MODU®

Sustainability Report
2023

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About the report

This report covers our sustainability performance and initiatives for the year 2023. It was published in March 2025. The Sustainability Report for 2024 is scheduled for publication in Q2/Q3 2025.

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Cover photo:
Vejle Fjord, January 2023.
Photo taken by Frederik Poulsen.

CEO Letter

This is MODU Valves' first-ever sustainability report - a proud milestone in our ongoing journey to make it better, an approach reinforced by our slogan.

At MODU, we see flow technology as the critical underlying infrastructure that supports the backbone of society - ensuring manufacturers of food, medicine, clean water, and reliable energy can continue to operate reliably. Making the best possible solutions for them is very important to us, but to unlock the full potential of flow technology and build a more efficient, sustainable future, the world must overcome significant challenges - one of them being global manufacturing CO_2 emissions.

This is where we can make a difference and where we are committed to playing our part - redefining how flow technology can play a critical role in creating more sustainable manufacturing.

To achieve this, we are guided by our principles of innovation, refinement, and advancement. These principles drive the way we design our products, create solutions, and build partnerships. Our impact on climate change is twofold: through the solutions we sell, we help cut global CO_2 emissions each year across 45 markets and 33 industries, and through our own operations, we hold ourselves to the same high standards. In the coming years, we have more exciting news to share on both fronts.

We believe in transparency and providing reliable insights into our progress. Being open and trustworthy is one of our core values: we say what we do, and we do what we say. Through our commitments and actions, MODU aims to play a leading role in pushing the limits of what is possible in flow technology. We embrace a collaborative spirit because only by working together can we achieve our greatest ambitions - and build a tomorrow that's better than today.

We look forward to continuing this journey - together with you, as we make it better.

Henrik Aarup Svendsen
CEO

About MODU As of 2023

45
Markets

33
Industries

34
Employees

0
Accidents

2
tCO2e/FTE

6
years in business

Our History

MODU Valves A/S was founded in 2017 by Henrik Aarup Svendsen, together with ten experienced professionals from the Danish flow technology industry. From the outset, we have shared a deep passion for innovation and quality. Today, our company is known for our technical expertise and ability to deliver customized flow technology solutions that meet the highest standards.

At MODU, we specialize in providing high-quality flow technology solutions to manufacturing companies, OEMs and Engineering Consultants worldwide. Our deep valve expertise spans a broad range of products and applications, including ball valves, butterfly valves, control valves, and specialty valves. In addition to our core products, we offer actuators, control systems, and aftermarket services, ensuring that we support our customers at every stage — from initial installation to long-term operational efficiency.

A leadership philosophy rooted in integrity and agility
Our leadership approach is built on integrity, accountability, and a commitment to excellence. As a founder-led company, we have created an agile and responsive management structure that listens to employees, embraces innovation, and ensures efficient decision-making.

Our people are our greatest asset. We have cultivated a corporate culture where expertise, collaboration, and knowledge-sharing drive success. With a flat organizational structure and open communication channels, we ensure rapid problem-solving and foster a work environment where every employee feels valued, motivated, and empowered to contribute.

By maintaining a strong foundation of trust, professionalism, and continuous improvement, we remain committed to delivering high-end flow technology solutions that make a difference for our customers.

Setting new industry standards

Our ambition is to be the most reliable and innovative valve solution provider in the flow technology industry. By combining technical excellence with a deep understanding of our customers' needs, we develop modular, efficient, and resource-saving solutions that address the complex challenges of modern manufacturing processes. Sustainability is a key driver of our innovation, ensuring that our products contribute to more responsible and efficient production methods.

At the same time, we are dedicated to maintaining a financially strong and attractive workplace where employees can thrive. We prioritize professional development, foster a culture of continuous learning, and emphasize a healthy balance between work and personal life.

We serve a diverse range of industries globally. Our solutions play a vital role in sectors such as energy, food and beverage, pharma, chemicals, water, marine and OEM manufacturing. Through close collaboration with our customers, we continuously refine our products to meet the evolving demands of these industries, ensuring efficiency, reliability, and sustainability.

"I am proud to work at MODU, where we set high standards for sustainable development as well as for the work environment for our employees."

Morten Sejrskilde
COO & CFO

Strategy for Sustainable Development

Our sustainable development strategy is built on a clear ambition, concrete initiatives, and ambitious targets. It is an integral part of our overall business strategy.

At the core of our ambition is a commitment to driving positive, sustainable development across all aspects of our company - customers, employees, value chain, business operations, and the environment - both locally and globally. This ambition is aligned with the United Nations Sustainable Development Goals, with a particular focus on **Goal 12: Responsible Consumption and Production.** Our strategic direction reflects our dedication to contributing to a better world for future generations. Achieving this requires continuous improvement in our ability to develop responsible solutions that create value for all.

Beyond our overarching ambition, our strategy includes concrete actions and measurable targets to ensure our sustainable progress. In some areas, we are already working to enhance opportunities and solutions, while in others, we recognize the need for improvement. In both cases, setting clear goals is essential to guiding the initiatives we undertake. Our key initiatives and sustainability targets for 2023 are outlined in the section 'Initiatives and Targets for Sustainable Development.'

Photo: Fatih Turan · Dyrehaven, Vejle

Meet our Sustainability Team

Our Sustainability Manager Lotte Svendsen is responsible for collecting and documenting our environmental impact and sustainable development efforts, including coordinating sustainability initiatives and monitoring and reporting in accordance with voluntary standards.

To support our Sustainability Manager, we have established an Sustainability Team, which, in addition to the ESG Manager, includes the company's executive management. The team's purpose is to ensure the implementation of ESG initiatives across all departments within the organization.

Lotte Svendsen
Sustainability Manager
ls@moduvalves.com
+45 6599 7000

Lotte manages all ESG data, and is the main contact for customers, suppliers and partners.

Henrik Aarup Svendsen
CEO & Owner
hs@moduvalves.com
+45 6599 7001

Henrik leads the strategic direction of our sustainability strategy and the development of climate-adapted products.

Morten Sejrskilde Pedersen
CFO & COO
msp@moduvalves.com
+45 6599 7027

Morten oversees financial management and ensures the implementation of the sustainability strategy.

Magnus Svendsen
Internal Sales & Owner
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+45 6599 7006

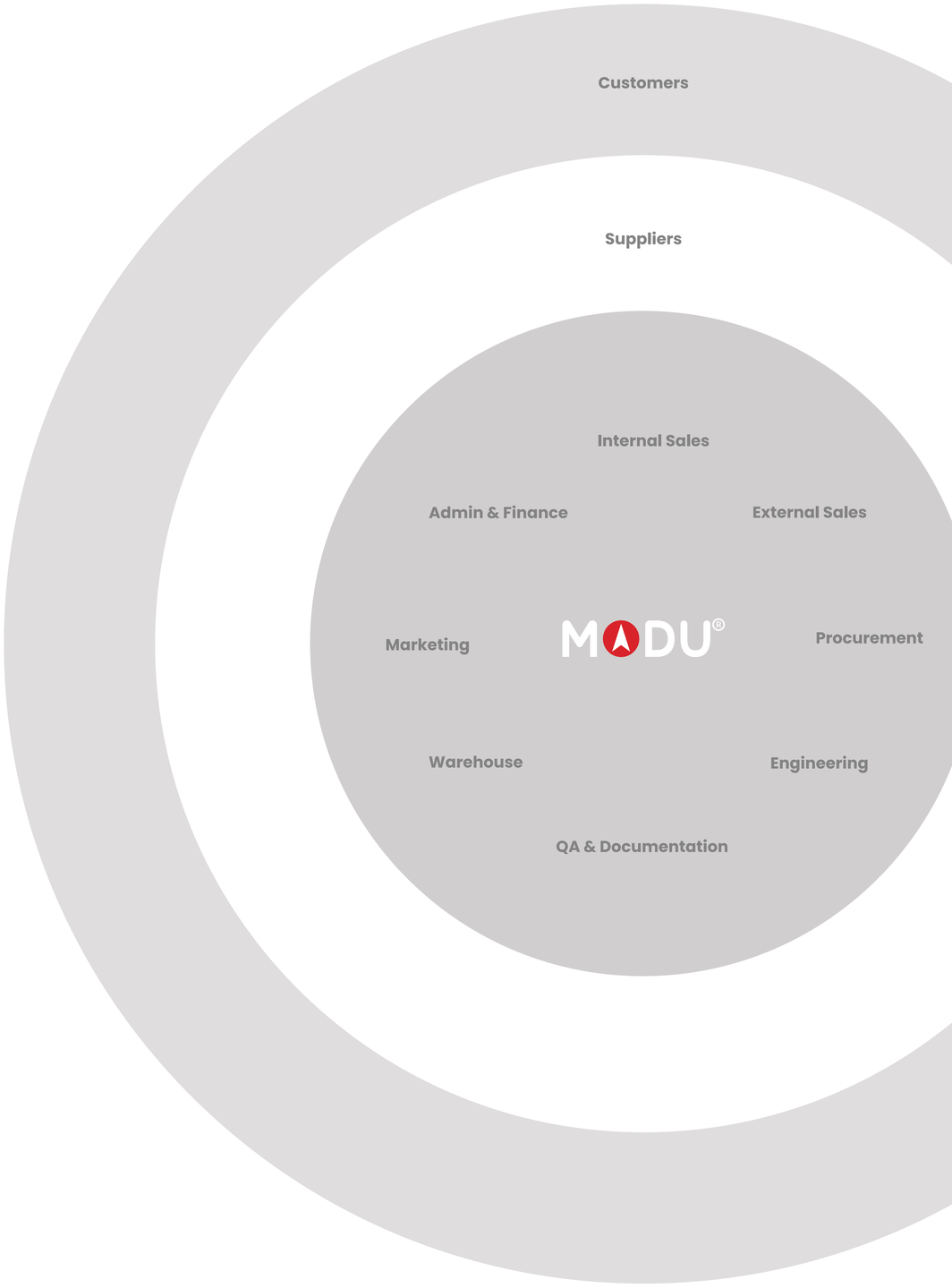
Magnus drives sustainable development through leadership and internal implementation of sustainability initiatives.

Materiality Assessment 2023

Engaging with stakeholders is essential to the development of both our products and our company. As a business with a strong focus on innovation and product development, it is critical that we consider the perspectives of our stakeholders, including employees, customers, suppliers, and the local community. To assess which initiatives have the most significant impact and importance for both the company and our stakeholders, we have conducted a materiality assessment, evaluating the relevance of various sustainability themes within the voluntary standard.

This approach means that we do not solely focus on what we are expected to report within the voluntary standard but take a broader perspective on what we believe is important to disclose — both now and in the coming years.

The process of identifying our most material focus areas serves not only as a strong foundation for our ESG reporting but also as a key driver of our strategic development. By recognizing challenges and opportunities within relevant themes, we have been able to define concrete initiatives that can be implemented both immediately and in the long term. The methodology behind our materiality assessment is described in the section Data and Methodology.



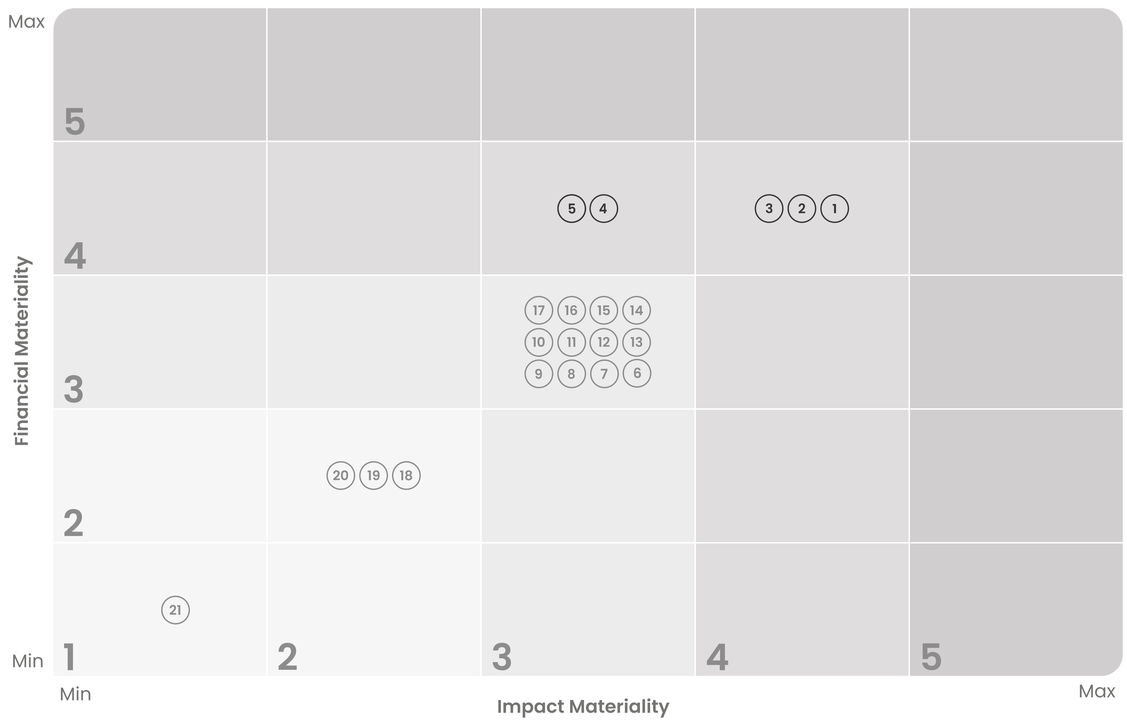
Where can we do a difference?

The table below outlines key themes along with the challenges and opportunities that we have identified. Our approach has been to view challenges as opportunities for initiatives that strengthen our business, value chain, and working conditions for employees. We have identified the following as our most material impacts as of 2023:

		Risk	Opportunities
	CO_2 Emissions	➢ Emissions from product manufacturing, transport, and facilities.	➢ Transition to electric company vehicles as current contracts expire. ➢ Product optimization to reduce resource consumption. ➢ Climate compensation for product transport and internal energy use.
	Resources, Circular Economy, and Waste Management	➢ Limited options for replacing environmentally harmful substances in components. ➢ Use of custom-made packaging.	➢ Initiatives to reduce wood waste in packaging. ➢ Minimization of residual waste. ➢ Take-back program for product components to enable reuse.
	Employee Health & Safety	➢ Ensuring workers' rights throughout the value chain.	➢ Implementation of a Supplier Code of Conduct outlining social responsibility requirements.
	Responsible Business Conduct	➢ ESG-related supply chain management. ➢ Lack of a whistleblower mechanism.	➢ Establishing anti-corruption and bribery guidelines ➢ Enhancing data security ➢ Implementing a Supplier Code of Conduct ➢ Enforcing internal and external policies and procedures

Materiality Matrix

The preceding analysis is based on a comprehensive assessment of the dual impact of our activities: firstly, how our operations influence the external environment, and secondly, how external factors affect the company's financial performance. The figure below presents the weighted evaluation of each thematic area:



1. Supplier Code of Conduct
2. Company Code of Conduct
3. Supplier Management
4. Regulatory Compliance and Ownership G1
5. Regulatory Compliance and Ownership S2
6. Systems and Data Security
7. Product Lifecycle
8. Climate Compensation in Invoicing
9. Packaging Requirements for Suppliers
10. Systems, Procedures, and Policies
11. Customer Management
12. Family-Owned and Owner-Led Business
13. Reuse and Recycling of Product Components
14. Sustainable Transport Solutions
15. Compliance with Tax Regulations and Legislation
16. Knowledge Sharing
17. Leadership Principles and People Values
18. Product Recycling
19. Waste Management
20. Working Conditions and Employee Well-being
21. Health, Safety, and Work Environment

Actions and goals

In our first ESG report, we document how we are actively pursuing concrete initiatives that drive new solutions and transform risks into opportunities. In the table below, we outline how we manage our risks and capitalize on emerging opportunities through strategic actions and targeted initiatives for 2024.

	Environment (E)	Social (S)	Governance (G)
Actions, 2023	➢ Installing electric charging stations in the Parking Area.	➢ Smoking and Substance Policy ➢ Leave and Employment Policies ➢ Education Policy ➢ Work Environment Policy ➢ IT & GDPR Policies	Not applicable for the year 2023
Goals, 2024	➢ Require suppliers to use certified, reusable wooden pallets to reduce waste. ➢ New valve series cuts resource use and CO_2 emissions compared to similar products.	Not applicable for the year 2023	➢ Supplier Code of Conduct distributed for signing, setting requirements for environmental efforts, human rights, and ethical business practices.
Goals, 2025	➢ 100% of company vehicles are electric.	➢ Initiate data collection on the number of training hours.	➢ Establish a whistleblower system and a public human rights policy to prevent labor exploitation, discrimination, and workplace accidents.

ESG Reporting 2023

To ensure a systematic approach to sustainability at MODU Valves, we have mapped our current environmental impacts, social conditions, and governance practices according to the Voluntary Sustainability Reporting Standard for non-listed SMEs (December 2024 version). In the following sections, we present the disclosure points for Environmental, Social, and Governance for 2023.

ESG stands for Environmental, Social, and Governance, serving as a framework for sustainable development. Companies that aim to report on sustainability must assess their impacts related to environmental stewardship, social responsibility, and ethical corporate governance.

A Common Reporting Standard for SMEs
The European Financial Reporting Advisory Group (EFRAG) has developed a voluntary reporting standard tailored for small and medium-sized enterprises (SMEs). This standard, known as the EFRAG Voluntary Sustainability Reporting Standard for Non-Listed SMEs (December 2024 version), is based on the EU's Corporate Sustainability Reporting Directive (CSRD).

By adopting this standard, we ensure that our reporting meets the requirements for structure, transparency, and comparability. This enables our customers, partners, and other stakeholders to gain clear insights into our sustainability efforts, social responsibility initiatives, and governance practices.

Company Entity Type	A/S - Aktieselskab
NACE Sector Classification Code	Wholesale of hardware, plumbing and heating equipment and supplies.
Number of Employees	34
Revenue in EUR	*Not included*
Company Location (office, warehouse)	7100 Vejle, Denmark 55.6720941462387, 9.592047707917494

Structure of the Reporting Standard
The standard consists of:

- Basic Module (B1-B11): Includes 11 disclosure points that must be reported on if they are relevant to the specific company.
- Comprehensive Module (C1-C9): Contains 9 optional disclosure points that can be included where they add value.

	Basis Module	Page
B1	Basis for preparing the sustainability report	13
B2	Practices, policies, and initiatives for transitioning to a more sustainable economy	10
B3	Energy and CO2 emissions	14
B6	Water withdrawal	14
B7	Resource consumption, circular economy, and waste management	15
B8	Workforce: General characteristics	17
B9	Workforce: Health and safety	18
B10	Workforce: Compensation, collective agreements, and training	18
B11	Legal actions and fines related to corruption and bribery	21
	Comprehensive Module	Page
C1	Strategy, business model, and sustainability-related initiatives	4
C2	Description of practices, policies, and initiatives for transitioning to a more sustainable economy	12
C7	Severe negative human rights incidents	21

Environment

The first step towards a dedicated sustainability strategy at MODU Valves has been the preparation of the company's carbon footprint report for Scope 1 and Scope 2. Additionally, the report includes the company's water consumption, resource utilization, circular economy practices, and waste management.

Emissions (Environmental)	Unit	2023
CO2 Emissions		
Scope 1 - direct emissions	tCO2e	63.3
Scope 2 - indirect emissions (Environmental Declaration)	tCO2e	5.48
Total Emissions (Scope 1 + 2)	tCO2e	68.78
CO_2e per Full-Time Employee	tCO2e/Headcount	2.02
Energy Consumption		
Natural Gas	MWh	89.04
Electricity (Renewable Energy)	MWh	26.46
Electricity (Non-Renewable Energy)	MWh	5.42
Total Energy Consumption	MWh	120.92
Water Consumption		
Total Water Consumption	m^3	73

Waste Management

We continuously seek opportunities for improvement, guided by the principles of the circular economy. This commitment is evident in our initiatives aimed at resource optimization across product lines, the elimination of plastic packaging fillers, and enhanced waste sorting processes.

Our dedication to minimizing waste sent for incineration remains a priority. In 2023, we generated approximately 45.7 tons of waste, categorized as follows. The "combustible waste" fraction was utilized for energy recovery, while the remaining six fractions were recycled through our waste management partner.

Waste Management (Environmental)	**Unit**	**2023**	
		Total amount	Recycled
Waste Type			
Small Combustible*	kg	2,608	0
Cardboard and Paper	kg	7,488	7,488
Waste Wood	kg	34,240	34,240
Iron	kg	652	652
Food Cartons**	kg	14	14
Organic**	kg	420	420
Plastic**	kg	343	63
Total Waste	kg	**45,765**	**42,877**
Recycled Waste	%	**93.7**	

*This fraction is sent for energy recovery.
**This fraction has been separately collected since June 2023.

Case: Eliminating Bubble Wrap Purchase Completely

In 2023, our warehouse team focused on optimizing packaging usage to reduce both procurement and disposal of packaging materials. Striking the right balance was essential — products need sufficient protection during transport, but without excessive packaging.

Since most of our incoming goods arrive in cardboard packaging, we prioritized reusing these materials. By investing in and utilizing a cardboard shredder, we can now transform defective cardboard boxes into high-quality packing filler. This has significantly reduced our need to purchase bubble wrap and Styrofoam filler. Additionally, nearly all bubble wrap, Styrofoam, and similar materials from incoming shipments are reused.

Beyond eliminating plastic consumption — and thereby the need to purchase new plastic — the amount of waste paper has also been reduced. Previously, this was sent for recycling, but it is now repurposed internally within the company. This structured approach has resulted in the complete elimination of bubble wrap and Styrofoam chips for our own shipments.

> *"Responsible consumption doesn't have to be complicated. It's about changing habits and thinking in simple, effective solutions."*

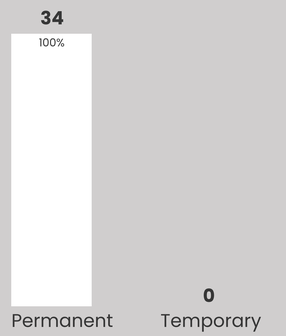
Mikael Andersen,
Warehouse Manager

Social Characteristics

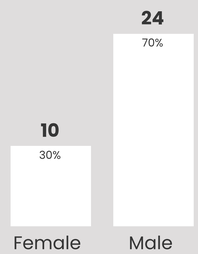
We take responsibility for fostering fair, healthy, and equal conditions — not only for our employees but throughout our entire value chain. Below, we outline the key characteristics of our workforce and our focus on health, safety, and working conditions.

We are committed to maintaining a safe working environment and strong working conditions, ensuring that all employees have the opportunity to contribute their skills — regardless of employment type, gender, or age. We take pride in being a workplace with a high proportion of permanent positions and a diverse workforce in both gender and age.

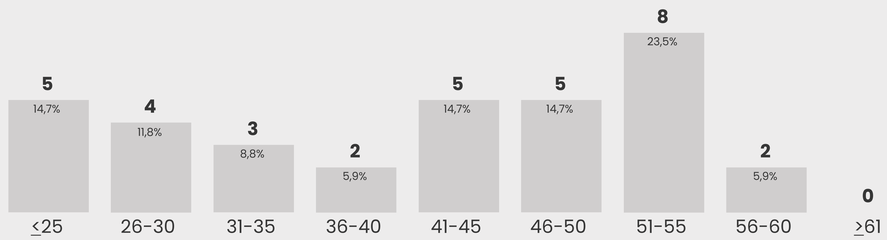
Types of Employment



Gender Distribution



Age Distribution



Safety and Health

Ensuring a safe and secure workplace for all employees is a top priority. We achieve this through effective, up-to-date policies and high standards for health and safety. We are proud to report that throughout 2023, we recorded zero workplace accidents and no work-related fatalities.

Safety Statistics, 2023	Quanity	Frequency
Workplace Accidents	0	0%
Work-related Deaths	0	0%

Beyond our commitment to a safe workplace, we strive to provide the best possible conditions for a healthy lifestyle. Our company is a smoke-free workplace, and we offer a communal lunch program, massage services, and opportunities to participate in recreational and sports activities.

Employment Conditions
Employees are guaranteed competitive salaries, freedom of choice regarding labor agreements, and access to continuous education. Each employee is treated with respect during hiring and salary negotiations, ensuring they receive either competitive pay or compensation in line with the relevant apprenticeship agreements.

We have consciously chosen not to sign a collective labor agreement. While none (0%) of our employees are covered by such agreements, we offer terms that exceed the benefits typically found in collective agreements, particularly in areas such as salary and vacation allowances.

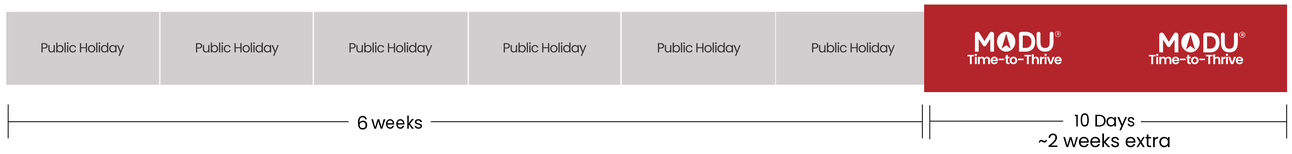
When welcoming new colleagues, we prioritize ensuring a strong start, allowing them to quickly apply their skills and expertise. As part of this, we facilitate introduction courses for all new hires. In 2023, we lacked sufficient data to report the average number of training hours per employee. However, starting next year, we will implement a more structured data collection process to enable future reporting on this metric.

Employee Training Hours	**2023**
Hours	N/A

MODU Time-to-Thrive

We strive to create a workplace where employees find joy in coming to work.
To support this vision, we have introduced **MODU Time-to-Thrive**, which provides either 10 additional vacation days per year or an average workweek of 35 hours per full-time employee. Additionally, employees are given an early leave on their birthdays, ensuring they have the opportunity to celebrate with family and friends.

Another key initiative is found in our employee policies, which are designed to support employees through different life stages. Parental leave is one such example, where we provide both parents with the option to extend their leave by either 8 or 14 weeks beyond the standard 32-week parental leave period.



"Unik er tiden og kort. Der hvor man kan tale til sit nyfødte barn, på en måde som man ikke kan tale med nogen anden. At være til stede og kærlig, blotte sit hjerte uden at vælge og veje sine ord. Det er godt for familiebåndets sjæl. At være på barsel."

Henrik Svendsen

A Workplace with People at the Center

The overarching philosophy behind our employee policies is to foster a healthy work-life balance that supports employees and their personal lives. By offering flexible solutions, we recognize the different needs that arise throughout life — always keeping people at the center.

Every month, we hold an all-employee meeting, where our direction is discussed. These meetings focus on current status, future ambitions, and open dialogue, ensuring that all input is heard. This employee engagement is our way of maintaining transparency, aligning expectations, and facilitating feedback across all levels and functions within the organization.

"I joined MODU Valves as an intern and was hired permanently after finishing my studies. Soon after, I became pregnant, and honestly, I was a little nervous about how it would be received. But, the response was nothing but support and encouragement. That meant everything — not just for my first pregnancy, but for both. It made me realize: this is where I belong. For me, the care from colleagues and management, the informal and homely work environment, and the challenging tasks mean everything. It allows me to thrive and be the person I want to be for my family"

Julie Nielsen,
Internal Sales

> *"But, the response was nothing but support and encouragement. That meant everything — not just for my first pregnancy, but for both. It made me realize: this is where I belong."*

Responsible Leadership and Business

We believe that strong and dedicated leadership is the foundation for sustainable growth and long-term success. That's why we are committed to running a responsible business - built on ethical leadership and integrity - while creating value for our customers.

Through transparent reporting on our management practices, we strive to build trust among employees, suppliers, and customers. This approach also allows us to set ambitious leadership goals and implement initiatives that prepare us for the challenges and opportunities of an ever-changing world.

Anti-Corruption, Bribery, and Human Rights
Our corporate behavior is guided by our core code of conduct: 'Ordentlighed' (Integrity). This principle is embedded in our leadership, employees, processes, and products. We are therefore proud to report zero incidents related to corruption and bribery.

Equally important is ensuring that all employees are treated fairly. This means full compliance with applicable laws, the OECD Human Rights Convention, and other international agreements. We also provide employees with a secure, anonymous channel to report concerns or grievances.

In 2023, we recorded no incidents within our workforce or supply chain related to child labor, forced labor, human trafficking, or discrimination. Should such issues ever arise in the future, we will report on them transparently and outline the actions taken to prevent recurrence.

> *"I've been looking for a company that aligns with my values, and I've found it here at MODU Valves."*

Claus Holm Rasmussen
Head of Procurement

Photo: Erik Karits

Data and Methodology

This section outlines the approach used in preparing the carbon footprint report, ESG report, and materiality assessment. Data was collected for the financial year 2023 (from January 1, 2023, to December 31, 2023). The data was sourced from various systems, including MODU Valves' internal IT systems, supplier portals, invoices, quarterly and annual reports, internal registration systems, and HR and payroll systems. As this is the first time MODU Valves has collected ESG data, the data collection process revealed gaps in our systems, resulting in some incomplete data. The accounting practices for the different data types are detailed on the following pages.

Carbon Footprint Report
Basis:
The carbon footprint report forms the foundation for calculating greenhouse gas emissions at MODU Valves. The calculations are based on the recognized Greenhouse Gas (GHG) Protocol, ensuring consistency in reporting across industries. This means that emissions are categorized as either direct (Scope 1) or indirect (Scope 2) emissions. All greenhouse gas emissions are converted into CO2 equivalents and are expressed in the unit CO2e.

Process:
The carbon footprint report was prepared by MODU Valves using the Danish Business Authority's calculation tool, Klimakompasset. The report exclusively calculates emissions from Scope 1 and Scope 2. Scope 1 includes gas consumption and fuel used by the company's vehicles, while Scope 2 covers electricity consumption.

Data:
Consumption data from invoices was used for the carbon footprint report. The emission factors applied were sourced from recognized databases and aligned with the guidelines from the Danish Business Authority. The most recent emission factors available at the time of preparation (2023) were used.

ESG Report

Basis
This report aims to provide readers with a comprehensive overview of MODU Valves' business and activities from a sustainability perspective. Additionally, it serves as a solid foundation for the company's future sustainability efforts.
As new ESG reports are developed, it will be possible to compare current and historical data. The report has been prepared with external support from the consultancy firm Improve Business.

Process
The report follows the disclosure points outlined in the voluntary ESG standard, with the addition of an introduction and case section. This ensures that the report remains relevant and accessible to potential customers and other stakeholders.

All ESG data has been compiled and calculated according to the guidelines of the voluntary standard. Certain disclosure points have been omitted as they are not relevant to MODU Valves. For the base module, this means that the report does not cover topics such as pollution (air, water, and soil), biodiversity, or water consumption, as these are not applicable in this context.

Data
ESG data has been collected from multiple sources. Below is a breakdown of each ESG disclosure point, including data sources and calculation methods:

- Energy Consumption: Based on annual consumption reports for natural gas and electricity.
- Share of Renewable Energy: Calculated based on Vejle Municipality's environmental declaration, where 83% of energy comes from renewable sources (excluding nuclear power). Source: Energinet.dk.
- Greenhouse Gas Emissions: Calculated using Climate Compass with data sourced from invoices.
- Water Consumption: Based on annual water usage reports.
- Waste: Data collected from waste management invoices. The distinction between recycling and disposal is based on whether the waste fractions are theoretically recyclable. Combustible waste is classified as disposal, even though it holds energy value. As shown in the table, data for food cartons, organic waste, and plastic was only collected from June 2023 onward.
- Workforce: Based on the company's employee records.
  - Accounting method: Number of active employees (headcount) as of December 31, based on CPR registrations.
- Workplace Accidents: Number of reported workplace accidents during the year.
- Training Hours: No available data.

Qualitative information regarding the company's transition to a more sustainable economy (B2) and sustainability goals (C2) has been gathered through management interviews and a review of company policies and strategies.

Materiality Assesment

Basis
The purpose of the materiality assessment was to identify and prioritize MODU Valves' internal and external ESG opportunities and risks. The assessment weighs different ESG topics based on their impact and financial materiality within the company's business model.

Process
The first phase of the materiality assessment involved identifying key stakeholders within MODU Valves and its value chain. The following stakeholder groups were identified: company operations and employees, suppliers, and customers. For each group, specific stakeholders were selected based on their different relationships with sustainability.

Company Operations and Employees:
- Administration and finance
- Engineering
- Quality and documentation
- External and internal sales
- Marketing
- Warehouse and assembly
- Procurement and shipping

Suppliers:
- Component suppliers
- Transport companies
- Energy providers
- Waste management partners
- Banks

Customers segments:
- Energy
- Food and beverage
- Pharmaceutical
- Chemicals
- OEM manufacturers
- Marine

The materiality assessment was developed in close collaboration between MODU Valves and an external consultancy. The process included two workshops with participation from both management and employees at MODU Valves. The purpose of these workshops was to:

- Identify ESG topics' impacts, risks, and opportunities
- Assess the degree of impact and financial materiality
- Review and engage employees in the process

The identified ESG topics were prioritized and compiled into a materiality matrix. The impact and financial materiality assessment was based on templates from Erhvervshus Hovedstaden for materiality evaluation.

Impact Assessment Criteria:

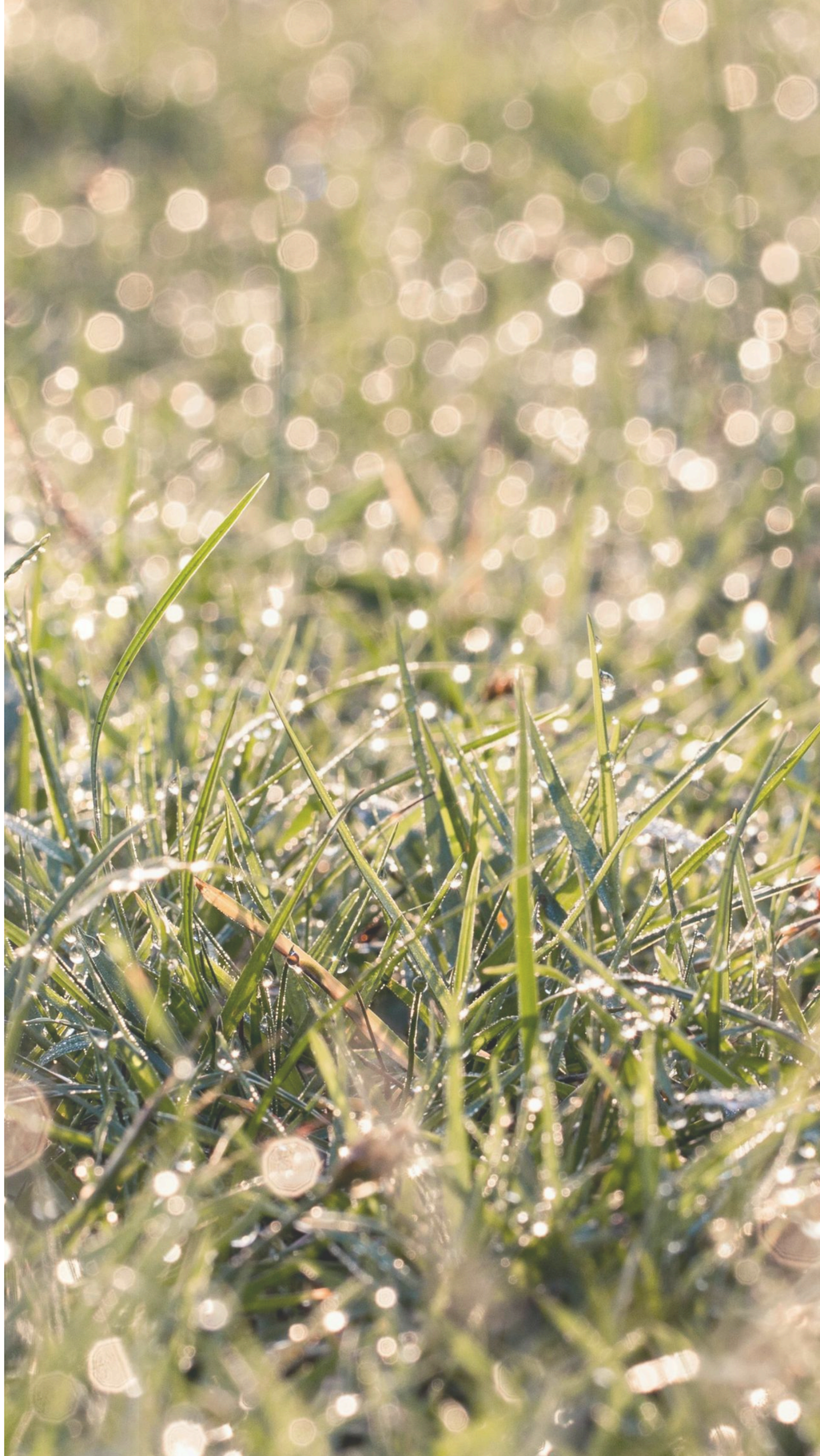
- Actual or potential impact
- Positive or negative impact
- Severity (Scale: 1–5)
- Likelihood (Scale: 1–5)

Financial Materiality Assessment Criteria:

- Risk or opportunity
- Economic effect – nature and scale (Scale: 1–5)
- Likelihood (Scale: 1–5)

In the first workshop, MODU Valves' management team helped map the value chain and identify relevant ESG opportunities and risks. Based on this analysis, the most material ESG topics were selected.

In the second workshop, all employees participated to review the findings from the first session. This led to discussions on prioritization, resulting in a refined materiality assessment.



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