**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 the GRI international sustainability framework and our auditors review the report for inconsistencies and misleading statements as part of the annual auditing process.

**OVERSIGHT**

Modulus is a software and IT company. Social sustainability at Modulus is overseen by our Commercial Director who, together with our General Manager/Director, determine which material topics to include in this report. Material topics are 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 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 adopted Microsoft “Teams” as our preferred method for conducting both internal and external meetings, reducing attendee travelling by approximately **50%.**

We continue to review our working practices and our service and office suppliers to further reduce our environmental footprint.

**DATA SECURITY**

**There were no data breaches recorded in 2022/23.** We aim to obtain certification to ISO27001within the next 12 months.

**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. Every year:

We review staff contracts to ensure that we continue to comply with our statutory requirements and at least mirror UK best practice. **No adjustments were required for 2022/23.**

We review our evaluation of each position within the company to ensure that all staff are appropriate rewarded, whether full-time, part-time, or temporary; irrespective of sex, marital/civil partnership status, sexual orientation, gender reassignment, race, colour, religion, ethnic origin, disability, or age. **No adjustments were required for 2022/23.**

We review disciplinary actions taken and grievance raised (through the companies Disciplinary and Grievance procedures) together with any Health and Safety issues, with the aim of improving company practices. **No incidents occurred in 2022/23.**

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 continue 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 continue 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.

**We did not use subcontractors during 2022/23**. We will control and report annually on any future subcontractors in accordance with the Supply Chain Due Diligence Act (LkSG). Responsibility for this monitoring and reporting rests with our Commercial Director, who will consider such matters as environmental protection, human rights (considering local regulatory frameworks) and health and safety issues. The Commercial Director ensures that any future subcontractors understand our human rights and environmental requirements, monitors their performance and establishes an appropriate complaints system for the notification of violations. Our business relationship will be suspended or cancelled if there is no remedial action taken to resolve issues raised.

**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.