

2025 H1

Progress Report scope 1,2 en 3

November 2025

Montfoort

Department: Sustainability



Daiwa House
Modular Europe



Index

1. Introduction and Accountability	3
2. Progress on reduction targets	3
4. Measures	9
5. Progress uncertainties and estimates	9

1. Introduction and Accountability

In this report, we provide an update on the progress towards our company's objectives. This semi-annual report serves as an incentive to continuously work towards achieving the CO₂ reduction targets for scope 1, 2, and 3. Considering DHME's strong growth ambitions, it is expected that emissions will increase in absolute terms in the coming years. Therefore, in addition to absolute emissions, relative emissions related to the number of square meters produced have also been analyzed. However, this document will focus solely on absolute emissions to evaluate where the (potentially) higher emissions are coming from.

2. Progress on reduction targets

This document presents scope 1, 2 and 3 CO₂-reduction targets. For each objective, the business activity is presented with target, emissions, responsible, improvement methods and status.

Scope 1:

Scope 1	
Business activities	Gas consumption for heating, fuel consumption for transportation, generators and equipment
CO ₂ emissions per weighted m ²	58,77 kg-CO ₂ /m ²
Objective	25% reduction (target value: 3945 T-CO ₂) in 2025 vs. 2019
Responsible	Board
Improvement method	▶ Making vehicle fleets more sustainable; ▶ managing driving behaviour; ▶ monitoring fuel consumption; ▶ replace gas-fired heaters; ▶ apply hybrid generators; ▶ Purchase electric loading crane; ▶ purchase electric/hydrogen-powered truck;

Analysis status 2024 H1:

General

- Scope 1 target: 25% reduction in 2025 compared to 2019 (gives 20% on total) 6 years to: 25/6= 4.17% per year.

- CO₂- emissions 2019 H1: 2701 T-CO₂
 - CO₂- emissions 2025 H1: 1.835 T-CO₂
 - Decrease of 32%
- H1 2024: 2900 T-CO₂ / H1 2025: 1.835 T-CO₂/ (decrease of 37%)

Specific

Section	T-CO ₂ H1 2019	T- CO ₂ H1 2025	% increase
Natural gas properties	161	401	153%
Diesel project sites	251	273	9%
Gasoline business travel	27	898	3219%

Diesel business travel	335	271	-19%
Diesel transportation	1928	475	-75%
Diesel HVO transportation		3	100%

This year in 2025, our goal is to have reduced scope 1 emissions by 25% compared to 2019. This first review of the year we reached a decrease of 32% in total. There have been changes in the company which show a significant change in emissions.

Natural gas properties

This year our factory in Germany was operational for the full year. The location has poor insulation and gas consumption to heat up the space is still high. Daiwa House Modular Europe had a significant reduction in projects overall which you can see in the numbers. Our total factory natural gas properties consumption is up 153% compared to 2019.

Our Montfoort location reduced gas consumption by 45.6%. In the colder months there were less projects produced and production hours were shortened by 1h. Therefore, the halls needed less heating. Also, there was almost no production in Hal 20 showing a 81% decrease. Hulst however, did have more projects this time around compared to 2024 and is up by 43%. Eemshaven had a small increase of 5% so you could say here it was stable the first half of 2024. Fürstenwalde had a small increase of 7% and continues to be our largest gas consumption location. The overall reduction is due to a lower production as well as the sell of Medexs, which are not part of our numbers anymore.

Planned actions:

- Reduction actions were proposed to Fürstenwalde such as heating the space only to 16 degrees.

Diesel project sites

In 2025, the earthquake-resistant housing in Groningen (NCG projects) is planned to stop. Also, there have been tests done with hybrid aggregates on location which show improvements in diesel consumption. Overall, the reduction is likely linked to the reduction in projects overall, so less modules are installed onsite resulting in a lower diesel consumption.

When comparing H1 2024 and H1 2025, 77% less diesel was used on-site.

This major reduction in the first half of 2025 is all due to the slow start in production. As there were no modules to be built in the factories, on-site they are also not installed.

Planned actions:

- No planned actions

Gasoline and Diesel business travel

This half year a difference can be observed between Diesel and Gasoline use for business driving. There were many issues with the project in Berlin and a lot of Montfoort experts had to travel to Germany to support the project.

These increases are the result of higher employee travel as the fleet constitution of electric vs gasoline and diesel stayed the same. Gasoline is up 238% and diesel is down 34% compared to H1 2024.

Planned actions:

- The project in Berlin is expected to conclude in 2025, so there are no immediate actions to reduce gasoline.

Diesel transport

The sale of Jan Snel's transportation division caused a decrease in diesel use in 2022. As of November 2023, there are 13 trucks in the transportation fleet that transport the units to project sites and this has not changed in 2025. Since then, due to the growth of the company, the transport movements between the production locations and project sites have increased since 2019, however, in 2025 this was significantly reduced due to low sales. Diesel transport saw a 14% decrease this first half year of 2025.

In July the Montfoort factory filled the local fuel tank with HVO100 through a lucrative deal with Shell. It is expected to see significant changes in the second half of 2025.

Planned actions:

- Apply research HVO for trucks.

Scope 2:

Scope 2 + Business travel	
Business activities	Indirect emissions electricity generation and air travel
CO2 emissions per weighted m ²	2,19 kg-CO ₂ /m ²
Objective	80% reduction (target value: 220 T-CO ₂) in 2025 vs. 2019
Responsible	Board
Improvement method	▶ travelling by train as an alternative to short flight; ▶ install PV systems on (new) halls; ▶ continue to buy 100% Dutch green electricity. ▶ continue to investigate possibility of charging electric cars with green electricity, off-site

Analysis status 2025 H1:

General

- Objective scope 2: 80% reductions in 2025 vs. 2019
 - o H1 2019= 561 T-CO₂
 - o H1 2025= 79 T-CO₂
 - o Decrease of 84%
- H1 2024: 91 / H1 2025: 79 / (14% decrease)

Specific

Item	T-CO ₂ H1 2019	T-CO ₂ H1 2025	% toename
Electricity	556	0	-100%
Charging on the road	0	25	n.v.t.
Air travel	5	54	949%

Electricity

Because all the electricity purchased is green, the current calculation method dictates that no CO₂ impact can be calculated for this. Electricity consumption is expected to continue to rise in the coming years. This is due to the electrification of existing real estate, the construction and rental of new halls/offices and the electrification of the vehicle fleet.

Charging on the road

In 2021, the emission post 'charging on the road' was added. The percentage of electric vehicles in the business travel fleet has steadily grown through the years and this time it stayed stable at 45 vehicles in the fleet. They charge outside our facilities. In doing so, there is no control over the origin of the electricity. It is therefore assumed that this is grey electricity and emits CO₂. This can be seen as a positive development, as electricity is preferred over petrol or diesel.

Consultations have been held with the supplier of the charging cards, however, it remains impossible to charge with green electricity. As soon as a solution to this is found, DHME will be contacted.

Planned actions:

- Inquire again supplier charging passes for green power (GVO's).

Air travel

Although overall since 2019 flights saw a steep growth, compared to H1 2024, airtravel emissions reduced by 26%. There was significantly less long distance travel to Boston as the large operating project there concluded.

Company policy is to travel distances below 700 km by train, if this is possible in an acceptable time frame. The time invested to travel by train from the Netherlands to Berlin continues to exceed the travel time by flight. Many workers are employed locally, however the expertise and management continues to fly regularly to oversee production activities. This first half of the year many experts and employees that needed to travel to Berlin chose to drive instead of fly or take the train.

Planned actions:

- Re-emphasize company rule to encourage train travel for travel distances under 700 km.

Scope 3:

Supply chain analysis has not changed compared to last year and thus the same dominance is maintained (materials and waste). Should business operations change to such an extent that changes can be expected here, the dominance analysis will be performed again.

Scope 3 - Materials	
Business activities	Chain emissions from use of materials
CO ₂ emissions per weighted m ²	171.7 kg-CO ₂ /m ²
Objective	20% reduction (target value : 11.106 T-CO ₂) in 2026 vs. 2021
Responsible	Board
Improvement method	▶ Explore and deploy alternative materials to replace high-impact materials (top 3). ▶ Continue development process of new floor

Analysis status 2025 H1:

- Objective: 20% reduction(5020 T-CO₂) in 2026 vs. 2021
 - o H1 2021: 7.266 T-CO₂ totaal
 - o H1 2025: 5.961 T-CO₂ totaal
 - o Decrease of 18%
- H1 2024: 7.188/ H1 2025: 5.961 Reduction of 0,8%

The R&D department is looking at possible applications of Biobased Materials to reduce material bound emissions from the units. The National Milieu Database (NMD) is currently adapting the MPG calculation methods. This will influence their actions to achieve a good score. Phasing out or replacing the top 3 high impact materials remains challenging. This is in part because a buildings must meet certain quality requirements for fire safety, as well as energy needs of future users and acoustic use values.

In February there was a test with a different cement mix and a heated mall for the floors. This could result in a significant reduction in CO₂ emissions. The test showed changes needed in the mixture to make it applicable in the floor designs. Further testing will be done and could result in low CO₂ emissions cement floors.

Scope 3 - Waste	
Business activities	Chain emissions from waste disposal
CO ₂ emissions per weighted m ²	62 kg-CO ₂ /m ²
Objective	10% reduction (target value: 5.486 T-CO ₂) in 2026 vs. 2021
Responsible	Board
Improvement method	▶ Further subdivide waste streams into mono streams, identify buyers to optimally process streams and initiate processes to properly disaggregate.

Analyse status 2025 H1

- Objective: 10% reduction(2285.1 T-CO₂) in 2026 vs. 2021
 - o H1 2021: 2539 T-CO₂
 - o H1 2024: 3878 T-CO₂
 - o An increase of 53%
- H1 2024: 3383/ H1 2025: 3878 is an increase of 15%

Specific

Item	T-CO ₂ H1 2021	T-CO ₂ H1 2025	% toename
Mono	994	2.323	133%
Mixed	1538	1545	0%
KCA	7	21	205%

Total waste has increased, which is explained by company growth. Monostreams grew 133% since 2021 and 2% since H1 2024. It is a positive development that monostreams account for 59% of total waste and mixed waste is down to 40%. Chemical waste KCA continues to take up only 1% and saw no significant change.

4. Measures

For H1 2024 the following measures were planned:

Own initiative

Investigate the possibility of a shared Energy Hub with the group Green Deal Montfoort (12/2025)
Implement new waste separation signs to improve mono-streams (12/2025)

For H2 2025 the following measures were planned:

Selection of SKAO list of measures

Between 5% and 25% of electricity use is covered by own generation of renewable electricity (via own investment or lease) (01/2024) → Only achieved for main production sites.
The company can demonstrate that it operates at least one mobile tool based on zero CO ₂ emission technology. (11/2025) → Aerial platform in Montfoort is zero emission and the Automated Guided Vehicles (AGV) in hall 17.
At least 100% electricity for consumption at work (construction site) is green electricity and/or covered by national GVOs. (12/2025)
In projects where the company as main contractor provides fuel on the construction site, the company ensures that at least 10% of the total fuel refueled on the construction sites is demonstrably renewable fuel. (9/2024)

Own initiative

Waste management manual for hall managers (12/2025)
Change concrete mixture from De Goudse Beton Centrale for a CO ₂ negative mixture by Concrify (02/2025) → Tests with cement unsatisfactory
Develop heated mold to lower CO ₂ -emissions while drying cement floor

Own initiative (following year):

Phase out NCG projects (natural attrition) (1/2026)
Apply research HVO / Premium fuel for passenger cars and company buses (07/2026)
Apply research HVO for trucks (07/2025)
Incorporate Eco Concrete in floor planning (8/2026)
Further subdivide waste streams into mono streams, identify buyers to optimally process streams and initiate processes to ensure proper splitting. (ongoing)
Investigate Energy Hub with Green Deal Montfoort entrepreneur group to step towards zero gas on production site Montfoort (11/2026)

5. Progress uncertainties and estimates

The results presented should be seen as the best estimate of actual values. Virtually all data used to calculate the carbon footprint is based on invoices, data from insight portals or supplied by the supplier. As a result, the margin of uncertainty is small.

One uncertainty is in the possible human errors that can be made. First, for example, the supplier may transmit the wrong time period, which will be quickly noticed because certain months will remain blank, for example.

Second, typos can be made in copying the data, however, this chance is small since DHME works with a 4-eye principle. Copied data and references are (randomly) checked by another employee than the one copying the data.

Forecast

For H2 2025, there are a number of expectations that could impact carbon emissions:

- ▶ Commissioning of the production site in Germany will continue to affect natural gas and electricity consumption.
- ▶ To reduce transportation Diesel emissions, HVO100 will be applied to truck movements.
- ▶ Problems with Netcongestion will continue and influence sustainability actions regarding the disconnection from gas supply.