

Building a
sustainable
future



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Key impacts 2021



Headcount

429 fte

2020 **384**

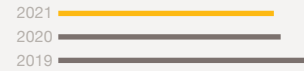


GHG emissions

kg CO₂ per m²

285

2020 **294** Target 2030 **146**



CO₂ Performance Ladder

(level)

4

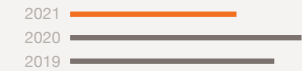
2020 **3** Target 2030 **5**



Absenteeism

4.4%

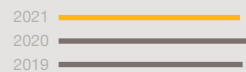
2020 **6.12** Target 2030 **<4**



Employee engagement

7.2

2020 **7.5** Target 2030 **8.5**



Diversity & inclusion

(% women in management positions)

7.1%

2020 **7.1** Target 2030 **30**

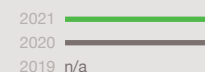


Safety Culture Ladder

(level)

2

2020 **2** Target 2030 **5**



Mono streams

(recycle streams)

50%

2020 **48** Target 2030 **80%**





Foreword by Harry van Zandwijk, CEO

Good housing solutions meet all the customer's requirements. Perfect housing solutions also provide future residents with a comfortable home. Developed in harmony with people and society, and with an eye to the future. Because a comfortable, healthy and future-proof living space allows dreams to come true. Daiwa House Modular Europe helps build those dreams, together with customers, residents, suppliers and our people. We bring decades of experience together in high-quality, sustainable housing solutions. Our houses offer quality, comfort, safety and – above all – sustainability. Daiwa House builds circular houses that will not have to be demolished in the future. Instead, they can be disassembled and reused. This means we can build sustainable homes for everyone.

Jan Snel became part of the Daiwa House Modular Europe Group in 2021, together with Medexs. We have experienced tremendous growth, and there are now 429 full time employees working at Daiwa House Modular Europe. This growth also involves great responsibilities from an organisational point of view and continuing to be a good employer. As the largest modular builder in Europe, our ambition is to have a positive impact with our modular constructions on social developments such as occurred in 2021, for example the shortages in the housing market, the Covid 19 pandemic, the refugee situation in Europe and the earthquake-affected area in the northern part of the Netherlands. Demand for housing continues to be high and pressure on the housing market has only increased over the past years. With increasing demand from, for example, first-time buyers and social tenants, traditional construction is no longer sufficient. There is huge demand for flexible and efficient solutions.

At Daiwa House Modular Europe, our performance on Environment, Social, Governance (ESG) factors is extremely important. We aim for a solid financial performance; we are committed to safety and the well-being of our people, and we offer flexible and efficient solutions as a partner for changing societal demands. Lastly, we are committed to a sustainable and circular value chain. We take responsibility for all materials and energy used.



“We offer the solutions for changing societal demands and we are committed to a sustainable and circular value chain. But above all, we are dedicated to the safety and well-being of our people.”

In 2021 some of our key achievements were that we delivered ca. 330 apartments, 150 earthquake-resistant homes and worked on 110 projects supporting the Covid pandemic. We are also very proud that we achieved CO₂-performance Ladder level 4 and Safety Culture Ladder level 2 (level 3 in 2022). This report explains how we create value, what our ambitions are and how we are performing compared to our level of ambition.



1. About Daiwa House Modular Europe

1.1 Our organisation

Daiwa House Modular Europe is an organisation with Dutch and Japanese roots.

Daiwa House Modular Europe combines the expertise of the Japanese Daiwa House Group and the European Jan Snel. With over 60 years of experience in the Benelux and 50 years internationally, we make a difference with modular and circular construction. Daiwa House Group is the largest industrial builder in the world and Jan Snel is one of the largest players in the field of modular and sustainable building solutions. Together we have grown into Europe's largest modular builder. Thanks to a merger between Daiwa House, Jan Snel and Medexs, the possibilities in terms of construction have become infinite.

Together, we can meet numerous housing and accommodation needs and requirements with our wide range of solutions. Both for our clients and future residents, we construct buildings in an industrialised, circular and modular way. We provide high-quality housing solutions for residential housing, health care, offices, education, government and industry.

As an organisation with Dutch and Japanese roots, the relationship between people and society is central to everything we do. Our building method reflects our care for the environment and nature.

The Europe's largest modular builder



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

50

Years of international experience

60

Years of experience in Benelux



1.2 Headcount and revenue (breakdown by country and division)

Key figures 2021



	2019	2020	2021
Divisions*			
Daiwa House Modular Europe			245
Jan Snel	292	339	140
Medexs	39	45	44
Total	331	384	429
Country			
Netherlands	317	362	401
Other (Belgium, Germany, UK)	14	21	28
Total	331	384	429

	2019	2020	2021
Divisions			
Daiwa House Modular Europe	43	76	99
Jan Snel	65	63	76
Medexs	7	30	24
Total	115	169	200
Country			
Netherlands	100	152	155
Other (Belgium, Germany, UK)	15	17	45
Total	115	169	200

* - Daiwa House Modular Europe represents the housing construction activities
 - Jan Snel represents the module rental & sale activities
 - Medexs represents the healthcare activities

For 2019 and 2020 FTE were not split between housing construction and module rental & sales activities.



1.3 The products we offer & the markets we serve

Our brands and product groups

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

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



Housing construction

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



Module rental & sale

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



Health Care

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





1.4 Our customer groups

We serve multiple customer groups with our three brands



Daiwa House Modular Europe offers a sustainable home for diverse client groups. Having a home is one of humanity's basic needs. Living in a comfortable, safe, and high-quality home is a precondition for realising your dreams. The same goes for future-proof accommodation. With our global expertise, we can meet the growing demand for sustainable housing in Europe. We offer the following housing concepts:

- Houses: sustainable houses for families and couples that fit well with the streetscape;
- Apartments: an affordable home for first-time buyers, couples and singles;
- Student accommodations: housing for students close to their university or school of applied sciences;
- Senior accommodations: adaptable accommodations that truly feel like home;
- Migrant workers: practical and comfortable housing for migrant workers;
- Hotel: relaxation in high-quality finished hotel rooms.



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

- Education: a school, university or childcare centre needing temporary or permanent capacity for growth, renovation or emergency reasons;
- Offices: everyone deserves a comfortable workplace. Whether it's for a fire station, a beach pavilion, a luxury office building or a construction site, Jan Snel has a quality modular solution for any permanent or temporary need;
- Government: in today's troubled and uncertain times due to covid, war and climate change, we are seeing that governments have an increasing need for temporary and permanent housing solutions for refugees and asylum seekers and for testing and vaccination sites;
- Sports, events and leisure: from sports halls to VIP lounges and from training facilities for professional football clubs to accommodation for Formula 1 racing;
- Industry: offices, changing rooms, sanitary, blast resistant modules and canteens.



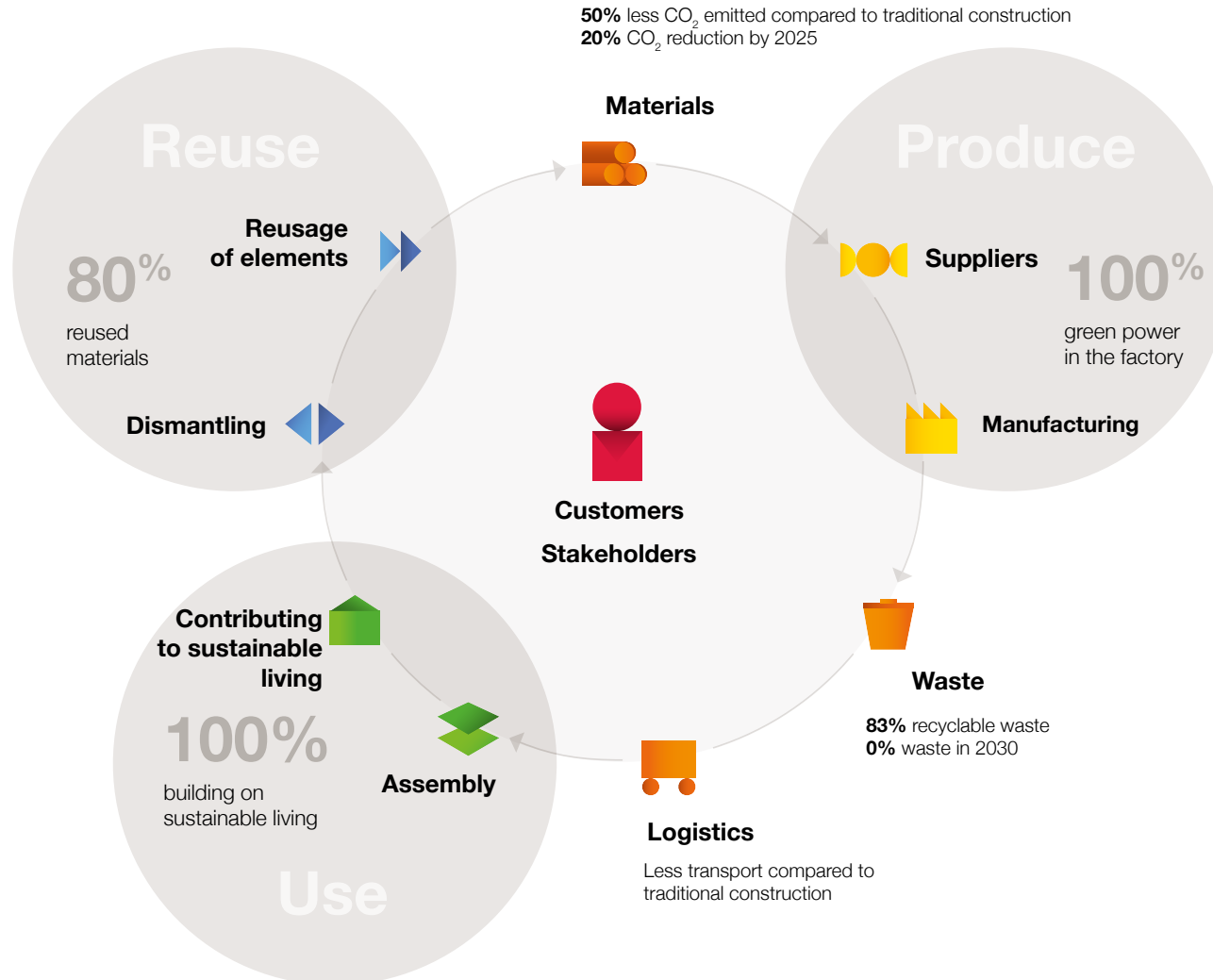
Medexs offers a total solution, in terms of realising, renovating, expanding or dismantling classified buildings or spaces for the medical and pharmaceutical sector; a wide range of specialist sustainable building and space solutions, from operating theatres to complete hospitals. Products and services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

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



1.5 Our circular value chain

How we play our role in the value chain



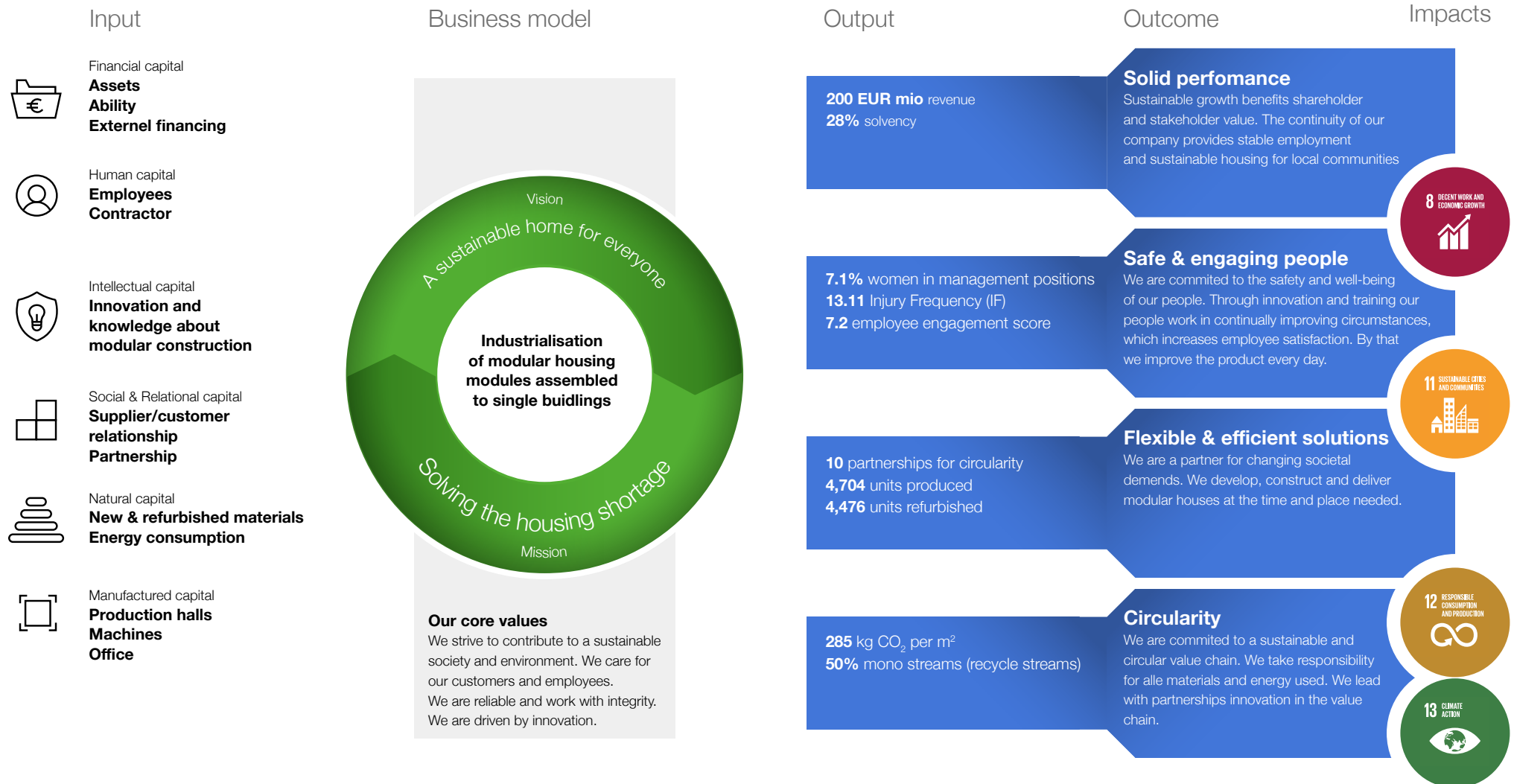
This infographic illustrates Daiwa House Modular Europe's circular construction process. When we receive a customer request, the construction process starts, and we immediately look at the possibilities for the greatest degree of reuse: not only the reuse of our units, but reuse of all materials and elements as well. Our aim is to achieve a construction process without waste. As shown in the infographic, we refurbish 80% of our units, and our modular construction method uses 50% less CO₂ compared to traditional construction methods. At Daiwa House Modular Europe, we are driven by our passion for innovative construction methods and our contribution to a circular economy. We are therefore continuously optimising our construction processes.



1.6 How we create value

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 which contribute to addressing social developments such as the housing shortage, Covid pandemic, the refugee situation and the earthquake-affected area in the northern part of the Netherlands. This approach allows

us to preserve the value of materials and at the same time create added value for clients, future residents, and the world around us. Based on the International Integrated Reporting Council (IIRC) 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 below.





1.7 Our strategy and business model

Vision and mission

Our vision
A sustainable home
for everyone.

Our mission
Solving the
housing
shortage.



Our residential concepts are based on our many years of experience and expertise in modular construction. This method offers numerous benefits in terms of efficiency, speed, quality, safety and – above all – sustainability. Industrial, modular construction is a building technique in which houses are, for the most part, manufactured in a factory. Complete modules are assembled into a single building at the construction site, and subsequently fitted with plumbing, electricity and all other amenities required for that particular building. All our houses are manufactured under controlled conditions at our factory. We have complete control over the entire production process, including all the necessary supply lines. This minimises any margin of error and minimises our dependency on the weather and allows us to always guarantee a high standard of quality. We are therefore able to achieve time savings of up to 30 to 50% compared to traditional construction companies, resulting in higher returns for our customers. Modular construction also causes less inconvenience to local residents in the way of noise, dust and construction traffic. Also, construction sites can be much smaller and fewer transport movements are needed, thanks to which CO₂ emissions can be reduced significantly. In conclusion, this innovative construction method gives us full control over the delivery of raw and other materials, while our production process is not impacted in any way by weather conditions or labour shortages.

Our strategy

Market leader in modular and circular construction in Western Europe with the highest level of service and customer satisfaction.

The owner and operator of the **most efficient modular production** sites in Western Europe, innovative and sustainable.

A safe, strong, flexible and efficient organisation where the best and most talented people work in a safe and inspiring environment.

An organisation with a **healthy financial position** that creates value for shareholders and stakeholders.

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

Our core values

A sustainable society and environment

Care for customers and employees

Reliability, safety and integrity

Driven by innovation



1.8 Sustainable Development Goals

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

SUSTAINABLE DEVELOPMENT GOALS



8 DECENT WORK AND ECONOMIC GROWTH

Through leadership in the value-chain we constantly innovate and respond to changing and growing markets. We are able to provide direct and indirect employment to more than 400 people and create incomes for their families.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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



11 SUSTAINABLE CITIES AND COMMUNITIES

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



13 CLIMATE ACTION

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



1.9 Roadmap ESG (Daiwa House Modular Europe)

ESG Roadmap

	Theme	2021	2025	2030	2050		
<p>Environmental</p> <p>See also page 20</p>	Materials	Explore timber construction	20% lower carbon emission	Carbon neutral*	Positive carbon emission		
	Waste	2% increase in mono streams per year	3% increase in mono streams per year	80% mono streams /recycle streams	100% mono streams /recycle streams		
	Energy	<ul style="list-style-type: none"> - DHME: 2% own energy generation - Projects: BENG compliant 	<ul style="list-style-type: none"> - DHME: 40% own energy generation 	<ul style="list-style-type: none"> - DHME: 80% own energy generation - Projects: energy neutral 	<ul style="list-style-type: none"> - DHME: energy neutral - Projects: energy positive 	 	
<p>Social</p> <p>See also page 36</p>	Being a good employer	<ul style="list-style-type: none"> - Absenteeism 4.4 - Employee engagement 7.2 - 7.1% women in management positions 	<ul style="list-style-type: none"> - Absenteeism rate <4 - Employee engagement > 8.5 - 15% women in management positions 	<ul style="list-style-type: none"> - Absenteeism rate <4 - Employee engagement > 8.5 - 30% women in management positions 	<ul style="list-style-type: none"> - Absenteeism rate <4 - Employee engagement > 8.5 - 50% women in management positions 		
	Working safely	<ul style="list-style-type: none"> - Safety Culture Ladder level 2 - 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) 13.11 	<ul style="list-style-type: none"> - Safety Culture Ladder level 4 - 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) <2 	<ul style="list-style-type: none"> - Safety Culture Ladder level 5 - 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) <1 	<ul style="list-style-type: none"> - Safety Culture Ladder level 5 - 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) <0.5 		
	Social development	<ul style="list-style-type: none"> - 331 apartments - 154 earthquake-resistant homes - Covid pandemic: 110 projects; 22 projects related to refugees 	Continuously contribute to solving the housing shortage				
	Customer satisfaction	7.6	>8.5	>8.5	>8.5		
<p>Governance</p> <p>See also page 54</p>	Innovation	Continuously innovate our products, processes & services					
	Solid financial position	28%	Solvency = 32%				
	Business ethics	100% of our employees are aware of and trained regarding our 'code of conduct'					

* Scope 1 and 2 (Scope 3 depending on the developments of carbon storage in biobased materials).



1.10 Our business model

Our residential concepts are based on our many years of experience and expertise in modular construction. This method offers numerous benefits in terms of efficiency, speed, quality, safety and – above all – sustainability. Industrial, modular construction is a building technique in which houses are, for the most part, prefabricated. Complete modules are assembled into a single building at the construction site, and subsequently fitted with plumbing, electricity and all other amenities required for the building in question. All our houses are manufactured under controlled conditions at our factory. We have complete control over the entire production process, including all the necessary supply lines. This minimises any margin of error and minimises our dependency on the weather, and allows us to always guarantee a high standard of quality. We are therefore able to achieve time savings of between 30% and 50% compared to traditional construction companies, resulting in higher returns for our customers. Modular construction also causes less inconvenience to local residents in the form of noise, dust and construction traffic. Also, construction sites can be much smaller and fewer transport movement is needed, meaning that CO₂ emissions can be significantly reduced. In conclusion, this innovative construction method gives us full control over the delivery of raw and other materials, while our production process is completely unaffected by weather conditions or labour shortages.

“Modular construction offers numerous benefits in terms of efficiency, speed, quality, safety and sustainability.”



NCG Residences

Groningen province



1,000th home

commissioned by National Coordinator Groningen

At our local factory in Eemshaven, we produced several hundred earthquake-resistant homes on behalf of the National Coordinator Groningen for people with earthquake damage to their homes. On average, these people live in a so-called replacement home for about 9 months before returning to their own homes. Depending on the intensity of the strengthening of their own homes, the length of stay varies between a few weeks and two years. Regularly, people indicate that they prefer to continue living in the Daiwa House home.



Stakeholder engagement

1.11 How we engage with our stakeholders

Stakeholder engagement is very important for Daiwa House Modular Europe, as we need to ensure that we understand our stakeholder needs and expectations and deliver our ESG strategy. We have identified our key stakeholders through a stakeholder mapping process. We engage with our stakeholders continuously but also recognise that we can do much more going forward.

“Stakeholder engagement is key to successfully reaching our goals.”

Key discussion topics	How we engage & the channels we use
<p>Employees</p> <ul style="list-style-type: none"> - Good working conditions - Health & safety - Reward - Employee satisfaction - Fulfilment - Personal development - Involvement of employees - Communication 	<ul style="list-style-type: none"> - Employee satisfaction survey - Training and development programs - Town hall events/ newsletters, intranet app, biannual reviews and development meetings
<p>Shareholders / Lenders / Regulators</p> <ul style="list-style-type: none"> - Involvement - Quality - ROI/financial results - Transparency - Compliance - Collaboration - Sustainability 	<ul style="list-style-type: none"> - ESG report - Financial report - Website - Specific sessions
<p>Customers</p> <ul style="list-style-type: none"> - Price quality - Flexible housing - Multifunctional - Sustainability - Speed - Unburden 	<ul style="list-style-type: none"> - Customer meetings - Business reviews - Fairs & events - Experience Centre
<p>Suppliers/ Subcontractors</p> <ul style="list-style-type: none"> - Partnerships - Continuity - Relationship building 	<ul style="list-style-type: none"> - Based on feedback from our suppliers, we now plan annual supplier events at our Experience Centre - Fairs & events - Business reviews
<p>Competitors</p> <ul style="list-style-type: none"> - Housing challenges - Sustainability - Safety 	<ul style="list-style-type: none"> - Specific/topic related collaboration sessions - Fairs & events
<p>Next generation & society</p> <ul style="list-style-type: none"> - Clean world - Sufficient raw materials & energy 	<ul style="list-style-type: none"> - Local charities - Employee volunteering - Collaboration with NGOs

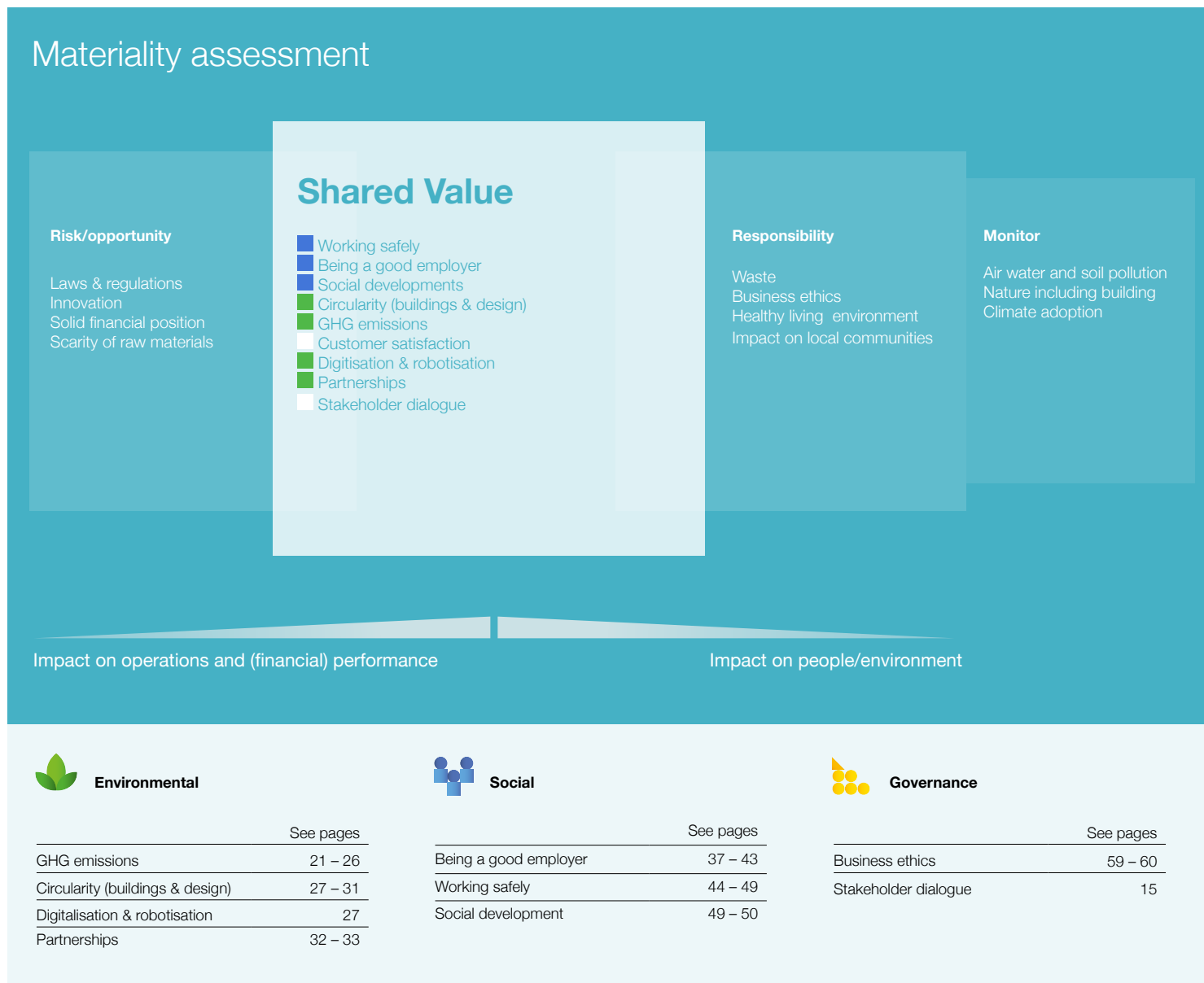


1.12 Materiality assessment

We identify the environmental, social, and governance topics that we believe have the greatest impact on our business, on people and on the environment. Assessing these topics enables us to prioritise and focus upon the most material topics and effectively address these in our policies and programmes. At Daiwa House Modular Europe, we have identified our material topics by applying the principle of double materiality, in which we analyse the impact of each topic based on the following two aspects:

- how does the topic impact people and the environment;
- how does the topic impact the operations and (financial) performance of Daiwa House Modular Europe.

Our materiality assessment is based on a trend analysis and stakeholder input. In 2021, we solicited input from a diverse group of external and internal stakeholders, including NGOs, customers, suppliers, employees, senior management and a member of the supervisory board. As input, we held several in-depth interviews and sent out a questionnaire asking our stakeholders to rank the topics. The topics we have identified as material are shown in bold type.





1.13 Governance

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

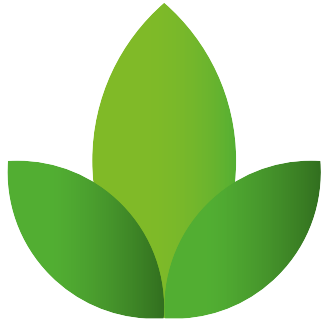


1.14 Our approach to due diligence

We take our responsibility for sustainability seriously, and not only want to do business in a responsible way ourselves, but also ask our stakeholders to demonstrate how they deal with sustainability.

Until now, we have validated our approach to sustainability mainly with employees and sector organisations. Employee satisfaction surveys, safety and environmental audits and intensive cooperations with diverse sector partners are examples of how we validate our strategy.

We have identified that formal due diligence in our supply chain can be further developed by also including other stakeholders. We are working on a plan and timeline to address any gaps in the near future. We expect to be able to report on improvements here in our 2022 ESG report.



2. Environmental

Climate change (GHG emissions)

Circularity



2. Environmental

Lowering environmental impacts will positively contribute to the success of modular housing

We want a clean world without waste, therefore our ambition is to build energy efficient, sustainable and circular buildings. We combine decades' of experience and expertise in our sustainable housing solutions. Sustainability is incredibly important to us, because the ideal living environment should be circular and clean. With its industrialised modular building method, Daiwa House Modular Europe contributes to that living environment. Analysis shows that our modular building method and the measures we have taken with regard to circularity have already resulted in a 50% reduction of our carbon emissions, compared to traditional building methods. We strive to utilise sustainable

measures, applications and installations. Once our buildings have reached the end of their life cycle, we will reuse the materials for other purposes. This is done to keep waste to an absolute minimum.

In this section, we describe how industrialisation enables us to create flexible and efficient housing solutions and how we are continuing our journey to become circular by addressing greenhouse gas emissions, circularity, and partnerships.



“With standardised design and industrialised production methods we develop, construct and deliver innovative modular houses, at the time and place needed (whenever, wherever). We are thus a partner for constantly changing societal needs.”

Flexible and efficient solutions



“We are committed to a sustainable and circular value chain. We take responsibility for all materials and energy used. Through partnerships we drive innovation in the value chain.”

Becoming circular



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



We minimise our GHG emissions and contribute to the Paris Agreement which aims to limit global warming to 1.5C.



Focus on material topics

- Industrialisation: Digitisation & robotisation
- Greenhouse gas (GHG) emissions
- Circularity (buildings & design)
- Partnerships



“Climate change remains one of the most urgent challenges for society and we all need to accelerate our efforts to realise the goals of the Paris Agreement. Daiwa House is committed to becoming climate-neutral by 2030. Innovation and partnerships are crucial for reaching our goals.”

– Simone van Wijk,
Head of Sustainability

Roadmap Environmental

	2021	2025	2030	2050
Materials	Explore wood construction	20% lower carbon emission	Carbon neutral*	Positive carbon emission
Waste	2% increase in mono streams per year	3% increase in mono streams per year	80% mono streams /recycle streams	100% mono streams /recycle streams
Energy	- DHME: 2% own energy generation - Projects: BENG compliant	- DHME: 40% own energy generation	- DHME: 80% own energy generation - Projects: energy neutral	- DHME: energy neutral - Projects: energy positive

* Scope 1 and 2 (Scope 3 depending on the developments of carbon storage in biobased materials)



Keramus
Utrecht



232
Student residences



10 months
Construction period

Environmental policy

Daiwa House Modular Europe is committed to caring for and protecting the environment in which we operate through a responsible and proactive attitude to improving environmental performance across all our business activities. We contribute to sustainable development by balancing our business aims with environmental considerations and encouraging our business partners and members of the wider community to join us in this effort. Daiwa House Modular Europe will comply with, and where possible exceed, the legal and other requirements to which we subscribe in relation to environmental aspects of our business. Specifically, where it is within our control or influence in design, planning, construction, and operational management we undertake to:

- Assess and minimise any negative environmental impacts and maximise any positive impacts of our operations;
- Develop management processes and operational procedures to prevent pollution;
- Reduce the effect of noise, dust, light, disturbance and inconvenience in our production process
- Make efficient use of energy and water resources, and reduce our carbon footprint;
- Make efficient use of natural resources and promote the use of sustainable materials, especially timber, through the adoption of our responsible sourcing policy;
- Reduce waste production, and divert waste away from landfill by promoting resource efficiency, recycling, and the use of recycled and recyclable materials;
- Protect, and where appropriate enhance biodiversity;
- Develop and maintain emergency procedures to deal with any significant environmental hazards or incidents that may arise as a result of our activities;
- Implement a continual improvement process by assessing and monitoring performance against specific environmental objectives and targets relevant to our business activities;
- Raise awareness of environmental issues through training and development of all employees, and encourage initiatives that enhance environmental performance;
- Actively engage with clients, subcontractors, and suppliers to reduce the environmental impact of projects, increase knowledge, and improve their environmental performance;
- Undertake regular audits and annual reviews of the effectiveness of our environmental policy and related procedures, measurement methods, objectives and targets and progress towards meeting those objectives and targets;
- Provide an effective environmental management system that meets the requirements of ISO14001 and CO₂ Performance Ladder.



Community Campus

Bochum, Germany

 **737**
Student homes

 **Highest**
Modular construction in EU

In one of Germany's largest student cities, Bochum, 737 student residences are being built. The project consists of two residential buildings with 10 and 12 floors respectively and a gross floor area of about 23,000m². The student residences consist of modules of over 20 m², with their own kitchen and bathroom. In addition to the housing, the building will include facilities such as a gym, cafeteria and study halls.

2.1 Climate change (GHG emissions)

Transition plan for climate change

At Daiwa House Modular Europe we are fully committed to reducing our GHG emissions. We do not have a science-based target, we work with the 'CO₂ Performance Ladder', an instrument that helps us to reduce our GHG emissions that is audited by an external party. We are proud to have achieved level 4 out of 5, which means that at Daiwa House Modular Europe we aim to reduce CO₂ emissions not only within our own operations but also in our business chain and sector. The requirements for the 'CO₂ Performance Ladder' are based on four aspects.

CO₂ Performance Ladder aspects

Insight
To determine different streams of energy and the carbon footprint of the organisation.

Reduction
To develop ambitious goals for the reduction of CO₂ emissions.

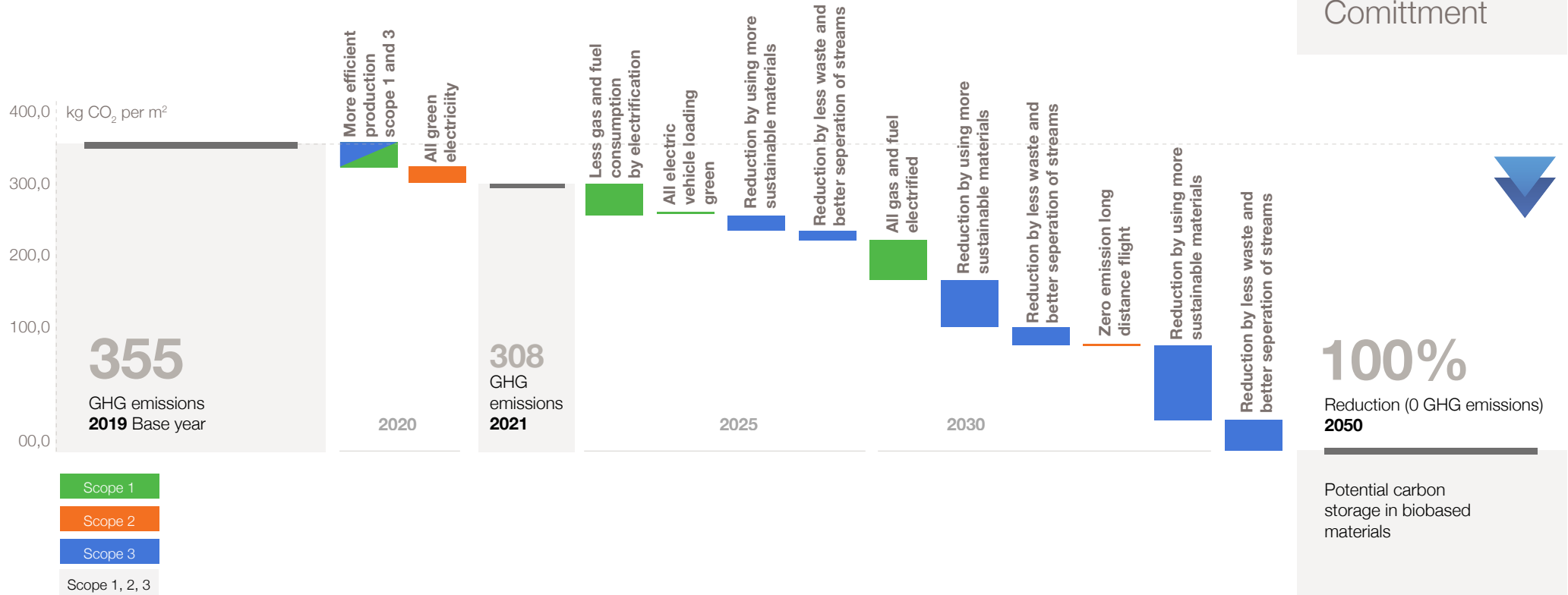
Transparency
To structurally communicate about the organisation's policies for CO₂ reduction.

Participation
To take part in business sector initiatives aiming to reduce carbon emissions.

Climate change

graphical pathway GHG reduction targets

Our ambitious goal is to become carbon neutral by 2030 for Scope 1 and Scope 2 and to become climate positive by 2050. The figure below shows how we plan to achieve these goals.



How we monitor and manage our GHG emissions

Monitoring and management

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

Organisational boundaries

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

Calculation method and conversion factors

We apply the methodology as prescribed in the SKAO Handbook 3.1. This method requires mention of 'business air travel' and 'personal cars for business travel' separately as Business Travel. The conversion factors used come from the guideline list of www.CO2emissiefactoren.nl. Based on the established operational boundaries, the CO₂ emissions, and absorptions due to the activities of the organization have been identified. During the emission identification process, in accordance with the GHG Protocol, a distinction is made between three sources of emission (known as scopes) in two categories: direct emissions and indirect emissions.

Scope 1

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

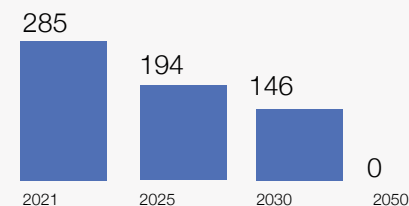
Scope 2 and Business Travel

This includes indirect emissions from the generation of purchased electricity. Germany and the UK are not included due to the small scale of the business in those countries. Business air travel and personal cars for business travel are listed separately as Business Travel.

Scope 3

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

Our long-term targets GHG emission kg CO₂ per m²





Our action plans to achieve our target

The following actions have been identified to bring down our GHG emissions with regards to energy use. Materials and waste (scope 3) will be discussed in the circularity section.

	Area	Action
Scope 1	Electric equipment	- We aim to always apply the latest state-of-the-art electrical equipment and ensure replacement of parts unless the equipment is no longer usable or energy efficient
	Gas boilers	- We will replace outdated gas heaters with new generation gas heating - All electric installations are available (2030)
	Construction site	- Hybrid aggregates/green energy are available (2022) - We will have charging hubs for electrical equipment - Electric aerial platforms in 2025 are all electric (start 2022) - Full fleet of electric loading cranes (2030)
	Airtightness	- We will apply testing new options for airtightness materials such as films, plate material and compriband. - Our airtight for permanent building is in accordance with all passive requirements (2025)
	Ventilation	- We will apply efficient ventilation installations in combination with heat pumps
	Insulation	- We will develop options to replacing our floor insulation (grey EPS BMB raw material) in 2023 - We will analyse different options to replace our current insulation (walls/facades/ceilings) with more sustainable alternatives - We will map thermal bridges in buildings
Scope 2	Wind energy	- We will apply wind energy solutions (2025)
	Energy storage	- We will investigate the possibility of energy storage such as cobalt batteries, lithium and heat water storage
	Solar panels	- We always apply solar panels at new construction sites such as offices and factories - We add solar panels to existing buildings when feasible (considering construction limitations)
	Fleet	- We will implement the bicycle plan for all employees in 2022 - We will encourage all employees to use electric cars (2022-2026)

Main achievements 2021

Performance measurements

CO₂ Performance Ladder level 4

Detailed data analysis and related action is an important way of obtaining insight and improvement. The 'CO₂ Performance Ladder' is a Dutch tool to put this in place. We achieved level 4 of the 'CO₂ Performance Ladder' in 2021, and actually achieved the ultimate level 5 in 2022.

Introduction of the hybrid Powerbox

The hybrid Powerbox takes care of water and electricity supply at construction sites and separate housing projects. By using solar panels, the Powerbox generates power in a completely environmentally friendly way. The Powerbox is equipped with a car charging point, power points and water and sewer connections, among other things. This means that our building sites and projects are also becoming cleaner.



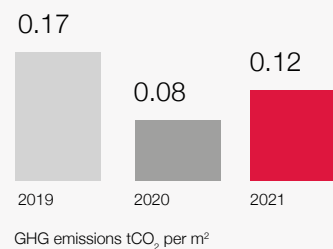
Energy consumption and mix

	FY2019	FY2020	FY2021	% dev '20	% dev '21
Scope 1 - Natural gas processes (MWh)					
Montfoort (incl Lopik)	1,373	1,411	2,171	3%	54%
Hulst	95	38	52	-60%	38%
Eemshaven	102	85	90	-16%	5%
Medexs (Rhenen) (60%)	-	61	48		-21%
Total	1,570	1,595	2,362	2%	48%
Scope 1 - Fossil fuel consumption (MWh)					
Montfoort	192	229	292	19%	28%
Hulst + Belgie	28	65	67	136%	3%
Eemshaven	7	14	16	90%	17%
Duitsland	0	2	4	804%	97%
Transportation	1,169	1,199	1,350	3%	13%
Medex	-	41	39		-4%
Project location	155	89	328	-43%	270%
Total	1,551	1,638	2,096	6%	28%
Scope 2 - Processes electricity (MWh)					
Montfoort	1,104	1,205	1,582	9%	31%
Lopik		23	175		661%
Hulst	340	435	432	28%	-1%
Eemshaven	97	121	167	25%	38%
Medex	116	62	47	-47%	-24%
Onroad loading			12		
Total	1,656	1,847	2,414	12%	31%
Total non-renewable energy consumption (MWh)	3,120	3,234	4,458		
Total energy consumption (MWh)	4,776	5,081	6,872		
Share of non-renewable sources	65%	64%	65%		
Total turnover (x €1.000)	115,115	169,113	199,551		
Energy intensity per net turnover	0.04	0.03	0.03		

GHG emissions

in t-CO ₂	Retrospective				Milestones and target years	
	FY2019	FY2020	FY2021	Dev.21-20	2025	2030
Scope 1 - direct emissions	5,261	5,485	7,216	32%	2,803	-
Stationary combustion equipment	798	591	1,525	158%	673	
Air conditioning and cooling equipment	-	-	-			
Use of fleet (lease)	4,463	4,894	5,691	16%	2,130	
Scope 2 - Indirect emissions	1,100	511	17	-97%	56	50
Electricity consumption	1,075	511	6	-99%	6	
Private cars for business travel		-	-			
Business air travel	25	1	10	900%	50	50
Scope 3	12,774	8,116	17,466	115%	13,974	12,585
Emission of materials	9,929	6,289	13,883	121%	11,107	9,719
Total industrial waste	2,845	1,827	3,583	96%	2,867	
Total emissions	19,135	14,112	24,699	75%	16,827	12,635
Total turnover (x €1.000)	€ 115,115	€ 169,113	€ 199,551			
GHG intensity per net turnover (tCO ₂ eq/Monetary unit)	0.17	0.08	0.12			

Retrospective GHG intensity per net turnover (tCO₂eq/Monetary unit)



“Our corporate social responsibility maximises shared value among our employees, customers and society.”

2.2 Circularity

At Daiwa House, we are driven by our passion for innovative construction and our desire to contribute to a circular economy. Our modular construction method is, by its very nature, perfectly suited to circularity. However, this does not mean that we have achieved all our ambitions. Daiwa House believes in a clean world without waste. We are fully committed to the reuse of materials and take account of a building's future right from the very beginning of the construction process. Our ecological footprint is therefore considerably lower in comparison to traditional construction. Our ambition is to produce and work in a fully circular manner in the coming years, thus extending the product value of the housing. To achieve our circularity goals, we are constantly looking for an optimal combination of building materials. We consider aspects such as the origin and high-quality reuse of existing materials such as concrete, steel and timber. The environmental calculation platform helps us to understand the impact of our entire chain, from raw material to waste. Daiwa House offers not only an exceptional opportunity for attractive returns, but also the chance to make a high-impact contribution to the much-needed improvement to the sustainability of the European construction industry and real estate sector.



Our long-term targets

	2021	2025	2030	2050
Materials	Explore wood construction	20% lower carbon emission	Carbon neutral*	Positive carbon emission
Waste	2% increase in mono streams per year	3% increase in mono streams per year	80% mono streams /recycle streams	100% mono streams /recycle streams

* Scope 1 and 2 (Scope 3 depending on the developments of carbon storage in biobased 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, remanufacture 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. Besides, if a building is no longer needed, we remove it quickly and easily: we dismantle it instead of demolishing it. Nowadays, about 80% of components are reused, but of course we are aiming for a full 100% so that, in the future Daiwa House Modular Europe will build both modular and circular and thus contribute to the sustainability of the building industry and a clean world without waste. Industrialised production is optimised by continuously investing in digitalisation and robotisation. This ensures that our industrialised process becomes more efficient every day, waste is minimised and a high-quality product is continually ensured.

Materials

To be able to build and supply high-quality housing solutions, we obviously 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/working experience through the use of durable materials in our buildings.



Our action plans to achieve our target

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

Area	Sub-area	Action
Materials	Use of natural materials	<ul style="list-style-type: none"> - Apply sustainable materials in our standard concepts; - We analyse lessons from our timber projects "Moodumo" and "SUM" and apply them to the standard module if feasible (for more information, see 'circularity support & partnerships').
	Reused materials	<ul style="list-style-type: none"> - We will verify percentage reuse of our materials in our modules via external parties; - We will calculate the demountability score of our modules according to demountability index of PIANOO, also known as the building circularity index; - We will increase demountability based on identified scoring items.
	Use recycled materials	<ul style="list-style-type: none"> - We will replace materials and products that cannot be recycled; - We will introduce sustainable company work clothing in 2022.
	Use of sustainable installations	<ul style="list-style-type: none"> - Sustainable, demountable installations will be available in our standard concepts once available in the market.
Waste	Recycling	<ul style="list-style-type: none"> - We will only use (raw) materials that at least can be recycled; - All our offices will have recycling bin and since 2022 waste separator.
	Cutting waste	<ul style="list-style-type: none"> - Our supply materials will be tailor-made as far as possible to limit cutting waste; - We will analyse the amount of cutting waste; - We will reduce cutting waste through better purchasing (purchasing materials versus BIM** requirements); - We will encourage our supplier to take back and process cutting waste.
	Factory production	<ul style="list-style-type: none"> - We will produce as much as possible in the factory halls to reduce waste at the construction site; - We will optimise standardisation to reduce cutting waste and maximise factory run-down and efficiency.
	Mono flows	<ul style="list-style-type: none"> - We will separate our waste into mono flows and increase the percentage of mono flows based on kilos (target 2% per year).
	Supplier	<ul style="list-style-type: none"> - We will reduce packaging materials and return monoflows as raw materials; - We will analyse our suppliers and their packaging materials; - We will analyse which materials we already return, and which can be returned in the future; - We will encourage our suppliers to reduce packaging from high to low impact; - We will introduce a purchasing requirement that used materials can be returned called closed loop (2025).
	Waste processors	<ul style="list-style-type: none"> - We will gain insight into our waste processing and optimisation possibilities; - We will check the activities of waste processors through company visits; - We will gain insight into waste recycling rates through underlying calculation method; - We will analysis CO₂/ECI impact of all waste types*; - We will work on an end station analysis of the different waste streams.

* The ECI (Environmental Cost Indicator) is designed to make it easier to compare LCA environmental profiles. All environmental impacts have been converted into monetary value. The lower the value, the less harmful the environmental effects.

** BIM (Building Information Modelling) is a process for creating and managing information on a construction project throughout its whole life cycle. As part of this process, a coordinated digital description of every aspect of the built asset is developed, using a set of appropriate technology.

Main achievements 2021

Performance measurements

1. We designed and built 2 types of wooden modules

- a. The Moodumo project is an initiative to investigate new applications of (biobased) materials, new ways of living and other ways to “create value”. Moodumo has become a beautiful, detached house with a surface area of 60m². The construction of Moodumo has increased our knowledge of timber construction and sustainable products.
- b. With great pleasure, Daiwa House Modular Europe has entered into a cooperation with the TU Delft to support it in its participation in the international competition ‘Solar Decathlon Europe’. The goal of the competition is to create a solar-powered and energy self-sufficient house and to design, build and operate it. For Daiwa House Modular Europe, this was an opportunity to share

knowledge with a ‘new generation’ and facilitate innovative ideas and support sustainable timber construction.



2. We introduced 5 new materials for circular housing

We have designed a building according to the guidelines of the Circular Building Subsidies. The aim of the subsidy is that the building should contribute to the creation of circular material chains. We have applied 5 new materials in this building with a category 1 product card in the National Environmental Database. These materials consist of at least 50% of recycled material, or are reusable building materials, where there is at least 20% product reuse in the end-of-life scenario.



3. We increased waste monostream by 3%

We regularly analyse our waste streams and continuously discuss how we can improve our waste process with the various people involved. Firstly, we have regular discussions with our construction employees to improve awareness and commitment to create various mono streams. We also look for new opportunities to find new purposes for our waste. This will reduce our general waste and create the opportunity to reuse our waste as raw material.

Overall total weight of materials used

	Total kg/m ²	FY2019	FY2020	FY2021	% Share 2021	% Virgin material	% Reused or recycled
Material in ton							
Sandwich Panel	5	272	226	408	1	80	20
Steel reinforcement	7.18	416	345	623	2	5	95
Steel frame	54	3,136	2,600	4,699	16	3	97
Concrete	174	10,048	8,332	15,058	52	90	10
Pine wood	25	1,456	1,207	2,182	7	100	0
Fermacell	37	2,153	1,785	3,226	11	62	38
OSB	16	906	751	1,358	5	100	0
EPDM	1	78	65	117	0	100	0
EPS	2	127	106	191	1	80	20
Plastic window frame	3	175	145	263	1	100	0
Rockwool isolation walls	5	263	218	394	1	60	40
Rockwool isolation roof	3	171	142	257	1	60	40
Rockwool for fire proofing	0	28	24	43	0	60	40
Inside doors	1	53	44	79	0	100	0
Radiator	0	25	21	38	0	100	0
Marmoleum	2	139	115	208	1	89	11
Other (polypropylene socket)	0	17	14	26	0	100	0
Total	336	19,464	16,140	29,171	100		

This overview represents the production of a new module. In our rental business we continuously reuse all modules and materials representing 80% reuse.

Resources entering our organisation

We constantly monitor the percentage of reused materials or biobased materials. Although there are numerous developments in the market, it remains a challenge to find alternatives that are actually useable in the buildings we construct, taking account of building structure and regulations. For instance, biobased insulations still do not meet the necessary current fireproof regulations. We thus still face many challenges to achieve our goals regarding reused materials.

Resources leaving our organisation: 80% refurbishment

For Daiwa House Modular Europe, modular construction is the same as flexible construction. Our buildings can easily be reorganised or relocated, enabling us to respond to changing requirements, usage possibilities and market demand. If a building is no longer needed, we remove it quickly and easily: we don't demolish it, we dismantle it. The modules will then be refurbished for a new life in a new building.

In May 2022, Daiwa House Modular Europe conducted a study to validate its refurbishment percentage of used modules. The study was carried out by a company called 'Sloop Check.' The goal was to identify the percentage that is reused, thus starting from an old project that has been dismantled to the moment these units are delivered to a new customer. The reused individual material flows were examined for this purpose. A total of 6 projects were reviewed, involving the use of 14 modules up to 190 modules. All these modules were refurbished for reuse in new projects. The data analysis showed that on average 8% of building material was wasted on site when the building was demounted. The modules that arrived in the factory (representing 92% of the initial materials) were refurbished. Additional calculations showed that during this process 87% of the materials were reused. As such, Daiwa House Modular Europe is able to reuse 80% of their modules for a new life. The goal is to reach 100%.

Waste category

(in tons)	FY2019	FY2020	FY2021	% Share	Waste stream
Construction and demolition waste	2,443	2,518	3,758	94%	
Concrete rubble	0	145	180	5%	Mono
B-Wood	387	456	648	16%	Mono
Construction and demolition waste (BSA01)	983	1,115	2,068	52%	Mixed
Construction and demolition waste (BSA02)	46	42	197	5%	Mixed
EPS			4	0%	Mono
Fermacell		117	142	4%	Mono
Gypsum		3	43	1%	Mono
Glass	3	8	8	0%	Mono
Hard plastic (PVC pipes/profiles)	11	16	19	0%	Mono
Insulation		40	300	8%	Mono
Mixed rubble	992	528	112	3%	Mono
Metal	7	1	37	1%	Mono
C-wood	9	12		0%	Mono
Paper and Cardboard	4	36		0%	Mono
Cables	1			0%	Mono
Industrial waste non-hazardous	332	202	219	5%	
Industrial waste	326	173	173	4%	Mixed
Foil (plastic)	6	25	41	1%	Mono
Kit cookers (empty)	1	4	5	0%	Mono
Other waste or unspecified hazardous	5	10	12	0%	
Waste oil	1	1	1	0%	Mono
Glue/resin/sealant fixed/pasty kvp	3	6	8	0%	Mono
Aerosols	1	2	2	0%	Mono
Fluorescent tubes		1		0%	Mono
Total	2,781	2,730	3,988	100%	

The table excludes waste categories <1 ton, These categories are: archive material, powder paint, oil filter paint, fridges, and plasm.

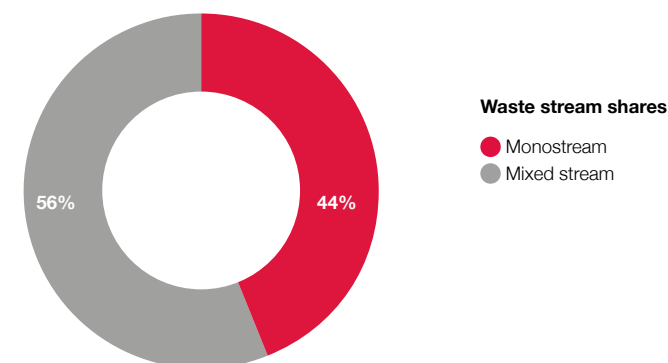
Waste

Waste is not waste until it is wasted. Our main goal is thus to find a purpose for each separate stream. We consider waste that we bring back to our supplier as raw material.

In addition, we continuously strive to minimise waste in general. In the engineering phase, it is important to consider suitable dimensions of the building materials. Daiwa House Modular Europe's aim is to order as much material precut to the size needed in our production. The fewer the actions we need to take, the easier and faster the production process will run. Reducing packaging material is a must, so with each supplier we look for the best way to reduce packaging material.

Since the modules are already installed and finished as far as possible ex-factory, there is minimal waste at the building site. Waste generated at the factory is processed correctly using a certified recycling company.

Finally, we instruct our employees in toolbox meetings about proper waste separation. We separate waste at the workplace. We also recycle our old protective company clothing. The aim is to recycle in a cost-neutral manner and major gains are achieved by curbing waste streams.



Resource use optimisation

For Daiwa House Modular Europe, modular construction is the same as flexible construction. Our buildings can easily be reorganised or relocated, enabling us to respond to changing requirements, usage possibilities and market demand. If a building is no longer needed, we remove it quickly and easily: we don't demolish it, we dismantle it.

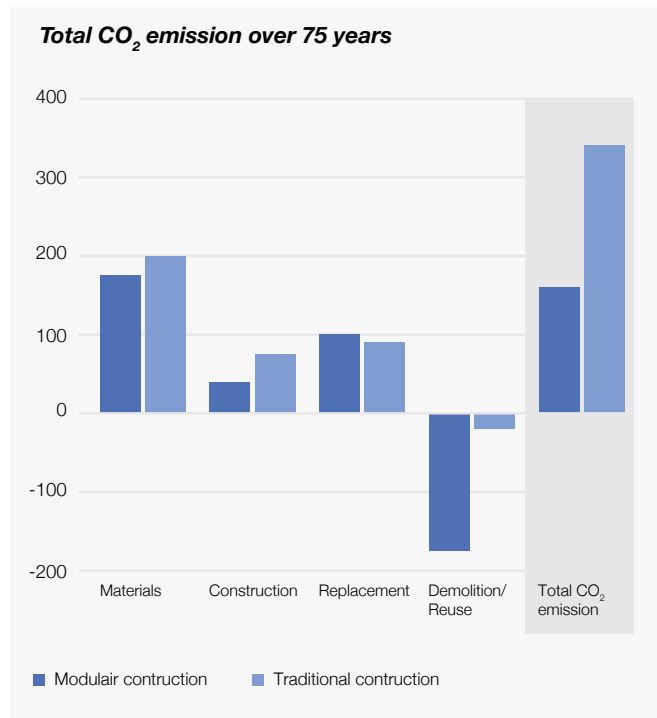
The reuse of modules takes place regularly within the Jan Snel business units, which represented 35% of the total business in 2021. Jan Snel's core activity is the rental of flexible housing solutions. Once the building is no longer required, the modules return to our factory and are refurbished. Analysis shows that 80% of the materials are reused. The remaining 20% are disposed of in the best possible way.

The businesses of Daiwa Modular Europe and Medexs have a longer term character but follow the same philosophy of reuse. The buildings are all demountable and can have easily a new life at a new location. We thereby optimise the use of our resources by demounting rather than demolishing a building

GHG emissions avoided: modular building vs traditional building methods

Every housing solution we build has a CO₂ footprint. Daiwa House Modular Europe has specifically analysed the CO₂ footprint of modular building versus traditional building methods. This analysis has been validated by EcoReview, a company specialising in Life Cycle Assessments (LCAs) and environmental product declarations (EPDs). The analysis is based on a 6000 m² building with four floors and a lifespan of 75 years. The CO₂ footprint of a modular building and a traditional building method was examined. An independent

constructor has structurally calculated both buildings based on equal requirements. Industrial construction and the effect of the reuse of modules compared to the demolition of a building are included in the analysis. The CO₂ footprint calculation is based as far as possible on the NMD Determination Method 3.0 in combination with the use of the CO₂ emission factors as described by www.co2emissiefactoren.nl. The result of the study is that our modular building method leads to 50% lower carbon emissions compared to traditional building methods. This is due to the materials we use, our construction process and fewer transport movements to and from the construction site. The biggest impact is due to the re-usability of the modules and the refurbishment vs demolition which ensures significantly lower CO₂ emissions.



Partnerships for circularity

1. Articles/webinars

We are committed to the circular construction economy by actively sharing information through writing articles and participating in round table sessions, webinars and podcasts. We publish articles on our website and external websites, so the knowledge is shared throughout the industry and beyond. We also use articles and webinars from other companies to learn about developments and the circular construction economy.

2. TU Delft - SUM (Symbiotic Urban Movement)

is a collaboration with a project team of TU Delft which took part in the International Solar Decathlon Competition. This competition challenges students and companies to work together and defy the status quo by designing, building and operating innovative future proof buildings. We participated in this competition as a partner and producer of wooden modular units. We supported the team by sponsoring and building the units.





3. Moodumo

The Moodumo project is a collaboration between three companies: Daiwa House Modular Europe, Theo Pouw (concrete supplier), and Van den Pol (Electrical engineering). The joint vision is: "We feel a great responsibility to build healthier, more sustainable, and circular buildings. Together we are looking for new applications of (biobased) materials, new ways of living and other ways to create value. This initiative helps to gain insights into what is needed to build with timber and how we can improve the business case.

4. Green Deal Timber Construction Covenant

We signed the covenant, together with more than 80 organisations, in which we collectively agree that 20% of MRA (Amsterdam Metropolitan Area) housing production will be from timber and other biobased materials by 2025. Overall, this will result in a reduction of approximately 220,000 tons of CO₂ emissions and a significant reduction in nitrogen emissions annually. The STIP certification was an important step for us to commit ourselves to the timber construction covenant. The certification guarantees us that all timber will be purchased sustainably. We see opportunities to replace parts of our units with timber. 20% of our materials will be from timber or biobased in the future and we will investigate the possibilities to replace the current concrete floor with timber alternatives.

5. Cirkelstad

is a platform for companies in the circular and inclusive construction sector. It is intended for progressive public and private parties working towards waste-free cities. This is done by returning the materials released during the demolition, renovation, or management of buildings to the cycle. The materials are then used in new products with an equivalent

application. The partners include entrepreneurs, housing associations, the Provinces, Municipality of Utrecht, the Ministry of Internal Affairs, and universities.

6. Greenpaper

The Green paper is written by Alba Concepts and Cirkelstad and is about building within the Carbon Budget. Several leading parties are involved, and the goal is to stay within 1.5 degrees of global warming which means we can only emit a limited amount of CO₂. We have been chosen as one of the leaders in the field of circular construction and will contribute to the ambition set out in the Green paper.

7. The New Normal (HNN)

The Dutch government has set itself the ambition for a 'Circular Netherlands in 2050'. Acceleration in the construction sector is needed for this. The initiative is introduced by 'Cirkelstad' and the Dutch Ministry of Internal Affairs and aims to accelerate circular construction, by developing an audit model based on existing methods, requirements, and tools together with diverse partners such as government, research institutes, NGOs and companies. The model will provide insight into the sustainability of a building on various levels. It will be a clear blueprint for circular construction.

8. City Deal - Circular and Conceptual Building

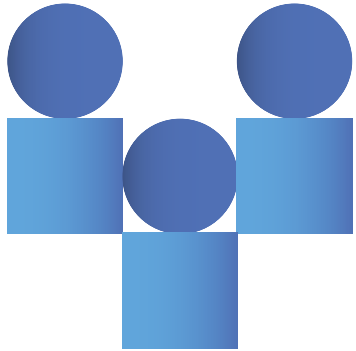
City Deal is a Dutch initiative with the collective aim of reducing the environmental impact of the construction sector and accelerating the transition to a conceptualisation and industrialisation of the construction sector. It is a collaboration of various companies, government institutions and knowledge platforms. It builds on existing networks and initiatives.

9. NEPROM

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

10. Dutch Green Building Council (DGBC)

DGBC is a network organisation for sustainable construction and real estate. Its mission is to improve the sustainability of the built environment. We have joined a round table focusing on circular construction. This enables us to share our knowledge, but above all to take a critical look at our own strategy and options in the field of sustainable construction.



3. Social

Being a good employer

Working safely

Social developments



3. Social

Our corporate social responsibility will maximise shared value among our employees, customers and society

Daiwa House Modular Europe strives to be a great employer for all our direct and indirect employees offering good employment practices, such as general working conditions, embracing diversity and inclusion and providing opportunities for training and development. We are committed to ensuring that all our employees can work safely and make every effort to provide a safe and healthy working environment. Lastly, we want to ensure that all our solutions contribute to solving social developments such as the housing shortage, public health issues such as the Covid pandemic, the refugee situation, and other developments such as those affecting the earthquake area in the northern part of the Netherlands. This section describes specifically how Daiwa House Modular Europe addresses the material topics as defined in our materiality assessment.

We have experienced tremendous growth in recent years. Last year, we expanded our workforce with 56 new employees. In total, there are now 429 full time employees working at Daiwa House Modular Europe. The further expansion and retention of staff is currently especially difficult due to an increasing shortage of talent in our markets.

There has also been a shift in recent years, in which permanent staff have been replaced with a flexible workforce. These may be people on a temporary contract, interim workers, freelancers, and self-employed persons.



“We are committed to safety and well-being of our people and foster diversity. Through training and education our people can develop their talents and generate more work satisfaction. Collectively we improve the product every day.”

Safe & engaging people



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 to our people and create incomes for their families.



“With standardised design and industrialised production methods we develop, construct and deliver innovative modular houses, at the time and place needed (whenever, wherever). We are thus a partner for constantly changing societal needs.”

Flexible and efficient solutions



Through sustainable living we have impact on cities and communities. We provide people sustainable homes and create secure, healthy and social environments.



Focus on material topics

- Good employment practices
- Working safely
- Social developments



“You can have the best strategy and the best workplace in the world, but if you want that to come alive, you need to capture the hearts and minds of your employees.”

– Liane van Leeuwen,
Head of HR

The Dutch government is looking for new rules to reduce the differences between permanent and flexible workforces and to ensure better legal protection for flexible workers. Good working conditions and our 'Endless Heart' culture, in which we strive for harmony with people and society, also with an eye to the future, are essential for Daiwa House Modular Europe. We are actively looking for opportunities in the labour market to reach our future employees through effective campaigns, events, collaboration with schools and word of mouth.

To further support our growth, we increasingly need to automate our HR processes. Automation streamlines and simplifies HR processes such as payroll, talent acquisition, performance management, development and training, and time tracking. Automation also helps reporting at international level and within the various divisions. Our main achievements in 2021 were a stable employee engagement score, further expanding our workforce, automating and harmonising our international HR processes and systems and reducing our absenteeism scores.



 Roadmap Social

	2021	2025	2030	2050
Being a good employer	- Absenteeism 4.4	- Absenteeism rate < 4		
	- Employee engagement 7.2	- Employee engagement > 8.5		
	Diversity & inclusion - 7.1% women in management positions	Diversity & inclusion - 15% women in management positions	Diversity & inclusion - 30% women in management positions	Diversity & inclusion - 50% women in management positions
Working safely	- Safety Culture Ladder level 2	- Safety Culture Ladder level 4	- Safety Culture Ladder level 5	- Safety Culture Ladder level 5
	- 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) 13.11	- 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) <2	- 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) <1	- 0 fatal accidents and accidents with lasting injuries - IF (Injury Frequency) <0.5
Social development	- 331 apartments - 154 earthquake resistant homes - Covid pandemic: 110 projects – 22 projects related to refugees	Continuously contribute to solving the housing shortage		

3.1 Being a good employer

Employee engagement

In an environment of constant, rapid change, it is vital to stay connected and engaged with our employees by continually checking in with them and listening to them. Employee engagement and improving the experience of our people are critical to the success of our strategy. Our annual employee engagement surveys provide us with more insight and help us to understand how we can further improve engagement with our employees. Our current score is 7.2, and we are striving to achieve a score of 8.5 in the years to come. As Daiwa House Modular Europe experiences rapid growth and is in transition from a small family business to an international organisation, we see this reflected in our employee engagement results. Overall, we score highly on our safety and behaviour and see that our employees are fully engaged. As part of our transformation to an international organisation, we also realise that together with our board of directors, we need to strengthen our communication to our employees to keep them informed of our strategic choices and demonstrate that we are following up on actions required as a result of the employee engagement survey. Other examples on how we aim to improve communication is through Town Hall events, Management Team reports and through the Daiwa House Modular Europe app we have implemented. The app enables our employees to stay informed of diverse topics such as news, our mission, vision and strategy, updates on successful implementation of various projects, events and tips on how to live a healthier life. The app is now also available for our English and German colleagues.

“Employee engagement provides us with valuable insights for continuously improving the experience of our people.”



Employee vitality

Daiwa House Modular Europe continues to offer our employees opportunities to grow. That is why we encourage extra training opportunities and offer competitive working conditions. The physical and mental health of our employees is our priority. To promote a healthy lifestyle for our employees we offer fruit baskets in all our canteens in Europe every day with plenty of healthy choices. In addition, we share inspiration and tips to live healthier lives via push notifications in our app. We also offer bicycle plans, and our employees will have the possibility to exercise and relax at our workspaces. For instance, we provide dart boards, table tennis tables, soccer goals and bootcamps on location. These facilities vary depending on the location.



Diversity & inclusion

Daiwa House Modular Europe is dedicated to encouraging a supportive and inclusive culture throughout its workforce. It is in our best interest to promote diversity and eliminate discrimination in the workplace. Our aim is to ensure that all employees and job applicants are given equal opportunity and that our organisation is representative of all sections of society. Each employee will be respected and valued and able to give their best as a result. This policy reinforces our commitment to providing equality and fairness to all in our employment and not provide less favourable facilities or treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, or sex and sexual orientation. All employees, no matter whether they are part-time, full-time, or temporary, will be treated fairly and with respect. When we select candidates for employment, promotion, training, or any other benefit, it will be on the basis of their aptitude and ability. All employees will be given help and encouragement to develop their full potential and utilise their unique talents. Therefore, the skills and resources of our organisation will be fully utilised, and we will maximise the efficiency of our whole workforce.

Our policies

We have multiple policies in place to ensure we meet our objectives for our employees. Our most important policies relate to training and development, health and safety, working time, reduced and flexible working hours, maternity and parental leave, access to social security, diversity and inclusion, social return, slavery and human trafficking, privacy and engaging with our employees.

Training & development

Given the ambitions of Daiwa House Modular Europe, it is important to ensure that our employees continuously develop. Training and development are part of everybody's job. By means of education, training, and coaching. Daiwa House Modular Europe will offer all employees access to an online learning platform. Employees have unlimited development opportunities with a large and diverse range of training courses and workshops.

Diversity & inclusion

At Daiwa House Modular Europe, we believe it is of crucial importance that every employee in our organisation feels (emotionally) safe and is treated with respect. It is important to us that there is no discrimination whatsoever within our organisation, whether on grounds of someone's origin, gender, skin colour, sexual orientation, age, religion, disability or chronic illness. In addition to integrity, respect and understanding, we strive for an atmosphere of collegiality and open communication:

- Be considerate of each other;
- Behave honestly and respectfully towards others;
- Comply with the agreements;
- Listen to each other;
- Share your knowledge and information.

Maternity & parental leave

Maternity / paternity leave is for 5 days. This is in addition to the official leave regulations as defined in each country. In the Netherlands, pregnant employees are entitled to 6 weeks' pregnancy leave (before the due date) and at least 10 weeks' maternity leave (after childbirth). Each pregnant employee is entitled to at least 16 weeks of paid leave.

Access to social security

Daiwa House Modular Europe has taken out collective health insurance, which includes a discount for the employee and, if applicable, their family. We also offer collective accident insurance and a pension scheme for all employees. Participation is mandatory. Besides this, Daiwa House Modular Europe has taken out group WIA gap insurance (social security benefit due to sickness or disability). Participation is mandatory and at the employee's expense. The benefit comes into payment after 2 years of sick leave.

Inappropriate behaviour

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. We value a safe and healthy working environment, in which it is of crucial importance that every employee in our organisation feels safe and is treated with respect. It is important to us that there is no discrimination whatsoever within our organisation, whether on grounds of someone's origin, gender, skin colour, sexual orientation, age, religion, disability, or chronic illness.

In addition to integrity, respect and understanding, we strive for an atmosphere of collegiality and open communication.

Inappropriate behaviour at work is a persistent problem in our society. This can have profound consequences not only for the employee who is forced to undergo this, but also for any bystanders and the employer. Decisive and carefully considered action is of paramount importance. An approach intended to raise awareness of inappropriate behaviour works best, because this reduces the chance of official complaints being reported.

Daiwa House Modular Europe has developed a policy which aims to help employees who are confronted with inappropriate behaviour, the perpetrators of such behaviour and bystanders, and help managers identify and acknowledge inappropriate behaviour and give them tools for dealing with it. The policy defines what inappropriate behaviour is, how employees can identify it, what the consequences are, and what employees can do about it and how to report any incidents. Several confidential counsellors have been appointed within the organisation that employees can turn to if they need to report inappropriate behaviour.

Social Return

Social Return is the creation of sustainable employment for people distanced from the labour market. Anyone who is outside the regular employment process for more than 3 months belongs to this group, as well as other people distanced from the labour market. Daiwa House Modular Europe works together with organisations such as UWV, Fermwerk, Promen and the municipalities. Together with these organisations, we are searching for opportunities to employ people from this group. Job carving or job sharing may be considered when employing people distanced from the labour market. People are trained within Daiwa House Modular Europe to guarantee the right guidance and support.

Privacy at work

Daiwa House Modular Europe aims to meet the requirements of the General Data Protection Regulation (GDPR) and we believe that it is important to provide our employees with information about data privacy at work. Daiwa House Modular Europe has accordingly prepared a privacy statement for all employees that explains the legal grounds on which we are permitted to process personal data, our obligation to provide data, the data that we process and the rights of all employees under the GDPR. The security of personal data is particularly important. Therefore, all data is well protected through the physical, administrative, organisational, and technical measures we have put in place. We can assure our employees that we have an appropriate level of protection, which is laid down in our security protocol, along with the process on how to report a breach of privacy.

Slavery & human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. This stance is in line with our Business Ethics policy. We have zero tolerance for slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we require our suppliers and subcontractors to adhere to our Supplier Code of Conduct.

Our processes for engaging with our own workers

Daiwa House Modular Europe has diverse channels set up which enable employees to raise concerns. Depending on the concern, employees can follow for instance the whistle-blower policy, Anti-Bribery & Corruption policy, and other channels such as employee engagement surveys to ensure concerns are raised to the right designated persons. Our employees are made aware of all these channels, with active communication to ensure that they are easy to find. Confidential counsellors have been appointed and trained at all branches and at all levels.



Our actions to achieve our targets

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

Area	Action
Good employer	<ul style="list-style-type: none"> - Focus on improving our communication, onboarding with new employees, and training and development - Make diversity & inclusion, vitality, safety, and sustainability part of our company DNA and make it visible to all employees - Reduce our absenteeism rate to <4%
	<p>Diversity & inclusion:</p> <ul style="list-style-type: none"> - Focus corporate recruitment on women in construction, people with disabilities, higher educated staff, status holders - Collaboration with schools, universities, municipalities
	<p>Training & development:</p> <ul style="list-style-type: none"> - Implement new HR Module and online study platform offering unlimited training and development opportunities for our employees



De Wever, Boshuis
Tilburg



128
Care residences

9,500m²
Floor surface

This care complex was built for senior care organization De Wever. The complex, named Boshuis, offers accommodation to residents from different housing target groups. The design of the building takes into account the wooded area just outside Tilburg. The care complex therefore complements the green and brown hues of the surroundings.

Performance measurements

At Daiwa House Modular Europe we think it is important to monitor our performance with respect to the wellbeing of our employees. For this reason, we have identified several indicators that are included in our management dashboards and discussed on a regular basis. If deemed necessary, we act on topics where we feel improvements should be made.

Our employees

In 2021 we employed 429 full time employees, 11% of whom are female, 82% are permanent employees, and 92% are full-time employees. The average age of our employees is 46 years. In addition to our own employees, Daiwa House Modular Europe also employs workers via employment agencies. The number of workers from employment agencies in 2021 was 255.

Information on employees by gender (FTE)

	FY2019			FY2020			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees	26	305	331	36	348	384	47	382	429
Number of permanent employees	18	258	276	27	285	313	35	317	351
Number of temporary employees	8	46	54	9	62	71	12	66	78
Number of full-time employees	18	290	309	20	293	313	29	363	391
Number of part-time employees	8	14	22	16	55	70	18	20	38
Number of workers via employment agencies			108			133			255

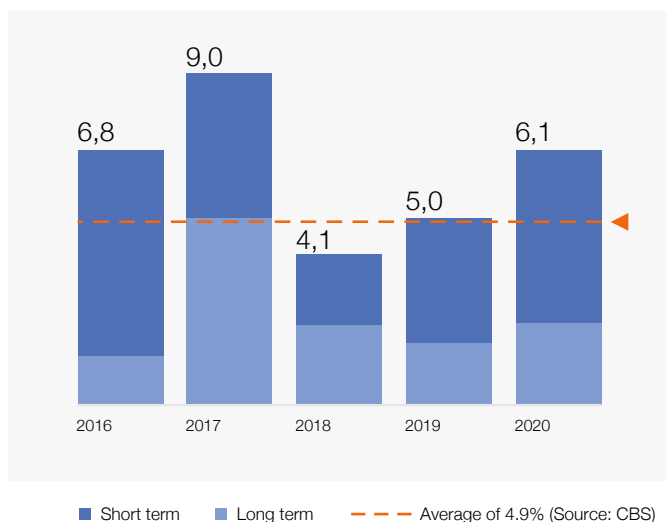
Information on employees by entity/country (FTE)

	FY2019			FY2020			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Daiwa House Modular Europe Jan Snel BV - NL	13	189	202	20	221	241	28	258	286
Jan Snel Zuid BV - NL	7	70	76	5	72	77	5	66	71
Jan Snel Belgium NV - BE	1	12	14	1	11	12	1	10	11
Daiwa House Modular Europe Ltd - UK	0	0	0	1	4	5	3	6	9
Daiwa House Modular Europe GmbH - DE	0	0	0	3	1	4	4	5	8
Medexs - NL	6	33	39	6	39	45	6	37	44

Absenteeism

In 2021, we reduced average absenteeism from 6.12% to 4.42% which is a great development, and also lower than the construction industry average of 4.9% (source CBS). We will continue to further decrease our absenteeism by: 1) prevention, 2) involvement of managers with sick employees, by staying in close contact with them and taking action quickly, and 3) offering coaching/guidance for sick employees (including from the company doctor, health and work adviser (monthly office hours on site) and external coaches).

Absenteeism in %	2019	2020	2021
Average absenteeism (excl Medexs %)	5.40%	6.12%	4.42%
Daiwa House Modular Europe Jan Snel BV	4.78%	5.06%	4.05%
Jan Snel Zuid BV	5.94%	9.85%	6.56%
Jan Snel Belgium NV		2.11%	5.03%
Daiwa House Modular Europe GmbH		0.75%	1.55%
Daiwa House Modular Europe Ltd		0.00%	0.29%
Medexs			7.00%



Working hours

Daiwa House Modular Europe is a project-driven organisation. Office employees work overtime from time to time if required during certain project stages. Production employees also work overtime in the factory, always in good consultation with their managers, and they are compensated for this at a special overtime rate.

In cases where working overtime becomes too frequent for certain employees, the manager responsible will engage with the employee and discuss the situation to protect the employee from any possible consequences with regard to their vitality.

Employee engagement survey

Overall, we scored 7.2 in our 2021 employee engagement survey, slightly lower than last year and not yet reaching our target of 8.5. The highest score was for safety and behaviour, with an average score of 8.0. Employees feel engaged with the organisation, and our score on this was 7.8. With an average score of 6.2, employees feel least satisfied about management and organisation, closely followed by communication. In our deep dive we found that this is closely related to the rapid growth of our organisation and the transformation from a small family business to an internationally operating business. Appropriate action has been taken to follow up on the concerns.

	2019	2020	2021
Work content & development	7.1	7	6.9
Communication	6.4	6.4	6.4
Safety & behaviour	7.1	7.9	8.0
Terms of employment & circumstances	7.1	7.1	7.1
Managers	7.1	7.2	7.1
Board & organisation	6.2	6.7	6.2
Workload	6.6	6.6	6.6
Collaboration	6.9	7.0	6.9
Engagement	7.4	7.8	7.8
Enthusiasm		6.9	6.6
Total	7.3	7.5	7.2

Other social disclosures

Training & Skills Development indicator

100% of our own workers participated in regular performance and career development reviews.

Fair remuneration

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

Social security eligibility coverage

All employees have mandatory covered for social security in line with European law.

Number of work-related discrimination incidents

Daiwa House Modular Europe reported 0 work-related discrimination incidents.

Persons with disabilities in own workforce

At Daiwa House Modular Europe we strive to employ persons with disabilities in our workforce. However, we are not able to collect this data due to privacy regulations and therefore cannot disclose any information.

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

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

All our employees are included in a collective employment agreement or comparable own employment conditions regulation.

Work stoppages

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

Social dialogue

At Daiwa House Modular Europe 0% of its own workforce is represented at the establishment level by workers' representatives such as a Works Council.

Severe human rights issues

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

The right to privacy at work for its own workforce

The procedures in place to secure and monitor data privacy rules are described in the data privacy policy. There were no breaches reported and resolved during the reporting period.

“Training is crucial to grow the knowledge base and to create a more efficient organisation.”



3.2 Working safely

At Daiwa House Modular Europe, safety is at the forefront of our profession. For us, safety is something we realise together. Safe working is essential, especially in our sector. Because no matter how beautiful the results of our projects may be, building comes with risks. The key is to be aware of these risks. This is why Daiwa House Modular Europe chooses to put awareness and commitment first. This is how we build an organisation where safety is woven into the DNA of our people. At both our project and production sites, and our offices. The HSE department has an important role to play here, ensuring that safety is and remains top-of-mind for everyone, working with project teams to ensure proper compliance with all regulations and requirements for safety, labour, and the environment. We are committed to continuous improvement and are always actively seeking feedback from our employees. This is how we learn from experience and eliminate risk. Safety is always paramount.

Safety culture

Safety culture is the organisational culture with respect to safety. It is seen as how the organisation deals with safety. A good safety culture is often described as a situation in which the entire organisation - from employees to managers – is aware of the importance of safety in the organisation and gives this the highest priority. There is an attitude in the organisation that can be described as: “we work safely, or we do not work”. In other words, the highest level (step five) of the Heart & Minds model. Better known as: the Safety Culture Ladder.

At Daiwa House Modular Europe we work with the Safety Culture Ladder (SCL) which is an assessment method for measuring safety awareness and conscious safe action (culture & behaviour) in companies. The emphasis is on the safety culture. The SCL is intended as a measure to encourage companies and their suppliers to consciously work safely. The higher the safety awareness in an organisation, the higher the assigned ladder step. Daiwa House Modular Europe has achieved level 2 (and we hope to achieve level 3 in 2022) of the Safety Culture Ladder.



“Safety first! We need everyone’s cooperation to create a safe working environment. Safety is a joint responsibility.”

– Edwin van Duivendijk,
Head of 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.

We have defined the following 7 Behavioural rules: We believe in Safety First

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

Safety Culture Ladder

1. Pathological

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

2. Reactive

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

3. Calculative

We have systems in place to manage incidents.

4. Proactive

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

5. Progressive

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



Our Health & Safety policy

The directors and staff of Daiwa House Modular Europe regard safety as an extremely important priority for the company. We are committed, through strong leadership and engagement with the workforce, to create 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 practices should be always complied with. To achieve these aims we 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 & Safety. No punitive action will be taken against any worker who raises a health & 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);
- Provide an occupational health strategy to support industry best practice;
- Promote and encourage mutual respect for people involved in our work activities and in the communities in which we work;
- Facilitate the sharing of knowledge and lessons learned, both internally and externally.

The company has appointed a director to represent health and safety, who will ensure the provision of an effective organisation and arrangements for the implementation of this policy. Every employee has an obligation to take reasonable care for their own safety and the safety of other people who may be affected by their acts or omissions. They are also obliged to cooperate with their employer in respect of matters concerning health and safety. The involvement and cooperation of employees at all levels is essential for effective implementation of this policy.

Each year the company will establish objectives and monitor performance against these previously established objectives. We will also publish results, with the intent of achieving year-on-year improvement.



Our actions to achieve our targets

The following actions have been identified to increase health & safety within our organisation. Resources and budgets have been allocated for each action, ensuring successful implementation. We highlight a few actions in more detail below.

Area	Action
Safety	<ul style="list-style-type: none"> - Certify for the Safety Culture Ladder level 3 in the medium term (2022) and to level 4 in the long term (2025) - Certify for the ISO45001 - Communicate, embed, and enforce the 7 Behavioural rules (see page 44) - Implement safety awareness sessions for all the (operational) management - Implement Safety campaign 'Safety First' - Implement Safety signs and walkways for all employees and visitors and a 0-accident days counting board at the entrance - IF rate <4

Proactive safety culture

We are currently working on internal campaigns to further increase awareness of safety among employees and address behaviour at the same time. We draw the attention of staff to their various responsibilities in an accessible way. Everyone contributes to overall safety on the construction site and in the factory. Therefore, everyone must also actively take responsibility to ensure that we can continue to work safely. For example, small groups periodically meet with safety experts to learn more about the best ways to proceed. All executives have followed a safety awareness workshop for 2 days.

Continuous improvement on safety

We continue to encourage safety. There is always room for improvement. For this reason, we are taking a range of measures. For example, we hold meetings with our employees to discuss aspects of safety that we encounter daily. The QHSE (Quality, Health & Safety and Environment) department takes care of risk management in projects and carries out checks. Of course, our management and direct supervisors also take responsibility. Examples of how we ensure continuous improvement on safety are given below.

- **General safety instructions:** when commencing employment, every new employee, regardless of function, will receive safety instructions explaining the safety rules that apply at DHME.
- **Toolbox meetings:** toolbox meetings are held on a monthly basis. A toolbox meeting is a short meeting (15 - 30 minutes) at which a topic in the field of safety, health and environment is discussed. Employees can also suggest topics for these meetings. After a toolbox meeting, you sign off on the appropriate registration form to register your attendance. Safety alerts are also handled as a toolbox.
- **Safety Alerts:** the purpose of a Safety Alert is to inform employees, by means of a short announcement/notification/warning/information, about certain safety topics. To ensure that the Safety Alert comes to the attention of every employee, it is also treated as a toolbox.
- **Workplace Inspections:** at least once a month, workplace inspections are conducted on projects and in the factory halls. This is done by operational managers (department leader/team leader/project leader) and/or the management. By means of a checklist, a particular department or work area is inspected for safety, health, and environmental aspects. Not only is technical safety examined, but also human (safety) behaviour such as compliance with regulations and the use of personal protective equipment.

- **Observation of (un)safe behaviour:** The observation programme involves periodic observations by the HSE department (both in production and at project sites) of what is going well and what could be improved in terms of safety behaviour. The observations are discussed directly with the employees concerned. Results are analysed periodically, and this analysis leads to an improvement programme to be implemented.
- **Kick-off meeting/starting work meeting:** The project leader/supervisor discusses the specific risks associated with the project with the employees before the project work begins. The type of project, the method of working, the specific HSE risks and the personal protective equipment to be used are discussed. Every employee present, including subcontractors, must sign off on the kick-off meeting.
- **Last Minute Risk Analyse:** LMRA is a brief risk analysis (a final check) performed before starting work. The purpose is that before starting work, the risks present are considered, eliminated or made acceptable. Performing an LMRA takes no more than one minute. A pass is used to carry out an LMRA. This pass will be issued when you enter service, and you should always carry it with you.

“At Daiwa House Modular Europe we think it is important to monitor our performance with respect to the health & safety of our employees.”

At Daiwa House Modular Europe we think it is important to monitor our performance with respect to the health & safety of our employees. For that reason, we identified several indicators that are included in our management dashboards and discussed on a regular basis. If deemed necessary, we act on topics where we feel improvements should be made.

Main achievements 2021

Performance measurements

Technical developments for safer work

For our project in Bochum (Germany) we developed an edge protection which we were able to install on the module. This prevents the risk of falling from a height. In 2022, we want to develop this system further so that it can also be used for other projects.



Automatic lifting frame

We introduced the automatic lifting frame. The purpose of the lifting frame is to be able to move units from and onto the truck safely and quickly, without having to enter the roof to connect or disconnect the lifting equipment.



Coverage of the health and safety management system

We record reports in the LeanBMS quality and safety management system. The system immediately notifies the responsible people. This allows Daiwa House Modular Europe to take immediate action on unsafe situations and ensures high employee engagement. For all certifications, see the list of certifications on [page 51](#). At Daiwa House Modular Europe, all our own workers are covered by our health and safety management system.

Accident statistics

We are getting an ever better understanding of accidents and safety issues. This allows us to better determine how to minimise the risk of an accident. To draw the right conclusions, the figures must be reliable and complete. We have accordingly done a great deal of work in the past year to improve our safety figures and make them comprehensive. Our online registration in our quality management system LeanBMS will therefore also be improved in 2022.

	2019				2020				2021			
	Montfoort	Eemshaven	Hulst en Sint Niklaas	Total	Montfoort	Eemshaven	Hulst en Sint Niklaas	Total	Montfoort	Eemshaven	Hulst en Sint Niklaas	Total
Fatal incident (FA)	0	0	0	0	0	0	0	0	0	0	0	0
Lost Time Injury (LTI) >1 <15 lost time days	2	1	0	3	0	0	0	0	2	1	0	3
Lost Time Injury (LTI) >15 lost time days	0	0	1	1	1	0	1	2	7	0	1	8
Restricted Work Case (RWC)	0	1	0	1	2	0	0	2	3	0	2	5
Medical Treatment Case (MTC)	0	1	0	1	5	2	3	10	16	2	5	23
First Aid Case (FAC)	15	5	2	22	8	3	2	13	13	6	4	23
Accident with material damage only	4	1	3	8	7	2	7	16	6	1	12	19
Near miss accidents	8	2	2	12	4	6	1	11	10	4	5	19
Unsafe situations	39	16	9	64	83	18	53	154	190	57	98	345
Unsafe acts	27	5	2	34	55	12	31	98	134	30	55	219
Fire Cases	1	2	0	3	0	0	1	1	1	0	1	2
Injury Frequency (IF)	5,44	16,23	4,47	4,78	2,90	0	6,52	3,54	15,63	10,95	5,82	13,11
Lost Time Injury Rate (LTIR)	1,28	3,25	1,06	1,13	0,58	0	1,30	0,71	3,13	2,19	1,16	2,62

We express our safety performance in terms of the KPI ‘accident frequency’, also known as the IF rate. This shows the number of accidents with absence from work per 1 million hours worked. Our 2021 target is an IF rate of < 4.0. 11 accidents involving absence from work occurred in 2021, giving an IF rate of 13.11. The number of accidents with absence has never been so high. The reasons for this exceptional increase in accidents has to do with the fact that the organisation experienced very rapid growth in 2021. Many new temporary employees started in production in 2021.

At Daiwa House Modular Europe we also work with a risk assessment. For all incidents (including unsafe actions/situations and near-misses) we defined the top 5 risk-based topics. We also define the top 5 risk factors as well as the top 5 most common attitude and behaviour causes. The results of our risk assessment are shown in the table below.

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

3.3 Social developments

As the largest modular builder in Europe, our ambition is to have a positive impact with our modular constructions on social developments such as shortages in the housing market, the Covid 19 pandemic, the refugee situation in Europe and the earthquake-affected area in the northern part of the Netherlands.

Various social developments are taking place at the same time. Firstly, demand for housing continues to be high and pressure on the housing market has only increased over the past years. Due to increasing demand from, for example, first-time buyers and social tenants, traditional construction is no longer sufficient. Secondly, the COVID-19 pandemic continued to impact our lives and the number of refugees is increasing. There is huge demand for flexible and efficient solutions. In the Netherlands specifically, the earthquake zones in Groningen continue to lead to unsafe housing situations. The increased seismic activity is due to the natural gas extraction operations in Groningen. This has been the case for years, and is likely to continue. Finally, it has become extremely clear how dependent the construction sector is regarding the nitrogen issue. Daiwa House Modular Europe can positively impact these developments with its modular buildings.



Impact on social developments

Housing in general

Overall we delivered 331 apartments in Europe in 2021.

Earthquake-resistant homes

In the Netherlands we constructed 154 earthquake-resistant homes in the Dutch province of Groningen.

Covid

Daiwa House Modular Europe worked on approximately 110 projects during the covid pandemic in 2021, including testing locations, vaccination locations and offices enabling employees to work while maintaining personal distancing.

Refugees

Due to the limited housing available for refugees, Daiwa House Modular Europe worked on 22 projects in 2021. As demand has increased, we note that we have already worked on 140 projects addressing the need for more housing solutions for refugees in 2022.

Accelerated housing for emergency seekers in Wonen at LARS and LILY in Lelystad

For the housing of emergency seekers in the Lelystad region, including people who are divorced, young people, labor migrants and status holders, the municipality of Lelystad and housing corporation Centrada experimented with almost ready-made homes from the factory from Daiwa House Modular Europe. And with success: the accelerated realization of the transfer location Living at LARS offers housing to 150 households from this target group. The construction of the second location is expected to be completed this year. "There were hesitations in the beginning, but we would do it again in a heartbeat," says Martine Visser, director-director of housing corporation Centrada.



Earthquake-resistant homes

If residents cannot live at home during the reinforcement or new construction of their home due to unsafe housing conditions in the earthquake region, NCG (Nationaal Coördinator Groningen) offers temporary housing. This temporary houses are built by Daiwa House Modular Europe and are places close to the owners home. This ensures that everyone lives safely during the work on the house, at no extra cost. Homeowners can – for a fee – also arrange temporary housing themselves. In some cases, entrepreneurs can make use of temporary housing for companies.



Housing for refugees

Asylum Seekers' Centre (AZC): The AZC in Harderwijk was realized in 10 weeks. Here, 500 modules were built that can accommodate 600 people. AZC Beerta is made up of 800 modules in 16 weeks and provides living space for 1000 people. AZC Beverwaard in Rotterdam was realized with 500 modules in just 10 weeks. 600 people can stay here.



Solutions during COVID

During the covid pandemic, Jan Snel supplied many mobile units that were used as test units, vaccination rooms and mobile laboratories. But also, as a chatbox at elderly homes. The fast and flexible deployment of modular units is a solution for many circumstances.



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 GmbH	DHME Ltd	Jan Snel Zuid BV	Jan Snel Belgium NV	DHME Medex Holding BV	G&A Interieur BV	
ISO9001:2015	Quality management	16-12-2023	The design, sale, rent, manufacture, assembly, disassembly, installation and relocation of flexible building systems. Transport, storage and transfer of ferrous and non-ferrous metals and flexible building systems.	X	X	X			X	X			
		16-12-2023	Steel construction works for flexible building systems				X	X					
		24-04-2024	The offering of total solutions for the finishing and fixtures of operating theatres, cleanrooms, sanitary cells, laboratories, pharmacies, care institutions and other classified (clean) rooms									X	X
EN1090-1:2009 / A1:2011 Exc 2	CE certification steel construction	n/a	Steel construction components, intended for use in flexible building systems, Execution class 2, within the areas of validity stated in the Certificate Appendix	X	X								
ISO3834-2:2005	FPC Welding Production	20-07-2026	Steel construction works for flexible building systems		X								
ISO14001:2015	Environmental management	13-12-2022	The design, sale, rent, manufacture, assembly, disassembly, installation and relocation of flexible building systems. Transport, storage and transfer of ferrous and non-ferrous metals and flexible building systems.	X	X	X			X	X			
		13-12-2022	Sale and rental of flexible building systems				X	X					
CO ₂ Performance Ladder level 4	Sustainability/ environment	10-06-2024	The design, sale, rent, manufacture, assembly, disassembly, installation and relocation of flexible building systems. Transport, storage and transfer of ferrous and non-ferrous metals and flexible building systems.	X	X	X	X	X	X	X	X	X	
STIP Certification	Sustainability/ environment	n/a	Procurement of sustainable timber		X								
VCA** 2017/6.0	Safety management	28-01-2024	The performance of manufacturing and installation works for high care rooms in the healthcare industry, including operating theatres, cleanrooms, sanitary cells, laboratories, pharmacies, care institutions and classified (clean) rooms. NACE codes 34.99 and 43.39								X		
		16-12-2023	The manufacture, assembly, disassembly, installation and relocation of flexible building systems. NACE Rev.2: 41.2	X	X	X			X	X			
VCA 2017/6.0 Petrochemicals	Safety management	16-12-2023	The manufacture, assembly, disassembly, installation and relocation of flexible building systems in the petrochemicals industry. NACE Rev.2: 41.2	X	X	X			X	X			
Safety Culture Ladder level 2	Safety management	17-08-2023	The design, sale, rent, manufacture, transport, assembly, disassembly, installation and relocation of flexible building systems	X	X	X			X	X			

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. The ISO 14001 has many advantages, such as a structure for continuous improvement of the environmental performance.

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, or SCC for short, 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. 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. Without any adjustments at all, we achieved certification level 2. We see this as the ideal baseline measurement, because our score can only increase from this point. Now we will show whether we can also change this within a year. With the help of behavioural sessions, appropriate rules and shared responsibility, We hope to achieve Level 3 in 2022

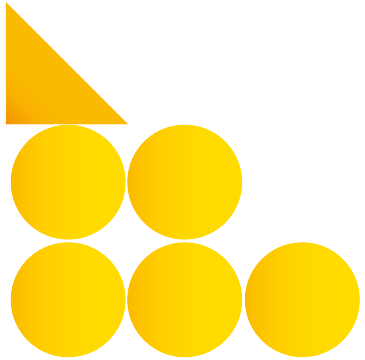
CO₂ Performance Ladder

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

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.





4. Governance

Governance, risk management
and internal control

Business conduct culture



4. Governance

Good governance will improve the performance of our business and unlock new opportunities to create value for all our stakeholders



“Sustainable growth benefits shareholder- and stakeholder value. Excellent manufacturing is the basis for continuity of our company. We are trusted partner providing stable employment and sustainable housing for local communities.”

Solid performance



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 to >400 people and create incomes for their families.



Focus on material topics

- Customer satisfaction
- Business Ethics
- Solid financial performance



“ESG is an integral part of our strategy today to create a more sustainable future. We are excited to transparently share our sustainable journey that continuously evolves with our business and the world around us. We are convinced that there are still many more opportunities and are eager to seek them all.”

– Richard Brinkman,
CFO

4.1 Governance, risk management and internal control

Corporate governance at Daiwa House Modular Europe encompasses the full set of principles and rules on organisation, conduct and transparency that are designed to protect the company's long-term interests and to ensure we reach our sustainability targets. Our aim is to strike a careful balance between management and control.

ESG is a fundamental part of our business strategy. Its governance encompasses robust oversight. At Daiwa House Modular Europe, the CEO is accountable and responsible for leading and managing the company-wide ESG strategy and its implementation, with oversight from the Supervisory Board. This leadership helps ensure that we remain committed to reducing our environmental impact and that we are an economically sustainable and socially responsible business. This includes setting long-term ESG targets and supporting the necessary investment in capital, systems, and personnel; assessing and responding to operational risks and regulatory developments related to sustainability; conducting regular reviews of our ESG performance; and engaging with stakeholders on sustainability risks and opportunities. Our Supervisory Board provides the necessary leadership and strategic counsel to propagate the principles of good corporate governance across the entire organisation and oversees that the decisions and actions taken by Daiwa House Modular Europe are based on integrity, responsibility, and transparency. Our CEO is supported by a Sustainability team consisting of 3 people, by the HR team consisting of 8 people and the Quality & Safety team consisting of 10 people. These teams work on defining, refining, and driving the implementation of strategy across the business. They also track performance and respond accordingly.

Governance structure and composition

Daiwa House Modular Europe has a two-tier board structure consisting of a Board of Directors and a Supervisory Board. The Board of Directors is entrusted with the management of the company and the Supervisory Board supervises the policies, management and general affairs of Daiwa House Modular Europe, and assists the Board of Directors with advice on general policies related to the activities of the company. The Supervisory Board meets 6 times a year. Meetings are attended by the Board of Directors members and the members of the Supervisory Board. The Board of Directors meets 12 times a year. All board members attend these meetings.

Board of Directors



Harry van Zandwijk



Richard Brinkman



Michael Koerts



Maurice Verkerk



Atsushi J. Uemura

Name	Date of birth	Nationality	Function	Year of appointment
Harry van Zandwijk	16-12-1961	Dutch	CEO	11-7-2016
Richard Brinkman	04-03-1969	Dutch	CFO	01-02-2017
Michael Koerts	06-04-1971	Dutch	CPO	10-04-2017
Maurice Verkerk	09-05-1978	Dutch	COO	01-03-2022
Atsushi J. Uemura	17-12-1971	Japanese	Director	08-01-2021

Supervisory Board

Name	Date of birth	Nationality	Year of appointment
Peter Zwart	26-03-1954	Dutch	11-07-2016
Nobuya Ichiki	23-06-1956	Japanese	08-01-2021
Eiichi Shibata	10-02-1961	Japanese	08-01-2021
Hideto Arai	23-07-1963	Japanese	08-01-2021
Harry van de Kraats	10-05-1966	Dutch	05-02-2021

Risk management processes

At Daiwa House Modular Europe, risk management is an integral part of doing business and decision-making, not only for safeguarding the business and assets of the company but also for securing long-term performance and value creation. The Risk and Control Framework consists of various formal procedural and organisational measures that are applied throughout the company.

The culture in which ownership plays an important role also contributes significantly to the management of risks. In addition, Jan Snel uses various control mechanisms, including the planning and control cycle, monitoring, reviews and reporting, which are anchored in the organisation.

Risk and control framework Daiwa House Modular Europe

Risk

Key risk	1	2	3
1. Strategic	Economic downturn	Price Risk	New technology
2. Market	Availability of labour	Availability of building locations	Building rules & green economy
3. Operational	Project Risk	Safety, Health & Environment	Order pipeline
4. Financial	Liquidity	Healthy financial performance	Availability of cash for growth plans
5. Legal	Compliance/legal affairs	Healthy financial performance	Partnerships and legal contracts

3. Rules & regulations	Pricing & calculation module	Uniform ERP system	SHA, authorisation matrix
4. Plan & control cycles	Weekly report (Liquidity, Sales, Utilisation)	Monthly reporting (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

Risk Management

Key aspects	1	2	3
1. Culture	Open & transparent	Direct/short reporting lines to Board	Clear purpose & strategy
2. Processes and systems	Uniform processes & systems	Training of & communication to employees	Segregation of duties

Key External reviews/ audits	Who	What	Frequency
1. Financial audit	EY	Annual report, internal controls	1 P/A
2. Fiscal review	BDO	VAT, corporate income tax	1 P/A
3. Certifications	DNVGL	ISO 90001 & 14001, ISO3834, SCC, SCL, CO ₂ etc.	1 P/A
4. IT system	3 Angles	IT/SAP system	1 P/A

Organisation

The management determines Daiwa House Modular Europe's strategy and associated risk appetite. We have a structure in which the business flows are centrally organised with short lines of communication to the management. The management manages the heads of all operating companies and the staff departments are centrally managed from the head office in Montfort. Information exchange thus takes place in a fast and efficient manner.

Culture

Daiwa House Modular Europe believes that the culture of the organisation is an important factor in managing risks. Because of the inherent risks, projects have a certain degree of unpredictability that cannot be overcome with guidelines and procedures alone. These require a certain degree of flexibility and an open and actionable culture that shows sufficient ownership to solve common problems. Exemplary behaviour from the Board and management is crucial here, as is calling each other to account for non-compliance with agreements, as well as noting positive developments.

Internal guidelines and procedures

The LeanBMS business process system describes primary and secondary processes of the construction activities, including risk management systems with the help of which the project-related risks are identified and controlled. This promotes uniformity of processes throughout the group. The company-wide, SAP-based ERP platform increasingly contributes to uniformity. Procedures have been set up around the tender process to ensure that no projects with irresponsible risks are accepted.

Added value

Daiwa House Modular Europe distinguishes itself by coming up with solutions together with partners at an early stage in the design process and by realising and maintaining them based on the integration of knowledge and skills. By controlling risks and costs, Daiwa House Modular Europe creates added value for customers and users. We combine knowledge and creativity into innovative products and concepts that are widely applicable. We realise added value through active chain management; we work together with partners and make use of the various capital flows in the chain. We increasingly use "LEAN" techniques, with central and unambiguous processes and systems. The business model is in line with customer demand for integrated solutions in which design and engineering, realisation, maintenance and management come together. By using and combining all the necessary expertise, added value is created for customers.

Planning and control cycle

The management consults on a periodic basis. In these consultations, period (4-weekly) and quarterly reports are used to check, among other things, the development of relevant markets, financial affairs in relation to budget, financial and operational progress of projects and safety. There are also separate periodic project reviews with the Finance department for projects in progress that are attended by the relevant project management.

Audits and control

Compliance with all laws and regulations and compliance with the certifications within the company are registered and guaranteed in the areas of financial, ICT, safety, environment and processes through audits, self-assessment, management information, workplace inspections, OOG rounds, project evaluations and financial reviews.

Risk Assessment Matrix (RAM)

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

Internal control processes

Since Daiwa House Modular Europe became a subsidiary of Daiwa Japan in 2021, the Japanese SOX framework was implemented. This framework allows us to have a robust level of internal controls that ensure that our financial reporting is reliable. Also, Daiwa House Modular Europe and its companies have several certifications that are proof of our continuous focus on quality, safety and sustainability (see the overview of certifications on [page 51](#)).

Risk Assessment Matrix (RAM)

Consequences					Increasing probability				
Seriousness	Safety	Environment	Resources	Reputation	A. Very low (0.8)	B. Low (1)	C. Average (2)	D. High (3)	E. Very high (4)
					Unheard of	Virtually impossible (annually or less / no known reports / Control measures adequate)	Unlikely (Monthly or less/report known/Control measures adequate)	Very likely (Weekly or less/has occurred/Control measures limited)	Almost certain (Daily or continually/ frequently occurring/ no control measures)
0	No injury or effect on health	No damage/no effects	No damage/ no financial consequences	No damage/ no public interest	Low (0)	Low (0)	Low (0)	Low (0)	Low (0)
1	Bandage incident No treatment necessary	Minor impact/no effect offsite	Minor damage <10k	Low impact/ no public interest	Low (0.8)	Low (1)	Average (2)	Average (3)	High (4)
2	Treatable health damage/ Sick leave <1 week	Limited impact/ Environmental damage with no permanent effects	Limited damage >10k <100k	Limited impact/ local interest	Low (1.6)	Average (2)	High (4)	High (6)	High (8)
3	Health damage/ Sick leave >1 week	Local impact/Remedial measures needed	Local damage >100k <1000k	Significant impact/ national interest	Average (2.4)	Average (3)	High (6)	High (9)	Very high (12)
4	Health damage with lasting injury	High impact/Serious environmental damage	Serious damage >1,000k <10,000k	Serious national reputational damage/ European interest	High (3.2)	High (4)	High (8)	Very High (12)	Very High (16)
5	Fatal accident	Extensive environmental damage across wide area	Extensive damage >10,000k	Serious international reputational damage	High (4)	High (5)	Very High (10)	Very High (15)	Very High (20)

4.2 Business conduct culture

Our policies

Business code of conduct

Daiwa House Modular Europe has a Code of Conduct introduced in 2022. Organisations are judged on the behaviour of the people who work for them. This also applies to Daiwa House Modular Europe. Our entrepreneurial and responsible approach to projects has led to a strong reputation and trust among clients, suppliers, partners, and employees. Maintaining and strengthening their and our good name is of the utmost importance to Daiwa House Modular Europe, but that is certainly not easy or self-evident.

Acting and doing business with integrity and safety are therefore important conditions for all our business activities. Leading by example is essential to gain and maintain a strong reputation with – and the trust of – clients, suppliers, partners, and employees. A professional and honest working attitude is central to this: that is in the interest of our employees and us as an organisation. Because failure to act safely and with integrity can endanger the continuity of our organisation. It is therefore important that the behaviour of every employee is in line with the expectations of society and with the core values of Daiwa House Modular Europe.

Our Code of Conduct is intended to help our employees with this. Working at Daiwa House Modular Europe means that you know, understand, comply with, and question the Code of Conduct in case of ambiguities. The Code of Conduct provides guidelines on how we should deal with several issues within our organisation. In addition, it describes how we wish to and should behave, both in relation to each other, but also in relation to our clients, partners, the environment, and the society of which we are a part. The Code of Conduct deals with the following three components: 1. Interaction within the organisation, 2. Dealing with partner and competitors and 3. Dealing with questions and suspicions.

Whistle-blowers

Daiwa House Modular Europe is committed to conducting a good integrity policy and, as part of this, has a good whistle-blower policy: our employees must be able to report (suspicions of) misconduct adequately and safely within the organisation. The employee is not expected to be able to prove the misconduct. However, the employee must be able to make a plausible case that facts or circumstances exist that justify a reasonable suspicion of misconduct. The whistle-blower policy gives Daiwa House Modular Europe the opportunity to deal with misconduct and irregularities within the company and create a safe environment for whistle-blowers in which intentional or unintentional misstatements can be reported and corrected. The policy thus offers an important contribution to the development of a culture characterised by openness, accountability, and integrity. The policy defines how Daiwa House Modular Europe defines suspicion of misconducts, the procedure for internal reporting, protection, and confidentiality of employees, and how the Board reports on misconduct.

The procedure for internal reporting is as follows:

Step 1 Internal report: alleged misconduct has to be reported in writing and/or orally to the confidential adviser at Daiwa House Modular Europe, the head of Human Resources. Preference is given to a written report so that no discussion can arise about the contents of the report in the first place. The confidential adviser will review and assess the report and inform about the next steps.

Step 2 Informing the Board: after receiving the report, the confidential adviser will then inform the Daiwa House Modular Europe Board in a manner agreed upon with the employee.

Step 3 Research: the Daiwa House Modular Europe Board or the Supervisory Board will investigate the reported suspicion of misconduct

Step 4: if an investigation is initiated, the employee will be informed of the position regarding the contents of the alleged misconduct no later than eight weeks after the report.

Anti-Bribery & Corruption policy

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 and implementing and enforcing effective systems to counter bribery. The purpose of our Anti-Bribery & Corruption policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption and
- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

Bribery and corruption are punishable for individuals by up to six years' imprisonment and, if we are found to have taken part in corruption, we could face an unlimited fine, be excluded from tendering for public contracts, and face damage to our reputation. We therefore take our legal responsibilities very seriously. In this policy, third party means any individuals or organisations our employees collaborate with during their work for Daiwa House Modular Europe, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

Our policy describes who is covered by the policy, the definition of bribery, what is not acceptable, the responsibilities of our employees, how to raise a concern, what to do if an employee is a victim of bribery or corruption and monitoring and review.

How to raise a concern:

All employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If an employee is unsure whether a particular act constitutes bribery or corruption, or if an employee has any other queries, these should be raised to the Director.

Anti-competitive behaviour prevention and detection

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

Performance management**Corruption or bribery events**

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

Beneficial ownership

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

Payment practices

Daiwa House Modular Europe applies a payment term for debtors between 14 – 30 days and a payment term for creditors of 45 days.

Colophon

Daiwa House Modular Europe

Richard Brinkman, Edwin van Duivendijk, Michiel Gieben,
Liane van Leeuwen, Simone van Wijk, Harry van Zandwijk

Tosca Tribe

Ulrike de Jong, Nicolette Loonen

CF Report

Felix Janssens, Brigit Stokman

Photography

Cojan van Toor



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Modular Europe

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