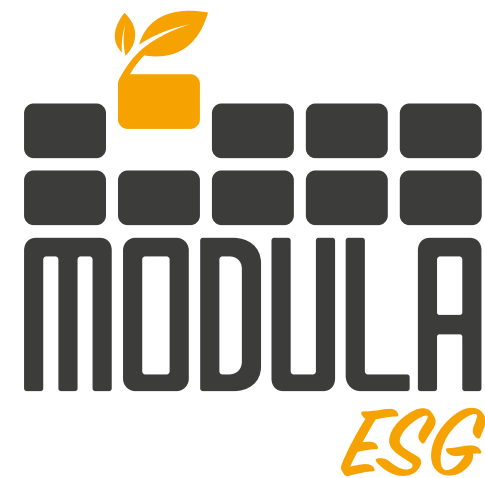


Sustainability Report

2024



3 Letter to stakeholders

4 Note on Methodology

- 06 Results of the double materiality process
- 10 Stakeholders

11 The company

- 12 The history of Modula
- 14 Mission & Vision
- 14 Modula's values
- 15 Modula World: global presence (branches and dealers)

17 General information

- 18 Governance and corporate structure
- 20 Sustainability governance
- 21 Strategies, policies and practices
- 22 Company certifications
- 23 Approach to continuous improvement
- 24 Cybersecurity

25 Product

- 28 Production flow and workflow
- 29 Products and services

33 Environmental responsibility

- 35 Environmental initiatives
- 36 Energy
- 38 Greenhouse gas emissions
- 42 Waste management

45 Human resources

- 46 Modula personnel
- 47 The workforce
- 50 Benefits to employees
- 51 Events for personnel
- 54 Parental leave
- 55 Training
- 57 Inclusion
- 57 Occupational health and safety

62 Corporate conduct

- 64 Directly generated and distributed economic value
- 66 Social commitment

71 Supply Chain

- 72 Modula supply chain
- 76 Sales network

78 Objectives



Letter to Stakeholders

Innovation, long-term vision and environmental stewardship remain central to our philosophy and guide every strategic decision. For us, sustainability means integrating economic, social and environmental responsibilities into a coherent and unified approach that creates value for the company and for all the communities with which we interact.

2024 marked an important milestone for Modula: we chose to align ourselves immediately with the requirements of the **CSRD (Corporate Sustainability Reporting Directive)**, adopting the principle of **double materiality** as our framework for identifying and assessing impacts.

This is not merely a regulatory adjustment, but a deliberate choice that reflects our commitment to elevating transparency, accountability and dialogue with all our stakeholders.

With this in mind, we expanded stakeholder involvement, strengthened listening processes and integrated the results into our corporate strategies. This has enabled us to define shared priorities and launch new, concrete initiatives capable of generating a positive impact on both our business model and the social and environmental context in which we operate.

Among our goals for 2024, the **expansion of our photovoltaic system** stands out, representing an investment that enhances the energy inde-

pendence of our plants and significantly contributes to reducing greenhouse gas emissions.

Our commitment to energy efficiency and the transition to renewable sources is a fundamental part of our long-term vision, which balances industrial competitiveness with environmental responsibility. At the same time, governance for us means managing the company responsibly and proactively, with an eye on the future and on the generations to come.

Social responsibility means fostering a safe and inclusive work environment that values people, safeguards their rights and supports their motivation and professional development. In fact, we have continued to advance projects dedicated to well-being, skills development and aimed at personal fulfilment. We are convinced that putting people first remains essential to meeting future challenges and driving a virtuous cycle of innovation and sustainability.

At the same time, Modula maintains a strong **connection with the community**, supporting charitable initiatives and local projects that promote health, culture and sport.

We believe that generating value also means giving back part of our success to the people and territories that host us, thereby reinforcing an authentic and lasting bond. With determination, we continue along the path

we have chosen, aware that sustainability is not a destination but a shared, daily commitment.

We look to the future with confidence, ready to contribute to fair and innovative development that is respectful of both the current and future generations.

The Board of Directors



Note on Methodology



In 2024, Modula S.p.A. reaffirmed its commitment to sustainability by voluntarily preparing its **Sustainability Report** (covering the period from 1 January to 31 December 2024), continuing the path begun with the Sustainability Reports issued over the previous two years.

Although not subject to regulatory requirements, the company has deliberately chosen to transparently document its environmental, social and governance performance by adopting increasingly responsible practices.

The Sustainability Report has been prepared by integrating the **ESRS 2** requirements with the quantitative indicators of the **Global Reporting Initiative 2021**, ensuring a comprehensive and comparable reporting framework aligned with the international best practices for transparency and accountability.

In accordance with the new requirements of the **Corporate Sustainability Reporting Directive (CSRD)**, the Report has been drawn up based upon the **double materiality** principle, in line with the **European Sustainability Reporting Standards (ESRS)**.

This approach has made it possible to combine the analysis of the company’s impact on the environment and society (inside-out perspective) with the assessment of the risks and opportunities that ESG issues can pose for the company (outside-in perspective), providing a coherent and comprehensive overview.

The process was structured into four main phases:

ANALYSIS OF THE INTERNAL AND EXTERNAL CONTEXT

Modula S.p.A. specialises in the design and production of vertical automatic warehouses, picking solutions and WMS software. It operates 3 manufacturing companies (in Italy, the US and China), 13 commercial branches and a network of over 100 resellers worldwide, supporting more than 1,000 employees and ensuring consistent quality and rapid assistance across international markets.

Companies are seeking increasingly fast and flexible systems capable of compensating for the shortage of skilled labour and reducing energy consumption, while sustainability is becoming a strategic driver in investment decisions.

The context analysis considered economic, regulatory, technological and environmental variables, as well as stakeholder expectations and market trends.

IDENTIFICATION AND ASSESSMENT OF POTENTIALLY MATERIAL IMPACTS

Based on Application Requirement 16 of **ESRS 1**, Modula selected potentially relevant impacts and included them in a **materiality questionnaire** submitted to its internal stakeholders. The objective was to measure the perceived relevance of each issue and to distinguish the impacts based on their nature (positive or negative),

status (current or potential), magnitude, scope, irreversibility and likelihood of occurrence.

For each impact, an average value was calculated that reflected the scores assigned by the participants, using scales from 1 to 5 (for entity, scope and irreversibility) and from 1 to 3 (for probability). The materiality threshold was defined as the overall average of scoring values, thereby identifying the impacts considered most significant for Modula.

IDENTIFICATION AND ASSESSMENT OF RISKS AND OPPORTUNITIES

At the same time, Modula launched a process dedicated to identifying and assessing the main ESG risks and opportunities, in collaboration with external consultants and internal professionals. This process was integrated into the corporate risk management system, ensuring methodological consistency and operational continuity.

Again, a scoring system (scale from 1 to 5) based on severity and probability of occurrence was applied to each risk and opportunity.

The assessments were mapped onto a risk materiality matrix, which is useful for identifying the truly significant aspects to be monitored and managed.



STAKEHOLDER INVOLVEMENT

As part of the double materiality analysis, Modula involved 40 stakeholders – customers, suppliers, credit institutions, trade associations, Third Sector organisations, consultants and the media – organising them into four working groups, each facilitated by sustainability experts.

In each group, the participants examined and "weighted" the economic, financial, environmental and social impacts generated by our activities, assigning each issue a degree of urgency and strategic relevance for both the business and the community.

At the same time, they identified and classified the main financial risks related to ESG issues. The results of this consultation now form the foundation for defining priorities for action and mitigation measures to be included in Modula's Sustainability Plan.





Results of the double materiality process

The entire process actively involved external stakeholders and key corporate functions, ensuring transparent, traceable and integrated dialogue with Modula's operational activities.

The outcome of the analysis enabled the clear identification of the most relevant issues for the company and its stakeholders, providing a robust basis for the continuous improvement of environmental, social and governance performance.

The results are presented in the following section, organised by topic area.

ESRS	TOPIC	SUB-TOPIC	TYPE	DESCRIPTION OF IMPACT/RISK OR OPPORTUNITY
E1	Climate change	Energy	Current negative impact	Consumption of energy (gas, electricity, fuel) from non-renewable sources.
		Climate change mitigation and adaptation	Current negative impact	Production of direct and indirect GHG emissions associated with the company's activities.
			Opportunity	Increased use of renewable energy to reduce exposure to market price fluctuations and lower Scope 2 CO ₂ emissions.
			Risk	Fluctuations in raw material and energy prices for production, leading to increased costs.
E5	Circular economy	Resource flows related to products and services	Current negative impact	The company does not apply sustainability criteria in selecting raw materials or designing products, such as the use of recycled materials.
			Risk	Production stoppages due to shortages of raw materials for geopolitical reasons.
		Resource outflows related to products and services	Current positive impact	Long-lasting products (average 20 years), with the possibility of replacing each component.
			Opportunity	The long lifespan of Modula products, combined with an efficient after-sales service for spare parts, promotes customer loyalty and creates opportunities within the circular economy, enhancing sustainability and strengthening the company's competitive position.
		Waste	Current negative impact	Development and use of materials aligned with circular economy principles, resulting in reduced exposure to market price fluctuations.



ESRS	TOPIC	SUB-TOPIC	TYPE	DESCRIPTION OF IMPACT/RISK OR OPPORTUNITY
S1	Own workforce	Working conditions	Current positive impact	The company is committed to ensuring secure employment, promoting employee well-being through support for work-life balance, continuously improving the working environment and upholding workers’ rights, including freedom of association and collective bargaining. It carefully manages all regulatory and training obligations related to occupational health and safety. With regard to work-life balance, the company has introduced flexible working hours, smart working, an internal canteen and a company gym. The company has implemented a second-level supplementary agreement.
			Opportunity	Enhanced attractiveness and increased employee productivity resulting from supplementary welfare initiatives and contractual measures. Strengthening relationships with employees can foster a cohesive workforce focused on customer satisfaction, positively influencing the company’s reputation and performance.
			Risk	Production interruptions or workplace injuries caused by inadequate health and safety measures (lack of maintenance or training).
		Training and skills development	Current positive impact	The company supports the professional growth of its staff by investing in skill enhancement through training and continuous development programmes. Each year, based on an analysis of the training needs, Modula designs, plans and implements a training plan for all employees, developed by the HR department through interviews with area managers (Annual performance appraisal). The development and skills plan is regularly reviewed to assess its quality and effectiveness, to consolidate and update acquired skills, and to implement concrete measures that promote an inclusive and discrimination-free working environment.
			Opportunity	Investing in training and continuous professional development programmes can improve organisational efficiency, ensuring that employees’ skills remain aligned with market needs and enhancing the company's competitiveness.
			Risk	Reduced organisational efficiency due to a lack of training and continuous development programmes, increasing the risk of a widening gap between employee skills and market requirements.



ESRS	TOPIC	SUB-TOPIC	TYPE	DESCRIPTION OF IMPACT/RISK OR OPPORTUNITY
S3	Communities affected	Impacts related to the territory	Current positive impact	The company participates in initiatives that support the local area, helping to improve the quality of life within the community in which it operates.
			Risk	The expansion of company infrastructure can lead to environmental concerns related to land use, potentially affecting the stakeholders', customers' and local communities' perception of the company and undermining Modula's reputation.
			Opportunity	Actively involving the local community in company projects, communicating transparently and understanding their needs can strengthen consensus, enhance reputation, foster a collaborative environment and increase brand appeal.
S4	Consumers and end users	Personal safety of end users	Current positive impact	The company provides customers with both physical and digital versions of the user and maintenance handbook. Training is provided by technicians to ensure safe operation. Machine safety checks are carried out.
			Risk	Loss of business due to accidents caused by product malfunction or failure of safety devices.
			Opportunity	Improved market position thanks to the adoption of safety and ergonomic systems for end users that differentiate the product from competitors.
G1	Business conduct	Corporate culture	Current positive impact	The company strengthens and promotes a corporate culture grounded in integrity and responsibility, leading strategic and operational decisions within a transparent and ethical working environment. It communicates its values and guiding principles to the entire organisation and has adopted a Code of Ethics. Upon hiring, the company provides specific training to communicate its policies for responsible business conduct. All company policies can be consulted on the company Extranet. Partners, customers and suppliers can access them directly from the homepage of the Modula website.
			Risk	An unattractive corporate culture could result in the loss of employees, damage the company's reputation, hinder the ability to attract funding and create financial risks for the organisation.
			Risk	The introduction of stricter sustainability regulations could require greater investments and lead to increased operating costs.



ESRS	TOPIC	SUB-TOPIC	TYPE	DESCRIPTION OF IMPACT/RISK OR OPPORTUNITY
G1		Supplier relationship management	Current negative impact	The company does not currently assess its suppliers according to ESG criteria, but has developed a detailed questionnaire for raw material suppliers, a supplier code of conduct and contractual clauses that include ESG requirements.
			Risk	Supply interruptions due to poor working conditions or negative environmental impacts caused by suppliers that fail to meet local regulations, with consequent reputational risks for Modula.

TOPIC	SUB-TOPIC	TYPE	DESCRIPTION OF IMPACT/RISK OR OPPORTUNITY
Cross	Technological innovation	Current positive impact	Investments in IT, research and development aimed at driving product innovation. As a single-product company, Modula continues to invest in cutting-edge technologies and training.
		Risk	A lack of innovation could result in Modula offering products perceived as outdated, reducing competitiveness and causing a loss of market share.
		Opportunity	Investing in R&D and in innovative, sustainable products can generate competitive advantages and open up new market opportunities.
Cross	Information security and cybersecurity	Current positive impact	Both Modula and the products it sells (being connected to the company network) could be vulnerable to cyber attacks if not correctly managed.
		Risk	Inadequate protection of company IT systems and the machines sold could expose Modula to cyber attacks, theft of sensitive data and operational disruptions, undermining the trust of customers and partners.
		Opportunity	Appointing a cybersecurity specialist (added in September 2024) and implementing more robust procedures can enhance the security of the company's IT systems and the machines sold, thereby strengthening customer confidence.



Stakeholders



Numerous individuals, customers, partners, organisations and institutions contribute in various ways to Modula’s success and influence its performance and strategic choices.

As part of its sustainability journey, the company has **mapped its main stakeholders** with the aim of fostering increasingly open communication and continuous dialogue grounded in **transparency, trust and integrity**.

The **active involvement of internal and external stakeholders** is a cornerstone of Modula’s sustainability strategy. Through a structured process of **listening and continuous dialogue**, the company is able to more effectively assess its level of responsiveness to stakeholder expectations and interests, while identifying areas in which to **strengthen its commitment** and those in which to **maintain established good practices**.

APPROACH TO STAKEHOLDER INVOLVEMENT		
STAKEHOLDERS	METHOD OF INVOLVEMENT	STAKEHOLDER NEEDS AND EXPECTATIONS
Employees	Internal communications (company app, email, notice boards), company events and social gatherings (barbecues, Christmas parties, Family Day, ski weekends)	Business stability and continuity; a balance between professional commitment and financial and non-financial recognition; a strong focus on well-being and personal development.
Customers	Industry events and trade fairs, digital communications (email, website, social media, videos), publications in specialised magazines	Assurance of quality, reliability and innovation; increasing commitment from the company on environmental and sustainability issues.
Suppliers	Direct communications (email), on-site meetings and events	Long-term relationships based on trust and transparency; economic stability and consistent orders; shared commitment to social and environmental sustainability principles.
Financial world	Regular meetings with the relevant institutions	Economic and financial solidity; timely payments; responsible and sustainable management of company growth; opportunities for partnerships and the development of new services.
Trade associations	Participation in joint events, conferences, working groups and information exchanges via email	Active collaboration in promoting best practices within the sector and supporting the spread of sustainable models.
Community and local area	Sponsorships, social and cultural partnerships, projects with schools	Concrete commitment to local development, reduction of environmental impact, and support for educational, cultural and social initiatives.



The Company



The History of Modula

Modula was founded in 1987 based on an idea by engineer Franco Stefani, who continues to serve as the company’s president and owner. The idea originated within the facilities of the System Ceramics company, which developed machinery for the ceramics industry: an innovative solution was required to store electronic materials efficiently.

This prompted Stefani to personally conceive and design the first automatic vertical warehouse, drawing inspiration from rotating systems while introducing a new concept — allowing operators to pick up and deposit parts quickly, safely and ergonomically.

This led to the creation of **Modula**, a name that immediately conveyed modularity and flexibility. The first models were installed and used internally within the System Ceramics factories in Fiorano Modenese, but they quickly attracted the interest of other companies in the ceramics industry as well. They were an immediate success: the advantages of this solution were evident and soon drew the attention of mechanical engineering companies, particularly in Emilia-Romagna.

From 2000 onwards, **Modula** experienced strong growth: its sales network expanded, reaching new sectors and responding to increasingly diverse needs. The company adopted its automatic



+30
YEARS OF EXPERIENCE



+20,000
CUSTOMERS



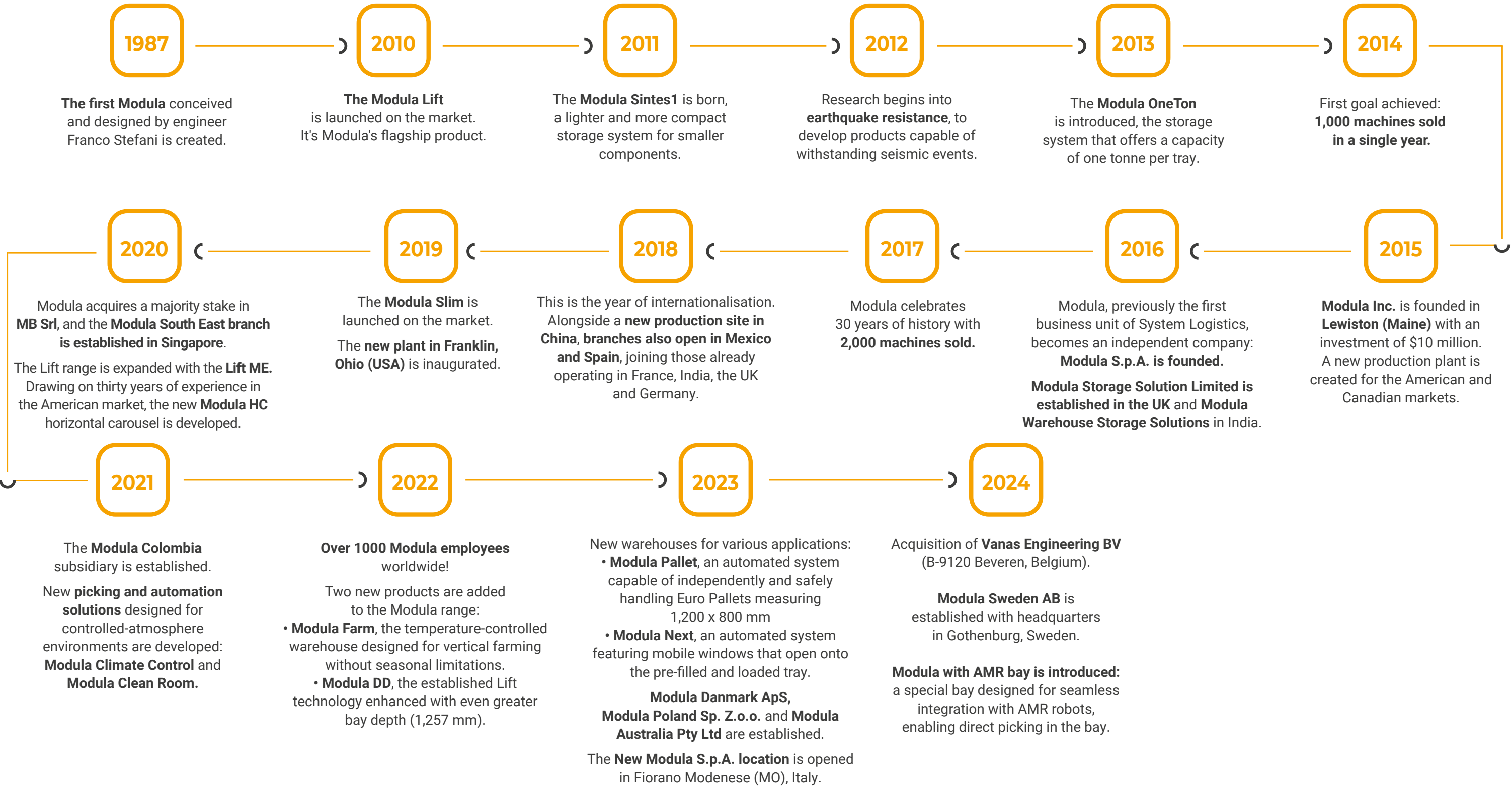
+40,000
INSTALLATIONS WORLDWIDE

warehouses in its own production processes and evolved into a true **Industry 4.0 factory**, fully integrated and digitalised.

As its products, customers and markets grew, Modula also embarked on a pathway of industrial evolution. The original location in Fiorano Modenese soon became too small, and the need arose for a dedicated, high-tech production hub.

This facility was inaugurated in 2009 in **Casalgrande** and is based on the principles of **lean manufacturing** and the **Industry 4.0** paradigm, with interconnected processes and new forms of interaction between people and machines.

In 2023, Modula returned to its territorial roots by opening a new **35,000-square-metre plant in Fiorano Modenese**, thereby doubling its presence in the provinces of Modena and Reggio Emilia.





Vision & Mission



Our mission is to

"BRING AN AUTOMATIC WAREHOUSE TO EVERY COMPANY, REGARDLESS OF SIZE OR SECTOR, TO ENHANCE ITS INTRALOGISTICS".



Our high-tech production processes embody our commitment to innovation. They allow us to deliver value to our customers across the globe.

Agility, commitment, passion and respect are the qualities that best reflect Modula's methods of operation. People come before business, whether they are customers, employees, partners or collaborators. This has been Modula's commitment ever since it became a large, international company.

Modula believes that people should feel engaged and motivated in their work, and for this reason, it has defined a set of values representing and shaping its identity.

Modula's values



We have always been ready and able to support – and often anticipate – change and transformation. Innovation is our lifeblood, and we embrace it with a dynamic mindset as an opportunity for improvement, meeting market needs, satisfying customers, and supporting the work-life balance of our employees.

Flexibility is an important value, because we experience it as a form of enrichment.

In other words, **"WE NEVER STOP."**



"WE ARE WHAT WE REPEATEDLY DO. EXCELLENCE, THEN, IS NOT AN ACT, BUT A HABIT"
(Aristotle)

Our daily commitment is to do things in the best possible way.

The respect we hold for our customers and our people compels us to deliver quality of uncompromising excellence, both in what we produce and in the processes we follow.



While many refer to it as continuous improvement, at Modula we view the quality of our processes and products, our focus on workplace health and safety, our attention to the needs of our people, and our commitment to providing a functional, usable and aesthetically pleasing work environment as essential milestones.

All of this is driven by the continuous improvement actions we implement to position our brand among the leaders in manufacturing.



As the embodiment of the values that Modula has always upheld in its business practices, the company has adopted a Code of Ethics and, since 2014, its own Organisation, Management and Control Model, consisting of a series of control procedures and rules that all departments must follow in carrying out their activities.

The Code of Ethics is the tool through which Modula defines, embraces and shares the values that guide its business conduct, with the aim of maximising the company's efficiency, reliability and reputation – key factors for its success and for the continuous improvement of its operating conditions.

All Modula activities must therefore be conducted in compliance with the applicable laws and according to the principles of loyalty, honesty, integrity, fairness, good faith, transparency, efficiency and market openness, while respecting the legitimate interests of all stakeholders.

Everyone who works with or for Modula is required to uphold and enforce the principles and rules set out in the Company's Code of Ethics.

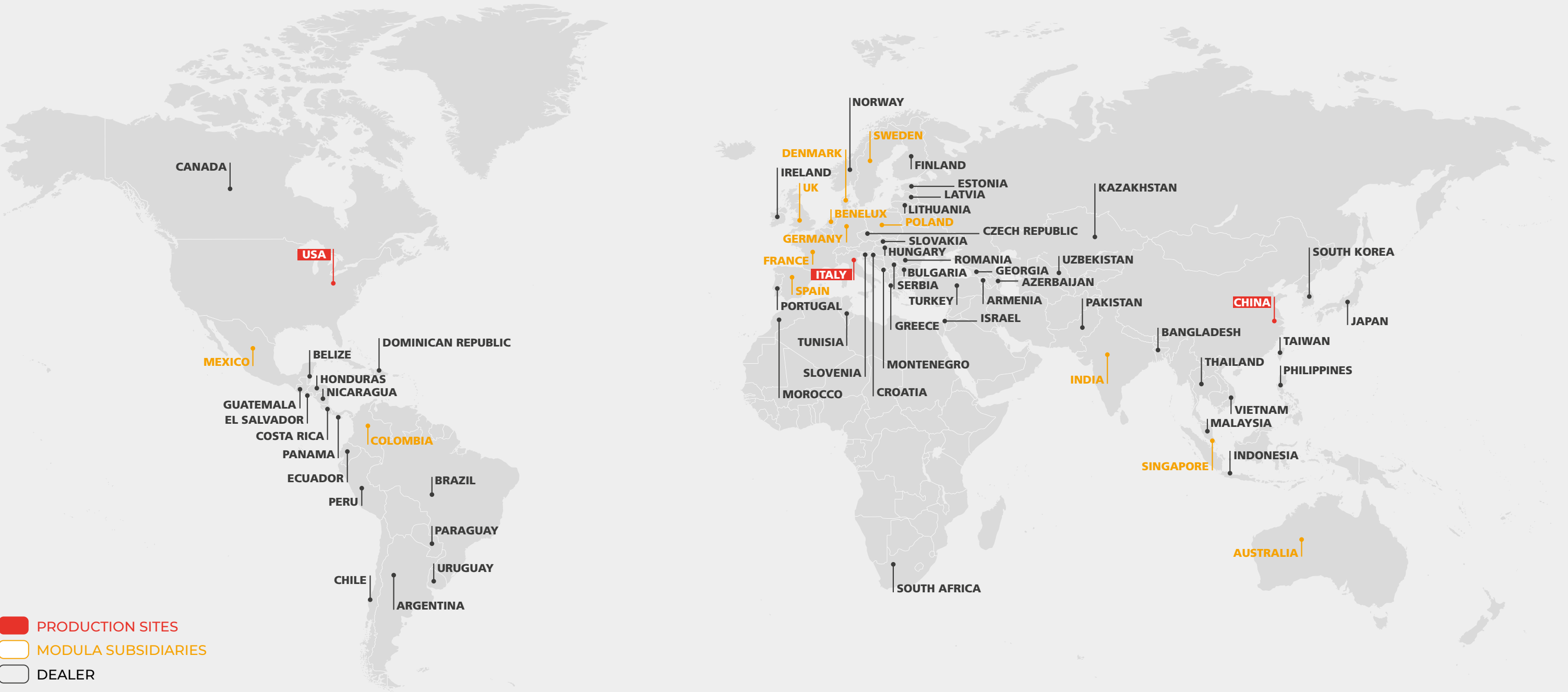
The Company also adheres to principles established to protect human freedom and dignity by the UN Universal Declaration of Human Rights and the fundamental conventions of the ILO (International Labour Organisation).

These commitments relating to responsible business conduct are communicated to employees through dedicated training at the time of hiring, and all company policies are accessible on the company Extranet.

Partners, customers and suppliers can access them directly from the homepage of the Modula website (www.modula.com).



Modula World: global presence (branches and dealers)





MEMBERSHIP IN ASSOCIATIONS

Over time, Modula has joined various trade associations in the sector, including several specialising in metalworking, with the aim of fostering opportunities for technical dialogue, collaboration and regulatory, technological and social updates with colleagues from other companies.

ANIMA

The Federation of Italian mechanical engineering industry associations.

AISEM

The Italian association of lifting, elevation and handling systems.

CONFINDUSTRIA

The confederation of Italian Industry, the main organisation representing Italian manufacturing and service companies.

FEDERMECCANICA

The Italian Metalworking Industry Trade Union Federation, which safeguards the interests of the Italian manufacturing and metalworking industry in the field of labour law and, in particular, industrial relations.

UNI – Italian Standardisation Body

A private association, recognised by the State and the European Union, which develops, publishes and disseminates voluntary technical standards aimed at improving products, services and processes.





General Information



Governance and corporate structure



CHAIRMAN
Eng. Franco Stefani

NUMBER OF MEMBERS WITH EXECUTIVE ROLES	4
NUMBER OF MEMBERS WITH NON-EXECUTIVE ROLES	3
PERCENTAGE OF WOMEN ON THE BOARD	0%
PERCENTAGE OF INDEPENDENT BOARD MEMBERS	14%

Modula S.p.A.’s governance is organised according to a model that ensures effective management, oversight and control of the company’s activities, in full compliance with the principles of legality, integrity and sustainability.

ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

The top governing body is the **Board of Directors (BoD)**, appointed by the Shareholders’ Meeting.

The BoD is responsible for strategic direction and the overall management of the company. Its members are selected on the basis of proven technical and managerial expertise and significant experience in sectors relevant to the Company. The **Board of Directors** establishes the strategic guidelines and approves the company policies, with particular focus on ethical principles, risk prevention and the Company’s administrative responsibility. The **Chairman of the Board**

of Directors is **Franco Stefani**, founder of Modula and also Chairman of the Board of Directors of **SFH S.p.A.**, the company that owns 100% of Modula S.p.A.’s share capital.

This ownership structure ensures complete strategic alignment between the two companies and the **absence of any potential conflicts of interest**, ensuring consistency and impartiality in decision-making.

FIRST AND LAST NAME	POSITION	AGE	GENDER	EXECUTIVE / NON-EXECUTIVE	INDEPENDENCE
Franco Stefani	Chairman and Chief Executive Officer	> 50 years old	Male	Executive	
Giovanni Cariani	Chief Executive Officer	Between 30 and 50 years old	Male	Executive	
Massimiliano Gigli	Chief Executive Officer	> 50 years old	Male	Executive	
Marco Pellesi	Chief Executive Officer	> 50 years old	Male	Executive	
Bernardo Cassia	Director and Special Attorney	> 50 years old	Male	Non-executive	
Luigi Panzetti	Director	> 50 years old	Male	Non-executive	Independent
Vittorio Pincelli	Director	> 50 years old	Male	Non-executive	



The **control bodies** include the Board of Statutory Auditors and the Supervisory Body.

The **Board of Statutory Auditors** oversees the activities of the directors, ensuring compliance with the law and the Articles of Association, and verifies the adequacy of the organisational and administrative-accounting structure, reporting any anomalies or irregularities.



COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

FIRST AND LAST NAME	POSITION	AGE	GENDER	PROFESSIONAL QUALIFICATION
Gian Luigi Fiacchi	Chairperson	> 50 years old	Male	Accountant
Maurizio Tostati	Standing Auditor	> 50 years old	Male	Accountant
Lorenzo Leone	Standing Auditor	> 50 years old	Male	Accountant
Stefano Munari	Alternate Auditor	> 50 years old	Male	Accountant
Anna Rosa Girondini	Alternate Auditor	> 50 years old	Female	Accountant

The **Supervisory Body (SB)**, established pursuant to Italian Legislative Decree 231/2001, is tasked with monitoring the effective implementation and continuous updating of the **Organisation, Management and Control Model**, ensuring that the entire organisation complies with its principles and requirements.

The **control bodies** ensure the consistent application of the regulations and the adequacy of the adopted control system, reporting any critical issues and promoting prompt corrective actions.

Employees are not directly represented within the Company’s administrative or control bodies; however, a **Unitary Trade Union Representation (RSU)** operates within the company, consisting of three members elected directly by employees.

The RSU is responsible for collectively representing the workers and safeguarding their rights and interests. It plays an active role in **monitoring the application of the relevant National Collective Labour Agreement** and intervenes, when necessary, in managing and resolving work-related issues.

Through **continuous dialogue with company management**, the RSU helps maintain a climate of constructive exchange, promoting fair working conditions and ensuring compliance with labour and industrial relations regulations.



COMPETENCES OF THE GOVERNANCE BODIES

The professional profile of members of Modula S.p.A.’s **management, administrative** and control bodies is broad and multidisciplinary, combining regulatory, economic-financial and technical-industrial expertise. With specific reference to the **sectors**, the **products**, and the **geographical areas** in which the company operates, each member brings extensive experience gained in senior roles in both business and management. These individuals have a proven track record in defining corporate strategies, managing complex production facilities and overseeing industrial performance.

Their key skills include:

- **in-depth knowledge of industrial production processes**, with particular emphasis on automation and internal logistics;
- experience in supply chain management, including supply planning and optimisation of production resources;
- mastery of **international distribution strategies** for finished products and market penetration abroad;
- **familiarity with the competitive and regulatory dynamics** that characterise global industrial markets, with a specific focus on regions strategic to Modula’s business.

Sustainability governance

At Modula S.p.A., sustainability governance is entrusted to a structured system that involves multiple levels of responsibility and control.

The Board of Directors plays a central role in steering strategy and overseeing the impacts, risks and opportunities associated with environmental, social and governance (ESG) issues, ensuring their integration into the corporate strategies and operational decisions.

To support this process, the **Sustainability Committee – ESG Team** has been established, an internal body made up of representatives from the main corporate functions.

The Committee is responsible for monitoring, managing and controlling ESG impacts, assessing risks and identifying opportunities in a cross-cutting and integrated manner. The decisions taken within the ESG Team are implemented by the operational functions and translated into concrete actions within the company’s processes. **The Committee reports directly to the Board of Directors**, which oversees its activities and ensures their proper alignment with the company’s strategic priorities.

Modula has formally documented the management of impacts, risks and opportunities through specific **company policies**, including a formally documented environmental policy that defines responsibilities and safeguards in the area of sustainability. This dual-level (operational and strategic) governance system enables structured and continuous management of ESG issues, ensuring traceability, transparency and consistency with the corporate objectives.

The sustainability **objectives are defined and monitored** in a collaborative manner between the Board of Directors, the senior management and the Sustainability Committee. While the Board of Directors sets the strategic priorities, the Committee oversees their day-to-day implementation and monitors progress, ensuring a constant flow of feedback, which enables the senior management to exercise second-level control and take corrective action when necessary.

Although the administrative, management and control bodies do not possess internal expertise in sustainability, Modula regularly relies on qualified **external consultants**, both through dedicated training programmes and technical support.

This approach allows Modula to remain aligned with the regulatory developments and industry best practices, ensuring that the corporate governance has the appropriate tools to assess and monitor relevant impacts, risks and opportunities in an informed and responsible manner.

INFORMATION PROVIDED TO THE GOVERNANCE BODIES

The **Board of Directors** and supervisory bodies receive regular updates on the main **ESG impacts, risks and opportunities**, at least annually during the preparation of the Sustainability Report or promptly in the event of any significant developments.

The presence of three members of the Board of Directors on the **Sustainability Committee – ESG Team** ensures direct and continuous dialogue between the strategic and operational levels, promoting effective integration of ESG issues into the decision-making and risk management processes, and in the determination of the corporate strategies.

The issues addressed include energy management, occupational safety, employee well-being, environmental and social compliance, and opportunities arising from improved environmental performance and access to sustainable finance instruments.



INTEGRATION OF SUSTAINABILITY INTO THE INCENTIVE SYSTEMS

Modula’s incentive systems are designed to reward the achievement of clear, measurable objectives aligned with the company’s strategy, with a focus on both short- and long-term results.

Individual objectives, assigned mainly to managerial roles, may relate to areas such as economic performance, productivity, quality and innovation.

Currently, **the sustainability-related metrics are not included** in variable remuneration systems, and **no portion of incentives** is linked to ESG impacts or objectives.

Strategies, policies and practices

Modula’s commitment to the design, production and management of its systems is based on a governance model that integrates quality, safety, environmental protection and innovation.

This approach translates into formally documented strategies and policies aimed at continuously improving business performance, reducing environmental impact and ensuring the highest safety standards for workers and customers.

In line with the CSRD principles, Modula applies management practices inspired by ESG (Environmental, Social and Governance) criteria, promoting a culture of sustainable and responsible quality, through:

- the adoption of management systems certified by independent third parties;
- periodic risk assessment and the definition of measurable improvement plans;
- the active involvement of staff and stakeholders in reviewing and updating procedures;
- the pursuit of innovative technological solutions geared towards energy efficiency and safety of use.





Corporate certifications

CORPORATE CERTIFICATIONS

Modula is certified according to the following international standards:


ISO 9001:2015 – Quality Management System, guaranteeing consistent control of production processes and customer satisfaction;

ISO 14001:2015 – Environmental Management System, certifying the company’s commitment to monitoring and reducing the environmental impact of its activities;

ISO 45001:2018 – Occupational Health and Safety Management System, attesting to the company’s ability to proactively manage risks to workers’ health and safety.

These certifications constitute concrete tools for the sustainable management of the organisation and demonstrate Modula’s adherence to the principles of responsibility and transparency promoted at the European level.




 ISO 45001:2018



 ISO 14001:2015



 ISO 9001:2015



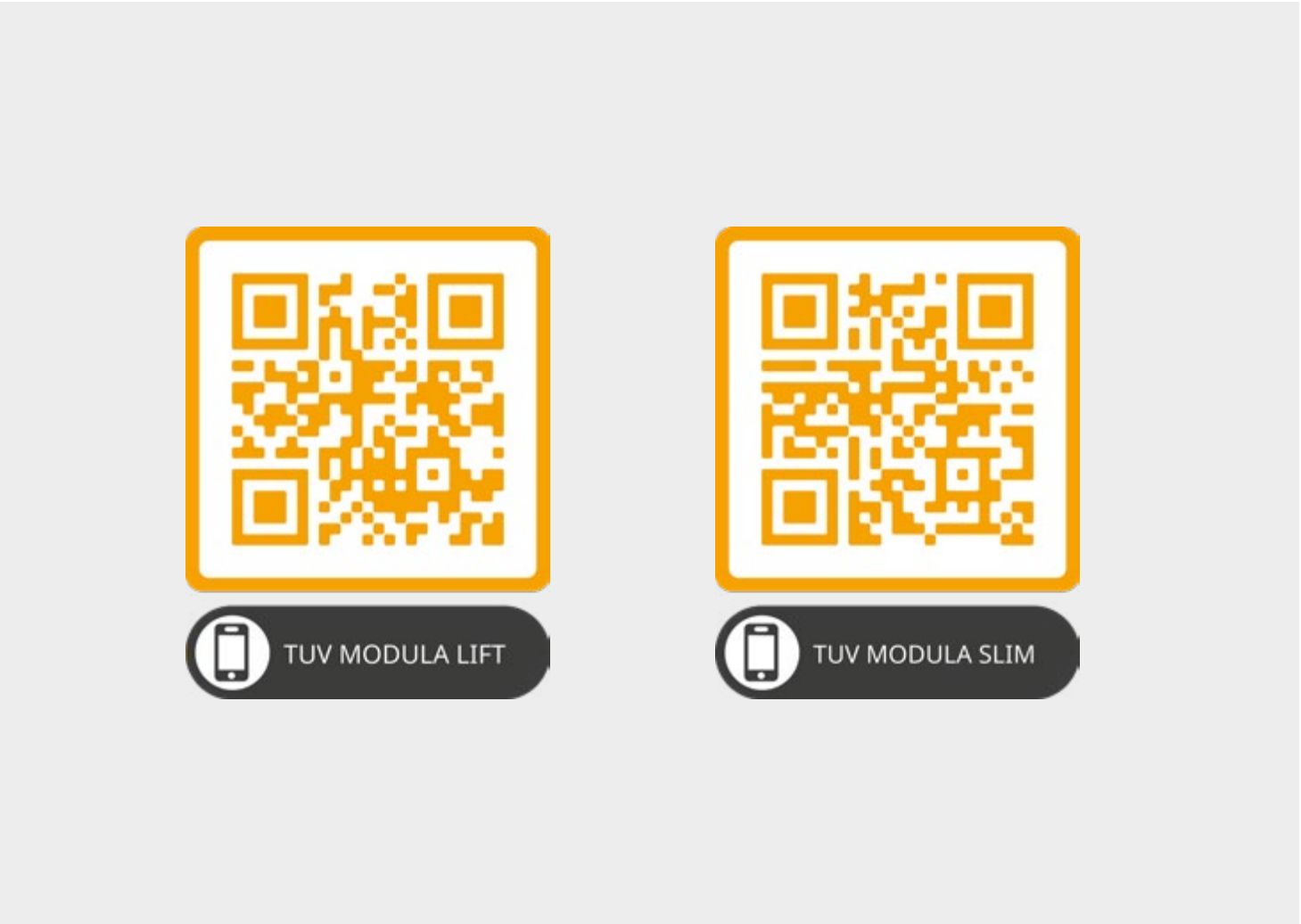
PRODUCT CERTIFICATIONS

Modula storage systems are also certified by independent bodies, guaranteeing safety, reliability and technical compliance:

TÜV MODULA LIFT

TÜV MODULA SLIM

These certifications confirm that Modula products comply with strict mechanical, electrical and functional safety requirements, offering customers a level of quality that is verified and recognised internationally.



Approach to continuous improvement

The company has adopted a Continuous Improvement approach, supported by systematic monitoring, internal and external audits and an analysis of non-conformities.

Each result achieved serves as a foundation for defining new sustainability objectives, in line with the strategic priorities set out in the business plan and the European reporting standards.

Through these initiatives, Modula is progressively consolidating an organisational model oriented towards security by design, in which technologies, people and processes work together to ensure the Group’s IT resilience.



Cybersecurity

The protection of data, systems and digital infrastructure is a strategic priority for Modula, ensuring operational continuity, safeguarding company know-how and maintaining the trust of customers and partners.

In 2024, the company introduced the role of cybersecurity specialist and strengthened its IT security framework through an independent assessment that evaluated cybersecurity maturity at its Italian sites and established an improvement roadmap aligned with the international standards (IEC 62443, NIS2).

Confirming its commitment, Modula has also appointed a figure dedicated to cybersecurity management, responsible for coordinating prevention, monitoring and incident response activities in synergy with the IT Department and Top Management.

This approach strengthens internal governance and enhances the effectiveness of IT risk monitoring, which is increasingly crucial for global and digitalised companies.





Since 1987, Modula has been designing and manufacturing automatic vertical tray storage systems, solutions created to optimise space and streamline storage processes.

These systems save up to 90% of floor space by exploiting building height and ensuring order, safety and ergonomics.

The storage systems are mainly produced at the Salvaterra di Casalgrande (RE) plant, a true **digital factory** and a benchmark for lean manufacturing and industrial automation.

Here, starting from sheet metal coils, finished components are manufactured through a highly automated and interconnected process.

The production flow is managed by the **Modula Production System (MPS)** software, which was developed in-house to ensure just-in-time planning, order traceability and real-time monitoring thanks to barcodes and robotic handling systems.

In addition to Italy, Modula also has two production sites in the **United States and China**, enabling it to serve the American and Asian markets.





+35,000

Units sold worldwide



3

Complete and compliant
CE labels

An international network of **13 branches and over 100 dealers** ensures proximity to customers worldwide, offering installation, training, technical assistance and ongoing consultancy.

The distinctive feature of Modula warehouses is the **Warehouse Management System (WMS)** software, developed entirely in-house.

This is the “brain” that controls the system: it manages access, movements and stock, and interfaces with company ERPs or other automation systems, such as anthropomorphic robots, AMRs and conveyors. In this way, the warehouses are not simply automatic shelving systems, but true intelligent nodes operating within the digital supply chain and the **logistics 4.0** paradigm.

A RANGE OF SOLUTIONS FOR INNOVATION AND EFFICIENCY

The company offers a diverse range of products and services designed to fully meet customer needs in an innovative fashion. The core offering consists of automatic vertical warehouses, high-tech systems that combine quality, efficiency and reliability, supported by advanced software solutions and dedicated customer care. The Research and Development department works continuously to introduce new solutions aimed at automation and productivity optimisation, progressively expanding the product and service portfolio.

Modula solutions are designed to meet energy-saving and sustainability criteria. In fact, these energy efficient systems reduce the required floor

space, limiting the need for new construction and thereby minimising environmental impact. In addition to improving efficiency, the warehouses enhance working conditions for operators by providing safer and more ergonomic environments.

Contributing to the growth and digitalisation of businesses, from small enterprises to large corporations, Modula is a strategic partner that ensures a rapid return on investment, improved traceability, reduced errors and enhanced service across the entire value chain.

SAFETY, CUSTOMER INFORMATION AND REGULATIONS

Modula attaches great importance to safety of use and transparency towards its customers. For this reason, upon delivery, the company provides all the documentation necessary to ensure compliance and traceability: from **CE marking** with the relevant declaration of conformity, to **certifications of electrical and mechanical components** attesting to compliance with the European and international standards, and **certificates of origin and production batches of the structural materials used**.





The user manual is the primary tool guiding customers in the correct use of the storage systems. It contains information on:

- methods of use and maintenance
- general warnings
- mandatory and prohibited activities
- installed safety devices.

The aim is to ensure the safe, responsible and sustainable use of Modula solutions, **reducing risks for operators** and preventing non-compliant behaviour.

PRODUCT LIFE AND END OF LIFE

Modula warehouses are designed for a useful life of more than 20 years, thanks to the possibility of replacing individual components subject to wear. There is currently no company procedure for the collection and disposal of the entire product at end of life, which remains the customer's responsibility; however, specific instructions are provided on the handling of replaced materials.

In particular:

- **gear motor oils**, if replaced, they must be disposed of as hazardous waste (ADR);

- **TPU (thermoplastic polyurethane) belts** are **100% recyclable** and can be regenerated multiple times;

- various components (e.g. polyzene supports and chain guides) are already manufactured from **regenerated material** (PE 1000 R).

Thanks to these choices, Modula helps reduce environmental impact and promote eco-design and circularity, while ensuring products that remain highly durable and reliable.





Production flow Workflow

Starting with the cutting of the sheets directly from metal coils, the production process leads to the creation of finished components. The possibility of producing individual pieces, kits or batches depends on the specific orders.

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

The software was created and implemented not only to manage and plan requirements linked to sales orders, but also to provide complete control and visibility over the progress of each order through an integrated system of barcode readers and connected handling equipment.

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

For each project, after an initial site visit to the customer, a dedicated team is activated to analyse the logistical requirements and recommend the most suitable product and any available options.

The products are designed and engineered in-house by engineers, and production is fully automated based on process verticalisation. Installation is carried out on site by a team of expert technicians located throughout the country and internationally.

Modula's work does not end there: it provides training, ongoing telephone support, prompt technical assistance and periodic maintenance.

Modula has introduced innovative robotic automations into numerous production processes, relieving people of the heaviest and most repetitive tasks, while safeguarding their professional skills and enabling them to focus on services and supervision.

Modula's automatic warehouses and storage systems are the ideal solution for a company's storage and picking needs, regardless of the product sector or type of item to be stored.

The product range includes vertical automatic storage solutions, horizontal automatic storage solutions, automatic storage solutions for tem-

perature-controlled environments, picking solutions ideal for optimising order preparation, and integrations with automation systems such as anthropomorphic robots and AMRs.

Vertical storage solutions are perfect for maximising vertical space usage in buildings, saving valuable floor area.

AUTOMATIC VERTICAL WAREHOUSES

Automatic vertical warehouses with trays are the ideal solution for maintaining a tidy, clean, safe and fast-paced warehouse. They are suitable for any type of product, sector or industrial environment and can be customised with different load capacities, heights, dimensions and other options.





Products and services

A vertical warehouse consists of a sturdy steel structure that houses and supports the trays, a central motorised lift that moves them from the support shelves to the operator bays, and one or more bays for picking and placing materials.

Following the "goods-to-man" principle, products are delivered to the operator in a perfectly ergonomic position, eliminating the need for the operator to move around the warehouse to pick or place items, as goods are brought directly to the picking bay.





AUTOMATIC HORIZONTAL WAREHOUSES

The horizontal carousel is an automatic warehouse ideal for intensive picking applications, whether in distribution or production settings, or in environments where vertical space cannot be exploited due to structural height limitations.

Horizontal carousels can be installed in areas with unusual geometries or in locations that are not free of architectural obstacles, which is why they are designed to ensure maximum installation flexibility.

PICKING SOLUTIONS

Picking solutions are devices designed to enhance order preparation. They guide the operator during the material picking phase using Put to Light technology.

Put to Light is an effective sorting method for dividing large quantities of items into multiple orders and preparing several orders for different customers simultaneously without errors.





ROBOTIC INTEGRATIONS

Modula systems can be integrated with robotic solutions such as Cobots or Robots.

In this way, the automation systems interact in complete synergy, delegating picking and storage operations to robotic systems.

Ideal for increasing efficiency (24/7), safety and accuracy.

OPTIONS FOR AUTOMATIC VERTICAL AND HORIZONTAL WAREHOUSES

By listening to customers, we have developed solutions that enhance vertical and horizontal automatic warehouses and further increase productivity.

Sometimes it is necessary to minimise human error.

Other times, picking accuracy or the protection of goods and operator safety is more important.

Some companies need to track every step and every movement of items, while others require visual aids or specific options for the bay. Modula offers a wide range of options to meet all these needs.





SPECIAL SOLUTIONS

The mission is clear: to bring an automatic warehouse to every company, regardless of the industrial sector.

This means addressing unconventional situations and specific requirements.

For this reason, over the years, “special applications” have been designed for industrial activities that need to store sensitive goods, such as electronic components, medicines or food. But that is not all: we also offer fire and earthquake safety devices to minimise damage caused by fires or earthquakes.

SOFTWARE

Modula's Warehouse Management System (WMS) software has been created and developed by Modula to oversee all vertical warehouse operations. In practice, it is the thinking brain of the warehouse, whereby the machine is not a mere automatic shelving unit, but is capable of managing complex information relating to events such as access, picking/drop-off movements, location management and stocks.

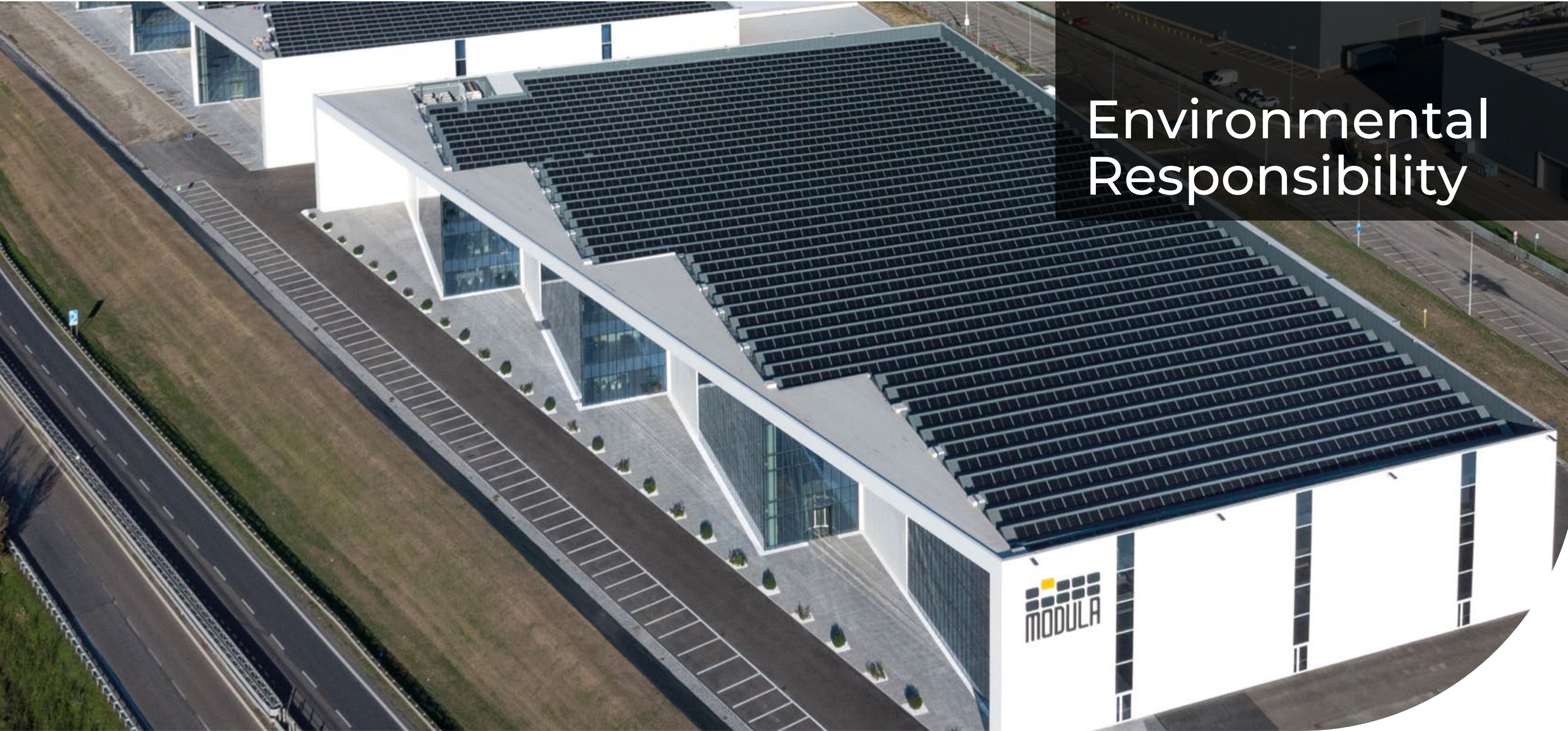
With Modula WMS, it is possible to track everything that happens inside the warehouse. And we're not just talking about product traceability. The user can check at any time where items are located, obtain their handling frequency and intelligently manage data and related information such as batches, serial numbers, production dates and expiry dates.

Using Modula WMS software, users can identify which operator has accessed a specific tray, manage the division (slotting) of trays into compartments, and monitor warehouse occupancy volumes and saturation levels.

All this data is a valuable resource for any company's supply chain. By analysing it, it is possible to gain a clearer understanding of the logistics flow of the entire warehouse (of which Modula storage systems are only one part), in order to optimise efficiency and reduce waste and management costs.

With its WMS management software, Modula ceases to be merely an automatic vertical warehouse and becomes a true link in the IoT, capable of transmitting information to the company's management system or interfacing with other technologies, such as anthropomorphic robots, AMR autonomous guidance systems, automatic conveyors and much more.

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



Environmental Responsibility

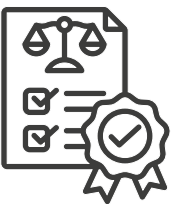


Modula recognises environmental protection as a fundamental principle and an integral part of its sustainable development strategy. Responsible management of the environmental impact of its activities is not only a regulatory obligation, but also a tangible commitment to the community, customers, partners and future generations.

With this in mind, the company has developed and continues to maintain an Integrated **Quality, Occupational Health and Safety and Environmental Protection Management System**, certified according to the international standards **ISO 9001, ISO 45001 and ISO 14001**. The adoption of these systems ensures a structured, systematic and verifiable approach to risk prevention, the protection of workers' health and safety, and the reduction of environmental impacts.

Modula's commitment translates into:

- **constant monitoring** of environmental performance and resource consumption;
- **continuous compliance and updating** in accordance with the mandatory regulatory and legislative requirements;



ISO

environment

14001



Integrated

POLICY

- **investments in technological innovations** aimed at reducing emissions, energy consumption and waste production;
- **promoting environmental awareness** among employees and stakeholders so that everyone actively contributes to a culture of sustainability;
- **giving preference to suppliers** who demonstrate a commitment to the environment and to the health and safety of their employees.

This approach reflects the growing attention of the market and stakeholders towards environmental performance, demonstrating how the company is committed not only to ensuring compliance but also to generating positive value for the environment and society, both now and for future generations.



Environmental initiatives



A CONCRETE COMMITMENT TO BIODIVERSITY: THE MODULA BEEHIVE

In nature, every bee has a specific role. No action is random; every movement contributes to the collective balance of the hive. Efficiency, order and cooperation: this is how bees, tireless and coordinated, build something greater than themselves day after day, becoming silent guardians of life on the planet.

This natural model reflects the values that also guide Modula: **efficiency, precision and respect for the environment**. These principles not only guide the company's production processes but also inspire its approach to doing business.

In 2024, Modula adopted **a beehive with Beeing**, an organisation committed to protecting bees and promoting urban biodiversity. A small but significant gesture, symbolising Modula's desire to make a concrete contribution to the **protection of natural ecosystems** and the future of the planet. Bees represent a virtuous model of sustainability: each element is part of a harmonious system in which nothing is wasted and every resource has value. Similarly, at Modula, every process is designed to be efficient and responsible, optimising energy use, reducing waste and promoting more sustainable logistics.

Adopting a beehive means taking care of the future. A small gesture that, like a perfectly balanced natural ecosystem, generates a far greater positive impact.

SUSTAINABLE INNOVATION FOR THE AGRICULTURE OF THE FUTURE

Modula has strengthened its commitment to sustainability by promoting new models of technological and circular agriculture through the development of automated solutions for micropropagation and vertical farming.

These innovations combine industrial automation and agronomic research with the aim of making agriculture more efficient, sustainable and resilient in the face of global challenges related to climate change and food security.

Thanks to **Modula's automatic vertical warehouses**, adapted to the agricultural context, it is possible to:

- **optimise the use of space** in greenhouses and micropropagation laboratories;
- **reduce water and energy consumption** through precise control of temperature, humidity and lighting;

- **limit pesticides and fertilisers**, minimising environmental impact;
- **ensure traceability and consistent** crop quality, promoting agriculture 4.0 production processes.

In particular, the application of Modula technology in micropropagation systems allows for the reproduction of healthy plants identical to the original matrix, supporting the conservation of biodiversity and the regeneration of valuable agricultural species.

These projects represent a concrete step towards a circular economy applied to agriculture, where innovation and sustainability are integrated to reduce waste and enhance natural resources.

With its solutions, Modula contributes to an Agriculture 4.0 model that combines automation, digitalisation and respect for the environment, promoting a more efficient and sustainable agri-food supply chain.



Energy



INTERNAL ENERGY CONSUMPTION WITHIN THE ORGANISATION

Efficient energy management is a strategic lever for Modula to reduce the environmental impact of its activities and contribute to the reduction of CO₂ emissions and other pollutants. The company continues to pursue the goal of **maximising energy efficiency and increasing the use of renewable sources**, integrating monitoring measures, technological innovation and process optimisation.

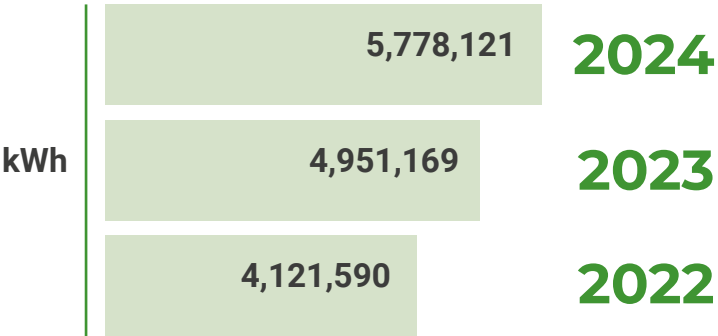
During 2024, the photovoltaic system at the Salvaterra di Casalgrande site was completed and commissioned, providing the first positive results in terms of self-produced energy. At the same time, a feasibility study was launched to expand the photovoltaic capacity at the newer Fiorano site, with the aim of further increasing independence from fossil fuels.

Modula has also undertaken a **detailed analysis of the energy consumption of the individual machines and systems** in order to identify areas for improvement and define targeted efficiency measures.



ELECTRICITY CONSUMPTION

The analysis of electricity consumption was carried out using data reported in supply bills. Over the three-year period considered, there was a steady increase in consumption, from **4,121,590 kWh in 2022** to **4,951,169 kWh in 2023**, reaching **5,778,121 kWh in 2024**. This trend is attributable to the growth of the company's activities and the opening of the new headquarters in Fiorano, which also added a second building in the same industrial area in 2024.



In 2024, Modula also took an important step forward in its energy sustainability strategy with the commissioning of a photovoltaic system at its Casalgrande headquarters, complementing the one at Fiorano.

In particular, the total electricity used during the year was broken down as follows:

Purchased electricity

Electricity purchased from the grid (kWh) **5,223,419**

Self-produced and consumed electricity

Self-produced electricity from photovoltaic panels (kWh) **554,702**

The contribution of renewable sources helped reduce dependence on the grid and related indirect emissions, laying the groundwork for a further increase in the share of self-produced energy in the coming years.

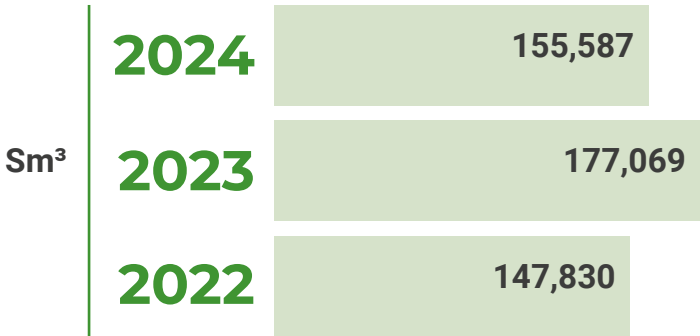
In 2024, self-produced electricity from renewable sources accounted for approximately **9.6%** of total consumption. This does not take into account the percentage declared by the external electricity supplier regarding the quantity of renewable sources used to generate the energy purchased. According to the bill, this value would be around 17%, which would be added to the amount mentioned above.



NATURAL GAS CONSUMPTION

Natural gas is used exclusively at the Casal-grande headquarters for **space heating and domestic hot water production**. Consumption was analysed on the basis of the data reported in the supply bills.

During the three-year reference period, consumption fluctuated:



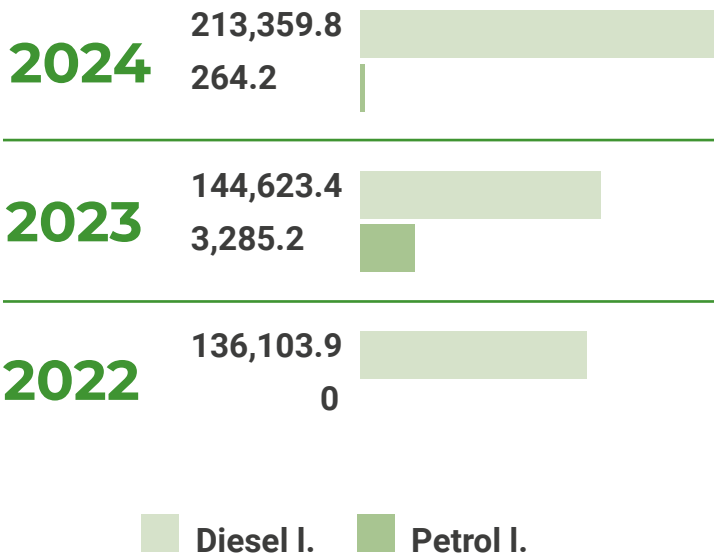
The increase in 2023 is attributable to higher production levels, which required four shifts, including night shifts, necessitating additional heating through natural gas. In 2024, by contrast, reduced production brought the number of shifts back to 3, lowering natural gas consumption.



FUEL CONSUMPTION FOR COMPANY CARS

In 2024, Modula's company fleet consisted of **126 vehicles** in total, including **26 vans** used for operational activities and the remainder made up of company cars. Almost all of the latter are **diesel**-powered, with the exception of one **plug-in** vehicle.

Based on an analysis of company fuel cards, fuel consumption showed an upward trend in recent years; this can be attributed to increased travel between the two plants and an increase in customer audits during installation and service activities:



With the aim of ensuring sustainability and reducing climate-altering emissions, the company plans to draw up a new **car list** in **2025** that includes the introduction of **fully electric and hybrid** vehicles, in order to gradually reduce dependence on fossil fuels and cut CO₂ emissions associated with company mobility. With this in mind, the installation of electric charging stations is also planned for 2025.



ENERGY INTENSITY

Energy intensity is a key indicator for assessing how efficiently an organisation uses energy in relation to production volumes and the economic value generated.

This parameter allows the evolution of energy performance to be monitored over time and helps identify potential areas for improvement.

In 2024*, the total internal energy consumption amounted to **9,540.34 MWh** to produce 2,501 warehouses, of which 15 were for internal use and 2,486 for customers.

In 2023*, consumption amounted to **8,274.68 MWh** for the production of **3,200 machines**.

In 2022*, Modula consumed a total of **7,025.58 MWh** of energy to produce **4,100 machines**.

* 2024: national data scope
2023: global data scope
2022: global data scope

	2024	2023	2022
MWh/ product sold	8.80	2.58	1.71
Mwh/ €1,000	0.058	0.041	0.040

The analysis shows an **increase in overall energy consumption**, in line with the growth of production activities and the expansion of the operational sites. However, the ratio between energy consumed and economic value generated (**MWh/€1,000**) remains **substantially stable**, indicating increasingly efficient energy use with respect to turnover.





ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

In 2024, based on an estimated average consumption of 1.2 kWh per machine and a daily use of 8 hours per day for 21 working days per month, the total consumption was calculated at 1,474,704 kWh (1,474.704 MWh), equal to 5,308.9344 GJ.

The figure takes into account the actual month of installation for each system, assuming it begins operating on the first working day of that month, for a total of 1,080 machines installed in Italy.

For comparison purposes, in 2023, when 1,678 machines were installed, the total customer consumption was 2,193,004.8 kWh (2,193.004

MWh), equal to 7,894.817 GJ. Therefore, in 2024, there was a reduction in consumption of approximately 33% due to the lower number of installations, while the average usage parameters per machine remained unchanged.

For 2022, the data is not fully comparable, as the calculation of customer consumption was based on the machines installed worldwide – 4,100 in total – all assumed to have been installed at the beginning of the year.

The estimated consumption, based on the same operating assumptions, is therefore significantly higher, and amounts to 9,918,720 kWh (9,918.780 MWh), equal to 35,707.392 GJ.

Consumption of installed machines	2024	2023	2022
Average consumption per machine (kWh)	1.2	1.2	1.2
Total consumption (MWh)	1,474.704	2,193.004	9,918.780
Total consumption (GJ)	5,308.934	7,894.817	35,707.392

Greenhouse gas emissions



Modula is aware of the responsibility companies bear in the fight against climate change and considers it essential to monitor and progressively reduce its environmental impact. To this end, the company calculates its direct and indirect emissions annually, developing an emissions inventory in accordance with the **Greenhouse Gas (GHG) Protocol** guidelines, which includes Scope 1, Scope 2 and part of Scope 3 emissions.

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





SCOPE 1

Scope 1 emissions include sources owned and strictly controlled by Modula, such as the use of fossil fuels for heating and company transport.

FUELS USED IN 2024	U.O.M.	VALUE	t CO ₂ e
Natural gas used for heating	sm ³	155,587.00	313.62
Fuel used for generators	l	50.00	0.13
Petrol for company vehicles	l	264.22	0.62
Diesel for company vehicles	l	213,359.78	561.14
			875.51

Source of emission factors: Defra 2022 for stationary combustion, EPA and IPCC 2006 for mobile combustion

In 2024, total Scope 1 emissions amounted to 875.51 t CO₂e, an increase compared to 2023 (752.39 t CO₂e) and 2022 (663.09 t CO₂e). The increase is mainly due to the greater use of diesel for company vehicles, while natural gas consumption for heating has decreased significantly compared to the previous year.

SCOPE 1	t CO ₂ e 2024	t CO ₂ e 2023	t CO ₂ e 2022
Natural gas	313.62	357.86	298.82
Diesel	561.27	387.07	364.27
Petrol	0.62	7.462	
Total	875.51	752.39	663.09



SCOPE 2

Scope 2 emissions include those from electricity purchased from the grid. Modula calculates these emissions using both the location-based method (based on the national energy mix) and the market-based method.

ELECTRICITY 2024	kWh	t CO ₂ e LOCATION BASED	t CO ₂ e MARKET BASED
Purchased from the grid	5,223,419	1,352.87	2,614.84
Self-produced from photovoltaic	554,701.7	0	0

ELECTRICITY 2024	km	t CO ₂ e
Plug-in hybrid cars	3,639	0.096

In 2024, the company purchased **5,223,419 kWh** of electricity from the grid, generating **1,352.87 t CO₂e (location-based)** and **2,614.84 t CO₂e (market-based)**. Added to these values are the emissions linked to the company’s electric fleet (0.096 t CO₂e). Overall, Scope 2 emissions therefore amount to **1,352.96 t CO₂e (location-based)** and **2,614.94 t CO₂e (market-based)**.

SCOPE 2	t CO ₂ e
Location-based emissions + electric fleet	1,352.96
Market-based emissions + electric fleet	2,614.94

The company also self-produced **554,701 kWh** of energy from a photovoltaic system, helping to reduce its reliance on the electricity grid.



SCOPE 2	t CO ₂ e 2024	t CO ₂ e 2023	t CO ₂ e 2022
Purchased electricity	1,352.96	1,293.64	1,076.89

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

A comparison with previous years shows an upward trend: Scope 2 emissions were **1,076.89 t CO₂e** in 2022 and **1,293.64 t CO₂e** in 2023 (calculated using the location-based method), while in 2024 they reached **1,352.96 t CO₂e**.



SCOPE 3

Scope 3 emissions include all indirect greenhouse gas emissions generated by an organisation’s activities but originating from sources not owned or controlled by it, both upstream and downstream in the value chain. These include, in particular, downstream emissions related to the use of products sold to end customers.

In this category, Modula has estimated and accounted for emissions from the electricity consumption of installed automatic warehouses, based on the number of machines in operation and the average annual hours of use by customers.

In 2024, indirect emissions related to the use of Modula systems were estimated at **316,871.58 tonnes of CO₂ equivalent**, down from 471,213.81 tonnes in 2023 and 2,131,248.36 tonnes in 2022, consistent with the number of machines installed and the progressive optimisation of the average energy consumption per machine.

SCOPE 3	2024	2023	2022
t CO ₂ e	316,871.58	471,213.81	2,131,248.36

Source of emission factors: ISPRA 2023 Location Based (Italy)

The estimates were calculated based on the average electricity consumption per machine and converted into equivalent emissions using the ISPRA 2023 – Location Based (Italy) emission factors.

This analysis allows Modula to quantify the climate impact of its products throughout their entire life cycle, providing valuable information to guide research and development towards increasingly efficient, low-impact solutions.



GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

Emissions intensity represents the ratio between total greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) and the economic value generated by the company, expressed in tonnes of CO₂ equivalent per €1,000 of revenue.

This indicator allows Modula’s environmental efficiency to be assessed in relation to economic growth, highlighting the organisation’s ability to reduce its climate impact in proportion to its production and commercial activities.

Over the three-year period analysed, emissions intensity shows an improving trend, falling from 12.4 tCO₂/€1,000 in 2022 to 2.36 tCO₂/€1,000 in 2023 and further to 1.97 tCO₂/€1,000 in 2024.

The significant reduction in this indicator is attributable to the optimisation of internal energy consumption, the gradual transition to renewable sources, and, in particular, the increased efficiency of products installed at customers’ premises, which led to a reduction in Scope 3 indirect emissions associated with the use phase.

EMISSIONS INTENSITY	2024	2023	2022
tCO ₂ /€1.000	1.97	2.36	12.4



REDUCTION IN GREENHOUSE GAS (GHG) EMISSIONS

During 2023, a photovoltaic system was installed at the Fiorano Modenese site, which became operational for the F2 building in 2024. During the same period, work was also completed on photovoltaic systems at the Salvaterra di Casalgrande plants and the F1 building in Fiorano Modenese, which are expected to become operational in 2025.

These measures enabled the organisation to cover part of its energy needs through renewable sources in 2024, contributing to a reduction in greenhouse gas emissions from fossil fuel use. With the remaining plants scheduled to come online in 2025, Modula will be able to further increase its energy self-production capacity and substantially improve its overall environmental performance.



WATER MANAGEMENT AND USE

Water is an essential resource for business activities and is managed carefully to ensure responsible use in compliance with the current regulations. At Modula’s plants, water is mainly used for sanitary purposes, plant operations, and, to a lesser extent, for irrigation and fire safety.

Industrial water discharges mainly result from the use of compressors and water softeners at the Salvaterra di Casalgrande site and from condensation from air-conditioned Modula machines at the Fiorano Modenese site. The discharges are conveyed into the sewerage system. At the Fiorano Modenese site, there is also a discharge from the drainage of the yard below the recycling centre, where waste is stored, which flows into surface water. The water used by floor scrubbers, however, is not discharged, but is treated as waste and managed according to the company’s environmental procedures. The same applies to water resulting from compressor condensation at the Fiorano Modenese facilities.

To monitor and reduce potential impacts, **industrial discharges are sampled and analysed** annually to verify compliance with the parameters established by the **Single Environmental Authorisation (AUA)**. The data are included in the document “Environmental aspects and impacts”, which is updated annually by the organisation. The water basins potentially affected by discharges are the **Secchia River** for the Salvaterra di Casalgrande site and the **Corlo River** for the Fiorano Modenese site.

The **quality of the wastewater** is defined by ARPAE through a specific authorisation, in line with the requirements of Italian **Legislative Decree 152/06**.

Controls include parameters such as pH (at 25 °C), COD, BOD₅, total suspended solids, chlorides, phosphorus, and ammoniacal nitrogen.

With regard to **water withdrawals and discharges**, the data for 2024 show a **low level of water stress**, as indicated in the following table:

WATER WITHDRAWAL AND DISCHARGE					
Location	Source of withdrawal	Measurement approach	Water withdrawn [m³]	Water consumed [m³]	Water stress level
Salvaterra	Water network (aqueduct)	Bills	13,406	13,406	Low
Fiorano M.	Water network (aqueduct)	Bills	6,833	6,833	Low
Fiorano M.	Well	Meters	40	40	Low

WATER CONSUMPTION	m³
2024	20,239
2023	5,385
2022	9,999

Analysis of water consumption shows an increase in 2024, with total usage reaching 20,239 m³, compared to 5,385 m³ in 2023 and 9,999 m³ in 2022.

This increase is due both to higher usage, caused by a leak at the Salvaterra di Casalgrande site, and to a change in the reporting scope: previously, the data included only the Salvaterra plant, whereas from 2024 onwards it also covers the Fiorano Modenese sites, as well as a consumption adjustment received during 2024.



The extension of the reporting scope has therefore increased overall water volumes without reflecting any actual decline in efficiency or resource management performance.

The overall analysis confirms that Modula’s water use does not place significant pressure on local resources, while maintaining strong attention to monitoring and regulatory compliance.



**NITROGEN OXIDES (NO_x),
SULPHUR OXIDES (SO_x),
AND OTHER SIGNIFICANT
AIR EMISSIONS**

Modula’s production facilities do not generate direct emissions of nitrogen oxides (NO_x) or sulphur oxides (SO_x). The only significant pollutant is dust from welding and laser cutting activities.

To ensure compliance with the environmental requirements, the company conducts annual self-checks on emissions, verifying adherence to the limits authorised by ARPAE.

In 2024, as in previous years, the measured values remained well below the 10 mg/Nm³ limit. The emissions requiring self-monitoring by the competent authority occur only at the Salvaterra site, not at the Fiorano Modenese site.



CIRCULAR ECONOMY

During 2024, the organisation initiated an assessment and design project aimed at introducing a programme for the recovery of used Personal Protective Equipment (PPE) starting in 2025.

The project involves the separate collection of used PPE – including gloves, masks, helmets, protective eyewear and work suits – which until now have mainly been disposed of as unsorted waste. The initiative seeks to transform an unavoidable waste stream into a valuable resource through collaboration with partners specialising in the recovery of plastic, textile and composite materials.

The collected PPE will undergo **mechanical and chemical regeneration or recycling processes**, with the goal of producing **new secondary raw materials** for reuse in other production cycles.

This project forms part of Modula’s broader commitment to promoting the circular economy and reducing waste destined for disposal, supporting increasingly sustainable and responsible business practices.

Waste management



The waste generated by Modula’s activities originates from various sources. Some is directly linked to production processes, such as **process waste** from laser cutting and bending, or waste generated by the use of **greases and chemicals**.

Another portion comes from the **value chain**, mainly in the form of **pallets, steel sheets, plastic films, and paper and cardboard packaging** used for transporting raw materials and procured as part of regular activities.

To reduce waste generation at customer sites, the company has introduced targeted solutions to **optimise logistics and packaging**. These include reducing the use of virgin packaging materials, favouring recycled materials, and minimising the number of cartons used.

All waste is managed through **temporary storage in dedicated areas** before being entrusted to authorised transporters, who send it to the most suitable **recovery or disposal** facilities, based on its chemical and physical characteristics.



TYPE OF WASTE	HAZARDOUS (H)	QUANTITY 2024	QUANTITY 2023	QUANTITY 2022
Ferrous metal dust and particulates		5,720	485	3,799
Waste not otherwise specified – iron and steel		2,791,210	3,080,340	2,122,260
Other motor, gear and lubricating oils	H	0	0	1,100
Paper and cardboard packaging		50,860	59,180	49,240
Plastic packaging		14,560	2,010	2,240
Wood packaging		148,100	197,620	87,600
Mixed material packaging		109,240	153,760	90,480
Packaging containing residues of or contaminated by hazardous substances	H	0	0	308
Metal packaging containing hazardous solid porous matrices (e.g. asbestos), including empty pressure vessels	H	0	0	18
Absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing contaminated with hazardous substances	H	0	0	797
Waste from electrical and electronic equipment containing hazardous components (WEEE)	H	5,890	4,158	75

TYPE OF WASTE	HAZARDOUS (H)	QUANTITY 2024	QUANTITY 2023	QUANTITY 2022
Non-hazardous waste electrical and electronic equipment		0	0	188
Inorganic waste		610	0	930
Lead batteries	H	0	0	140
Alkaline batteries		21	0	40
Other batteries and accumulators		0	0	8
Aqueous liquid waste		50,660	32,700	30,000
Copper, bronze, brass			5,000	553
Copper cables		444	1,000	683
Hazardous chemicals or chemicals containing hazardous substances	H	0	0	14
Fluorescent tubes and other waste containing mercury	H	0	0	2
Toner			22	
Sweeping waste		10,430	10,780	0
Miscellaneous hazardous waste	H	0	2,426	0



In 2024, there was an increase in plastic packaging waste and aqueous liquid waste compared to previous years, a change directly linked to the expansion of the company’s scope and the start of operations at the new Fiorano Modenese premises.

In particular, plastic packaging waste increased from 2,010 kg in 2023 to 14,560 kg in 2024. This increase is mainly attributable to the activation of the new Fiorano Modenese site, which involved managing additional plastic materials not only from production activities but also from the set-up and furnishing of the premises. The increase is therefore natural and temporary, associated with the new plant becoming fully operational.

Similarly, aqueous liquid waste increased from 32,700 kg in 2023 to 50,660 kg in 2024, due to the expansion of washable surfaces and the introduction of new operational areas at the Fiorano Modenese plant. The water used for cleaning with floor scrubbers is treated as liquid waste, and the increased volume reflects the large uncovered areas at the site.

Both increases are therefore consistent with the structural and production growth of the organisation and do not indicate a decline in management performance, but rather a temporary effect linked to the expansion and reorganisation of company spaces.

POLICIES

- ISO 14001
- Single Environmental Authorisation

ACTIONS

- Commissioning of the Fiorano photovoltaic system
- Approval of the Salvaterra photovoltaic installation
- Collection of used PPE

TARGETS FOR 2026

- Increase the use of renewable energy to 25% of the total requirements, implement measures to improve plant efficiency, and evaluate the adoption of an energy storage system.
- Define and implement a company policy with relative procedures and operating instructions for waste management and disposal, ensuring traceability and regulatory compliance.
- Achieve a recycling rate of 75% of PPE (Personal Protective Equipment) distributed.
- Implement the "RICICCAMI" project, dedicated to the recovery and recycling of cigarette butts.





Modula personnel

People are a central and essential element for Modula’s growth and sustainable development.

Human resource management is based on respect for the personality and professionalism of each individual, within a framework that values skills, aptitudes and potential, in full compliance with the current legislation.

The company recognises that the motivation, dedication and high professionalism of its employees are decisive factors in achieving its objectives, maintaining competitiveness and creating value for all stakeholders. For this reason, Modula promotes an inclusive, fair and safe working environment where every person can feel valued, respected and an integral part of the corporate community.

Diversity is considered a resource that generates value: all voices are heard, and no form of discrimination or harassment is tolerated. The company ensures equal opportunities for access, growth and professional development, basing decisions solely on merit and competence.

Particular attention is paid to protecting psychological and physical integrity and personal dignity through transparent, regular and respectful working conditions.

Modula encourages continuous training and participation in refresher programmes, considering

the development of individual skills and abilities to be fundamental as a strategic lever for business success.

In this way, the company aims to ensure a working environment that fosters professional growth, collaboration and innovation, contributing to individual well-being and the organisation’s progress.

PROTECTION OF HUMAN RIGHTS

Modula aligns its internal policy with the international guidelines for corporate responsibility, particularly referencing the framework of the International Labour Organisation (ILO) and the OECD Guidelines for Multinational Enterprises. In accordance with the fundamental conventions of the ILO – including those on freedom of association, prohibition of forced labour, discrimination and the right to collective bargaining – the company guarantees respect for fundamental labour rights and promotes decent, non-discriminatory working conditions. Furthermore, Modula is committed to respecting the OECD principles, under which companies must prevent, mitigate and remedy any negative impacts on human rights through a *due diligence* approach proportionate to the nature and scope of their activities.





Workforce

In 2024, the total workforce, including employees, trainees and temporary workers, stood at 431, in line with 2023 (439) and up from 2022 (326). The figure reflects substantial stability, with a significant increase compared to 2022, mainly due to the expansion of the employee base.

The number of employees grew from 367 in 2023 to 407 in 2024 (+11%), reaffirming a trend of more robust employment figures. The number of female employees rose from 64 to 72, increasing both in absolute terms and as a percentage (from 17% to 18% of total employees).

However, men remain in the majority (82%), particularly in blue collar positions.

The number of temporary workers fell sharply, from 72 in 2023 to 24 in 2024, signalling a gradual internalisation of work activities and greater contractual stability.

Looking at the distribution by professional level, it emerges that:

- there are still 7 Executives, confirming stability in top management roles;
- there are 30 Middle managers (4 women and 26 men), in line with 2023;

• the category of White collar staff grew significantly, from 212 to 234, with an increase in women (from 60 to 68), representing almost 30% of white collar staff;

• the number of Blue collar staff increased from 117 to 136, all men, reflecting the nature of the sector in which the company operates.

The Italian National Collective Labour Agreement (CCNL) for the Metalworking Industry applies to all employees, with the exception of Executives.

EMPLOYEES AND NON-EMPLOYEES	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Employees	407	72	335	367	64	303	317	51	266
Agents/Contract workers/Collaborators	0	0	0	0	0	0	8	3	5
Internships/work experience placements	1	0	1	0	0	0	1	0	1
Temporary	24	1	23	72	1	71	0	0	0
Total	432	73	359	439	65	374	326	54	272

PROFESSIONAL ROLE AND GENDER OF EMPLOYEES	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Executives	7	0	7	7	0	7	6	0	6
Middle managers	30	4	26	31	4	27	28	2	26
White collar staff	234	68	166	212	60	152	183	49	134
Blue collar staff	136	0	136	117	0	117	100	0	100
Total	407	72	335	367	64	303	317	51	266



Age distribution confirms a prevalence of the **30-50 age group**, representing approximately **72% of the workforce** (295 people, including 53 women). This is followed by the **over-50 age group** with 57 employees (14%) and the **under-30 age group** with 55 employees (13%). Compared to previous years, there is a trend towards stabilisation and a slight generational shift, with the under-30 group increasing from 48 in 2022 to 55 in 2024, although their percentage fell slightly from 15% to 13%. **The average age is 40.**

Almost all employees are hired on permanent contracts (400 in 2024, equal to 98%), a figure that has grown steadily since 2022 (303) and 2023 (352).

Fixed-term contracts decreased significantly (from 15 in 2023 to 7 in 2024), while there are no active apprenticeship contracts. The use of temporary workers is confirmed, with 24 units in 2024, sharply down from 72 in 2023. These figures reflect a strategy aimed at stabilising employment and consolidating direct employment relationships.

The organisational model continues to be characterised by a clear prevalence of **full-time** work (400 employees, equal to 98% of the total).

Part-time contracts account for only 7 employees (1.7%), a slight decrease compared to 2023 (9).

EMPLOYEE GENDER AND AGE GROUPS	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<30 years old	55	11	44	54	12	42	48	11	37
30-50 years	295	53	242	262	45	217	217	33	184
>50 years old	57	7	50	51	7	44	52	7	45
Total	407	71	336	367	64	303	317	51	266

TYPE OF EMPLOYMENT CONTRACT	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Fixed term	7	1	6	15	4	11	14	8	6
Permanent	400	71	329	352	60	292	303	43	260
Apprenticeship	0	0	0	0	0	0	0	0	0
Temporary	24	1	23	72	1	71	0	0	76
Total	431	73	358	439	65	374	317	51	342

EMPLOYEE WORKING ARRANGEMENTS	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Part-time	7	1	6	9	3	6	307	48	259
Full-time	400	71	329	358	61	297	10	3	7
Total	407	72	335	367	64	303	317	51	266



RECRUITMENT AND TURNOVER

In 2024, the company hired **57 new employees**, a slight decrease compared to the 78 hired in 2023, but greater than the 56 hired in 2022. Most new hires were in the **30-50 age group** (39 people, or 68%), followed by those under 30 (14 people, or 25%) and 4 over 50.

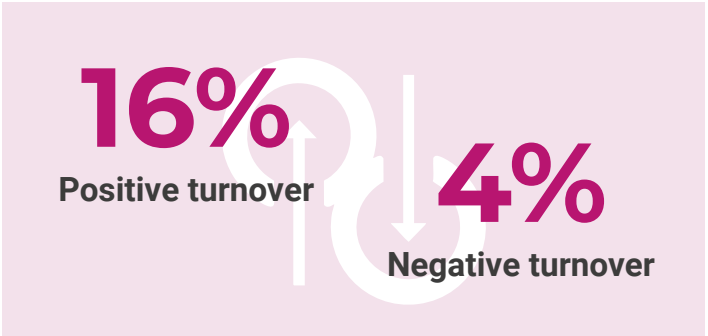
11 of the **new hires were women** (19% of the total), a percentage consistent with previous years and with the overall composition of the workforce.

There were 14 **departures**, a significant reduction compared to 2023 (28) and the 2022 (27). Departures mainly concerned the 30-50 age group (10 people), while there were no departures among the over-50s, indicating greater stability among the more senior employees.

The turnover analysis shows moderate values:

- **Positive turnover (new hires): 16%**
- **Negative turnover (departures): 4%**

The balance between new hires and departures is therefore positive, with a net increase in the workforce and a trend that indicates attractiveness and consolidation capacity.



EMPLOYEE RECRUITMENT AND TURNOVER	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Departures	14	2	12	28	4	24	27	9	18
<30 years old	4	0	4	9	2	7	6	1	5
30-50 years	10	2	8	15	1	14	18	7	11
>50 years old	0	0	0	4	1	3	3	1	2
New hires	57	11	46	78	17	61	56	10	46
<30 years old	14	4	10	24	4	20	20	5	15
30-50 years	39	7	32	51	12	39	33	5	28
>50 years old	4	0	4	3	1	2	3	0	3

REMUNERATION

Modula’s remuneration policy is based on **fairness, transparency and equal opportunities**, ensuring that all employees are compensated according to their professional level and length of service, while supporting their development through a structured benefits system. An analysis of remuneration shows that differences between men and women are mainly attributable to two

factors: the greater presence of men in the company, particularly in historically established roles, and the average length of service, which directly affects economic progression.

The data show a positive trend:

- for **Middle Managers**, the average gender pay gap narrowed from **-16% in 2023 to -13.5% in 2024**, confirming a path of gradual convergence;

- for **White collar staff**, the figure remained stable at -13% in 2024, after a significant improvement compared to 2022 (-19%).

A further indicator of the equal pay policy is the **ratio between the highest remuneration and the company average**, which fell **from 6.56 in 2023 to 4.75 in 2024**, signalling an increasingly balanced organisation in terms of internal wealth distribution.

Contract level	2024	2023	2022
	Average RAL (Gross Annual Remuneration) Delta % Female/Male	Average RAL (Gross Annual Remuneration) Delta % Female/Male	Average RAL (Gross Annual Remuneration) Delta % Female/Male
Middle managers	-13.5%	-16%	-7%
White collar staff	-13%	-13%	-19%



Employee benefits

For Modula, people are at the heart of the organisation: dignity, health, well-being and quality of life of employees and collaborators are fundamental values that guide the company’s decisions. The company wants every worker to feel welcome, respected and part of a community where work becomes not only professional growth, but also an opportunity for serenity and personal satisfaction.

Aware of the increasingly central role of corporate welfare, Modula has developed a comprehensive benefits system that integrates and exceeds contractual provisions, promoting mental and physical well-being, work-life balance and the recognition of individuals.

The main tools available to employees include:

- **Health protection:** health insurance (for Middle Managers and Executives), flu vaccinations, complete blood counts, specialist visits at the company’s expense, and preventive screening programmes in collaboration with ANT and LILT.
- **Parental and family support:** 50% supplementation of parental leave until the child reaches one year of age, flexible working hours, smart working, and a welfare platform (provided by Edenred) that allows performance bonuses to be converted into services and reimbursements (school expenses, family assistance, summer camps, training courses, sports and cultural activities).
- **Well-being and quality of life:** free in-house canteen, company wellness area with latest-generation Technogym equipment, and free medical examinations during working hours (dermatological, breast examinations, blood tests).
- **Work recognition:** performance bonus linked to EBITDA, which in 2024 exceeded **€ 3,400 gross per employee**, payable in cash or through welfare services.
- **Culture, community and socialising:** the company supports opportunities for sharing through events (weekends in the snow, summer party, family day, Christmas party) and encourages social commitment by setting aside **8 hours per year for volunteer work**.

COMPANY CATERING – A SERVICE WITH SOCIAL VALUE

Modula’s internal catering is managed by Ritmo Ristorazione, a partner specialising in collective catering. The canteen service, completely free for Modula employees, is an important corporate welfare measure designed to ensure well-being, nutritional balance and a social atmosphere during the lunch break.

The menu, developed by qualified nutritionists, is updated weekly and offers **balanced, seasonal and locally sourced dishes**, with vegetarian options and variations for specific dietary requirements.

The food provided is based on **selected and certified ingredients**, in compliance with the food quality and safety standards (UNI EN ISO 9001, 14001, 22000 and 45001), and management procedures attentive to environmental sustainability.

Ritmo, the first company in the sector to obtain the international **Food Waste Management System (FWMS)** certification, applies procedures for monitoring and recovering food surpluses at the Modula canteen, contributing to waste reduction and ensuring responsible use of resources.





Events for personnel

During 2024, Modula promoted opportunities for employees to meet and socialise, aiming to strengthen their sense of belonging, promote internal cohesion and enhance well-being outside the workplace.

FAMILY DAY: A FOREST ON THE COMPANY PREMISES TO CELEBRATE THE PERSONNEL AND THEIR FAMILIES

Modula celebrated a new edition of Family Day, a special day dedicated to employees’ families, designed to promote a sense of belonging, sharing and corporate culture.

For a few hours, the Fiorano Modenese plant was transformed into an enchanted forest: trees, fawns, birds and even a brown bear – made from natural and recycled materials – provided an excellent backdrop for an afternoon of engagement and celebration.

It was a symbolic way of reminding everyone that the company is an ecosystem made up of people, relationships and mutual care.

The event involved over 300 participants, including employees, family members and friends, who were able to visit the new plant and share moments of fun and discovery.

Activities for children were organised in collaboration with two local organisations:

- Associazione Culturale Arte in Gioco, specialising in environmental education and creativity,

which organised Mandala Natura workshops, face painting, educational yoga and the show "Il sorriso del Clown Pasticcio" (The Smile of Pasticcio the Clown);

- Associazione La Compagnia della Natura APS, which offered seven workshops on the theme of "the forest", with practical activities to learn how to recognise animal tracks, discover local leaves and scents, and reflect on the value of biodiversity.

Thanks to these collaborations, the company's Family Day became an educational and sustainable experience, bringing children and adults closer to nature and the values of respect and harmony that it embodies.

THEATRE AND VALUES: AN EVENT TO SHARE MODULA’S CULTURE

Modula organised a special event at the Cineporto in Fiorano to share its corporate values through a creative and engaging medium: theatre.

The Compagnia degli Ottomani theatre company staged a series of sketches and performances entitled "Theatre and Values", designed to convey in an accessible and imaginative way the principles guiding the company’s daily activities: excellence, collaboration, innovation and agility.

The initiative provided a unique opportunity to highlight the human and participatory dimension of Modula’s culture, offering employees, part-

ners and guests an opportunity to reflect upon and share the values that define the company’s identity. Through the expressive power of theatre, concepts such as team spirit, continuous improvement and collective responsibility were transformed into emotion, dialogue and interaction with the audience, demonstrating how corporate values are not just abstract words but translate into concrete behaviour and a daily commitment to the community.

The event strengthened the sense of belonging and enhanced the bond between Modula, its personnel and the territory in which it operates – confirming that corporate culture can also be conveyed through art, empathy and participation.

In addition to **Family Day** and the "Teatro e Valori" theatre event at the Cineporto in Fiorano, the year was also enriched by a series of initiatives designed to create opportunities for sharing, fun and team growth:

- **Weekend in the snow** – two days of sport, relaxation and team spirit in the Dolomites, offering employees the chance to enjoy the mountains together and strengthen bonds outside the workplace.
- **Company summer barbecue** – a now traditional event that brought together staff from different plants for an informal day of socialisation and teamwork.



- **Modula Cup golf tournament** – organised in collaboration with a local sports club, providing an opportunity to promote values such as concentration, respect and fair play, which are also reflected in the company’s way of working.
- **Modula Christmas party** – a moment of celebration and thanks for the commitment of all employees, culminating in the traditional company dinner, live music and activities dedicated to families.

These initiatives, together with welfare and continuous training policies, reflect Modula’s commitment to putting people at the centre, creating a positive, participatory and growth-oriented working environment.

GADGETS

At the numerous events organised by Modula, gadgets and giveaways were distributed with particular attention to their environmental impact, using recycled or sustainably sourced materials.

In particular, during Family Day, multi-purpose camping cups, a green compass, a recycled fabric bag, and wooden games and pastimes were offered, promoting responsible choices consistent with the principles of corporate sustainability.

At the corporate level, Modula actively promotes sustainability through the creation of eco-friendly gadgets, not only on special occasions but also as part of the welcome process for new employees.

During induction, each employee receives a water bottle made from eco-sustainable material, designed to encourage water refilling, reduce the use of single-use plastic bottles, and help promote responsible and environmentally-conscious behaviour within everyday corporate life.



INITIATIVE	DESCRIPTION	PARTICIPANTS	OBJECTIVES AND IMPACTS
Weekend in the snow	two days dedicated to sports and relaxation in the mountains, designed to promote socialisation and team building among colleagues from different locations.	Approximately 80 participants	To strengthen interpersonal bonds and promote the mental and physical well-being of employees.
Summer company barbecue	An informal midsummer event, providing an opportunity to celebrate achievements and socialise with colleagues and families.	Over 150 participants	To foster team spirit and a collaborative corporate culture.
Modula Cup golf tournament	A friendly sports competition organised with a local club, open to employees and partners.	Approximately 40 participants	To promote values of respect, concentration and fair play, which are also applicable in the professional context.
"Theatre and Values" event	A theatre performance staged at the Cineporto in Fiorano M. with the Compagnia degli Ottomani theatre company, conveying Modula’s values in a creative way.	Over 200 participants	To disseminate the corporate culture and establish a sense of belonging through artistic expression.
Family Day	A day dedicated to employees’ families, organised at the Fiorano M. plant, which was transformed into a themed “forest” for the occasion.	More than 300 participants	To recognise the value of human capital and promote work-life balance.
Christmas Party	A traditional end-of-year company evening, complete with dinner, music and acknowledgements for all the employees' commitment.	Approximately 250 participants	To celebrate shared achievements and strengthen the sense of corporate community.



Parental leave

The company recognises the right of all employees to take **parental leave**, providing a financial supplement equal to 50% of their salary.

In 2024, **9 people** benefited from this measure, including **5 women and 4 men**, confirming balanced usage between genders.

Particularly significant is the **return rate**, which stood at **100%**, meaning that all employees resumed their normal activities within the company at the end of their leave period.

PARENTAL LEAVE	TOTAL	WOMEN	MEN
Employees who took parental leave during the reporting period	9	5	4
Employees who returned to work during the reporting period after their leave ended	8	4	4
Employees who were due to return to work during the reporting period, once their leave had ended	9	5	4
Total number of employees who returned from parental leave	9	5	4





Training

15,040
Training hours

Modula’s development is closely linked to the growth of its people. For this reason, training has always been a strategic pillar, aimed at strengthening the technical, professional and cross-disciplinary skills necessary to face the challenges of a constantly evolving market.

Every year, through interviews with area managers and needs analysis, the HR department draws up a **Training Plan** that is constantly monitored for quality and effectiveness. The objective is twofold: to consolidate and update the skills of the existing employees and to harmoniously support the integration of new colleagues.

All new hires are guaranteed specific courses and e-learning modules, with a particular focus on inclusion, safety and corporate culture.

Training figures

In 2024, a total of **15,040 hours of training** were provided, a significant increase compared to the **12,270 hours in 2023** and almost triple that number in 2022 (5,061 hours).

- **Executives:** 144 hours (in line with 2023, with an improvement compared to 2022).
- **Middle managers:** 2,765 hours, more than double the figure for 2023 (1,330 hours), signalling a significant investment in middle management.
- **White collar workers:** 10,785 hours, a further increase with respect to 2023 (10,006) and more than double the figure for 2022 (4,715).
- **Blue collar workers:** 1,346 hours, a sharp increase compared to the 772 hours in 2023 and the 33 hours in 2022, confirming the desire to extend training to all professional categories.

The average number of training hours per employee reached **36.9 hours**, a steady increase compared to the 33 hours in 2023 and the 15.9 hours in 2022.

Women benefited from a higher average number of hours (**50.5 hours per person**) than men (**34 hours**), confirming a particular focus on the development of the female staff.

By professional level, **Middle managers** stand out, having benefited from an average of 92 hours per capita (more than double compared to 2023), and **White collar workers**, who recorded an average of 46 hours. **Blue collar workers** also showed a positive trend, reaching 9.9 hours in 2024, reflecting steady growth.

HOURS OF TRAINING FOR EMPLOYEES	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Hours of training for management	144	0	144	162	0	162	53		
Hours of training for middle managers	2,765	222	2,543	1,330	353	977	260		
Hours of training for white collar staff	10,785	3,415	7,370	10,006	3,117	6,889	4,715		
Hours of training for blue collar staff	1,346	0	1,346	772	0	772	33		
Total	15,040	3,637	11,403	12,270	3470	8,800	5,061	1,685	3,376



AVERAGE NUMBER OF TRAINING HOURS

	2024	2023	2022
Average number of Training hours per employee	36.9	33	15.9
Average number of Training hours per female employee	50.5	54.2	33
Average number of Training hours per male employee	34	29	12.7
Average number of Training hours per manager	20.6	23	8.9
Average number of Training hours per middle manager	92.2	43	9.3
Average number of Training hours per white collar staff	46.1	47	25.7
Average number of Training hours for blue collar staff	9.9	6.6	0.3

The training covered a variety of areas to ensure comprehensive skills development:

- **Management training:** 2,350 hours, supporting leadership and soft skills.
- **Technical training:** 1,540 hours, with a focus on technology and process updating.
- **Modula Academy:** 1,751 hours dedicated to sharing internal knowledge and professional development.
- **Language courses:** 1,820 hours, supporting internationalisation and intercultural communication.
- **Other** (onboarding, welfare, ToJ, etc.): 7,579 hours, with a strong focus on integration, well-being and corporate culture.

PERFORMANCE EVALUATIONS

Modula has adopted a structured performance evaluation system that involves the entire staff and serves as a fundamental tool for promoting professional growth and skills development.

In 2024, the process again involved all employees, ensuring uniformity and consistency within the organisation.

Carried out by the direct manager, the assessment covers an annual observation period and is based on several areas of competence:

- 3 basic skills, common to the entire company and considered an integral part of Modula's values;

- 3 specific functional skills related to the activities of the department to which the employee belongs;
- Up to 3 additional skills related to team management, reserved for those in coordination roles.

The assessment system not only serves for monitoring purposes but is also an important tool for planning training initiatives: the results are used to define development programmes and the training plan for the following year, with the aim of ensuring continuous improvement and personal development.

EMPLOYEES WHO RECEIVE PERIODIC PERFORMANCE AND PROFESSIONAL DEVELOPMENT ASSESSMENTS	TOTAL	WOMEN	MEN
Executives	7	0	7
Middle managers	30	4	26
White collar staff	234	68	166
Blue collar staff	136	0	136
Total	407	72	335



Inclusion

Modula has adopted an inclusive approach that is attentive to the needs of all its employees, with particular regard to those who may be in more vulnerable situations, such as people with disabilities. The company believes that diversity is an asset and that inclusion is essential for building a fair and respectful working environment.

In 2024, there were 20 **people belonging to protected categories** within the company's workforce. To promote their full integration, Modula has implemented inclusive career plans and has adopted **flexible working** arrangements that allow it to respond to individual needs in a targeted manner. This commitment is not only aimed at complying with the current legislation but, above all, at creating an environment in which each employee can express their skills to the fullest, feel valued, and actively contribute to the company's development.

Modula is also committed to promoting a cultural shift towards a more authentic and shared understanding of inclusion. To this end, a series of meetings has been organised to raise awareness of diversity, inclusion and gender equality, entitled "Fighting gender stereotypes".

These initiatives include:

- **"Gender stereotypes: why do we act this way?"**
Milena Savani – **Mas Mediamo**, 12/03/24.
- **"Moduland"** – an improvisational performance by the theatre group Gli **8mani** at the Cineporto in Fiorano Modenese, aimed at engaging employees and stakeholders on the importance

of Modula's four key values, including **ethics**, while also discussing issues of inclusion, 27/09/24.

- **Meeting** dedicated to explaining how to help, report, file complaints, and activate the reinforced red code with Rosanna Bartolini, a representative of the **"Casa delle Donne" anti-violence centre** in Modena, 04/12/24.

Occupational health and safety

Modula has adopted a health and safety management system compliant with the **UNI EN ISO 45001:2018** standard, which is applied to all its facilities and construction sites on customer premises.

As part of this system, high-risk tasks have been identified in relation to various job titles within the company, including office staff, technical staff, customer care technicians, installation, assistance, testing and prototyping staff, machine operators, electricians, mechanics, warehouse staff and maintenance staff.

HAZARD ANALYSIS AND RISK ASSESSMENT

Risk assessment is conducted using an **analytical approach**, which considers the characteristics of the workplaces, equipment, machines, systems, substances and processes separately, before reconstructing the overall picture of the hazards and risks associated with the various tasks.

The procedure adopted by Modula first involves a survey of all internal work activities, including secondary activities carried out by external workers, both on a continuous and occasional basis.

The assessments are carried out through **company inspections**, with the collaboration of internal reference figures and the workers themselves, who are involved through interviews on the ordinary and extraordinary conditions of use of machines, plants and equipment.

The physical risk assessment is updated when changes are made to processes and, in any case, every **4 years for physical risks** and every **2 years for work-related stress risks**.

The hierarchy of controls is applied in accordance with ISO 45001, in line with Italian Legislative Decree 81/08, as amended.



SAFETY INSPECTIONS

In 2023, departmental safety inspections were introduced. Since then, they have been carried out daily in the production department through safety walks.

For the sake of completeness, it should be noted that in 2023, **89 installation inspections** and **69 assistance inspections** were carried out, while in 2024 these activities increased to **158** for installation and **148** for assistance, respectively.

ROLES AND RESPONSIBILITIES

The **Prevention and Protection Service (SPP)** and the **Competent Physician** collaborate with employers and delegates in drafting the Risk Assessment Document (RAD) and Specific Risk Assessments.

The **Workers' Safety Representatives (RLS)** have access to the documentation for consultation and may express opinions on the assessments and related prevention measures.

For each activity (routine, extraordinary or emergency), potential hazardous situations are identified that could lead to accidents, injuries, occupational diseases or other events harmful to the health and safety of workers.

The analysis includes verification of the conditions of the work environment, organisational processes, documentation and available infor-

mation, to ensure regulatory compliance and the maintenance of adequate safety standards.

SKILLS AND CONTINUOUS IMPROVEMENT

The quality of the processes is ensured through the correct distribution of skills in relation to the individual activities.

Technical skills (hard skills) are periodically assessed by managers and stored using the **Vittoria RMS management system (Skills section)** or, alternatively, using Excel spreadsheets. The results and performance of the processes are reviewed at least annually by management, with an analysis of the level of achievement of the objectives and the establishment of new priorities for improvement.

ASSESSMENT OF BUSINESS RISKS AND OPPORTUNITIES

To prevent and mitigate the impacts associated with business relationships, Modula uses a **risk and opportunity assessment procedure** based on context analysis and the application of a 4x4 risk matrix. This model only considers risks with an index of **P x D ≥ 6**, ensuring a systematic and effective approach to the management of critical issues.

REPORTING MECHANISMS

Modula provides workers with various tools and channels for reporting accidents, **Near Misses** and potentially dangerous situations.

The dedicated forms — relating to accidents, post-accident corrective actions, near misses and consequent corrective actions — are an integral part of an internal procedure for the management of accidents and near misses.

Through the near miss reporting form, workers, with the support of their supervisor, can inform the Prevention and Protection Service (SPP), which analyses the root causes of the event to identify preventive and corrective measures, reducing the likelihood of recurrence.

In addition to the forms, workers can also report hazardous situations using various other methods:

- Through the **Workers' Safety Representatives (RLS)**;
- via dedicated **e-mails**;
- through the **safety chat**;
- during **monthly departmental meetings**, which are also attended by the SPP;
- during **daily auditing activities** carried out by the SPP.

Workers are also required to follow the guidelines contained in the procedures and operating instructions relating to the activities performed and the specific risks to which they are exposed.

These instructions also include how to use **Personal Protective Equipment (PPE)**, which is provided via vending machines.

In order to strengthen the prevention system, the company:

- draws up and updates operating instructions containing preventive measures for each task;
- conducts periodic internal audits to collect reports from the field;
- organises at least one annual meeting as required by Italian Legislative Decree 81/08, involving all mandated participants;
- carries out daily audits in production to gather ideas for improvement, which are then shared with management during the quarterly Safety Committee meeting;
- promotes weekly departmental meetings, during which supervisors collect feedback from workers and share it with the SPP, which in turn forwards it to management.

Finally, the company has adopted a **specific procedure for worker consultation and participation**, defining in a structured manner how each worker can actively contribute to improving health and safety in the company.



WORKPLACE INJURIES

In 2024, the main accidents recorded involved **cuts during the handling of sheet metal**. No occupational diseases were reported.

Accident analysis is carried out using a structured approach that includes:

1. **Root cause analysis** to identify the factors that led to the event;
2. **Determination of corrective actions** aimed at eliminating or reducing risks;
3. **Implementation of preventive measures** to avoid recurrence of the same events.

ACCIDENTS AT WORK INVOLVING EMPLOYEES	QUANTITY 2024	RATE 2024	QUANTITY 2023	RATE 2023
Deaths due to accidents at work	0	0	0	0
Accidents at work with serious consequences	0	0	0	0
Recordable accidents at work*	11	14.98	8	11.03
Working hours for all employees	734,275		724,851	

*The calculation does not include accidents while travelling to and from work and those for whom prognosis lasts less than or equal to 3 days, including temporary workers.

In 2024, there was an increase, with 11 accidents at work recorded, due to the inclusion of temporary workers, who were not considered in previous years. There were neither fatalities nor serious accidents, and no occupational diseases were reported.

The frequency rate was 14.98. The severity index was 0.16.

This value represents the ratio between the number of working days lost due to accidents and the total number of hours worked, multiplied by 1,000. In practice, it measures the average impact of accidents on work continuity: the lower it is, the lower the actual loss of working days due to accidents.

An index of 0.16 therefore indicates that, although some accidents occurred, the consequences in terms of absences from work were very limited.

OCCUPATIONAL HEALTH SERVICES

Based on the tasks performed, a **personalised health protocol** is defined for each worker in collaboration with the competent doctor, specifying the health surveillance activities and relative deadlines.

The results of the assessments are shared exclusively with the worker, while the company is only informed of the worker's **suitability for the job**.

Health surveillance is entrusted to **Sassuolo Hospital** to guarantee high standards of quality and reliability of service. To protect workers, specialist preventive checks are organised every year, such as **mole mapping, breast examinations** and **urological examinations**, carried out by qualified professionals. The results remain completely anonymous and are not shared with the company. In addition to the provisions of the Italian National Collective Labour Agreement (CCNL), Modula promotes annual **voluntary screening activities** in collaboration with certified associations, such as **ANT and LILT**, organising examinations directly at the company and during working hours.

In 2024, **melanoma** and **breast cancer** prevention initiatives were carried out; in addition, all employees were offered a **complete blood test**, accompanied by a training session on the prevention of chronic diseases (hypertension, diabetes, etc.) through proper nutrition and healthy lifestyles. During the autumn, flu vaccines were offered to those who wanted them. As further support, the company has activated **supplementary health insurance policies** for certain categories of employees to cover personal medical expenses. Employees maintain a direct relationship with the associations and healthcare professionals who provide these services: the company is not provided with any documentation or results of the visits, in full compliance with confidentiality and the protection of sensitive data.



3,047

Safety training hours
2024

TRAINING ON OCCUPATIONAL HEALTH
AND SAFETY AND HEALTH PROMOTION

At the beginning of each year, Modula carries out an **analysis of health and safety training needs** through the company's management system.

Based on the needs identified, an **annual training programme** is prepared, which includes mandatory updates and specific courses related to different tasks.

Supervisors are periodically asked to indicate any workers who need additional training, for example for **first aid or firefighting** roles.

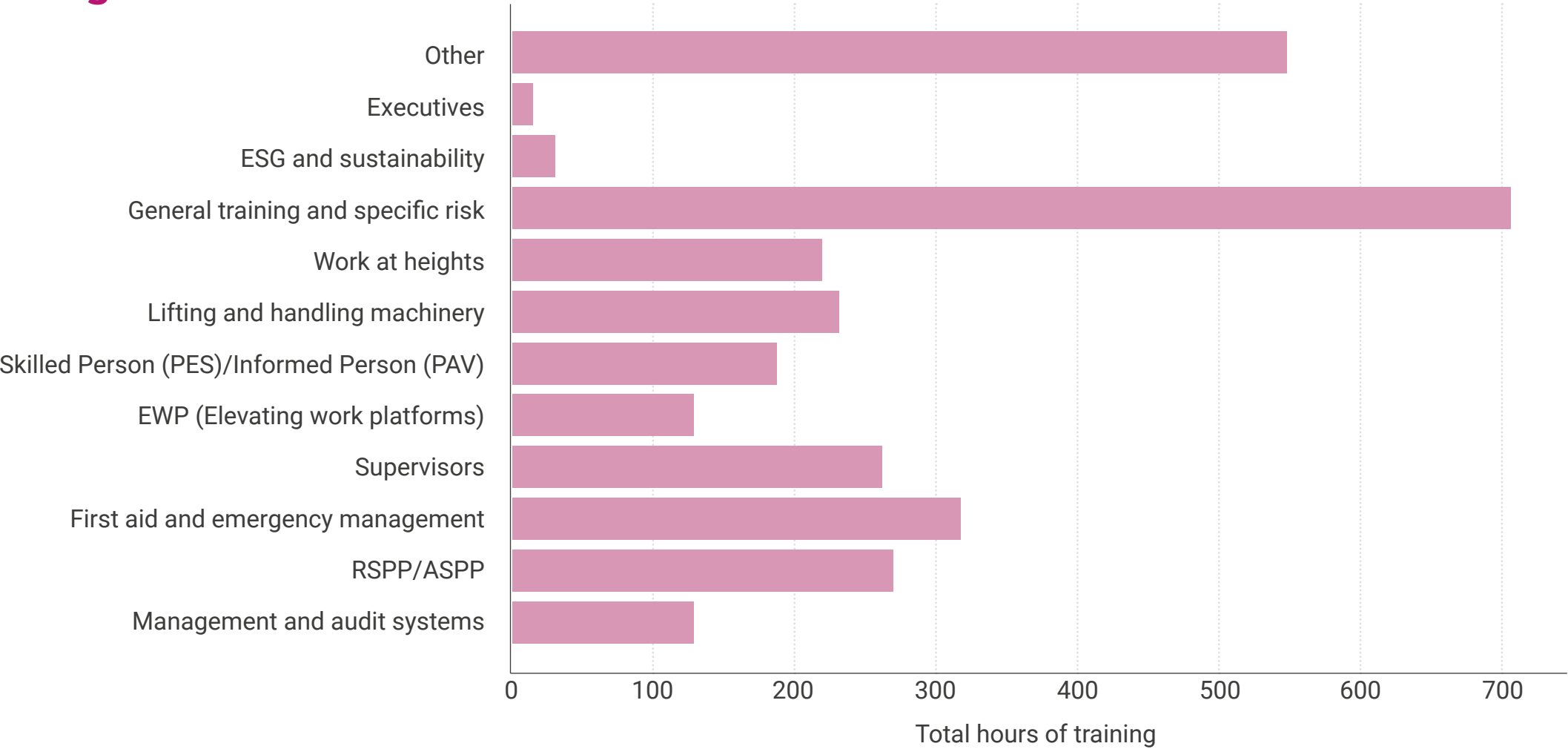
For **new hires**, a **dedicated training plan** is drawn up at the time of joining the company, tailored to the specific risks of the job.

In 2024, **3,047 hours of training** on health and safety issues were provided, equal to an average of **7.5 hours per employee** (in 2023, there were 2,848 hours for an average of 7.7 hours per employee), confirming the company's commitment to ensuring continuous awareness and refresher courses for all workers.

COURSE TYPE	PEOPLE INVOLVED	TOTAL HOURS
General training and specific risk	120	706
Supervisors	38	262
Executives	1	16
Lifting and handling machinery	44	232
EWP (Elevating work platforms)	21	128
Skilled Person (PES)/Informed Person (PAV)	18	188
Work at heights	32	220
First aid and emergency management	61	317
Protection and Prevention Services Manager (RSPP)/ Protection and Preventive Services Employee ASPP	17	270
ESG and sustainability	6	32
Management and audit systems	4	128
Other (Gamification, lithium batteries, etc.)	260	548



2024 Training by macro-categories



2024 SUMMARY

POLICIES

- UNI ISO 45001
- Code of Ethics

ACTIONS

- +11% staff hired
- 15,393 hours of training
- Comprehensive benefits package
- Free screenings
- 16% positive turnover
- 6 major corporate events
- Over 500 participants in total, including employees, family members and partners
- Zero food waste, thanks to the recovery of surplus food donated to the Emporio Solidale Il Melograno charity shop



TARGETS FOR 2026

- Company climate survey
- At least one hour of training on ESG issues for the entire company workforce





Modula S.p.A. has adopted a structured approach to preventing and combating corruption and, more broadly, unlawful conduct, in accordance with the legislation on the administrative liability of entities, based on a robust system of governance and control.

The company has implemented an **Organisation, Management and Control Model** pursuant to **Italian Legislative Decree 231/2001** (the "231 Model"), a tool that identifies areas of business activity exposed to potential "231 risk" (including relations with the Public Administration, administration and finance, personnel management, procurement management, business activities, information systems management, and health, safety and environmental management).

In particular, the Special Sections of the 231 Model describe, for each identified area of company activity, the relevant offences, the principles of conduct to be observed, and the controls to be implemented to prevent offences relevant under Italian Legislative Decree 231/2001.

Furthermore, the **Code of Ethics** – an essential part of the 231 Model – defines the general ethical values and principles that the corporate bodies and their members, as well as all company personnel, collaborators, external consultants and other contractual counterparties, must follow in conducting their activities, in order to prevent unlawful conduct.

The 231 Model is supported by a **disciplinary system** applicable in the event of violations of the model itself.

Supervision of the Model's implementation is entrusted to a **Supervisory Body (SB)**, made up of three members appointed by the Company's Board of Directors, which operates independently of the management chain. In the event of reports – including anonymous ones – received through dedicated **reporting or whistleblowing channels**, the SB may initiate confidential internal investigations, concluding them with a detailed report to the administrative, management and control bodies, supporting the adoption of any sanctions or corrective measures.

The **Whistleblowing Procedure**, adopted by Modula pursuant to Italian Legislative Decree 24/2023, governs the process of receiving, analysing and managing reports (i.e. any communication of information relating to Modula personnel or third parties concerning violations of national or EU regulations that harm the public interest or the integrity of the Company, violations of the Code of Ethics and the 231 Model adopted, as well as the system of rules and procedures in force), and protects the whistleblower from any form of retaliation, guaranteeing confidentiality and the protection of personal data.

Reports are handled via a **dedicated digital platform**, independent of and additional to the normal company channels (such as correspondence by post or email), and accessible to anyone.

The report management process involves a preliminary verification phase and an investigation phase, at the end of which the SB classifies the report as either "Founded" or "Unfounded". In the first case, the SB delegates the definition of any necessary measures to the functions responsible for the issue, in accordance with the system of powers of attorney. Regardless of the outcome, it may request the implementation of possible improvement actions, if deemed necessary following the preliminary investigation.

In order to consolidate the corporate culture of integrity, Modula organises **mandatory training programmes** for **100% of the company's departments**, starting from the moment employees join the company, which are updated periodically in line with revisions to the 231 Model.

CASES OF ACTIVE AND PASSIVE CORRUPTION

During the reporting period, Modula S.p.A. did not record any cases of active or passive corruption. No convictions or fines were imposed, nor were there any violations of the anti-corruption procedures or regulations by employees or business partners.

Consequently, no disciplinary action was taken, no dismissals or sanctions were imposed, and no contracts were terminated or not renewed for reasons related to corruption.

The Company was not involved in any legal proceedings relating to corruption during the period under review.



Directly generated and distributed economic value

The creation and distribution of economic value is a key indicator of Modula's ability to generate benefits not only for the company itself but also for its various stakeholders, including the employees, suppliers, shareholders, public administration and local communities.

In the three-year period 2022-2024, Modula continued to consolidate its role as an industrial and innovative player, maintaining a sustainable growth trend despite a macroeconomic context

characterised by strong fluctuations linked to international markets and supply chain dynamics.

In 2024, the company recorded an economic value of approximately €162 million. The decline compared to 2023 is mainly linked to global economic conditions.

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE	2024	2023	2022
Economic value generated			
Revenues	€ 161,976,687	€ 200,100,940	€ 171,692,300
Value adjustments to financial assets: Write-down of Equity Investments		€ 89,961	€ 5,070,432
Total economic value generated	€ 161,976,687	€ 200,010,979	€ 166,621,868
Economic value distributed			
Operating costs	€ 118,252,193	€ 147,124,355	€ 131,445,912
Employee salaries and benefits	€ 30,082,311	€ 28,493,830	€ 24,256,633
Capital provider payments/Shareholder remuneration	€ 2,020,712	- € 1,512,100	€ -198,084
Taxes and duties/Payments to the public administration	€ 3,290,786	€ 5,893,317	€ 3,330,460
Investments in the community	€ 34,100	€ 226,000	€ 30,000
Total economic value distributed	€ 149,638,678	€ 180,225,402	€ 158,864,921
%	92.38%	90.11%	95.34%
Economic value retained			
Difference between economic value generated and economic value distributed	€ 12,338,009	€ 19,785,577	€ 7,756,947
%	7.62%	9.89%	4.66%



In 2024, Modula distributed **92.38% of the economic value generated** (approximately € 150 million) to its stakeholders, confirming its ability to translate business results into tangible benefits for the local area and society:

- **Operating costs:** over €118 million, supporting the supply chain and production activities;
- **Employee salaries and benefits:** over €30 million, up from previous years, reflecting the company's focus on the well-being and development of its people;
- **Remuneration of shareholders and capital providers:** approximately €2 million;
- **Taxes and duties:** €3.3 million paid to the public administration, supporting the community;
- **Investments in the community:** over €34,000, allocated to social, cultural and environmental initiatives in the areas where the company operates.

The difference between value generated and distributed amounts to **7.62% (€12.3 million)**. These resources were reinvested in the company to support innovation, technological development and future resilience.

The company has not adopted a dedicated tax strategy; tax management and approval of the financial statements take place within the

framework of standard corporate procedures, with formal validation by the Board of Directors, under the supervision of the control bodies (Board of Statutory Auditors and Auditors).

RAISING OF AWARENESS AMONG COMPANY STAFF ON ESG ISSUES AND INTERNAL COMMUNICATION

Initiated in 2024.

- Energy saving: participation in the **"Mi illumino di meno"** (I use less light) campaign.
- Course on **"Combating gender stereotypes,"** Mas Mediamo, including a self-defence course at the Shotokan Karate Club martial arts school in Formigine.
- Reminder of good practices promoting the **"Water is Life"** project by the Rock No War association.
- **"Healthy food"** initiative, including a dedicated section for healthy food options.
- Sugar removed from vending machines.
- **Gamification** "Safety Escape Room and Energy Saving" by Proleven, interactive workshops for all employees, covering workplace safety and environmental topics.
- **"Adopt a Beehive"** biodiversity project with Beeing.

- Meeting with representatives from the **"Casa delle Donne"** Women's Anti-Violence Centre in Modena at Villa Ombrosa (donation), explaining the signs of requests for help and defence mechanisms that can be activated (see reinforced red code).



Social commitment

Generating a positive impact on the economic, social and cultural development of the areas in which Modula operates remains a key priority for the company, driven by an awareness of its responsibility towards the community, the Planet and its resources. In line with the UN Sustainable Development Goals, Modula supports and promotes initiatives that enhance culture, health, environmental sustainability, sport and the growth of new generations.

During 2024, Modula reaffirmed its social commitment through a series of donations to organisations and associations active in the social, cultural and health sectors. In particular, support was given to:

- **Concresco Coop. Sociale**, engaged in social inclusion and support projects;
- **The "La Compagnia della Natura APS" association**, promoting educational and environmental awareness activities;

- **The Arte in Gioco Cultural Association**, which uses art and culture as tools for social development;

Fondazione ANT, which provides home care for cancer patients;

- **LILT Reggio Emilia**, active in cancer prevention and control.

- **Gallerie Estensi Sassuolo, dedicated to preserving, studying and promoting the collections it holds for the enjoyment and education of the community.**

Through these donations, Modula sought to strengthen its contribution to the collective well-being and health of local communities.

Modula has also supported numerous cultural and sporting initiatives, recognising their fundamental role in education, personal growth and fostering a sense of belonging.

Sponsorships include:

- **Fondazione Teatro Carani**, supporting the promotion of local cultural heritage;

- **U.S. Sassuolo Calcio S.r.l.**, promoting sporting excellence in the area;

- **A.C. Casalgrande Associazione Sportiva, P.G.S. Smile A.S.D. Formigine, G.S.D. Pallamano Spallanzani, Hockey Valdagno S.r.l., and Società Agricola Riola Volley**, amateur clubs contributing to the growth and education of young people through sport. Modula's focus on young people remains a central pillar of its social initiatives.

In 2024, the company continued to promote training courses and meetings with students from local schools and institutes, aiming to introduce them to the world of work and guide them in building their professional careers.

SUPPORT FOR CONCRESCO: GROWING TOGETHER TO BUILD THE FUTURE

Through a financial donation, Modula has chosen to support the Concresco Social Cooperative, a Sassuolo-based organisation committed to inclusion and training projects for young people with disabilities since 2013. Concresco promotes the personal and professional autonomy of young people through workshops and creative activities, encouraging the development of individual skills and fostering social and professional integration. Its initiatives are carried out between the **"Lab&Art"** workshop, dedicated to the recovery and reuse of waste materials such as wood and fabrics, and the **"A Capo"** shop, where items created by the young people are displayed and sold, symbolising commitment, creativity and sustainable craftsmanship.

Modula's donation represents a concrete contribution to the continuity of the cooperative's educational and productive activities, supporting a virtuous model of social enterprise that prioritises people, dignity and diversity.



MODULA AND PALLAMANO CASALGRANDE: VALUES UNITED TO GROW TOGETHER

Modula has renewed its partnership with the Casalgrande men's handball team, competing in the Serie A Bronze championship, reinforcing a support that extends well-beyond simple sports sponsorship. The new season was inaugurated with a press conference at Modula's headquarters, attended by the Mayor of Casalgrande and the entire team, during which the new code of ethics, the updated organisational chart and the sports club's development plans were presented. The decision to support handball reflects shared values: loyalty, courage, respect, sacrifice and dedication – principles that align closely with Modula's corporate culture, founded on agility, excellence, appeal and innovation. This partnership represents a genuine meeting between the industrial and sporting worlds, a concrete example of how collaboration, trust and a sense of belonging can generate value in both business and sport.

For Modula, supporting local sport means investing in people and the community, promoting activities that teach young people the positive values of sport and provide growth opportunities for youth and families. This commitment underscores the company's aim to build success together, both on and off the field.

RECOVERY OF SURPLUS FOOD

At internal events or company parties organised by Modula, any surplus food from catering or distribution services was donated to a local non-profit organisation. The food was given to the Il Melograno association in Reggio Emilia, which distributes hot meals to people in need.

PARTNERSHIP WITH BPR GROUP

During the year, a collaboration was launched with BPR Group, a consulting firm founded in 2000 by Marco Malavasi, an expert in logistics and production systems and a promoter of Lean Thinking and Industry 4.0 principles. The partnership included a training day at the Modula facilities, allowing participants to observe the application of lean principles to production and logistics processes first-hand.

The initiative provided an opportunity to compare theory and practice, demonstrating how technological innovation and a culture of continuous improvement translate into tangible results within the organisation.

WELCOMING YOUNG STUDENTS

At the same time, Modula continued its commitment to educational and professional guidance by welcoming two classes from the "Spallanzani" Secondary School in Casalgrande (RE).

The visits, organised in small groups, allowed students to see first-hand how a modern manufacturing company operates and the different professional roles within it.

During the meetings, students interacted with Modula staff, exploring the training paths and skills required in the world of work, turning the theory learned at school into a practical and inspiring experience.

These initiatives demonstrate Modula's commitment to disseminating industrial culture, enhancing human capital and supporting the professional development of young people in the area.

SUPPORTING YOUNG TALENT WITH THE EXHIBITION OF MASTERPIECES

Modula joined the "Exhibition of Masterpieces" initiative, promoted by CNOS-FAP – Centro Nazionale Opere Salesiane Formazione Aggiornamento Professionale ETS (National Centre for Salesian Works Professional Training and Development ETS).

The event showcases the work and creativity of students from Salesian vocational training centres throughout Italy, providing them with the opportunity to apply their skills and engage with the business world.

The Exhibition of Masterpieces serves as a meeting point between training and business, where leading companies collaborate with young people to support the development of technical skills and to promote a culture of work well done.

On this occasion, Modula participated as a supporting company, contributing personalised gadgets for students and visitors.

This symbolic gesture sought to reinforce the message of support for young people, encouraging them to cultivate their talent, commitment and passion for technology and manufacturing.



MODULA OPENS ITS DOORS TO INNOVATION WITH OPEN FACTORY

Modula has joined Open Factory, the leading national initiative dedicated to industrial and manufacturing culture, promoted by NEM Nord Est Multimedia, ItalyPost and L'Economia del Corriere della Sera. Now in its eleventh edition, Open Factory provides a unique opportunity to raise public awareness of the value of Italian companies that generate innovation, employment and growth for the country.

The initiative was created to strengthen the link between business, territory and society, showing up close how the culture of "doing business" drives economic, cultural and educational development. Opening the factory doors is both a symbolic and practical gesture to showcase the excellence of Italian manufacturing, highlight the role of people and inspire new generations to engage with the industrial sector.

On the weekend of 24 November 2024, Modula organised a dual event:

- **Open Day:** open to citizens, families and curious visitors, with guided tours of production departments and offices, divided into four shifts to explore the headquarters and automated storage technologies;
- **Open Factory Academy:** a training initiative for university students, master's students, ITS students and PhD students, designed to provide direct engagement with company management and present professional opportunities in the sector.

Through workshops, presentations and discussions with Modula professionals, participants explored industrial design, Logistics 4.0 and green management: the pillars of the sustainable approach guiding the company's technological and production choices. Modula's participation in the Open Factory initiative reflects its commitment to promoting industrial culture as a collective value, capable of inspiring new generations and supporting sustainable growth in the areas where it operates.

MODULA AND ROCK NO WAR: BRINGING WATER WHERE IT IS MOST NEEDED

In 2024, Modula renewed its social commitment by supporting the "L'Acqua è Vita" (Water is Life) project, promoted by the Rock No War association, which aims to guarantee access to drinking water in the areas of the world most affected by water scarcity.

Launched in 2023, the initiative has already enabled the construction of over 90 wells and irrigation systems in 28 countries, improving the living conditions of thousands of people, especially children, who now have access to a vital resource that did not exist before.

The project aligns fully with the UN Sustainable Development Goals, in particular SDG 6 – Clean water and sanitation for all – promoting a model of tangible solidarity and international cooperation.

By supporting the "Water is Life," initiative, Modula has reaffirmed its vision of corporate social responsibility as a tool for generating shared value and contributing to building a more equitable, inclusive and sustainable future even beyond national borders.





SOCIAL COMMITMENT IN A NUTSHELL

SCOPE	INITIATIVE/PROJECT	PARTICIPANTS/BENEFICIARIES	TYPE OF CONTRIBUTION
Social inclusion	Donation to Concesco Cooperativa Sociale (Sassuolo) – projects for young people with disabilities	20 young people involved in the "Lab&Art" and "A Capo" workshops	Financial donation to support inclusion and training activities
Environmental sustainability and international cooperation	Support for the "L'Acqua è Vita" (Water is Life) project by Rock no War	Over 90 wells built in 28 countries, with thousands of beneficiaries	Donation to and participation in an international solidarity project
Education and young people	Collaboration with BPR Group – training day on Lean Thinking and Industry 4.0	20 professionals and students	Training session and guided tour of the Modula factories
	Educational visits Spallanzani School in Casalgrande	2 classes (approximately 40 students)	Orientation and experiential training activities
	Participation in the CNOS-FAP Exhibition of Masterpieces	Over 100 students from all over Italy	Sponsorship and supply of gadgets
	Open Factory 2024 – Open Day & Academy	Approximately 150 visitors and 60 university/ITS students	Opening to the public and educational activities
Culture and community	Support for the Carani Theatre Foundation and Galleria Estense in Sassuolo	Local community	Donation for the cultural enhancement of the area
Sport and shared values	Sponsorship of local sports clubs (Pallamano Casalgrande, U.S. Sassuolo Calcio, Riola Volley, Hockey Valdagno, etc.)	Hundreds of athletes and young people	Sponsorships and support for sporting events
Health and well-being	Donations to the ANT and LILT Reggio Emilia foundations	Beneficiaries of assistance and prevention services	Donations to healthcare organisations



2024 SUMMARY

POLICIES

- 231 Model
- Code of Ethics

ACTIONS

- 100% of company functions trained on the 231 Model
- 12 projects and collaborations in the social, cultural, educational and sporting fields
- Over 500 people directly involved (including students, athletes and citizens)
- More than 10 organisations and associations supported
- 100% of events organised for educational or charitable purposes

TARGETS FOR 2026

- Maintain donation levels



The automated vertical storage sector is characterised by high technological innovation and the capacity to meet increasingly diverse needs in terms of space optimisation, process efficiency and digital integration with business systems. In this competitive environment, product and service quality depends not only on design and production, but also on the strength and reliability of the supply chain.

A well-structured supply chain is a strategic element for ensuring operational continuity, secure supply and compliance with the quality standards demanded by the market.





Modula's supply chain

The supply chain plays a crucial role in achieving product excellence, maintaining competitive positioning and upholding the company's reputation.

Modula's main suppliers are steel product retailers, selected based on their ability to ensure the required volumes, consistent quality and timely delivery.

The raw materials used for production are mainly divided into four types:

- galvanised steel strips,
- pre-plasticised steel strips,
- pickled steel sheets,
- tubular steel.

Supply planning is carried out weekly according to consumption: raw materials are delivered directly to the production departments, with stock maintained at around one week's production to ensure flexibility and efficiency.

PROCUREMENT POLICIES

Modula's procurement policy is founded on clear and shared principles:

- assurance of high quality and technical standards, offering the best value for the money;
- selection of suppliers who meet requirements of integrity, reliability and transparency;

- preferred use, under equal conditions, of local suppliers, thereby supporting the socio-economic development of the local area;
- maximum attention to raw material control and traceability;
- assurance of compliance with the health and safety, human rights and worker protection regulations.

These principles are formally documented in the **Code of Ethics and Code of Conduct**, which are shared with customers, employees and suppliers so they can review them and adopt them as a reference in their relations with the company.

SUPPLIERS

In 2024, Modula significantly expanded the scope of its supply chain reporting. As opposed to the previous two financial years, when only **direct suppliers of components and materials** were considered, **indirect suppliers**, including those linked to services, transport and subcontracting, were also included.

This methodological update enabled a more complete and transparent mapping of the entire supply chain, increasing the total number of suppliers analysed from 182 in 2023 to 872 in 2024.

WHAT WE ARE DOING

In 2024, Modula launched a structured process for the **traceability and assessment of its supply chain** from a sustainability perspective.

A questionnaire for suppliers was developed, containing **questions on ESG (environmental, social and governance) issues**, with the aim of collecting information to assess the integration of sustainability principles throughout the supply chain.

In **2025**, the questionnaire will be **sent to 26 suppliers**, representing **83% of the company's turnover** (considering direct purchases only), to ensure significant coverage of the supply chain.

From **2026**, Modula plans to **gradually extend the questionnaire to the remaining suppliers**, aiming to build an increasingly comprehensive and transparent monitoring system.



The overall expenditure was primarily concentrated around services (35%) and direct suppliers (41%), which together accounted for more than three-quarters of the total.

Raw materials accounted for 16% of the total value, but were managed by a very small number of partners (only 8), thus reaffirming those long-standing relationships and a strong reliance on a few strategic suppliers.

Spending on **services** is more fragmented, involving over **600 suppliers**, while **transport** and **contract work** represent a smaller share (4% and 3% respectively). **Packaging** accounts for the residual amount (1%).

The inclusion of indirect suppliers represents an important step forward in Modula's sustainable reporting process, as it provides a broader view of the economic and social impact generated by the company throughout the value chain.

This approach also allows for more precise identification of areas for improvement in supply chain sustainability, promoting responsible purchasing policies and supporting local partners.

SUPPLIERS MACRO AREAS	EXPENDITURE/TOTAL EXPENDITURE 2024	SUPPLIERS 2024
Raw materials	16%	8
Services	35%	623
Packaging	1%	3
Transport	4%	43
Contract work	3%	9
Direct	41%	186





2023				2022			
Type	% Turnover	No. of suppliers	% No. of suppliers	Type	% Turnover	No. of suppliers	% No. of suppliers
Metal components	31.86%	30	16%	Metal components	24.71%	29	16%
Raw materials	24.38%	7	4%	Raw materials	30.97%	8	5%
Electronics	24.06%	50	27%	Electronics	21.92%	55	31%
Gearboxes and motors	6.12%	4	2%	Gearboxes and motors	9.16%	2	1%
Lifting	4.83%	8	4%	Lifting	4.13%	10	6%
Packaging	2.63%	3	2%	Packaging	1.31%	1	1%
Plastic/rubber	2.07%	18	10%	Plastic/rubber	1.51%	3	2%
Screws	1.74%	5	3%	Screws	1.25%	5	3%
Bearings/sliding	1.03%	13	7%	Bearings	1.75%	6	3%
Other	0.88%	33	18%	Other	2.69%	40	23%
Manuals	0.21%	1	1%	Manuals	0.15%	1	1%
Springs	0.11%	5	3%	Springs	0.24%	4	2%
Consumables/ equipment	0.08%	5	3%	Consumables/ equipment	0.21%	12	7%
Overall total	100%	182	100%	Total	100%	176	100%



Modula mainly collaborates with local suppliers, including smaller partners, reflecting its commitment to promoting and supporting the area in which it operates. Modula's supply chain is characterised by a strong local and national focus:

- In 2024, 53% of expenditure remained in the local area*, while 43% went to national suppliers.
- Europe (2%) and non-EU countries (2%) accounted for a marginal share.
- Compared to previous years, there has been:
 - **a reduction in the proportion of local suppliers** (from 60% in 2023 to 53% in 2024),
 - **an increase in the national component** (from 37% to 43%),
 - and substantial stability in European and non-EU supplies.

These figures reaffirm reliance on a supply chain that is firmly anchored to the territory, with a gradual rebalancing between local and national procurement.

This configuration helps minimise logistical risks, procurement times and environmental impacts, while strengthening links with the national socio-economic fabric.

SPENDING BY GEOGRAPHICAL AREA

Suppliers Macro-areas

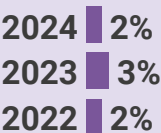
Local*



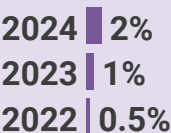
National



Europe



Non-EU



*For Modula, "local" refers to Emilia Romagna

PAYMENT PRACTICES

Modula has adopted a rigorous and transparent approach to supplier payments, considering it essential for maintaining strong relationships, ensuring business continuity and supporting the stability of the entire supply chain.

The average invoice payment time during the year under review complied with the contractual terms agreed with individual suppliers.

In specific cases, agreed directly with commercial partners, the payment period was extended, always in accordance with the contractual terms. Overall, 100% of payments were made within the agreed standards.

Payment terms are established at the contractual stage and may vary depending on the type of supply, the length of the commercial relationship and the characteristics of the product or service purchased. This flexibility allows the company to balance its cash flow with the needs of its suppliers, protecting their operational continuity.

Invoices are managed through structured internal procedures: each document is verified by the administrative department to ensure the data is accurate and corresponds to the supplies received before the payment is processed.

The approval and settlement processes are supported by a financial management system that allows for continuous performance monitoring

and the collection and analysis of data to identify areas for improvement.

In 2024, there were no legal proceedings arising from late payments. Should any issues arise, the company is committed to maintaining timely and constructive dialogue with its suppliers, jointly evaluating any renegotiations or alternative solutions.



The sales network

THE SALES NETWORK

Modula's strength lies not only in the excellence of its products, but also in the solidity and extent of its sales network.

Over the years, numerous international companies have chosen to become dealers for the brand, bringing Italian-made vertical tray warehouse technology to their own countries and offering it to their customers.

Alongside established collaborations with long-standing partners, the network has gradually expanded with new retailers active in logistics, mechanical engineering and business consulting.

This expansion has enabled Modula to strengthen its global presence, enhance brand recognition and maintain close proximity to customers through local representatives.

This is complemented by the network of **Authorised Partners**, who not only sell and install automatic warehouses, but also collaborate continuously with the company in developing the market and new solutions, contributing to growth and ongoing innovation.

CUSTOMERS

Customer relations are a strategic pillar for Modula, based on active listening, transparency and continuous innovation. The company engages with customers through a variety of tools: satisfaction surveys, materiality questionnaires, email marketing, a dedicated website and app, qualitative and quantitative surveys at events and trade fairs, social media channels and after-sales activities.

These channels allow Modula to **gather valuable feedback**, better understand customer needs and expectations, and translate them into concrete actions that guide the company's development. This ensures the business model remains aligned not only with the industrial objectives, but also with relevant social, environmental and economic considerations.

Modula automatic warehouses are used by companies of all sizes and across all product sectors.





The main customers operate in the automotive, mechanical, metallurgical, steel, chemical, pharmaceutical, electronics, ceramic, packaging, plastics, paper and rubber sectors.

Modula systems are a benchmark for optimising picking processes and are designed to integrate seamlessly with advanced intralogistics solutions, contributing to digitalisation and process efficiency.

The end user of the warehouse is usually the warehouse operator, but its ease of use makes it accessible to anyone in the company who needs to retrieve stored materials.

In larger organisations, the warehouse is used across the logistics, distribution and production departments, while in smaller businesses it can be used directly by sales staff.

A distinctive feature of Modula products is their **durability**. In fact, warehouses installed over thirty years ago tend to remain fully functional, and often find new life through resale to other companies.

The robust construction is complemented by continuous research and development, which in recent years has produced more efficient and sustainable models with components designed to reduce environmental impact. At the end of their useful lives, the warehouses can also be easily recycled, as they consist of approximately 90% metal and steel.

To meet the needs of customers increasingly focused on sustainability, particularly within the context of European projects and tenders such as NRRP and Next Generation EU grants, Modula and its R&D department have developed solutions aimed at minimising energy consumption.

These solutions include lightening the structures with more efficient components and designing machine standby systems for periods of inactivity, compatible with the existing range, to improve performance and reduce energy waste even on installations already in operation.

Through this focus on innovation, sustainability and customer satisfaction, Modula is consolidating its reputation as a reliable and forward-thinking partner for companies seeking to optimise their logistics processes.

2024 SUMMARY

POLICIES

- Code of Ethics

ACTIONS

- Creation of a questionnaire to be sent to the main raw material suppliers
- Introduction of ESG clauses in contracts
- Over 10% of suppliers involved in sustainability issues

TARGETS FOR 2026

- Submission of the assessment questionnaire to suppliers from whom we purchase €50,000 worth of raw materials for production and planning of second-party audits
- Creation of a sustainable purchasing policy
- Implementation of a supplier code of conduct
- Inclusion of ESG clauses in all contracts

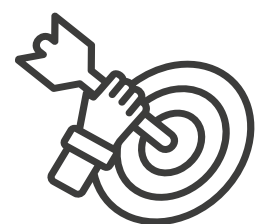


Modula's sustainability path is founded on concrete, measurable objectives aimed at continuous improvement.

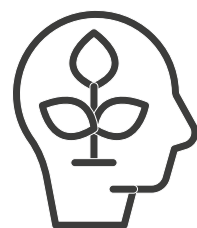
Each goal arises from listening to people, caring for the environment, and the desire to generate shared value for the territories in which we operate.

In the coming years, we will focus on **further integrating sustainability into our business processes**, developing projects dedicated to energy efficiency, reducing environmental impact, and promoting training and well-being.

The following objectives outline **the path Modula has chosen for the future**: a path of concrete, measurable and continually evolving actions.



PRIORITY
TO SUSTAINABILITY



BUSINESS
ETHICS



Objectives



Our 2024 objectives

Started

In progress

Achieved

To be started

OBJECTIVES	SDGs	WHAT WE WILL DO	YEAR	KPI PROGRESS	STATUS
Internal and external communication	<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div>	Strengthen internal communication and engagement with external stakeholders to promote transparency, sharing and corporate culture. Develop a specific editorial plan with one monthly publication on sustainability issues.	2024	One communication per month	<div></div>
			2025	Extend communications to the group	<div></div>
			2026	Evaluate a specific Publishing Schedule for foreign branches	<div></div>
ESG training for employees	<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	Expand ESG training programmes and extend participation to employees at the major foreign branches.	2024	Ensure 100% of employees receive at least 1 hour of training	<div></div>
			2025	Maintain 100% staff coverage	<div></div>
			2026	Implement ESG courses within the Modula Academy, extending training to the major foreign branches.	<div></div>
Company climate survey	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	Monitor organisational well-being through periodic surveys to listen to employees and improve the corporate climate.	2024	Conduct one Company Climate Survey every two years	<div></div>
			2025	Consider the first foreign companies to be surveyed	<div></div>
			2026	Extend and gradually expand surveys to main foreign branches	<div></div>
Initiatives in favour of the local area	<div><div>1</div><div>NO POVERTY</div><div></div></div> <div><div>2</div><div>ZERO HUNGER</div><div></div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div>	Promote social, environmental and cultural initiatives for the local community, strengthening Modula's connection with the territory.	2024	Maintain donations at 0.01%	<div></div>
			2025	Maintain donations at 0.01%	<div></div>
			2026	Maintain donations at 0.01%	<div></div>



Our 2024 objectives

Started

In progress

Achieved

To be started

OBJECTIVES	SDGs	WHAT WE WILL DO	YEAR	KPI PROGRESS	STATUS
Photovoltaic installation	<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	Increase the share of renewable energy produced internally to cover 25% of total demand and improve system energy efficiency.	2024	75% m ₂ of the premises achieved	<div></div>
			2025	25% of energy requirements met	<div></div>
			2026	25% of energy requirements met, plant efficiency improvements, assessment of opportunities to install a storage system	<div></div>
Waste disposal policy	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>	Establish a company policy for waste management and disposal with measurable objectives to improve separate collection and implement a structured management system.	2024	Improvement of separate waste collection	<div></div>
			2025	Establishment of policies, procedures and operational instructions for waste disposal	<div></div>
			2026	Improvement of the procedure's practical application	<div></div>
Recycling of used PPE	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>	Implement a project to recycle used personal protective equipment, through secondary raw material regeneration and recovery processes.	2024	Screen and select suppliers	<div></div>
			2025	Supplier selection and recycling of 50% of delivered PPE	<div></div>
			2026	Recycling of 75% of the total PPE delivered	<div></div>
Recycling of cigarette butts	<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div><div>15</div><div>LIFE ON LAND</div><div></div></div>	Participate in an environmental awareness project to collect and recycle cigarette butts, transforming them into reusable materials and promoting sustainable behaviour.	2024	Evaluate opportunities to join an anti-smoking awareness campaign	<div></div>
			2025	Select suppliers participating in the "Riciccami" project by Human Maple	<div></div>
			2026	Implement the initiative, monitoring the % increase in recycled waste	<div></div>
Car policy	<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	Establish a sustainability-oriented Car Policy, promoting replacement of the fleet with hybrid or electric vehicles and creating an adequate supply network.	2024	Assess the replacement of the company fleet with hybrid or fully electric vehicles	<div></div>
			2025	Draft the Car Policy	<div></div>
			2026	Implement the supply and distribution of hybrid or fully electric vehicles	<div></div>
Electric charging stations	<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>	Install electric vehicle charging infrastructure at the Fiorano Modenese and Salvaterra plants.	2024	Identify potential charging station suppliers	<div></div>
			2025	Install 8 charging stations at Fiorano Modenese and 8 at Salvaterra	<div></div>
			2026	Assessment of the implementation of charging stations	<div></div>

***Attenuation tank for the Salvaterra di Casalgrande site**
This project follows on from the main project to expand the Salvaterra production facility. The timetable is being rescheduled with dates to be determined.



Our 2024 objectives

Started

In progress

Achieved

To be started

OBJECTIVES	SDGs	WHAT WE WILL DO	YEAR	KPI PROGRESS	STATUS
Suppliers engaged on sustainability topics	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>	Expand supplier and stakeholder involvement on sustainability topics, fostering awareness and collaboration throughout the value chain.	2024	Engage 5% of suppliers	<div></div>
			2025	Increase stakeholder engagement by 5%	<div></div>
			2026	Maintain the % of stakeholder engagement	<div></div>
Procurement policy that incorporates ESG criteria	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>13 CLIMATE ACTION</div></div>	Implement a sustainable procurement policy that incorporates ESG criteria in supplier selection and evaluation, sending out a questionnaire for the assessment of the supply chain. Include compliance with the Sustainability Policy in contracts.	2024	Production of the sustainable purchasing policy and drafting of the vendor evaluation questionnaire on esg criteria	<div></div>
			2025	Submit the assessment questionnaire to suppliers covering 70% of raw material purchases for production	<div></div>
			2026	Submit the assessment questionnaire to suppliers from whom we purchase €100,000 worth of raw materials for production and plan the 2nd part of the audit	<div></div>
Attainment of the EcoVadis medal	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	Participate in the EcoVadis international sustainability rating to obtain and maintain the recognition medal.	2024	Assess the possibility of obtaining the EcoVadis rating	<div></div>
			2025	Attainment of the EcoVadis Medal	<div></div>
			2026	Maintenance of the EcoVadis Medal	<div></div>



GRI Content Index

STATEMENT OF USE		Modula S.p.A. has reported the information mentioned in this GRI content index for the period (01/01/24-31/12/24) with reference to the GRI Standards	
GRI 1 standards used		GRI 1: 2021 reporting principles	
Applicable GRI sector standards		N/A	
GRI SUSTAINABILITY REPORTING STANDARD		PAGE	
2 GENERAL INFORMATION			
THE ORGANISATION AND ITS REPORTING PRACTICES			
2-1	Organisational details		11-16
2-2	Entities included in the organisation's sustainability reporting	Modula S.p.A.	
2-3	Reporting period, frequency and contact point		4
2-4	Restatements of information	Annual	
2-5	External assurance	Not applicable	
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships		25-32, 72, 76-77
2-7	Employees		46-48
2-8	Workers who are not employees		46-48
GOVERNANCE			
2-9	Governance structure and composition		18-20
2-10	Selection and appointment of the highest governance body		18-20
2-11	Chairperson of the highest governance body		18
2-12	Role of the highest governance body in overseeing the management of impacts		18-21

			PAGE
2-13	Delegation of responsibility for managing impacts		20
2-14	Role of the highest governance body in sustainability reporting		20
2-15	Conflict of interest		63
2-16	Communication of critical concerns		63
2-17	Collective knowledge of the highest governance body		18-20
2-18	Evaluation of the performance of the highest governance body	Not applicable	
2-19	Remuneration policies	As per the Italian National Collective Labour Agreement (CCNL)	
2-20	Process to determine remuneration	As per the Italian National Collective Labour Agreement (CCNL)	
2-21	Annual total compensation ratio		49
STRATEGIES, POLICIES AND PRACTICES			
2-22	Statement on sustainable development strategy		3
2-23	Policy commitments		21-24
2-24	Integrating commitments into policies		21-24
2-25	Processes to remediate negative impacts		63
2-26	Mechanisms for seeking advice and raising concerns		63
2-27	Compliance with laws and regulations		63
2-28	Membership in associations		16
STAKEHOLDER INVOLVEMENT			
2-29	Approach to stakeholder involvement		5.10
2-30	Collective bargaining agreements		47
3 MATERIAL TOPICS			
INFORMATION ON MATERIAL TOPICS			
3-1	Process to determine material topics		4



			PAGE
3-2	List of material topics		6-9
3-3	Management of material topics		6-9
200 ECONOMIC TOPICS			
201 - ECONOMIC PERFORMANCE			
201-1	Directly generated and distributed economic value		64
202-2	Financial implications and other risks and opportunities due to climate change	Data not available	
201-4	Financial assistance received from government	Data not available	
202 - MARKET PRESENCE			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Data not available	
202-2	Proportion of senior management hired from the local community		100%
203 - INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	Data not available	0
204 - PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers		75
205 - ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption		63
205-2	Communication and training about anti-corruption policies and procedures		63
205-3	Confirmed incidents of corruption and actions taken	No incidents occurred	
206 - ANTI-COMPETITIVE BEHAVIOUR			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No incidents occurred	
300 ENVIRONMENTAL TOPICS			
301 - MATERIALS			
301-1	Materials used by weight or volume	Data not available	

			PAGE
301-2	Recycled input materials used	Data not available	
301-3	Reclaimed or recycled products and their packaging materials	Data not available	
302 - ENERGY			
302-1	Energy consumption within the organisation		36-37
302-2	Energy consumption outside of the organisation		38
302-3	Energy intensity		37
302-4	Reduction of energy consumption		36
302-5	Reduction in energy requirements of products and services		38
303 - WATER AND EFFLUENTS			
303-1	Interactions with water as a shared resource		41-42
303-2	Management of water discharge-related impacts		41-42
303-3	Water withdrawal		41
303-4	Water discharge		41
303-5	Water consumption		41
304 - BIODIVERSITY			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No owned sites in protected areas and areas of high biodiversity value	
304-2	Significant impacts of activities, products and services on biodiversity	Impacts on biodiversity not expected	
304-3	Habitats protected or restored	Not applicable	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	



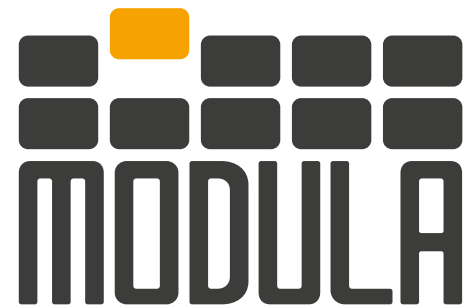
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305 - EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	39
305-2	Energy indirect (Scope 2) GHG emissions	39-40
305-3	Other indirect (Scope 3) GHG emissions	40
305-4	Greenhouse gas (GHG) emissions intensity	40
305-5	Reduction in greenhouse gas (GHG) emissions	41
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	42
306 - WASTE		
306-1	Waste generation and significant waste-related impacts	42-44
306-2	Waste by type and disposal method	43
306-3	Waste generated	43
306-4	Waste diverted from disposal	43
306-5	Waste directed to disposal	43
308 - ENVIRONMENTAL ASSESSMENT OF SUPPLIERS		
308-1	New suppliers that were screened using environmental criteria	72
308-2	Negative environmental impacts in the supply chain and actions taken	No incidents occurred
400 SOCIAL TOPICS		
401 - EMPLOYMENT		
401-1	New employee hires and employee turnover	49
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	50
401-3	Parental leave	54

PAGE		
402 - LABOUR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	As per the Italian National Collective Labour Agreement (CCNL)
403 - OCCUPATIONAL HEALTH AND SAFETY - 2018		
403-1	Occupational health and safety management system	57-58
403-2	Hazard identification, risk assessment and incident investigation	57-58
403-3	Occupational health services	57-59
403-4	Worker participation, consultation, and communication on occupational health and safety	58
403-5	Worker training on occupational health and safety	60
403-6	Promotion of worker health	59
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57*59
403-8	Workers covered by an occupational health and safety management system	All
403-9	Workplace injuries	59
403-10	Occupational disease	59
404 - TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	55-56
404-2	Programs for upgrading employee skills and transition assistance programs	55-56
404-3	Percentage of employees receiving a periodic performance and professional development assessment	56
405 - DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	18.47-48
405-2	Ratio of basic salary and remuneration of women to men	49
406 - NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	No incidents recorded



			PAGE
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 organisation relies solely on compliance with local laws regarding freedom of association	
408 - CHILD LABOUR			
408-1	Operations and suppliers at significant risk for incidents of child labour	No risk recorded	
409 - FORCED AND COMPULSORY LABOUR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	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 involvement, impact assessments, and development programs		66-69
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		72
414-2	Negative social impacts in the supply chain and actions taken	No incidents occurred	
415 - PUBLIC POLICY			
415-1	Political contributions	Not applicable	
416 - CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts by product and service categories		26-27
416-2	Incidents of non-compliance concerning health and safety impacts of products and services	No significant reporting concerning the health and safety of customers' workers	

			PAGE
417 - MARKETING AND LABELLING			
417-1	Requirements for product and service information and labelling		26-27
417-2	Incidents of non-compliance concerning product and service information and labelling	No incidents recorded	
417-3	Incidents of non-compliance concerning marketing communications	No incidents recorded	
418 - CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints and/or sanctions related to the issue	



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