul style="list-style-type: none"> - Organised a Diversity Lunch to promote awareness and open dialogue on inclusion within the organisation. - Established a lactation room for an inclusive and supportive working environment. - Made initial improvements in inclusive recruitment practices through adjusted vacancy texts, publication of vacancies in multiple formats and engagement with women's professional networks. 	<ul style="list-style-type: none"> - Organisation of a Diversity Lunch in 2026 to continue awareness and dialogue initiatives. - Further improvement of inclusive recruitment practices, with the aim of increasing diversity through the hiring process. 	<ul style="list-style-type: none"> - Strengthening gender diversity at leadership level, including the ambition to appoint at least one woman to the Supervisory Board and/or Board of Directors. - Further embedding diversity and inclusion within corporate identity, policies and leadership practices. - Maintaining inclusion scores consistently above industry benchmarks.

Our long-term targets

	2024	2025	2026	2030	2050
Diversity & inclusion (women in middle/higher management)	7.3%/2.9%	10%/11.5%	>15%/>10%	25%/15%	30%/20%

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.

Maintaining a healthy work-life balance remains an important focus area for Daiwa House Modular Europe. Results from the Employee Experience Survey show an improvement in employees' perception of work-life balance from 63% to 67%, although this remains slightly below the overall market benchmark. Managers are supported by dashboards that provide insight into overtime and working hours, enabling them to actively manage workload distribution and promote sustainable deployment of employees. While overtime may occasionally be required in production environments, efforts are made to balance operational needs with employee preferences and well-being. In addition, employees have access to family leave arrangements, supporting flexibility and allowing them to balance work responsibilities with important personal commitments.

Our policy

Work-life balance

Impact

Materiality assessment outcome

Objective

This policy sets out Daiwa House Modular Europe's commitment to promoting a healthy work-life balance by ensuring sustainable working practices, responsible workload management and supportive working arrangements that contribute to employee well-being, engagement and long-term employability.

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 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 and manufacturing sites and to 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

Not available.

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.

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our social targets on diversity and inclusion, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Work-life balance	<ul style="list-style-type: none"> - Improved employee perception of work-life balance, increasing from 63% in 2024 to 67% in 2025 based on the Employee Experience Survey. - Increased flexibility in managing short-term absenteeism, enabling employees to better balance work and personal responsibilities. 	<ul style="list-style-type: none"> - Continued monitoring and management of workload and working hours to support sustainable deployment of employees. - Development of initiatives supporting employees with informal care responsibilities. 	<ul style="list-style-type: none"> - Maintaining work-life balance scores above industry average. - Structural embedding of work-life balance considerations in workforce planning and management practices.

Our long-term targets

	2024	2025	2026	2030	2050
Family leave in hours	12,178	15,084	Support employees with informal care responsibilities		
Employee engagement	66%	64%	67%	>75%	>75%

Vitality week

Working on wellbeing together

Every year, Daiwa House Modular Europe organises an internal vitality week for its employees to promote physical, mental and social health in the workplace. During this week, various activities are offered, from joint lunches and sports activities to workshops and informal moments of interaction. Each day focuses on a different aspect of vitality, allowing employees to participate and contribute in various ways.



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.

Training and skills development remain an important part of supporting safe operations, employee development and long-term employability at Daiwa House Modular Europe. Safety and mandatory training are fully embedded in daily operations, ensuring that employees have the required knowledge and competences to perform their work safely and effectively. Within the performance management cycle, development needs and skill gaps are regularly discussed and addressed through targeted actions and training initiatives.

In 2025, additional e-learning modules were introduced to strengthen digital awareness and reduce risks related to cybersecurity and external system threats. Results from the Employee Experience Survey show that the overall perception of training decreased slightly to 65%, while in the Netherlands, the score improved by four points, reaching the benchmark level. The implementation of a new Learning Management System in 2026 is expected to further strengthen training efforts, improve accessibility of learning programmes and support consistent development opportunities across all countries.

Our policy

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.

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.

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 each of 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 developing needs 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 and manufacturing sites and to 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

Not available.

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.

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our targets on training and development, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Training and development	<ul style="list-style-type: none"> - Finalised the function matrix and initial linkage to capability development needs across functions. - Approved the business case for the implementation of a Learning Management System (LMS). 	<ul style="list-style-type: none"> - Implementation and rollout of the LMS across the organisation. - Definition of training targets, including training hours per employee. - Addressing identified skill gaps with the objective of improving training effectiveness by 5–7%. 	<ul style="list-style-type: none"> - Development of structured curricula per function group and making learning programmes accessible to all employees. - Integration of training and development into the performance management cycle. - Embedding a culture of continuous learning supported by e-learning, workshops and other training facilities through a central Learning & Development platform.

Our long-term targets

	2024	2025	2026	2030	2050
Training hours	3,102	3,298	To be determined	To be determined	To be determined

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.

Daiwa House Modular Europe remains committed to preventing inappropriate behaviour in the workplace and ensuring a safe and respectful working environment for both employees and agency workers. Preventing incidents and promoting a culture of openness and mutual respect are key priorities within our organisation.

In 2025, the structure of internal integrity counsellors was revised, resulting in a team of three counsellors who completed nationally recognised training, including both theoretical and practical certification. Registration, cooperation and reporting are organised in close collaboration with an external confidential counsellor to ensure independence and accessibility. The updated structure was communicated across the organisation in the last quarter of 2025. In 2026, further efforts will focus on increasing awareness of expected behaviour and strengthening understanding of available reporting mechanisms and support channels.

Our policy

Inappropriate behaviour

Impact

Materiality assessment outcome

Objective

This policy sets out Daiwa House Modular Europe's commitment to preventing, addressing and mitigating violence and harassment in the workplace, safeguarding the dignity, safety and well-being of all employees, agency workers and contractors, and promoting a respectful and inclusive working environment.

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 Code of Conduct, we have a full, which contains all statements, guiding principles and measurements to prevent abusive behaviour, bullying or harassment. At the start of their employment, all employees sign for agreement with and adherence to these policies as part of our onboarding process.

In our introduction program, we emphasise the importance of following these directives. These guiding principles aim 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 and outside 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:

- **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 and manufacturing sites and to 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

Not available.

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

The following actions have been defined to support the achievement of our targets on inappropriate behaviour, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Inappropriate behaviour	<ul style="list-style-type: none"> - Implemented a new structure for confidential counsellors, reducing the number to three trained and certified confidential persons to ensure professional support and clear governance. - Continued the Safety First campaign, with monthly communication on social safety and expected behaviour. - Strengthened internal and external reporting mechanisms for confidential incidents. - Improved ethics-related scores in employee surveys by 4%. 	<ul style="list-style-type: none"> - Introduction of e-learning on the Code of Conduct for all employees. - Continuation of the Safety First campaign with ongoing focus on social safety awareness. - Further improvement of Employee Experience Survey (EES) scores related to living company values and psychological safety. 	<ul style="list-style-type: none"> - Achieving employee perception scores on respect, psychological safety and living company values above industry benchmarks. - Further strengthening leadership behaviour aligned with company values and maintaining continuous improvement in employee engagement indicators.

Our long-term targets

	2024	2025	2026	2030	2050
Incidents	3	18	<10	<5	<2
% trained: preventive awareness training	100%	100%	100%	100%	100%

Main achievements 2025

Performance measurements

Workforce flexibility supporting operational continuity

In 2025, production levels fluctuated significantly across our facilities in Germany and the Netherlands. Production in Germany gradually increased and peaked between February and September, while production levels in the Netherlands remained relatively low throughout the year. The flexibility of our workforce structure, including the responsible use of agency workers, enabled us to adapt to changing production volumes while maintaining operational continuity and safeguarding employment stability for our core workforce. Working with agency workers requires continuous attention to safety, quality and integration, particularly in relation to language and cultural differences. Daiwa House Modular Europe therefore continues to work with a limited number of trusted agency partners, building long-term relationships that support stability and mutual understanding. In practice, many agency workers have been part of our operations for several years. Team leaders actively support the well-being and integration of agency workers, recognising that engagement and inclusion contribute directly to productivity, quality and safety.



Strengthening employee well-being and inclusion

In 2025, Daiwa House Modular Europe organised its fourth annual Vitality and Health Week, focusing on the five dimensions of vitality and employee well-being. Activities were organised across multiple locations, including diversity-focused initiatives aimed at strengthening social cohesion and awareness of cultural diversity within the organisation. A key element of the week was the Diversity Lunch, where office employees, production staff and agency workers shared meals representing their cultural backgrounds. With more than 200 participants across locations, the initiative contributed to strengthening the sense of community within the organisation. Participation levels varied between locations, underlining the importance of active management support in embedding well-being initiatives successfully across all teams. The positive response encourages us to continue developing these initiatives as part of our broader approach to employee engagement and inclusion.



Mental health and well-being initiatives

In 2025, Daiwa House Modular Europe further strengthened its focus on mental health and social safety through the Safety First campaign, which included dedicated attention to psychological safety and awareness of appropriate workplace behaviour. Preventive health initiatives and continued attention from HR contributed to improved risk management, particularly in relation to long-term absenteeism in the Netherlands. Despite these efforts, overall sick leave increased compared to the previous year, mainly driven by short- and mid-term absenteeism. To better understand underlying causes, an external consultancy was engaged to analyse existing processes and policies and provide recommendations for improvement. While no single root cause was identified, several improvement actions were defined. Mental health and well-being will therefore remain a key focus area for HR and management in 2026, with continued emphasis on prevention, awareness and early intervention.



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 2025, Daiwa House Modular Europe employed 536 FTEs, of whom 70 were women (13.1%), slightly lower than in 2024. Of the total workforce, 93% were employed on a permanent contract (91% in 2024), and 89% worked full-time (90% in 2024). The average age of employees was 45 years (44 in 2024).

In addition to its own workforce, Daiwa House Modular Europe engages workers through employment agencies to maintain

operational flexibility in a cyclical production environment. The average number of agency workers during the year was 412 (473 in 2024). The ratio of external to internal workers increased from 45.7% to 47.9%, primarily driven by the start-up and ramp-up of the German production facility.

All full-time equivalent (FTE) figures are calculated based on the average number of employees per month during the reporting year. Headcount figures represent the number of employees at the end of the reporting period (31 December).

Information on employees by contract/gender (FTE)

	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees	70	450	520	72	441	513	70	466	536
Number of permanent employees	65	419	484	66.1	402.6	469	65.4	433.6	499
Number of temporary employees	5	31	36	5.7	38.8	44	4.9	32.5	37
Number of full-time employees	57	438	495	42	419	460.8	36	441	477.5
Number of part-time employees	13	12	25	30	23	52.3	34	25	58.9
Number of workers via employment agencies (FTE, 40 hrs)			381			473			412

Information on employees by entity/country (FTE)

	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Daiwa House Modular Europe Jan Snel BV - NL	39	279	318	40	277	317	37	277	314
Jan Snel Zuid BV - NL	8	73	81	7	70	77	8	66	74
Jan Snel Belgium NV - BE	1	10	11	2	10	11	2	9	11
Daiwa House Modular Europe Ltd - UK	4	4	8	3	4	7	2	6	8
Daiwa House Modular Europe GmbH - DE	9	20	29	12	30	42	10	34	44
Daiwa House CB GmbH - DE	3	27	30	8	51	58	12	74	86
Medexs - NL	6	37	43	-	-	-	-	-	-
Total	70	450	520	72	441	513	70	466	536

Gender distribution per age category

	2024			2025		
	Female	Male	Total	Female	Male	Total
< 25	6	24	30	0	20	20
25 - 34	22	94	116	17	89	106
35 - 44	25	105	130	30	114	144
45 - 54	15	109	124	12	101	113
55 - 64	14	120	134	16	122	138
65 and above	1	11	12	0	10	10
Total	83	463	546	75	456	531

Headcount management category

	2024			2025		
	Female	Male	Total	Female	Male	Total
Higher management	1	25	26	3	23	26
Middle management	3	22	47	4	47	51
Individual contributors	79	415	386	68	386	454
Total	83	461	456	75	456	531

Diversity indicators

The gender distribution in the number of employees (head count) at higher management level is 23 male to 3 female employees, which is 88.5% men and 11.5% women.

Absenteeism

In 2025, the average absenteeism rate increased from 5.04% to 5.92%, due to an extra and longer influenza epidemic in the autumn. Continued focus on absenteeism management resulted in a more structured process and a reduction in long-term absence and related financial risks. To address underlying mental and physical health factors, voluntary medical check-ups were offered at several locations following the outcomes of formal risk assessments, supporting preventive care and sustainable employability.

For benchmarking purposes, Daiwa House Modular Europe compares its absenteeism levels with relevant industry sectors. In 2025, the average sickness absence rate in the construction sector was approximately 5.0%. In the manufacturing sector, which shares similarities in production processes and operational risks, absence rates ranged between 6.2% and 6.8%. The transport and logistics sector, which is closely linked to our value chain activities, reported an average absence rate of around 6.8%. These benchmarks indicate that absenteeism at Daiwa House Modular Europe is broadly in line with comparable sectors, while continued focus remains on improving employee well-being and reducing absence levels over time.

Absenteeism in %	2023	2024	2025
Average absenteeism	5.64	5.04	5.92
Daiwa House Modular Europe Jan Snel BV	5.22	5.86	6.02
Jan Snel Zuid BV	9.22	7.28	6.32
Jan Snel Belgium NV	3.36	2.18	2.13
Daiwa House Modular Europe GmbH	4.42	2.03	5.82
Daiwa House CB GmbH	3.41	1.32	6.29
Daiwa House Modular Europe Ltd	1.13	0.27	0.00
Medexs	5.60		

Long term vs short term absence in %	2023	2024	2025
Short (< 8 days)	0.88	1.19	1.25
Middle (8 - 43 days)	0.75	1.33	1.28
Long (43 - 366 days)	2.54	3.01	2.44
Extra long (> 366 days)	2.47	0.71	0.66
Total	6.64	6.24	5.64

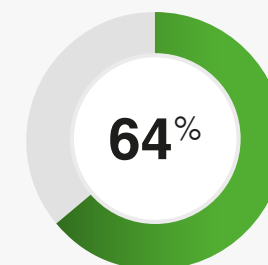
Employee Experience Survey	2024	2025	Benchmark	Improvement
Response rate	49%	65%	-	16%
Engagement	66%	64%	68%	-2%
Experience and expectations	21%	19%	30%	-2%
Intent to stay	72%	70%	69%	-2%
Inclusion	74%	73%	79%	-1%
Well-being	67%	70%	75%	3%

Employee experience and engagement

In 2025, Daiwa House Modular Europe conducted its second new Employee Experience Survey (EES), enabling year-on-year comparison and benchmarking against external industry data. Agency workers in office environments were included for the first time, expanding the scope of engagement measurement. The overall response rate increased significantly from 49% in 2024 to 65% in 2025, improving the reliability of the results and enabling team-level analysis through dedicated dashboards. Confidence that actions will follow from the survey results increased by 6%.

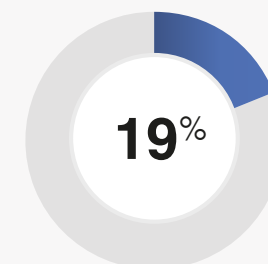
Of our two focus areas, communication scores improved from 25% to 36%, while cooperation between teams increased slightly from 52% to 53% at company level, with variations across countries and teams. Well-being indicators showed a modest improvement, while other engagement indicators remained broadly stable. Based on the results, leadership, communication and cross-departmental cooperation have been identified as priority focus areas for 2026.

How to track Employee Experience?



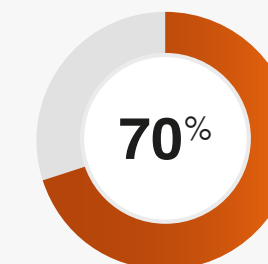
Employee engagement

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.



Intention to stay

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

Training and skills development indicator

In 2025, all eligible employees participated in the regular performance and career development review cycle, excluding new joiners and leavers during the reporting period. A total of 3,298 formal training hours were recorded, of which 6% related to higher management, 7% to team leaders (middle management) and 87% to other employees. Reported training hours include formally registered training activities only. eLearning modules, including safety, compliance and data security training, as well as on-the-job learning, are currently not systematically tracked and are therefore excluded from the reported figures. The implementation of a Learning Management System (LMS) in 2026 is expected to improve the completeness and monitoring of training data.

Training hours	2023	2024	2025	2025 %
Per gender				
Men	3,461	2,729	3,018	91%
Women	366	373	281	9%
Per management category				
Higher Management	117	124	197	6%
Middle Management	338	169	218	7%
Individual contributors	3,372	2,819	2,882	87%
Per department group				
Office Jan Snel	189	367	319	10%
Office DH Housing	379	412	614	19%
Production Jan Snel	821	912	1,032	31%
Production DH (Housing)	2,129	1,140	1,012	31%
Support staff	170	180	159	5%
Transport	139	100	161	5%
Grand total	3,827	3,102	3,298	

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 23.86% between 2024 and 2025, with about same number of employees. In 2025, 4% of all employees (comprising 5.6% men and 1.7% women) took family-related leave. Family leave within Daiwa House Modular Europe is mainly taken for medical leave, pregnancy and parental leave, short- and long-term care responsibilities and other family-related circumstances, such as emergency or special leave.

Family leaves in hours (excluding Medexs)	2023	2024	2025
Short care leave	406	416	690
Long care leave	0	71	0
Special leave	1,562	632	4,325
Additional birth leave	1,217	850	644
Paid parental leave	1,452	2,974	1,543
Unpaid parental leave	1,281	1,557	2,208
Emergency leave	40	78	35
Maternity leave	3494	3,142	2,904
Medical absenteeism	2,046	2,459	2,735
Grand Total	11,498	12,178	15,084

Community engagement

Supporting the Linschotenloop

Daiwa House Modular Europe participates annually in the Linschotenloop, a well-known regional running and walking event. Employees can voluntarily sign up to participate as it encourages exercise and offers employees a joint sporting activity outside the work environment. In addition to employee participation, Daiwa House Modular Europe sponsors the event. This support contributes to the organisation and accessibility of the Linschotenloop for participants from the region.



Other social activities.

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

- 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. HR is an active member of Technohub, and in 2025, we shared local best practices related to recruitment, traineeships, schooling and AI.
- We sponsor the “Linschoten Run”, 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 living wage. Daiwa pays its employees at least the statutory minimum wage. WageIndicator (and its Dutch version Loonwijzer) indicates that the Dutch minimum wage remains higher than the benchmark for a living wage in the Netherlands for 2025.

Social security eligibility coverage

All employees in our own workforce are covered by social protection, through public programmes or through benefits offered and 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 zero incidents related to work-related discrimination.

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.

Main achievements 2025

Performance measurements

Data-driven management insights

In 2025, Daiwa House Modular Europe strengthened its data-driven approach to people management by introducing team dashboards in UKG for team leaders and heads of department. These dashboards provide structured insights into workforce data such as overtime, leave balances, contract timelines and compliance-related signals, enabling more proactive and informed decision-making. HR supported managers through workshops to ensure effective use of these insights during evaluation and development discussions. The improved availability of data increased transparency and ownership at team level and supports continuous improvement across social performance areas, including absenteeism, engagement and retention. Further integration of financial and operational data through Power BI is planned for 2026 to enable more holistic performance management.

Flexible workforce aligned with production demand

In 2025, Daiwa House Modular Europe experienced significant fluctuations in production levels across Germany and the Netherlands. Our flexible workforce model enabled us to responsibly scale capacity up and down in line with demand, supporting operational continuity while safeguarding employment for our core workforce. Close collaboration with a limited number of reliable agency partners proved essential in maintaining quality, safety and productivity during these changes. Long-term relationships with agency partners and workers contributed to stability on site and supported consistent performance, despite changing production volumes. Team Leaders actively monitor the well-being and integration of agency workers, recognising that engagement and inclusion are key to sustainable productivity and safety. Annual partner meetings at our headquarters in Montfoort further strengthen cooperation, enabling open dialogue on performance, safety and future workforce planning.



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 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.	Daiwa's actual risk on 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, resulting in shortages of materials in the supply chain.

“Safety is a shared responsibility throughout the entire organisation. By working together, holding each other accountable and supporting one another, we create a working environment in which everyone can work safely and return home healthy. Safety 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.

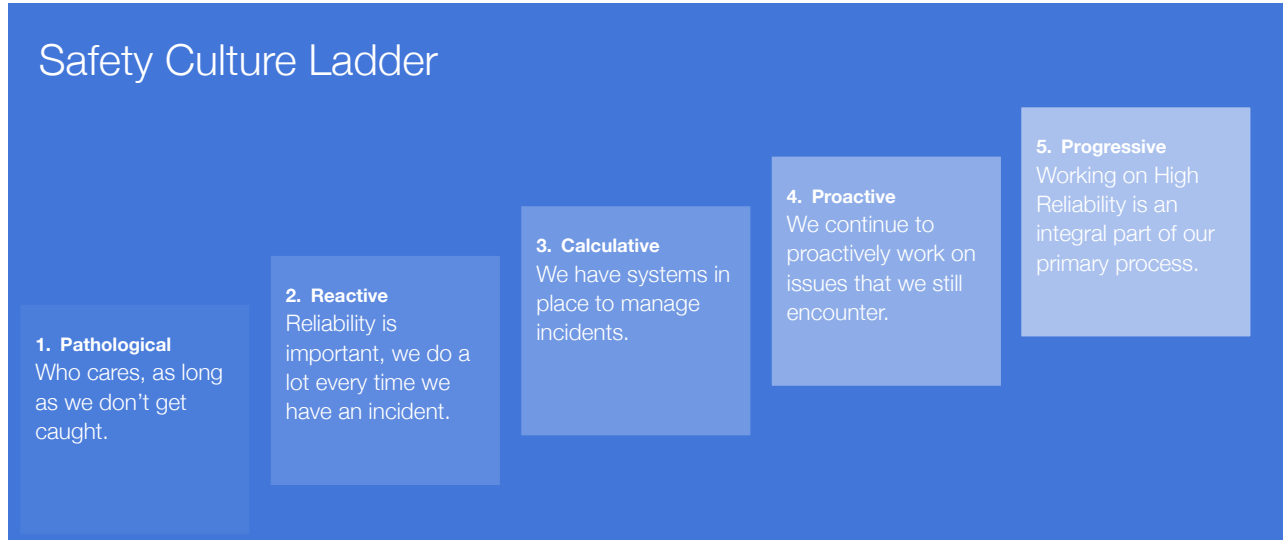
Safety in the chain - In addition to our own people, we also ensure that clients, contractors, and subcontractors work safely.

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

The safety culture within Daiwa House Modular Europe is defined by the extent to which safety is structurally embedded in our organisation and actively promoted in daily practice. A strong safety culture means that safety is a natural priority at all levels of the organisation and is recognised by everyone as an essential part of their work. This approach is reflected in our “Safety First” principle, a core value aligned with the ambitions of the Safety Culture Ladder (SCL), a recognised framework that provides insight into safety awareness and behaviour within organisations.

We use the Safety Culture Ladder as a structured reference framework to assess and further develop our safety performance. The SCL functions not only as a measurement tool, but also as a driver for continuous improvement in safe working practices, both within our own operations and in collaboration with suppliers and partners. The achieved level reflects the maturity of our safety culture. Daiwa House Modular Europe has maintained level 3 for the past four years, providing a solid foundation for our ambition to progress to level 4 at project locations by 2026.

We believe in Safety first. We have defined the following behavioural rules:

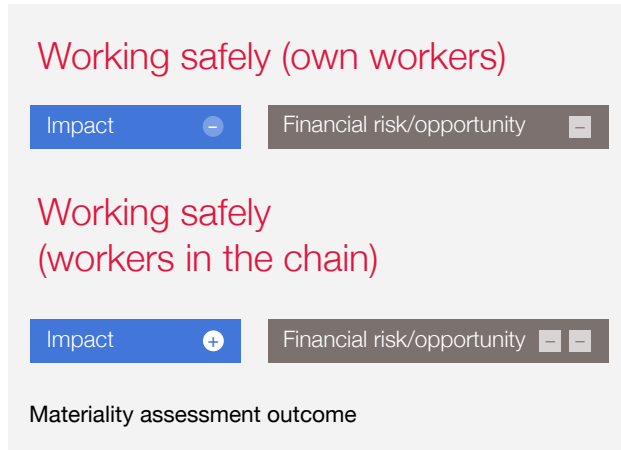
1. We take joint responsibility for a safe, careful and reliable working environment.
2. We hold each other accountable for our behaviour and remain approachable – with respect and the right intention.
3. We act promptly, report deviations and share mistakes in order to learn from them.
4. We work with the appropriate resources, make clear agreements and follow current instructions.

At Daiwa House Modular Europe, safety is more than a priority; it is a shared responsibility embedded in our daily operations. While our projects continue to deliver strong results, the inherent risks of the construction industry remain present. By identifying risks at an early stage, managing them proactively and continuously investing in awareness and engagement, we are strengthening a safety culture across all levels of the organisation.

The Health, Safety & Environment (HSE) department plays a central role in this approach. In close cooperation with project teams, HSE ensures consistent compliance with applicable safety, labour and environmental legislation, while supporting teams in maintaining safe working practices in factories, on project sites and in offices.

Our commitment to safety is closely linked to continuous improvement. Through active feedback from employees, incident analysis and lessons learned from daily operations, we continuously refine our processes and reduce risks. In this way, safety is not only defined by policies and procedures but forms an integral part of how we work and who we are as an organisation.

Our Policy



Objective

This policy defines Daiwa House Modular Europe's commitment to preventing health and safety risks and ensuring safe working and usage conditions for employees, contractors, consumers and end users throughout its 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, as well as 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 from partner organisations on construction sites.

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)

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.

The following actions have been defined to support the achievement of our targets on health and safety, with dedicated resources and budgets allocated to ensure effective implementation.

▶ Our actions to achieve our targets

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
<p>Safety</p>	<ul style="list-style-type: none"> - Continued strengthening of safety awareness across the organisation, building on achievements at Safety Culture Ladder level 3 and preparing for progression to level 4. - Implemented safety leadership training, reinforcing that safety management is a core responsibility of line management. - Analysed incidents reported in 2024 and implemented long-term preventive measures. - Expanded the safety team, with new employees onboarded and prepared for full operational deployment in 2026. - Increased focus on implementing and enforcing safety policies at the LAN Berlin site. - Further developed the integrated safety programme covering digital, social and physical safety in cooperation between HR, ICT and HSE. - Included safety performance in the annual evaluation of contractors and partners. - Ensured that all incidents involving contractors and partners are recorded and monitored through Power BI dashboards, improving transparency and follow-up actions. - Integrated safety criteria into the procurement process when selecting suppliers, contractors and partners. 	<ul style="list-style-type: none"> - Continue the implementation of safety leadership training, reinforcing that safety management is a fundamental responsibility of line management. - Analyse reported incidents and translate findings into long-term preventive measures and structural improvements. - Fully operationalise the expanded safety team, building on experience gained during the onboarding phase in 2025. - Further strengthen the implementation and enforcement of safety policies at the LAN Berlin site. - Further develop the integrated safety programme across HR, ICT and HSE, addressing digital, social and physical safety risks. - Focus on achieving Safety Culture Ladder level 4, with specific attention to subcontractors and partner facilities. - Ensure subcontractors are fully informed about safety protocols, expectations and responsibilities prior to project commencement. - Require subcontractors to adopt and implement safety standards and behaviours consistent with those applied to Daiwa House Modular Europe's own workforce. 	<ul style="list-style-type: none"> - Achieve Safety Culture Ladder level 4 certification, reflecting a mature and proactive safety culture across own operations and the value chain. - Alignment with the Dutch Government's Health and Safety Vision 2040, contributing to the ambition of zero fatal workplace accidents resulting from unsafe working conditions. - Establish one unified safety culture with no distinction between own employees and (semi-) permanent flexible workers. - Require suppliers to apply equivalent safety standards, where possible verified through audits and supplier assessments.

Our long-term targets

	2024	2025	2026	2030	2050
Safety Culture Ladder	Level 3	Level 3	Level 4	Level 4 (projects)/ level 3 (production)	Level 5
Fatal accidents	0	0	0	0	0
Injury Frequency (IF)	10.43	18.05	<4	<1	<0.5

Continuous and proactive improvement

Safety is actively promoted throughout Daiwa House Modular Europe, with continuous improvement as a central principle. Our approach is based on regular safety dialogue with employees and expert support from the QHSE department, covering all phases from design and preparation to execution. Management and supervisors are visibly involved in safety discussions on the work floor, reinforcing the message that safety is a shared and ongoing responsibility across the organisation. To support this approach, a structured set of safety practices is implemented:

- **General safety instructions:** All new employees receive an introduction to applicable safety rules upon joining, regardless of their role or workplace.
- **Job-specific safety instructions:** Employees receive task-related safety training, such as working with sawing equipment, overhead cranes, aerial work platforms or forklift trucks, before starting operational activities.
- **Toolbox meetings:** Monthly toolbox meetings address safety, health and environmental topics. Employees are encouraged to propose topics, and participation is formally recorded.
- **Safety alerts:** Short safety communications are issued to quickly inform employees of relevant risks or incidents and are reinforced during toolbox meetings.

- **Workplace inspections:** Monthly inspections are conducted at project sites and in production facilities, focusing on technical safety, compliance with safety rules and the correct use of personal protective equipment.
- **Safety walks:** Monthly safety walks are conducted by a member of the Board together with the safety department to promote engagement and continuous improvement.
- **Observation of (un)safe behaviour:** The QHSE observation programme includes regular behavioural safety reviews, with findings discussed directly with employees and analysed periodically to identify improvement opportunities.
- **Project kick-off meetings:** Prior to project commencement, project leaders or supervisors discuss specific risks, work methods, HSE risks and required protective equipment with all involved parties, including subcontractors.
- **Last Minute Risk Analysis (LMRA):** Employees perform a brief risk assessment before starting work to identify and mitigate immediate risks.
- **Internal campaigns:** Awareness campaigns are organised to strengthen safety ownership and encourage responsible behaviour.
- **Safety awareness workshops:** Employees and management regularly participate in workshops led by safety experts to further strengthen safety knowledge and awareness.

Mobility

More awareness, less costs

This internal communication and prevention programme was launched in April 2025, with the aim of reducing damage to trucks. Because of its success, the initiative was extended and now focuses on increasing damage awareness and vigilance among employees who use trucks, vans, pool cars and loan cars. After six months, the number of damage claims involving trucks was more than 33% lower than in the same period the previous year, while the total amount of damage decreased by approximately 59%.



Through this structured approach, safety is not only embedded in procedures but continuously reinforced through behaviour, dialogue and learning, ensuring that risk awareness and safe working practices remain integral to daily operations.

Main achievements 2025

Performance measurements



Safety First programme: HR, ICT and Safety

In 2025, Daiwa House Modular Europe further developed its integrated safety programme, combining digital, social and physical safety into one coherent approach. The programme focuses on creating a safe, reliable and healthy working environment by aligning responsibilities across HR, ICT and QHSE functions. HR focuses on social safety, well-being, integrity and promoting appropriate behaviour, ensuring employees feel safe to perform their work and to address concerns openly. ICT contributes by strengthening digital safety through the protection of systems, data and information against cyber risks and unauthorised access, safeguarding business continuity and confidentiality. Physical safety focuses on preventing incidents at production sites, project locations and offices through structured risk management, clear procedures and close cooperation with the QHSE department. By integrating these three dimensions, safety is increasingly embedded in daily operations and decision-making, reinforcing a culture in which safety forms a natural part of how we work.

Development of safety tool for aligning units

Following an incident during the alignment of modular units, a dedicated tool was developed to improve safety and controllability during this activity. The solution was designed in close cooperation with employees involved in the work, translating practical experience into a structural safety improvement. The tool enables a more controlled alignment process and reduces the risk of injury and unsafe handling. This initiative demonstrates how incidents are systematically analysed and converted into practical improvements, strengthening both operational safety and our continuous improvement approach.



Development of M24 anchor point for working at height

To further improve safety when working at height, Daiwa House Modular Europe developed a dedicated M24 anchor point in collaboration with Kedge. The anchor point provides a certified and reliable attachment for fall protection equipment and supports safer execution of work on rental units. The development of this solution illustrates how technical innovation, driven by risk assessments and operational experience, contributes to structural safety improvements and supports safer working conditions across projects.



Safety performance milestones: Hulst and Bunnik

In October 2025, our sites in Hulst and Bunnik reached important safety milestones. Hulst achieved 1,000 accident-free days, while Bunnik reached 365 accident-free days without lost-time incidents. These results reflect sustained attention to safe working practices, strong engagement at all organisational levels and a shared responsibility for safe behaviour. These milestones demonstrate that consistent focus on safety awareness and prevention contributes directly to reducing incidents and strengthening our safety culture, while encouraging continued improvement across all locations.



Coverage of the health and safety management system

Incidents and unsafe situations are recorded in our LeanBMS quality and safety management system, which automatically notifies the relevant stakeholders. This enables Daiwa House Modular Europe to respond quickly and appropriately to potential risks while encouraging employees to actively contribute to safe working practices. The health and safety management system applies to all employees across our operations, supporting a consistent approach to safety management and risk prevention. An overview of our certifications is included on page 30.

Accident statistics

In 2025, further steps were taken to improve the visibility and management of safety risks. Improvements in the LeanBMS online reporting system have resulted in an increase in the reporting of unsafe situations and near misses. This development reflects growing awareness within the organisation and supports a more proactive approach to risk identification and prevention. At the same time, the Injury Frequency (IF) increased from 6.43 in 2023 to 10.43 in 2024 and 18.05 in 2025. This increase indicates that additional focus is required to further reduce incidents and strengthen preventive measures across our operations. The higher reporting rate also provides improved insight into operational risks, enabling more targeted corrective actions. By combining increased transparency in reporting with structured improvement initiatives, Daiwa House Modular Europe aims to further reduce accident rates and continue strengthening safety performance across all locations.

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 make systematic use of risk assessments to gain insight into safety risks. For all reported incidents, including unsafe actions and situations and near misses, we have identified the five most important risk themes. In addition, the five most decisive risk factors and the five most common causes in the area of attitude and behaviour have been identified. The results of this risk assessment are clearly presented in the table and form an important basis for determining targeted improvement measures.

Safety indicators	2023						2024						2025						
	Mont-foort	Bunnik	Eems-haven	Hulst and Sint Niklaas	Germany	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	0	0
Lost Time Injury (LTI) >1 <15 lost time days, employee	2	0	0	0	0	2	2	0	1	0	2	5	2	0	2	0	3	7	
Lost Time Injury (LTI) >1 <15 lost time days, temporary worker	4	0	0	0	0	4	1	0	1	0	2	4	2	0	1	0	3	6	
Lost Time Injury (LTI) >15 lost time days, employee	0	0	0	0	0	0	2	1	0	0	1	4	1	0	1	1	1	4	
Lost Time Injury (LTI) >15 lost time days, temporary worker	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0	0	4	6	
Lost Time Injury (LTI), total	6	0	0	0	0	6	5	1	2	0	6	14	6	1	4	1	11	23	
Injury Frequentie (IF), employee	9.3	0	0	0	0	5.5	24.17	17.48	24.06	0	32.14	19.4	18.57	0	76.85	9.79	27.46	21.79	
Injury Frequentie (IF), temporary worker	8.54	0	0	0	0	7.02	2.23	0	8.61	0	11.69	5.69	13.37	44.24	19.08	0.00	15.65	15.60	
Injury Frequentie (IF)	8.78	0	0	0	0	6.43	8.15	12.83	12.69	0	17.14	10.43	15.55	12.65	43.75	8.00	18.55	18.05	
Restricted Work Case (RWC)	1	0	1	0	0	2	0	0	1	1	1	3	1	0	0	0	1	2	
Medical Treatment Case (MTC)	7	0	1	4	1	13	2	2	1	3	2	10	5	3	3	0	2	13	
First Aid Case (FAC)	10	0	0	7	1	18	6	0	0	5	11	22	1	4	2	2	13	22	
Accident with material damage only	17	1	5	13	0	36	12	0	4	12	2	30	8	1	6	7	16	38	
Near miss accidents	25	1	1	6	1	34	14	2	4	2	4	26	8	0	6	2	11	27	
Unsafe situations	566	50	118	126	115	975	517	134	179	73	325	1,228	168	109	59	55	417	808	
Unsafe acts	152	4	35	39	14	244	129	34	69	28	37	297	94	59	24	30	100	307	
Fire Cases	5	0	5	1	0	11	1	1	0	0	0	2	1	0	0	1	1	3	
Lost Time Injury Rate (LTIR)	1.76	0	0	0	0	1.29	1.63	2.57	2.54	0	3.43	2.09	2.87	2.34	8.08	1.48	3.42	3.33	

Access to affordable homes

Material impact

Topic	Impact +	Opportunities +
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's actual opportunity on 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.

Daiwa House Modular Europe is committed to contributing to the availability of accessible and affordable housing across Europe. This commitment reflects the significant social impact of housing availability, as European housing markets continue to face structural challenges including supply shortages, demographic changes and increasing affordability pressure. Modular construction enables DHME to respond quickly and efficiently to these challenges by increasing housing supply while maintaining high standards of quality, safety and sustainability. Our solutions address diverse housing needs, including those of starters, students, seniors and other groups requiring flexible housing solutions. Demographic developments, such as ageing populations and the growth of single-person households, further increase demand for adaptable housing concepts. In addition, migration flows and growing student populations place additional pressure on local housing markets, reinforcing the importance of safe, affordable and dignified housing solutions that support social integration.

We contribute to improving housing availability primarily through partnerships with housing associations, municipalities and project developers. By delivering scalable, relocatable and modular housing solutions, we help accelerate project delivery and support affordability in constrained markets. Continuous dialogue with stakeholders enables us to align projects with local community needs and societal expectations, ensuring that our housing solutions create long-term value for residents and communities.

Our policy

Access to affordable homes

Impact +

Financial risk/opportunity +

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to improving access to affordable and accessible housing through its modular construction solutions. The policy addresses the social impact related to housing availability and affordability within 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:

- **Availability.** By continuously emphasising the need to add new housing to social housing associations, municipalities, developers and investors we can increase availability.
- **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

Not available.

Monitoring

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

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our targets on access to affordable homes, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Access to affordable homes	<ul style="list-style-type: none"> - Increased the level of standardisation and improved efficiency in engineering, design, procurement and production processes, contributing to improved affordability and accessibility of modular housing solutions. - Strengthened focus on cooperation with housing associations, aligning modular solutions more closely with the specific needs of social and affordable housing projects. 	<ul style="list-style-type: none"> - Further strengthen partnerships with housing associations to accelerate the delivery of affordable housing tailored to local community needs. - Expand collaboration with project developers to scale high-quality housing solutions for EU workers, ensuring affordability and compliance with applicable housing standards. - Increase focus on student housing projects to respond to growing demand in urban areas. - Apply AI-supported tools in marketing, sales and tender processes to improve efficiency and reduce development lead times. 	<ul style="list-style-type: none"> - Further improve production efficiency through digitalisation and robotisation to mitigate rising material, labour and operational costs and maintain affordability of modular housing solutions. - Use AI and data-driven insights to optimise internal processes, improve planning efficiency and enhance resource utilisation across the organisation.

Our long-term targets

2025	2026	2030	2050
1,458 houses: <ul style="list-style-type: none"> - 290 NCG earthquake-resistant houses - 177 COA refugee housing - 991 students, starters, singles, family, migrant workers 	3,604 houses: <ul style="list-style-type: none"> - 0 NCG earthquake-resistant houses - 0 COA refugee housing - 3,604 students, starters, singles, family, migrant workers 	8,000 houses: <ul style="list-style-type: none"> - 6,900: Students/Starters/Singles - 600: Starters/Couples/Seniors - 500: Family/Migrant workers 	10,000 houses

Healthy living environment

Material impact and risk

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 recognises that the quality of the living environment has a direct impact on the health, well-being and social cohesion of residents and communities. Creating healthy living environments is therefore an integral part of our approach to modular housing development. Through our "Health and Safety of Residents" policy, we aim to deliver housing solutions that support physical, mental and social well-being while meeting high standards for safety, comfort and sustainability.

Our approach focuses on developing future-proof housing solutions that contribute positively to residents and their surroundings. This includes attention to indoor environmental quality, energy performance and safe, comfortable living conditions throughout the lifecycle of our buildings.

Key elements of our approach include maintaining high indoor air quality through the use of appropriate materials and effective ventilation systems, integrating energy-efficient design principles and renewable energy solutions, where feasible, and creating living environments that maximise natural light and comfort. In addition, we prioritise compliance with applicable health and safety standards and conduct regular assessments to safeguard safe living conditions.

We also seek to contribute to broader social and environmental objectives by engaging with local communities during project development and incorporating feedback where possible. Smart home technologies are increasingly applied to optimise indoor climate conditions, such as automated ventilation based on CO₂ levels and solar shading solutions, supporting both comfort and energy efficiency.

Our policy

Healthy living environment

Impact +

Materiality assessment outcome

Objective

This policy defines Daiwa House Modular Europe's commitment to healthy and safe living environments for residents and to safeguarding health and safety across its value chain, addressing the related social impacts.

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, operating 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

- SCC** 2017/6.0
- SCC 2017/6.0 Petrochemical

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

The following actions have been defined to support the achievement of our targets on healthy living environment, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Healthy living environment	<ul style="list-style-type: none"> - Successfully completed internal and external quality and safety audits, confirming compliance with safety standards and the quality of our industrialised production processes. - Further optimised robotic production lines to ensure consistent quality in air sealing and insulation, contributing to improved indoor comfort and energy performance of modular units. 	<ul style="list-style-type: none"> - Deliver new housing projects with enhanced energy performance and improved thermal comfort, supporting healthier indoor living conditions for residents. - Initiate research and pilot projects using biobased materials, such as timber and natural insulation, to further improve sustainability and indoor environmental quality. 	<ul style="list-style-type: none"> - Implement smart home technologies as a standard feature in new developments, enabling better control of indoor climate, ventilation and comfort. - Continuously develop modular systems to remain fully demountable and reusable, supporting circular construction principles and long-term healthy living environments.

Our long-term targets

2026
<p>Implementation of SMART technology to enhance the healthy living environment.</p> <ul style="list-style-type: none"> - Thermic isolation 90%+ (BENG). - Ventilation 100% (BENG). - Light 95% (conform Bbl and BENG). - Air tightness windows, walls and ceiling 100%. - Sound proofing 100% (Bbl and BENG) depending on technical report from location. - Ground environment 100%+ because of circularity. - Energy model 90%+ (BENG). - Biodiversity and green environment: partnering with landscape architect and client. - Biobased: we use wood for walls and ceiling and are researching biobased insulation materials. - Safe living: according to police safety protocol. - Demographic developments: our products are flexible and future fit for next generations.

Young talent

Discovering technology in practice

Location: Montfoort
Segment: Primary schools
Organised by: Woerdens Techniek Talent

300
participants

'Technology in the Tent' is an educational initiative that aims to introduce pupils in primary school years seven and eight to technology and technical professions. During the seventh edition, which took place in Montfoort, more than 300 pupils from the Woerden region took part in various practical activities. The event was organised by Woerdens Techniek Talent (WTT) in collaboration with educational institutions, companies and local authorities.

We participated in the initiative by offering pupils an accessible introduction to modular construction. The activities focused on experiential learning and tied in with other technical workshops at the event, such as drawing, programming and installation technology. This gave pupils insight into various applications of technology within a wide range of fields.

The initiative contributes to strengthening the connection between education and business and stimulates early interest in technical education. Woerdens Techniek Talent plays a coordinating role as a regional partnership, with the goal of promoting enrolment in technical training programmes and supporting structural cooperation between schools, companies and municipalities.



Introduction on **Governance**

At Daiwa House Modular Europe, strong governance forms the foundation for responsible business conduct and long-term value creation. Our governance framework supports transparent decision-making, effective risk management and robust internal control processes across the organisation.

This section describes our approach to governance, risk management and internal control, as well as our commitment to ethical business practices. By embedding integrity, accountability and compliance within our daily operations, we aim to act as a reliable partner for customers, employees, suppliers and society, while supporting sustainable performance and long-term financial stability.

“Connecting Ambition to Accountability.”

Roadmap



Theme	2024	2025	2026	2030	2050
Solid financial position (solvency)	1.16%	-16.26%	2.26%	32%	32%
Business ethics (% employees trained)	0%	100%	100%	100%	100%
Corruption and bribery (# incidents)	0	0	0	0	0
Management of suppliers	% suppliers signed CoC	100%	100%	100%	100%
Political influence and lobby	100% transparency on lobby activities and contributions	100%	100%	100%	100%

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 cannot 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 policy

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 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.



“Even without a legal obligation to report under the CSRD, we are moving forward as if we do – because we believe that the future belongs to companies who lead with transparency, integrity and purpose.”

Richard Brinkman,
CFO

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 and construction sites and to drivers on the road.

Accountability

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

Third-party standards

Not available.

Monitoring

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

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our targets on business conduct culture, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Business conduct culture	<ul style="list-style-type: none"> - Updated company regulations, including clearer guidelines on social interaction and expected behaviour, as part of the Safety First campaign. - Launched the Safety First campaign to strengthen awareness of desired behaviour, integrity and social safety across the organisation. - Expanded communication and training initiatives to reinforce company values and ethical conduct. - Approved the implementation of a Learning Management System (LMS) to support structured eLearning on business conduct, policies and compliance topics. 	<ul style="list-style-type: none"> - Roll out the LMS platform, including mandatory eLearning modules on the Code of Conduct and company values. - Continue communication and awareness programmes to strengthen understanding and application of company values across all teams. - Support managers in embedding ethical leadership and desired behaviour within daily operations. 	<ul style="list-style-type: none"> - Further embed business conduct principles within corporate culture and leadership development programmes. - Improve employee perception indicators related to company values and ethical behaviour, aiming to reach or exceed industry benchmarks.

Our long-term targets

2025-2050

- Maintain 100% employee coverage for Code of Conduct training and awareness, supported by periodic refresher training.

Quality culture

Better quality everyday

Better Quality! is a multi-year internal communication programme aiming to increase quality awareness to structurally improve the quality of work, products and services within the DHME organisation. All employees within the organisation participate, including production workers, drivers and office staff. Just like safety, quality is approached as a shared responsibility that applies to all functions and levels. The focus is on quality consciousness and control with continuous improvement in both operational processes and support activities.



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 is committed to conducting business with the highest standards of honesty, transparency and ethical integrity. We maintain a zero-tolerance approach to bribery and corruption and expect all employees and business partners to act in accordance with these principles. Our Anti-Bribery and Corruption policy establishes clear responsibilities and provides guidance on recognising, preventing and addressing risks related to bribery and corruption across all our operations and business relationships.

The policy applies to all employees and to third parties acting on behalf of Daiwa House Modular Europe, including clients, suppliers, agents, contractors and public authorities. It defines unacceptable behaviour, outlines employee responsibilities and describes procedures for reporting concerns and managing potential incidents. By maintaining clear standards and accountability, we aim to safeguard fair business practices and maintain the trust of our stakeholders.

We recognise that bribery and corruption can have serious legal, financial and reputational consequences. Therefore, compliance with applicable laws and internal policies is actively monitored and regularly reviewed. We have recognised the Board of Directors, and employees and managers who close deals and are in touch with tenders, as high-risk function profiles. Employees are encouraged to report concerns or suspected misconduct at an early stage through established reporting channels or by contacting management directly. This open and transparent approach supports a culture in which ethical behaviour is embedded in daily decision-making and contributes to sustainable long-term value creation.

Our policy

Corruption and bribery

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 governance impact and risk relevant to our operations and value chain.

Key content

It is our policy to conduct all 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

Not available.

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.

Our long-term targets

2025-2050

- 0 incidents with regards to corruption and bribery

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our targets related to anti-corruption and anti-bribery, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Corruption and bribery	<ul style="list-style-type: none"> - Maintained compliance with existing anti-bribery and corruption guidelines through communication, oversight and use of reporting procedures. 	<ul style="list-style-type: none"> - Enhance third-party due diligence: Implement mandatory integrity screenings for agents and subcontractors involved in procurement, permitting, and inspections to prevent illicit payments and bribery risks. - Implement anti-collusion controls: Establish internal audit procedures and digital tracking mechanisms for tender processes to detect and prevent cover pricing, price-fixing and unfair bidding practices. - Strengthen Site-Level Compliance: Apply a four-eyes principle for interactions with regulatory officials and provide scenario-based training for site managers on recognising and handling facilitation payment risks. 	<ul style="list-style-type: none"> - Further embed anti-bribery and corruption controls into operational processes and supplier management. - Periodically review third-party due diligence procedures and internal controls based on risk assessments and audit findings. - Continue training and awareness programmes to strengthen ethical business conduct across all locations and business activities.

Performance management

Corruption or bribery events

During the reporting period, Daiwa House Modular Europe recorded no legal proceedings, convictions, sanctions or fines related to breaches of anti-corruption or anti-bribery legislation.

Political influence and lobbying activities

Material impact and risk

Topic	Impact +	Risk -
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.	Daiwa's actual opportunity on 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.

Daiwa House Modular Europe operates in a sector that is closely connected to public policy, spatial planning and housing regulation. Political engagement and stakeholder dialogue may therefore form part of our normal business activities, particularly where housing development, permitting processes and urban planning are concerned. Our approach is based on transparency, integrity and compliance with applicable laws and regulations. While Daiwa House Modular Europe does not engage in direct political lobbying activities or make political or financial contributions, we maintain constructive dialogue with public stakeholders such as municipalities, housing associations and regional authorities.

These interactions aim to share knowledge, contribute to the development of sustainable and affordable housing solutions and better understand societal and regulatory developments that affect our projects. No member of the administrative, management and supervisory bodies held a position in public administration in the two years prior to this reporting period. All interactions with public officials are conducted in accordance with our policies on ethical business conduct and anti-bribery and corruption. By maintaining open and responsible engagement, we aim to support informed decision-making while safeguarding independence, fairness and public trust.

Our policy

Political influence and lobbying activities

Impact +

Financial risk/opportunity +

Materiality assessment outcome

Objective

This policy outlines Daiwa House Modular Europe's commitment to political influence and lobbying activities. The policy addresses the 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.

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 actions to achieve our targets

The following actions have been defined to support the achievement of our targets on political influence and lobbying activities, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Political influence and lobbying activities	<ul style="list-style-type: none"> - Strengthened sector collaboration and stakeholder dialogue: Daiwa House Modular Europe actively contributed to industry discussions and knowledge sharing on modular construction with sector partners, public stakeholders and housing organisations, supporting the development of scalable and sustainable housing solutions in response to the European housing shortage. 	<ul style="list-style-type: none"> - Further positioning 3D modular construction as a reliable and high-quality solution for permanent housing, demonstrating equivalence with traditional construction methods while delivering advantages in speed, efficiency, and sustainability. - Continuing constructive dialogue with national and local authorities to support improvements in legislation, financing structures and standardisation that enable faster delivery of affordable housing solutions. - Strengthening our organisational focus on large-scale residential developments, supporting housing associations, municipalities and institutional partners in addressing structural housing shortages. 	<ul style="list-style-type: none"> - Strengthen sector representation through industry platforms and partnerships to contribute to transparent and effective policy development. - Support initiatives aimed at reducing regulatory bottlenecks and improving permitting processes, enabling responsible scaling of industrial housing solutions. - Strengthen the market position of modular construction as a permanent and sustainable alternative to traditional building methods. - Promote circular and adaptable housing concepts, including relocatable and reusable modular solutions that respond to changing societal needs.

Our long-term targets

2026-2050

- 100% transparent on political contributions and lobby efforts

Management of relationships with suppliers

Material impact

Topic	Impact +
Management of relationships with suppliers	<p>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.</p>

Our policy

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 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.

▶ Our actions to achieve our targets

The following actions have been defined to support the achievement of our targets management of suppliers, with dedicated resources and budgets allocated to ensure effective implementation.

Area	Actions realised 2025	Actions 2026	Actions 2027-2030
Management of relationships with suppliers	<ul style="list-style-type: none"> - Finalised and implemented the revised General Terms and Conditions of Purchase, further integrating operational, safety and ESG requirements into supplier agreements. In addition, segment-specific demarcation lists were established to clarify category-specific requirements and ensure consistent expectations across procurement activities. 	<ul style="list-style-type: none"> - The updated procurement standards will be formally embedded within the existing supplier and subcontractor network. This includes the systematic integration of contractual conditions, compliance requirements and supplier performance data into SAP, enabling improved transparency, monitoring and consistency across the supply chain. 	<ul style="list-style-type: none"> - Sustainability integration: Enrichment of SAP master data with environmental performance indicators, including CO₂ performance metrics at article level, to support improved decision-making and reporting. - Process automation: Implementation of automated payment workflows for standardised inventory, triggered by verified matching of purchase orders and delivery confirmations, improving efficiency and control within procurement processes.

Our long-term targets

2026-2050

- 100% of suppliers sign the supplier code of conduct

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, or 30 days for SME suppliers. In 2025 all creditors were paid within 43 days on average and debtors paid on average in 38 days. In addition, there were no legal proceedings outstanding due to late payments.

Care housing

A place to live independently

Client: Trivire/ASVZ/municipality Dordrecht
Location: Dordrecht
Segment: People with mild intellectual disabilities

24

modular care home

2

levels

9 months

construction time

“This project shows what is possible when housing, care and construction work together – 24 homes that give people with a disability a real place of their own.”

Van den Broek-Erf is a care home project in the Stadspolders district of Dordrecht, aimed at people with mild intellectual disabilities. The project comprises 24 modular care homes and is being realised collaboratively by housing association Trivire, care provider ASVZ, the municipality of Dordrecht and Daiwa House Modular Europe. Construction and installation of the homes began in 2025, with completion scheduled for the end of that year.

The homes are intended for ASVZ clients who are moving into assisted independent living. The residential concept provides independent care homes within a safe and well-organised living environment. In addition to the individual homes, the complex includes two communal living rooms and a shared courtyard garden, which are intended for residents to meet in and use together. The project has been set up to provide suitable and affordable housing for a specific care target group within the regular residential environment.



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 organisational 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 differ from the 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. Daiwa House Modular Europe has taken the December 2025 version of the CSRD/ESRS disclosure requirements as reference point in preparing this report.

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 2026, 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 15, 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 most 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), 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.

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Colophon

Daiwa House Modular Europe

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