

SUSTAINABILITY REPORT

2022

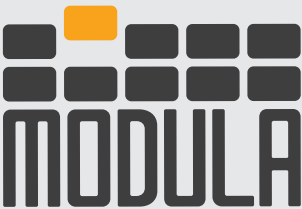










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LETTER TO STAKEHOLDERS

A commitment to all future generations

We are a socially responsible company. Our philosophy is focused on innovation and long-term vision. We understand that creating a sustainable future means more than just caring for the environment.

By pursuing goals of excellence and embracing the culture of continuous improvement, we strive every day to push further ahead, aiming at constantly improving not only our products, but also environmental and social performance, as well as the impact on society as a whole.

Long-term vision and the concept of corporate social responsibility are at the heart of our way of thinking. These values are intrinsic to the company's history

Excellence, agility, appeal and ethics are the values that coincide with the criteria of sustainable development as we understand it today: i.e. as a collective mutual and long-term commitment, aimed at meeting current needs, without compromising those of future generations.

Beyond our constant commitment to the community and the local area, perennial characteristics of our brand, we have launched a program to contribute to the United Nations Sustainable Development Goals, the benchmark in the field. Several projects have been launched to contribute to this collective effort, which is essential to guarantee a future for all of us. We have long wondered about the true impact these objectives have on our processes and decisions, always bearing in mind that our mission is to produce products, such as automatic warehouses, that can be adopted by every company of every size and in every industry sector, all over the world.

Our great challenge lies in bringing the theme of sustainability into high-tech production processes, into inclusiveness in the company, into care and respect for employees, into attention to the environment and the local area as part of a constant commitment to the community based on a project to develop a corporate sustainability programme that involves every single employee, by setting up internal training courses on the subject and establishing a committee dedicated to sustainability that will guide us in this challenging and interesting revolution.

The Board of Directors

NOTE ON METHODOLOGY

The purpose of this first Sustainability Report is to provide an account of the activities referring to the Environmental, Social & Governance (ESG) issues implemented by Modula, as well as to communicate clearly and transparently to all stakeholders the company's performance in the areas of the issues included in the concept of sustainability.

The document was drafted according to the most widely used and internationally recognised methodology, the GRI Sustainability Reporting Standards, defined by the Global Reporting Initiative. The approach used in the drafting is "with reference to" and there is no external assurance. The scope of reference is the Italian offices of Modula S.p.A. and the reporting period to which the data refer is the calendar year 2022.

CONTRIBUTION TO SDGs

In its strategy, Modula pursues the integration of corporate commitments with the economic, environmental and social sustainability objectives defined by the United Nations Sustainable Development Goals (SDGs). The respective areas of action of each dimension contribute to achieving the specific Goals.



STAKEHOLDER ENGAGEMENT

Modula implements various strategies to involve its stakeholders. In particular, various initiatives are put in place according to the different categories:

1. targeted activities to support sports and charitable associations in the local area
2. creation of applications that include commercial tools, newsletters, live shows, dedicated events, online meetings, blogs for sales agents and distributors
3. dedicated newsletters, social networks, webinars, virtual stands, live shows, online/offline catalogues, lead magnets for clients
4. in-house application with dedicated communications, agreements in the local area, screening and health prevention initiatives, ad-hoc events (weekends, dinners), dedicated training courses, canteen and gym for employees.

MATERIALITY ANALYSIS

To define the areas and issues to be included in its Sustainability Report, Modula has carried out a materiality analysis aimed at identifying and prioritising issues considered relevant and significant for its business and stakeholders.

These issues are defined as “material”, as they reflect the economic, social and environmental impacts of the organisation and can influence the decisions of internal and external stakeholders.

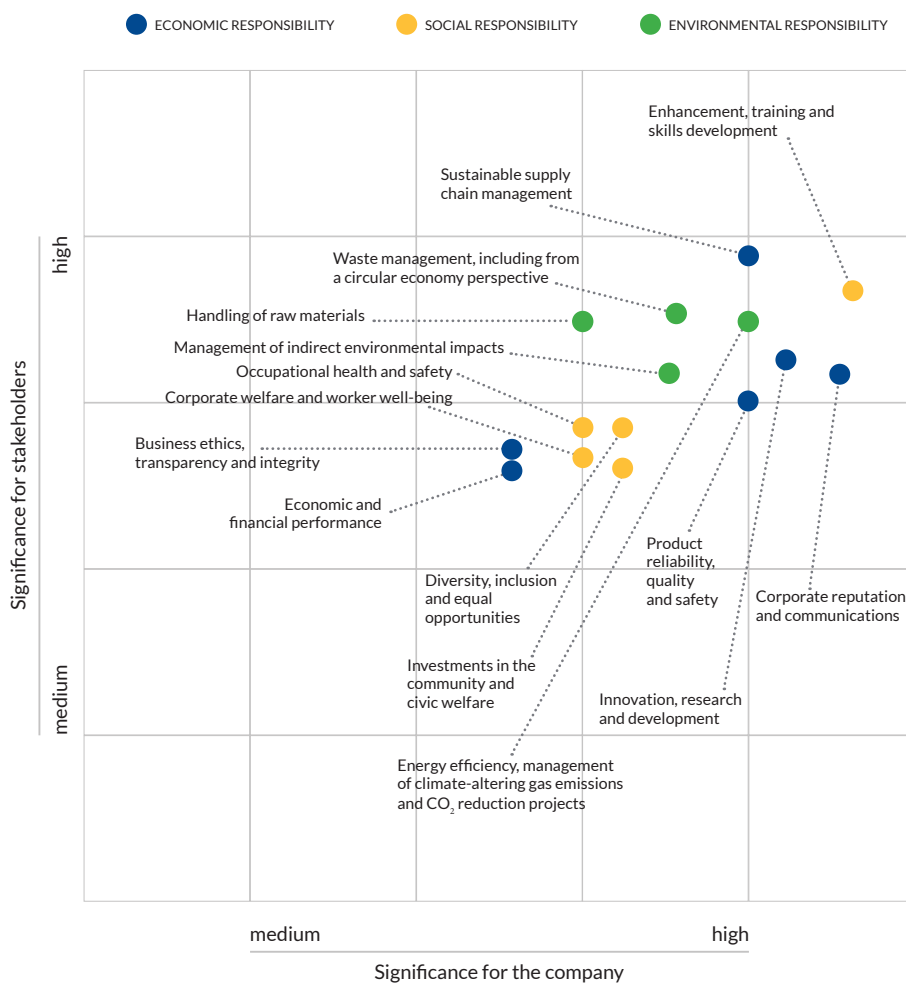
To identify the most relevant and significant issues for Modula, a survey was conducted according to a structured process, based on the following steps:

- analysis of the characteristics of the sector to which it belongs and benchmark analysis to identify the main issues on which competitors also focus
- conducting interviews with company representatives who hold key functions in the areas identified as priorities in relation to sustainability issues.

Finally, the topics chosen were evaluated by the heads of the main company functions and by a group of Modula employees using a questionnaire, in which they were asked to assign a score from 1 = not very relevant to 5 = extremely relevant.

Once collected, all the evaluations were analysed and consolidated. The result obtained is a materiality matrix that provides a synthetic representation of the topics analysed.

MATERIALITY MATRIX



Looking at the matrix, we can immediately see how the most strategic issues for the future belong to different but closely related areas. The social topic of **enhancement, training and development of skills** stands out for its importance to all the stakeholders involved, a field in which it is necessary to make constant and lasting investments.

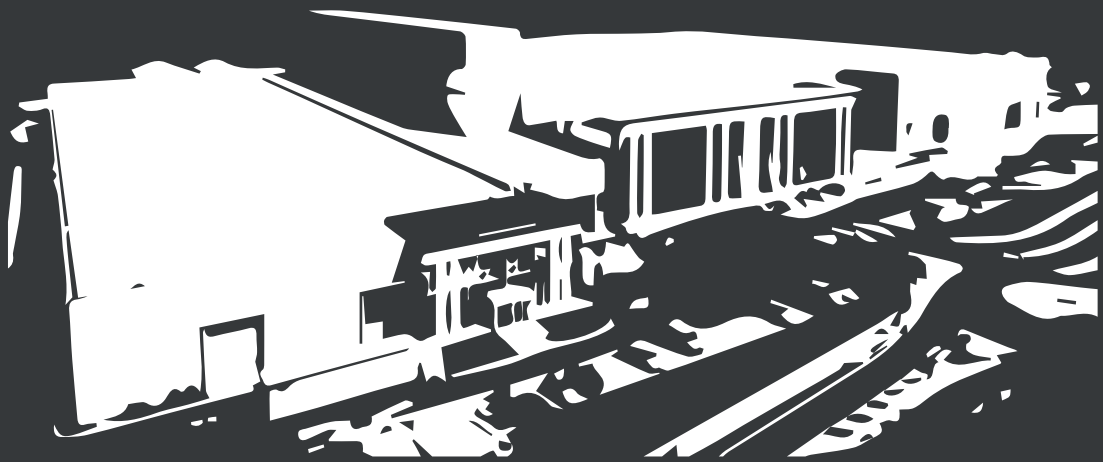
Among the governance issues, priority is given to **sustainable supply chain management** and **innovation, research and development**, followed by **corporate reputation and communication** (internal and external) and **product reliability, quality and safety**. Finally, among the environmental issues, it is strategic to focus on **energy efficiency, management of climate-altering gas emissions and CO₂ reduction projects**, **waste management from a circular economy perspective** and the **management of indirect environmental impacts**, i.e. those not directly generated by society through its structures but by its own value chain, starting with the movements of its employees.

The other, equally relevant issues are considered by both stakeholders and management to be areas in which the company has invested consistently over time and has achieved tangible results; these are not therefore a priority.

Thanks to stakeholder engagement, various projects and ideas for improvement emerged, which can be immediately implemented by the company, on the various relevant issues that can generate positive long-term effects and enable the company to enhance its ESG impacts.



 **COMPANY**



over
30

years' experience

over
20,000

clients

Modula history

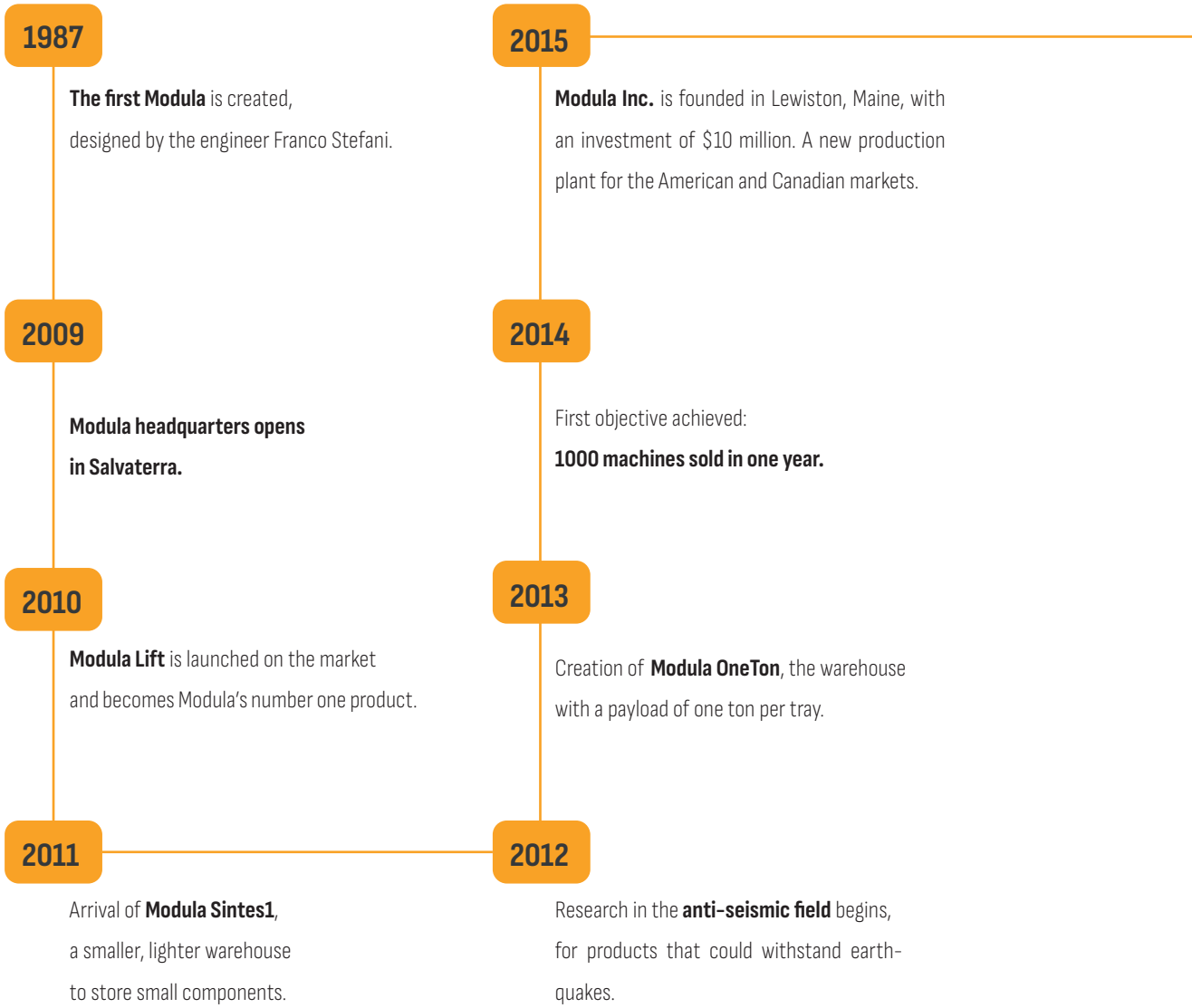
Modula was founded in 1987, based on the engineer Franco Stefani's imaginative idea of a vertical lift module to store electronic equipment at his System Ceramics production plants, where machines for the ceramic industry were designed. He physically designed the first Modula, drawing inspiration from the rotating warehouses already in existence, which catered for operators' need to pick up and drop off the pieces required, rapidly and ergonomically.

This formed the basis for the first Modula, bearing a name that immediately referred to its modularity and flexibility. Since then, the project has come a long way.

The first Modula warehouses were used in-house in Fiorano Modenese, before they aroused interest in the world of ceramics, System's field.

As they became more widespread and given the clear benefits of their use, they captured the attention of other companies in various sectors. As such, their adoption then gradually began in the plants of mechanical and ceramics companies, especially in Emilia-Romagna.

Since 2000, a veritable explosion was set off and the sales network expanded to cover new sectors and new requirements. Modula itself is equipped with its own automatic warehouses; from the outset, it has always been a Factory 4.0 in every respect.



While our products, clients and markets have been developing, new requirements appear and so too has Modula's production capacity been extended and developed. After taking our first steps at our Fiorano Modenese site, we needed to dedicate an entire production facility containing the latest production technology to Modula. So, in 2009, Salvaterra di Casalgrande was established, based on lean manufacturing and Industry 4.0 principles with interconnected processes and new human-machine interaction paradigms.

2016

Modula, the first business unit of System Logistics, becomes an independent company: **Modula S.p.A. Modula Storage Solution Limited** is established in the UK and **Modula Warehouse Storage Solutions** in India.

2020

Modula acquires **MB** and establishes its **Modula South East** subsidiary in Singapore. The Lift line-up is extended with the **Lift ME**. The new **Modula HC** horizontal carousel is developed, made possible by three decades of experience in the American market.

2017

Modula celebrates 30 years of history with **2000 machines sold**.

2022

Two new products are added to the Modula line-up:

- **Modula Farm**, the temperature-controlled warehouse used for vertical cultivation without seasonal constraints
- **Modula DD**, the old Lift technology with an even higher bay depth (1,257 mm).

Over 1000 Modula employees around the world!

2018

The year of internationalisation. As well as a **new production site in China**, branches open **in Mexico and Spain**, to add to those in France, India, the UK and Germany.

2021

The **Modula Colombia** subsidiary is founded.

New **picking** and automation solutions are developed, designed for controlled atmosphere environments:

Modula Climate Control and Modula Clean Room.

2019

Modula Slim is launched on the market. A new plant opens in **Franklin, Ohio (USA)**.

Values and commitments in terms of corporate social responsibility

Agility, commitment, passion and respect are the words that best reflect Modula's modus operandi. People before business, whether clients, employees, partners or collaborators. This is the commitment Modula has made since it became a large and international company.

Modula believes that working people must be engaged and motivated, and to do so it has drawn up a list of values that represent it and determine its identity.

Agility

The ability to accompany and sometimes to anticipate change, to transform and to welcome novelty as an opportunity for improvement are crucial for the organisation; they enable us to meet the needs of the market, to satisfy our clients, but also to help maintain our employees' work-life balance. Flexibility is a value because it is experienced as an enrichment.

Ethics

At Modula, 'ethics' means doing our job well in accordance with the rules, inspired by shared principles and values. The moral and managerial spheres are combined, as are individual responsibilities with the Company's and the professional and organisational fields: the behaviour of the people who make up the organisation model and shape the image of the Company.

Excellence

"We are what we repeatedly do.

Excellence, then, is not an act, but a habit"

(Will Durant, after Aristotle)

The company's daily commitment is to do things as best we can. Respect for clients and people requires an offer of excellent, uncompromising quality, both in the product and the processes adopted.

Appeal

The quality of processes and products, attention to occupational health and safety, consideration of people's needs, commitment to creating a functional, usable and beautiful workplace: these points form the basis of Modula's appeal.

All this is determined by the actions taken aimed at constant improvement.

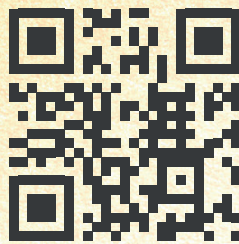
The constant search for excellence in its products and the service offered to clients through **the continuous improvement of existing products** and **the development of new products and new technologies**, **the improvement of professionalism and leveraging of human resources**, **respect for all stakeholders** (clients, suppliers, employees, commercial and financial partners, shareholders, members of corporate bodies, etc.), **attention to the natural environment and to health and safety in the workplace** are the values that inspire the company.

To give shape to the values that Modula has always applied in the way it does business, the company has adopted a Code of Ethics and since 2014 has adopted its own Organisation, Management and Control Model, consisting of a set of control procedures and rules, with which the corporate functions must comply in their work. The "Code of Ethics" is the tool to define the values that Modula S.p.A. recognises, accepts and disseminates in the conduct of its activities, to maximise the efficiency, reliability and reputation of the company: key factors in its success and for the constant improvement of the conditions under which Modula operates.

Therefore, all of Modula's activities must be conducted in compliance with the law applicable from time to time and with loyalty, honesty, integrity, fairness, good faith, transparency, efficiency and openness to the market, respecting the legitimate interests of all stakeholders. All those who work and operate at Modula are committed to observing and ensuring compliance with the principles and rules of the company's Code of Ethics. The Company also operates within the framework of the principles laid down for the protection of human freedom and dignity by the United Nations (UN) Universal Declaration of Human Rights and by the Fundamental Conventions of the International Labour Organization (ILO).

These commitments in terms of policies on responsible business conduct are communicated to workers through specific training upon hiring (i.e., training on the Organisational Model), as well as any company policy that can be consulted on the company Extranet.

Partners, clients and suppliers will be able to view it directly on the homepage of the Modula website

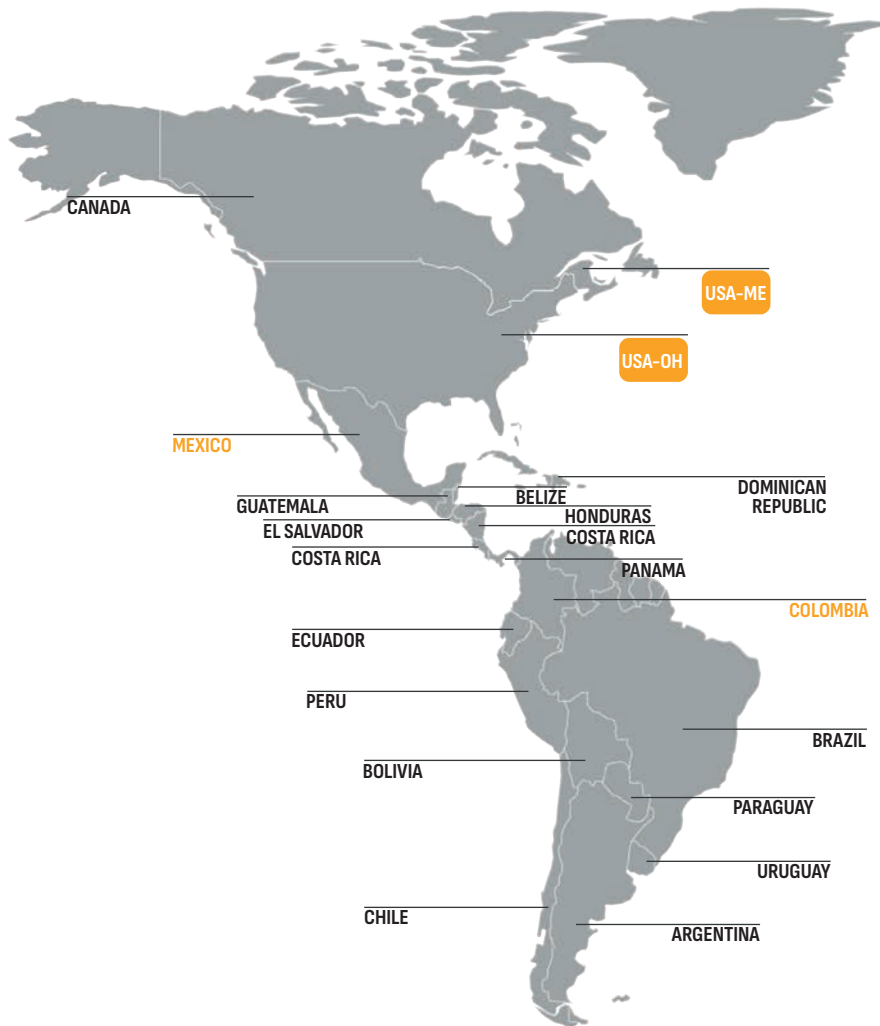


www.modula.com

Modula world: presence around the world

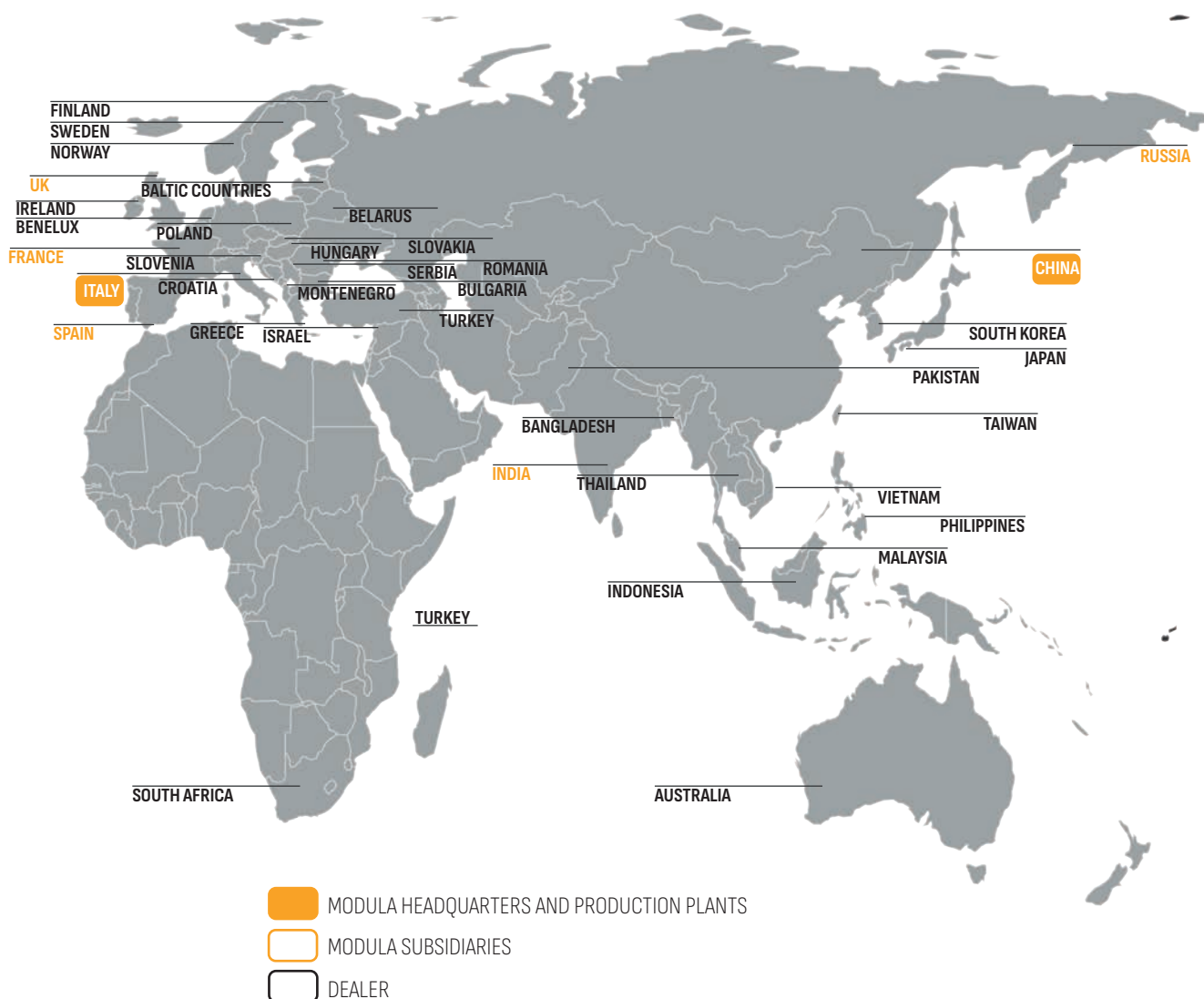
Manufacturing sites:

1. Modula S.p.A. Via San Lorenzo, 4142013 Salvaterra di Casalgrande (RE), Italy
2. Modula Inc. 90 Alfred A. Plourde Parkway, Lewiston, ME 04240, USA
3. Modula Inc. 5000 Commerce Center Drive, Franklin, OH 45005, USA
4. Modula China Automation Equipment 7 Fangzhou Road, Suzhou Industrial Park, China.



Commercial subsidiaries:

1. Modula Automated Warehoused India Private Limited
2. Modula South East Pte Ltd
3. Modula Logística Y Almacenaje S.L.
4. Modula Storage Solution Ltd
5. Modula Sarl
6. Modula GmbH
7. Modula Colombia S.A.S
8. Modula Storage Solutions S.A.
9. Modula Russia LLC.

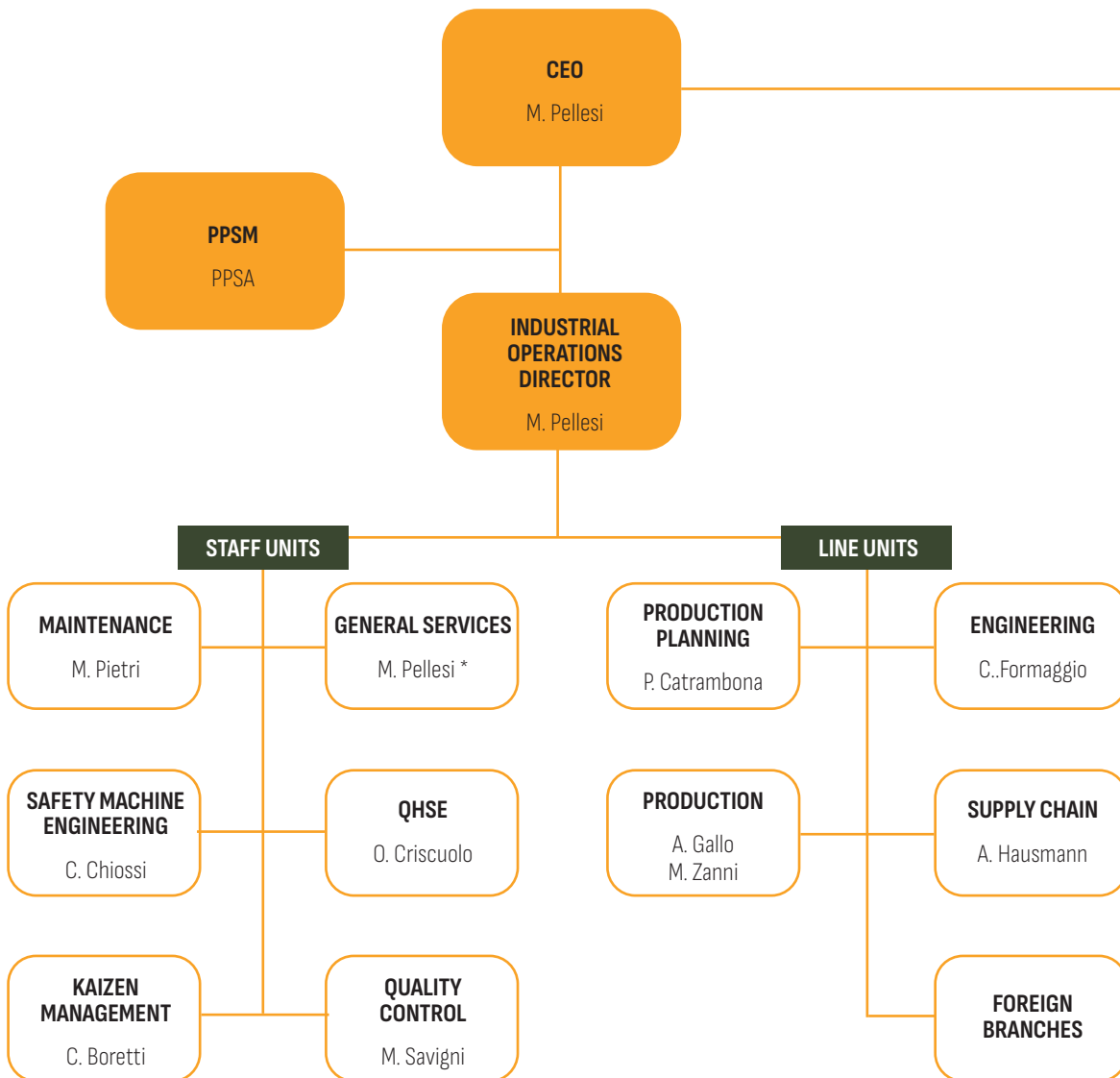


Governance and corporate structure

Shareholders and holders of rights over stocks and shares: S.F.H S.p.A.

Directors Franco Stefani (Chairman of the Board of Directors), Giovanni Cariani (Chief Executive Officer), Massimiliano Gigli (Chief Executive Officer), Marco Pellesi (Chief Executive Officer), Vittorio Pincelli (Director) and Bernardo Cassia (Director).

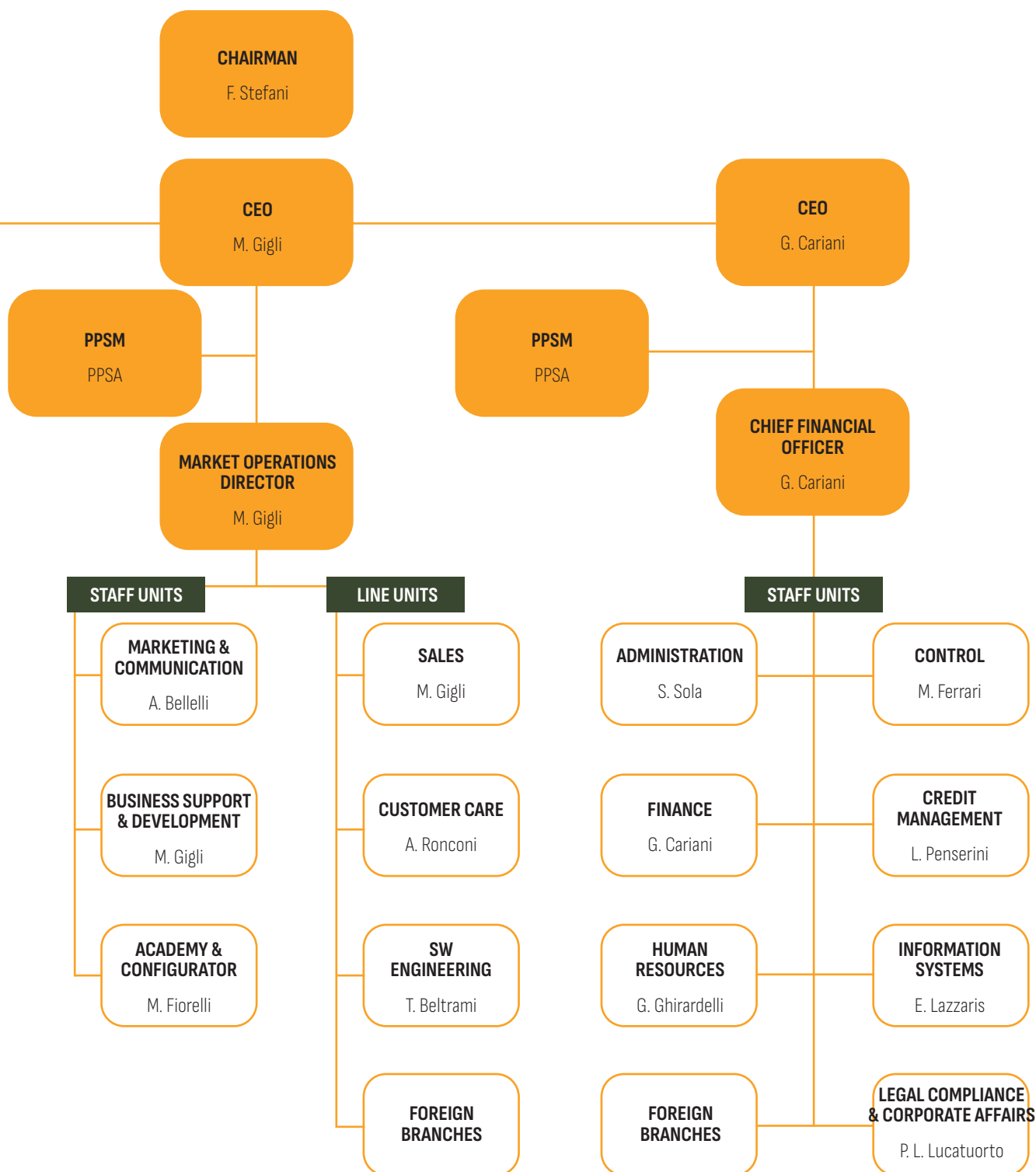
Auditors, supervisory bodies: Gian Luigi Fiacchi (Chairman of the Board), Maurizio Tostati (Statutory Auditor), Lorenzo Leone (Alternate Auditor), Stefano Munari (Alternate Auditor), Anna Rosa Girondini (Alternate Auditor).



Audit firm: Pricewaterhouse Coopers S.p.A.

The highest governing body is the Board of Directors, appointed by the Shareholders' Meeting. The Modula Board of Directors is made up of by directors elected on the basis of the specific skills required to govern the company.

The Chairman, Franco Stefani, is the owner of Modula, as well as the Chairman of S.F.H S.p.A., which holds 100% of the shares in Modula. In relation to the above, there are no conflicts of interest.



Conflicts of interest

Modula's policy states that all business decisions and choices made must be made in the best interests of society.

Modula recognises and respects the right of its Directors and Statutory Auditors to participate in business or other activities apart from those carried out in the interest of Modula itself, provided that these activities are permitted by law, do not conflict with the activities carried out for the benefit of Modula and are compatible with legal obligations and those undertaken towards the company itself.

Similarly, employees must also comply with the obligations established by law and by the applicable employment contracts (collective and individual). Specifically, they must scrupulously comply with the duty of loyalty towards Modula by refraining from dealing with business on their own behalf or on behalf of third parties in competition with the company and the prohibition of disclosing information relating to the same.

Any situation that constitutes or generates a possible conflict must be immediately reported in writing to the line manager.

To date, no situations of conflict of interest have been reported.

Negative impact management processes

With regard to any negative impacts deriving from its activities, Modula complies with all the provisions of current regulations in terms of legal warranty. At the same time, if anomalies/non-conformities are found that impact a given batch of goods produced, the company has adopted and implemented procedures aimed at recalling such defective products. On the other hand, ordinary reports of product malfunctions are managed, reported and processed on a daily basis by means of a precise ticketing policy.

Certifications

The constant commitment to product manufacturing and the process of growth are borne out in the achievement and maintenance of various product and company certifications. These certifications demonstrate the importance Modula attaches to product quality and to guaranteeing high standards of safety for the end client.

The certification process requires analysis of all processes related to operations, the market and finance, including within the entire company and among all its employees.

For Modula, “quality” also means internal audits of processes involving central bodies active on the market and in operations. From production to marketing, every process is screened for anomalies and corrections.

Modula has always had improvement objectives, whether in terms of new monitoring, corrective actions or new business and product challenges.

Company certifications



ISO 45001:2018



ISO 14001:2015



ISO 9001:2015

Product certifications



TUV Modula Lift



TUV Modula Slim

Membership of associations

Modula is a member of the following associations:



AUTORITÀ GARANTE
DELLA CONCORRENZA
E DEL MERCATO



AGCM

Italian Competition and Markets
Authority



ANIMA
CONFINDUSTRIA
MECCANICA VARIA



ANIMA/AISEM

Italian association of lifting, elevation
and handling systems



CONFINDUSTRIA

CONFINDUSTRIA

Confederation of Italian Industry, the
main representative organisation of Ital-
ian manufacturing and service companies



FEDERMANAGER
MODENA

FEDERMANAGER MODENA

Local headquarters of Federmanager, an
association that represents and protects
current and retired directors, senior ex-
ecutives and high-level professionals at
companies producing goods and services



FEDERMECCANICA

FEDERMECCANICA

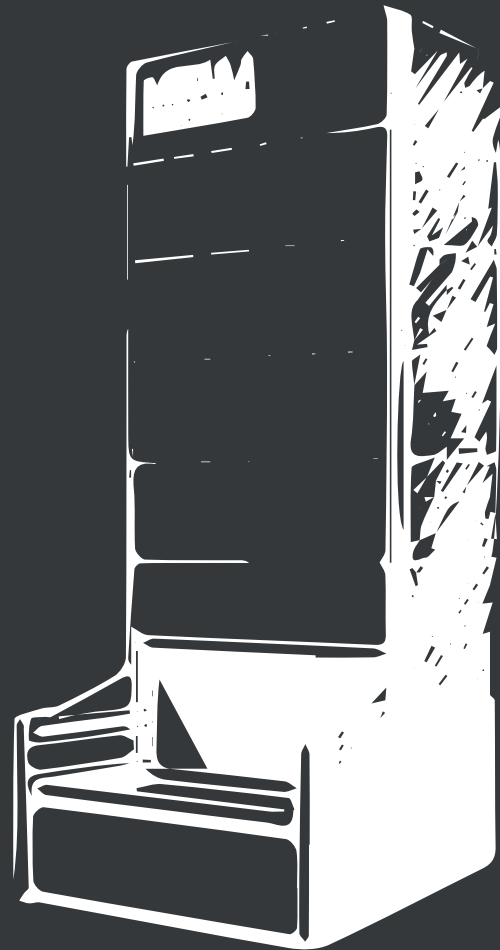
Trade Union Federation of the Italian
Metalworking Industry, which protects
the interests of the Italian manufacturing
and metalworking industry, in the field of
employment law and especially industrial
relations

OMIS 10 t



PRODUCT





Modula can be defined as a visionary company, with the digitalisation of processes as one of its strengths. Over the years, it has opted for 100% Modula production according to a robust strategy of automation of production lines as well as insourcing of manufacturing and process know-how. This has made the organisation stronger and stronger in terms of product quality, competitiveness in the market and knowledge of processes. The company has chosen to focus on the vertical production of a single type of product and has always dedicated a great deal of resources to research and development. It has therefore developed a wide range of models and possible configurations at its warehouses.

Foresight in investment has resulted in the dedication of over €150 million to the creation of state-of-the-art production facilities in Italy, the United States and China.

In 2022, to guarantee a constantly increasing number of high-quality products that ensure client safety, improvements were made to 100% of the machines produced, in relation to the ergonomics of the end operator.

The company's vertical lift modules are designed to recover floor space, reduce picking time and increase the efficiency and performance of logistics processes.

Modula's production facilities are fitted out with the latest production line tooling, picking stations, anthropomorphous robots and welding and laser cutting stations. These guarantee quality in our manufacturing process as well as the quality of the actual products themselves. The Italian facility at Salvaterra is a real example of a digital factory using lean manufacturing principles, equipped with "Automated In-Line Production" which guarantees high-speed, high-capacity and flexible production.

Production process

Everything happens automatically. Starting with the cutting of the panels directly from rolls of sheet steel, production moves swiftly through to finished components.

The possibility of producing a flow of single parts, kits or batches depends on the specific orders.

Production is managed just-in-time and monitored step-by-step by the MPS (Modula Production System) software, specially developed for the company's requirements.

This software has been created and implemented not just to manage and plan requirements linked to sales orders, but also to provide full control and overview of the progress of each order via an integrated barcode reader system and connected transport systems. MPS communicates with Materials Requirements Planning (MRP) and Enterprise Resources Planning (ERP) for the automatic scheduling of work requests, which are sent directly to outside suppliers and internal production facilities to manage the entire production process.

This interconnection with production systems via robots and software makes it possible on the one hand to reduce costs and increase productivity, but on the other hand to maintain real-time control over the progress of each order. The designs for each of the components that go into the vertical warehouses are sent directly to the machines involved in the production process.

Workflow

It all starts with the client. After an initial overview, for each project a dedicated team is set up to analyse the logistical requirements and to advise on the best product and any available options.

Modula's presence at a global level makes it possible to provide exemplary advice.

Modula products are designed and created in-house by engineers. Production is completely automated and based on process verticalisation.

Installation is carried out on-site by a team of expert technicians located at various national and international sites. Modula's work does not end there: it provides training, continuous telephone support and immediate technical assistance.

The Italian plant in Casalgrande is an authentic "automated in-line factory" designed to guarantee rapidity, flexibility and production capacity, from the raw materials delivered to the factory to production of the finished components. The possibility of producing a flow of single parts, kits or batches depends on the specific orders.

The software is implemented to integrate and control the warehouses and goods handling systems.

Interconnection with the production systems by means of robots and software makes it possible to reduce costs while simultaneously boosting productivity.

In the production process, drawings of components for the vertical warehouses are transmitted directly to the machines involved in the process and the entire cycle is handled completely automatically.

Products and services

Modula automatic warehouses and storage systems are the ideal response to companies' storage and picking requirements, regardless of the industry sector or the type of item to be stored.

The product models include automatic vertical storage solutions, automatic horizontal storage solutions, automatic storage solutions for temperature-controlled environments, picking solutions ideal to optimise order preparation, all supported by software developed in-house.

Vertical lift modules

Vertical storage solutions are perfect for making the most of the height available in buildings, saving floor surface. These products are the ideal answer for a clean, tidy, safe and fast-moving warehouse. They are suited to any type of product, sector or industrial environment, and can be configured for a variety of payloads, unit heights, sizes and options.

A vertical lift module consists of a robust load-bearing structure that houses and supports the trays, a central motorised elevator to move them from the supporting shelves down to the operator bays and one or more bays for the picking and refilling of materials. According to the "goods-to-man" principle, the products are delivered to the operator in an ideal position in terms of ergonomics. As such, operators no longer need to move around the warehouse to pick up or drop off the goods; instead, the products are brought directly to the picking bay.



Horizontal lift modules

The horizontal carousel is an ideal automatic warehouse for all intensive picking applications, in both distribution and production environments, or in facilities where it is not possible to use vertical space due to height restrictions. Horizontal carousels can be installed in environments with specific geometries or in sites partially encumbered by architectural obstacles. They are therefore designed to ensure maximum flexibility of installation.



Options for vertical and horizontal lift modules

Various solutions are available to enhance a vertical or horizontal lift module, to increase productivity even further. It is sometimes necessary to keep an eye on efficiency and reduce errors. Other times, precision in picking or protecting the safety of goods and operators is more important. Some companies want to track every step and every item movement exactly, to facilitate tracking or inventory. Modula has a wide range of options that meet all these needs.

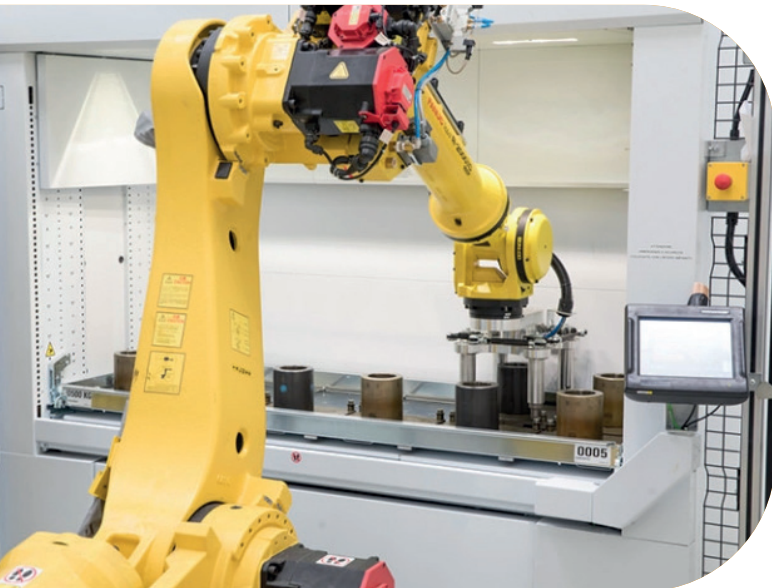


Picking solutions



Picking solutions are devices to help improve order preparation. They have been designed to guide the operator during the materials picking phase, benefiting from Put to Light technology. Put to Light is an effective sorting method to split large quantities of items into multiple orders. In practice, picking solutions make it possible to prepare several orders for different clients at the same time, without making mistakes.

Robotic integrations



A robotic warehouse is a plant equipped with automated goods storage and management systems, where robotic mechanical solutions have been implemented.

It is an automatic industrial storage system for warehouse logistics where robots and Modula work in complete synergy to ensure faster and more precise management of the entire goods and products handling process, and efficient goods management.

Special solutions

The mission is to clear, to bring an automatic warehouse into every company, regardless of industrial sector. This means having to deal with situations that are not altogether conventional or those with specific requirements. Over the years, "special applications" have been designed for industrial businesses that need to stock sensitive goods such as electronic components, medicines or food. In addition, fire and anti-seismic safety devices have also been produced to minimise the damage caused by fires or earthquakes.

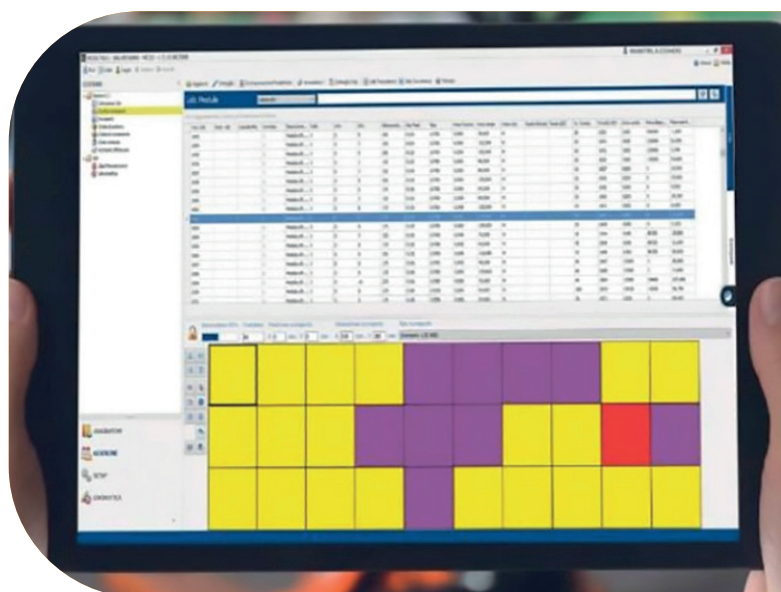


Software

Modula WMS (Warehouse Management System) is the warehouse management software created and developed by Modula to manage all vertical warehouse operations.

In practice, it is the thinking brain of the warehouse, whereby the machine is not a mere automatic shelf, but can manage complex information on events such as access, picking/drop-off movements, location management and stocks.

Modula WMS can track everything that happens inside the warehouse. This is a matter of product traceability, and more besides. It is possible to check at any time where the various SKUs are allocated, understand the frequency of movement, and smartly manage the related data, including batch and serial numbers, production dates, expiry and maturation of the product.



The Modula WMS software makes it possible to find out which operator has had access to a particular drawer and manage the slotting of the drawers into compartments; it can also monitor the volumes of warehouse occupancy and the degree of saturation. All these data are a valuable source for every company's supply chain; their analysis provides an improved understanding of the logistics flow in the entire warehouse (of which Modula storage systems are only one part), to optimize its efficiency and thus reduce waste and management costs.

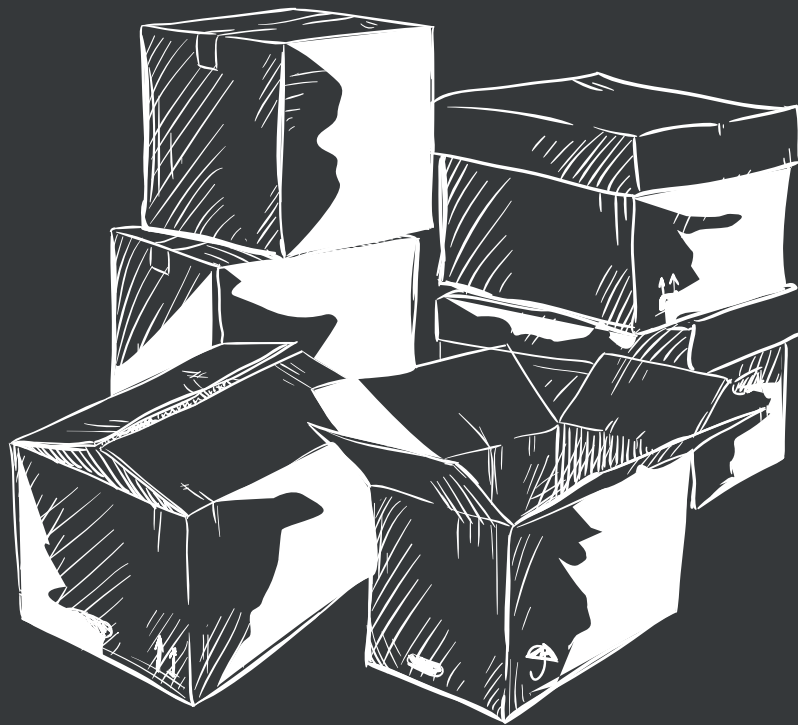
With its WMS management software, Modula is no longer merely a vertical lift module and becomes a real link in the IoT. It can then transmit information to the company management system and even interface with other technologies such as anthropomorphic robots, AMR autonomous driving systems, automatic conveyors and much more.

Modula WMS is designed not only as the perfect complement to manage the entire line-up of Modula warehouses, but it can also be used as a tool to manage traditional warehouses or manual storage areas where data monitoring and greater flow control is required.





SUPPLY CHAIN



The supply chain plays a crucial role in the pursuit of product excellence, market positioning and maintaining the corporate reputation. The company's relationship with suppliers is therefore based on aspects considered fundamental and essential: quality, reliability, timeliness of deliveries and willingness to establish a lasting collaboration, with the capacity to generate virtuous synergies.

The procurement policy is based on the following general principles:

- search for high quality and technical standards in the sector and the best quality/price ratio of the product or service
- selection of suppliers with high integrity and reliability requirements
- preference, at equal conditions (quality, price and other commercial conditions, delivery times, warranty and after-sales services, etc.), of local suppliers to encourage the socio-economic development of the area
- the utmost attention to the analysis and control of raw materials
- the utmost attention to compliance with occupational health and safety regulations and to human and workers' rights.

In 2022, Modula's supply chain consisted of a total of 1,200 suppliers, 57.7% of which were located in Emilia-Romagna and only 2.8% were located abroad.

Modula works mainly with local suppliers, including small ones: this underlines the desire to generate value in the area where the company is based. The main suppliers provide raw materials, electronics and metal components.

To date, the organisation does not screen suppliers based on environmental and social criteria.

Total suppliers and turnover by macro/category

Category	No. of suppliers
Contractors	38
Direct	176
Indirect	609
Prototypes	131
Total	954

Details of local purchasing

IT (Y/N)	Region (Y/N)	% of turnover
Abroad		2.8%
Italy	Rest of Italy	39.5%
	Emilia-Romagna	57.7%
Total		100%

Details of suppliers and turnover by direct suppliers

Type	% of turnover	No. of suppliers	% of no. of suppliers
Raw materials	30.97%	8	4.55%
Metal components	24.71%	29	16.48%
Electronics	21.92%	55	31.25%
Gearboxes and motors	9.16%	2	1.14%
Lifting	4.13%	10	5.68%
Other	2.69%	40	22.73%
Plain shaft bearings	1.75%	6	3.41%
Plastic/rubber	1.51%	3	1.70%
Packaging	1.31%	1	0.57%
Screws	1.25%	5	2.84%
Springs	0.24%	4	2.27%
Consumables/equipment	0.21%	12	6.82%
Manuals	0.15%	1	0.57%
Total	100%	176	100%

Modula's partners

Since 1987, Modula has concentrated its efforts on the world of automation with a special focus on vertical lift modules. The company is also a valid point of contact for companies seeking answers and advice for their logistics processes or to integrate Modula technologies into their systems and flows.

It has therefore always chosen to collaborate with different businesses in Italy and around the world that are complementary to its know-how, to jointly offer complete or integrable solutions.



ABB is a leading multinational automation and electrification company. Artificial intelligence systems, drives and motors, digital solutions and electrification services are part of its portfolio, which also boasts a wide range of business automation solutions for industries.

With ABB, it is possible to create integrated automation solutions of the highest level and integrate them with Modula automated warehouses using the robot interface kit.



Equans, a Bouygues Group company, designs customised robotic solutions for the automotive, oil and gas, biopharmaceutical, electronics, healthcare and food sectors, with a focus on new technologies and innovation.

In several French projects, Modula automated storage systems and Equans cobots have been integrated by relying on the robot interface kit with which they exchange valuable information. The result is all-round automation for the end client.



MiR develops autonomous mobile robots (AMR) for internal transport and material handling. This type of robot can move freely within the logistics space in a completely autonomous manner.

Modula's sales network

Modula's strength is based on the excellence of its products, but also on the strength of its network. Many international companies have decided to become dealers for the brand, to export to their countries and offer their client base the technology of made-in-Italy vertical warehouses with trays.

Constant collaborations that have been built up over the years with now-historical partners have been added to over time by other retailers all over the world, operating in the field of logistics, mechanics or consulting to companies.

Modula has therefore been able to boost its presence, raise awareness and most of all come closer and closer to clients all over the world, through local contacts.

As well as 11 branches, the company has over 150 dealers.

Modula projects have included automatic warehouses and equipment for work stations in companies in every industrial and commercial sector.

The list of main clients consists of local and international companies on a global scale, in sectors such as automotive, mechanical, metallurgy, steel production, chemicals, pneumatics, pharmaceuticals, electronics, ceramics, packaging, plastics and printing.

Modula automatic warehouses set **new standards in picking process optimisation** and are fully compatible with **cutting-edge intralogistics solutions**.



SOCIAL RESPONSIBILITY



People

At the end of 2022, 326 people worked at Modula, including eight collaborators and one intern. There were also 76 temporary blue-collar workers. Of the 326 workers, 17% were women, with 83% men.

Among the 317 direct employees of Modula, there were six directors, 28 executives, 183 employees and 100 blue-collar workers. The average age was 40 years, with the majority of employees in the age bracket of 30-50 years. 95.5% of employees had a permanent contract and 97% were full-time, evidence of the search for long-lasting collaborations. There were no apprenticeships. All employees are 100% covered by the National Collective Bargaining Agreement for Metalworking and Industry.

From the point of view of the labour market, Modula witnessed significant growth in resources: in 2022 alone, 56 people were hired, compared to 27 terminations. The terminations all concerned Italian citizens as did the new hires, apart from one female employee, a Moldovan citizen aged between 30 and 50 years.

The positive turnover recorded in 2022 was 19% compared to a negative turnover of 9%, which testifies to the significant increase in human capital in which Modula is investing.

Workers	Total	Women	Men	% women	% men
Employees	317	51	266	16%	84%
Agents/VAT numbers/Collaborators	8	3	5	38%	63%
Traineeships/Internships	1	0	1	0%	100%
Total	326	54	272	17%	83%

Employees by professional position and gender	Total	Women	Men	% women	% men
Directors	6	0	6	0%	2%
Executives	28	2	26	1%	8%
Employees	183	49	134	15%	42%
Workers	100	0	100	0%	32%
Total	317	51	266	16%	84%

Employees by age bracket	Total	Women	Men	% women	% men
< 30 years	48	11	37	3%	12%
30-50 years	217	33	184	10%	58%
> 50 years	52	7	45	2%	14%

Employees by contract type	Total	Women	Men	% women	% men
Fixed-term	14	8	6	2.5%	2%
Apprenticeship	0	0	0	0%	0%
Permanent	303	43	260	13.5%	82%
Full-time	307	48	259	15%	82%
Part-time	10	3	7	1%	2%

Terminations and hires	Total	Women	Men
Terminations	27	9	18
< 30 years	6	1	5
30-50 years	18	7	11
> 50 years	3	1	2
New hires	56	10	46
< 30 years	20	5	15
30-50 years	33	5	28
> 50 years	3	0	3

Composition of governing bodies

The governing bodies consist of seven men, 57% of whom are aged over 50 years, with 43% between 30 and 50 years old. Three of the male directors are employees aged between 30 and 50 years and four male directors who are not employees are over 50.

Welfare and benefits

For Modula, the well-being and health of its employees and collaborators is an aspect of crucial importance and it has always been committed to ensuring that these are guaranteed. The company wants its workers to feel at home and for the working environment to be comfortable and enjoyable. The company built a new plant in 2023, to which some departments will be moved in response to the increase in size and staff to ensure the well-being of all workers.

In addition, the company has over time introduced numerous benefits for its workers:

- health insurance (an alternative to Metasalute) for executives and directors
- specialist in-company medical examinations, during working hours and paid for entirely by the company (melanoma screening, urological examination, mammograms), a screening programme aimed at prevention of urological conditions and cancer in collaboration with ANT and LILT, and "Bonus Leave" of 8 hours after one year of employment, once the employee's usual leave has been used up, for specialist medical appointments if a diagnosis is confirmed

- 50% supplement to parental leave
- flexible working hours
- smart working
- in-house canteen paid for by the company
- company wellness area (gym), equipped with the best and most modern equipment by Technogym
- daily travel allowance for Italy and abroad and compensation for travel for external activities taking more than 4 hours
- performance bonus based on the company's EBITDA at the end of the year. The bonus can be claimed in cash. The 2022 EBITDA-based performance bonus meant almost €3,500 gross in envelopes for each employee.

Parental leave

The company provides everyone with the opportunity to request parental leave and adds another 50%. In 2022, 10 people took parental leave: five women and five men. The return rate following parental leave is 100%: all employees returned to work at the end of their period of leave.

Training

To support growth and development, training courses have been planned and provided; they are increasingly focused on the continuous development of skills, to consolidate and renew the professionalism acquired, with concrete measures to promote an inclusive and discrimination-free working environment.

In 2022, a training plan was implemented that involved a large proportion of the company's staff, consisting of a total of over 5,000 hours of training and orientation courses. A training plan on environmental and social sustainability issues was also created. It involved all company staff in a total of 958 hours, 324 of which were classroom-based, with the other 634 on a digital platform, with a per capita ratio of 3 hours per employee. After these meetings, an internal committee was set up across the various roles and offices, involving over 15 stakeholders who will be on the front line to draw up the Sustainability Report and implement concrete actions suggested by the 2030 Agenda. In 2022, 166 people were trained, of whom 122 were men and 44 were women.

- The topics covered were:
- Sustainability, strategic marketing management
 - Positive empowerment and happiness
 - Onboarding and on-the-job training
 - Project management
 - Company activities (Modula Academy)
 - Modula products (Modula Academy)
 - ESG scenario and 2030 Agenda (Modula Academy)

		No. of employees in training	No. of training hours	Total no. of employees	Average training hours
Gender	M	122	3,376.82	266	12.69
	F	44	1,685.03	51	33.04
	Total	166	5,061.85	317	15.97
Position	Directors	4	53.75	6	8.96
	Executives	23	260.2	28	9.29
	Employees	128	4,714.97	183	25.76
	Workers	11	32.93	100	0.33
	Total	166	5,061.85	317	15.97

Modula has an employee performance appraisal system, which covered 100% of all employees in 2022 apart from those who could not be appraised due to the departure of their manager. The assessment is based on “soft skills” and is carried out by the person's line manager. The evaluation period is the full year, and each employee is appraised according to:

- three core competencies (the same for everyone, considered core skills for the company)
- three specific competencies for the department in which they work
- three other competencies related to team management (for team leaders)

The development of a training plan for the following year depends on the assessment.

Ratio of basic salary and remuneration of women to men

Average GAR	Gender		M vs F
	M	F	
Position			
Director	€145,166.76	€0.00	
Executive	€65,829.03	€61,388.04	7.23%
Employee	€38,314.41	€32,079.96	19.43%
Worker	€26,796.47	€0.00	

Occupational health and safety

Since 2014, Modula has been implementing a health and safety management system in accordance with the OHSAS 18011 standard. In 2020, the system was migrated to the ISO 45001/2018 standard. The management system applies to all areas/workplaces, from offices to production, warehouse and manufacturing sites. The risk encountered was identified on the basis of tasks by job title within the company.

Hazard analysis and risk assessment

To identify hazards, draw up a risk assessment and investigate incidents, Modula adopts a procedure that initially recognises all working activities that take place within the company.

Secondary activities are also included in the recognition, the services involved being provided by outsourced workers (on both a daily and occasional basis).

For each of the processes carried out (routine, non-routine and emergencies), hazardous situations that could potentially result in incidents, injuries, occupational diseases or other events that could be harmful to workers' health and safety are identified.

The activities carried out, all possible hazards and consequent potential harm are then identified.

This phase is carried out by means of timely verification of the conditions in the working environments, the analysis of the working and organisational processes to which the workers are subjected, and the verification of all the documentation and information available to ensure the expected safety conditions and compliance with the regulations in force, including formally.

The risks associated with the work areas in which the worker operates (“departments”) and those associated with the specific operational activities carried out by each homogeneous exposure group (“tasks”) are then identified. The physical risk assessment is updated every time there is a change in the company's processes, and at least every four years for physical risks and every other year for risks related to work-related stress. The hierarchy of controls is applied in accordance with the ISO 45001 standard; this process is facilitated by the systematic application of Legislative Decree 81/08 as amended and supplemented.

The process quality is guaranteed through the distribution of skills according to the individual activities carried out. The assessment of hard skills is periodically evaluated by the individual managers and is archived either in the SKILLS section of the Vittoria RMS management system, or in an Excel spreadsheet. The results of the processes are evaluated at least annually in a management review, which analyses all processes, the level of achievement of objectives and identifies others.

Processes available to workers to report hazards and hazardous situations in the workplace

Workers are provided with forms to report accidents, corrective action taken after incidents and near misses. All these forms relate to an internal procedure for the management of accidents and near-misses: PQ 11.02 MANAGEMENT OF ACCIDENTS, OCCUPATIONAL DISEASES AND NEAR-MISSES.

Operators must apply all indications set out in the operating procedures and instructions relating to the activities they carry out as well as to the specific risks to which they are exposed. These operating instructions also specify the personal protective equipment that must be used to avoid a specific risk. The number of recordable occupational accidents was 11 and the frequency index (calculated multiplied by 1,000,000, divided by the number of hours worked) was 1763.

The main types of occupational accidents were cuts and abrasions to the arms; the number of hours worked in 2022 was 623,932.19.

Modula adopts a programme to eliminate hazards in the workplace and minimise risks according to the hierarchy of controls, available on the Vittoria RMS management system. In 2022, no occupational diseases were reported.

Occupational health services

All workers are subjected, on the basis of a specific health protocol, to periodic medical examinations, conducted by a competent doctor identified by the organisation regarding their state of health and suitability to carry out their specific tasks. Meetings are also organized periodically for the prevention of melanoma and breast cancer. Health information regarding the periodic medical examinations is shared with the PPS office, whereas the details of the prevention activities are only shared with the worker and are not sent to the organisation.

Training and promotion

At the beginning of the year, the organisation draws up a training plan that includes all mandatory training courses in accordance with Legislative Decree 81/08 as amended and supplemented. Specific training sessions are also carried out, based on the risks to which workers are exposed, using the Operating Instructions.

In the first month after a new hire joins the company, induction training takes place, part of which is managed by the QHSE department to address specific points in the management system, the worker's duties and the risks to which they will be exposed.

Social focus

Modula maintains close links to the local areas where it operates and a large proportion of the economic value distributed goes to support the company's local partners, generating further employment and technological development. A synergy made up of thought and action, where the goal is the well-being of the local communities in the areas where the company operates and beyond. Support and development, growth and equality, inclusion and sustainability are the keywords for every project and initiative.

In the 2022 financial year, donations of approximately €30,000 were made to support the community, including to the ANT foundation that provides free specialist medical care at home for cancer patients; to the LILT not-for-profit cancer prevention association; to the Aiuto Bambini Betlemme not-for-profit association that subsidizes the Caritas Baby Hospital Betlemme, providing qualified healthcare for everyone, regardless of their religious belief or social background; and to Progetti del Cuore, which brings together the commitment of companies and private individuals to facilitate the provision of services by the government and local associations, especially to the most vulnerable communities.

Donations by both Modula and other Emilian companies have resulted in the creation of the "Lezioni di Marketing Romagnolo" show by Paolo Cevoli, organised by the Vignola district delegation of the ANT Italia not-for-profit foundation in collaboration with WEEVO.

It also supports amateur sports associations every year based on its profound belief that sport can improve people's psychological and physical abilities and is an important factor in young people's growth and education, from an early age. Sports associations fall within the category of "educational agencies", given their intrinsic purpose. It is therefore one of the sponsors of Veggia Calcio, Hockey Valdagno, Sci Cavalese and Pallamano Casalgrande.

Modula also donates the food left at the end of the events organised by the company, two of which were held in 2022, to the "Il Melograno" association.

WL12-18
Electrical cabinet
wiring and
testing

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TRUE 990 KG PAY LOAD

for EVERY TRAY size



ECONOMIC RESPONSIBILITY



The company is constantly committed to achieving its development objectives, aimed at ensuring an increase in the value of the company and all its stakeholders, reflected in the excellent economic results achieved and the ability to generate actual value.

Modula has always kept its roots firmly in the local area where it originates. This aspect is also highlighted by the decision to hire people from the local community to all management roles (100%). It is also essential to support the prosperity of the territories in which it operates, by maintaining employment levels, fostering relations with local communities and creating shared value.

The financial year ending 31.12.22 resulted in revenues of €171.6 million. The economic results relate to the contribution to the economic growth of the social context and the communities to which it belongs: in the 2022 financial year, 92.5% of the economic value directly generated by its activities was distributed to all stakeholders, understood in the broadest sense (suppliers, employees, lenders, shareholders, the government, community and local area).

Direct economic value generated and distributed

Economic value generated	000s of euros	2022
Revenues		171,692
Adjustments to value of financial assets: depreciation of equity		-5,070
Total economic value generated		166,621
Economic value distributed		
Operating costs		131,445
Employee salaries and benefits		24,256
Payments to capital providers/Shareholder remuneration		- 198,084
Taxes and fees/Payments to the government		3,330
Investments in the community		30
Total economic value distributed		158,864
%		95.3%
Economic value retained		
Difference between economic value generated and economic value distributed		7,756
%		4.7%

Throughout 2022, the company recorded a solid and consistent trend in sales, confirming the excellent performance of the previous year. It managed to continue supplying the market as a result of past investments that were never interrupted, even during the most critical phases of the Covid-19 pandemic.

With regard to materials procurement, prices that had already increased in 2021 remained at high levels, then declined towards the end of the year. At no point were there any interruptions in supplies and the company's margins remained at sustainable levels, partly assisted by prudent price increases.

Strengthened by the excellent order book at the end of 2021 and a constant trend in orders, there was a 37% increase in revenues, partly as a result of the constant growth of after-sales activities. 2022 ended with a sizeable order book that enabled us to start 2023 with excellent prospects.

In terms of investments, in line with previous years, implementation of the growth plan approved by the Board of Directors continues, involving all the main areas of the company.

Risks related to corruption

The risk of active and passive corruption is related to conduct or negligence that may lead to the occurrence of events or cases of corruption throughout the value chain. To manage this risk, Modula has adopted an Organisation, Management and Control Model in accordance with Legislative Decree 231/2001, which in addition to a Code of Ethics, provides for a Supervisory Body to guarantee the principles and values of ethics and integrity, with particular attention to the issues of active and passive corruption throughout the value chain. By means of this organisational system, the company provides communication and training about anti-corruption policies and procedures.

Percentage of senior management in significant operating locations hired from the local community:



100%

"Local":



Italy

"Significant operating locations":



**Fiorano & Salvaterra
(Modula S.p.A. locations)**

A wide-angle photograph of a large industrial warehouse. The floor is concrete with a prominent blue aisle running down the center, marked with a white bird-like logo. On the left, there are various pieces of equipment, including a red pallet jack and a black trash bin. On the right, there are stacks of materials on pallets, including a yellow bin. In the background, there are three large black panels with the word 'STABILE' and numbers 3, 2, and 1. The ceiling is high with many recessed lights.

Supervisory body

The supervisory body is appointed by the Board of Directors to supervise compliance with and the efficient and effective application of Model 231 and to ensure that it is kept up to date. The body is a collegial structure that includes at least one external and one internal member, in compliance with the requirements of independence, autonomy and professionalism. In addition to carrying out periodic checks, inspections and analysis of the flow of information, the SB draws up special reports for the Board of Directors every six months on the activities carried out and the evidence that has emerged.

As required by Art. 2 of Law 179/2017, and in line with Directive (EU) 2019/1937 on whistleblowing, communication channels are available to report acts or behaviours in contrast with the company's Code of Ethics, policies, procedures or legal requirements, preserving the whistleblower's rights to the protection of their personal data.



Paradigm
een man
machine

MODULA

2



ENVIRONMENTAL RESPONSIBILITY



Modula has developed and maintains an Integrated Quality, Safety and Environment Management System compliant with the ISO 9001, 45001 and 14001 standards, to respond to the constant evolution of regulatory requirements, the commitment to environmental protection and, last but not least, stakeholders' growing interest in environmental performance and sustainability.

The various environmental issues and the approaches Modula takes to their management are set out below.

Energy consumption

The company's goal is to maximise efficiency in energy use while keeping emissions of CO₂ equivalent and other pollutants to a minimum. To improve its energy supply, Modula plans to install a photovoltaic system in autumn 2023, to reduce the use of energy from fossil fuels and increase its self-production capacity.

Modula's consumption is divided into:

consumption of diesel fuel for the company fleet

Total mileage:

2,268,398.92

Litres of **diesel fuel**¹ consumed:

136,103.9, corresponding to **136.10 m³**

or **5,584.43 GJ**

+ **electricity** consumption

4,121.59 MWh

+ **147,830 m³** methane gas

heating and hot water production: **5,824.502 GJ**

= total energy consumption² between gas and electricity

26,246.66 GJ

¹ Considering the average consumption of a diesel car on the Autoscout website

² Amount from bills and assumption of diesel consumption by company fleet.

For conversion, the SNAM portal and unit converter were used for methane and kWh





Energy consumption outside of the organization,
Estimated energy consumed by clients while using the machines:

2,862,120 kWh

if all the machines sold in 2022 had been
sold at the beginning of the year.

Energy intensity

Excluding fuel consumption values for the company fleet, the kWh value between

electricity and methane gas is **20,662.226 kWh**

i.e. **76,384.01 GJ**

hence energy intensity of **25.6 kWh/GJ**



Management and use of water resources

Water is a priceless commodity, given its countless uses in everyday life.

At Modula, water is drawn exclusively from an aqueduct. It is not used for processing, rather only for sanitary use, in the preparation of meals and to wash floors.

With regard to drainage, industrial effluents from the use of compressors and softeners are discharged into the sewerage system, whereas water used for scrubbing floors is handled as waste.

To identify the water-related impacts, industrial discharges are sampled every year to check compliance with the parameters indicated in the AUA authorisation: these data are analysed in the document "Environmental aspects and impacts" document, updated every year by the organisation.

The basin that could be affected by the discharges produced by the organisation's activity is the Secchia river.

The quality of the wastewater has been defined by ARPAE in a special authorisation that requires the organisation's wastewater to be consistent with the provisions of Legislative Decree 152/06.



The analysis includes **pH at 25°C**, COD, BOD5, total suspended solids, chlorides, phosphorus and ammonia nitrogen.

The maximum authorised discharge is **4,500 m³** per year.

Meanwhile, in terms of water consumption in 2022, the bills for domestic consumption only

(not including fire prevention) amount to a total of approximately **1,100 m³**,

i.e. **1.1 megalitres**.

Greenhouse gas emissions

The company is committed to combating climate change and believes it is important to build its emissions inventory and refine it over time.

Considering tons of CO₂ equivalent from methane for heating and electricity:

Scope 1

Indirect greenhouse gas emissions from the heating of water/steam supplied through remote heating systems. Tons of CO₂ equivalent from methane consumption for heating were then considered.

147,830 m³ of methane gas

approximately **100 tons** of methane, hence approximately

2,800 tons of CO₂ equivalent

Scope 1: 2,800 tCO₂e

Scope 2:

Indirect greenhouse gas emissions from generation of electricity purchased by Modula.

With these purchases, Modula indirectly contributes to the emissions generated by energy suppliers.

4,121,590 kWh, corresponding to **2,060 tons**, hence

4,973 tons of CO₂ equivalent

*For conversion to CO₂ equivalent, the Xclimate.net and sunearthtools websites were taken into account.

Scope 3

Emissions not included in the previous categories but related to the Modula value chain. These include emissions from the distribution and movement of Modula products between plants and clients, staff commuting or business trips, purchase of hardware, machinery and systems, and generation by suppliers to produce materials and/or services purchased by Modula.

The value from the company fleet used both for certain employees commuting to work and for employee travel to clients/suppliers was then calculated.

For 2022, the values are as follows:

Fleet consumption of diesel fuel:

136.104 litres of diesel fuel, corresponding to **113 tCO₂e**

However, the company has calculated other greenhouse gas emissions:

2,862,120 kWh from use of machines sold to clients, assuming they were all sold at the beginning of the year, correspond to:

1,431.02 tCO₂e

(note that total emissions are much lower).

Therefore, total emissions are **1,544.02 tCO₂e**

Greenhouse gas (GHG) emissions intensity

The intensity of greenhouse gas emissions is

1,72 tCO₂e

calculated on the basis of total Scope 2 emissions compared to the number of machines sold in 2022.

Reduction of greenhouse gas (GHG) emissions

For 2023, the installation of an FTV plant is planned, which will enable the entire organisation to fulfil an important tranche of its energy requirements and reduce the greenhouse gas emissions generated by the use of fossil energy sources.


In 2022, **2,905 machines were sold**, 31 of which were fitted with the Modula Green device that can reduce electricity consumption at the client's premises by approximately 17%.


According to an approximate calculation, on average a machine consumes approximately 987 kWh. The machines sold in one year can consume a total of 2,867,235 kWh; subtracting the 31 machines with the Modula Green system results in 2,874 machines with a total consumption of 2,836,638 kWh. The average consumption of the other 31 is 822 kWh for a total of 25,482 kWh, producing a grand total of 2,862,120 kWh*. **A saving of 5,115 kWh is therefore obtained, corresponding to 2,557.5 kg of CO₂e or approximately 18 trees.**

Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions.

The production plants do not directly generate NO_x or SO_x; the only pollutant produced is the dust from the welding or laser cutting process. An annual self-assessment of emissions is carried out, showing emissions that continue to be below the levels authorised by the competent ARPAAE body. For 2022, all emissions were below the limit of 10 mg/Nm³.

*The assumed value is that all the machine sales in 2022 took place at the beginning of the year and considered both the consumption of the standard machine and those fitted with Modula Green, a device whereby the client can recover some of the energy used to operate the machine. The value obtained is definitely higher than the true figure because of the assumption that all the machines were sold at the beginning of the year.




MODULA


Waste management

The waste produced is partly linked to the production activity, for example processing scraps or waste generated by the use of fats or chemicals that arrive at the organisation in producer packaging. Some of the waste is also generated by the value chain, such as pallets and boxes that are not produced directly by the organisation but derive from the purchase of raw materials that arrive at the organisation in specific packaging.

Also to reduce the amount of waste produced at client premises, the methods used to send parcels to clients has been improved, to use less packaging and thus reduce the amount of cardboard used.

All waste is managed via temporary storage in the waste area, followed by delivery to couriers that then allocate it to various recovery plants depending on the chemical and physical characteristics of the waste.

To date, there are no plans for recovery, recycling or reuse.



Waste type	Quantity (kg)
Scrap iron and steel	2,122,260
Hazardous waste, including contaminated oils or packaging	2,438
Paper and cardboard packaging	49,240
Plastic packaging	2,240
Wooden packaging	87,600
Mixed packaging	90,480
Aqueous liquid waste	30,000
Copper, bronze and brass	1,236



OBJECTIVES

To substantiate sustainability and create value, Modula has identified the following objectives for the three-year period 2023-2026, which also include findings from stakeholder engagement. These objectives will make it possible to increase the focus on sustainability issues, in the interests of all stakeholders.

Governance

Improvement of the organisation's internal and external communication, especially in terms of the company's initiatives



Environment

Energy efficiency plan, including in the construction of the new headquarters and implementation of a photovoltaic system



Production of a company handbook of good, environmentally respectful conduct to disseminate the culture of environmental and social sustainability in-house, with a specific focus on waste



Social

Implementation of the interdisciplinary employee training system



Corporate climate survey



Employee competition on sustainability ideas



GRI CONTENT INDEX

Statement of use		Modula reported the information cited in this Content Index for the period (01.01/2022 – 31.12.2022) with reference to the GRI Standards	
GRI 1 used		GRI 1: reporting principles 2021	
Applicable industry-specific GRI Standards		N/A	
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2-2	Entities included in the organization's sustainability reporting	Modula S.p.A.	
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2-16	Communication of critical concerns		22
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2-18	Evaluation of the performance of the highest governance body	Not provided
2-19	Remuneration policies	Not applicable
2-20	Process to determine remuneration	47
2-21	Annual total compensation ratio	Not applicable
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201 ECONOMIC PERFORMANCE		
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202-2	Financial implications and other risks and opportunities due to climate change	Not currently reported
201-4	Financial assistance received from government	Not provided
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202-1	Ratios of standard entry level wage by gender compared to local minimum wage	47
202-2	Proportion of senior management hired from the local community	55
203 INDIRECT ECONOMIC IMPACTS		
203-1	Infrastructure investments and services supported	No investments made in infrastructure

204	PROCUREMENT PRACTICES	
204-1	Proportion of spending on local suppliers	39
205	ANTI-CORRUPTION	
205-1	Operations assessed for risks related to corruption	55
205-2	Communication and training about anti-corruption policies and procedures	55
205-3	Confirmed incidents of corruption and actions taken	No incidents occurred
206	ANTI-COMPETITIVE BEHAVIOR	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No incidents occurred
300	ENVIRONMENTAL TOPICS	
301	MATERIALS	
301-1	Materials used by weight or volume	Data not available
301-2	Recycled input materials used	Data not available
301-3	Reclaimed products and their packaging materials	Data not available
302	ENERGY	
302-1	Energy consumption within the organization	60-61
302-2	Energy consumption outside of the organization	61
302-3	Energy intensity	61
302-4	Reduction of energy consumption	Data not available
302-5	Reductions in energy requirements of products and services	Data not available
303	WATER AND EFFLUENTS	
303-1	Interactions with water as a shared resource	62-63
303-2	Management of water discharge-related impacts	62-63
303-3	Water withdrawal	Not applicable; the water used by the organization is drawn exclusively from an aqueduct
303-4	Water discharge	62-63
303-5	Water consumption	62-63
304	BIODIVERSITY	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No owned sites in protected areas and areas of high biodiversity value
304-2	Significant impacts of activities, products and services on biodiversity	Impacts on biodiversity not expected
304-3	Habitats protected or restored	None
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None

305	EMISSIONS	
305-1	Direct (Scope 1) GHG emissions	64-65
305-2	Energy indirect (Scope 2) GHG emissions	64-65
305-3	Other indirect (Scope 3) GHG emissions	64-65
305-4	GHG emissions intensity	64-65
305-5	Reduction of GHG emissions	66
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	67
306	WASTE	
306-1	Waste generation and significant waste-related impacts	68
306-2	Management of significant waste-related impacts	68
306-3	Waste generated	68
306-4	Waste diverted from disposal	68
306-5	Waste directed to disposal	68
308	SUPPLIER ENVIRONMENTAL ASSESSMENT	
308-1	New suppliers that were screened using environmental criteria	To date, the organisation does not screen suppliers based on environmental criteria
308-2	Negative environmental impacts in the supply chain and actions taken	The organisation does not assess the environmental impact of its suppliers
400	SOCIAL TOPICS	
401	EMPLOYMENT	
401-1	New employee hires and employee turnover	43-45
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	45
401-3	Parental leave	46
402	LABOR/MANAGEMENT RELATIONS	
402-1	Minimum notice periods regarding operational changes	Not applicable
403	OCCUPATIONAL HEALTH AND SAFETY – 2018	
403-1	Occupational health and safety management system	48-50
403-2	Hazard identification, risk assessment, and incident investigation	48-49
403-3	Occupational health services	48-49
403-4	Worker participation, consultation, and communication on occupational health and safety	48-49
403-5	Worker training on occupational health and safety	50

403-6	Promotion of worker health	50
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48-49
403-8	Workers covered by an occupational health and safety management system	48-49
403-9	Work-related injuries	48-49
403-10	Work-related ill health	48-49
404	TRAINING AND EDUCATION	
404-1	Average hours of training per year per employee	46-47
404-2	Programs for upgrading employee skills and transition assistance programs	46-47
404-3	Percentage of employees receiving regular performance and career development reviews	47
405	DIVERSITY AND EQUAL OPPORTUNITY	
405-1	Diversity of governance bodies and employees	44
405-2	Ratio of basic salary and remuneration of women to men	47
406	NON-DISCRIMINATION	
406-1	Incidents of discrimination and corrective actions taken	No incidents
407	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The organisation relies solely on compliance with local laws regarding freedom of association
408	CHILD LABOR	
408-1	Operations and suppliers at significant risk for incidents of child labor	The organisation does not monitor the risk of child labor at its suppliers
409	FORCED AND COMPULSORY LABOR	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The organisation does not monitor the risk of forced labor at its suppliers
410	SECURITY PRACTICES	
410-1	Security personnel trained in human rights policies or procedures	Not applicable
411	RIGHTS OF INDIGENOUS PEOPLES	
411-1	Incidents of violations involving rights of indigenous peoples	The organisation does not monitor the risk of violation of the rights of indigenous populations at its suppliers
413	LOCAL COMMUNITIES	
413-1	Operations with local community engagement, impact assessments, and development programs	51

413-2	Operations with significant actual and potential negative impacts on local communities		51
414	SUPPLIER SOCIAL ASSESSMENT		
414-1	New suppliers that were screened using social criteria	0%	
414-2	Negative social impacts in the supply chain and actions taken	0%	
415	PUBLIC POLICY		
415-1	Political contributions		Not provided
416	CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the health and safety impacts of product and service categories		24-28
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No significant reporting concerning the health and safety of customers' workers	
417	MARKETING AND LABELING		
417-1	Requirements for product and service information and labeling		Not applicable
417-2	Incidents of non-compliance concerning product and service information and labeling		No incidents occurred
417-3	Incidents of non-compliance concerning marketing communications		No incidents occurred
418	CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints and/or sanctions related to the issue	

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