

SUSTAINABILITY AT MODERN EXPO

MODERN EXPO



Responsibility



Innovation



Future



GREETINGS FROM OUR CEO

MODERN EXPO



Modern Expo Group is a socially responsible business and a leader in innovative solutions, not only for the domestic and international retail market. We are shaping a sustainable future for the business environment and the global community by integrating environmental, social, and governance (ESG) principles into all aspects of our operations.

By applying ESG approaches in our operational and financial processes, we promote the development of a circular economy, minimize environmental impact, and create long-term value for our partners and society.

Petro Pylypyuk

Chief Executive Officer

MODERN EXPO IS...

9

high-tech
manufacturing units

87 500m²

production
facilities

LEAN

oriented processes
for quick mass
replication

EN & FEM

safety and quality
standards certification
for all products

COMPONENTS OF COMPANY SUSTAINABILITY



Environmental:

- Climate change and greenhouse gas emissions
- Emissions to air, water and soil, pollution and waste management
- Biodiversity, deforestation and responsible land use
- Energy efficiency
- Addressing resources depletion (including water)



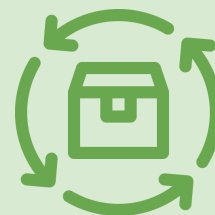
Social:

- Human rights protection (including modern slavery and child labour)
- Health and safety
- Diversity, inclusion, and equal pay
- Well-being and development of staff
- Stakeholder and community engagement



Governance:

- Anti-Bribery and corruption
- Conflicts of Interest
- Anti-money laundering
- Risk management
- ESG audits
- Informational security
- Stewardship
- Executive pay
- Capital management
- Liquidity
- Investments
- Board independence, diversity and structure



Sustainable Procurement:

- Responsible relationship with suppliers
- Well-established and transparent supply chain

TIMELINE



The timeline illustrates the main events in Modern-Expo (ME) sustainability journey during 2024-2025

March

Define goals and
Calculate greenhouse
gases (Scope 1, Scope 2)

May

Development of
the procurement
policy

September

Conduct 3d part audit CSR -
SMETA Audit. Planting 1.3
hectares of forest

June

Membership
in the UN organization
(UN Global Compact)

2024

April

Introduction of alternative
energy sources

July

Definition of key
commitments/goals in the circular
economy and participation in
initiatives:

- 1. Women's leadership project;
- 2. Inclusion project;
- 3. Veterans support project.

January

Ecovadis yearly
assessment – 57

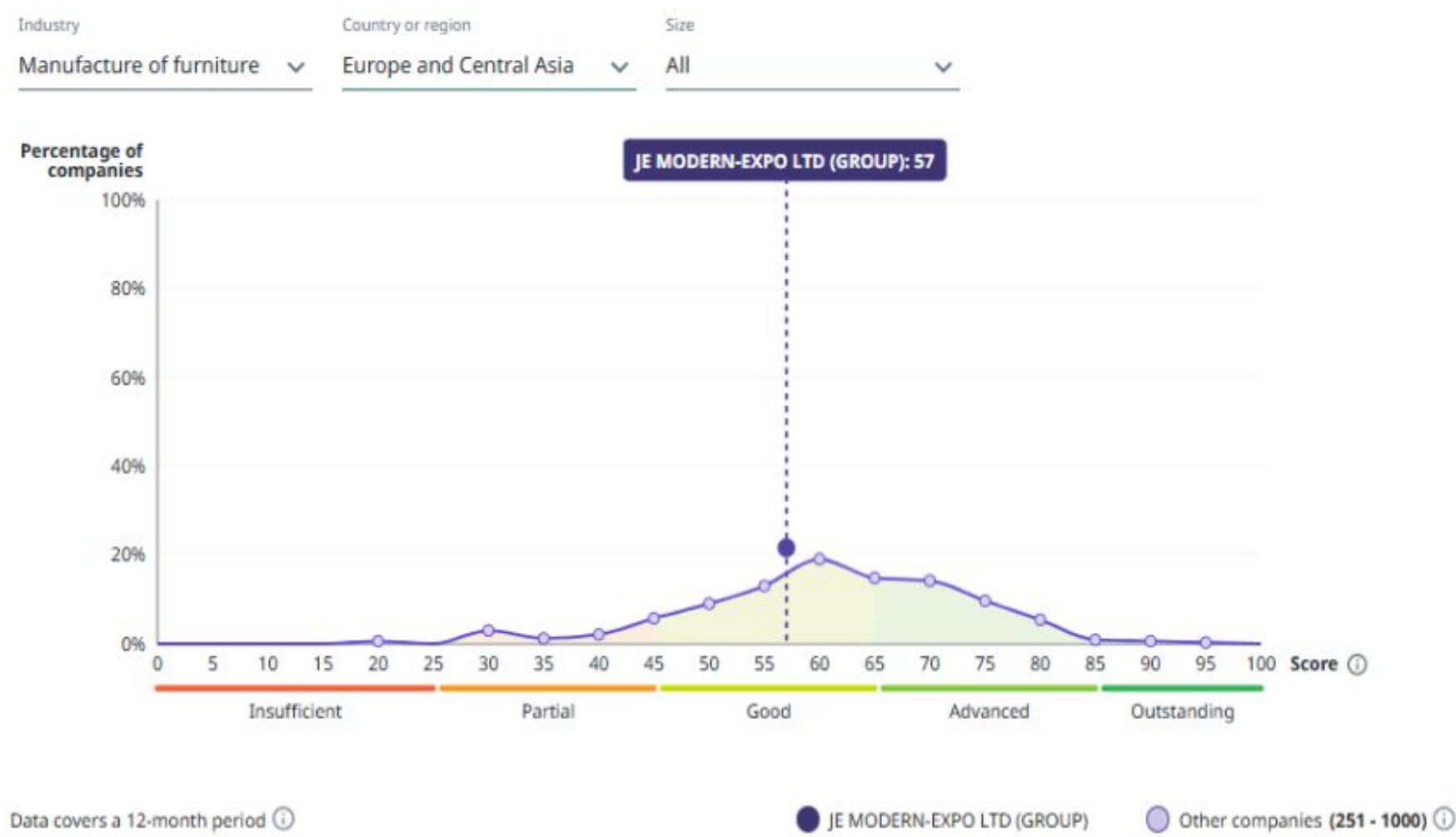
2025

ECOVADIS ASSESSMENT –

2024 Highlights

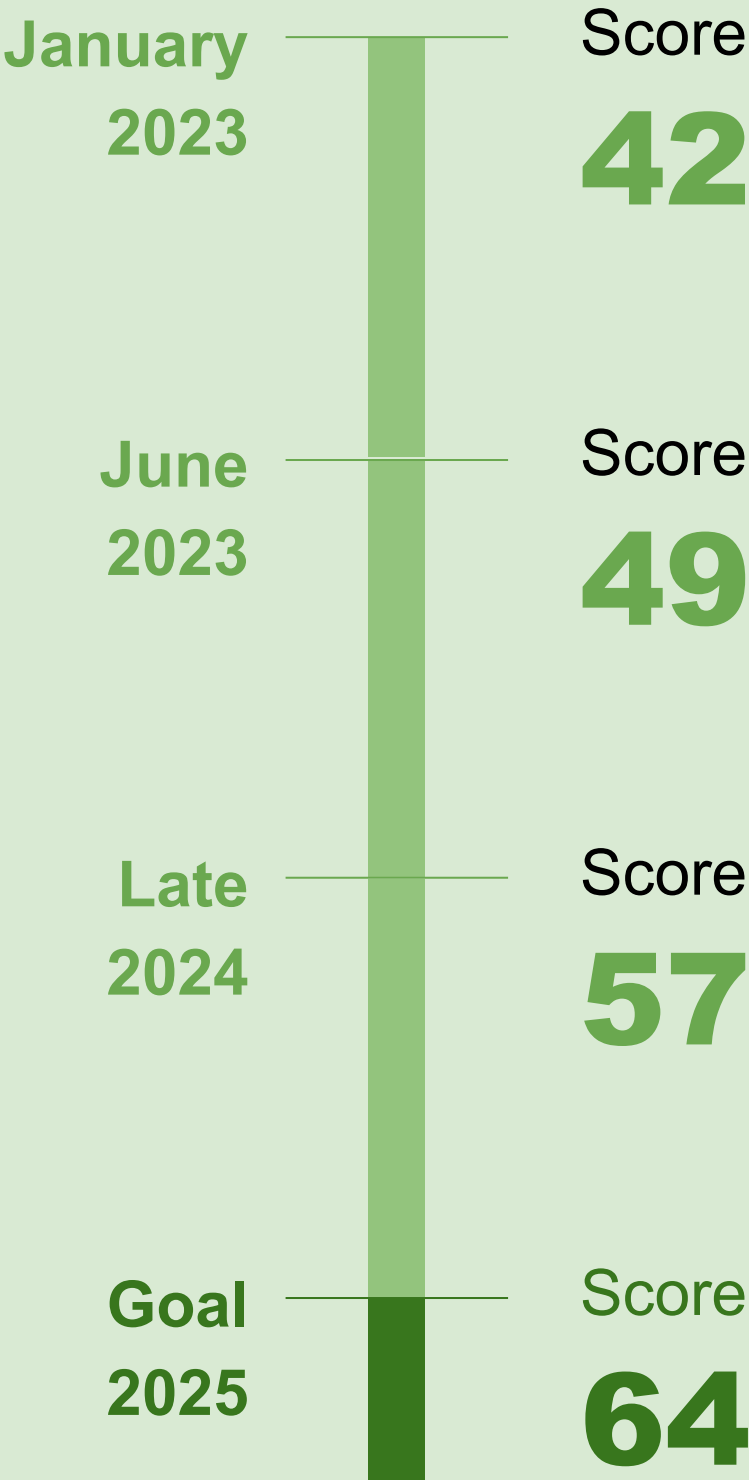
MODERN EXPO

In 2024, we successfully improved our overall EcoVadis score to **57/100**, marking a **+16.3%** increase compared to the previous year. We achieved **50 points in three key areas**, significantly strengthening our position in sustainability practices.



By Area	SCORE 2023	SCORE 2024	MAX
Environment	60	62 ↑	100
Labour & Human Rights	50	61 ↑	100
Ethics	50	50 ↑	100
Sustainable Procurement	30	48 ↑	100
Overall score	49	57 ↑	100

ECOVADIS ROADMAP



COMMITTED

ecovadis

Sustainability Rating

APR 2024

OVERALL
SCORE
4.1



Overall score (2.8) ★ ★ ★ ☆ ☆				
	# of points available	# of points achieved	% of points achieved	Weighted score
Profile	5	0	0,0%	0,0
Workplace impact	4	3	75,0%	3,8
Management systems	27	19	70,4%	3,5
Freely chosen employment	23	12	52,2%	2,6
Freedom of association	6	6	100,0%	5,0
Health and safety	42	40	95,2%	4,8
Living accommodation				
Children and young workers	10	2	20,0%	1,0
Wages	23	12	52,2%	2,6
Working hours	16	12	75,0%	3,8
Discrimination	41	8	19,5%	1,0
Regular employment	14	4	28,6%	1,5
Discipline and grievance	29	20	69,0%	3,5
Environment	43	19	44,2%	2,2
Business ethics	9	7	77,8%	3,9

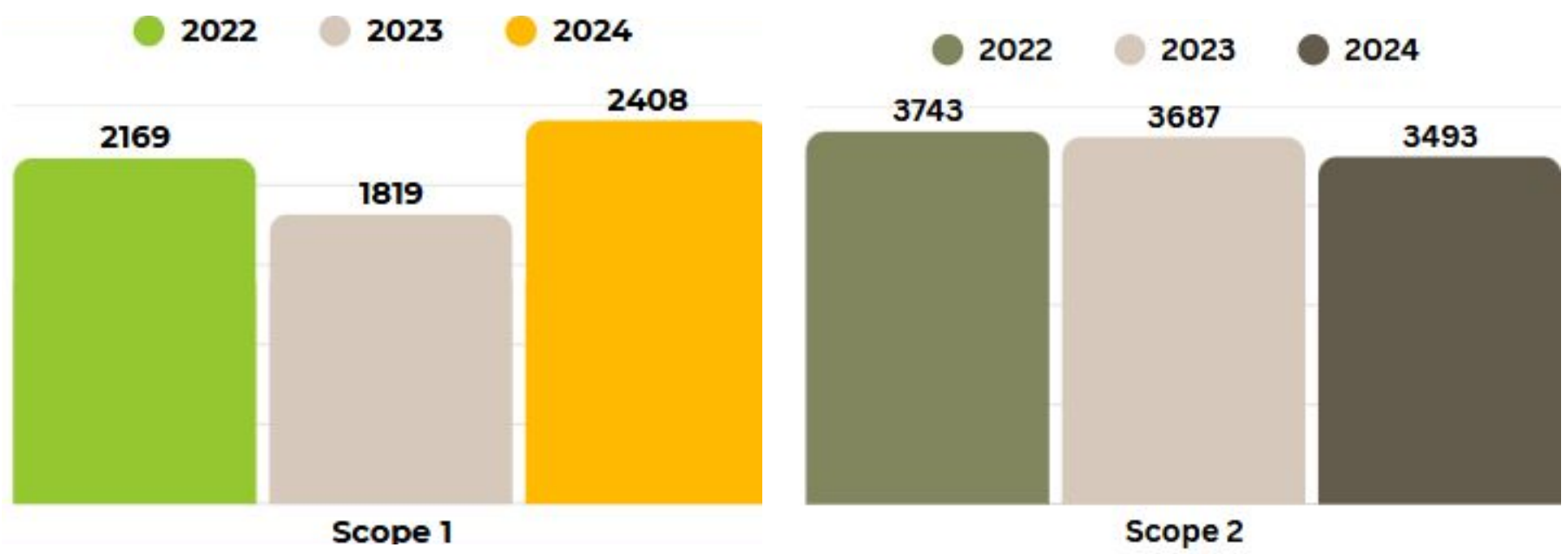
Overall score (4.1) ★ ★ ★ ★ ☆				
	# of points available	# of points achieved	% of points achieved	Weighted score
Profile	6	5	83.3%	4.2
Workplace impact	5	5	100.0%	5.0
Management systems	27	24	88.9%	4.5
Freely chosen employment	25	22	88.0%	4.4
Freedom of association	6	6	100.0%	5.0
Health and safety	50	45	90.0%	4.5
Living accommodation				
Children and young workers	10	8	80.0%	4.0
Wages	27	23	85.2%	4.3
Working hours	17	17	100.0%	5.0
Discrimination	41	33	80.5%	4.0
Regular employment	15	10	66.7%	3.4
Discipline and grievance	29	20	69.0%	3.5
Environment	46	30	65.2%	3.3
Business ethics	9	8	88.9%	4.5

ENVIRONMENTAL COMPONENT

Decarbonization

The dynamics of 2024 compared to 2023:

- Scope 1 increased by **32%**
- Scope 2 decreased by **5%**



Our Goal:

- 01** Annually reduce CO2 emissions at all levels of operational processes, or maintain them at a level not higher than the previous year.
- 02** Complete the assessment on the CDP platform and improve the result to a C level.
- 03** Starting from 2025, the new global goal is to reduce CO2 emissions by 30% by 2030.

In 2025, we plan to implement the methodology for calculating Scope 3 and define goals for calculating greenhouse gases (Scope 1, Scope 2) on a regular basis (at least annually)

- In 2024, Modern Expo improved its CDP score from D to C – reaching the global, regional, and industry average
- In Climate Change, we’re still at D, but aim to reach C next year
- **Next goal:** level C through concrete climate actions



Overall Rating 2024

Organization Name	Country	Region	Sector	Activity Group	Theme	Your CDP Score	Global Average	Regional Average	Activity Group Average
Modern Expo	Ukraine	Europe	General	Metal products manufacturing	Water	C	C	C	C
Modern Expo	Ukraine	Europe	General	Metal products manufacturing	Forests	C	C	C	
Modern Expo	Ukraine	Europe	General	Metal products manufacturing	Climate Change	D	C	C	C

Water

Category Name	Company Category Score	Global Category Average Within Activity Group
Risk Disclosure	B-	C
Opportunity Disclosure	C-	C
Water Accounting	B-	C
Water Pollution Management Procedures	B-	C
Public Policy Engagement and Industry Collaboration	B-	C
Dependencies, Impacts, Risks and Opportunities Process	C	C
Business Strategy	C	C
Governance	B-	C
Targets	C	C
Environmental Policies	B-	B
Value Chain Engagement	C-	C-

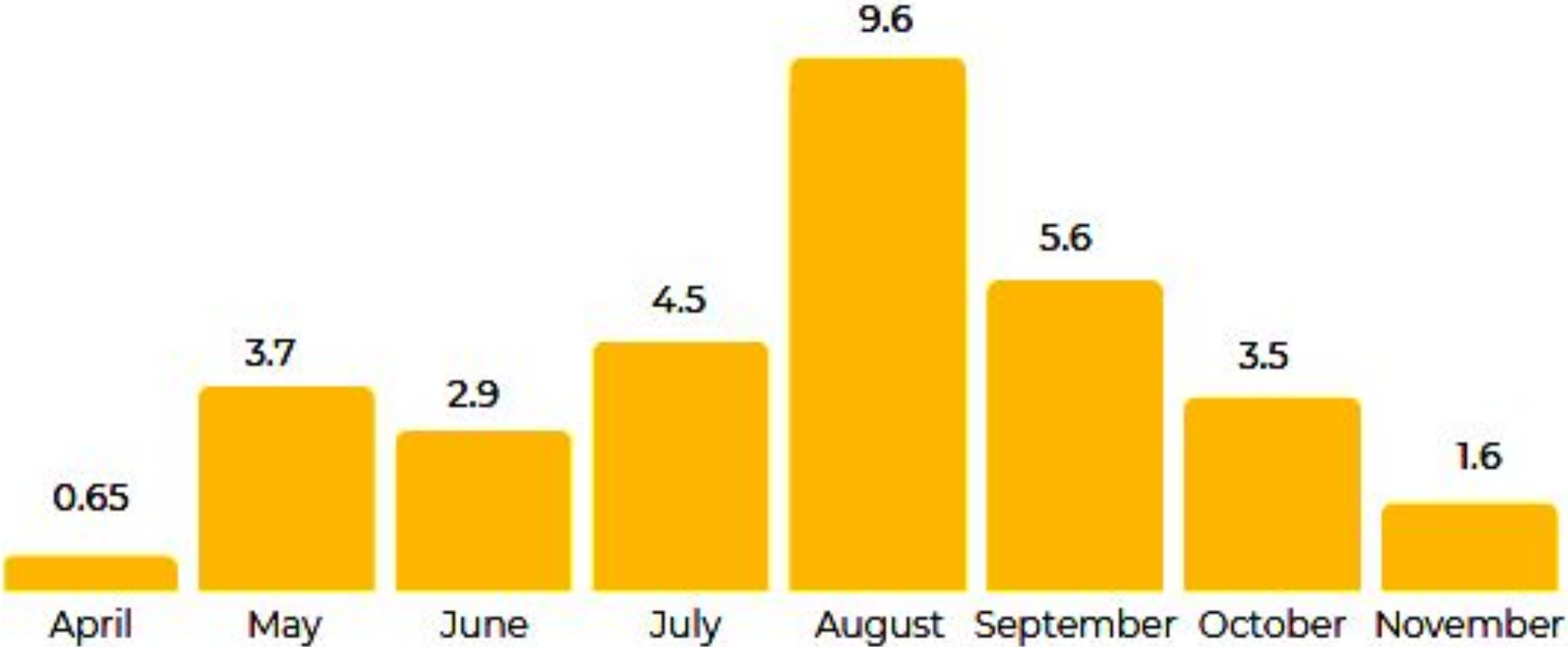
Forests

Category Name	Company Category Score
DCF status	C-
Value Chain Engagement	C
Targets (F)	D-
Commodity visibility and reporting	D-
Dependencies, Impacts, Risks and Opportunities Process	C
Risk Disclosure	B-
Governance	C-
Engagement in activities and initiatives	C-
Public Policy Engagement and Industry Collaboration	B-
Environmental Policies	C-
Opportunity Disclosure	C-
Targets	C-

Climate Change

Category Name	Company Category Score	Global Category Average Within Activity Group
Pricing Environmental Externalities	C-	C-
Risk Disclosure	B-	C
Opportunity Disclosure	C-	C
Verification (Incl. Emissions)	D-	D
Dependencies, Impacts, Risks and Opportunities Process	C	A-
Public Policy Engagement and Industry Collaboration	B-	C
Environmental Policies	B-	B
Scope 1 & 2 Emissions	C	C
Targets	C-	C
Governance	C	A-
Value Chain Engagement	C-	C
Context	D	A
Energy	C	C
Business Strategy	C-	C
Scope 3 Emissions	D-	C
Emissions Reduction Initiatives and Low Carbon Products	C-	C

In 2024, the average monthly energy consumption was reduced by **4%**



Plan for 2025

Double the share of alternative energy sources, enhancing sustainability and efficiency

SOLAR ENERGY GENERATION

MODERN EXPO

Installed solar capacity:

2,209 solar panels across **5,522.5** m²

Total system capacity:

- Photovoltaic: 1,335.45 kW
- Inverters: 1,015 kW (+ up to 30% peak surplus)

Energy generated:

- **529,845.56** kWh
- 100% used for internal industrial consumption

**as of 01.04.2025*



Reduced
carbon footprint



Improved
energy autonomy



Rooftop overheating
prevention



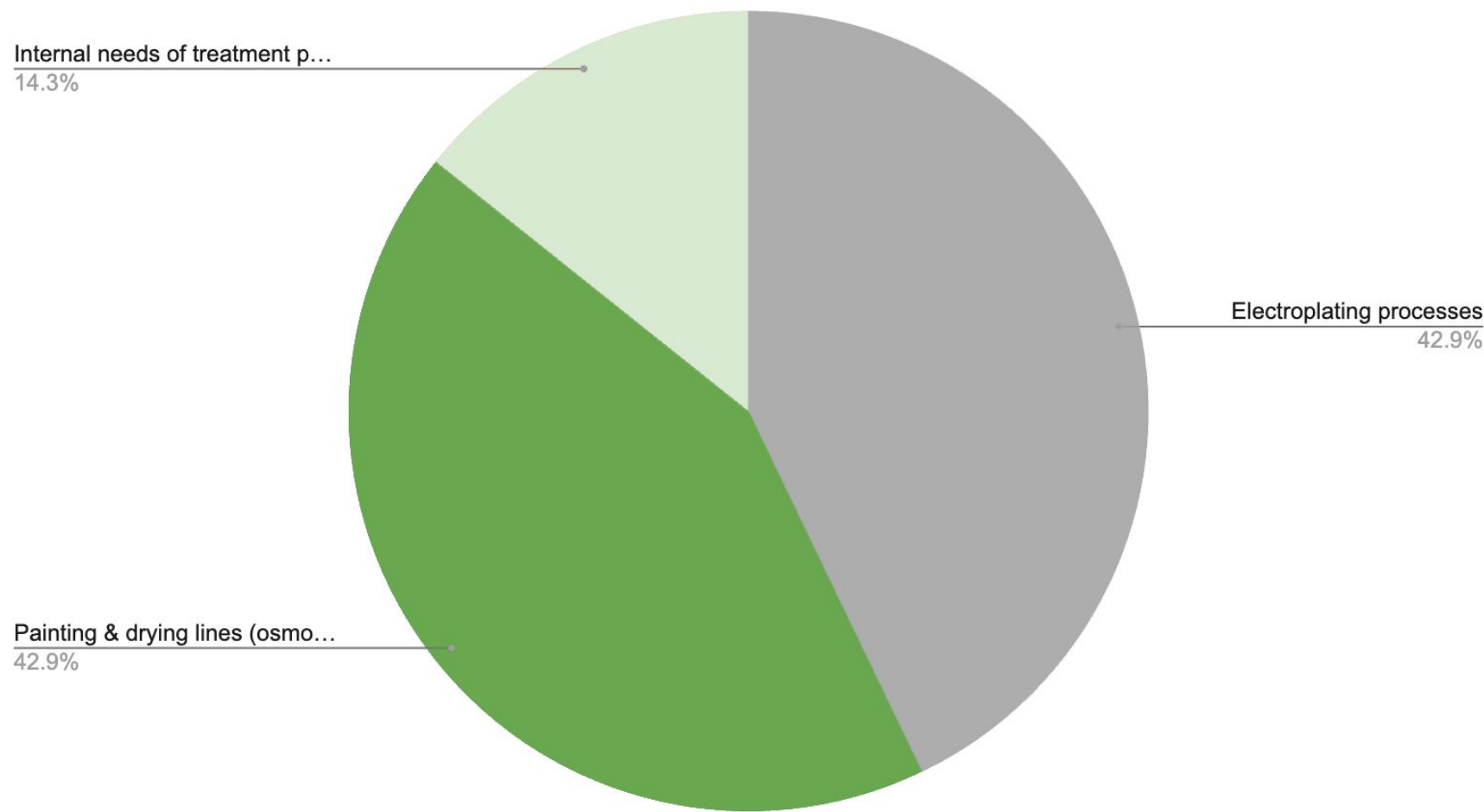
Lowered cooling demand in
production areas

Current state

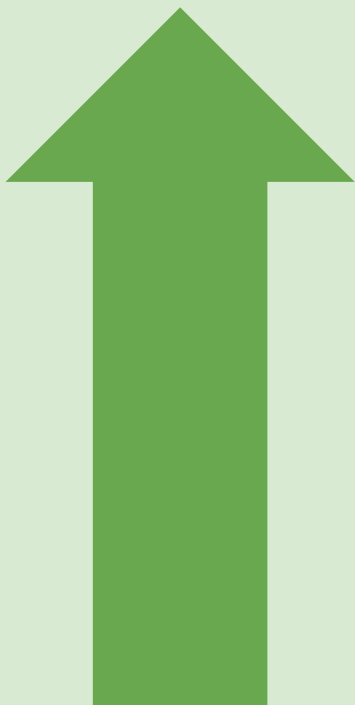
In-house water treatment facilities

Full cycle of wastewater treatment with 3-level quality control

Monthly Water Use (3,000–3,500 m³)



Near future goal



Water recycling project

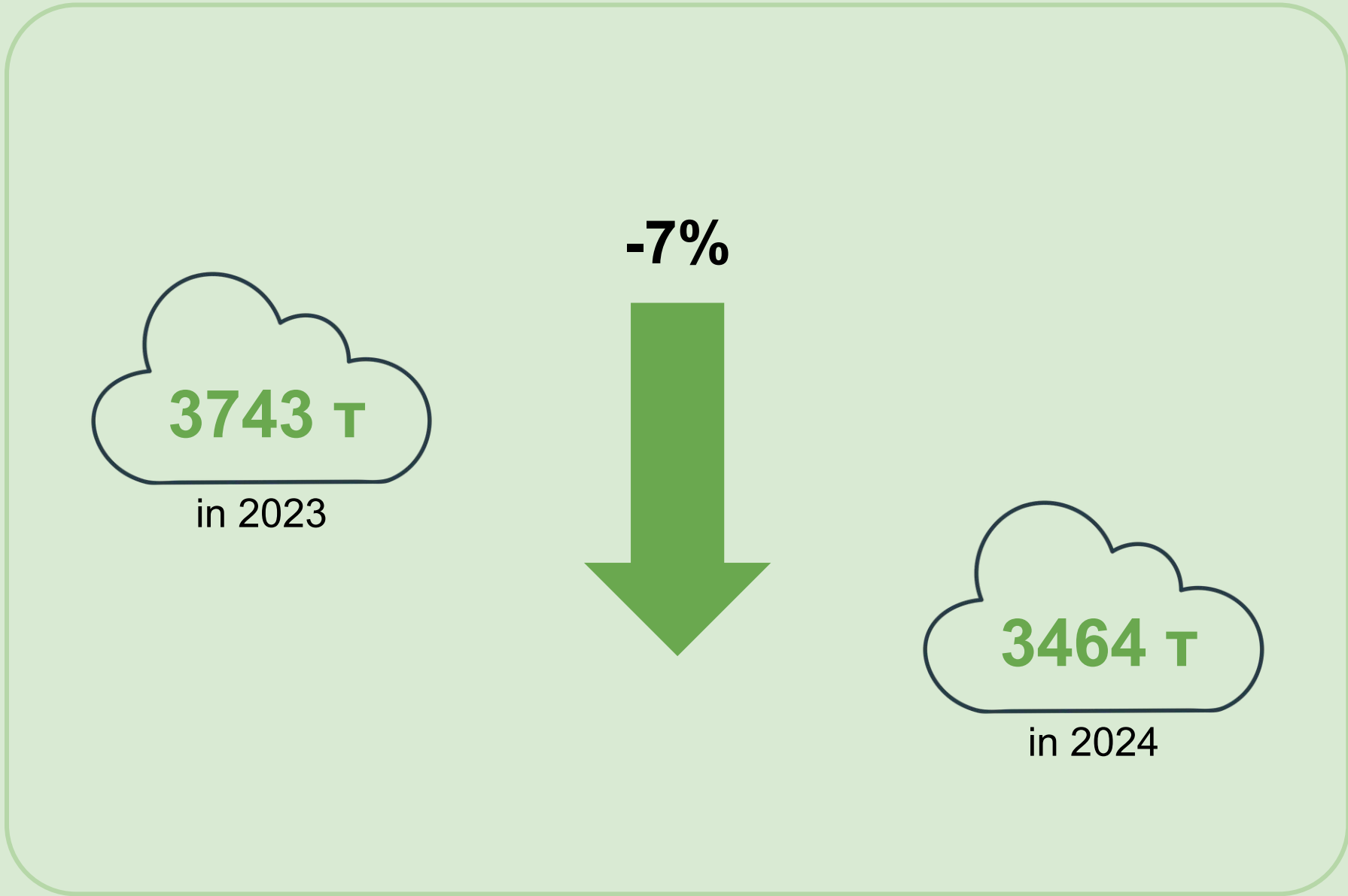
return of >10% of treated water to production

Water savings ~ 3,600 m³ per year
≈ *annual water use of 500 households*

WASTE MANAGEMENT & ENVIRONMENTAL IMPACT

Efficient Waste Disposal

In 2024, the company disposed of 326.4 tons of industrial waste (excluding household waste).



Lower Emissions

Total pollutant emissions decreased by **7%** compared to the previous year, reflecting improved environmental performance and continuous efforts to minimize ecological impact.

WASTE & EMISSIONS MANAGEMENT

Company is actively engaged in waste disposal,
minimising landfill impact

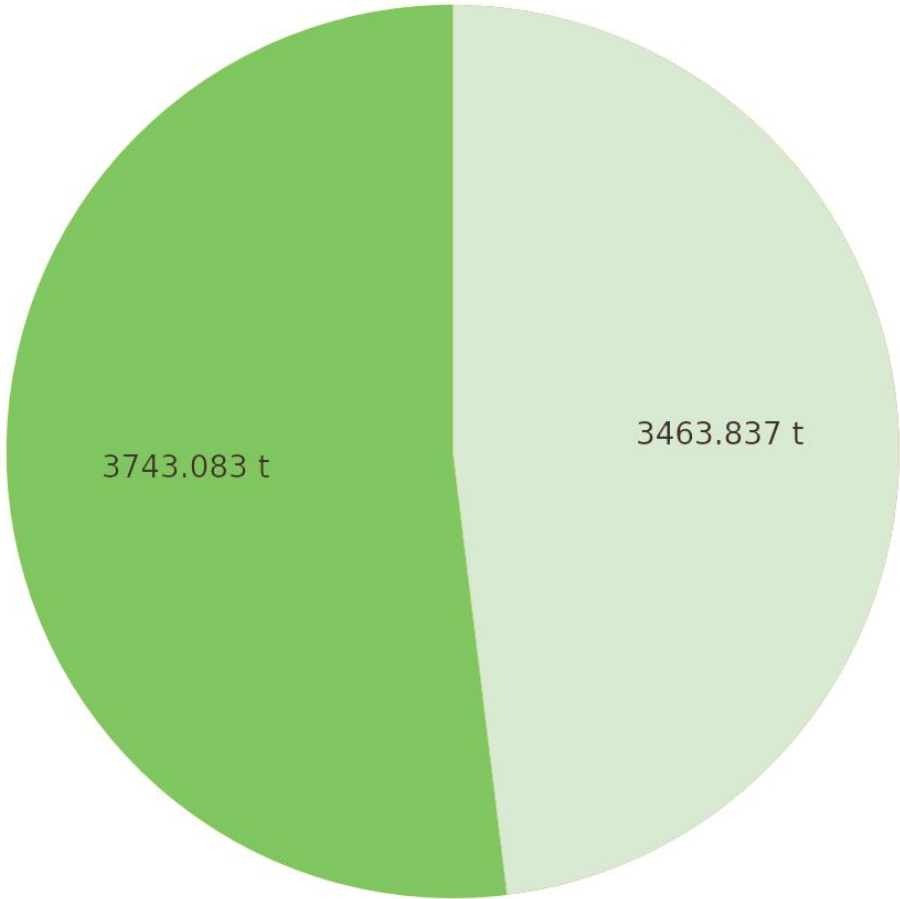
Waste treatment

326.4 t

of waste recycled in 2024

Pollutant emissions in 2024 **decreased by 7%**
compared to 2023

Total pollutant emissions



ECOLOGICAL INITIATIVES

M²DERN EXPO

We participated in various eco-initiatives, such as park cleanups and tree planting, in 2024. We managed to plant around 8,700 young trees (oak, pine, and larch) on areas covering **1.3 hectares**.

This collective contribution is an example of how Modern Expo and its employees care about the environment and the creation of a better future. For us, leadership means actively participating in the preservation of nature and building a greener world for future generations!

In 2025, we plan to plant 2 hectares of forest.



ECO-FRIENDLY PRODUCTS

MODERN EXPO

Refrigeration equipment Cooles Slim PRO

- Registered in **EPREL** database
- Eco-safe refrigerants
- Cooles Slim PRO awarded "Golden Paragon" 2023 & 2024 in Modern Technology category

The ANZ
ParagonTM
2024 Awards



KEY ENVIRONMENTAL INITIATIVES FOR 2025

June

- Implementation of the Scope 3 calculation methodology and goal setting – define goals and calculate greenhouse gas emissions (Scope 1, Scope 2) on a regular basis (at least annually)
- Disclosure of information in specifications about recycled material content and the waste management hierarchy (product disposal)

September

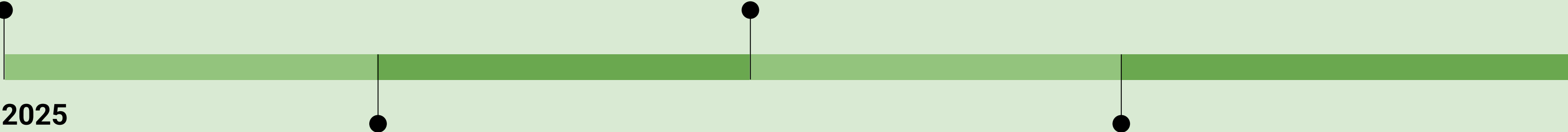
Launch of water recirculation for galvanic process operations, which will account for 10% or 3,600 m³

July

Recycling of point, trays and metal in parcel lockers

October

Planting of 2 hectares of forest



SOCIAL COMPONENT

- Conducted 3rd Party CSR Audit - SMETA Audit, ensuring adherence to ethical, social, and environmental standards
- Developed a working environment for people with disabilities, focusing on accessibility and inclusion
- Training and awareness sessions on various social issues from the Code of Ethics, such as discrimination, gender equality, and others

Goal: To create an inclusive work environment where every employee, regardless of gender, race, age, or physical abilities, can realize their potential

Our initiatives:



Women's leadership project



Inclusion project



Veterans support project

WOMEN'S LEADERSHIP PROJECT

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The "Women's Leadership" project has created a community of women focused on professional and personal development.

We organize events for women aimed at developing leadership qualities and actively collaborate with local community organizations such as "Vona Hub."

In 2024, we conducted lectures on gender equality, a charity drive for an orphanage, and several other events.



"Lead the way at ME!"

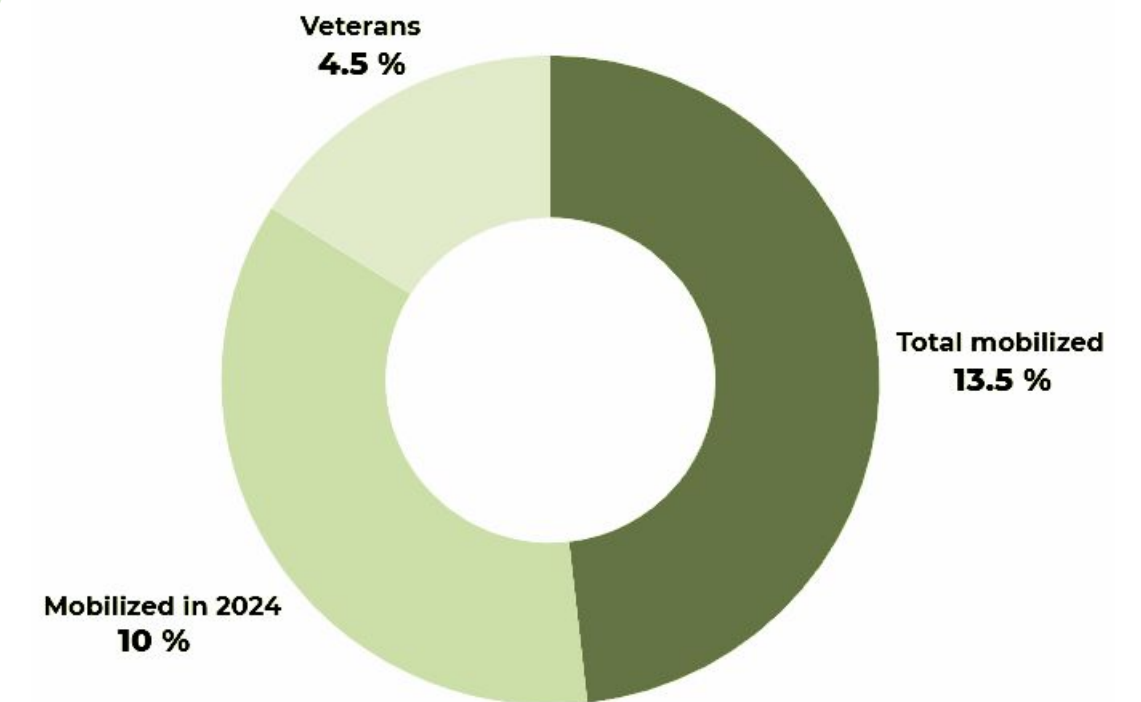
Goal: In 2025 to expand the project and launch the mentoring program "Leader for Leader" to further support women in leadership



VETERANS SUPPORT PROJECT

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- **15 veterans** (including 3 with disabilities) hired in 2024
- **Support for families** of fallen or missing employees
- Collaborations with veterans' organizations and state institutions for **social and psychological adaptation**, and employment rights advocacy
- A significant investment of **over ₴48 million** in 2024 to support the Ukrainian Armed Forces and another **₴9 million** already allocated for 2025
- On-site **adaptation programs**: mentorship, re-skilling, and barrier-free access initiatives



Launch of **inclusion initiative DEI** in 2024

- inclusive hiring and job retention for people with disabilities, including social support from NGOs
- accessible training and reskilling programs tailored to people with disabilities
- active support and participation in disability employment initiatives
- inclusive workplace design that meets the needs of people with disabilities

Proportion of employees with disabilities and members of social minority groups

5% of the total employed workforce

1% in leadership positions

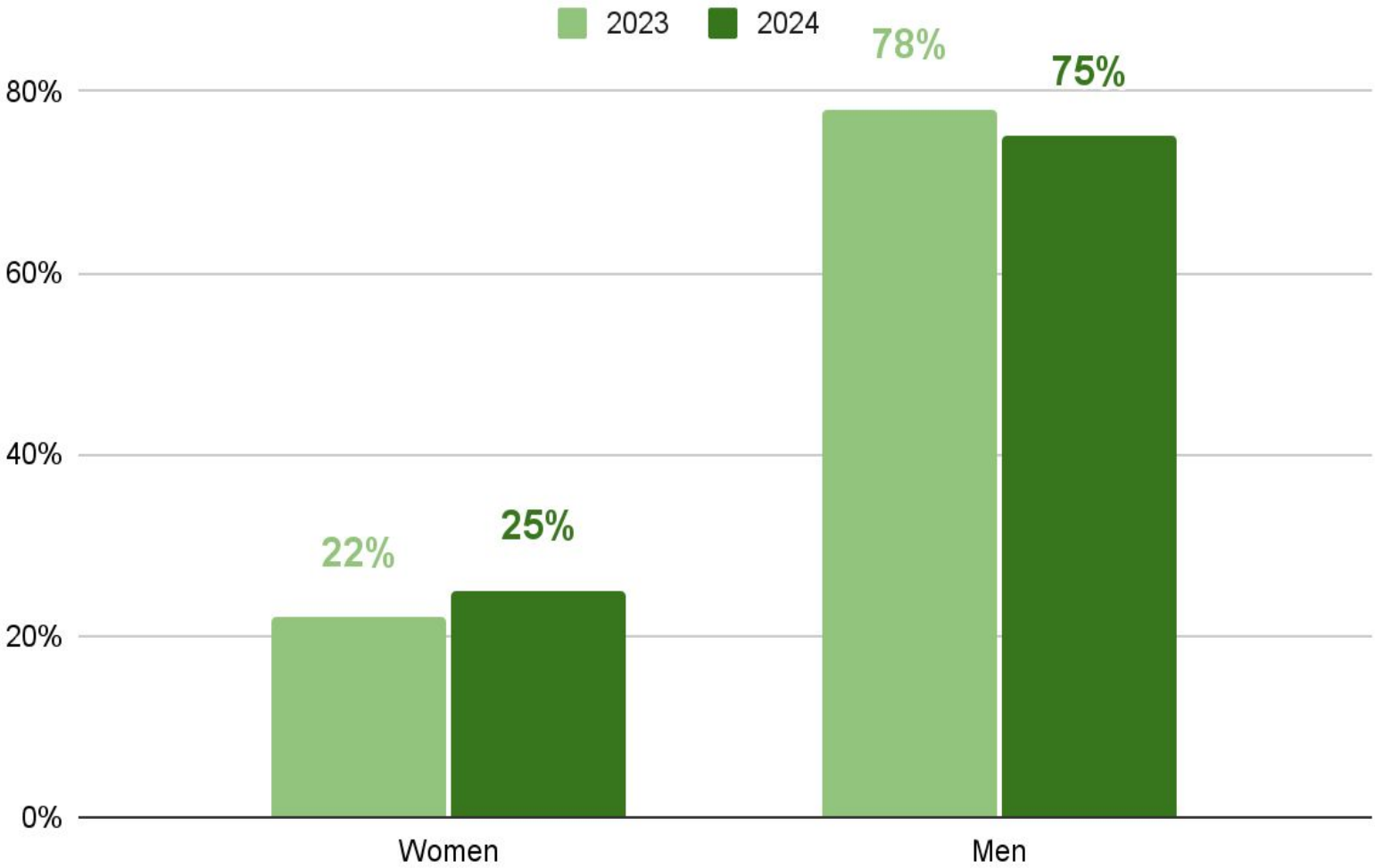
The personnel management system, as an integral part of the overall **ISO 9001**-compliant management framework, incorporates leading international best practices.

By the end of 2024, the company’s **workforce grew by 23%**, reaching of 2,132 full-time equivalent employees despite labor market challenges.

The company is committed to equal working conditions and opportunities for both men and women, upholding high standards of ethics, gender equality, and inclusiveness.

In 2024, the **share of women** in the workforce **increased by 3%**, continuing a positive trend.

Gender distribution among employees



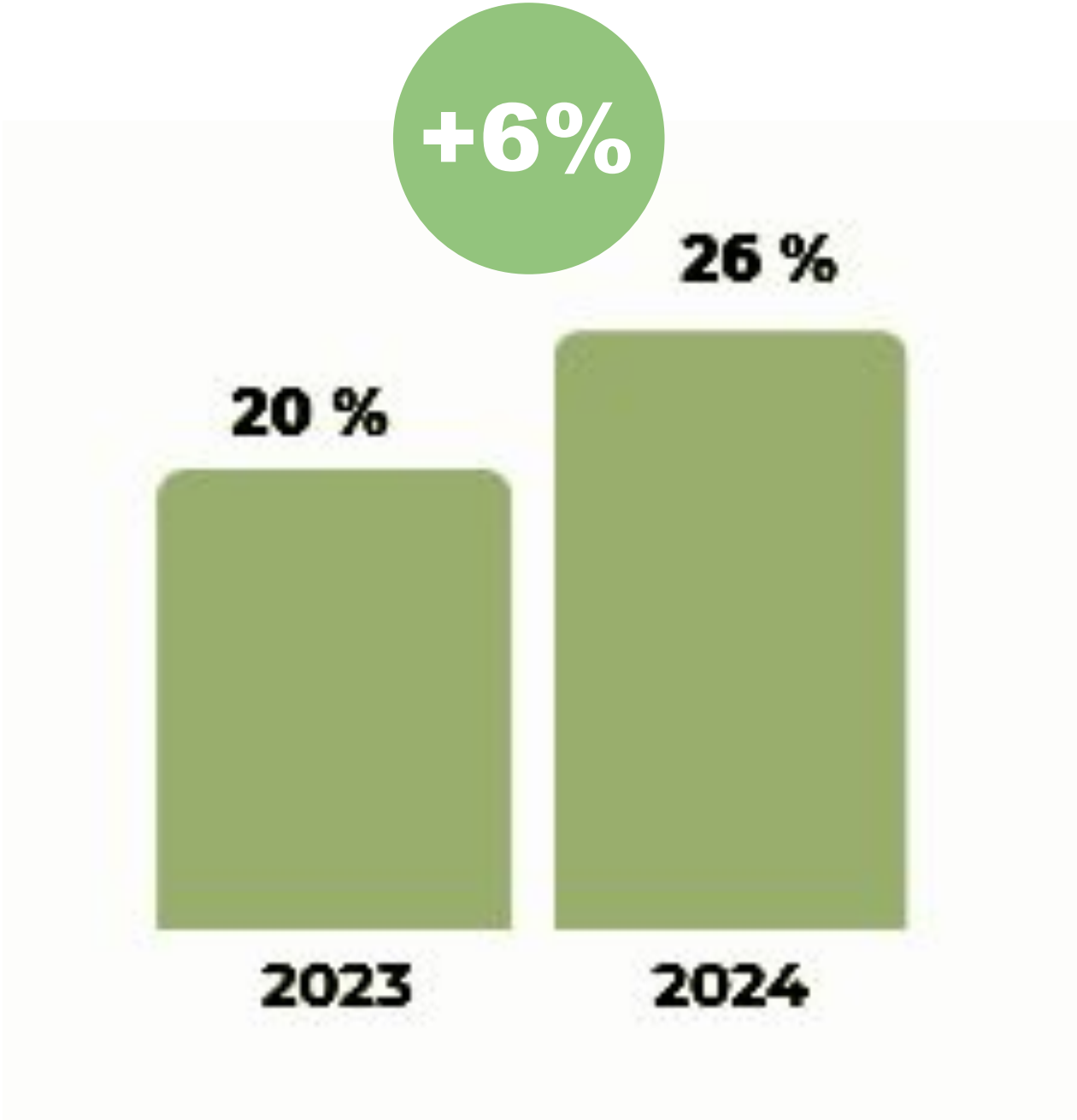
Leadership

In 2024, share of women who hold managerial positions in the company increased by **6%** compared to previous year, proving our commitment to equality among the workforce at all the levels of organisational structure.

Manufacturing

In 2024, the number of women employed in production increased by **251.9%** compared to 2023, demonstrating significant progress in engaging women in manufacturing processes.

Share of women in leadership positions

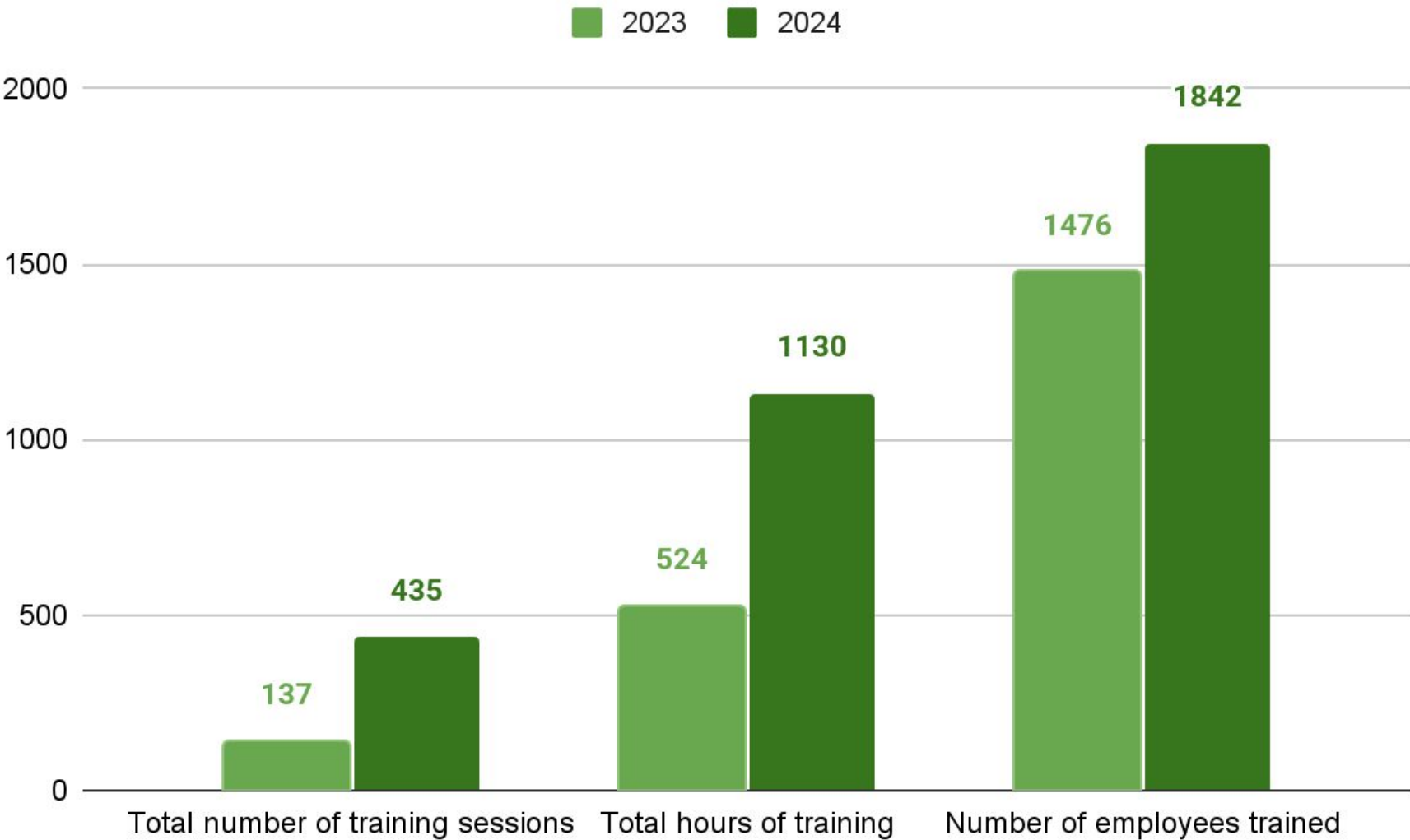


EMPLOYEE TRAINING AND DEVELOPMENT

Training and employee development are core values of the company's corporate culture. Special attention is paid to **occupational safety training**, as employee safety is of the highest priority.

In 2024 the number of employees who underwent training **increased by almost 4%**, and the average duration of training per employee **grew by 5%**.

Dynamics of employee training



SOCIAL SUSTAINABILITY DEVELOPMENT PLAN FOR 2025

April

Formalization of the inclusion committee

2025

May

Strategic gender equality plan

June

Pilot project for developing workplace psychological support programs (policies)

July

Development of a cooperation plan with human rights organizations

GOVERNANCE COMPONENT

Implemented Activities in the Governance Direction for 2024:

- 1. Implemented Information Security Policy
Adoption and enforcement of a comprehensive information security policy.
- 1. EcoVadis Scorecard – 57 points
Achieved a score of 57 points on the EcoVadis sustainability scorecard.
- 1. Work with Local Organizations Towards the Sustainability of ASDE and PAEW
Collaboration with local organizations to ensure sustainability in key environmental and social areas.
- 1. Information Security Training
Conducted training for employees to raise awareness and ensure compliance with information security protocols.
- 1. Training on Code of Ethics and Fraud Prevention
Provided training on adhering to the company's code of ethics and preventing fraud.



GOVERNANCE INITIATIVES FOR 2025

As part of our commitment to responsible corporate governance, Modern Expo integrates key ESG principles and transparency standards into its operations

March

- ESG risk assessment
- Development of ESG policies

June

- Preparation of Development Report based on GPI-oriented questions
- Implementation of the Corporate Ethics Code

May

- UN Global Compact
- Anti-corruption policy
- Implementation of an anti-corruption officer

August

IT audit

These initiatives reflect our commitment to ethical governance, transparency, and compliance with international sustainability frameworks

SUPPLY CHAIN

In 2024, Modern Expo successfully implemented:

- Sustainable Procurement Policy – to support environmentally and socially responsible procurement practices
- Incorporated Supplier Code of Conduct compliance clauses into standard contracts – to ensure ethical compliance across the supply chain

May

Wood analytics with FSC certification

August

Employee training on sustainable procurement

November

End of audits session of counterparties

2025

June

Start of audits session of counterparties


September


Training for counterparties on sustainable procurement (experience exchange)

** audits of counterparties from July to October, 2025*

**THANK YOU
FOR BEING PART
OF OUR
SUSTAINABILITY
JOURNEY!**

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