

FERMAX



**2022
Sustainability
Report**





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Looking back over the past two years, there is no doubt that we have faced many challenges as a society. The pandemic caused by Covid-19 and its consequences led us to scenarios full of uncertainty and concern, seriously affecting our way of life and the economy of all countries and we are now facing the biggest global recession in our history.

We had to be able to step out of our comfort zone and adapt to an unfamiliar situation. Adaptability and a solid track record allowed us to stay afloat in a sea of uncertainty by making use of all our resources. The sharp fall in demand led us to increase our national presence; we were able to cope with the shortage of electronic

components thanks to our own R&D team; our subsidiary in China served as a technology platform to access our suppliers in Asia; and we maintained the supply within 24-48 hours since we are the only company in our industry with our own factory in Europe.

And while we were dealing with the so-called 'new normal', what today seems unimaginable happened. The invasion of Ukraine has provoked one of the biggest humanitarian crises in Europe's recent history, giving us yet another reality check and forcing us to remember what is most important: people.

If we learn a lesson from this experience, at FERMAX we know that to overcome difficulties we must row together. On many occasions, we are the cause of our present, but also the hope for our future.

In the face of adversity, it is thanks to our teamwork that we continue today to fulfil the purpose that gave us our start 73 years ago: to connect people and homes with the world. We have the capacity to change course, to choose to do things right and to positively influence how we want the world to be for generations to come. And the question we must ask ourselves is: what footprint do we want to leave along the way? At FERMAX, we work daily to reconcile our business activity with social principles and to achieve sustainability, equality and inclusion in any of our areas of influence. Because we want to give back to society what we were able to accomplish thanks to them.

Starting with our greatest asset, the people who are part of FERMAX, we work to protect labour rights and promote a safe working environment, achieving full and equal employment for men and women. Our equality policy ensures the professional development of people, regardless of their gender, prioritising non-discrimination and respect for diversity from the selection process to promotion, conciliation and equal pay.

Similarly, our Special Employment Centre, CEEME, has been guaranteeing the professional, social, and personal integration of people with functional diversity for 23 years. More than 110 people have been part of CEEME since its foundation with the aim of becoming independent and realising their life projects through equal and inclusive employment.

Continuous improvement, always accompanied by a constructive attitude, is a key element of our success. We are aware of this, and we pay special attention to the internal training of our employees so that they can acquire new skills and knowledge applicable to their jobs, and we are constantly committed to young talent with a scholarship programme for university and vocational training.

Moreover, this spirit of continuous improvement and evolution is what has allowed us to move forward and initiate a process of transformation of our business model focused on the basis of our entire strategy: the connectivity of our products and facilities, and the digitalisation of our internal processes. This translates into a greater capacity to

innovate and offer new solutions to a very human need: to be connected with our loved ones, with other people and with our home. For this reason, every year we allocate 6% of our sales to investment in R&D to develop solutions with added value and adapt to new markets and the needs of the industry.

With each step we take towards the connectivity of our products, we contribute to the development of more sustainable cities, providing new services and businesses to different stakeholders that interact with buildings and homes on a daily basis (installers, managers, maintenance, cleaning or shipping companies...), while also reducing the bounce rate of parcel deliveries and reducing the carbon footprint.

We choose to move forward and continue to grow also from an environmental perspective. As a manufacturer, we maintain a production process that has the least possible impact on the environment, always applying a policy of cost optimisation, cost reduction and circular economy, through the planning and control of all phases of our production process - from the design of the product to the guarantee of its operation in use -, accordingly with the principles of prevention, recycling and reuse.

Our commitment to solar energy at our two production centres has enabled us to reduce our electricity consumption and avoid the emission of more than 50 tonnes of CO2 per year. And we are committed to reducing the use of non-returnable plastic packaging in our products and manufacturing process by 6% by 2030.

Of all the options, we chose to do it in the best possible way, because building a good present is a guarantee of a better future for everyone. This is the only way we can move forward and ensure that every time someone sees the FERMAX brand they are proud to have chosen us to protect their home.

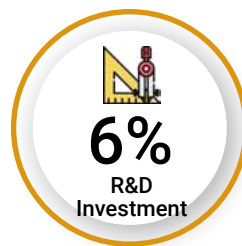
Jeremy Palacio
CEO

ABOUT US

Founded in 1949 by Mr Fernando Maestre, FERMAX is a multinational company of Spanish origin that occupies a place of preference among the most important brands in the world.

Today, with around 450 employees and more than 60 engineers dedicated to innovation and product development, we lead the market with the most technologically advanced solutions in the industry.

Our capacity for innovation focuses on connectivity and residential communication in buildings, ranging from traditional audio door entry systems to the most cutting-edge video door entry systems, security systems, home automation and access control.



OUR MISSION IS TO BE LEADERS IN CONNECTED VIDEO DOOR ENTRY SYSTEMS.

We aspire for our products to be drivers of the transformation of cities, taking advantage of connectivity to provide new services and businesses to different stakeholders that interact with buildings and homes.

OUR PURPOSE IS TO CONNECT PEOPLE AND HOMES WITH THE WORLD

through the connectivity of our products and facilities.





A GREAT TEAM

Our greatest achievement is the team of people who are part of FERMAX. Their talent, commitment and effort have made it possible for us to be present for more than 70 years and continuing to count on each and every one of them is a guarantee of success in the future.



Sense of belonging and identification with the mission of the company



Integrity and respect



Versatility and a permanent attitude of adaptability to change



Commitment to equality, safety, health and the environment



Customer and result focused



Effort and teamwork

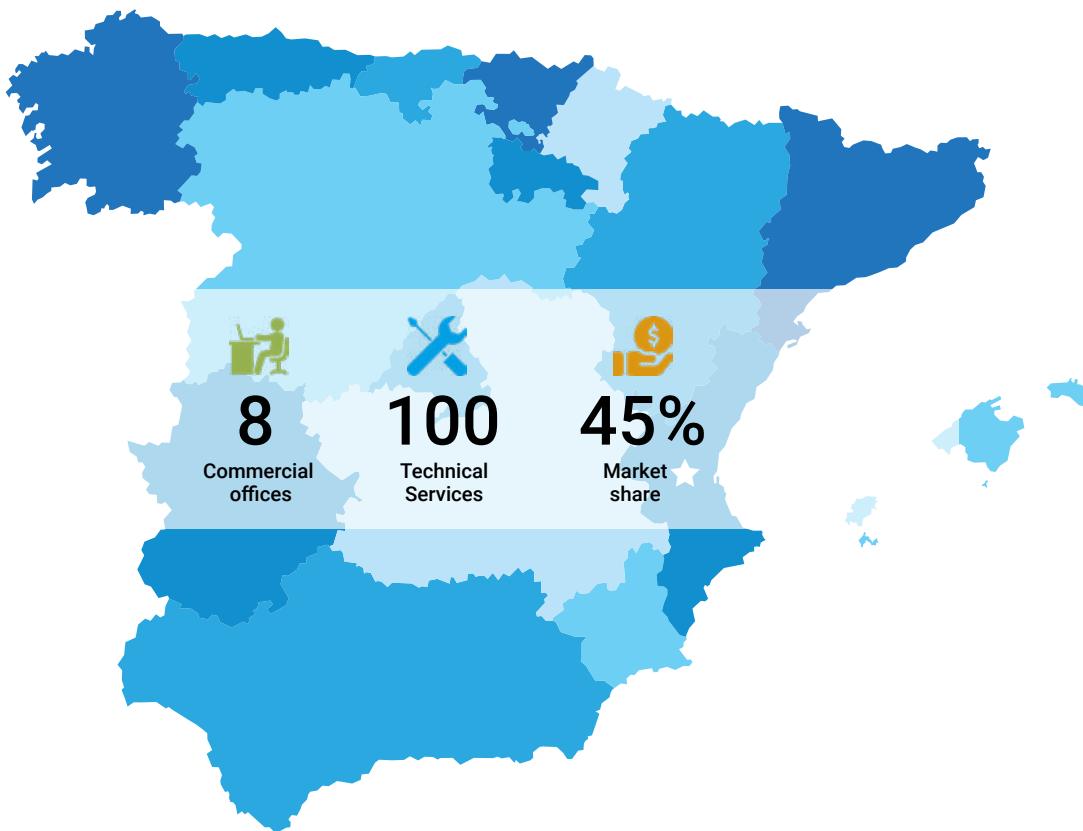


Corporate Social Responsibility

OUR IDENTITY



FERMAX was founded in Valencia (Spain) where we still have our headquarters and our two production centres from where we sell around 60% of our products and technologies. We have a wide commercial and technical network that allows us to be close to our customers to offer them guarantee, trust and reliability. Thanks to this, we can proudly say that more than half of the buildings in Spain are equipped with our products.



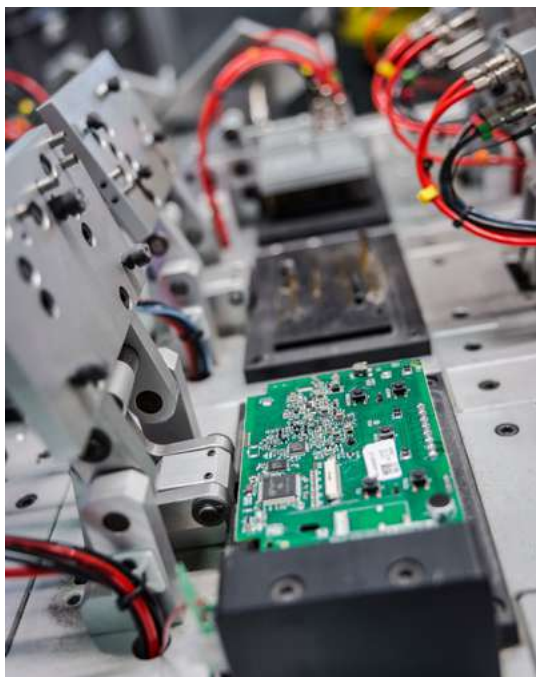
Our headquarters
in Valencia
(Spain)





FROM VALENCIA TO THE REST OF THE WORLD

Our national success has allowed us to expand beyond our borders and become a Spanish brand of international reference thanks to the commitment of a network of international distributors and the work of the people who are part of our subsidiaries and representative offices in China, United Kingdom, France, Belgium, Poland, Singapore, Portugal, United Arab Emirates, Colombia and Turkey.



73 YEARS OF SPECIALISATION

In our two manufacturing centres, we carry out the entire production process, from the selection of materials to final assembly and quality control. We also have in-house R&D team, which allows us to be agile in the design of electronic circuits and to guarantee supply in all circumstances. Our specialisation also facilitates the availability of spare parts and ensures the correct maintenance of installations for years.



For 21 years, over 85% of our turnover has been supplied in less than 24 hours and we were able to maintain the same delivery time during the recent global electronics crisis.





THE SAFETY OF PEOPLE AND THEIR HOMES

Thanks to connectivity and digitalisation, we have developed video door entry systems that make it possible to divert the call from the intercom to the mobile device. A technological milestone that has turned the video door entry system into an essential element of the security at home by allowing people to be connected to their homes, knowing at all times who is calling or opening the door directly from their mobile phone.

We also guarantee safety by eliminating barriers and giving people with functional diversity the freedom to open the door of their home without limitations using a device they are already familiar with, such as a mobile phone.

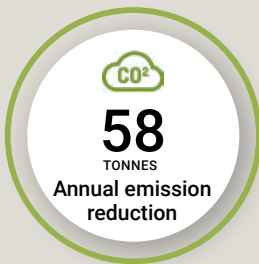


Our aim is to reconcile business efficiency with social principles and to achieve sustainability in all areas of our influence. This commitment is reflected in our Corporate Responsibility Policy, which is based on three fundamental pillars: environmental protection, integration in the workplace and social action.

ENVIRONMENT

As a manufacturing company, we are strongly committed to environmental protection and the importance of adopting sustainable policies that help reduce our carbon footprint. On a daily basis, we carry out various actions to achieve and maintain a sustainable production cycle that has the least possible impact on our environment, maintaining an environmental management system based on the ISO 14001 standard.

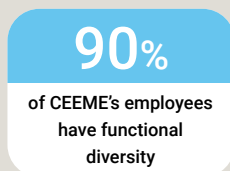
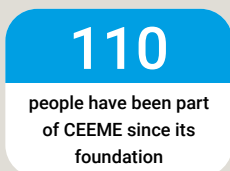
Our Environmental Management Policies allow us to assess and identify our environmental impact in order to develop continuous improvement plans at all stages of our production process. This allows us to focus on optimising costs; reusing, reducing and minimising waste, and integrating circular economy concepts by developing products with recyclable materials whose functionality does not depend on high consumption.



INTEGRATION IN THE WORKPLACE

In 2000, we created CEEME, an employment centre specialising in electronics assembly, to promote the social and professional integration of people with functional diversity through employability.

Our mission is that people with functional diversity – either due to hearing, physical, mental or intellectual disability – feel fulfilled and achieve their life goals through work, always with the aim of empowering the person and training them to progress in their professional and personal life.



SOCIAL ACTION

We regularly collaborate with non-profit organisations, such as the Valencian Charity Association, the Spanish Cancer Association, and the Valencian Cerebral Palsy Association, among others, through sponsorships, financial donations or awareness campaigns.



Internally, we promote the granting of an annual financial allowance to those employees whose child has a disability, as well as the voluntary participation of all FERMAX employees in solidarity actions, such as the campaign with the Proyecto Vivir Foundation, sports activities such as the Football School for People with Intellectual Disabilities (EDI) of the Levante UD Foundation, or participation in the activities promoted by the Adecco Foundation, as well as the economic collaboration with their campaigns aimed at women at risk of exclusion in March and people with disabilities in December.



28.883 €

Contributions

Total amount of contributions to foundations and non-profit organisations



2

Social sponsorships



12

Financial donations

OUR COMMITMENT

2030 OBJECTIVES >>>



RESPONSIBLE MANUFACTURING

Apply the principles of prevention, recycling, and reuse at all stages of our production process.

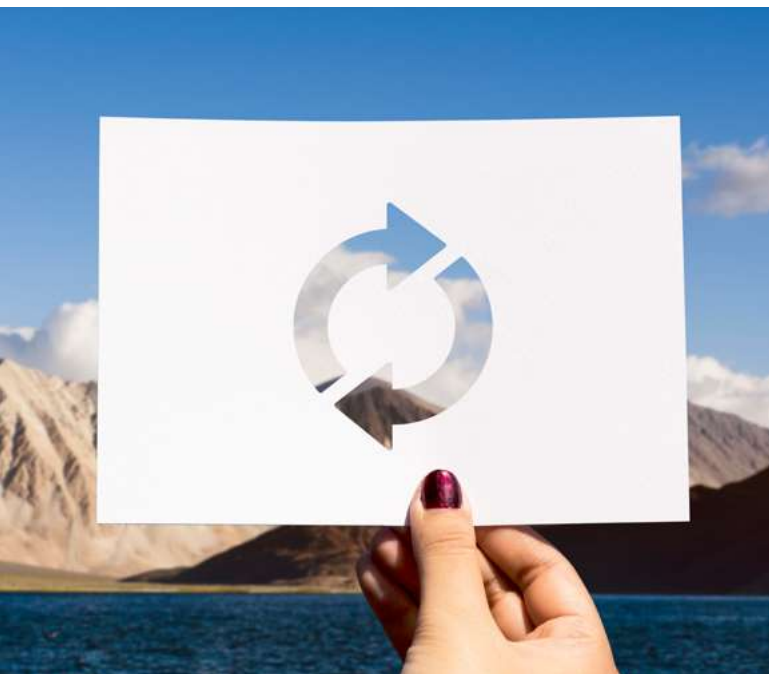
Reduce and minimise waste generated in our facilities.

Recycle and reuse components that can be re-integrated into the product.

Reduce the use of all single-use plastic packaging incorporated into our products or manufacturing process by 1% per year.

Commitment to society and the environment is an essential part of our identity as a company.

We recognise that nowadays we face significant environmental challenges and that we, as part of society, must respond with urgency and commitment through actions that minimise our impact on the environment and contribute to building an equitable, just, and responsible society.



CLIMATE CHANGE

Reduce electricity consumption and increase the use of renewable energy in our facilities.

Promote the circular economy by developing products with recyclable and/or recycled materials and whose functionality does not depend on high consumption.

Reduce the negative impact of cities by digitising our products and facilities.



SUSTAINABLE GROWTH

Achieve higher levels of productivity through diversification, technological upgrading, and innovation.

Achieve full and productive employment and decent work for all, including young people and people with functional diversity, and equal pay for work of equal value.

Protect labour rights and promote a safe, healthy, and secure working environment for all workers.



OBJECTIVES ACHIEVED AND FUTURE PROJECTS



Responsible manufacturing

Prevention

All our suppliers comply with environmental requirements for product packaging, which require that they are correctly sized, reusable and contain no harmful substances.

Reduction

We have our own system for the recovery and repair of non-conforming products to minimise the amount of waste generated and improve efficiency in the use of raw materials.

Reuse and recycling

All returned products are processed through a cutting phase to facilitate waste separation and reuse of components that can be reintroduced into the production process accordingly with our quality standards. In 2022, we reused more than 73,000 units, including electronic components, metal parts, plastic parts and packaging.



At our production centres, we carry out environmental training activities for our employees on the correct classification and separation of waste that cannot be reused or recycled.

As a result, we were able to recycle and recover 17 tonnes of metals and metal compounds in 2022, promoting the circular economy of raw materials.

Climate change



The only source of energy at FERMAX is electricity. In 2022, we began the transition to renewable energy by installing 447 photovoltaic panels in our facilities to reduce electricity consumption. This action has a positive impact on the environment, preventing the emission of more than 58 tonnes of CO₂ into the atmosphere.

We also have partners committed to reducing emissions within the sales and supply chain. As a result, we will save 1.2 tonnes of CO₂ emissions in 2022 through sustainable transport*.

*Certificate issued to FERMAX by DHL.



We have an in-house R&D team that is continuously working to optimise resources, and design and develop more efficient and sustainable products.

Our DUOX PLUS system is a good example, as it is the first fully digital video door entry system that allows us to reduce the number of elements required, both in terms of installation and cabling.

With DUOX PLUS, we are revolutionising the way people access buildings through connectivity and it offers and the development of the WiFi video door entry system.

By 2024, we want everyone to be able to open the door from their mobile phone without having to be physically at home, eliminating unnecessary travel and reducing the carbon footprint of cities.



Sustainable growth



Achieve higher levels of productivity through diversification, technological upgrading, and innovation



In 2021, we initiated a process of transformation of our business model, focusing on digitalisation both internally and in our products and facilities.

This has led us to become a technology company with its own Software Development Unit to create the digital ecosystem in which our Connected Products operate.

A project that has brought us fully into the IoT world and has allowed us to create new jobs and recruit 10 professionals specialised in software development.

Achieve full and productive employment and decent work for all, including young people and people with functional diversity, and equal pay for work of equal value.



GENDER EQUALITY

At FERMAX, we believe in progress towards a fairer and more egalitarian society and the overall development of people, regardless of gender. We are strongly committed to the establishment and development of policies that integrate equal treatment and opportunities between women and men, with particular attention to indirect discrimination, i.e. situations in which an apparently neutral provision, criterion or practice places a person of one gender at a particular disadvantage in relation to the opposite gender.

We recognise, as essential Equality Principles, the development of employment relationships based on equal opportunities without distinction of gender, non-discrimination, and respect for diversity. We have an Equality Committee that ensures compliance with the company's equality policy and its principles.

Recruitment and selection: equal opportunities for women and men are guaranteed on the basis of merit and the skills of the candidates, allowing access to the most competent profiles without being subject to any stereotypes.

Training: equal opportunities are integrated into continuous training to ensure a qualified workforce under equal conditions, to promote career development and to eliminate gender pigeonholing in certain jobs and professional categories.

Promotion: we apply equal opportunities in promotion processes for the professional development of our employees in all departments, jobs and professional categories.

Work-life balance: there are different working hours depending on the needs of each department and job position, as well as internal measures for greater flexibility.

Equal pay: we guarantee equal treatment in terms of pay, without any direct or indirect gender discrimination.

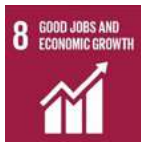
We also have a Policy against Sexual Harassment to prevent any unacceptable behaviour that is detrimental to the physical or psychological well-being of any person who is part of the Group.

The gender distribution of the FERMAX workforce is 58% male and 42% female, taking into account that the metal industry, to which we belong, is traditionally male and that the presence of women in the workforce is approximately 13%.



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INTEGRATION IN THE WORKPLACE

At FERMAX, we guarantee the employability and universal accessibility of people with functional diversity through CEEME, our Special Employment Centre specialising in Electronic Assembly. Since its foundation in 2000, CEEME’s mission has been to promote the professional, social and personal integration of people with functional diversity through their work, so that they can feel fulfilled and realise their life projects, always with the aim of giving them independence and training them to be able to find a job in an ordinary company in the future.

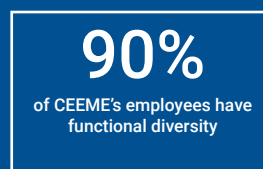
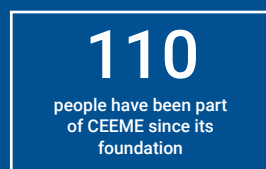
Since its foundation, more than 110 people have been part of CEEME. At the end of 2022, the team consisted of 18 employees with functional diversity.

CEEME has a Personal Adaptation Programme that provides the necessary tools to help them achieve their professional and personal goals. For example, training programmes are offered to enhance the person’s professional skills, and grants are provided for external training unrelated to their work at CEEME, in order to broaden their CV and be promoted in other companies. There are also various areas where services are provided to improve the mental and physical well-being of employees and to encourage their participation in cultural or family activities.



In terms of employment, CEEME is working to maintain its technological excellence and digital development in order to become a special employment centre with cutting-edge technical and human skills.

In addition, new emerging technologies such as collaborative robots, artificial vision systems, data management systems, etc., allow the company to adapt job positions to integrate people with disabilities which previously prevented them from entering the labour market.





FERMAX CAMPUS

We develop training plans for employees to acquire new skills and knowledge applicable to their job positions.

Our aim is to encourage and promote technical knowledge through constant updating of information, skills and a constructive and positive attitude towards continuous improvement.



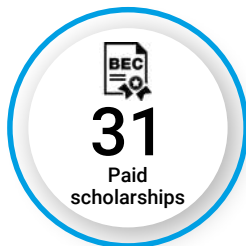


The training combines both classroom and e-learning modalities, using an open and flexible method. In Spain, we have the FERMAX CAMPUS, an e-learning platform that allows us to develop corporate online courses, both internally and externally. This system makes it possible to provide training for both customers and employees.



Over 100 students from 14 centres in the Valencian Community (Spain) have taken part in FERMAX CAMPUS courses on our products.

VOCATIONAL TRAINING AND INTERNSHIP PROGRAMME



At FERMAX, we have a programme of scholarships for professional and training internships, both at our headquarters and in our branches throughout the country. Our aim is to encourage the professional and personal growth and development of young students with talent and a desire to learn.

In 2022, 31 paid scholarships were offered to 24 university students and 5 dual vocational training students. In addition, 9 unpaid scholarships have been included for vocational training students in Workplace Training. Between 2021 and 2022, 10 scholarship students were recruited.



We also collaborate with teaching teams in online training and practical workshops on our products, as well as with CEFIRE (Training, Innovation and Educational Resources Centres of the Valencian Region) to deliver specialist courses.

LANGUAGE CO-PAYMENT

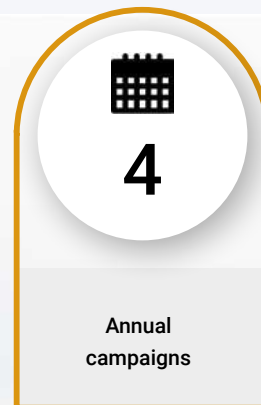
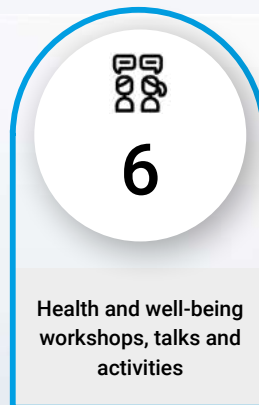
We have a language co-payment system that gives preference to professional profiles with experience abroad and offers all employees the opportunity to learn languages.



HEALTH AND WELL-BEING

Employees at FERMAX headquarters and national branches have access to the FERMAX EMPRESALUDABLE programme, which focuses on aspects related to people's well-being and the promotion and adoption of healthy lifestyles through conferences, workshops, campaigns, and events aimed at encouraging healthy habits and regular exercise.

The actions included in the programme are regular campaigns to promote fruit consumption; co-payment at sports centres; discounts at physiotherapy centres; the organisation of workshops, conferences and talks on health, mindfulness and yoga; and annual campaigns for medical check-ups, blood donations and seasonal flu vaccinations.



For our international subsidiaries, we generally have basic health and safety regulations (Health & Safety), with varying degrees of detail depending on the size of the subsidiary.



FLEXIBLE WORKING HOURS

In order to facilitate the work-life balance, FERMAX offers different types of working hours and its own remote working system, in response to the organisational changes brought about by the current demands of society.

FERMAX

CONNECTIVITY FOR ALL



Connecting
people and
homes with
the **world**



FERMAX
CONNECTIVITY FOR ALL

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