**MODULUS** **SOCIAL SUSTAINABILITY REPORT**

**April 2023/March 2024**

**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 audit 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**

2023/24 was a successful year, ending with an **increased orderbook**,cash at bank of **£1,349,367** and shareholders’ equity of **£1,114,537**. 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.

After discussions with our staff, we decided to move to a 2 day “in office” week. We also offered staff the opportunity to work permanently from home. **Twenty five percent** decided to take up this offer. The environmental benefit of this change was to reduce overall staff commuting **(by 25%)**, reduce gas usage **(by 21.7%)**, reduce electric usage **(by 11.7%)** and reduce water usage **(by 15%)**. Office consumables continue to reduce and we have introduced an in-house recycling scheme for office waste.

We continue to use 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 2023/24.** We have obtained **certification to ISO27001,** awarded by **bmtrada** (a UKAS accredited certification body).

**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 2023/24.**

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 2023/24.**

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 2023/24.**

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 2023/24 was **£4,072.**

We continue to implement an annual salary increase to all staff of at least the CPI. This resulted in a minimum salary increase of **10.1%** in 2023/24. We always pay more than the “Real Living Wage,” **our lowest hourly rate for 2023/24 was £16.34.**

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 2023/24 financial year were **2.5%** higher than those declared for the previous year.

We continue to discuss work patterns with all staff and accommodated, wherever possible, a work pattern that fitted their personal and family requirements.

**We did not use subcontractors during 2023/24**. 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 **£650** in 2023/24. 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”. We review all supplier performance at least annually.

**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 were revised in August 2023** to 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.