

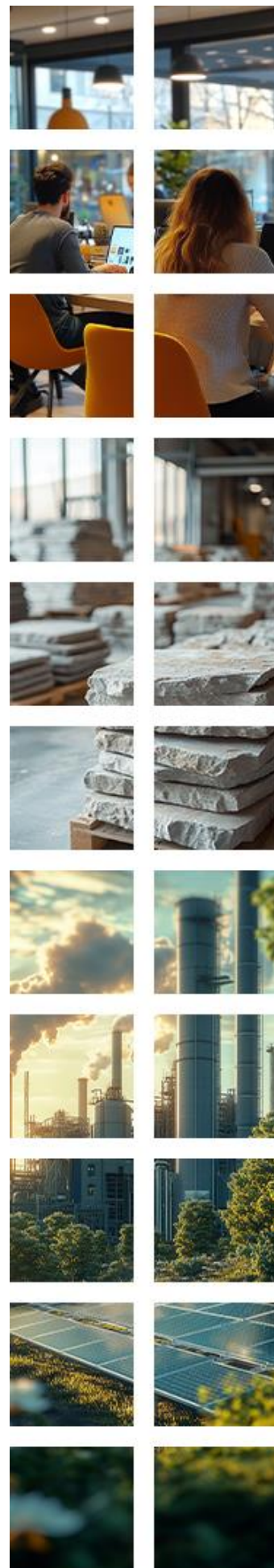
MODULO

Greenhouse Gas Emissions Report 2023

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Date: 2024.08.19

Reporting period: 2023



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Introduction

This study was undertaken by Dr. Ing. Kaspars Zudrags / SIA BM Certification in 2024 according to the requirements of the GHG protocol "A Corporate Accounting and Reporting Standard".

General description of the organization goals and inventory objectives

Description of organization

"MODULO is a European leader in the production and distribution of stone veneers, bricks, and 3D wall panels. Seeking to always improve and adapt to the market's demands, our team is constantly focused on creating new products. With over 35 years of industry experience, our craftsmanship and creative eye for design have made us one of the most revered wall cladding manufacturers in Europe, and beyond.

At MODULO, we believe in the home-enhancing benefits of wall claddings and it's this unrivaled passion for our craft that makes our products some of the best in the business.

Our striking wall coverings are originally designed in France by master craftsmen. Our proud French roots flourished over 30 years of local production and our innovative approach to stone craft is not only trendsetting but gives our interior and exterior products a stunning appearance coupled with a superior quality that is built using cutting-edge production techniques. We are often copied but never surpassed.

In addition to our passion for wall claddings, we care about the planet. We are an eco-friendly manufacturer with a commitment to green-friendly processes and lowering our carbon footprint for an ecological and sustainable future.

Responsible persons

MODULO is responsible for the provision of the GHG statement and the supporting information. Report is prepared by Adrian Bancos, Product Manager (PM).

SIA BM Certification was contracted to provide consultancy for reporting.

Purpose of the report and intended users

Target audiences of the study are company's management and employees, customers, and any parties which have an interest in company's GHG emissions. The aim of the study is to provide GHG emission information for both business-to-consumer and business-to-business communication.

The aim of this report is monitoring and reporting the greenhouse gas emissions and activities to reduce these emissions.

Dissemination

The report is available for the company's internal use as well as for third party on request.

Reporting period

Data for calculation was collected by MODULO and covers 12 months period of year 2023.

Data and information included in the report

Scope 1 and Scope 2 emissions are included in this report according to the GHG protocol “A Corporate Accounting and Reporting Standard”.

Scope 3 is not calculated for the first year due to the lack of accounting.

The data collected is based on the analysis of invoices. The activity data is multiplied by the appropriate emission factor to calculate GHG emissions for the organization.

The electricity emission factors are based on Tier 1 emission factors assuming an average or typical technology and the general characteristics of electricity production in the country.

Statement about verification

The greenhouse gas emissions reported by MODULO for the reporting period are stated below. MODULO is responsible for the data collection and fair presentation of the GHG statement.

Organizational boundaries

MODULO DECORATIVE SOLUTIONS has the following manufacturing and office site which is covered by this report:

Production facilities: 29, 22 Decembrie 1989 st., 401113 Turda, Cluj County, Romania.

Headquarter: 29, 22 Decembrie 1989 st., 401113 Turda, Cluj County, Romania.

MODULO STONE, part of MODULO group, has the office location which is covered by this report:

Headquarter: 29, 22 Decembrie 1989 st., 401113 Turda, Cluj County, Romania.

The MODULO DECORATIVE SOLUTIONS with the production plant and headquarters in Turda, Romania and MODULO STONE with the headquarters in Turda, Romania accounts for all GHG emissions generated from facilities over which the company has operational control.

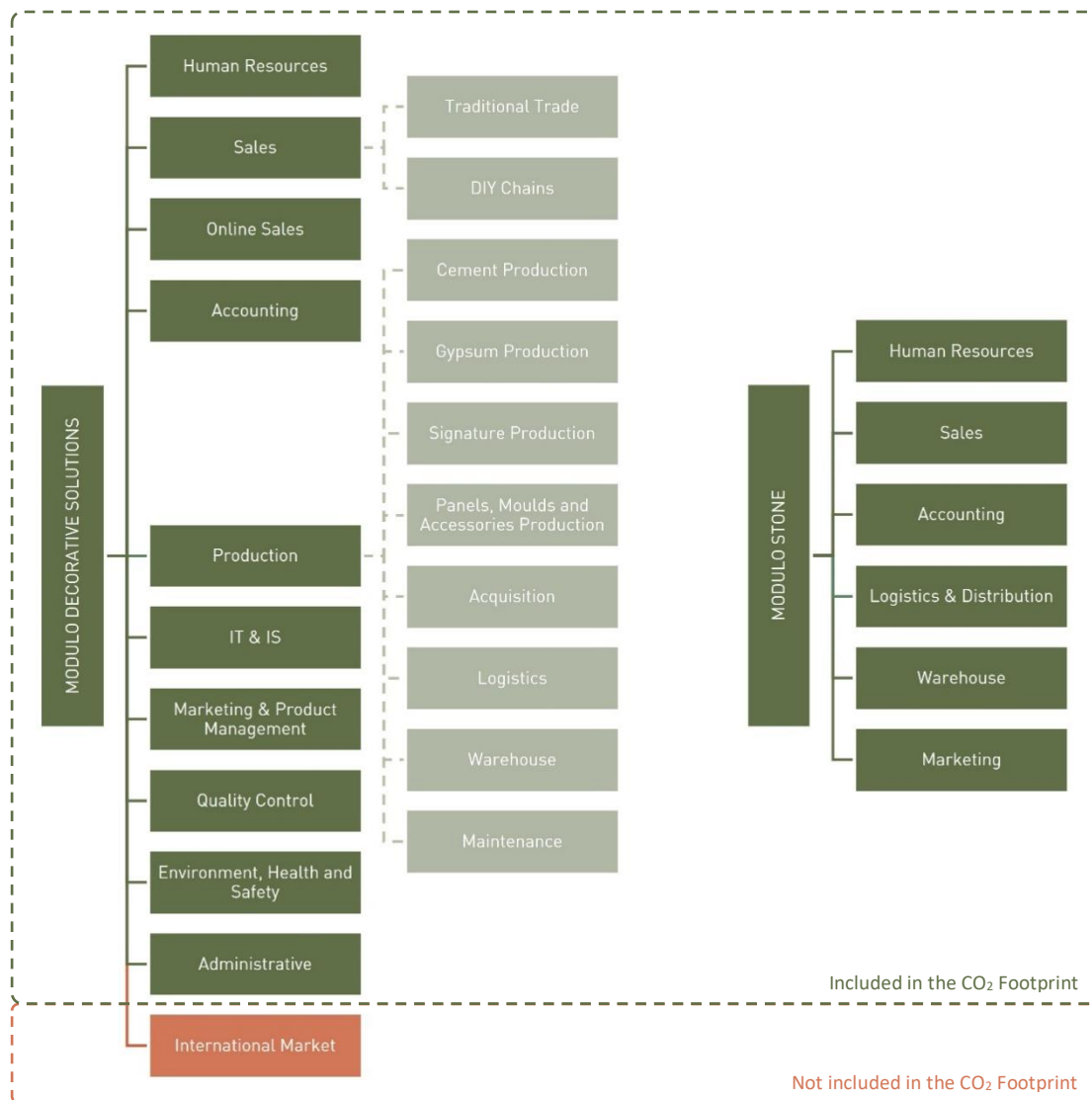


Figure 1. Organization Charts.

Reporting boundaries

The Scope 1 and Scope 2 emissions are included in this report according to the GHG protocol A Corporate Accounting and Reporting Standard.

Category	Type	Source	Emissions factors
Scope 1	Diesel	Company cars	CO ₂ , CH ₄ , N ₂ O
	Gasoline	Company cars	CO ₂ , CH ₄ , N ₂ O
	LPG	Company cars	CO ₂ , CH ₄ , N ₂ O
	Natural gas	Heating of factory and production	CO ₂ , CH ₄ , N ₂ O
Scope 2	Electricity	All	CO ₂ , CH ₄ , N ₂ O
Scope 3	ND		

* The company does not have any sink of CO₂.

Quantified GHG inventory of emissions and removals

Reporting company MODULO DECORATIVE SOLUTIONS
 Person responsible for the report Adrian Bancos
 Reporting period covered from 01.01.2023 to 31.12.2023.

Emissions	Total	CO ₂
	GWP	1
	eCO ₂ , t	t
Scope 1: Direct GHG emissions and removals in tones CO ₂ eq	1219.6	
Scope 2: Indirect GHG emissions from imported energy in tones CO ₂ eq	255.2	

Total CO₂ equivalent 1474.8 t

GHG - greenhouse gases

Results interpretation

2020 was the first year when MODULO DECORATIVE SOLUTIONS started its accounting of GHG emissions with a third party. As production varies due to market fluctuations, another index to compare the eCO₂ emissions is in proportion to the specific annual production. 2021 was the year with the highest eCO₂ emissions/square meter of product (3.1 kg/sqm). Starting from 2022, there was a reduction in emissions to 2.8 kg eCO₂/square meter produced (-9.7% vs 2021) and in 2023 the eCO₂ emissions/square meter were at their lowest point, at 2.6 kg eCO₂ emissions/sqm (-7.1% vs 2022).

Starting in 2023, MODULO will prepare annual reports on its CO₂ emissions, with this report being the first in the series.

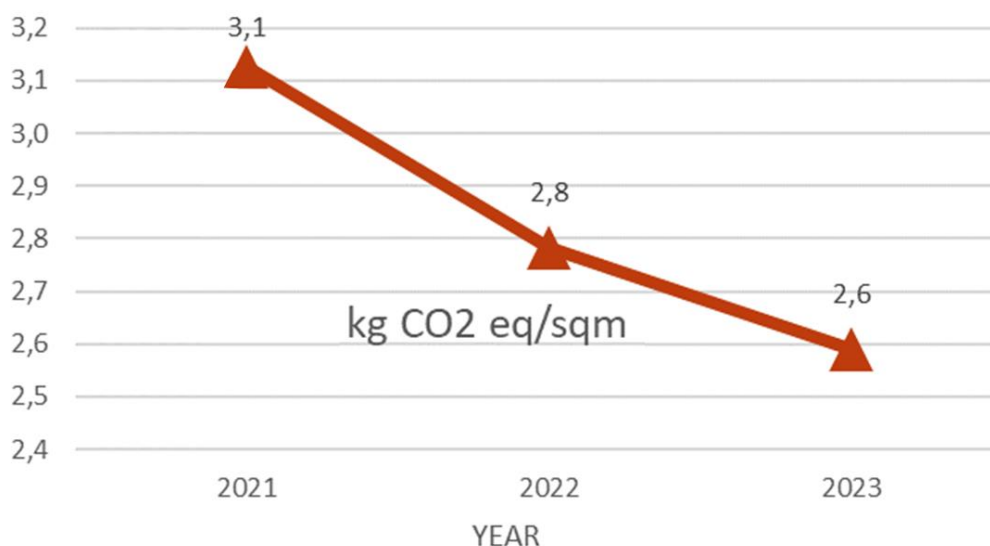


Figure 2. CO₂ emissions/sqm.

GHG reduction initiative and internal performance tracking

MODULO DECORATIVE SOLUTIONS undertakes:

Set Clear CO₂ Emission Reduction Targets:

- Achieve a 5% reduction in CO₂ emissions per square meter of manufactured product by 2025.
- Aim for a 20% reduction in CO₂ emissions per square meter of manufactured product by 2030.

Awareness Campaigns on Sustainable Behaviors:

- **Promote Car Sharing:** Encourage employees to participate in carpooling or use shared transportation options to reduce emissions from individual car use.
- **Switch Off Unused Equipment:** Promote the practice of turning off machinery, computers, and other equipment when not in use to conserve energy.
- **Unplug Devices:** Encourage employees to unplug chargers, devices, and appliances when they are not in use to eliminate standby power consumption.

Install LED Lighting and Proximity Sensors: Replace traditional lighting with energy-efficient LED lights and install proximity sensors in public and common areas to minimize energy consumption when spaces are unoccupied.

Install Photovoltaic Panels: Invest in photovoltaic panels to generate renewable energy on-site, reducing reliance on non-renewable energy sources.

Insulate Dryers: Enhance dryers' insulation to improve energy efficiency and reduce heat loss, thereby lowering overall energy consumption.

Introduce Electric Power as an Alternative for Dryers: Utilize electric power as an alternative energy source for dryers, reducing reliance on fossil fuels and decreasing CO₂ emissions while enhancing energy efficiency.

Implement Detailed Energy and Gas Consumption Monitoring: Install meters to track electricity and natural gas usage across multiple consumers and production lines, enabling more precise monitoring and targeted reduction efforts.

Conduct Annual CO₂ Recalculations: Perform annual recalculations of the company's CO₂ footprint to track progress, identify areas for improvement, and ensure ongoing alignment with reduction goals.

Develop Eco-Friendly Products: Innovate products by using more sustainable materials (e.g. recycled content, low-carbon cement alternatives or less cement, gypsum based composite materials with low CO₂ emissions but improved characteristics) or creating products that require less energy and resources to produce.

Cautions that future statements are subject to numerous assumptions, risks and uncertainties which can be changed over time.

References

GHG protocol “A Corporate Accounting and Reporting Standard”

UK Government GHG Conversion Factors for Company Reporting, UK Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy, (published version 1.1, 2024-06-10)

European Residual Mixes 2023 v1.0 - Table 2, Direct GWP (gCO₂/kWh), Association of Issuing Bodies, (published Version 1.0, 2024-05-30)