

MODULUS SOCIAL SUSTAINABILITY REPORT

April 2022/March 2023

OVERVIEW

It is very unusual for a business of our size to publish an annual social sustainability report, however we feel it is important to demonstrate to all our stakeholders that we are committed to operating an honourable and socially responsible company. We have attempted to align our reporting with international sustainability frameworks (and our auditors have performed a limited assurance of sustainability information contained in this report).

OVERSIGHT

Social sustainability at Modulus is overseen directly by our Commercial Director in close coordination with our General Manager/Director. It is regularly reviewed to ensure that we continue to address relevant issues.

FINANCIAL

2022/23 was a successful year with sales up by **30%**, cash at bank up by **40.2%** to **£1,713,986** and shareholders' equity up by **45.4%** to **£1,204,156**. We are confident that we will maintain this strong level of performance.

ENVIRONMENT

Our commitment to environmental stewardship focuses on using resources wisely. We aim to do what we can to minimise greenhouse gas emissions, minimise waste and minimise energy and water usage.

Following the COVID crisis we consulted with our staff and decided to open our office for three days each week, allowing staff to work from home for the remaining two days. The environmental benefit of this change was to reduce staff commuting (**by 40%**) reduce gas usage (**by 27%**), reduce electric usage (**by 23%**) and reduce water usage (**by 23%**). Office consumables also reduced; the waste we generated is estimated to have dropped by **50%**.

We have changed our electricity and gas provider to EDF, the leading provider of UK renewables, providing 19.8% of UK zero carbon generation and aiming to achieve zero carbon generation by 2024.

We have adopted Microsoft "Teams" as our preferred method for conducting both internal and external meetings, reducing attendee travelling by approximately **50%**.

SOCIAL

Staff

We are committed to providing a working environment that supports our staff. We care about our people and strive to help them and their families live quality lives.

We continue to operate our Health Fund that provides financial benefits to staff and their spouses/civil partners. We reimburse expenses incurred when using private medicine and contribute towards dental treatment and the purchase of spectacles. Our Health Fund spend in 2022/23 was **£5,424**.

We continued to implement an annual salary increase to all staff of at least the CPI. This resulted in a minimum salary increase of **7%** in 2022/23. We always pay more than the "Real Living Wage," our lowest hourly rate for 2022/23 was **£14.84**.

We continued to award staff (who all hold shares in the company) with dividends to reward them for their contribution to the company's success. Dividends awarded for the 2022/23 financial year were **26.4%** higher than those declared for the previous year.

We discussed future work patterns with all staff when "working from home" requirements ended and accommodated, wherever possible a work pattern that fitted their personal and family requirements.

Community

We believe in community engagement and strive to contribute to social good. We make donations to local and national organisations and charities. We donated **£2,650** in 2022/23. We also donated obsolete/redundant hardware and other office furnishings to local charities.

Customers

Our Account Managers engage with our customers on a regular basis, often daily, to gain an in depth understanding of their needs which helps us make the right business decisions.

Suppliers

Most of our suppliers are large multinational companies, each of which produces its own Social Sustainability Report or an equivalent. We take steps to ensure that our other smaller suppliers comply with our “Environmental and Social Impacts Policy”.

GOVERNANCE

We are a private limited company whose accounts are audited annually. The ordinary shares of the company are held by five people, one of whom has been nominated to be responsible for reviewing the day-to-day activities of the business, called the Shareholder Director. The Shareholder Director is responsible for liaising closely with Modulus’s General Manager/Director and his fellow owners.

Modulus holds a monthly Management Meeting which must be attended by all managers and the Shareholder Director. Other ordinary shareholders can attend if they wish. This ensures that the owners and managers participate in all decision making and are fully committed to agreed actions.

Our company articles ensure that current and future staff members will ultimately own the business. This incentivises all staff to become involved in improving all aspects of Modulus’s activities.