Sustainability Report
2025

MODU Valves A/S
ESG

Make it better.

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This ESG report covers the following company:

MODU Valves A/S
Ferrarivej 12, 7100 Vejle

NACE code: 468400 Wholesale of hardware, heating equipment and supplies.

This report has been prepared in accordance with the voluntary sustainability standard for non-listed small and medium-sized enterprises, VSME - latest version from December 2024. Revenue figures have been omitted.

CEO Reflections

Sustainability does not begin in a report - it begins in product design. Safety does not begin in a report - it begins in product design. And traceability does not begin in a report - it begins in product design.

We are driven by a single ambition: to develop better valve solutions for industry, every year. Solutions that improve our customers' production processes - in performance, safety and sustainability. Our greatest contribution comes through product development. When MODU products are installed and maintained across continents - extending service life, reducing unplanned downtime, improving operator safety and simplifying access to up-to-date documentation - we deliver far more sustainability value than our own organisational footprint ever could. And when we inspire competitors to raise their standards, that counts too. This recognition is both a responsibility and a source of motivation. It gives us a clear sense of why we exist.

Sustainability is built into our product development process on equal footing with commercial value. To put that into practice, we have developed eleven questions we work through before committing to any new product - covering topics such as total cost of ownership and multi-functionality. These questions help strengthen the value of our modular valve ecosystem, MODU ONE®. In product sourcing, we are in the process of making sustainability a formal part of the specification, alongside pressure, temperature and media. This does not happen overnight, but we can see a market beginning to demand measurable product-level data for customers' own ESG reporting. This is why we are investing in analyses such as Product Carbon Footprint (PCF) and Life Cycle Assessment (LCA).

Finally, we continue to account for the footprint of our own organisation. In 2025, our emissions fell by 24% - from 54 to 41 tCO_2e - and our emissions intensity dropped 28% to 1.4 tCO_2e per employee. We have completed the full electrification of our company vehicle fleet, and we have maintained a zero-accident workplace.

We thank our employees, partners and customers for the engagement and knowledge-sharing that makes this progress possible. It is through conversations with companies across our value chain that we discover where we can make a real difference. For us, that is where Make it better begins - and never ends.

Henrik Aarup Svendsen
CEO

Highlights 2025

41

tCO_2e emitted for the year*

1.4

tCO_2e emitted per employee for the year*

0

Workplace accidents for the year

100%

Company vehicle fleet fully electrified

*See calculation methodology on page 20.

About MODU Valves

We operate two business models. We source, purchase, stock and assemble products from the world's leading manufacturers for customers with specific and often complex requirements. And we develop the products we believe the market is missing. The two models are complementary: broad product knowledge combined with in-house engineering capabilities allows us to solve challenges that neither side could handle alone.

We were founded in 2017 in Vejle by ten industry veterans. Today we are a team of more than 30 - engineers, specialists and commercial professionals. We serve sectors including energy, food and beverage, pharmaceuticals, water and general industry across Denmark, Europe and the rest of the world. Our product range covers ball valves, control valves, steam traps, check valves, strainers, sight glasses, butterfly valves and knife gate valves, together with automation and a broad range of flow technology accessories. We also develop proprietary software that supports our hardware.

MODU ONE® is our modular valve ecosystem - the clearest example of a genuine market need for which no solution previously existed. It is built on standardised dimensions, common connections and spare parts, and unique features including MODU Safe Mounting® and MODU Multi-Purpose Port™. It reduces inventory complexity, simplifies maintenance and is supported by digital traceability via MODU Cloud™.

We run our business with integrity as a founding principle. That means clear communication, fair treatment and ownership of decisions - in our relationships with customers, suppliers and each other. Internally, we build a workplace defined by transparency, short decision-making lines and an expectation that everyone contributes and is heard. We believe good results start with an environment where people genuinely thrive - as reflected in MODU Time-to-Thrive and The Flow Hub.

We are here to move industry forward - through carefully selected products, documented quality and a mindset that always strives to do better. That mindset is how we live and work. It is the heart of our promise: *make it better.*

New Headquarters with a Sustainability Profile

In Q4 2026, MODU Valves will move into The Flow Hub. The building is being constructed adjacent to existing natural areas, in a clearing within a protected woodland, and has been designed with sustainability as its core principle. For us, the move is both a capacity expansion and a way of making our sustainability ambitions tangible - and of inspiring industrial companies to build more sustainably and with greater imagination.

The Building
The primary structure uses CLT (cross-laminated timber) and glulam instead of the concrete and steel standard in commercial construction. This reduces the CO_2 footprint during the construction phase, and the timber continues to store carbon throughout the building's lifetime. The facade is clad with Thermowood - heat-treated timber that requires no maintenance and weathers to a silver-grey patina over time. The glulam structure runs continuously from the office wing to the warehouse, and all visible interior wall surfaces are timber. The project is grounded in a Life Cycle Assessment (LCA) that maps resource consumption, material origins and CO_2e contributions.

The building has also been designed to Design for Disassembly (DfD) principles, enabling materials to be recovered and reused in future construction - for example, wall cladding is fixed with exposed screws. Reclaimed brick is used as paving in the atrium and courtyard. Offcuts from the facade cladding are used to clad the waste shelter. All fixed kitchen and meeting room furniture is made from timber waste from the window industry that would otherwise have gone to incineration.

The site sits above a protected groundwater reservoir, which has shaped the entire water management strategy. Lakes at the entrance and two retention basins slow rainwater runoff and relieve the drainage system during cloudburst events. Together, these form a SUDS (Sustainable Urban Drainage Systems) solution that protects the groundwater table and makes the building more resilient to extreme weather. Solar panels on the large roof surface cover a significant share of daily electricity consumption. A water softening system extends the lifespan of plumbing installations and reduces the use of cleaning chemicals.

Where ideas flow.
The Flow Hub is our new headquarters - warehouse and office under one roof, designed to inspire. The building and its logo are circular in form: a deliberate reference to the spherical geometry of ball valves and MODU's global ambition. The double meaning is intentional - physical flow through valves and pipes, and the mental flow of everyday working life. Where ideas flow.

Surroundings and Work Environment
Existing oak trees, wetlands and scrub have been preserved in the site plan. The road to the building winds through the woodland, respecting existing flora and fauna. Parking is distributed in small bays along the road rather than a single paved lot, preserving natural permeability. 68 glulam columns with wide overhangs protect the timber facade from wind and rain.

Inside, the building includes quiet rooms, informal meeting spaces and workshop areas. There is a fitness room with cardio, weights and stretching, along with Kneipp hydrotherapy pools - both indoor and outdoor. A 150 m² rooftop terrace with an outdoor kitchen provides space for informal gatherings. A living plant wall grows in the atrium.

This is a deliberate investment. We know that physical environments affect absence rates and employee retention, and we have designed accordingly. The Flow Hub covers all three ESG dimensions: environmental in material choices and operations, social in the working environment, and governance through documented material provenance and responsible procurement. The building is designed by RAVN Arkitektur A/S and will open in Q4 2026. Follow the progress at: **https://www.linkedin.com/company/theflowhub/**

Sustainability Strategy

At MODU, our sustainability strategy is grounded in a fundamental conviction: our greatest positive impact comes through the solutions we develop.

We are fundamentally product-driven. Without the right products - which we define as those capable of reducing customers' total cost of ownership - MODU would have no reason to exist, and our other sustainability initiatives would lose their relevance. It is through our valve solutions that we create the greatest value for society and the environment, far beyond the footprint of our own organisation. When our valve solutions reduce unplanned downtime, improve heat recovery and strengthen operational and worker safety at leading manufacturers across sectors, the aggregate system effect is far greater than our own organisational footprint will ever be.

This product-centred understanding is integrated into our business strategy, where the focus is on demonstrable results in both development and operations. Our efforts are grounded in the company's materiality assessment and reported annually under the VSME standard, ensuring transparency and comparability in our progress. A central element of the strategy is our modular valve ecosystem, MODU ONE®, which serves as a strategic framework for increasing component synergy across valve types, extending service life and reducing material use wherever this is physically possible and value-creating.

Alongside this product-oriented approach, we work systematically on our internal ESG performance. This covers energy and resource consumption, waste management, working environment, competency development, data security and responsible supplier management. The ESG effort is led by the company's ESG Manager in close collaboration with the ownership group and leadership team, and is anchored operationally across all departments. Targets and activities are updated continuously as operations, product portfolio and regulatory requirements evolve, ensuring our efforts reflect the development of the business.

Sustainability is a core part of how we develop and operate the company, and underpins the contribution we aim to make to industry. It is this combination of innovation, documentation and embedded ESG work that sets the direction for our continued development.

The Sustainability Team - Lotte, Morten, Magnus and Henrik.

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Reporting Framework and VSME Modules

We have conducted a mapping of our environmental impacts, social conditions and governance practices as the basis for this report. This mapping is grounded in the voluntary sustainability standard for non-listed small and medium-sized enterprises, VSME (version December 2024). The mapping forms the basis for the data and descriptions presented under the relevant disclosures.

Using VSME ensures that our reporting is structured, transparent and based on a consistent reporting format. This gives customers, partners and other stakeholders insight into our work on environmental, social and governance matters.

The voluntary standard comprises two modules:

- The Basic Module (B1–B11): Contains 11 disclosures to be reported if relevant to the company's activities.
- The Comprehensive Module (C1–C9): Contains 9 optional disclosures that may be included based on relevance.

We report on the disclosures assessed as relevant to our activities. In the Core Module, points B4 and B5 have been omitted, as our activities do not give rise to reporting on pollution and biodiversity.

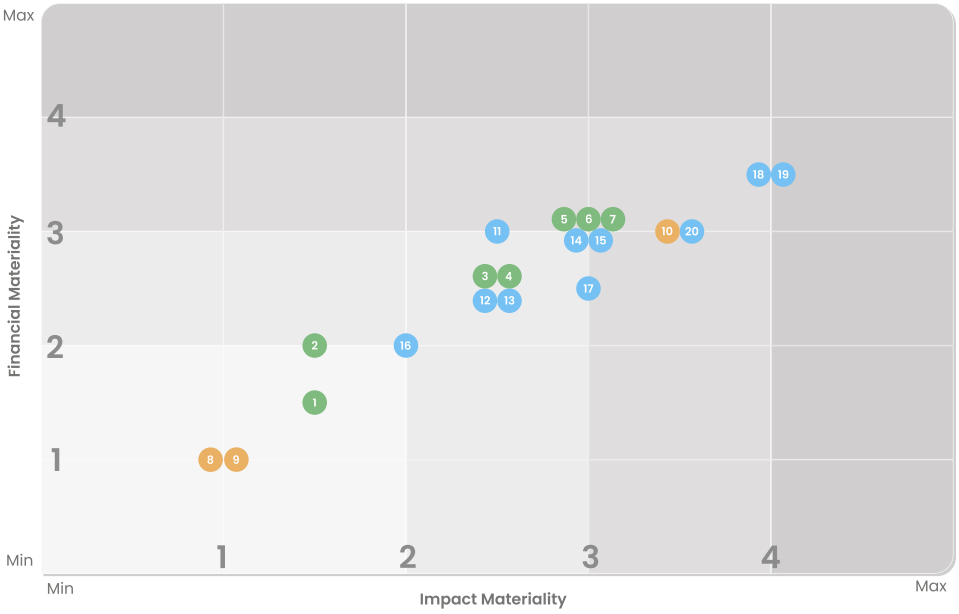
	Basic Module	Page
B1	Basis for preparation of the sustainability report	8
B2	Practices, policies and initiatives for transition to a more sustainable economy	10
B3	Energy and CO_2 emissions	11/12
B6	Water consumption	12
B7	Resource use, circular economy and waste management	13
B8	Workforce: General characteristics	14
B9	Workforce: Health and safety	14
B10	Workforce: Pay, collective agreements and training	14
B11	Convictions or fines for corruption or bribery	15
	Comprehensive Module	Page
C1	Strategy, business model and sustainability-related initiatives	7
C2	Practices, policies and initiatives for transition to a more sustainable economy	18
C7	Severe negative human rights incidents	15

Materiality Assessment

We have conducted a materiality assessment as the basis for defining the scope and priorities of our ESG reporting. The purpose is to identify the topics most relevant to the company and its stakeholders, and the areas where our activities have the most significant impact.

The assessment is based on an analysis of impacts, risks and opportunities across environment, social and governance dimensions. Results are presented in a materiality matrix, where each topic is positioned according to its significance for stakeholders and its effect on business operations. The matrix provides a consolidated overview of the ESG areas that form the basis for the report's focus areas.

A description of the process, criteria and data basis for the materiality assessment can be found in the *methodology and data basis* section.



- **Environmental (E)**
1. Waste management
2. Product recycling
3. Reuse and recycling of product components
4. Implementation of sustainable transport solutions
5. Packaging requirements for suppliers
6. Carbon offsetting via invoicing
7. Product service life

- **Social (S)**
8. Working environment
9. Working conditions
10. Compliance and ownership - labour rights in the value chain

- **Governance (G)**
11. Family-owned and owner-managed company
12. Knowledge sharing - key employees
13. Compliance with tax rules and legislation
14. Systems, procedures and policies
15. IT systems and data security
16. Leadership values and view of people
17. Customer management
18. Supplier management
19. Code of Conduct
20. Compliance and ownership - corruption and bribery

Materiality Assessment Results

The materiality assessment has identified the ESG topics most relevant to business operations and to our stakeholders. For each topic, we have analysed impacts, risks and opportunities, which form the basis for prioritising subsequent actions.

The materiality assessment underpins the prioritisation of the ESG topics most relevant to our company. The identified impacts, risks and opportunities are integrated into the report's focus areas and into the company's work on environmental, social and governance matters.

Resources, Circular Economy and Waste

Impacts
- Limited options for substituting certain hazardous substances in components.
- Use of custom-made packaging in some shipments.

Risks
- Material requirements that may lead to increased residual waste or lower recycling rates.

Opportunities
- Initiatives to reduce timber waste in packaging.
- Minimising residual waste through increased recycling.
- A component buy-back programme to support reuse and circularity.

Responsible Business Conduct

Impacts
- Requirements for managing business ethics and data security across the supply chain.

Risks
- Absence of systems for handling reports and early risk detection.
- Risk of breaches of internal policies and external regulations.

Opportunities
- Establishing anti-corruption and anti-bribery guidelines.
- Strengthening data security.
- Implementing a Supplier Code of Conduct.
- Systematic enforcement of internal and external policies and procedures.

CO_2 Emissions

Impacts
- Emissions from product manufacturing, transport and company facilities.

Risks
- Dependence on high-emission energy sources and transport modes.

Opportunities
- Switching to electric company vehicles as existing contracts expire.
- Product optimisation to reduce resource consumption.
- Applying carbon offsetting for transport and energy where direct reductions cannot be achieved.

Employee Health and Safety

Impacts
- Requirements for a safe working environment.

Risks
- Non-compliance with labour rights in parts of the value chain.

Opportunities
- Systematic implementation of a Supplier Code of Conduct covering social requirements.

Climate and Environment (E)

This section describes our work on energy, resource consumption and environmental impacts, together with our key initiatives to reduce CO_2 emissions.

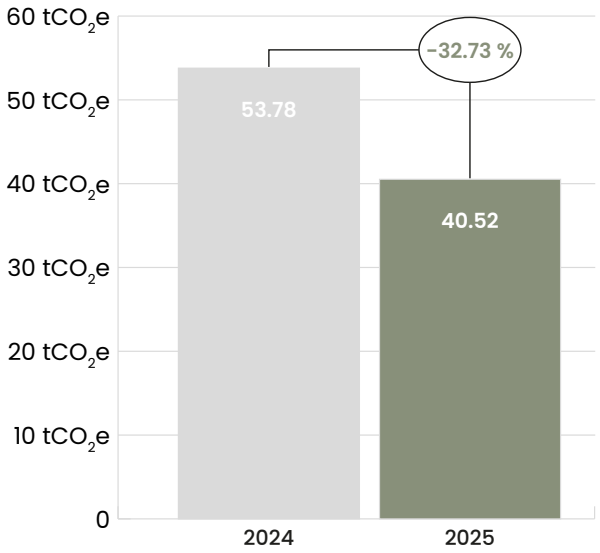
CO_2 Emissions	Unit	2023	2024	2025
Scope 1*	tCO_2e	61.73	47.09	33.96
Scope 2**	tCO_2e	6.14	6.69	6.56
Total emissions (Scope 1 + 2)	tCO_2e	67.87	53.78	40.52
Effect of GOs*** (wind)	tCO_2e	-	-	7.9
CO_2e per FTE	tCO_2/FTE	2.71	1.96	1.41

* **Scope 1:** Direct fuel consumption, company vehicles.
** **Scope 2:** Purchased electricity and heat.
*** **GOs:** Guarantees of Origin certificates.

In 2025, we completed the full electrification of our company vehicle fleet. All company cars are now fully electric, significantly reducing Scope 1 emissions by eliminating petrol and diesel consumption. Electrification simultaneously shifts a portion of emissions to Scope 2, as energy consumption is recorded as electricity. This produces a more consistent and transparent picture of our carbon footprint.

The trend in CO_2 emissions in 2025 reflects changes in energy consumption: the phase-out of fossil fuels, a higher share of renewable electricity and an overall reduction in total energy use. Together, these factors drive a clear reduction in Scope 1 and stable Scope 2 levels.

Total emissions - Scope 1 + 2

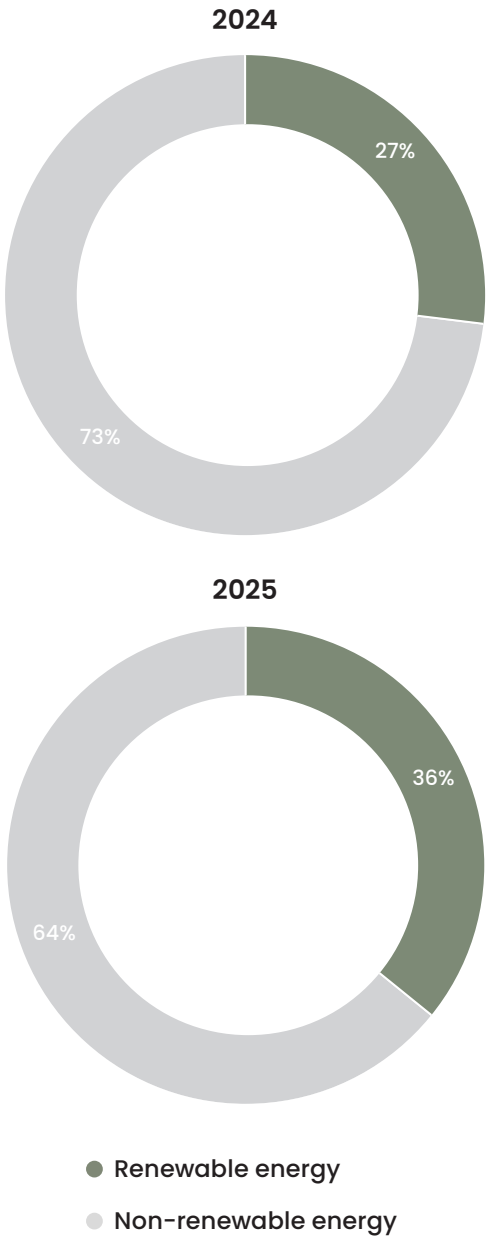


Energy Consumption	Unit	2023	2024	2025
Natural gas (renewable)	MWh	10.54	5.98	3.08
Natural gas (non-renewable)	MWh	241.86	188.99	139.88
Electricity (renewable)	MWh	40.66	69.24	82.54
Electricity (non-renewable)	MWh	11.24	13.39	15.66
Total renewable energy	**MWh**	**51.2**	**75.22**	**85.62**
Total non-renewable energy	**MWh**	**253.1**	**202.38**	**155.54**
Total energy consumption	**MWh**	**304.3**	**277.6**	**241.16**

Water Consumption	Unit	2023	2024	2025
Total water consumption	**m^3**	**73**	**118**	**120**

Fleet electrification has a direct impact on energy consumption - increasing the electricity share while reducing fossil fuel use. Total energy consumption in 2025 fell by 13.1% compared to prior years, primarily due to reduced consumption of non-renewable natural gas.

Electricity now represents a larger share of the energy account than in previous years, both as a result of electrification and a broader shift towards renewable energy sources. The renewable energy share reaches 35.5% in 2025, while natural gas consumption falls significantly. Water consumption remains stable at a low level with no operational fluctuations.



Packaging Responsibility

We work systematically to reduce our resource consumption and environmental impact through increased circularity in our packaging processes. Incoming packaging materials received internally are adapted or broken down for reuse in outbound shipments. This practice reduces the need to purchase new packaging material and contributes to more resource-efficient operations. The initiative is a central element of our overarching ESG strategy, where we focus on reducing environmental impact across the entire value chain.

As part of this work, we comply with Extended Producer Responsibility (EPR) for packaging in accordance with applicable legislation, and are members of the VANA collective scheme under Dansk Erhverv. Membership ensures that the packaging we place on the market is registered, handled and disposed of in accordance with regulatory requirements.

Fraction	Unit	2023		2024		2025	
		Total	Recycled	Total	Recycled	Total	Recycled
Waste Fractions							
Small combustible waste*	kg	2,608	0	1,507	0	1,405	0
Cardboard and paper	kg	7,488	7,488	5,685	5,685	2,955	2,955
Scrap metal	kg	652	652	801	801	803	803
Food cartons*	kg	14	14	87	87	71	71
Organic	kg	420	420	1,671	1,671	1,823	1,823
Waste timber A2	kg	34,240	34,240 (0)	20,520	20,520 (0)	13,820	0
Plastic - total volume	kg	343	63	812	712	481	241
Total waste volume	kg	45,765	8,637 (42,877)	30,993	10,473 (29,476)	21,358	5,893
Recycling rate	**%**	**19% (93.7)**		**33% (95.1)**			**28%**

* This fraction is used for energy recovery

Our recycling rate has fallen sharply from the levels reported for 2023 and 2024 - 93.7% and 95.1% respectively - to 28% in 2025. The reason is that our waste timber was originally misclassified by our waste contractor. This error has only now come to light, and it means that the waste timber was not, in fact, recycled as we had previously assumed. This is a data registration error that we have now corrected. The table therefore shows the corrected, actual figures - with the originally reported figures shown in parentheses - to clearly illustrate the difference between the earlier, inaccurate records and the actual data.

People and Wellbeing (S)

We work systematically on social matters to ensure a stable and safe working environment and clear, predictable employment conditions. This work is grounded in internal policies and procedures covering working environment, employment conditions and employee development. The company has guidelines covering smoking and substance use, employment and leave, holiday and parental leave, and the onboarding of new employees. These guidelines apply across the organisation and ensure consistent handling of social matters.

Employees are remunerated in accordance with applicable regulations and apprenticeship agreements. Competency development is an operational priority and encompasses both internal and external learning activities. We have chosen not to enter into a collective bargaining agreement. This decision is based on our assessment that the company's own terms for pay, holiday and flexibility are, in aggregate, more favourable than those set out in collective agreements.

Parental Leave
We offer the option of extended parental leave, allowing each parent to choose to extend their leave by up to 8 or 14 weeks beyond the statutory 32-week period (under Danish law). The scheme covers all forms of parenthood, including adoption, surrogacy and co-parenting. The purpose is to ensure consistent conditions and a predictable framework for employees in connection with parenthood.

MODU Time-to-Thrive
From the moment we founded the company, we launched the MODU Time-to-Thrive scheme. It gives every employee access to up to 10 additional company-paid wellbeing days per year, or 2 hours of paid time off per week. The scheme supplements the standard 25-day holiday entitlement and provides a structured framework for flexibility when individual needs vary - for example, shorter working days over a period for parents with young children, or the option to take longer holiday periods.

Health and safety	2025	Training hours	2025
Workplace accidents	0	Total hours	>350
Work-related fatalities	0	Average per employee/FTE	>10

Gender distribution as of 31/12	2025
Women	10
Men	24
Employment	**2025**
Full-time equivalents (FTE)	34
Permanent employees	100%
Temporary employees	0%
Age distribution	**2025**
≤30	8
31-40	3
41-50	9
51-60	14
61-70	1
Apprentices in training	**2025**
Apprentices	2

Governance and Accountability (G)

We operate according to established governance principles that ensure accountable decision-making and compliance with applicable legislation. As part of ongoing monitoring, the company records any rulings relating to corruption and bribery.

Legal Proceedings and Fines Related to Corruption and Bribery	2023	2024	2025
Convictions for corruption/bribery	0	0	0
Fines for corruption/bribery	0	0	0

The company's internal policies and guidelines form the foundation of its governance structure. These cover quality control, the whistleblower scheme, supplier management and the processing of personal data in accordance with GDPR. The policies ensure the company operates consistently with requirements for documentation, responsible operations and risk management across the value chain.

Supplier management is built on requirements for suppliers' practices in areas including working conditions, environment, business ethics and data protection. These requirements are set out in the company's Supplier Code of Conduct, and compliance is monitored through dialogue and meetings with key suppliers.

Quality control encompasses internal procedures for documentation, validation and follow-up, with a focus on stability and traceability in production and development processes. GDPR compliance covers the recording, processing and storage of personal data in accordance with applicable regulations.

MODU Day: Community, Expertise and Progress

Every year we hold MODU Day - an all-company development day built around shared professional themes. The day brings together everyone in the organisation and serves as a forum for collaboration and shared understanding of the company's direction.

The programme is planned by the company's leadership and includes presentations, hands-on sessions and professional activities that deepen knowledge of products, processes and internal workflows. The content varies from year to year, but the focus is always on building common direction across the organisation.

Hans Jørgen Baden
Warehouse Associate

MODU Day gives us the chance to see how our part of the work connects with the rest of the company.

MODU Day is also part of the company's social foundation. Bringing together all employee groups strengthens collaboration and internal coordination, and allows leadership to address key topics across the organisation in a single, shared forum. This provides a structured basis for collective dialogue on quality, operations and development.

Morten Sejrskilde
COO & CFO

What matters most is that everyone has a clear understanding of the technical and commercial direction the company is moving in - and of why each individual employee is essential to realising it.

MODU Day is therefore a recurring element in the company's work on competency development, internal communication and organisational cohesion. The day concludes with a summer party organised by MODU Valves' employee association. The association also organises other social events, including outings, company runs and Friday socials.

2025 Status

The table below provides a consolidated overview of our progress against the strategic ESG targets for 2025. Status reflects both the areas where targets have been met as planned and those where challenges remain or further action is required.

2025 Targets and Ambitions	Status	Comment
Reduce own carbon footprint	🟢	Company vehicle fleet 100% electrified from 2025.
Maintain waste recycling rate above 95%	🔴	Actual recycling rate fell to 28% due to misclassification of waste timber.
Increase transparency on employee development	🟢	Systematic collection of training hour data has been implemented.
Roll out Supplier Code of Conduct	🟡	Implementation with suppliers is underway and near completion.
Establish whistleblower scheme	🔴	De-prioritised in favour of other governance activities.
Strengthen data security and crisis preparedness	🟢	Requires ongoing attention.
Contribute to lower global CO_2 emissions	🟢	MODU ONE® is being rolled out globally as part of a long-term effort.

Targets and Focus Areas

The targets for the coming years are organised across climate and environment, social and governance - and several of the targets below flow directly from the 2025 status review. The initiatives have been selected because they strengthen the core business and reduce risk in development, procurement, production and operations. On the product side, we continue the global rollout of MODU ONE®. In operations, we are prioritising lower carbon intensity energy sources at our new headquarters, The Flow Hub, along with improved waste management and a clear procurement policy focused on demonstrable material accountability. Within the organisation, we are maintaining a stable and safe working environment and managing the relocation without operational disruption through clear role allocation and standardised workflows.

Each target is tied to specific actions and timelines. This makes progress measurable, supports the management of technical and operational risks, and provides a foundation for ongoing reporting. The ambition is not to expand the number of commitments, but to deliver on a small number of important initiatives that demonstrably improve scalability, operational efficiency and long-term value creation for customers.

Target	Actions	Timeline
Climate and Environment - SDGs 9, 12, 13		
Continue developing MODU ONE® for greater resource efficiency	Develop and document new modules in the MODU ONE® ecosystem.	2026→
Strengthen responsible material use	Design and implement a responsible material procurement policy.	2026/27
Strengthen waste management in operations	Implement effective waste processes and circular workflows in the new headquarters.	2026
Reduce global carbon footprint through product architecture	Promote the global rollout of the MODU ONE® valve ecosystem.	2026→
Reduce Scope 1 and 2 emissions	Implement lower carbon intensity energy sources in the new headquarters.	2027
Social - SDG 3		
Ensure a stable and safe working environment in the new headquarters	Design and implement safety procedures and workflows for the new site.	2026/27
Improve safety in upstream production processes	Global rollout of MODU ONE® with MODU Safe Mounting® as part of a long-term effort.	2026→
Governance - SDG 8		
Complete the relocation without major operational disruption and with clear frameworks for employee working conditions	Plan and execute the relocation process with a focus on operational continuity, clear role allocation and predictable workflows.	2026/27
Introduce anonymous reporting channel	Establish a whistleblower scheme.	2026

Methodology, Data Basis and Delimitations

This section describes the methods, data sources and standards underpinning the ESG report, the carbon account and the materiality assessment for MODU Valves A/S for the financial year 1 January 2025 – 31 December 2025.

About the ESG Report
The ESG report has been prepared by MODU Valves A/S. Reporting follows the VSME standard for non-listed small and medium-sized enterprises (version December 2024). VSME is based on the principles of the EU's CSRD and the associated ESRS requirements, and has been developed as a proportionate reporting framework. Certain disclosure requirements have been omitted as they are not relevant to MODU Valves' activities. The report therefore does not cover pollution of air, water or soil, or biodiversity. Revenue figures are not disclosed for reasons of confidentiality. All ESG data covers the full reporting period.

Data Quality, Corrections and Registration Uncertainties
As part of the annual methodology review, we have conducted a systematic quality assurance of the data basis across CO_2, energy and waste data. In this process, we identified certain deviations in prior period records and have adjusted data where doing so improves transparency and methodological consistency in the reporting. For the reporting years 2023 and 2024, methodological deviations were identified in waste data submitted by our external waste contractor. The deviations related to the incorrect classification of waste timber as recyclable, which is inconsistent with applicable treatment practices. This affected data quality for the period, including recycling rates and derived CO_2 intensity calculations. Waste figures have therefore been corrected retrospectively.

In the same review, minor deviations were identified in certain energy and emissions data, including one specific data entry error. Accordingly, CO_2 emissions and energy consumption figures for 2023 and 2024 have also been revised. The corrections have a limited impact on total CO_2 emissions, but have improved the split between renewable and non-renewable energy, so that reporting now more accurately reflects actual consumption patterns.

To strengthen data quality going forward, we have established closer dialogue with our waste contractor with a view to correct waste fraction classification and more consistent registration practice in future reporting years.

Data Basis and Calculation Methods

Environmental Data

- Energy consumption:
  Energy data for natural gas and electricity are based on annual statements from the company's utility providers.
- Renewable energy share:
  - According to Evida.dk, biogas accounts for approximately 40% of the natural gas system.
- Greenhouse gas emissions (Scope 1 and 2):
  Emissions are calculated in Klimakompasset (the Danish Business Authority's GHG calculation tool), based on the GHG Protocol.
  - Fuel and energy data are sourced from the company's business portal.
  - Emission factors from 2024 have been applied.
  - CO_2e/FTE is calculated on the company's own Scope 1+2+3 emissions in accordance with Klimakompasset.
- Certified energy:
  - The climate effect of certified wind power is calculated as the difference between the national electricity consumption factor of 0.197 kg CO_2/kWh and the wind energy factor of 0 kg CO_2/kWh. Source: Energinet.dk
  - Certified biogas is assigned a fossil fraction of 0%, in accordance with the Danish Energy Agency. This means biogas is recorded as zero CO_2 emissions.
- Waste:
  Waste data are based on reports from the company's business portal.
  - Classification follows each fraction's potential for recycling.
  - Combustible waste is recorded as incineration, as this fraction is used for energy recovery.

Social data

- Workforce:
  Figures are based on the company's employee records. Headcount as of 31 December 2025 is applied as the reporting principle.
- Workplace accidents and fatalities:
  Figures cover reported workplace accidents during the period. There have been no fatalities.
- Training hours:
  Data covers recorded hours for all employees. The figure includes internal and external learning activities, including mandatory courses, competency development and induction programmes.

Governance-data

Qualitative information on the green transition (B2) and sustainability targets (C2) has been gathered through management interviews and a review of internal strategies, policies and procedures.

About the GHG Inventory
The Climate Compass has been used to calculate emissions in accordance with the GHG Protocol. The GHG inventory includes:

- Scope 1: Consumption of natural gas and fuel for company-owned vehicles
- Scope 2: Electricity consumption and charging of leased electric vehicles

All calculations are based on 2024 emission factors, which were the most recently available at the time of preparing this report.

About the Materiality Assessment
The materiality assessment identifies the ESG-related impacts, risks, and opportunities that are most significant to MODU Valves' operations and development.

Process and Methodology
The assessment was conducted in 2024 by MODU Valves A/S in collaboration with Improve Business ApS and consisted of the following steps:

1. Identification of the company's key stakeholders across the value chain.
2. Selection of stakeholders with direct relevance to sustainability efforts.
3. Execution of two workshops with management and employees focusing on:
   - Analysis of impacts, risks, and opportunities
   - Assessment of the severity and likelihood of impacts
   - Assessment of financial materiality
   - Joint prioritization of ESG topics

Criteria for Assessing Impacts:

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

Criteria for Assessing Financial Materiality:

- Risk or opportunity
- Financial impact (1–5)
- Likelihood (1–5)

The results are consolidated in a materiality matrix, which forms the basis for the report's focus areas and strategic ESG priorities.

Read more at **moduvalves.com/sustainability**, or sign up for our **newsletter**.

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