



ANNUAL SUSTAINABILITY  
**REPORT**

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2024

# ABOUT MODIGENT



Modigent is a state of constant alignment between professionalism, experience, and commitment to customer success. Operating in innovative mode, we are intentional in how we address and creatively solve challenges, and move the communities we serve forward.

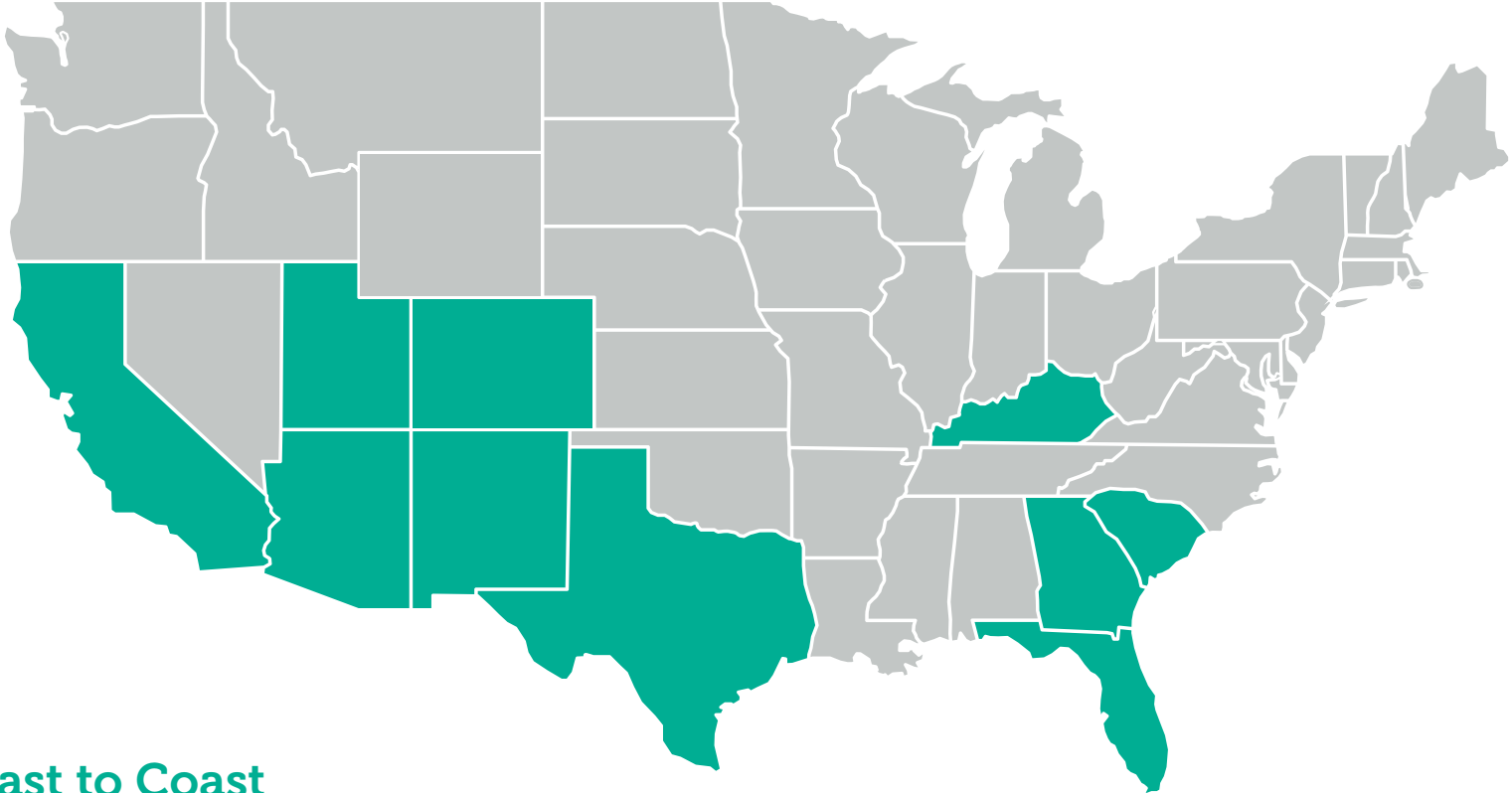
This spirit of **All ways forward** is found in the ways we integrate sustainability into our Modigent companies and the way in which we impact our people, our customers, and our communities.

Our logo is comprised of four distinct blades that represent the four pillars we are building our operations around moving forward. Beginning with our People and the many lives we touch, our mark visually defines our commitment to pursuing the infrastructure, technology, and energy solutions that, together, enable us to build the future.

Of course, sustainability is key to our success in building upon the four pillars. To Modigent, sustainability is a dynamic, tailored approach focused on addressing risks and opportunities specific to Modigent while balancing environmental responsibility, social equity, and ethical governance to create long-term value. Our commitment to our people, our customers, our stake holders, and our environment is always in the forefront of our approach to growth and sustainability.



## OVER 20 OFFICES AND COUNTING NATIONWIDE



By August of 2022, the company had grown by 370% in revenue and 379% in total headcount and was subsequently acquired by OMERS (Ontario Municipal Employee Retirement System) private equity group. OMERS retains ownership of Modigent as of the publication of this report.

## From Coast to Coast

With a growing number of specialty companies under the Modigent name in every type of community, we deliver a range of services and solutions for HVAC, plumbing, and building controls that are designed to support the safety and operational efficiency of workplaces. Through our work, we aim to contribute positively to the communities we serve.

■ Modigent Operating Companies



Pueblo Mechanical & Controls began in Tucson, AZ in May of 2001, and very quickly grew to be a leader in the commercial HVAC space throughout the state of Arizona. Pueblo was acquired by Huron Capital in December of 2017, and under the direction of CEO Dan Bueschel, grew aggressively through both organic growth and acquisitions.

Modigent is a rebranding of Pueblo Mechanical & Controls, headquartered in Phoenix, AZ, and operates as the parent company of not only Pueblo Mechanical & Controls, but to 14 other operating companies in 10 other states across the country.

2001

2017

2018

2019

2020

2021

2022

2023



Pueblo is founded in Tucson, AZ



Huron Capital acquires Pueblo and Dan Bueschel joins as CEO



Pueblo completes its 1<sup>st</sup> acquisition in Dec 2018 (Commercial Air)



Pueblo continues to consolidate Phoenix market with acquisition of Newgaard Mechanical, IMS, CFM & Westover Controls



Pueblo rebrands and expands its offerings with the acquisition of Niemeyer Brothers Plumbing



Pueblo expands into Texas and Utah with the acquisition of Infinity Contractors, CAHS, Rocky Mountain Mechanical, & Pinnacle Plumbing, Inc.

OMERS



Omers acquires Pueblo. Pueblo completes 8 more acquisitions, gains presence in Florida, New Mexico, Colorado & Kentucky



Modigent is launched and the company completes its 19th, 20th & 21st acquisitions, expanding reach into California, South Carolina & Georgia

Modigent is a people-centric company that prioritizes our people in each of our Modigent operating companies. Policies and processes are designed around them to inspire personal growth and professional development. By fostering an inclusive environment that allows everyone to succeed, we have built a culture in which our people come to work every day ready to lead the industry forward.

The PEER Principals under which our organization operates, captures the culture of Modigent:



**PROFESSIONAL**

Communicate honestly.  
Show compassion. Be transparent.



**ETHICAL**

Do the right things at the right  
time for the right reasons.



**EMPATHETIC**

Put others before yourself.  
Listen to understand.



**RESPECTFUL**

Practice common courtesy.  
Be polite. Set expectations.



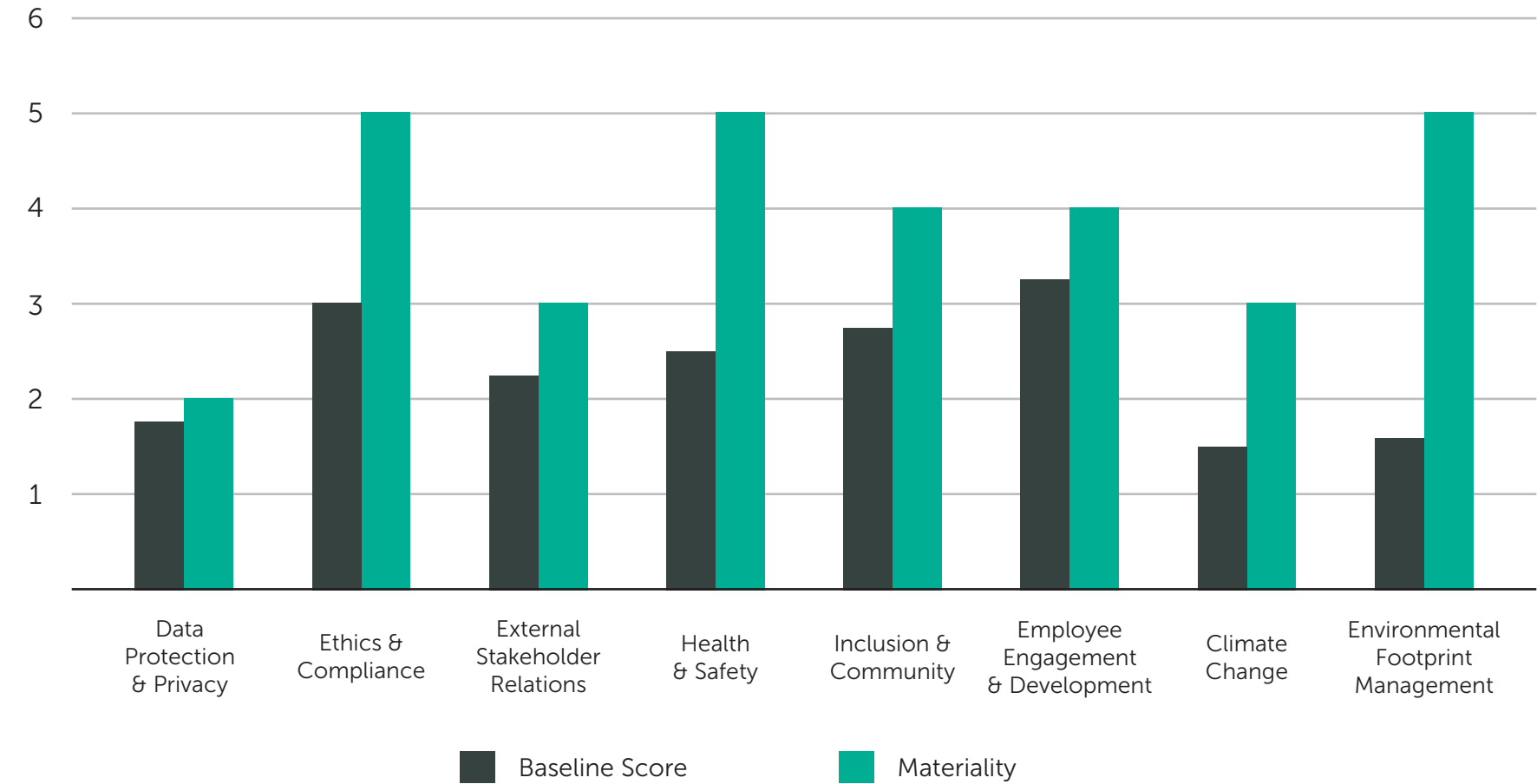
While the entire Modigent portfolio of operating companies has always had a strong sense of sustainability, Modigent began taking a much more detailed and strategic approach to sustainability in May of 2023 when the position of Executive Vice President of Governmental Affairs and ESG was established. This position was created to help focus the concept of sustainability in ways that are more structured and material to the organization.

Modigent partnered with a third party provider, ERM, to do a thorough assessment of our sustainability programs using internationally recognized sustainability standards. This assessment not only scored the organization in the key areas of sustainability and ESG, but also provided a look at the organization's Scope 1 and Scope 2 Green House Gas (GHG) emissions. This assessment has proven to be an important step in our sustainability journey as it provided a baseline score and assessment, a peer-to-peer comparison to other organizations, and a road map for improvement.

**Michael Finn | Executive Vice President of Government Affairs and ESG**



**ERM Materiality and Scoring**





## Materiality is our North Star

The concept of sustainability cannot be seen in a “one size fits all” way. It is most impactful when tailored to a company’s specific business industry, market, model, and stakeholders. We believe that focusing on business-relevant, material sustainability topics helps us address the most meaningful risks and captures the biggest opportunities.



## Our Focus

Throughout our journey to improved sustainability, we have remained resolute on our commitment to our people, customers, stakeholders, and our communities.

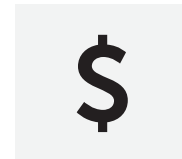
We firmly believe that sustainability is a key lever that helps us further our commitment to these key groups.



# ESG & SUSTAINABILITY

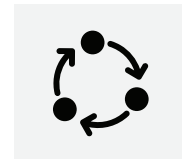
This past year has been a watershed year in the advancement of the company's focus on sustainability. This could only be accomplished through commitment from each of the operating companies up through the Executive Leadership team. This report shows the growth made in each sector of sustainability. More specifically, the report shows growth in the areas of the highest materiality.

## 2024 Highlights



### FINANCE

- Enterprise Standards and Protocols through Policy Creation



### OPERATIONS

- Technology Stack ensuring all operating companies are synchronized



### SAFETY

- Enterprise Standards and Protocols
- Build out of Safety to accommodate growth



### SOCIAL

- Charitable donation platform via payroll deduction for all employees



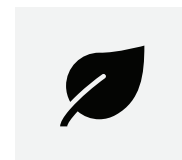
### HUMAN CAPITAL

- Standardized On-boarding Plan
- Standardized Enterprise Training Plans
- Formal Succession Planning



### TECHNOLOGY

- Corporate Landing page to connect our employees coast to coast
- 360% Improvement in CyberSecurity
- CyberSecurity training and testing for all employees



### ENVIRONMENTAL

- Reduction Plan for GHG Emissions



### GOVERNANCE

- Governance Committee Creation
- Third-Party Whistleblower Hotline

## ENVIRONMENTAL

### OUR FOCUS

Use resources responsibly. Add long-term value minimizing the impact of our activities and those of our customers and suppliers.

### OUR ACTIONS

Lead by example, provide solutions to reduce energy consumption and optimize indoor air quality, enhancing health and well-being of building occupants and communities they serve.

## SOCIAL RESPONSIBILITY

Care for people – our employees, customers, communities, suppliers, and investors.

Provide an inclusive workplace with equal opportunity. Engage with suppliers, customers, and employees around safety. Invest in and support initiatives that benefit our communities, the environment, and our workforce.

## CORPORATE GOVERNANCE

Ensuring long-term organizational sustainability through ethical actions, transparency, and risk management. Preserve and protect our capital to support people and planet.

Maintain corporate governance with strong management accountability, transparency, and active ongoing risk mitigation.



# ENVIRONMENTAL

Modigent remains vigilant in following all EPA regulations and internal guidelines regarding flouorocarbons and refrigerant. All technicians who handle refrigerants are required to be EPA certified with an EPA certification card on file. All refrigerants are inventoried on a regular basis and, unless otherwise specified by the customer, are recycled in accordance with EPA standards via a third party. Refrigerants chosen to be destroyed in lieu of recycling by the customer, are also processed via a certified third-party. Modigent also has over 500,000 square feet under roof across the portfolio. All buildings are required to meet all federal, state, and city requirements, regulations, and ordinances.



## Environmental Footprint Management

Modigent’s commitment to the environment goes beyond our Scope 1 and 2 GHG emissions. Modigent is a key partner with our customers in finding the most efficient and effective ways to reduce their carbon footprint by not only maximizing efficiencies through equipment upgrades, but also through sophisticated building controls that ensures our customer’s equipment runs optimally. In 2024, Modigent operating companies served over 3,000 customers providing average efficiency improvements of 33%.

### Further, Modigent adopted an Environmental policy in 2024 which captures our commitment to the environment:

At Modigent, we operate in a sector that gives us many opportunities to set environmental best practices. Modigent’s energy expertise drives more energy efficient buildings. It is our policy to positively impact the environmental integrity of our processes and facilities. We also strive to help our clients be better stewards of the environment, providing environmentally sound approaches to construction, materials, building upgrades, and energy management.

## Our Commitments to Environmental Concerns

We share the broad concerns about the risks and impacts of global climate change. While the impact of warming average temperatures on our business is difficult to predict or measure, we believe that our business will be able to serve our customers as they seek to reduce energy consumption and create a safer and more comfortable environment at their facilities through the construction, retrofit, and maintenance of heating, air conditioning, and other mechanical systems.

At Modigent, we are also applying our expertise and partnering with outside experts to improve our own energy consumption. To reduce the environmental impact of our operations, Modigent:

- 1 Establishes requirements and provides its employees with clear guidelines to identify and comply with broadly applicable environmental regulatory requirements (e.g., the Handbook).
- 2 Performs internal environmental audits at new and existing operations to ensure compliance with Modigent policy and procedures, and to identify new or novel environmental risks and opportunities.
- 3 Engages qualified third parties to perform additional environmental audits and provide additional guidance where appropriate (including in connection with acquisitions and at locations with a higher potential impact, special risks, etc.).
- 4 Tracks internal energy and fuel usage and related GHG emissions in order to set baselines and measure progress.
- 5 Reports to its Board of Directors on environmental goals and reviews progress towards meeting such goals.



## Fleet & Fuel Management

Internally, Modigent measured the GHG impact of Scope 1 and 2 emissions from all operations in Q3 of 2023. As a truck-based company, it is of no surprise that 98% of Modigent's Scope 1 and 2 GHG emissions are Scope 1 carbon emissions from our vehicles. Modigent has over 1,000 company vehicles and heavy equipment in the fleet, most of which are in the field, or "direct", serving our customers. In 2024, Modigent vehicles covered over 17.5 million miles across the portfolio.

Modigent has taken a data driven approach to reducing our GHG emissions that includes partnering with a third party to provide telematics for our vast fleet.

This data has driven the organization to adjust the vehicle purchasing practices over the next five years to stock the fleet with the most fuel-efficient vehicles available that will continue to serve our customers. Pure internal combustion engines (ICE) will only be purchased when there are no other viable alternatives in serving our customers. Hybrid vehicles are primary selections and EV's where practicable. The home-based vehicle program, amount of miles our vehicles travel per day, as well as the lack of infrastructure to support EV's in many locations, does not allow for EV's to be our primary vehicle selection.

*\* This data is powered by our Holman Fleet Management System.*

**78** \* Gallons of Fuel Consumed per vehicle, per month

**15** \* Overall Fleet Fuel Economy in MPG

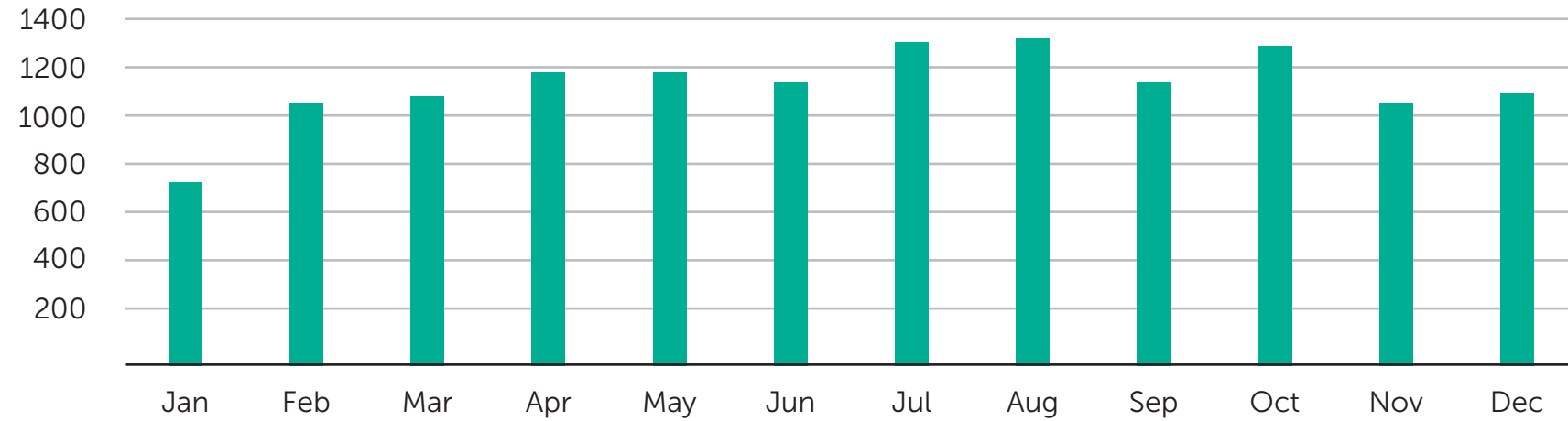




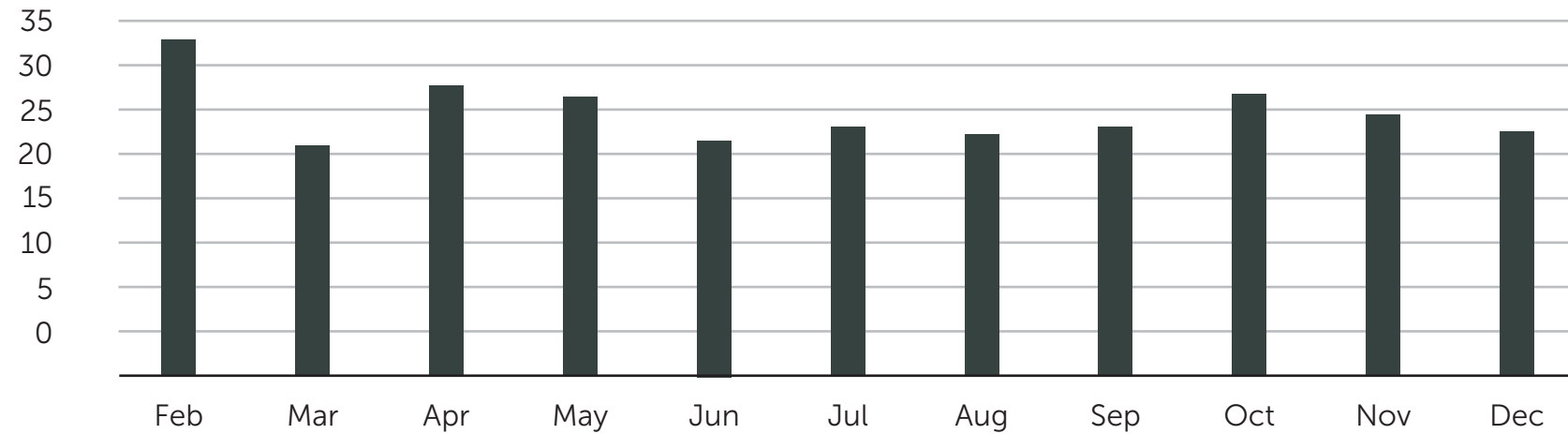
Modigent tracks our Stage 1 and 2 GHG emissions metric as CO2t (tons of CO2) per \$1M in revenue. Every gallon of fuel consumed, regardless of origin, contributes 8,887 grams of CO2, or approximately 20 pounds of CO2 into the atmosphere.

*Modigent is not only focusing on fuel burn for the environment, but also for cost containment. A goal of achieving a score of less than 20 CO2t per \$1M in revenue has been set.*

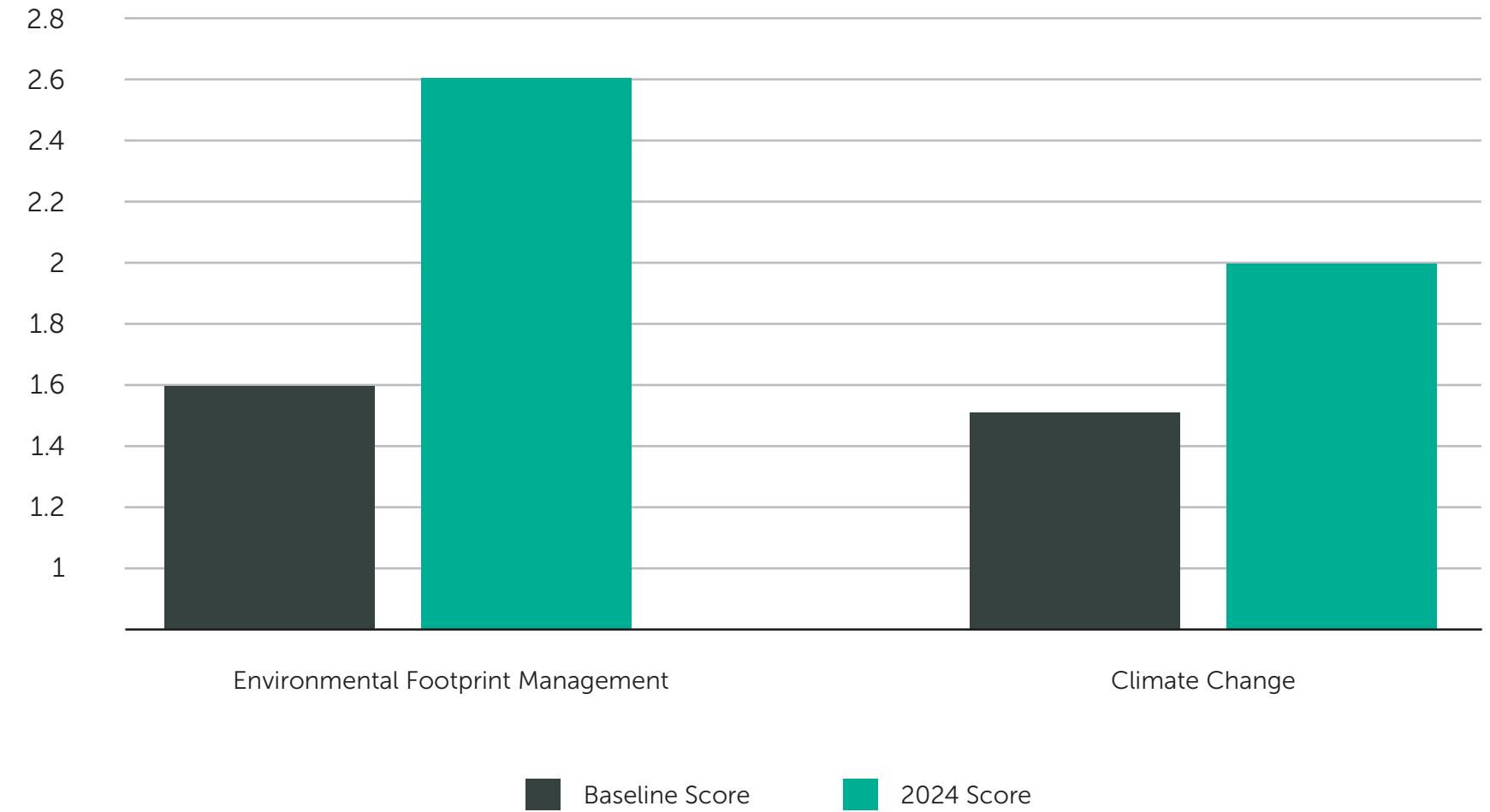
**Stage | Co2t Emissions**



**Co2 per \$M in Revenue**



**Environmental Maturity Model**





# SOCIAL RESPONSIBILITY

Social responsibility is nothing new to us. Modigent continues to focus on improving upon it. Scoring highest out of all of the baseline scores, there were still material improvements that could be made as the company continued to grow in 2024. Modigent leadership also recognizes our responsibilities to have a positive impact on the communities we serve. **Modigent has chosen Lead Guitar as our corporate charity of choice.**

Local operating company leadership teams are given the freedom, latitude, and encouragement to select and support the charitable organizations in their communities that best represent the unique personalities of their workforce. Examples include:



*Employee engagement is the cornerstone of Modigent's ongoing success and sustainability. We strive to create an environment where employees feel empowered to provide our customers with the best possible quality and service.*

**Susana Sala | Chief People Officer**



## Employee Engagement and Development

In 2024, the position of Vice President of Talent Development was established to bring a higher level of sophistication to the company's vision of talent development as well as to bring continuity to the program across the country.

### Since inception, the department has:

Established an enterprise-wide online tech training tool that allows for technicians to access training topics and programs at anytime that is most convenient for them. In 2024, 60 technicians took advantage of the program completing more than 650 training courses.



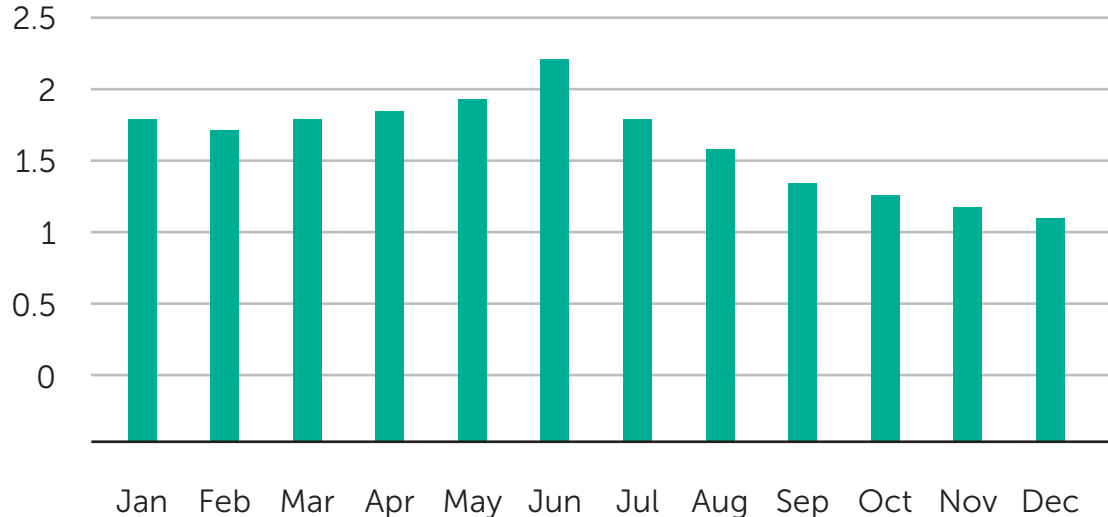
# Employee Safety & Retention

**Safety and Risk Management: The safety of our people is paramount above all.**

Over the course of 2023 and 2024 Modigent’s safety program went through considerable structural and procedural changes to support our unyielding commitment to the safety of our people. An Enterprise Safety Director position was created with additional regional safety positions.

As a result of our employees’ commitment to their own safety and the safety of those around them, Modigent is very proud to boast a very impressive EMOD of 0.76 and a TRIR of 1.2.

## TRIR 2024



*We focus on safety, quality and then productivity. If we cannot do something safely, we won't do it; once we have determined it is safe, we'll do it with the highest quality in mind, and then and only then do we focus on productivity.*

**Scott Meeker | Chief Operating Officer**



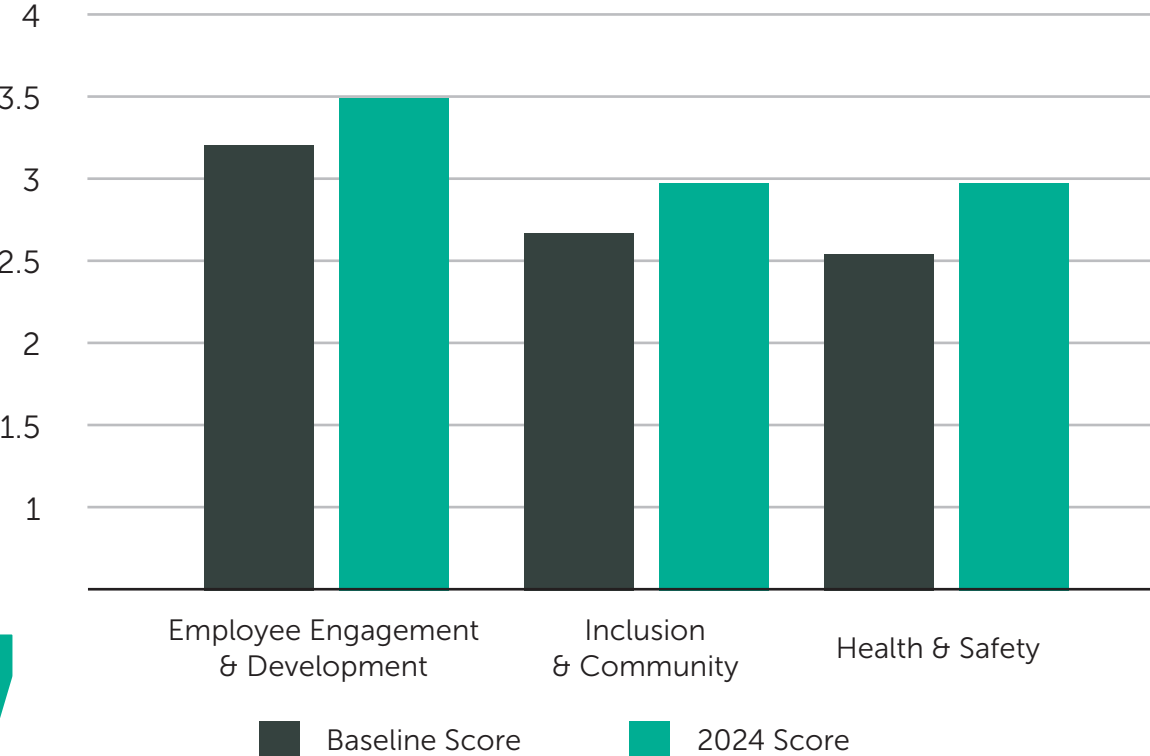
*At Modigent, we are committed to fostering a culture rooted in honesty and integrity. As part of this commitment, we partnered with Syntrio in 2024 to introduce an anonymous reporting line, offering all employees a resource to confidentially raise potential ethical concerns. This secure channel empowers our team members to seek guidance and clarity when navigating uncertain situations and serves as a cornerstone of our compliance and ethics program.*

**Ashley Welvaert | Chief Legal Officer**



To continue to enhance our Risk Management Program, we are working closely with a third party to develop a Business Continuity Plan.

## Inclusion & Community



# CORPORATE GOVERNANCE

## External Stakeholder Relations

November of 2022 marked the first meeting of a newly established Governance Council. The Governance Council is comprised of the entire Executive Leadership team.



**Dan Bueschel**  
Chief Executive Officer



**Scott Meeker**  
Chief Operating Office



**Susana Sala**  
Chief People Officer



**Bill Markley**  
Chief Financial Officer



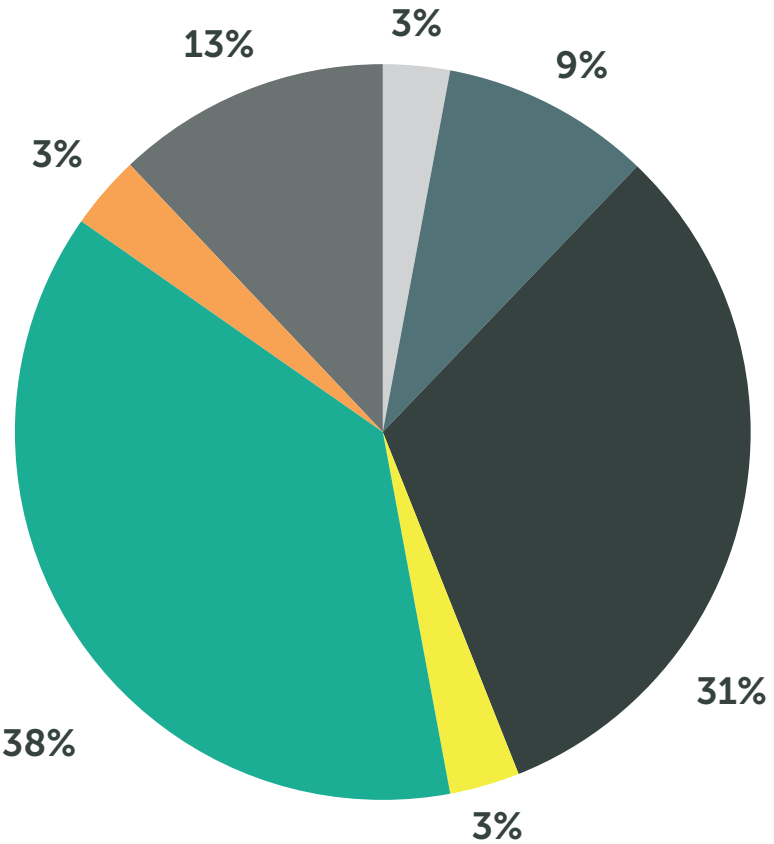
**Ashley Welvaert**  
Chief Legal Officer



**Gustavo Subiela**  
E.V.P. of Corp. Development



**Mike Finn**  
E.V.P. of Gov. Affairs & ESG



The committee has established 32 individual policies for the organization impacting various pieces of the organizational operating structure:

- ESG
- Human Resources
- Finance and Accounting
- Information Technology
- Legal
- Mergers and Acquisitions
- Operations

Each of these policies help ensure that our organization is operating under the policies and procedures that the Governance Committee has established. These policies have direct impact to our People, Customers, Communities, and our Stakeholders making us a more effective, secure, and impactful organization.

## Ethics and Compliance

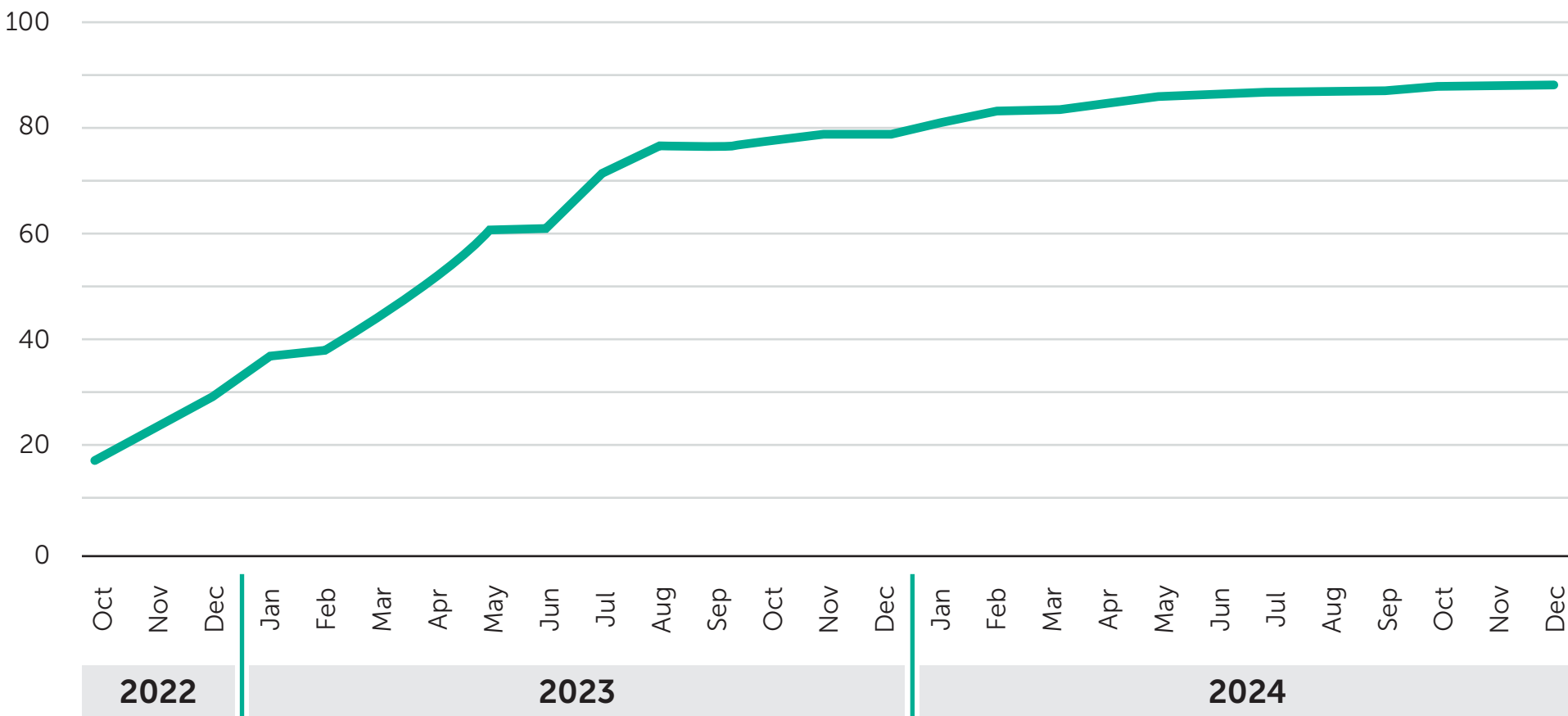
The Governance Council has had material impact on the company's Ethics and Compliance improvements in 2024. Along with the 32 polices created to strengthen Modigents commitment to Ethics and Compliance, the company also contracted with a thrid-party reporting platform to provide employees with an avenue to anonymously report potential ethical concerns. This platform was rolled out to the organization in Q3 of 2024 and also includes an employee suggestion box as well.





# Cybersecurity and Privacy Protection

A significant investment and corresponding success was made to Cybersecurity in 2023 and 2024. Identified very early on as an area of material opportunity, the COO launched an improvement plan to move Modigent from 19% to 80% on the 100 scale by the end of 2023. Led by the COO and VP of Information Technology, this goal was achieved, and scoring continues to improve quarterly.



*Through the implementation of security software tools and procedures we have been able to dramatically increase the security for Modigent, protecting the company from escalating cyberattacks.*

**Steve Berenter | Vice President of Information Technology**



## Governance Maturity Model







Modigent aligns professionalism, experience, and commitment to customer success. Operating in innovative mode, we are intentional in how we address and creatively solve challenges, and move the communities we serve forward.

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**Our spirit of  
All ways forward.**





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