

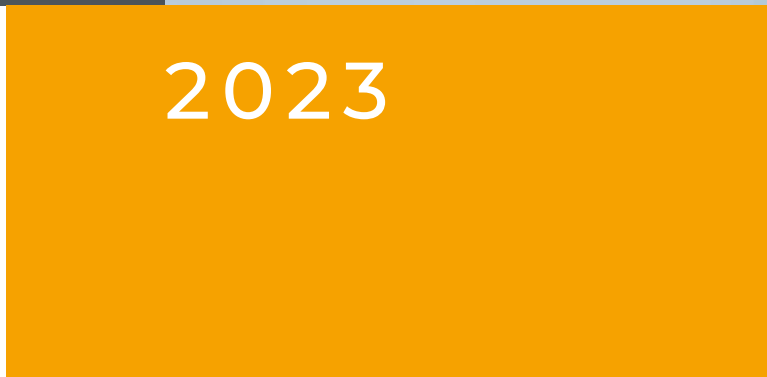
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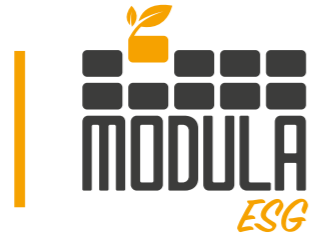


SUSTAINABILITY REPORT



2023





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STAKEHOLDERS**

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GRI CONTENT INDEX

LETTER TO STAKEHOLDERS

A COMMITMENT TO FUTURE GENERATIONS

Innovation and long-term vision are at the heart of our philosophy.

We are aware that building a sustainable future means much more than simply taking **care of people and the environment** through isolated initiatives.

There needs to be a vision.

By pursuing excellence and embracing the culture of continuous improvement, we strive every day to **exceed our own standards.**

We aim not only to constantly improve our products, but also to **have a positive impact on the community and the territory in which we operate and are deeply rooted.**

Excellence, agility, appeal and ethics are the values that coincide with the criteria of sustainable development as we understand it today: a mutual and long-term collective commitment, aimed at meeting current needs while also keeping in mind those of future generations.

As part of our constant commitment to the community and the territory, which is one of Modula's distinguishing characteristics, **we aim to make a tangible contribution to the Sustainable Development Goals of the UN Agenda 2030, the so-called SDGs,** which set the benchmark for sustainability.

Our company has undertaken several projects in the context of this collective effort, which is of fundamental importance for the future of all of us. We have reflected on the real impact of these objectives on our processes and decisions, without forgetting that our mission is to produce automatic storage systems that can make the difference for companies of any size and in any sector, wherever in the world.

Our great challenge is to involve all stakeholders, both within and outside the company, in the journey towards sustainability and to make them aware of the relevant responsibilities, so that this goal can be at the heart of all processes, from the simplest to the most complex ones.

We pay particular attention to energy efficiency and continuous technological innovation with the aim to avoid waste and optimize processes. With this in mind, we invest in cross-disciplinary training for the personal growth of all employees, while ensuring a healthy, safe and inclusive work environment.

That's what we are proud of: we put people at the centre.

The Board of Directors

METHODOLOGICAL NOTE



As required by the standards mentioned above, the document focuses on the most significant issues for Modula and its stakeholders, the so-called “material issues”, which were identified through a materiality assessment conducted in 2023 with the involvement of internal and external stakeholders.

The information and data contained in the report were collected with the help of all the departments involved, each within its area of competence.

It was thus possible to obtain a comprehensive and accurate synthesis, which provides a complete picture and a transparent description of the company’s organization.



By publishing the second edition of its Sustainability Report, Modula confirms its commitment to reporting to all stakeholders on the environmental, social and economic performance of the company in 2023.

The data contained in this document refers to the financial year 2023 (January 1 to December 31) and is compared with that of the previous year. The scope of application covers the two Italian headquarters of Modula Spa, respectively located in Salvaterra di Casalgrande (RE) and Fiorano Modenese (MO).

The Report was prepared in accordance with the **GRI** (Global Reporting Initiative) Standards 2021 with the option “*in accordance*”.

In order to correctly represent the performance achieved in 2023 and to guarantee the reliability of the data, the use of estimates has been limited as much as possible. If present, estimates are appropriately reported as such and based on the most reliable criteria available.

This report was prepared in accordance with the GRI principles of clarity, timeliness, accuracy, balance, comparability, reliability and verifiability.



STAKEHOLDERS

The actors are many: customers, partners, organizations and entities that directly or indirectly contribute to Modula's success and that, based on their role and participation, can affect its performance and decisions. As part of its journey towards sustainability, the company has mapped its main stakeholders, driven by the desire to promote communication, dialogue and care for relationships based on transparency and integrity.

The involvement of both internal and external stakeholders in large corporate events such as the Stakeholder Engagement, which took place on June 12 at our plant in Fiorano Modenese, represents an essential element of Modula's sustainability strategy.

Thanks to continuous listening and dialogue, today the company is more aware of the extent to which it meets its stakeholders' expectations and can identify the areas needing improvement and those where the approach adopted is successful.



APPROACH TO STAKEHOLDER ENGAGEMENT

STAKEHOLDERS	ENGAGEMENT METHOD	STAKEHOLDER NEEDS AND EXPECTATIONS
EMPLOYEES	Internal "Modula Team" app, emails, company notice boards, company events including: barbecue, Christmas party, family day, weekend on the snow.	Business continuity and a fair balance between the type of work performed and the remuneration/benefits (monetary or non-monetary) received.
CLIENTS (direct and indirect)	Events, emails, website, trade shows, magazines, videos, social media.	A company increasingly committed to green and sustainability issues, reliable in terms of quality.
SUPPLIERS	Email, in-house events.	A company increasingly committed to green and sustainability issues, capable of guaranteeing a constant growth in turnover.
FINANCIAL WORLD	Periodic meetings with the relevant organizations.	A company capable of producing sustainable and positive financial statements every year, capable of ensuring the timely repayment of loans and debts to financial institutions and suppliers, and capable of becoming a business to which additional services can be offered and sold.
TRADE ASSOCIATIONS	Joint events, conferences, emails.	A company capable of networking and building relationships, which respects the industry standards while providing sustainable and ethical inputs.
COMMUNITY AND TERRITORY	Sponsorships.	A company capable of being more environmentally friendly, which invests in the territory and develops projects with schools and universities.
SCHOOLS AND UNIVERSITIES	Open house events, conferences and meetings, exchanges, recruitment activities, internships.	A company active in promotion, in terms of both support and relationships.
INSTITUTIONS AND PUBLIC ADMINISTRATION	Events, sponsorships.	A company that creates employment and growth opportunities for young people and implements talent management policies.
MEDIA	Events, sponsorships.	A company that creates added value in its territory and enhances its potential by investing in technology, in projects, in the future and in people, involving the local community.

MATERIALITY ASSESSMENT



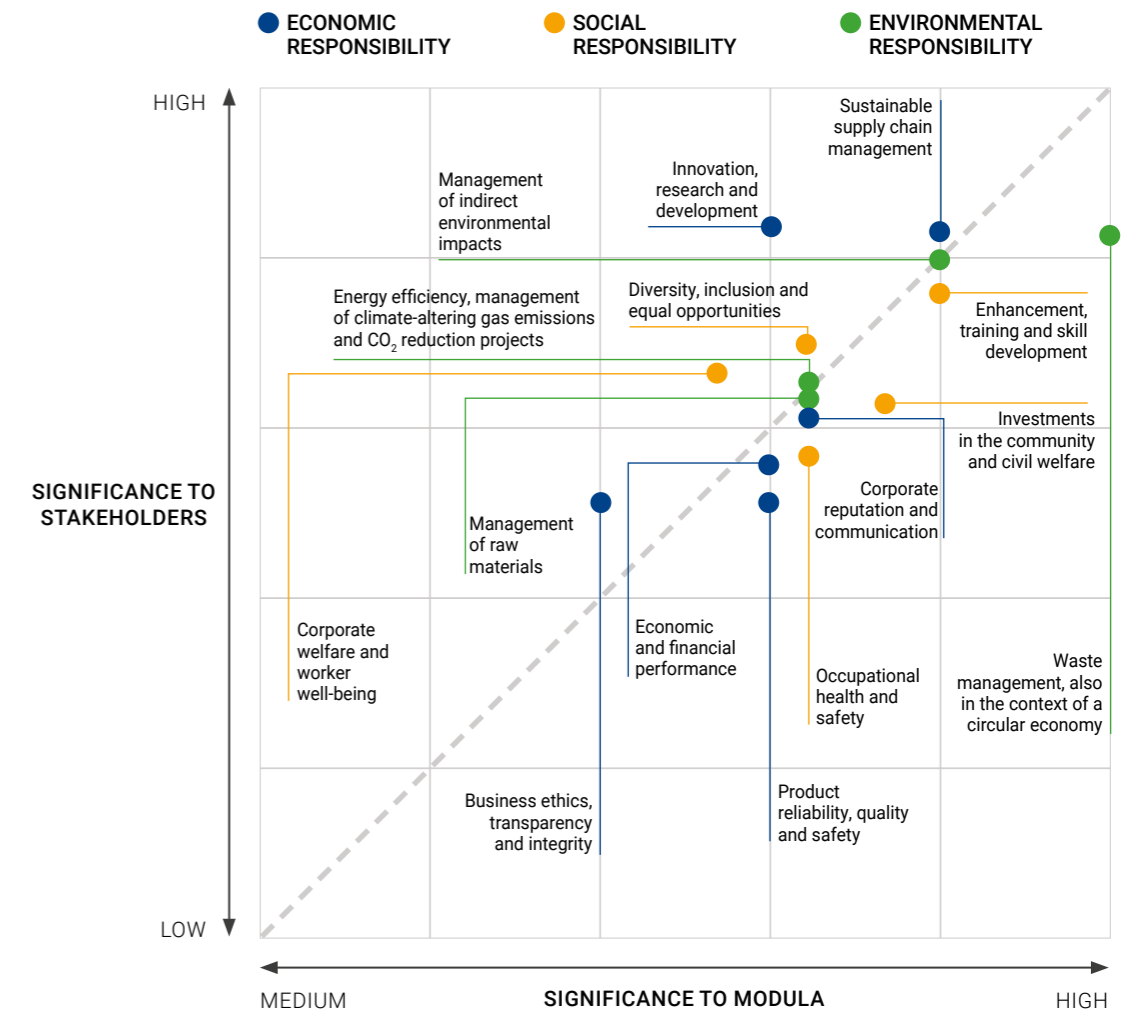
The materiality matrix is the heart of the GRI (*Global Reporting Initiative*) methodology, the tool used by the organization and its stakeholders to identify the relevant issues (the subject of the reports), on which attention and resources should be focused.

A process aimed at involving the main internal and external stakeholders through a questionnaire was started in 2023 to create the matrix.

Expanding the stakeholder base by also addressing external stakeholders was the approach chosen by Modula to ensure greater transparency and participation in the definition of future strategies.

The questionnaire was filled out by more than 50 stakeholders who were invited to an event at Modula's headquarters in Fiorano Modenese and asked to assign a score from 1 to 5 to the identified topics. The following materiality matrix was generated from the intersection of the results.

MATERIALITY MATRIX



From the analysis of the Cartesian axes and the comments of the stakeholders, two areas stand out as priorities: the **sustainable management of the supply chain and waste management in the context of a circular economy**, with particular attention to the end of life of the product.

In the effort to achieve sustainability in the supply chain, the company is implementing a supplier assessment questionnaire which integrates ESG criteria and will be used to map the level of compliance of suppliers.

Regarding the **governance** area, the important issues to be dealt with are **innovation and research and development**, while for the environmental aspect another strategic issue is the management of indirect **environmental** impacts, in particular those related to the logistics of incoming and outgoing goods.

Among **social** themes, focus is needed on **valorization, training, skill development as well as diversity, inclusion and equal opportunities**.

Stakeholders were also asked to specify what area, in their opinion, is the most strategic for the future of Modula. With a whopping 24%, the majority chose **supply chain management**.

On this point, many believe that it is necessary to bring all suppliers on board and directly involve them in sustainability issues, ensuring that also the aspects related to the logistics of incoming and outgoing material are analysed and managed considering both social and environmental aspects.

It has been suggested that collaboration should be improved by affecting all the actors in the value chain, possibly through precise and shared policies.

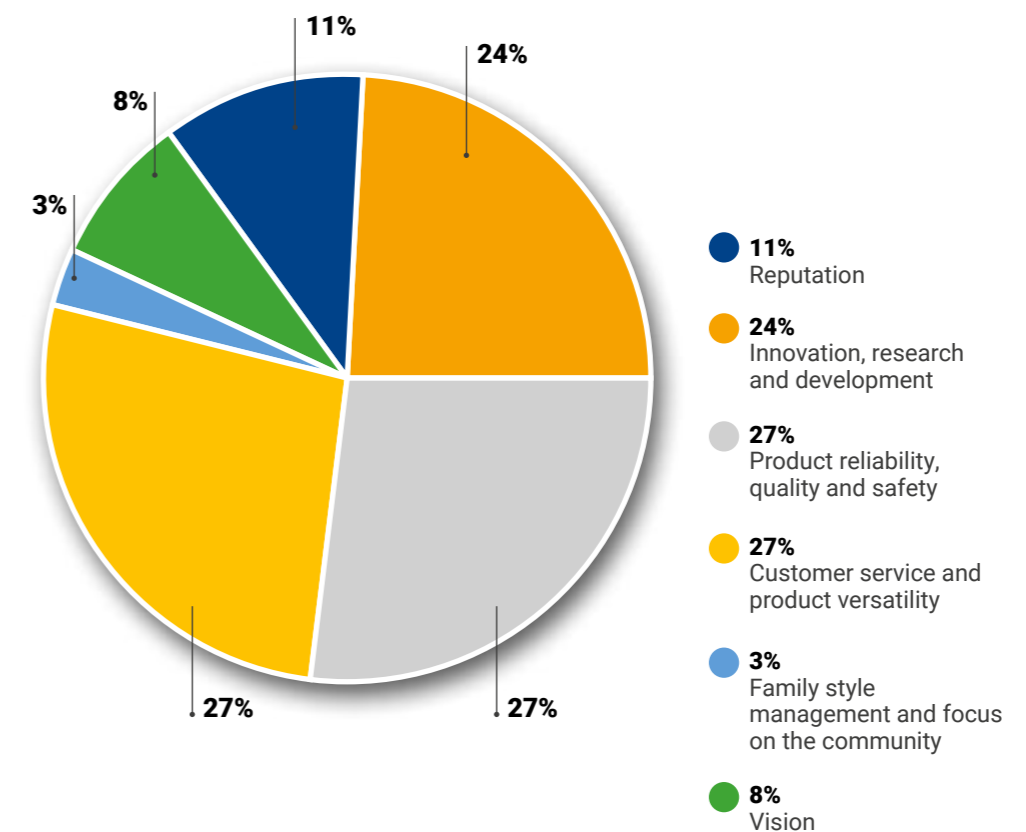
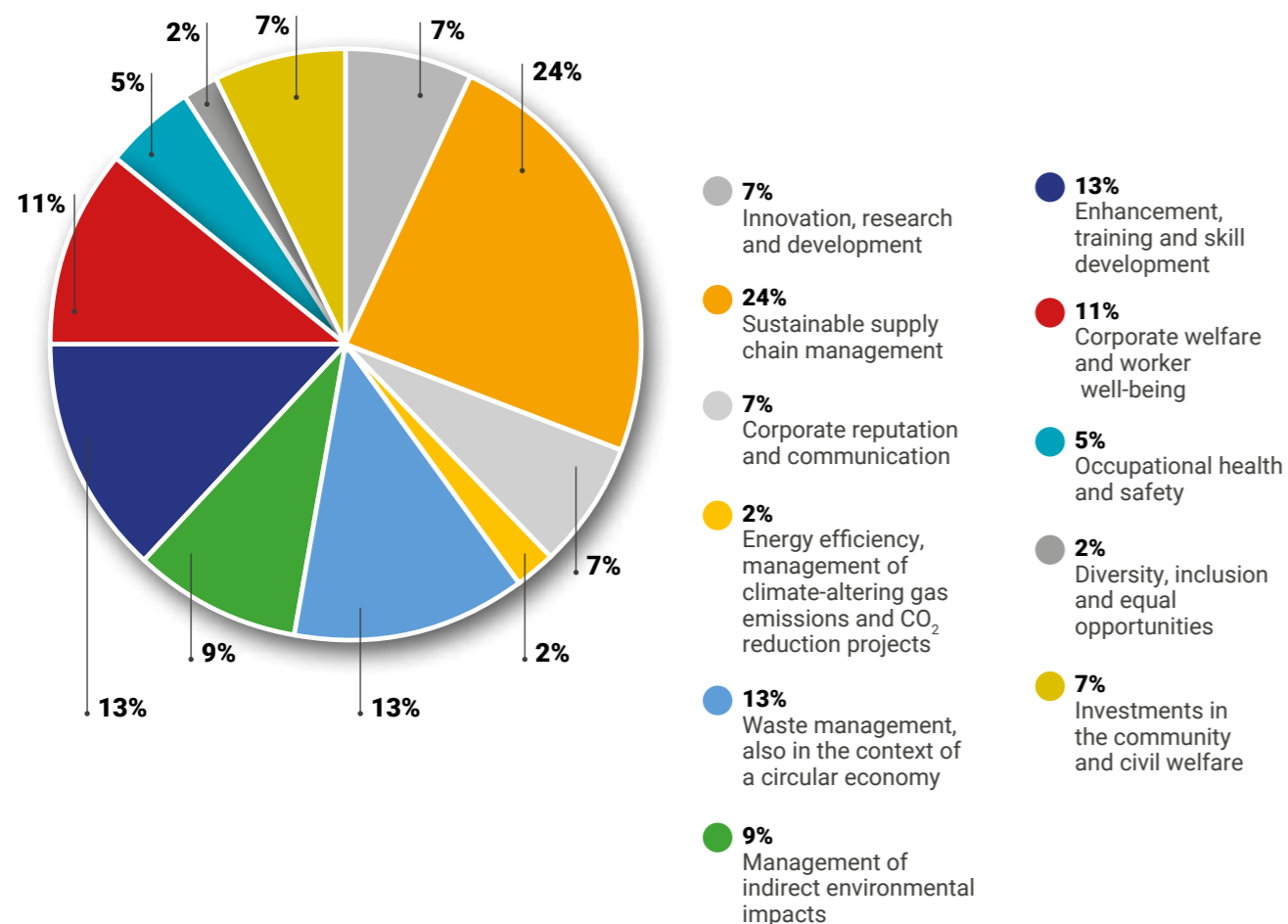
Next up, with 13%, was the topic of **waste management**. This should be dealt with in the context of a circular economy, analysing the product "from cradle to grave", that is, from the supply of raw materials to the end of life of the product, including its disposal.



All the above also helped us understand what, in the opinion of external stakeholders, are the company's strengths.

In this regard, most answers include **reliability, quality, product safety and customer service**, which is a real plus as we are able to meet all customer needs thanks to the extreme versatility of our storage systems.

Innovation as well as research and development are equally important, and it should be noted that Modula has always invested in this area to keep increasing product efficiency and performance.



OUR COMPANY



THE HISTORY OF MODULA

Modula was established in 1987 with the purpose of developing an idea of **Franco Stefani, the current Chairman of the Board of Directors.**

He imagined a vertical lift module for storing electronic material in the production plants of the company he had founded in Fiorano Modenese, System Ceramics, which specialised in the design of machines for the ceramics industry.

Inspired by the already existing rotary storage systems, Franco Stefani physically designed Modula's first automatic storage system, where operators would pick and place the goods quickly and ergonomically.

The first **"Modula"** vertical storage system was born and its name already suggested the concepts of modularity and flexibility.



OVER 30
YEARS OF
EXPERIENCE



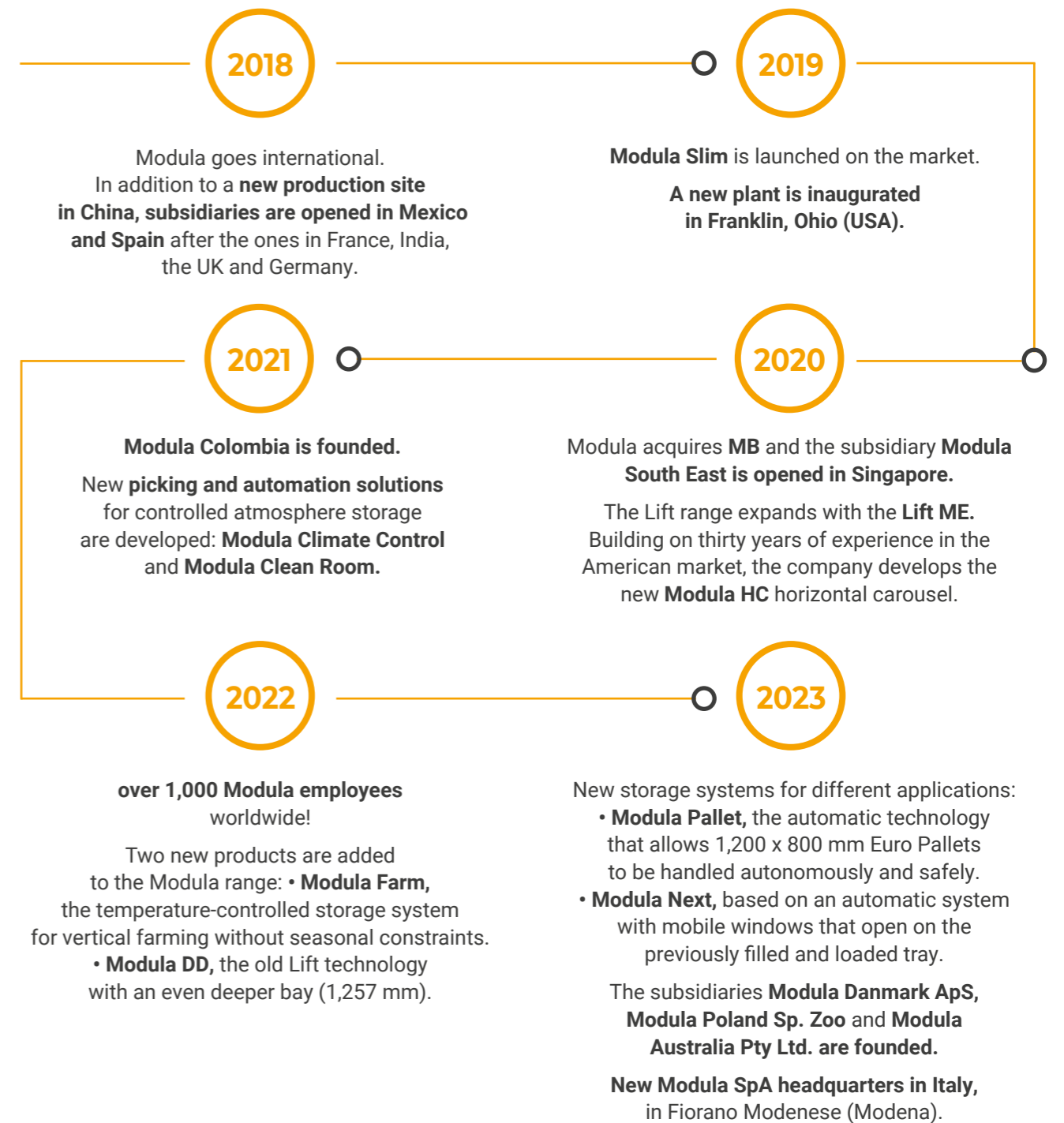
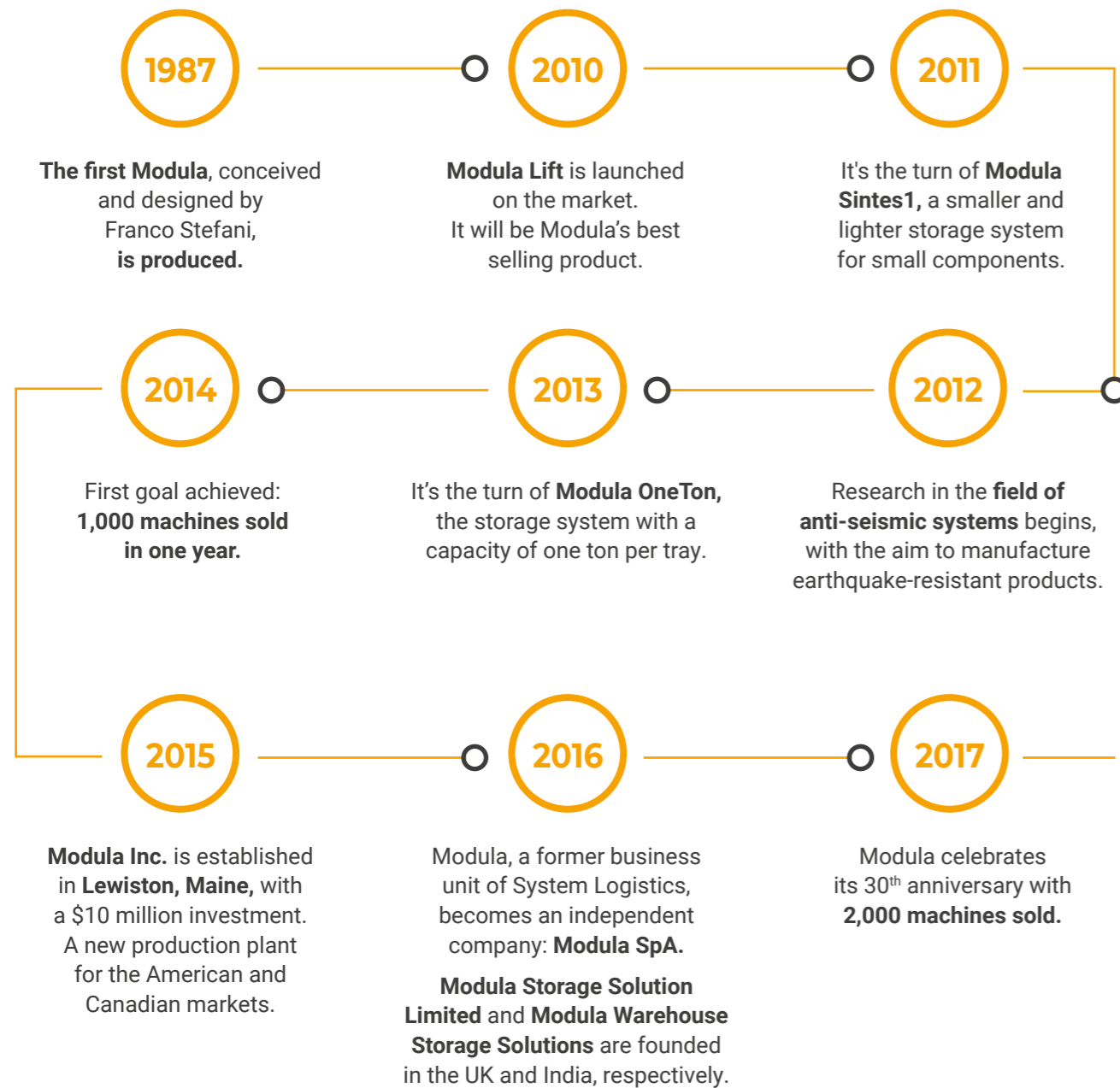
**OVER
20,000**
CLIENTS

The first Modula vertical warehouses were used in-house by System Ceramics in Fiorano Modenese, and later attracted the interest of the ceramics industry in general. As these new systems became more widespread and their advantages were clear to everyone, mechanical companies, especially in Emilia-Romagna, slowly started to install them in their factories.

A real boom starts in 2000, with the sales network rapidly expanding to cover new sectors and markets. Modula itself uses its own automatic warehouses **and then, from 2011 onwards, entirely adopts the Industry 4.0 approach.** As products, customers, markets and needs grow, Modula's production plant also expands and evolves.

After the first steps in Fiorano Modenese, there was the need for an entire production hub with extremely high technological content, completely dedicated to Modula. The headquarters in Casalgrande was inaugurated in 2009, adopting a **lean manufacturing philosophy** with interconnected processes and new paradigms of human-machine interaction.

In 2023, the company returned to its home territory, with new **35,000 square meter** premises in Fiorano Modenese, thus doubling its presence in the areas of Modena and Reggio.



VALUES AND COMMITMENTS IN TERMS OF CORPORATE SOCIAL RESPONSIBILITY

MISSION



Our mission is to “install an automatic storage system in every single company, of any size and in any sector, to improve its intralogistics”.

VISION



Our high-tech production processes reflect our flair for innovation. They enable us to deliver value to our customers, all over the world. Agility, commitment, passion, respect are the words that best reflect Modula's mode of operating. People come first, no matter whether they are customers, employees, partners or collaborators. This is the commitment Modula has made since it became a large international company.



MODULA'S VALUES

AGILITY



We have always been willing and ready to follow and often anticipate change, to transform ourselves. For us, novelty is lifeblood, we welcome it with a dynamic mindset as an opportunity for improvement that will help us respond to market demands, satisfy our customers and also meet the needs of our employees in terms of work-life balance. Flexibility is an asset and we believe it adds value to business and to life. In other words, “we never stop.”

This is the result of the continuous improvement actions that we constantly implement with the aim to boost our brand through manufacturing excellence.

ETHICS



To keep holding to its driving values, Modula has implemented a [Code of Ethics](#) and since 2014 has adopted its own [Organization, Management and Control Model](#) consisting of a set of control procedures and rules to which the company functions must adhere in their activities.

Therefore, all the company's activities must be conducted in compliance with the applicable law, and with loyalty, honesty, integrity, fairness, good faith, transparency, efficiency and openness to the market, while always respecting the legitimate interests of all stakeholders. All those who work and operate in Modula are committed to observing the rules of the Code of Ethics and ensuring that they are observed.

The Company also operates in line with the principles established to protect human freedom and dignity by the UN Universal Declaration of Human Rights as well as by the fundamental Conventions of the ILO (International Labour Organization).

Partners, customers and suppliers are required to view them.

They are available on the homepage of the Modula website: www.modula.com.

EXCELLENCE



Our commitment is to do things in the best possible way, every day. Our respect for our customers and our people leads us to ensure that the quality of our products and processes is always excellent, without compromise.

“WE ARE WHAT WE REPEATEDLY DO. EXCELLENCE, THEN, IS NOT AN ACT, BUT A HABIT.” -Aristotle

APPEAL



It is also called “continuous improvement”: we like to think that the quality of processes and products, attention to health and safety in the workplace, the ability to cater to the needs of our people, the commitment to creating a functional, usable and beautiful workplace are essential milestones for Modula.

MODULA WORLD: PRESENCE AROUND THE WORLD

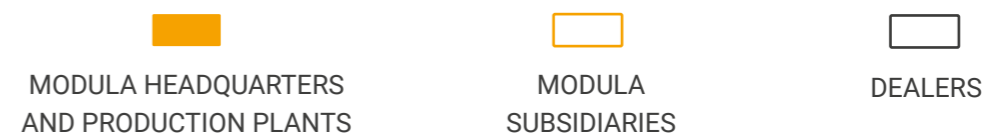
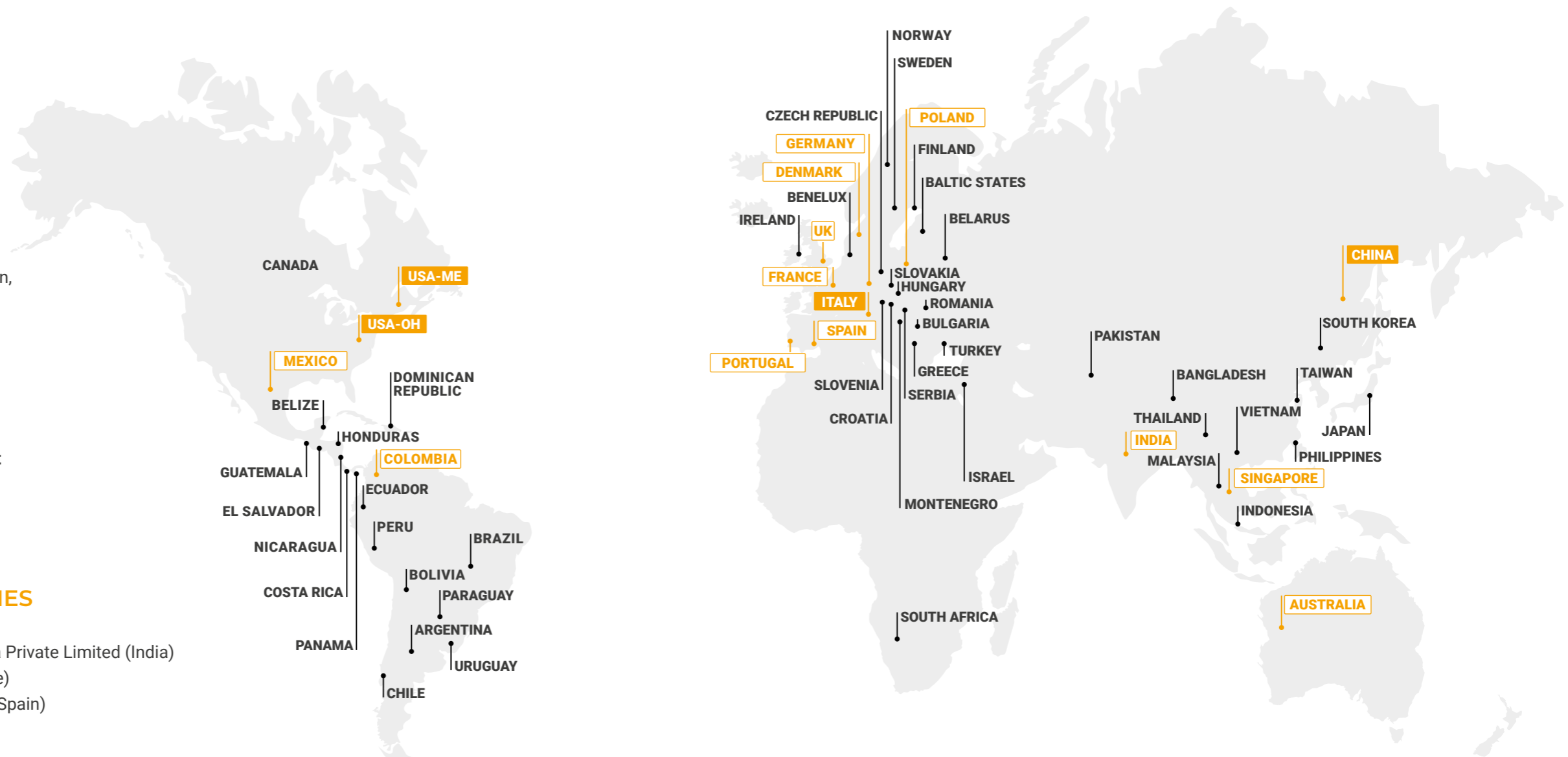


PRODUCTION SITES

- **Modula S.p.A.**
Via San Lorenzo, 414 2013 Salvaterra di Casalgrande (Reggio Emilia), Italy
- **Modula Inc.**
90 Alfred A. Plourde Parkway Lewiston, ME 04240, USA
- **Modula Inc.**
5000 Commerce Center Drive Franklin, OH 45005, USA
- **Modula China Automation Equipment**
7, Fangzhou Road Suzhou Industrial Park, China

COMMERCIAL SUBSIDIARIES

- Modula Automated Warehoused India Private Limited (India)
- Modula South East Pte Ltd (Singapore)
- Modula Logística Y Almacenaje S.L. (Spain)
- Modula Storage Solution Ltd (UK)
- Modula Sarl (France)
- Modula Gmbh (Germany)
- Modula Colombia S.A.S (Colombia)
- Modula Storage Solutions S.A. (Mexico)
- Modula Danmark ApS (Denmark - established 2023)
- Modula Poland Sp. Z.o.o. (Poland - established in 2023)
- Modula Australia Pty Ltd. (Australia - established 2023)



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), Luigi Panzetti (Director), Bernardo Cassia (Director), Vittorio Pincelli (Director).

Auditors:

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

Audit firm:

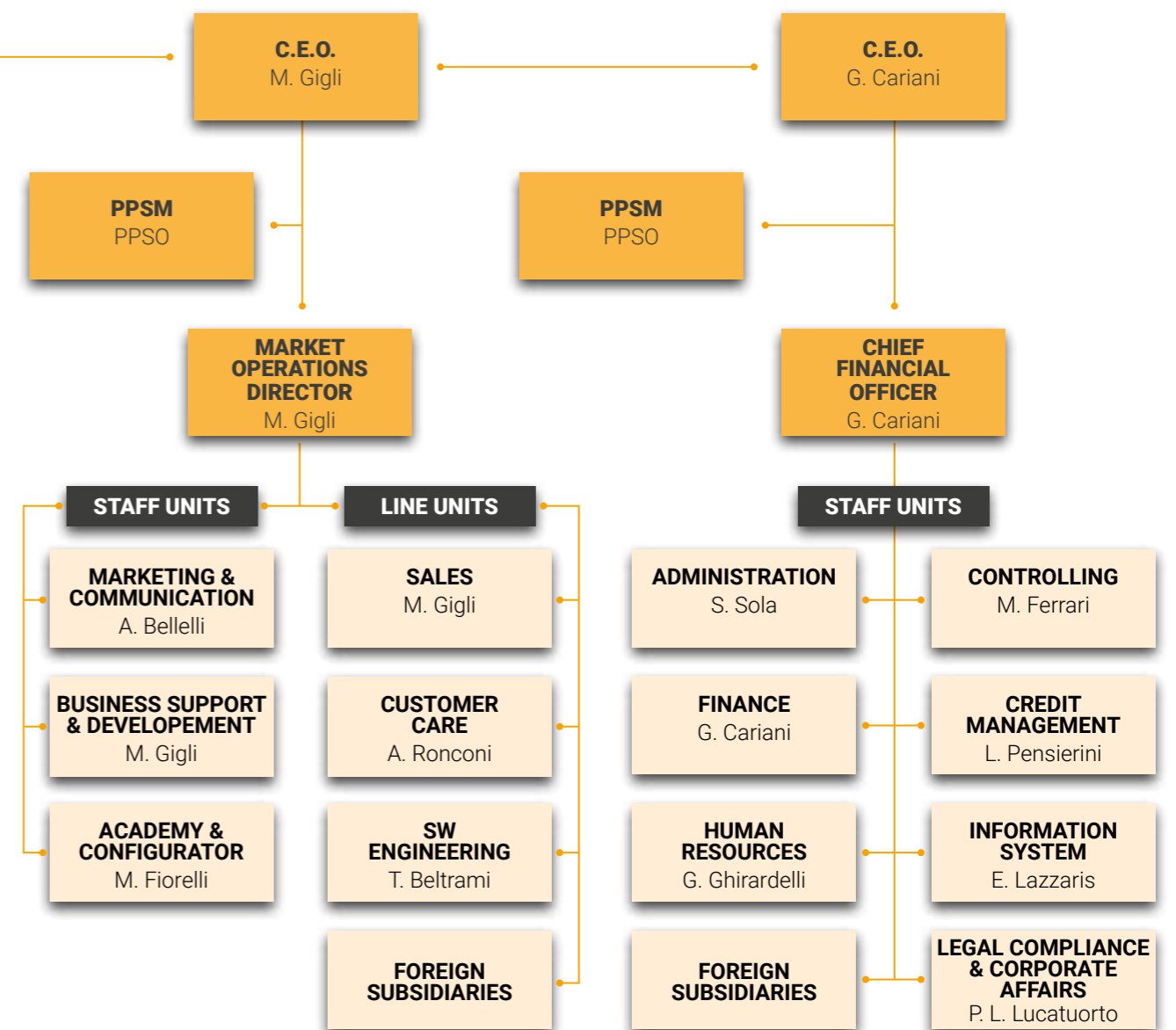
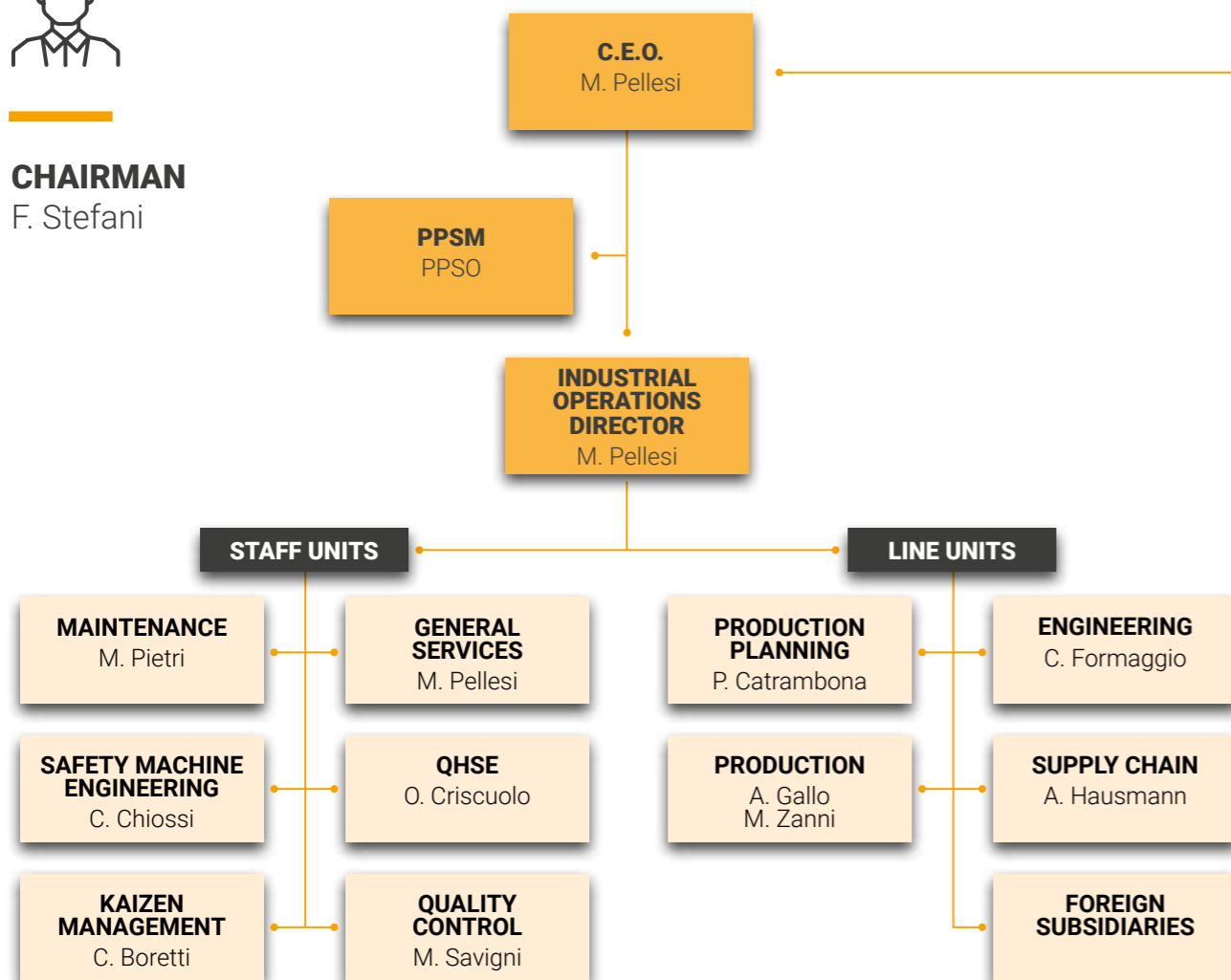
PriceWaterhouseCoopers S.p.A.

The highest governing body is the Board of Directors (BoD), appointed by the General Meeting of Shareholders. Modula's Board of Directors is made up of directors and members appointed based on specific skills necessary for corporate governance.

The Chairman, Franco Stefani, is the founder of Modula, as well as the Chairman of the Board of Directors of S.F.H. SpA, which holds 100% of the shares of Modula. In relation to the above, there are no conflicts of interest.



CHAIRMAN
F. Stefani



CONFLICTS OF INTEREST

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

Modula recognizes and respects the right of its Directors and Auditors to participate in businesses or activities other than those carried out in the interest of Modula itself, provided that such businesses or activities are permitted by law, are not in conflict with the activity carried out for Modula and compatible with legal obligations and those undertaken vis-à-vis Modula itself.

Likewise, employees must also fulfil the obligations established by law and by the applicable employment contracts (collective and individual) and, in particular, they must scrupulously respect the obligation of loyalty towards Modula by refraining from conducting business, on their own behalf or on behalf of third parties, in competition with the company as well as the obligation of confidentiality.

Employees who are aware of any situation that constitutes or generates a possible conflict must promptly report it to their superior in writing. To date, no conflicts of interest have been reported.



SUSTAINABILITY GOVERNANCE

The Board of Directors is responsible for strategic and organizational choices in terms of sustainability and for the adequacy of the organizational structure and the necessary resources.

For the management of risks and impacts, the Board of Directors is supported by the Sustainability Committee, which has proactive and assistance functions in defining environmental and social policies, as well as in monitoring the correct implementation of strategies.

Coordination is delegated to the ESG Specialist, a position established in 2023. The ESG Specialist defines specific quantitative objectives to be achieved for each individual site and each indicator, based on the results obtained in the previous year and on the medium-long term sustainability development plan.

CERTIFICATIONS

Modula's constant commitment to manufacturing and its growth process are confirmed by the achievement and maintenance of several certifications which attest the importance of product quality for the company and guarantee high safety standards for the end customer.

Continuous improvement is one of Modula's main goals and the company follows this approach by implementing new monitoring activities, 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 IN ASSOCIATIONS

Over time, Modula has joined several trade associations, including in the metalworking industry, with the aim to create opportunities for technical discussion, collaboration and regulatory, technological and social updates with colleagues from other companies.

AGCM
Italian Competition and Markets Authority.

FEDERMECCANICA
The Trade Union Federation of the Italian Metalworking Industry protects the interests of this industrial sector in the context of labour and employment law and in particular in industrial relations.

ANIMA/AISEM
Italian Association of Lifting, Elevation and Handling Systems.

ACIMAC
Association of Italian Manufacturers of Machinery and Equipment for Ceramics.

CONFINDUSTRIA
The General Confederation of Italian Industry is main association representing manufacturing and service companies in Italy.

FEDERMANAGER MODENA
Local headquarters of Federmanager, an association that represents and protects the interests of managers, top executives and high-level professionals, both working and retired, of companies producing goods and services.

FEM
The European Materials Handling Federation promotes a common vision and works to maintain the leadership of the European material handling, lifting and storage equipment manufacturers in the world.

PRODUCT



AN AUTOMATED FACTORY

Modula has been designing and producing automatic vertical storage systems with trays since 1987: these automatic storage solutions are designed to contain products of all types and sizes, stored vertically so as to save up to 90% of floor space.

The storage systems are produced in the Salvaterra di Casalgrande plant, starting from the raw material (metal coils), which is processed to create the finished products. At the Italian plant in Casalgrande, **“automated in-line production”** ensures speed, flexibility and production capacity in all processes, from sheet metal cutting to the production of finished components. Specific software is implemented to integrate and control warehouses and material handling systems.



0%
ERRORS
AND RISKS



90%
FLOOR SPACE
RECOVERED



The product range is very wide, with heights from 3 to 16 metres and different tray depths. The Modula Lift and Modula Slim systems are also available with different tray widths.

Special models and applications are designed to operate within specific temperature ranges, for example in clean rooms, and can be interfaced with anthropomorphic robots or autonomous mobile robots. The company also produces a machine version for vertical pallet handling.

The storage systems are equipped with a central lift that brings the goods to the operator, moving along a central column and picking the trays that are located in the front or rear column.

The brain of the systems is the **WMS Software**, also developed in-house by Modula, which interfaces with the customer's ERP system.

The storage systems and the WMS software developed by Modula are the logistics solution of choice for many companies, from small ones such as shops and hardware stores to large industrial companies in all sectors.

We have almost **20,000 customers all over the world**, mostly Italian and European customers, but our international presence is growing rapidly thanks also to two production sites in the US and China, for the American and Asian markets.

In addition to the design, production, delivery and installation of the storage system, Modula offers a constant consultancy and technical assistance service for both electromechanical and software issues worldwide, through **11 subsidiaries, 3 production sites and a network of over 100 dealers**.

Modula can be defined as a visionary company, which has made process digitalization its strength.

The Italian facility in Casalgrande is a tangible example of digital factory and lean manufacturing, where "automated in-line production" ensures speed, flexibility and production capacity.

The company has always invested in research and development. It has therefore been able to develop a wide range of models, with many different system configurations.

New storage systems for various applications were launched in 2023:

- **Modula Pallet**, the automatic technology that allows 1200 x 800 mm Euro Pallets to be handled autonomously and safely.
- **Modula Next**, based on an automatic system with mobile windows that open on the previously filled and loaded tray.



PRODUCTION FLOW

The finished components are produced starting from the cutting of sheets directly from sheet metal coils. The ability to produce a flow of single pieces, kits or batches depends on the specific orders.

Production is just-in-time and is monitored step by step thanks to the use of software specifically developed for the company's needs: **MPS (Modula Production System)**.

This software was created and implemented not only to manage and plan the needs related to sales orders, but also to have complete control and a full picture of the progress of each order through an integrated system of connected barcode readers and handling equipment.

Interconnection with production systems via robots and software allows costs to be reduced and productivity to be increased while also providing real-time control over the progress of each order.

After an initial inspection at the customer's premises, a dedicated team is activated for each project to analyse the logistical needs and recommend the most suitable product and any accessories available.

WORKFLOW

The products are designed in-house by our engineers and production is fully automated, based on process verticalization.

Installation is carried out on site by one of our teams of skilled technicians operating worldwide. Modula's work does not end here: training, telephone assistance, timely technical assistance and periodic maintenance are provided for all our products.

Its flair for innovation has led Modula to implement robotic automation in many production processes, relieving operators from the heaviest and most repetitive jobs while at the same time enhancing their professionalism and allowing them to concentrate on services and supervision.



PRODUCTS AND SERVICES

Modula automatic warehouses and storage systems are the ideal answer to the storage and picking needs of companies, regardless of the sector or the type of item to be stored.

The product range includes automatic vertical storage solutions, automatic horizontal storage solutions, automatic storage solutions for temperature-controlled environments, picking solutions for optimising order preparation and robotic integration with anthropomorphic robots or AMRs.

Vertical storage solutions are perfect for making the most of the available height and saving floor space.



HORIZONTAL LIFT MODULES

The horizontal carousel is the ideal storage solution for all intensive picking applications, both in the distribution and production sectors or where the vertical space cannot be exploited due to the limited height of the structure.

Horizontal carousels can be installed in facilities with particular layouts or not completely free from architectural obstacles, and for this reason they were designed to guarantee maximum installation flexibility.

VERTICAL LIFT MODULES

Vertical storage solutions are perfect for making the most of the available height and saving floor space.

These systems are the perfect answer when a tidy, clean, safe and fast warehouse is needed. They can handle any type of product, in any sector and industrial environment, and can be customized with different capacities, heights, dimensions and accessories.

A vertical storage system consists of a sturdy steel structure that houses and supports the trays, a motorized central lift to move them from the shelves to the operator bays, and one or more bays for picking and placing goods.

Following the “goods-to-man” principle, the products are delivered to the operator in a perfectly ergonomic position, so that the latter no longer need to move around the warehouse to pick or place the products, which instead are brought directly to the picking bay.



ACCESSORIES FOR VERTICAL AND HORIZONTAL LIFT MODULES

Solutions to complement automatic vertical and horizontal storage systems and further increase productivity have been developed based on customer feedback.

Sometimes it is necessary to keep an eye on efficiency and reduce errors. Other times, picking accuracy or goods and operator safety is more important.

There are companies that want to exactly track every step and every movement of the items to improve traceability or inventory activities. Modula's wide range of accessories meets all these needs.

PICKING SOLUTIONS

Picking solutions are devices used to improve order preparation. They are designed to guide the operator during picking through Put to Light technology.

Put to Light is an effective sorting method for dividing large quantities of items into multiple orders. In practice, picking solutions allow multiple orders for different customers to be prepared at the same time without making mistakes.



ROBOTIC INTEGRATION

A robotic warehouse is a facility equipped with automated storage and goods management systems to which robotic mechanical solutions have been added.

We are talking about an industrial automatic storage system for warehouse logistics, in which robots and automation work in synergy to ensure faster and more precise management of the entire goods handling process and efficient management of the goods themselves.



SPECIAL SOLUTIONS



The mission is clear: Modula aims to supply every single company with an automatic storage system, regardless of the industrial sector.

This means dealing also with businesses that are all but conventional and have specific needs.

For this reason, “special applications” have been designed over the years for industrial sectors that need to store sensitive goods such as electronic components, pharmaceuticals or food.

But not only that. Fire and earthquake resistant machines have also been developed to minimize the damage caused by such events.

SOFTWARE

Modula WMS (Warehouse Management System) is the software created and developed by Modula to manage all the functions of the vertical storage systems. In practice, it is the brain of the warehouse, thanks to which the machine isn't just a simple automatic shelf but can manage complex information on accesses, picking/placing activities, location and inventory management.

With Modula WMS it is possible to track everything that happens inside the warehouse. We are talking about product traceability, but not only that.

It is always possible to check how the various items are distributed within the system, understand how frequently they are moved and intelligently manage all the related data such as batch numbers, serial numbers, production and expiry dates.

Using the Modula WMS software, you can find out which operator has accessed a specific tray, manage the slotting of trays into compartments, monitor warehouse occupancy and even the degree of saturation.

All this data is a valuable source for the supply chain of any company: its analysis makes it possible to better understand the logistics flow of the entire warehouse (of which the Modula storage systems are only a part) and optimize efficiency while reducing waste and management costs.

With the WMS, the solutions developed by Modula are no longer just automatic vertical storage systems and become a real IoT link, which is able to transmit information to the company management system or to interface with other technologies such as anthropomorphic robots, AMRs, automatic conveyors and much more.

Modula WMS is designed not only as a perfect complement to the entire range of Modula storage systems, but can also be used as a tool for the management of traditional warehouses or manual storage areas where data monitoring and more precise flow control are required.





SUPPLY CHAIN

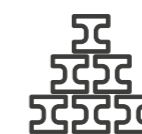
AN ORGANIZED SYSTEM

The supply chain plays a crucial role when it comes to product excellence, market positioning and maintaining corporate reputation.

Modula's suppliers are resellers of steel products selected based on their ability to supply high-quality products in the required volumes through the necessary delivery services.

The raw materials used for production can be divided into 4 product categories:

- Galvanized steel strips
- Pre-plasticized steel strips
- Pickled steel sheets
- Steel tubes.



TOP END MATERIALS



SELECTED SUPPLIERS



Planning is based on weekly consumption, therefore materials are received directly by the production departments and stocks always last for approximately one week.

The procurement policy is inspired by:

- **Search for high quality and technical standards** of the sector and the best quality/price ratio of the product or service.
- **Selection of suppliers** that are highly trustworthy and reliable.
- **Priority to local suppliers, all other things being equal,** in order to fuel the socio-economic development of the area.
- **Maximum attention to analysis and control** of raw materials.
- **Strict attention to compliance with the regulations** on occupational health and safety, human rights and workers' rights.

In 2023, Modula's supply chain consisted of 182 suppliers in total (in 2022 they were 176, of which 57.7% were based in Emilia Romagna and only 2.8% outside Italy); most of the expenditure on supplies is related to direct suppliers, services and raw materials.



2023

TYPE	% OF TURNOVER	NO. OF SUPPLIERS	% OF SUPPLIERS
Metal components	31.86%	30	16%
Raw materials	24.38%	7	4%
Electronics	24.06%	50	27%
Gearboxes and motors	6.12%	4	2%
Lifting	4.83%	8	4%
Packaging	2.63%	3	2%
Plastic/rubber	2.07%	18	10%
Screws	1.74%	5	3%
Bearings/sliding parts	1.03%	13	7%
Other	0.88%	33	18%
Manuals	0.21%	1	1%
Springs	0.11%	5	3%
Consumables/equipment	0.08%	5	3%
TOTAL	100%	182	100%

Modula works mainly with local, even small suppliers: this underlines the company's commitment to generating value in the territory where it is based. In fact, 60% of the expenditure for supplies goes to local suppliers (Emilia Romagna), which represents an increase compared to the previous year (about +3%).

2022

TYPE	% OF TURNOVER	NO. OF SUPPLIERS	% OF SUPPLIERS
Metal components	24.71%	29	16%
Raw materials	30.97%	8	5%
Electronics	21.92%	55	31%
Gearboxes and motors	9.16%	2	1%
Lifting	4.13%	10	6%
Packaging	1.31%	1	1%
Plastic/rubber	1.51%	3	2%
Screws	1.25%	5	3%
Bearings/sliding parts	1.75%	6	3%
Other	2.69%	40	23%
Manuals	0.15%	1	1%
Springs	0.24%	4	2%
Consumables/equipment	0.21%	12	7%
TOTAL	100%	176	100%

SPEND BY GEOGRAPHIC AREA

SUPPLIER MACRO AREAS	LOCAL*	NATIONAL	EUROPE	NON-EU
% 2023	60%	37%	3%	1%
% 2022	58%	39.5%	2%	0.5%

* "Local" for Modula means Emilia Romagna

In order to evaluate and monitor the sustainable and responsible practices within its procurement chain, Modula is implementing an ESG questionnaire to be sent to the main raw material suppliers. The questionnaire will be sent during 2024.

MODULA'S SALES NETWORK

Modula's strength is based on product excellence but also on its network.

Many international companies have chosen to become Modula dealers, importing in their countries and offering their customers the technology of vertical storage systems with trays made in Italy.

Ongoing collaborations with some historic partners, which have been consolidated over the years, are now accompanied by new collaborations with other retailers based throughout the world, which operate in the sectors of logistics, mechanics or business consultancy.

This has allowed Modula to strengthen its international presence, increase brand awareness and above all be ever closer to customers all over the world with local contacts. In addition to the 11 subsidiaries, there are over 150 dealers.



OUR PARTNERS



In addition to the official Modula dealers in various countries, there is a **network of Authorized Partners** that offer and sell Modula automatic storage systems and constantly collaborate with the company to enhance market presence and develop new solutions.

OUR CUSTOMERS

Modula's automatic warehouses are adopted by companies in any product sector.

The main customers are local and international companies in the automotive, mechanical, metallurgical, steel, chemical, tyre, pharmaceutical, electronic, ceramic, packaging, plastic and paper sectors. The automatic storage systems produced by Modula set new standards in the optimization of picking processes, perfectly compatible with cutting-edge intralogistics solutions.

The end user is always a warehouse operator, even if the simplicity of these systems makes them accessible to anyone in the company needing to pick items stored therein. Logistics/distribution/production operators often use them in their departments, while in small companies they are generally used by the sales person.

Modula's storage systems are designed to last. The machines installed 30 years ago are still working perfectly, and often live a second life when they are resold to other companies.

Durability is obtained through constant research aimed at improving the product. In fact, the latest models are more efficient and incorporate more environmentally sustainable components.

When the warehouse reaches the end of its service life, it can be disposed of very easily, as 90% of its structure is made up of metal and steel.

SOCIAL RESPONSIBILITY



OUR PEOPLE

Modula believes that the human factor, meaning the people who work for the company, is of crucial importance for its development.

Human resources management is based on respect for the personality and professionalism of each employee within the general framework of current legislation.

It is the company's responsibility to promote and develop the aptitudes and skills of each employee. Modula is aware that the high professionalism achieved by its employees and their dedication to the company are essential and decisive factors for the pursuit and achievement of its objectives.

The company believes that diversity adds value and wants everyone to feel a sense of belonging and to be themselves: all voices are heard and discrimination or harassment is not tolerated.

As of December 31, 2023, Modula had 367 employees (326 in 2022), of which:



64
WOMEN
(INCREASING)



303
MEN
(INCREASING)

MODULA'S 367 EMPLOYEES INCLUDE:



7 MANAGERS
1 more than in 2022



31 EXECUTIVES
3 more than in 2022



212 OFFICE WORKERS
29 more than in 2022



117 FACTORY WORKERS
17 more than in 2022



AVERAGE AGE 39
In fact, most of the employees are in the 30-50 age group

95,91%
EMPLOYEES
with a permanent contract

97,55%
EMPLOYEES
full-time, which confirms the commitment to establishing long-lasting collaborations over time

There are no apprentices but the company has hired

72 TEMPORARY WORKERS through authorized agencies
71 men and 1 woman.

The following contract applies to all employees:
**CCNL (NATIONAL COLLECTIVE LABOUR AGREEMENT)
FOR THE METALWORKING-INDUSTRY SECTOR.**

EMPLOYEES AND NON-EMPLOYEES

	2023			2022		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
Employees	367	64	303	317	51	266
Agents/VAT freelancers/ Collaborators	0	0	0	8	3	5
Interns/Trainees	0	0	0	1	0	1
TOTAL	367	64	303	326	54	272

PROFESSIONAL POSITION AND GENDER OF EMPLOYEES

	2023			2022		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
Managers	7	0	7	6	0	6
Executives	31	4	27	28	2	26
Office workers	212	60	152	183	49	134
Factory workers	117	0	117	100	0	100
TOTAL	367	64	303	317	51	266

GENDER AND AGE GROUP OF EMPLOYEES

	2023			2022		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
<30 years	54	12	42	48	11	37
30-50 years	262	45	217	217	33	184
>50 years	51	7	44	52	7	45
TOTAL	367	64	303	317	51	266

TYPE OF CONTRACT

	2023			2022		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
Fixed-term contract	15	4	11	14	8	6
Permanent contract	352	60	292	303	43	260
Apprenticeship	0	0	0	0	0	0
Temporary contract through authorized agencies	72	1	71	0	na	na
TOTAL	439*	65*	374*	317	51	266

* Including temporary contracts through authorized agencies

FULL-TIME AND PART-TIME EMPLOYEES

	2023			2022		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
Part-time	9	3	6	307	48	259
Full-time	358	61	297	10	3	7
TOTAL	367	64	303	317	51	266

From the labour market point of view, Modula has seen a substantial growth in resources: in 2023, there were 78 new hires against 28 terminated contracts.

The positive turnover recorded in 2023 is equal to 25% compared to the negative turnover of 9%, which demonstrates that Modula is investing significantly in human capital.

The terminated employees and the new hires are Italian citizens.

HIRING AND TURNOVER OF EMPLOYEES

	2023			2022			
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	
TERMINATED CONTRACTS	28	4	24	27	9	18	
<30 years	9	2	7	6	1	5	
30-50 years	15	1	14	18	7	11	
>50 years	4	1	3	3	1	2	
NEW HIRES	78	17	61	56	10	46	
<30 years	24	4	20	20	5	15	
30-50 years	51	12	39	33	5	28	
>50 years	3	1	2	3	0	3	
POSITIVE TURNOVER	25%	NEGATIVE TURNOVER	9%	POSITIVE TURNOVER	10%	NEGATIVE TURNOVER	9%

COMPOSITION OF THE GOVERNING BODIES

The members of the governing bodies are 7 men, of whom 57% are over 50 years old and 43% are in the 30-50 age group.

They are 3 employees in the 30-50 age group and 4 non-employees in the over 50 age group.

WOMEN/MEN BASE SALARY AND REMUNERATION RATIO

The remuneration policy ensures fairness, transparency and equal opportunities for all in terms of remuneration, ensuring the development of remuneration and benefit programs.

POSITION AS PER CONTRACT	2023		2022		M VS W
	AV. GR. SALARY/Y - MEN	AV. GR. SALARY/Y - WOMEN	AV. GR. SALARY/Y - MEN	AV. GR. SALARY/Y - WOMEN	
Managers	161,571.51 €	-	145,166.76 €	-	-
Executives	72,199.33 €	59,593.05 €	65,829.03 €	61,388.04 €	7.23%
Office workers	40,042.46 €	34,886.19 €	38,314.41 €	32,079.96 €	19.43%
Factory workers	28,098.18 €	-	26,796.47 €	-	-

The ratio between the total annual remuneration of the person receiving the highest salary and the average total annual remuneration of all employees of the company, excluding the aforementioned person, is 15.24%.

EMPLOYEE BENEFITS

For Modula, respect for the human dignity, well-being, happiness and health of its employees and collaborators is a crucial aspect, and this is the reason for its commitment in this direction.

The company wants its employees to feel at home and the work environment to be agreeable and pleasant as well as a place where no one is discriminated or made to feel uncomfortable.

In response to the increase in size of the company and its staff, in the last months of 2023 the company inaugurated a new plant in Fiorano and some departments were moved to the new premises to ensure more space and comfort for all workers.

Aware of the increasingly important role of corporate welfare, Modula has implemented a benefit and protection system that responds to specific needs, going beyond the contractual provisions and promoting employee well-being and work-family balance:

- **Health insurance** (alternative to Metasalute) for managers and executives.
- **Specialist visits at the company's premises**, entirely paid for by the company, through a screening program aimed at preventing urological and oncological diseases in collaboration with the Italian associations ANT and LILT, and a bonus leave of 8 hours per person in one year.
- **50% supplement** to parental leave.
- **Flexible working hours.**
- **Smart working.**
- **In-house canteen**, free of charge, offering seasonal dishes with km 0 and controlled origin ingredients.
- **Company Wellness Area (gym)**, equipped with the best and most modern Technogym equipment.
- **Supplement to the daily travel allowance** for travel in Italy and abroad and granting of the travel allowance for external activities lasting more than 4 hours.
- **Company cars assigned including for personal use**, based on the employee's position and the tasks performed.
- **Performance bonus** based on the company's EBITDA at the end of the year. The bonus, which can be in cash but also in welfare services, was almost 3,500 euros gross in the payroll for each employee.
- **Pink parking** for pregnant employees, both at the Fiorano and Salvaterra offices.

In 2023, the company also organized a Snow Weekend, the Summer Party, the Family Day and the Christmas Party for all employees and their families, in order to create moments of sharing, conviviality and team building.

PARENTAL LEAVE

The company grants all employees the right to request parental leave and supplements it by 50%. During 2023, 7 people took advantage of parental leave: 4 women and 3 men.

The return rate following parental leave was 100%: all employees returned to work after completing their leave period.

TRAINING

Modula's development largely coincides with the growth path of its people. At Modula, the development of technical-professional and transversal skills of employees has always been a cornerstone for facing challenges arising from the context and the market. Annually, based on the analysis of the identified training needs, Modula designs, prepares and implements a training plan for all employees, which is proposed by the HR department through interviews with area managers. The skill development plan is regularly reviewed to assess its quality and efficiency, to consolidate and renew the acquired professional skills, with tangible measures intended to promote an inclusive and non-discriminatory work environment.

The goal of Modula's training activities is also to harmonize, standardize and improve the introduction of new employees and job rotation for existing employees throughout the organization. Specific training courses and e-learning courses are planned for all new hires.

In 2023, training activities involved 265 people - 55 women and 212 men - for a total of 12,270 hours and an average of 33 training hours per employee. Most of the training hours were delivered to office workers, followed by managers.

EMPLOYEE TRAINING HOURS

	2023			2022		
	TOTAL HOURS	HOURS WOMEN	HOURS MEN	TOTAL HOURS	HOURS WOMEN	HOURS MEN
Training hours for managers	162	0	162	53.75		
Training hours for executives	1,330	353	977	260.2		
Training hours for office workers	10,006	3,117	6,889	4,714.97		
Training hours for factory workers	772	0	772	32.93		
TOTAL	12,270	3,470	8,800	5,061.85	1,685.03	3,376.82

	2023	2022
Average number of training hours per employee	33	15.97
Average number of training hours per female employee	54.2	33.04
Average number of training hours per male employee	29	12.69
Average number of training hours per manager	23	8.96
Average number of training hours per executive	43	9.29
Average number of training hours per office worker	47	25.76
Average number of training hours per factory worker	6.6	0.33

EMPLOYEE TRAINING TOPICS

	TOTAL HOURS
Technical training on machinery/systems	897
Management training	1642
MODULA Academy Training	622
Sustainability at MODULA	1084
Language courses	770
Other (OJT, Master, Team Building, Management Software Use, etc.)	7255
TOTAL	12,270

Modula has a performance evaluation system, which in 2023 involved all employees. The evaluation is carried out on soft skills by the employee's direct superior.

The evaluation period is the entire year and each employee is evaluated on:

- three basic skills (common for all and considered core skills for the company)
- three specific skills of the department in which the employee works
- three other possible skills related to team management (for those who have a team to manage).

The evaluation is functional to the preparation of the training plan for the following year.

EMPLOYEES SUBJECT TO PERIODIC PERFORMANCE AND PROFESSIONAL DEVELOPMENT REVIEWS

	TOTAL	WOMEN	MEN	% WOMEN	% MEN
Managers	7	0	7	0%	100%
Executives	31	4	27	13%	87%
Office workers	212	60	152	28%	72%
Factory workers	117	0	117	0%	100%
TOTAL	367	64	303	17%	83%

OCCUPATIONAL HEALTH AND SAFETY

Modula has implemented a health and safety management system according to the EN ISO 45001:2018 standard.

The management system is applied to all the buildings owned by the company and also to construction sites at customers' premises. Risk tasks were identified in relation to the job titles, in particular: office clerk, technical clerk, customer care technician, installation, testing assistance and prototype technician, machine operator, electrical technician, mechanical technician, warehouse operator, maintenance technician.

HAZARD ANALYSIS AND RISK ASSESSMENT

Risk assessments for the OHMS are conducted using an analytical method, that is, starting from a separate assessment of the characteristics of workplaces, equipment, machines, means, systems, substances, processes, until putting together the set of possible dangers and risks related to the different tasks. In order to identify hazards, draw up risk assessments and investigate accidents, Modula adopts a procedure that first of all involves a survey of all work activities carried out within the company: the survey also includes secondary activities and services which are provided by external workers (both daily and occasionally).

All risk assessments are carried out through on-site inspections at the company, with the close collaboration of the relevant company staff, including the employees themselves, who are interviewed on the conditions of ordinary and extraordinary use of machines, systems and equipment.

The physical risk assessment is updated every time there is a change in company processes and in any case every 4 years for physical risks and every 2 years for risks from work-related stress. The hierarchy of controls is applied according to ISO 45001; this process is also facilitated by the systematic application of the Italian Legislative Decree no. 81/08 and the subsequent amendments.

The Prevention and Protection Service (PPS) and the appointed doctor collaborate with employers and delegates to prepare the company risk assessment document and the specific risk assessments. These documents are made available to the Employee Safety Representatives so that they can view them and possibly express their opinion regarding the risk assessment and the related prevention activities.

— The dangerous situations that could potentially lead to accidents, injuries, occupational diseases or other events harmful to the health and safety of workers are identified for each of the activities carried out (ordinary, extraordinary and emergency activities). The activities carried out and all possible dangers and consequent potential damages are subsequently identified.

This phase is conducted through the punctual verification of the conditions of the work environments, the analysis of the work and organizational processes in which the workers are involved and the verification of all the documentation and information available to ensure, even formally, the expected safety conditions and compliance with the regulations in force.

The quality of the processes is guaranteed by assigning responsibilities based on

the individual activities performed. The evaluation of hard skills is periodically carried out by individual managers and is filed either through the "Vittoria RMS" management system, in the SKILLS section, or through an Excel spreadsheet. The results of the processes are assessed at least annually through the management review, during which all processes as well as the level of achievement of objectives are analysed and new objectives are set.

To prevent and mitigate impacts related to business relationships, the risk and opportunity assessment process is used, in which the context is analysed and the risks for the business are identified following the application of the 4x4 risk matrix, in which only risks whose PxD product is greater than or equal to 6 are considered.

PROCESSES AVAILABLE TO WORKERS TO REPORT HAZARDS AND DANGEROUS SITUATIONS IN THE WORKPLACE

Employees can use special forms to report injuries, corrective actions following injuries, near misses and corrective actions following near misses. All these forms are linked to an internal procedure for managing injuries and near misses.

Employees, also with the support of their supervisor, can report any dangerous situations or near misses to the PPS using the near miss reporting form.

The PPS analyses the root cause in order to define how to prevent the dangerous situation or near miss from happening again.

Operators must apply all the procedures and operating instructions relating to the activities they carry out as well as the specific risks to which they are exposed. The operating instructions also specify the personal protective equipment that must be used against possible specific risks.

— To enable workers to avoid potentially dangerous situations, various operating instructions are created regarding preventive measures against all risks connected to individual tasks, PPE is delivered through vending machines and periodic internal audits are carried out to listen to any reports from the field.

The meeting required by the Italian Legislative Decree no. 81/08 is organised at least once a year and all the actors indicated in the decree participate. Production audits are carried out almost daily in order to receive improvement suggestions from the field; these are then shared with the employers during the safety committee meeting that takes place every four months.

On a weekly basis, the supervisors hold department meetings whose contents are shared with the PPS, which in turn shares them with the management.

The company has implemented a specific procedure for consultation and participation of employees, which details how employees are individually consulted.

The main injuries occurred in 2023 were essentially due to cuts and tripping accidents. No occupational diseases were reported. Occupational accidents are dealt with through a root cause analysis, a subsequent definition of the required corrective action and its implementation.

ACCIDENTS AT WORK

	QUANTITY	RATIO
Deaths from workplace accidents	0	0%
Workplace accidents with serious consequences	0	0%
* Recordable workplace accidents	8	11.03%
Working hours for all employees	724,851	
<i>* In the calculation, commuting accidents and those with consequences lasting less than or max. 3 days are not considered; the calculation includes even temporary workers.</i>		
	2023	2022
Accidents	8	11
Frequency index	11.04	17.63
Severity index	0.13	0.15
Hours worked	724,851	623,932

OCCUPATIONAL HEALTH SERVICES

Based on the workers' tasks, a health protocol is drawn up in collaboration with the appointed doctor, which includes all the checks they must undergo and the respective frequency.

The result of the checks is shared exclusively with the worker, while their suitability for work is shared with the company in order to evaluate what tasks can be assigned to them.

The company has entrusted the health surveillance activity to the hospital of Sassuolo.

During 2023, 336 medical visits were carried out, so they are increasing compared to 2022, when they were 304.

TRAINING ON HEALTH, SAFETY AT WORK AND HEALTH PROMOTION

At the beginning of each year, training needs in terms of occupational health and safety are extracted from the management system used by the company. Based on these training needs, a refresher training program is prepared for each specific job.

Supervisors are periodically required to communicate the names of those to whom additional training is to be delivered (for example, first aid or firefighting staff).

For new hires, a training plan is prepared at the time of hiring according to their tasks and the consequent specific risks.

In 2023, 3,540 hours of training on health and safety issues were delivered, for an average of 9.6 hours per employee.

SAFETY AUDITS AT CUSTOMERS' PREMISES
OVER 100 SAFETY AUDITS WERE CONDUCTED AT CUSTOMERS' PREMISES IN 2023 DURING INSTALLATION AND MAINTENANCE ACTIVITIES.

TYPE OF COURSE

	PEOPLE INVOLVED	TOTAL HOURS
Firefighting staff	32	220
Refresher training	47	638
PPSM/PPSO refresher training	3	24
Refresher training on the use of the defibrillator	7	28
Forklift	43	328
Overhead crane	17	68
AED	7	32
Executives_Refresher training	1	6
Category III PPE	19	280
Work environment training	2	8
General and specific OJT	38	212
Training for new firefighting staff	20	160
Training for operator rescue at height	3	24
High risk specific training - OJT	44	444
Electrical work (PES - PAV)	13	182
MEWPs	13	108
Supervisors _Refresher training	23	148
First Aid	45	610
Employee Safety Representatives_Refresher training	2	16

FOCUS ON SOCIAL ISSUES

For Modula, generating a positive impact on the economic, social and cultural development of the territories in which it operates is a priority, fuelled by the awareness of its important responsibility towards the planet and its resources, which must be preserved and enhanced.

In line with the UN Sustainable Development Goals, Modula is committed to supporting and carrying out several initiatives in the areas it considers most important: from culture to health, from environmental sustainability to the creation of opportunities for its employees and for future generations, even involving sports activities.

In 2023 Modula donated a total of approximately 220,000 euros to the territory, divided into three projects:

- **Support to Baggiovara Hospital with Rock No War** for the purchase of technological equipment such as electrosurgical instruments.
- **Support for the construction of water wells** in collaboration with Rock No War in the context of the project "Water is life".
- **Support to the areas affected by the flood** in Emilia-Romagna.

Two important donations in support of the local cultural heritage were also made:

- **Teatro Carani.**
- **Gallerie Estensi** for the Palazzo Ducale in Sassuolo.

- **Talent acquisition and training of future generations** are the main objectives that guide the collaboration between Modula and schools of all levels in the area and beyond. These training initiatives involve students who are about to enter the world of work and/or undertake a course of study that can reflect their career aspirations. Thanks to visits to the company headquarters, students can experience the world of work and company processes first-hand.

In 2023, Modula hosted visits from ITS Spallanzani, the Don Bosco - De Amicis elementary school in Pavullo nel Frignano, and also from some students from Ohio.

Modula also hosted the students of the FESTO master's course organized by BPR and an event with the Cavalieri del Lavoro, again in collaboration with BPR.

- The company has **also supported numerous amateur sports associations**, because it deeply believes in the value of sport as an important element for the growth and education of young people from an early age. Sports clubs are among the so-called educational agencies precisely because of their intrinsic purpose.

For this reason, Modula is one of the sponsors of Hockey Valdagno, Riola Volley, Pallamano Casalgrande, A.C. Casalgrande and Associazione Sportiva PGS SMILE.

- Modula also **donates to the association "Il Melograno"** the food left over at the end of company events, which were two in 2023.

ECONOMIC RESPONSIBILITY



NUMBERS ON THE RISE

By reporting on the generated and distributed value, Modula demonstrates how an integrated approach to business management can produce long-lasting economic benefits, while at the same time contributing to social well-being and environmental protection.

Transparent financial reporting not only strengthens the credibility of the company, but also fosters positive change, promoting a sustainable future for all stakeholders involved.

The financial year ended December 31, 2023 resulted in:



200,100,940.00 €
REVENUES
(+16.55% COMPARED TO 2022)



MODULA
KEEPS GROWING

The economic results are closely linked to the contribution to the economic growth of the social context and the communities of which a company is part: in the financial year 2023, 90.11% of the direct economic value generated by the company's activities was distributed to all stakeholders, understood in the broadest sense (suppliers, employees, financing institutions, shareholders, public administration, community and territory).

The employees, the beating heart of the company, are among the main recipients of this value: 14.25% of the generated value was distributed to them.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2023	2022
ECONOMIC VALUE GENERATED		
Revenues	200,100,940.00 €	171,692,300.00 €
Value adjustments of financial assets: Equity depreciation	89,961.00 €	5,070,432.00 €
Total economic value generated	200,010,979.00 €	166,621,868.00 €
ECONOMIC VALUE DISTRIBUTED		
Operating costs	147,124,355.00 €	131,445,912.00 €
Employee salaries and benefits	28,493,830.00 €	24,256,633.00 €
Payments to capital providers / shareholder remuneration	- 1,512,100.00 €	- 198,084.00 €
Taxes and duties / Payments to the Public Administration	5,893,317.00 €	3,330,460.00 €
Investments in the local community	226,000.00 €	30,000.00 €
TOTAL ECONOMIC VALUE DISTRIBUTED	180,225,402.00 €	158,864,921.00 €
%	90.11	95.34
ECONOMIC VALUE RETAINED		
Economic value generated less economic value distributed	19,785,577.00 €	7,756,947.00 €
%	9.89	4.66

2022 ended with a significant order portfolio that allowed us to start 2023 with excellent prospects. In regard to investments, a growth plan approved by the Board of Directors and involving all the main corporate areas continues to be implemented, in line with the previous years.

During 2023, the company received financial support from the government in the form of tax relief and tax credits for several specific purposes, including:

- 1) INPS [National Insurance Fund for the invalidity and old age of workers] tax relief for an amount equal to €81,778.17;
- 2) Tax credits for a total amount of 1,478,497.07 €, for:
 - investments in new capital goods (other than the goods referred to in Annexes A and B to Italian Law no. 232/2016) - art. 1, paragraphs 1054 and 1055, Italian Law no. 178/2020: 1,157,718.00 €
 - incremental advertising investments in daily and periodical press, including online, local television and radio broadcasters, analogue or digital - article 57-bis, paragraph 1, Italian Legislative Decree no. 50 of April 24, 2017: 4,181.00 €
 - investments in research and development, ecological transition, technological innovation in the context of Industry 4.0 and other innovative activities - art. 1, paragraph 198 et seqq., Italian Law no. 160/2019: 151,991.77 €
 - non-energy-intensive companies, for an amount of 100,587.40 € according to art. 1, paragraph 3, of Italian Law no. 197 of December 29, 2022, (resolution no. 8 of 14.02.2023) and according to art. 4, paragraph 3, of Italian Legislative Decree no. 34/2023 (resolution no. 41 of 07.07.2023) for an amount of 15,088.94 €;
 - companies other than those with high natural gas consumption, for an amount of 48,088.23 € according to art. 1, paragraph 5, of Italian Law no. 197 of December 29, 2022 (resolution no. 8 of 14.02.2023) and for an amount of 841.73 € according to art. 4, paragraph 5, of Italian Legislative Decree no. 34/2023 (resolution no. 41 of 07.07.2023).

The company does not define a specific tax strategy; the financial statements, together with the tax calculation, is formally approved by the Board of Directors under the supervision of the control bodies (statutory and external auditors).

RISKS RELATED TO CORRUPTION

The risk of active and passive corruption is related to behaviours or negligence that may lead to events/cases of corruption along the entire value chain.

To manage these risks, Modula has adopted an **Organization, Management and Control Model** pursuant to Italian Legislative Decree 231/2001 (Model 231) which provides, in addition to a **Code of Ethics**, a Supervisory Body with the purpose of guaranteeing the principles and values of ethics and integrity, with particular attention to active and passive corruption issues along the entire value chain.

To mitigate the risk, the company organizes training sessions for all employees on ethics, compliance and corruption prevention, promoting a culture of transparency and integrity through awareness campaigns and internal communications.

The Supervisory Body is the body appointed by the Board of Directors to monitor compliance with and effective and efficient application of Model 231 as well as to update it.

The Supervisory Body has a collegial structure and is composed of two external members and one internal member, in compliance with the requirements of independence, autonomy and professionalism.

In addition to carrying out periodic checks, on-site inspections and analysis of information flows, the Supervisory Body prepares specific reports that are submitted to the Board of Directors at least once a year and concern the activities carried out and the evidence that has emerged.

As provided for by art. 2 of Italian Law 179/2017, and in line with the provisions of European Directive 2019/1937 on whistleblowing, communication channels are available to report acts or behaviours in conflict with Model 231, the Code of Ethics, policies, procedures or legal requirements, while granting the whistleblower's right to the protection of their personal details.

Fighting corruption is essential for achieving sustainability and resilience within an organization.

Transparency and commitment to preventing corruption are essential for maintaining stakeholder trust and ensuring the long-term success of the organization.





ENVIRONMENTAL RESPONSIBILITY

CERTIFIED COMMITMENT

Modula has developed and continues to maintain an Integrated Quality, Safety and Environment Management System, in compliance with ISO 9001, 45001 and 14001.

This commitment reflects the company's continued focus on evolving regulatory requirements, environmental protection and growing stakeholder interest in environmental and sustainability performance. The different environmental issues and the strategies adopted by Modula to address them are described below.



ENVIRONMENT ISO 14001



INTEGRATED POLICY

ENERGY CONSUMPTION WITHIN THE COMPANY

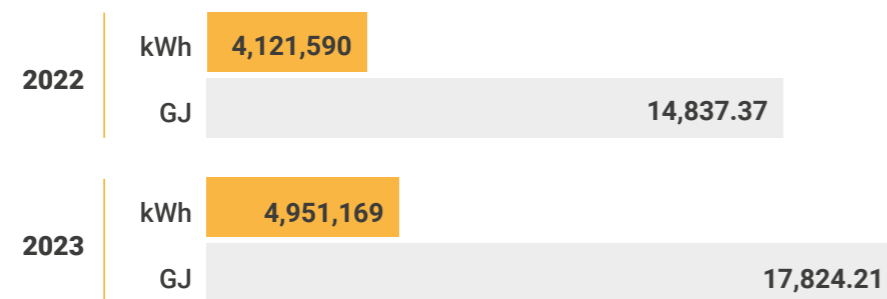
The company's goal is to maximize energy efficiency and reduce emissions of CO² and other pollutants. To improve its energy procurement processes, in 2023 Modula installed a photovoltaic system at its headquarters in Fiorano and plans to complete the project by installing one also at its Salvaterra facilities by summer 2024.

These systems will reduce emissions related to the use of energy from fossil fuels and will increase the company's ability to produce energy independently in the following years.



ELECTRICITY CONSUMPTION

The data were obtained from the analysis of consumption as described in electricity bills.



For the conversion from kWh to GJ the following value was assumed: 1 kWh = 0.0036 GJ

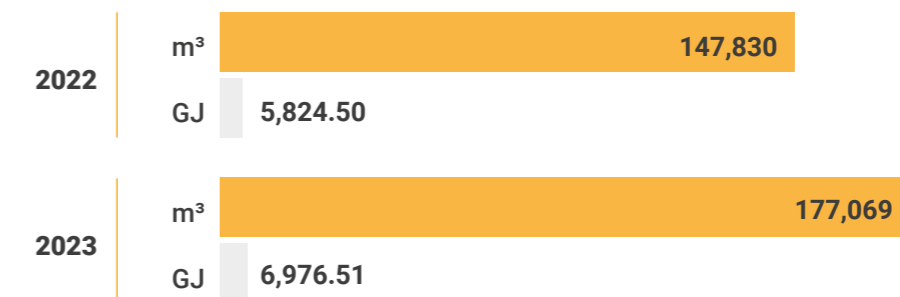
The increase in consumption, this time electrical, is also in this case due to the increase in production hours at the Salvaterra plant and to the establishment of the new headquarters in Fiorano Modenese. However, here too, the ratio between energy consumption and hours worked remains unchanged and stands at **0.02**.



NATURAL GAS CONSUMPTION

At the Salvaterra site, natural gas is used for heating purposes and for producing hot water. At the Fiorano site, heating and hot water are guaranteed by electric heat pumps.

Therefore, the data below relate only to consumption at the Salvaterra site. The data were obtained from the analysis of consumption as described in bills.



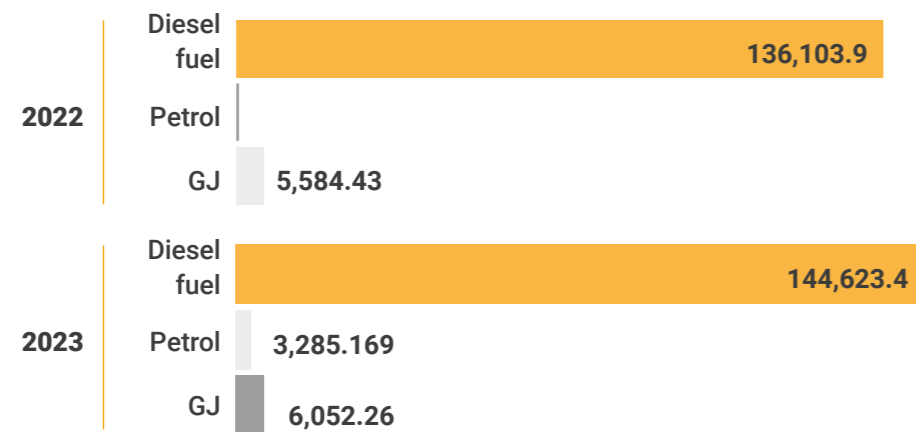
For the conversion from SCM to GJ the following value was assumed: 1 SCM = 0.0394 GJ

The increase in gas consumption is proportional to the increase in production working hours resulting from the addition of the fourth shift. Nevertheless, the ratio between methane consumption and hours worked remains substantially unchanged compared to the previous year and stands at **0.24**.



FUEL CONSUMPTION FOR COMPANY CARS

Below are the litres of fuel consumed by company cars, which in 2023 travelled a total of 2,643,594.00 km. The fuel data was obtained from company fuel cards.



For the conversion from m₃ of diesel fuel to GJ the following value was assumed: 1 m₃ = 41.030 GJ
For the conversion from m₃ of petrol to GJ the following value was assumed: 1 m₃ = 36.006 GJ



ENERGY INTENSITY

The energy intensity of the organization was calculated, thus providing a complete overview of the company's energy use (GJ) compared to revenues for the reporting year.

In 2022, the total internal energy consumption was 26,246.3 GJ.
In 2023, the total internal energy consumption was approximately 31,000 GJ.



ENERGY CONSUMPTION EXTERNAL TO THE ORGANIZATION

The energy consumed by customers in 2023 for the use of our machines was equal to 38,712.114 GJ, calculated through estimates based on the average consumption of a Modula storage system (equal to 987 kWh), starting from the month of installation of each machine. In 2022, consumption was 10,303.63 GJ, calculated on the assumption that all 4,100 machines sold had been installed at the beginning of the year.



MANAGEMENT AND USE OF WATER RESOURCES

Water is a precious resource, indispensable for many aspects of daily life. Modula takes water exclusively from the water supply network and does not use it for production, but only for sanitary use, for preparing meals and for washing floors.



In 2023 WATER CONSUMPTION

was approximately **3,108 megalitres**.

For **2022**, only domestic consumption (not fire prevention) bills were taken into consideration and **CONSUMPTION** amounted to **1.1 megalitre**.

The increase in water consumption is due to the addition of a fourth shift in production and to operations at the new Fiorano Modenese plant.

As for industrial waste, it mainly comes from the use of compressors and water softeners and is conveyed into the sewer system.

The water used by floor cleaning machines, on the other hand, is treated as waste and managed accordingly.

To identify water-related impacts, industrial discharges are sampled every year and compliance with the parameters indicated in the AUA environmental authorization is verified.

These data are analysed in a document called “**Environmental Aspects and Impacts**”, which is updated every year by the company.

With a view to maximum environmental protection, Modula also monitors potential risks, considering that the basin that could be affected by the discharges deriving from its activities is the Secchia river.

The quality of waste water was defined by ARPAE [Emilia-Romagna Regional Agency for Environmental Protection] through a specific authorization which requires that a company’s waste water be consistent with the provisions of Italian Legislative Decree 152/06. The analysis evaluates the pH at 25 °C, COD, BOD5, total suspended solids, chlorides, phosphorus and ammonia nitrogen.

The **MAXIMUM DISCHARGE** assumed is **4,500 m³ per year**.

GREENHOUSE GAS EMISSIONS

The company is committed to fighting climate change and believes that it is important to constantly monitor the emissions resulting from its processes. For this reason, Modula has decided to calculate its direct and indirect emissions (Scope 1, Scope 2 and part of Scope 3) following the guidelines of the Greenhouse Gas Protocol (GHG Protocol).

Modula’s production activities do not generate any type of gas or substance harmful to the ozone layer.



SCOPE 1

Scope 1 emissions represent **direct emissions** from sources owned or directly controlled by the company. In the case of Modula, these emissions include those related to the use of fossil fuels within the company (for example, for the activation of boilers) and emissions deriving from combustion produced by owned or rented means of transport (company cars, work vehicles, etc.).

	VALUE	tCO ² / SCOPE 1
2022		
Natural gas (m ³)	147,830	298.82
Diesel (l)	136,103.9	364.259
TOTAL		663.079

Scope 1 of 2022 was updated. Source of new emission factors: DEFRA, 2021

	VALUE	tCO ² / SCOPE 1
2023		
Natural gas (m ³)	177,069	357.856
Diesel (l)	144,623.36	387.059
Petrol (l)	3,285.169	7.462
TOTAL		752.377

Source of emission factors: DEFRA, 2021



SCOPE 2

Scope 2 emissions instead include **all indirect emissions** generated by the purchase of electricity from sources external to the company. For the calculation, the *location based* method was used, which considers the average emission factors calculated on the Italian national energy mix.

	kWh	tCO ² / SCOPE 2
2022		
Purchased electricity	4,121,590	1,076.89
TOTAL		1,076.89

Scope 2 of 2022 was updated. Source of new emission factors: International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting

	kWh	tCO ² / SCOPE 2
2023		
Purchased electricity	4,951,169	1,293.64
TOTAL		1,293.64

Source of emission factors: International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting



SCOPE 3

Scope 3 emissions include all **indirect greenhouse gas emissions** from a company's operations, deriving from sources **not owned** or controlled by it, both upstream and downstream. Scope 3 downstream emissions include indirect greenhouse gas emissions related to goods and services sold.

Modula has therefore calculated the emissions deriving from the use of energy by its customers in relation to the products sold in the reporting year.

	kWh	tCO ² / SCOPE 3
2022		
Electricity for the use of Modula systems	2,867,235	
TOTAL		1,431.02

Source of emission factors: International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting

	kWh	tCO ² / SCOPE 3
2023		
Electricity for the use of Modula systems	10,753,365	
TOTAL		2,809.64

Scope 2 of 2022 was recalculated. Source of new emission factors: International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting



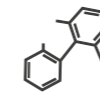
GREENHOUSE GAS (GHG) EMISSION INTENSITY

2022	tCO ² /TURNOVER
	1.85 x 10 ⁻⁵
2023	tCO ² /TURNOVER
	2.43 x 10 ⁻⁵



REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS

A photovoltaic system was installed at the Fiorano site in 2023 and another one at the Salvaterra site is going to be completed. In 2024 this will enable the entire company to meet a significant portion of its energy needs and reduce the greenhouse gas emissions generated by fossil energy sources.



NITROGEN OXIDES (NO_x), SULPHUR OXIDES (SO_x) AND OTHER RELEVANT EMISSIONS IN THE AIR

Modula production plants do not directly generate NO_x or SO_x. The only pollutant produced is the dust deriving from the welding and laser cutting processes.

Emissions are autonomously checked every year and their level is monitored to ensure that it remains below the quantity authorised by ARPAE.

In 2023, as in the previous year, all emissions were below the set limit of 10 mg/Nm³.





WASTE MANAGEMENT

The waste generated by Modula's production processes comes from different activities, for example sheet metal laser cutting and bending produce processing waste, while maintenance activities can generate waste from the use of grease or chemicals.

Another part of the waste is generated by the value chain: pallets, plastic films, paper and cardboard packaging are used to transport raw materials and are acquired as an integral part of the procurement process.

To reduce the amount of waste generated at the customers' premises, Modula has optimised package shipping, reducing the use of new packaging in favour of recycled materials and minimising the number of boxes used.

All waste is managed through temporary storage in waste areas and delivered to freight companies which in turn send it to different recovery plants according to its chemical-physical characteristics.



TYPE OF WASTE

	HAZARDOUS (H)	QUANTITY 2022	QUANTITY 2023
Dust and particulate from ferrous metals		3,799	485
Waste not otherwise specified - iron and steel		2,122,260	3,080,340
Paper and cardboard packaging		49,240	59,180
Plastic packaging		2,240	2,010
Wooden packaging		87,600	197,620
Mixed material packaging		90,480	153,760
Non-hazardous end-of-life equipment (WEEE)	H	188	4,158
Aqueous liquid waste		30,000	32,700
Copper, bronze, brass		553	5,000
Copper cables		683	1,000
Printer toner			22
Sweeping waste			10,780
Other hazardous waste	H	2,454	2,426

It should be noted that the increase in waste in 2023 is proportional to the approx. 15% increase in production

GOALS



SUSTAINABLE DEVELOPMENT

To make sustainability tangible and create value, Modula has set the following objectives for the three-year period 2023-2026, which it intends to achieve also in light of what emerged from the stakeholder engagement.

These objectives will allow us to increasingly focus on sustainability issues, in the interests of all stakeholders.








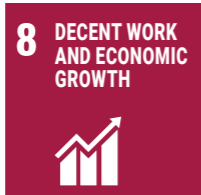
**SUSTAINABILITY
FIRST**



**BUSINESS
ETHICS**












OUR GOALS FOR 2022

- Started ●
- In progress ●
- Achieved ●
- To be started ●

GOALS	SDGs	WHAT WE WILL DO	YEAR	KPI PROGRESS	STATUS
Internal and external communication	 	Improvement of internal and external communication within the organization, particularly on initiatives carried out by the company. Specific editorial plan with one issue per month on sustainability topics. Cross-meetings to implement a structured internal awareness plan, through email campaigns and notices.	2023	Implemented	●
			2024	1 communication per month	●
			2025	Extension to the main foreign subsidiaries	●
Photovoltaic system in Salvaterra (RE)		Energy efficiency plan also in the construction of the new headquarters in Fiorano (Modena) and installation of a photovoltaic system in Salvaterra (Reggio Emilia).	2023	Installed	●
			2024	Plant start-up	●
			2025	Implementation of a plan for the use of renewable energy	●
Cross-training of employees		Implementation of an internal training plan, analysis of PA results.	2023	Implemented	●
			2024	100% of staff coverage	●
			2025	100% of staff coverage maintained	●
Corporate climate survey and ideas competition on sustainability	 	Annual corporate climate survey to take inspiration from the suggestions of the participants and implement concrete measures.	2023	Preparation of a survey on ESG topics (first Survey 2021)	●
			2024	Administration of the survey every two years	●
			2025	Extension of the survey to the main foreign subsidiaries	●

OUR GOALS FOR 2023

Started ●
In progress ●
Achieved ●
To be started ●

GOALS	SDGs	WHAT WE WILL DO	YEAR	KPI PROGRESS	STATUS
Procurement policy integrating environmental ESG criteria	 	Implementation of a procurement policy that integrates ESG criteria in supplier selection and administration of a questionnaire for supply chain assessment. Addition of compliance with the sustainability policy in contractual obligations .	2023	Definition of policy writing criteria	●
			2024	Policy and questionnaire preparation	●
			2025	Transmission of the assessment questionnaire to 70-80% of raw material suppliers	●
Photovoltaic system installation in Fiorano (Modena)		75% of locations.	2023	Installation started	●
			2024	Installation completed	●
			2025	Implementation of a plan for the use of renewable energy	●
Attenuation tank in Fiorano (Modena)	 	Installation of attenuation tanks in Fiorano (Modena) and Salvaterra (Reggio Emilia) to reduce the environmental impacts of pollutants in the waters reaching the surface.	2023	Installed	●
			2024	Activated	●
			2025	Installation also at the Salvaterra (RE) plant	●
Waste disposal policy		Preparation of a waste disposal policy with quantifiable and measurable objectives regarding the quantity of waste separated.	2023	Assessment	●
			2024	Improvement of differentiated waste disposal	●
			2025	Setting down of waste disposal policy	●
ESG training and % of company population		Extension of ESG training to the entire company population by increasing hours by 10% each year.	2023	At least 1 hour for all employees	●
			2024	At least 1 hour maintained for all employees	●
			2025	Extension to the employees of the main foreign subsidiaries	●
Initiatives for the territory	 	Where possible, better organization and management of initiatives in favour of the territory and the community with the creation of a network of local entrepreneurs and other stakeholders.	2023	0.01% donations to local associations	●
			2024	0.01% maintained	●
			2025	0.01% maintained	●
Suppliers involved in sustainability issues	 	More stakeholders involved in the materiality analysis of the report.	2023	Commitment to involving suppliers in ESG issues	●
			2024	5% of suppliers involved	●
			2025	10% increase in stakeholder involvement	●

GRI CONTENT INDEX

DECLARATION OF USE Modula Spa has reported the information provided in this GRI content index for the period (01.01.23-31.12.23) referring to the GRI Standards

GRI 1 used	GRI 1: Reporting Principles 2021
Applicable GRI sector standards	N/A

GRI SUSTAINABILITY REPORTING STANDARD	PAGE
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2 GENERAL INFORMATION

THE COMPANY AND ITS REPORTING PRACTICES

2-1	Organizational details	15-23
2-2	Companies/bodies/organizations included in the company's sustainability report	Modula S.p.A.
2-3	Reporting period, frequency and contact point	6-7
2-4	Review of information	Annual
2-5	External assurance	Not included

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2-6	Activities, value chain and other business relationships	20-21, 28-47
2-7	Employees	50-53
2-8	Non-employees	50-53

GOVERNANCE

2-9	Governance structure and composition	22-23
2-10	Appointment and selection of the highest governing body	22-23
2-11	Chairman of the highest governing body	22-23
2-12	Role of the highest governing body in overseeing the management of impacts	22-23

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2-13	Delegation of responsibility for impact management	25
2-14	Role of the highest governing body in sustainability reporting	25
2-15	Conflict of interest	24
2-16	Communication of critical issues	71
2-17	Collective knowledge of the highest governing body	22-23
2-18	Evaluation of the performance of the highest governing body	Not included
2-19	Remuneration policies	As per CCNL (National Collective Labour Agreement)
2-20	Remuneration determination process	As per CCNL (National Collective Labour Agreement)
2-21	Total annual compensation ratio	56

STRATEGY, POLICIES AND PRACTICES

2-22	Declaration on the sustainable development strategy	5
2-23	Commitments in term of policies	25
2-24	Integration of policy commitments	25
2-25	Processes to remedy negative impacts	70-71
2-26	Mechanisms for requesting clarification and raising concerns	71
2-27	Compliance with laws and regulations	70-71
2-28	Membership in associations	27

STAKEHOLDER ENGAGEMENT

2-29	Approach to stakeholder engagement	8-9
2-30	Collective agreements	70-75

3 MATERIAL TOPICS

INFORMATION ON MATERIAL TOPICS

3-1	Process for determining material topics	10-13
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3-2	List of material topics		10-13
3-3	Management of material topics		10-13
200 ECONOMIC TOPICS			
201 - ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed		68-69
201-2	Financial implications and other risks and opportunities due to climate change	N/A data	
201-4	Financial assistance received from government		69
202 - MARKET PRESENCE			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		54
201-2	Proportion of senior management hired from the local community		53
203 - INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported		69
204 - PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers		42-45
205 - ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption		70-71
205-2	Communication and training about anti-corruption policies and procedures		70-71
205-3	Confirmed incidents of corruption and actions taken	No cases have occurred	
206 - ANTI-COMPETITIVE BEHAVIOUR			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No cases have occurred	
300 ENVIRONMENTAL TOPICS			
301 - MATERIALS			
301-1	Materials used by weight or volume	N/A data	

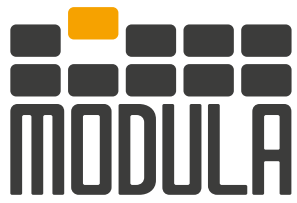
			PAGE
301-2	Recycled input materials used	N/A data	
301-3	Reclaimed products and their packaging materials	N/A data	
302 - ENERGY			
302-1	Energy consumption within the organization		74-76
302-2	Energy consumption outside the organization		77
302-3	Energy intensity		77
302-4	Reduction of energy consumption		74
302-5	Reductions in energy requirements of products and services		77
303 - WATER AND EFFLUENTS			
303-1	Interactions with water as a shared resource		78
303-2	Management of water-discharge related impacts		78
303-3	Water withdrawal	Not relevant as the water used by the organization is exclusively water from the water supply network	
303-4	Water discharge		78
303-5	Water consumption		78
304 - BIODIVERSITY			
304-1	Operational sites owned, leased, managed in, or adjacent, to protected areas and areas of high biodiversity value outside protected areas	There are no owned sites in protected areas and areas of high biodiversity value	
304-2	Significant impacts of activities, products and services on biodiversity	No impacts on biodiversity are expected	
304-3	Habitats protected or restored	Not applicable	

			PAGE
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	
305 - EMISSIONS			
305-1	Direct GHG emissions (Scope 1)		79
305-2	Energy indirect (Scope 2) GHG emissions		80
305-3	Other indirect (Scope 3) GHG emissions		81
305-4	GHG emission intensity		82
305-5	Reduction of GHG emissions		82
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions		83
306 - WASTE			
306-1	Waste generation and significant waste-related impacts		84-85
306-2	Waste by type and disposal method		84-85
306-3	Waste generated		84-85
306-4	Waste diverted from disposal		84-85
306-5	Waste directed to disposal		84-85
308 - SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	New suppliers that were screened using environmental criteria	To date, the organization does not screen suppliers using environmental criteria	
308-2	Negative environmental impacts in the supply chain and actions taken	No cases have occurred	
400 SOCIAL TOPICS			
401 - EMPLOYMENT			
401-1	New employee hires and employee turnover		53

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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		54-55
401-3	PARENTAL LEAVE		56
402 - LABOR/MANAGEMENT RELATIONS			
402-1	Minimum notice periods regarding operational changes	As per CCNL (National Collective Labour Agreement)	
403 - OCCUPATIONAL HEALTH AND SAFETY - 2018			
403-1	Occupational health and safety management system		59-60
403-2	Hazard identification, risk assessment, and incident investigation		59-60
403-3	Occupational health services		59-60
403-4	Worker participation, consultation, and communication on occupational health and safety		59-60
403-5	Worker training on occupational health and safety		62-63
403-6	Promotion of worker health		62
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		62
403-8	Workers covered by an occupational health and safety management system	All	
403-9	Work-related injuries		61
403-10	Work-related ill-health		61
403-10	Work-related ill-health		00
404 - TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee		56-58
404-2	Programs for upgrading employee skills and transition assistance programs		56-58
404-3	Percentage of employees receiving regular performance and career development reviews		58
405 - DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees		53
405-2	Women/Men base salary and remuneration ratio		54

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406 - NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken	No case recorded	
407 - FREEDOM OF ASSOCIATION			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The organization is based on the respect of local laws regarding freedom of association	
408 - CHILD LABOR			
408-1	Operations and suppliers at significant risk for incidents of child labor	No risk recorded	
409 - FORCED OR COMPULSORY LABOR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No risk recorded	
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	No risk recorded	
413 - LOCAL COMMUNITIES			
413-1	Operations with local community engagements, impact assessments, and development programs		64-65
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable	
414 - SUPPLIER SOCIAL ASSESSMENT			
414-1	New suppliers that were screened using social criteria		42
414-2	Negative social impacts in the supply chain and actions taken	No case recorded	
415 - PUBLIC POLICY			
415-1	Political contributions	Not applicable	

			PAGE
416 - CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories		26
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No significant reports concerning the health and safety of customer employees	
417 - MARKETING AND LABELLING			
417-1	Requirements for product and service information and labelling		26, 29-30
417-2	Incidents of non-compliance concerning product and service information and labelling	No case recorded	
417-3	Incidents of non-compliance concerning marketing communications	No case recorded	
418 - CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No reports and/or sanctions related to the topic	



MODULA S.P.A.

Via San Lorenzo, 41

Salvaterra di Casalgrande (Reggio Emilia) - ITALY

infoweb@modula.com