

# SALTO GROUP

## 2021 non-financial information report

**SUSTAINABILITY - ESG**





## STATEMENT OF SUPPORT

# Javier Roquero

CEO

I am pleased to state that SALTO Systems reaffirms its support for both the UN Global Compact's Ten Principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption, as well as the 17 Sustainable Development Goals.

In the 2021 Sustainability Report, we describe our actions to incorporate the Global Compact and its principles and goals into our business strategy, culture, and day-to-day operations.

During 2021, we have continued to live through challenging times, but we have not ceased to lead the efforts of our entire team of people to demonstrate that economic development is not at odds with protecting the planet and those who live on it.

We have continued to grow as an organisation, with greater demands in terms of structure, integrating cultural diversity, and a commitment to people and technology and innovation. A challenge that encourages us to go further in our commitment to sustainability.

We are also committed to sharing this information with our stakeholders through our main communication channels.

Yours sincerely,  
**Javier Roquero.**

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# INTRODUCTION

# 01. INTRODUCTION

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2021 has been a year of major challenges for SALTO. In addition to the constraints imposed by the pandemic, the integration of Gantner into the group following its recent takeover and the general crisis of a lack of electronic supplies have posed challenges.

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COVID-19 has required a great deal of effort to enable teleworking, adapt the company to the health measures in force, replace visits, audits, and face-to-face meetings with videoconferences, etc. The SALTO HQ offices have been remodelled to provide more flexible workstations adapted to the mobility of SALTO staff, and dedicated apps have been developed for the reservation of workspaces.

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The integration of Gantner resulted in 70 synergy projects during the year. These projects have covered issues as diverse as the incorporation of new people on the Board of Directors, the adaptation of the various ERP systems, the reorganisation of the sales activity, the coordination of the R&D, marketing, financial, and legal teams, etc.

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The complexity of these two major milestones, COVID-19 and the integration of Gantner, was compounded by the general semiconductor supply crisis that all electronics-related companies have suffered from to varying degrees. It has been necessary to refocus efforts mainly on redesigning the hardware and firmware of the different products in order to be able to manage the supply.

For these redesigns, the LEAN methodology, which has already been implemented in the operational areas, has been used for the first time and has proven to be very effective. SALTO has been able to keep production going at all times, always responding to customers and partners, and maintaining the company's activity without any interruptions. Despite all the efforts made, the expected increase in turnover was not achieved. Management, however, in appreciation of the great work done by all areas to avoid supply problems, decided to calculate the annual bonus as if the expected turnover had been reached.

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In the course of 2021, work was also carried out on an intranet that integrates all SALTO group companies, so that internal news can be received simultaneously by all of them, each in its corresponding language. In addition, the new SALTO website has been published, with a new structure that includes the sustainability actions within the ESG area and makes visible the organisation's commitment to understand and reflect the current situation in this regard.

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Despite the difficulties that the pandemic has caused, SALTO is still concerned about issues such as the environment, people, society in general, and the needs of customers and partners, etc. In this regard, various measures have been implemented, such as the doubling of the photovoltaic power installed in the central facilities, or the creation of a Mobility Team that analyses and proposes to management actions to reduce the carbon footprint caused by work and home-to-work trips. Social projects have also been promoted (help for people who have fled their countries of origin, support for the education of children in developing areas, etc.). And collaborations with various entities have been strengthened to facilitate the incorporation of young people into the world of work (increase in the number of trainees, participation in employment forums, collaboration with universities, etc.).

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## ABOUT THE REPORT

This report on non-financial information seeks to respond to the requirements established in Law 11/2018 based on international benchmarks. The objective is essentially to convey the most significant information on the economic, social, and environmental performance of the company in 2021.

### Scope of the information

This is the fourth report on this subject prepared by the company and a major effort has been made to provide information on all the companies and business units that make up the SALTO group. With the aim of continuing to improve in this area, work on the company's information collection system is ongoing.

The data presented complies with the Global Reporting Initiative (GRI) international standard and, at the end of the report, there is a table indicating the relationship between the data provided, the GRI indicators, and the corresponding SDG in each case. The report has been prepared taking into account the requirements of the Global Compact in the preparation of progress reports.





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**SALTO GROUP**

## 02. SALTO GROUP

Since 2001, the year it was founded, SALTO Systems has focused on the development and manufacture of electronic access control solutions, especially in sectors where security is paramount.

01 The company revolutionised access control with a pioneering approach that included the first battery-powered standalone electronic lock, SALTO Virtual Network (SVN) data-on-card technology, and the first wireless access control system combining a standalone locking device with online and real-time capabilities, all without the use of wires or traditional keys.

02 In recent years, SALTO's technological developments in mobile access solutions and cloud-based access control technology have strengthened the company's leading position. SALTO Systems is now aiming to play a leading role in the unstoppable process of the mass replacement of traditional keys with digital electronic keys, consolidating its position as one of the top three electronic lock manufacturers worldwide.

03 With a strategy of organic and inorganic growth, SALTO has incorporated four companies into the group in recent years: Clay, Danalock, Conlan, and Gantner. Thanks to these acquisitions, the group reaches more international customers and offers higher levels of innovation and integration.

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With over 1,300 people, more than 175 dedicated to R&D, SALTO has delivered more than seven million access points worldwide, used by over 40 million people every day. SALTO has local sales and technical offices in 38 countries and a partner network that extends its reach to almost every region of the world.

The company is certified in ISO 9001 for quality management, as well as ISO 14001 for environmental management, and ISO 27001 for information security management (the latter is expected to be achieved at Clay and at SALTO HQ in 2022).

One of the pillars of the company's success is its strong commitment to people. By fostering talent, it collaborates with universities and promotes training, professional development, and job satisfaction throughout the careers of all its employees.

The team at SALTO, aware that they form part of a much broader framework in which they live their lives as people, feel a dual obligation to global sustainability and to the environments in which they operate. This responsibility goes beyond corporate goals and the company's strong commitment means that it offers a programme of activities in line with its spirit. The company's social commitment in recent years has been reflected largely through Free2move.org, promoting adapted sports as a way to achieve greater social integration.

## STRATEGY

SALTO's strategic pillars are defined every three years and are specified in a series of annual objectives that each department reviews with the participation of the entire workforce.

For the 2019-2021 period:

- 01 >> Global presence, so that the customer, wherever they are, can be attended by SALTO personnel.
- 02 >> Powerful and trust-building brand presence.
- 03 >> Organic and inorganic growth to take advantage of market opportunities.
- 04 >> Attentive to new market opportunities where we can provide new added value.
- 05 >> Anticipation of key technological developments for the sector.
- 06 >> Capacity for integration and development to address market opportunities.
- >> Prioritisation of local manufacturing.
- >> Robust and market-oriented product that responds to customer needs.
- >> Development of the structure and people to respond to current and future demands and challenges.
- >> Controlled processes in continuous search for improvement.



# KEY FIGURES OF THE SALTO GROUP

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## NORTH AMERICA

US (NYC - Atlanta - LV), Canada

## CENTRAL AND LATIN AMERICA

Mexico, Costa Rica, Colombia, Puerto Rico, and Chile

## NORTH AMERICA

United Arab Emirates, India, and South Africa

## EUROPE

Spain, United Kingdom, France, Germany, Switzerland, Holland, Belgium, Poland, Slovakia, Slovenia, Czech Republic, Denmark, Norway, Sweden, Finland, Italy, and Portugal

## ASIA - PACIFIC

Singapore, China, Hong Kong, Korea, and Vietnam

## OCEANIA

Australia and New Zealand

**100%**  
Of SALTO products  
are manufactured  
in EUROPE



**+1,300**

People



**+60**

Offices worldwide



**38**

Countries



**+40,000**

Projects



**+175**

People in R&D

# INDUSTRIES

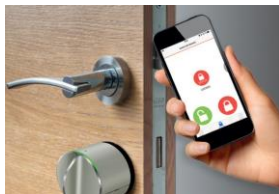
SALTO's target markets are listed below:

## HOSPITALS



SALTO has become a world leader in the provision of access control for the hospitality industry. SALTO empowers property owners and managers around the world with new ways to protect guests, manage staff, and safeguard assets through unrivalled advanced technology.

## RESIDENTIAL



SALTO is now bringing its advanced technology and industry experience and expertise to the residential market.

- Single-family residence
- Multi-family residence
- Home care/Assisted living
- Holiday rentals

## EDUCATION



SALTO is the world leader in next generation access control solutions for schools, colleges, and universities.

- Universities and Campuses
- Schools
- Student accommodation

## SALES



We combine high levels of wide-area, individually tailored security with flexibility, simplicity of management, and optimisation of processes and costs for businesses of all types and sizes.

- Manufacturing facilities
- Airports and Transport
- Government and the public sector
- Mining facilities and remote camps
- Freight and Logistics

## MEDICAL ASSISTANCE



SALTO's smart access solutions combine the security, safety, and flexibility that healthcare facilities need and our silver ion antimicrobial technology under development to a more hygienic environment.

- Hospitals
- Home care/Assisted living
- Laboratories

## WORKPLACE INTELLIGENCE



With our safe, flexible, and innovative locking solutions we support companies in creating modern forms of flexible working concepts and in implementing today's requirements for an attractive workplace.

## CO-LIVING



Enabling smart shared living from student accommodation to co-living. - Co-living spaces  
- Student accommodation

## COWORKING



SALTO's smart solutions are used in coworking spaces around the world.

## UTILITIES AND CRITICAL INFRASTRUCTURE



- Telecommunications
- Energy
- Gas, water, and oil treatment

## LEISURE AND SPORTS FACILITIES



SALTO improves ticketing by unifying ticketing, booking, point of sale, cashless payment, and access control into a single end-to-end technology platform solution.

- Museums, zoos, and Attractions
- Water parks and resorts
- Cities and Culture Heritage
- Sports facilities

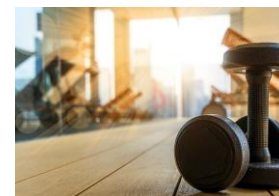
## RETAILERS



SALTO is helping retailers simplify their access management workflow to increase productivity, security, and operational efficiency, while reducing costs and streamlining processes for shared, single, and multiple locations for all types of retail environments.

- Fast food and restaurant chains
- Supermarket and discount shops history
- Fitness centre and gym franchises
- Banking and insurance
- Clothing and fashion shops

## FITNESS



SALTO supports fitness centres and gyms in automating daily technological processes.

- Gyms
- Medical fitness / Rehabilitation
- Sports Clubs

## ORGANISATION

The SALTO group has experienced strong growth in recent years. Part of this growth has been inorganic through the acquisition of existing companies with proven experience in the market. The aim has been to broaden SALTO's offer and to strengthen its position in different areas such as the cloud, mobile access, ticketing systems, and cashless payments.



## MAIN COMPANIES INCORPORATED INTO THE SALTO GROUP

**CONLAN**

Manufacturer of access control solutions founded in 1991 and based in Denmark, offering high quality, reliable, and robust access security systems and digital control readers.

**Clay**

Founded in 2012 and headquartered in Amsterdam, it offers a wireless and cloud-based access control solution marketed under the SALTO KS brand.

**danalock**

Founded in 2003 and based in Denmark, it is the technology and know-how leader in residential smart locks. It has recently launched the third version of its Smartlock motorised lock. It is suitable for European markets, as well as Scandinavian, North American, and Asian markets.

**Gantner**

Founded in Schruns, Austria, in 1982, Gantner is regarded as a pioneer in contactless electronic access management and this alongside time recording systems are its core segments. Gantner offers its customers solutions based on RFID and NFC technologies for use in fitness centres, public swimming pools and spas, theme parks, universities and libraries, and in commercial properties and public buildings.

The various companies and subsidiaries that make up the SALTO group are organised into two main groups. On the one hand there are the production sites, SALTO HQ and Gantner, and on the other hand, the Business Units (BUs).

SALTO has a Management Committee that coordinates the company's day-to-day management, which in 2021 consisted of ten people at SALTO HQ and six people at Gantner. These committees coordinate the company's day-to-day management and are committed to allocating all the necessary resources and to periodically supervising compliance with the Management System, in order to provide a continuous response to the needs and requirements of the customer and ensure compliance with the health and safety regulations as well as respect for the environment.

With the acquisition of Gantner, a capital increase was carried out and new shareholders joined the Board of Directors.

## Stakeholders (SHs)

In 2020, stakeholders, as well as their needs and expectations were reviewed as a basis for the company's risk and materiality analysis. All of this is currently being addressed through the implementation of different control and communication mechanisms and the strategic guidelines and challenges that have resulted from the stakeholder analysis.

In 2021, and in relation to the aims of this report, we have worked more closely with the People SHs with the integration of Gantner and the BUs have been more involved in sustainability matters. Suppliers have also been a priority stakeholder group, with the supply crisis and the responsible purchasing project as key activities.



## OPERATIONS

### Production

During 2021, SALTO Systems has focused its efforts mainly on redesigning the hardware and firmware of the different SALTO products in order to overcome the semiconductor supply crisis. Also in 2021, the company's process map was revamped.

For these redesigns, the LEAN methodology was used, specifically the Obeya room, with daily meetings to monitor all the milestones. In addition, this methodology is used in all production areas with results of a 30% reduction of inventory, reduction of assembly errors and, for some items, a reduced delivery time of two days.

SALTO has one of the largest factories and production centres for electronic locks in the world (9,000+ m<sup>2</sup> in Oiartzun, Spain). The group's production capacity is over 1 million units/year. 100% manufactured in Europe (70% in our own facilities in Spain). 70% of SALTO HQ's electronic components come from local suppliers (less than 150 km away).

With some suppliers we work with Just-in-Time delivery. To achieve this, we have worked with them in their development and the provision of infrastructures. Priority has been given to workshops employing people with disabilities, with almost 100 people working for SALTO in Special Employment Centres.

### Logistics

A fully automated plant to guarantee the best service and maximum flexibility in the management of shipments and orders.

- 6,000 daily movements
- 16,800 m<sup>2</sup> silo with a height of 28 m
- Capacity for 3,700 pallets

### Service

- 63 offices in 38 countries
- 98% exports



### R&D

More than 35% of sales come from products developed less than four years ago.

- 179 people in the R&D&I department (35% women)
- Five new products launched in 2021

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## TESTING LAB



SALTO's laboratory has the capacity to perform accredited static and dynamic tests according to each standard, both at room temperature and at high and low temperatures, as well as in water and condensation conditions.

With the acquisition of Gantner, SALTO has an R&D&I department with over 175 people in three countries: The Netherlands, Denmark, and Spain. In this team, 35% are women and the volume of expenditure and investments in 2021 has exceeded 16.5 million euros. Gantner's strong commitment to research and development was one of the main reasons that attracted SALTO to incorporate it into the company. Its innovative locking, cashless payment, and ticketing solutions enrich and diversify SALTO's product offering and enhance the end-user experience.

## TECHNOLOGY AND INNOVATION

R&D&I has been a key focus for SALTO since the company's beginnings. The **technology** used in its products and services has been **developed internally** and, for some years now, **environmental sustainability criteria have been progressively incorporated into the design and manufacture** of the products.

In 2019, the first **Environmental Product Declaration (EPD)** was achieved for the XS4 Original product, a certification that reports on the environmental impact of the product throughout its life cycle. This milestone is part of the company's clear commitment to minimising the environmental impact of its activity and has been sustained in 2020 and 2021.

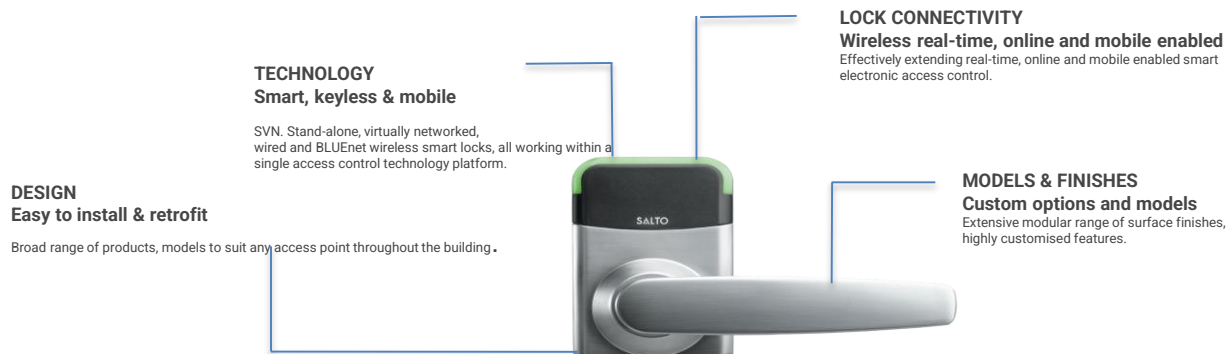
For over ten years, we have been working with BioCote to integrate silver ion antimicrobial technology into smart electronic locks.

The packaging of the different products has also been designed according to environmental criteria and is currently FSC-certified.

In 2021, milestones include the implementation of LEAN methodology and new R&D IT tools, the launch of Original +, the development of the Nebula project, and the reinforcement of the Neo R project.

### SMART LOCKING PLATFORM

#### DESIGNED TO BE SECURE AND RELIABLE



## ETHICAL FRAMEWORK

Since it was founded, SALTO has been committed to being a leading and innovative company in the electronic locks sector. It has strong values that emphasise the role of people in the organisation and its responsibility towards customers and society in general. It is not just about achieving good results, but also about how those results are achieved.

The aim is to exercise ethical and transparent leadership, based on values and in response to the expectations of integrity placed on the company, to comply with the law, and to be consistent in terms of what we say and what we do. The most significant actions carried out in the last three years are outlined.

### VALUES

CAPACITY FOR SELF-  
CRITICISM

CUSTOMER FOCUS

EAGERNESS TO EXCEL

COLLABORATION

PASSION

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### Code of conduct

The development of a code of conduct that clearly defines what SALTO means by “ethical behaviour” and what the basic principles of integrity are in its field of work. It is valid for all its activities, regardless of the country in which it operates, and ensures not only compliance with the specific legislation of each country but also respect for different cultures and their ethical principles. It also provides information on the communication channels established to report possible breaches.

Everyone in the company, as well as suppliers and subcontractors where applicable, are aware of these ethical principles. Suppliers and subcontractors are asked to make a statement of compliance with environmental issues (that they must take into account if they want to work with SALTO) and, with regard to suppliers from higher-risk countries, also on social and gender equality issues. In 2021, a project has begun with the supply chain to design a new responsible purchasing process. The aim is not only to include ESG aspects in the supplier assessment, but also to act as a driving force and help them to take significant steps towards sustainability.

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### Compliance

Formation of a specific committee and drafting of the manual, following a detailed analysis of the risks by area.

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### Global Compact

SALTO's high ethical standards have been ratified by joining the Global Compact and its commitment to the ten Principles, in areas such as human rights, labour standards, environment, and anti-corruption.



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# **RISKS AND POLICIES**

# 03. RISKS AND POLICIES

## RISKS

In 2019, SALTO defined the purpose, business challenges, and associated risks for the three-year period 2019-2021 and these were ratified last year following the changes brought about by the COVID-19 pandemic. Based on these guidelines, each area annually updates the analysis of its risks and opportunities for improvement and sets its aims for the current year. For each risk identified, its type, the specific threat, its causes, the probability of its occurrence, and the seriousness of the consequences are assessed. The following table lists the most significant risks for the company related to this non-financial information report.

### Process

### Threats - Process risks

### 2021 Actions (highlights)

Process	Threats - Process risks	2021 Actions (highlights)
Policies & Strategies.	<ul style="list-style-type: none"> <li>Use of non-representative indicators</li> <li>Insufficient monitoring and evaluation</li> </ul>	Specific objectives of the Annual Management Plan
Environment and Communication	<ul style="list-style-type: none"> <li>Insufficient monitoring of CSR planning and indicators</li> <li>Accidents with environmental impact</li> <li>Rise of aspects related to sustainability, SDGs, and the circular economy. Opportunity for SALTO</li> <li>Customer requirements on the material composition of products</li> <li>Non-compliance of suppliers with legal environmental requirements</li> </ul>	<ul style="list-style-type: none"> <li>CSR planning</li> <li>Implementation of specific measures in the areas identified</li> <li>Specific activities to raise awareness and visibility of what SALTO does in terms of sustainability.</li> <li>Inclusion of impact criteria and SDGs in supplier selection.</li> </ul>
Ideation	<ul style="list-style-type: none"> <li>Delay in concept validation</li> </ul>	Implementation of a new process
Product design and launch	<ul style="list-style-type: none"> <li>Failure or unfeasibility of the project at an advanced stage</li> <li>Loss of know-how</li> <li>Failure to take advantage of collaborations with partners</li> <li>Problems with product certification</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge and document management</li> <li>Incorporation of new equipment in the laboratory</li> </ul>
After-sales service	<ul style="list-style-type: none"> <li>The resolution of issues takes time</li> </ul>	<ul style="list-style-type: none"> <li>Monthly monitoring</li> </ul>
People management	<ul style="list-style-type: none"> <li>Losing talent</li> <li>Creation of new positions without defining the job profile</li> <li>Long timeframes for performance evaluation and training needs</li> </ul>	<ul style="list-style-type: none"> <li>Performance plan</li> <li>Systematisation of evaluation and training plan with each area.</li> </ul>
Procurement and suppliers	<ul style="list-style-type: none"> <li>Lack of suitable suppliers</li> <li>Failure to meet innovation specifications</li> <li>Non-fulfilment of service due to stockouts</li> </ul>	<ul style="list-style-type: none"> <li>Supplier panel</li> <li>Responsible purchasing process</li> <li>Incorporation of personnel to the team</li> </ul>
Administrative-financial management	<ul style="list-style-type: none"> <li>Legal breaches</li> <li>Poor implementation of common systems</li> </ul>	<ul style="list-style-type: none"> <li>Expert advice</li> <li>Consolidation and reporting system</li> </ul>
Information management	<ul style="list-style-type: none"> <li>Security threats that may affect the confidentiality, integrity, or availability of systems and data</li> </ul>	<ul style="list-style-type: none"> <li>SALTO Group Security Policy</li> </ul>

## POLICIES

SALTO has defined company policies that specify the company's commitments and actions in different areas. These policies, taking into account the risks identified, seek to address the company's strategic approaches. In order to focus the non-financial report on the issues to be addressed, the policies most closely related to the social and environmental spheres are set out below.

### Quality and environment policy

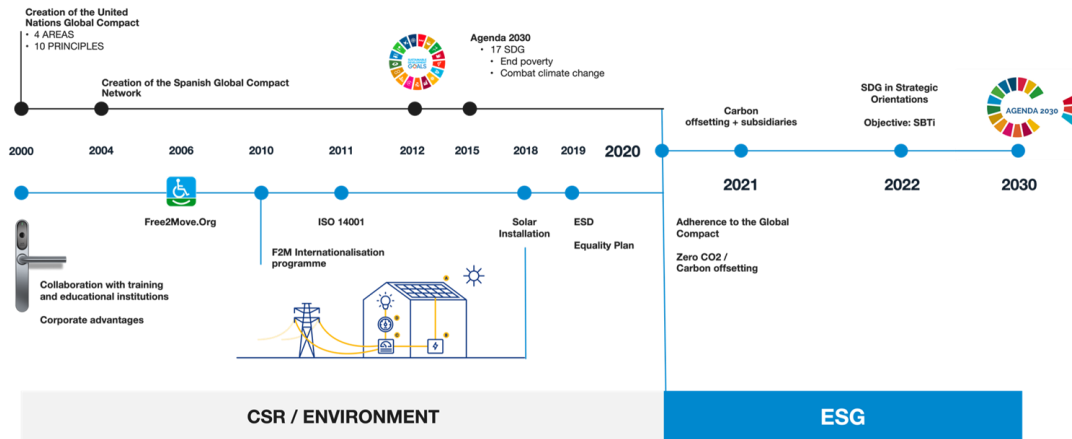
The company has a specific policy that seeks to ensure the fulfilment of customer requirements and the protection of the environment at all times.

This policy is transmitted, through different awareness and internal communication activities, to all the people in the organisation and to the people or organisations that work for it or on its behalf.

It is given to every person who joins the company (Coexistence Guide), as well as to all people working for the company or on its behalf (subcontractors). It is on the web page available to any person or entity that may request it.

### CSR policy

In recent years, the company's social and environmental actions have become more strategic in nature. Although social awareness has been present since the company's beginnings, ESG aspects have become increasingly important, always taking the 2030 Sustainable Development Goals (SDGs) defined by the United Nations as a reference. In this area, an Equality Policy, an Information Security Policy, and the aforementioned Code of Conduct have been established. Recently, SALTO has joined the Spanish Global Compact Network.

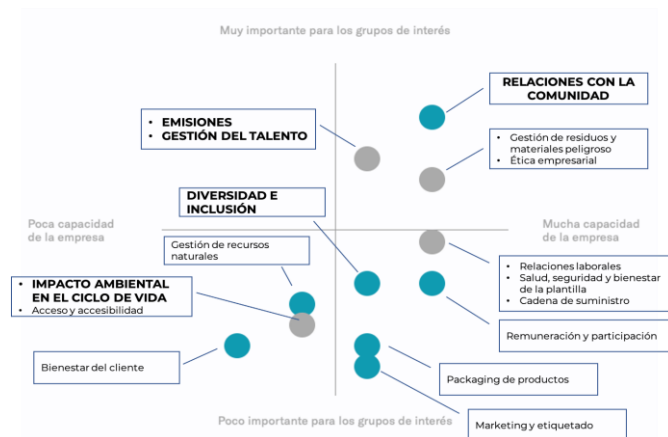


## MATERIALITY

The materiality analysis carried out at the beginning of 2020 and ratified after the first months of the COVID-19 pandemic has been in force throughout 2021. SALTO's aim is to update it in 2022 so that it goes hand in hand with the definition of the strategic guidelines.

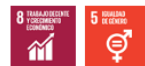
For the definition of materiality, the company's various stakeholders were taken into account and the key ones for the three-year period were prioritised: employees, end consumers, and the local community. In addition to taking into account the vision of the prioritised groups, the main areas and specific actions carried out by the company up to the time of the analysis were reviewed in detail. The external context and trends for the coming years in areas such as the circular economy, diversity and equality, and ESG transparency were also studied in detail. In addition to these inputs, SALTO's internal objectives and the risks and opportunities identified were taken into account.

Using the iGuru+ tool (based on the sectoral material areas defined by the SASB), in the development of which SALTO participated, the importance of the different socio-environmental areas for each stakeholder was assessed. Following the analysis, five areas were selected on which to focus efforts in 2020-2022.



SALTO Systems materiality matrix

- 1 **EMISIONES**
- 2 **IMPACTO AMBIENTAL DEL CICLO DE VIDA**
- 3 **RELACIONES CON LA COMUNIDAD**
- 4 **DIVERSIDAD E INCLUSIÓN**
- 5 **GESTIÓN DEL TALENTO**



### Materiality areas vs strategic guidelines



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# ENVIRONMENTAL ISSUES

# 04. ENVIRONMENTAL ISSUES

The environmental impact of SALTO's activities has been one of the areas in which most work has been done in recent years, having received numerous awards for the efforts made, mainly concerning the reduction and offsetting of carbon emissions.

This effort has led to an important milestone in 2021, with all the Group's companies having been included in the strategy of minimising the carbon footprint, reducing waste generated, and optimising the use of natural resources. Among all the activities carried out, and by way of summary, the following is worth highlighting:

Development of additional EPDs



Development of a global compact action plan (SDGs)



Expansion of solar photovoltaic installation



In 2021, thanks to the improvements incorporated in the management of environmental information, it has been possible to collect information from the entire group, both from the plants with production activity and from the Business Units.

This is the first year that information has been presented for all the companies in the group, so the graphs are not entirely comparable with the previous year's report, which did not include data from Gantner.

The sales volume has been used as a relative figure for all the companies and offices in the group, as there are only two centres with significant production activity in their facilities, with the rest being sales and technical assistance offices or software developers.

To facilitate a better understanding of the evolution of the company's performance, explicit reference is made to the evolution undergone at SALTO HQ in the different sections. From 2022 onwards, the performance of the group companies as a whole can be presented.

## ENVIRONMENTAL MANAGEMENT

Of all the companies in the SALTO Group, the two with the largest production activity have **ISO 14001** certification for the **Environmental Management System**: Gantner and SALTO HQ. These companies have environmental management processes, annual improvement objectives, and annual audits of legal and operational compliance. Due to the Group's inorganic growth in recent years with the acquisition of existing companies and their own working dynamics, coordination of these aspects by HQ is regarded as one of the objectives and points to be worked on in detail in the coming years. Of all the companies acquired, this work will focus on improving the environmental management of SALTO's offices and centres that have no production activity and therefore do not have an environmental certification.

The company also has specific environmental management practices defined for:



Hazardous and non-hazardous waste management



Management of containers and packaging



Action in environmental emergencies



Operational control: ensuring that environmental aspects are considered in the design, acquisition of materials, production, use and final treatment.

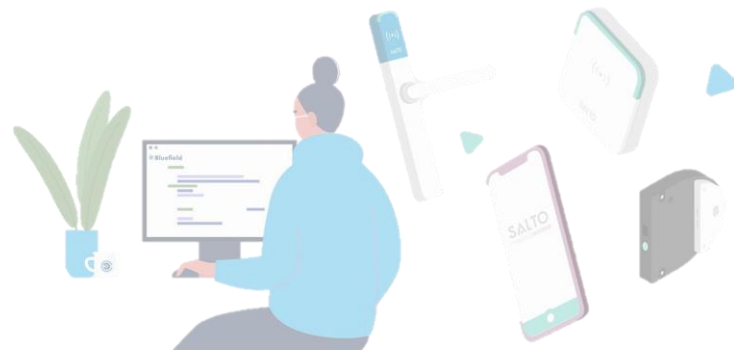


Good environmental practices for everyone in the organisation (consumption of paper, water, energy, and waste management).



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In addition to the Environmental Management System, SALTO is aware of the importance of analysing the environmental impact of its main products. For this reason, since 2019 it has been strongly committed to obtaining **Environmental Product Declarations (EPDs)**. In that year, the first of these was obtained, for the product family with the highest sales at that time, having worked in 2021 on the declaration for the family that currently accounts for the highest percentage of the Group's turnover. In the coming years, this effort will continue, working on other product families to obtain the corresponding EPDs, and the hope is to have the families that account for 70% of sales of access points eco-labelled.



In 2022, the European Commission introduced the **EU Taxonomy** as a tool to determine the sustainability of a company's different activities within the framework of Sustainable Finance Europe. As of this year, it is mandatory for the companies concerned to determine what percentage of their activity is affected by this Taxonomy (that is eligible). For the time being, of the six proposed objectives, only the first two have been technically defined, those corresponding to the EU Climate Taxonomy, climate change mitigation and climate change adaptation. SALTO's main activity (CNAE 2572) is not an eligible activity for these objectives, but other secondary activities will be reviewed to meet the Regulation's requirements.

The **noise level** in 2021 at SALTO HQ has remained at 56 dBA, which is a normal level for its activity. For the Business Units (BUs), it is not significant as they have no production units and for Gantner and Conlan the data will be obtained in subsequent years.

## Non-hazardous waste

In 2021, due to a change in regulations, WEEE waste from returns and defective products will no longer be considered hazardous waste but non-hazardous waste (as it will not be disposed of with the battery incorporated). For this reason, from this year onwards, this waste will be counted as non-hazardous.

Until 2020, only data for HQ were available and, analysing these in detail, we can see that the total volume of hazardous waste has decreased (in absolute values) by 41%. This is due to the decrease in batteries (-71%), WEEE waste from discarded IT equipment (-39%), and faulty circuits (-42%).

## Hazardous waste

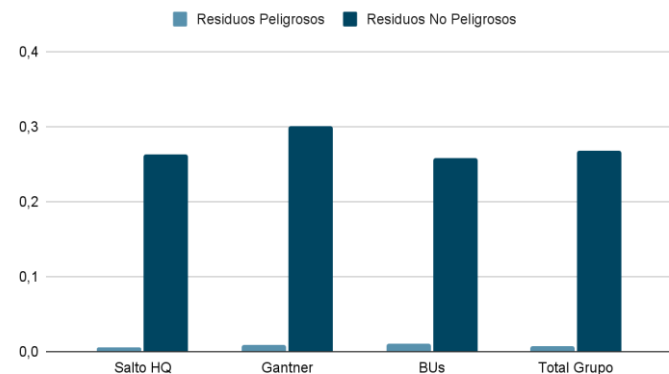
At SALTO HQ, as in previous years, the main waste is paper and cardboard packaging, accounting for 70% of the total. There has been a 10% decrease in the tonnes of scrap<sup>1</sup> collected and a 39% increase in paper<sup>2</sup> and packaging cardboard. The most significant aspect was the increase (104%) in WEEE waste from returns and defective SALTO products. This was due to the fact that this waste was stored during 2020 and has been disposed of all together in 2021. All this waste has been managed through an authorised disposal company.

From this year onwards, in order to be able to better analyse the results of the production centres and BUs, comparative information by sales volume will be provided in the non-financial information report.

In the reporting period, there is no evidence of significant spills at any of the company's production centres.

	HAZARDOUS WASTE (Tonnes)	NON-HAZARDOUS WASTE (Tonnes)
GROUP TOTAL	3.67	124.6
OFFICES	1.797	48.377
INDUSTRIAL SITES		
SALTO HQ	1.206	54.496
GANTNER	0.671	21.728

RESIDUOS 2021 (kg/vol. ventas (k€))



(1) In making the calculation for this year, an error has been detected in the previous year's report. The tonnes of scrap in 2020 amounted to 5.24.

(2) As above. In this case the tonnes in 2020 amounted to 32.974.

## SUSTAINABLE USE OF RESOURCES

The optimisation of resources has been one of the company's main objectives since its foundation. The rapid and exponential growth (organic and inorganic) has further reinforced this practice in the group.

For years, SALTO has been working on aspects such as eco-design and the circularity of its products and processes. The complexity of the product and, above all, the specific requirements of customers mean that there are currently no products that are reusable. With regard to packaging, boxes for multiple packaging have been incorporated in 2021 for those products that record a higher volume of sales.

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### Water

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Water consumption is not significant either in the production centres or in the BUs. There is no process water, so it is only used for sanitary and drinking purposes. This water is from the general system and the discharges return to the sewerage system as they are only sanitary and rainwater. Its consumption is assessed as an environmental impact but it should be noted that none of the group's locations are in water stressed areas where there is a water shortage.

03

There is only one discharge that could be regarded as industrial, from the salt spray machine, which produces a sporadic discharge of water containing NaCl into the system. Prior to 2018, analyses were carried out at the request of the Basque Government, which determined that the NaCl levels were below the limits for the discharge to be regarded as industrial, so there is currently no discharge in addition to the sanitary and rainwater discharge, which goes into separate systems as required by the regulations. The discharge is deemed to be an environmental impact, and is therefore assessed, but the result is not significant, so it is managed in the same way as water consumption.

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Although consumption is minimal, measures have been implemented such as dual flush cisterns, taps with flow reduction, among others. At SALTO HQ, for over three years, water consumption has been monitored regularly through direct meter readings, as monitoring through invoices from the City Council and the Association of Townships is carried out with a long delay and groups together between three and four months of consumption, which makes it difficult to make quick decisions.

In 2021, the group's total water consumption was 3,125.72 m<sup>3</sup>. This is the first year for which data is available for the production centres and BUs. Compared to 2020, and focusing on the data from SALTO HQ and the BUs, there has been a decrease (11%) in water consumption due to the COVID-19 pandemic measures implemented at SALTO HQ, which have led to the closure of showers and many people working from home (at least some of the time). Flow regulators and pressure reduction elements have also been installed thanks to suggestions made by employees.



## Materials

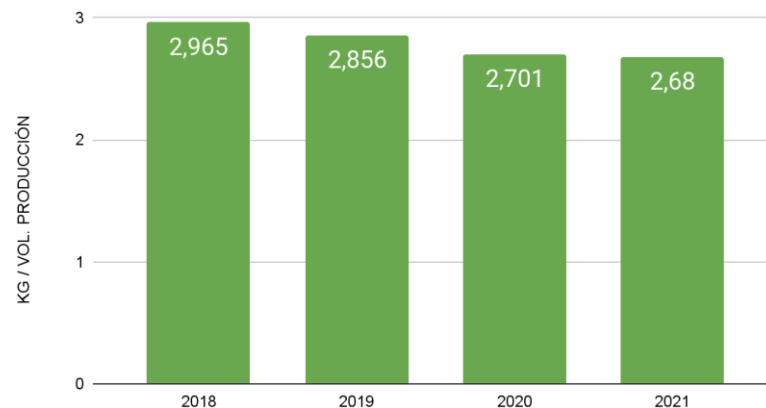
When analysing SALTO's consumption of materials, we must mention the significant effort that has been made to have data available for all the companies in the group.

With regard to office paper, the only material consumed by the BUs, total consumption in 2021 amounts to 12.56 tonnes, 56% of which is recycled. In the breakdown by consumption centre, the BUs account for 77% of total consumption, SALTO HQ for 17% and Gantner for 6%. It is worth mentioning that the amount recycled at HQ is 100%.

For the rest of the materials consumed in the production centres, we have data from SALTO HQ. Since Gantner does not manufacture on site but through subcontracted companies, the data required for this non-financial report are not available. Nevertheless, we will try to obtain them in future years.

In the detail of the materials consumed by SALTO HQ, parts stand out with 1,884 tonnes and an increase of 5.6% compared to the previous year. Circuits have also increased by 8.1%, reaching 43.7 tonnes. The consumption of cardboard and paper has decreased by 11.3% to 142.5 tonnes, and it is worth noting that 100% of this is of recycled origin. Plastic pallets have increased by 12.7% to 31.1 tonnes and 98% of them are recycled.

Consumo materiales Salto HQ



Energy consumption is one of the areas in which measures that contribute positively to the company's environmental impact are being carried out on an annual basis. In 2021, and continuing with the efforts made in previous years, the following actions can be highlighted:

#### SECURITY

ACCESS CONTROL

## How Big is Your Footprint?

**Salto has Achieved Carbon Neutrality by Offsetting its 2020 CO<sub>2</sub> Emissions**

In 2015, the United Nations Climate Change Conference reached a global pact (the Paris Agreement) to mitigate the effects of climate change and achieve neutrality by 2050. Neutral greenhouse gas emissions are achieved when the same amount of greenhouse gases (CO<sub>2</sub> equivalent) emitted are removed from the atmosphere in different ways. This does not mean human activities cannot emit any CO<sub>2</sub>, but it does imply that we cannot generate more than we can remove.

Salto Systems has achieved carbon neutrality thanks to its participation in two incentive projects with its co-responsibility efforts on the economy, society and nature to achieve the company goal for its operations to have zero impact on the climate. This initiative was provided by automatic emission reduction, which, although not to offset emissions that cannot be avoided, 100% of the electricity used in Salto's factory is now sustainable and comes from renewable sources. 90% of the electrical energy comes from the sun. Salto has installed renewable energy in its facilities. The first large-scale solar power installation in its global network. Salto has also installed solar panels in its packaging, offices, work and residential spaces. It has replaced bulbs with more sustainable alternatives, such as biodegradable products that reduce the carbon footprint, and more. The company also sets voluntary environmental standards to avoid sustainability issues in its worldwide network of offices.

**Tree-planting**  
In order to accelerate decarbonization and contribute to achieving the emissions reduction goal, Salto has implemented a tree-planting project in its facilities. The company has planted 10,000 trees in its facilities, which will help to offset its carbon footprint.

Salto Systems has achieved carbon neutrality thanks to its participation in two incentive projects with its co-responsibility efforts on the economy, society and nature to achieve the company goal for its operations to have zero impact on the climate. This initiative was provided by automatic emission reduction, which, although not to offset emissions that cannot be avoided, 100% of the electricity used in Salto's factory is now sustainable and comes from renewable sources. 90% of the electrical energy comes from the sun. Salto has installed renewable energy in its facilities. The first large-scale solar power installation in its global network. Salto has also installed solar panels in its packaging, offices, work and residential spaces. It has replaced bulbs with more sustainable alternatives, such as biodegradable products that reduce the carbon footprint, and more. The company also sets voluntary environmental standards to avoid sustainability issues in its worldwide network of offices.

#### MIL Forestal Chiriquí

This forestry project in the Chiriquí river basin was the first to be registered with the United Nations Climate Change, generating benefits through the mitigation of climate change by generating the capture of carbon dioxide and improving local quality of life.

Salto Systems has achieved carbon neutrality thanks to its participation in two incentive projects with its co-responsibility efforts on the economy, society and nature to achieve the company goal for its operations to have zero impact on the climate. This initiative was provided by automatic emission reduction, which, although not to offset emissions that cannot be avoided, 100% of the electricity used in Salto's factory is now sustainable and comes from renewable sources. 90% of the electrical energy comes from the sun. Salto has installed renewable energy in its facilities. The first large-scale solar power installation in its global network. Salto has also installed solar panels in its packaging, offices, work and residential spaces. It has replaced bulbs with more sustainable alternatives, such as biodegradable products that reduce the carbon footprint, and more. The company also sets voluntary environmental standards to avoid sustainability issues in its worldwide network of offices.

#### Agrofitos en Olivos

Agrofitos en Olivos is a agrofitos project, their mission is to foster sustainable agrofitos in the rural region of Olivos. The agrofitos, social and sustainable rural development project helps families and keeps people in agrofitos rural areas by developing rural areas. The agrofitos also promotes the production of agrofitos and focuses on climate and depend on the agrofitos in carbon, helping to protect biodiversity and reduce the carbon footprint. Thanks to these two projects and other energy demand to decarbonize Salto's activities, together with a commitment to the environment and taking care of the natural world, Salto has been able to achieve carbon neutrality across all its business and offices, in more than 30 countries.

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- 100% offset of the CO<sub>2</sub> emissions generated in 2020. A percentage of these emissions have been offset with projects in Spain that have also contributed to the creation of jobs. The media impact of this type of action is remarkable, both internally among SALTO staff and externally.
- 100% electricity consumption of renewable energy at SALTO HQ and 98% at Gantner, the group's production centres. Alongside this, the procurement of electricity from renewable sources has been promoted in all BUs, with the baseline being 24% consumed in 2021.
- New photovoltaic installation of 95 kWh in addition to the existing ones. This installation will reduce electricity consumption from the grid. Although the installation was carried out in September 2021, it has entailed an increase of 7.3% in consumption via solar generation. A more complete picture of the contribution of the solar panels to electricity consumption will be available by the end of 2022.

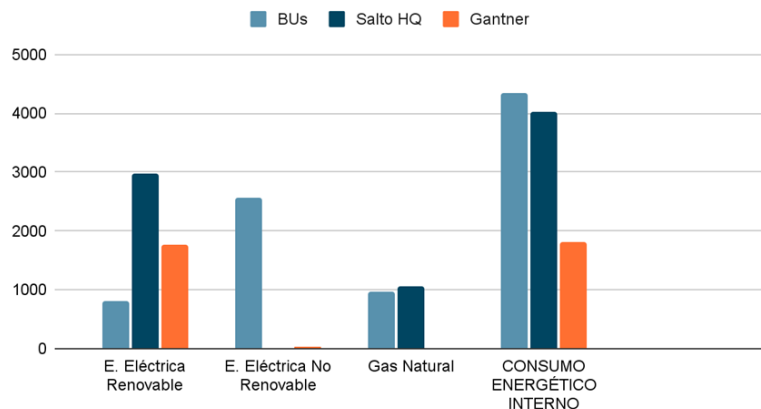
**100%**  
emissions offset  
(Scope 1, 2, and part of 3)

**100%**  
renewable energy  
at SALTO HQ

**14%**  
self-consumption  
of photovoltaic  
panels  
at SALTO HQ

The group's total energy consumption was 10,201.07 GJ (42.6% in the BUs, 39.6% in SALTO HQ, and 17.8% in Gantner), distributed by consumption centre and type of energy as shown in the graph below.

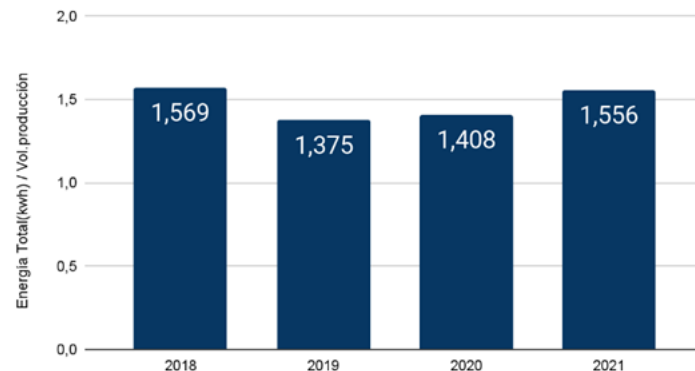
#### CONSUMO ENERGÉTICO DENTRO DE LA ORGANIZACIÓN (GJ)



For SALTO HQ we can compare the total energy consumption per production volume and there is a slight increase. The reasons for this are explained on the next page.

Of the total energy consumed in 2021, 54% is of renewable origin (74% in SALTO HQ, 98% in Gantner, and 19% in the BUs).

#### Energía Total Salto HQ / Vol. Producción





## Electric power

In 2021, 8,177.26 GJ were consumed in the group companies as a whole, 41.5% in the BUs, and the remaining 58.5% in the production centres. At SALTO HQ, consumption rose to 2,969.47 GJ, 12.7% higher than in 2020. This is explained by the increase in the operating time of the air renewal systems due to COVID, as they have gone from being on for five minutes every hour to being on 100% of the time.

Of the total electrical energy consumed in the group, 5.4% is self-generated energy thanks to the photovoltaic panels installed at SALTO HQ and Gantner. Self-consumption in this location is currently 14% and the aim in this field is to reach 20%.

Of the total electricity in 2021, 68% is of renewable origin (100% in SALTO HQ, 98% in Gantner, and 24% in the BUs).



## NATURAL GAS

Natural gas consumption in the group was 2,023.81 GJ, 48% in the BUs, and 52% in SALTO HQ. Gantner does not consume natural gas. These consumptions represent a significant increase compared to the 2020 data, specifically 36.6% higher at SALTO HQ and 96.6% for the BUs. Taking into account the use of natural gas, the difference comes from the variations in ambient temperature between the years under comparison. Furthermore, 2020 is not a good reference year as there were fewer people in the offices because of lockdowns due to the health emergency, and the figure is likely to be abnormally low.

## CLIMATE CHANGE

SALTO has a strong commitment to the climate and this is reflected in the actions taken in recent years, such as the installation of photovoltaic panels, commitment to renewable energy, EPDs in its products, the calculation of the carbon footprint, and the offsetting of GHG emissions to name the most significant ones.

The actions carried out in the environmental area are aimed at responding to the major challenge facing today's companies: to contribute to the decarbonisation of the economy.



### CO<sub>2</sub> emissions

In 2021, the emissions of all group companies have been measured and total 2,265.41 tonnes of CO<sub>2</sub>. As in recent years, part of Scope 3 has been calculated, specifically those corresponding to SALTO employees' business trips and commuting to and from their homes. In this regard, an internal working group has been set up in 2021 to propose solutions to reduce the number of vehicles used daily to commute to work from home. The results are expected to be implemented in 2022.

These GHG emissions will be fully offset during 2022. Local projects will be combined with international projects and projects with a social component in addition to the environmental component. The SALTO group's goal is to become a carbon neutral company.

GHG EMISSIONS	Tonnes of group CO <sub>2</sub>	Observations
Direct (Scope 1)	108.07	Natural gas (heating). 55% corresponds to SALTO HQ and the remaining 45% to the BUs. In the case of SALTO HQ there has been an insignificant increase compared to the previous year (0.07%).
Indirect (Scope 2)	252.35	Electricity. The BUs account for 85% and Gantner for 15%. At SALTO HQ, 100% of the electrical energy is from renewable sources, so its emissions in this regard are zero.
Other indirect (Scope 3)	1,904.98	Work and home-to-work travel by SALTO staff. 66.7% corresponds to BUs, 19.6% to SALTO HQ, and 13.7% to Gantner. This reflects the reduction of unnecessary travel for face-to-face meetings, as many meetings have been held online.

### Other emissions

SALTO does not use substances that deplete the ozone layer, except for a small amount of solvent in a production process that, due to the low quantity, has been excluded from the Basque Government's emission controls. The emission of nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions do not apply either.



05

# **SOCIAL AND PERSONNEL ISSUES**

# 05. SOCIAL AND PERSONNEL ISSUES

01

Since being founded 20 years ago, SALTO has grown organically and inorganically from ten employees to over 1,300 in 2021. The group's workforce is made up of people of over 30 nationalities and uses English as a common language. This rapid growth has been made possible by the people who make up SALTO and by maintaining the humanistic philosophy that drives the company.

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The recent acquisition of Gantner in 2021 was a major challenge for the People area. The first two actions taken were to appoint two people within the organisation to focus 100% on the integration of Gantner. One of these people is tasked with driving, prioritising, and monitoring the integration actions that each department has agreed with Gantner's management. This person has been with the organisation since 2015, has extensive knowledge of the world of electronic access control, and is based in Austria where Gantner is headquartered.

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The second person, who is fully dedicated to integration, has the task of studying the IT tools (both at an infrastructure and SW level) used in both companies and to design and develop an IT integration programme. Widely used group-wide elements such as ERP, the email management environment, or the physical infrastructure of servers, local networks, and firewalls are the focus of this IT platform integration work, and that is why one of the most senior members of the IT team in the company has been entrusted to lead these convergence processes.

We have initiated projects to integrate sales strategies, platforms, products, purchasing, etc., with the aim of seeking positive synergies for both companies in the group.

In some cases we have integrated Gantner employees into the SALTO workforce, in countries such as the USA, the UK, and Belgium. The transition of the SALTO Australia workforce will be completed in early 2022.

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The company's human resources policy invests significant resources right from the recruitment process. Once the person is hired, personalised follow-up is carried out focused on aspects such as their expectations in the company, their training needs, and the level of development at SALTO to which they aspire. In addition to these issues, the company invests resources in maintaining the overall health of its workforce through flexibility measures, work-life balance, physical health, comfortable working and resting environments, etc., in order to make SALTO an attractive project for the people who work there. This so-called emotional salary contributes to higher productivity due to the excellent working conditions. One of the organisation's challenges is to maintain this policy, based on SALTO's values and founding principles, in the various offices and companies that the group is acquiring.

The company's General Management and the People area are working on this challenge, balancing the implementation of people management measures with their adaptation to the idiosyncrasies of the different cultures (due to the geographical environment of the office or because it is an acquisition by the group).

**1,315**  
employees

**27%**  
women

**152**  
jobs created

During the year, part of the efforts of the People area focused on compiling the key indicators of social aspects in the various group companies. As a result, detailed information on each of the SALTO companies is presented on the following pages. Regarding the specific measures and main actions carried out in each of them, information is currently available for SALTO HQ. It is an objective for 2022 to collect information on the rest of the companies and BUs.

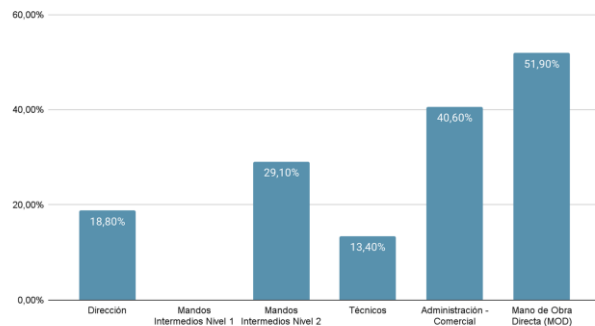


The following table shows the number of **people employed** by professional category as at 31 December 2021

	GANTNER		BUs		SALTO HQ		TOTAL
	F	M	F	M	F	M	
Management	0	6	0	0	3	7	16
Level 1 Middle Management	0	13	0	18	0	6	37
Level 2 Middle Management	6	21	1	8	9	10	55
Technical	37	278	18	150	27	104	614
Administration - Sales	58	43	100	217	28	12	458
Direct Labour (DL)	4	11	1	10	65	44	135
<b>TOTAL</b>	<b>105</b>	<b>372</b>	<b>120</b>	<b>403</b>	<b>132</b>	<b>183</b>	<b>1315</b>

In the company as a whole, women make up 27% of the workforce, and they are present in all categories except in Level 1 Middle Management.

% Mujeres por categoría laboral



With regard to staff turnover in the different companies, the **152 jobs created** in each of the companies are noteworthy:

- 62 jobs in the BUs (18% women)
- 43 jobs at Gantner (14% women)
- 47 positions at SALTO HQ (17% women)

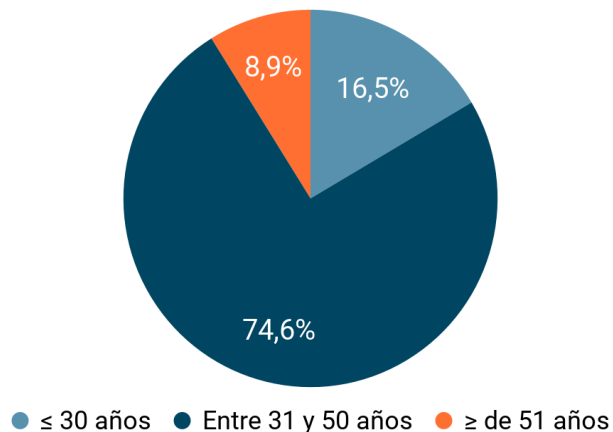
In 2021, SALTO implemented LinkedIn Recruiter as a global talent recruitment and outreach platform.

SALTO does not have a **policy of disconnecting from work** as it has not been necessary so far due to the average age of the workforce (under 40 years old). For the rest of the locations, this data is not yet available.

For **SALTO HQ**, additional information is available on the breakdown of the workforce by type of contract (88.3% permanent and 11.7% temporary) and the age range.

In this case, the impact of the SALTO factory in Gipuzkoa is very positive as 98% of its employees live in the Territory. In 2021 there were no redundancies at SALTO HQ.

**Personas Salto HQ 2021**



**315**  
employees  
**42% women**

**88.3%**  
Permanent

**98%**  
from the  
territory

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**Salary equality** for 2021 and for the whole group is 1:10.1. This is due to the disparity in average salaries between the different countries (and continents) in which SALTO is present. This is calculated as the ratio between the average salary of the 10% of the staff who earn the most and the average salary of the 10% who earn the least. The calculation formula is defined in the inGuru+ tool developed by Adegi for the self-diagnosis of the socio impact of companies. For SALTO HQ, the ratio is 1:4.1.

The company's international nature and its presence in a large number of countries means that the **diversity** of the workforce is a daily reality for SALTO employees. In fact, one of SALTO's successes has always been to have the best possible talent, regardless of race, gender, etc. As such, there is no defined diversity management policy as it is a natural and inherent part of the SALTO business model.

**Equality** in opportunities between men and women has been present since the company's beginnings. An Equality Plan was established in 2019 and the Equality Committee has been in place since 2020. Among the initiatives implemented as part of this Plan, in 2021 SALTO's management organised an equality awareness day and published a Guide to Useful Concepts that includes commonly used terms, to ensure that inclusive vocabulary is used in internal and external communications. In addition, a process of revision for internal procedures and documents has been initiated in order to give them this inclusive tone in their wording. For the drafting of this guide, training in inclusive language was given by people from Marketing, Human Resources, and Legal as departments that usually produce internal and external documentation.

The ratio of salary differences, calculated as the average of salaries by job category and gender is:

RATIO W/M	SALTO HQ			SALTO GROUP	
	2019	2020	2021	2020	2021
Management	1.02	1.01	1	1	n/a
Level 1 Middle Management	-	-	-	-	-
Level 2 Middle Management	0.85	0.89	0.9	0.57	0.7
Technical	0.91	1	0.98	0.92	0.86
Administration - Sales	0.97	0.89	0.88	0.58	0.57
Direct Labour (DL)	0.95	0.96	0.96	0.97	0.96

\* calculated with the average basic salary

\*\* there are no women in this category

At the SALTO HQ offices there are no significant differences, while in the company as a whole there are differences in some categories. There are plans to address this issue at each location in the coming years.

SALTO board members do not receive any remuneration for the fact of being a board member. The representation of women in management bodies in 2021 is 18% in the management committees: 0% at Gantner, 30% at SALTO HQ, and 11% on the Board of Directors.

100% of the workforce is covered by a **collective bargaining agreement** in the respective countries. In the case of SALTO HQ, the Company Pact was signed in 2020 and is in force until 2022.

The number of working hours is set according to each country's legislation.

For HQ it is 1,697 hours for split shifts and 1,682 hours for continuous shifts.

In this regard, and in response to the multiple waves increasing COVID positive cases in the province, efforts have been made to address the workforce's various needs (living with people at risk, fear of being in the office, discomfort with the prolonged use of a mask, etc.). SALTO allowed each person to agree with their manager the time for which they wished to work remotely. Based on this experience of teleworking in many areas of the company, and in order to clarify the future situation (post COVID), SALTO drafted a Flexible Working Guide. It brings together all the flexible working time, holiday, remote working, travel and effort remuneration measures, etc. that exist in the company and has set them out in a document available to all SALTO HQ and has been adapted in some of the group's offices based on their needs and customs.

01 As a result of the exceptional measures taken, there have been no positive COVID close contact cases in the company and no outbreaks at SALTO HQ premises.

02 Also in 2021, a series of measures were implemented to improve working conditions bearing COVID in mind: work at HQ to increase the number of desks in the offices and create small rooms for individual work in quieter spaces, fitting out a dozen workstations with standing desks to improve ergonomics, and implementing a hotdesking system to reserve desks, rooms, or space in the canteen.

03 All group employees are covered by staff **health and safety** systems. These systems are externally audited by the prevention service. In 2021 there were five lost time accidents at SALTO HQ and none at Gantner. We do not have data for the rest of the locations at the moment.



All staff are entitled to **parental leave** and in 2021, 33 people took parental leave, 45% of whom are women. All of them returned to work once the leave had been completed. In terms of a **work-life balance**, we can mention the following measures: flexible start and finish times, flexible holiday system (included in the Flexible Working Guide), intensive working hours in August and special working hours for specific periods when caring for dependent persons, as well as the availability of remote working for family reasons. All requests for partial paternity leave have been accepted as well as all requests to carry over leave to the following year in order to improve the work-life balance within the family unit.

When analysing **absenteeism**, SALTO differentiates between standard absenteeism, understood as the person's non-attendance at work for reasons unrelated to the workplace, and the "non-SALTO profile", which includes the above, except for maternity, paternity, breastfeeding, or wedding leave. In 2021, these data are available for the production centres. Overall absenteeism for SALTO HQ was 6.36% (3.10% for men and 3.26% for women) and for Gantner it was 9.25% (6.99% for men and 2.26% for women). For HQ, the non-SALTO profile absenteeism was 1.43% for men and 2.65% for women.

Regarding the **social benefits** enjoyed by the workforce, detailed information is currently available for HQ. In future years, all these aspects will be worked out in detail with the BUs and Gantner and detailed information will be made available. In Oiartzun, 100% of the staff enjoy a wide range of social benefits such as a physiotherapist, wellness, sportswear, catering, healthy menus, etc. In addition, staff with permanent contracts have medical insurance and life and disability insurance.

In this field, as in previous years, the following actions stand out:

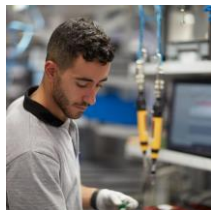
- Physiotherapist service for the company in the Oiartzun facilities: preventive for production and warehouse and on demand for the rest of the company. The implementation of a stretching routine has been extended to three of the four breaks that take place in the assembly sections.
- Voluntary Wellness classes, outside working hours and 100% subsidised by the company. The service is designed to be carried out at the company's facilities to ensure attendance, although since March 2020 up to now they have been held online with fixed schedules or available on a YouTube channel so staff can watch them whenever it is convenient for them.
- Healthy diet. Fresh fruit and nuts are available to all staff both in the dining room and in the coffee area. Vending and catering menus are healthy. In this regard, the purchase of bread and organic vegetables is facilitated through the intranet. Suppliers are local with the idea of promoting "Km0" purchases.
- Promotion of sport. Participation in races and sporting events is encouraged by funding the registration and the acquisition of sportswear with corporate labels.
- Language classes. Classes are given at the company premises and outside working hours in five languages. This is completely funded by SALTO and can be attended even if the learning is not necessary for the performance of the person's specific job.
- Possibility of teleworking for all people who request it, agreed with each person in charge based on the needs of the position and the person.



SALTO's commitment to **disability** has been twofold in recent years. Firstly, the Free2move initiative (explained in detail in the Society section) and subcontracting with Special Employment Centres (SEC) (in the case of SALTO HQ). In 2021, the number of people with disabilities working for SALTO through two SECs in Gipuzkoa was 94 people (44% women). The total cost of subcontracting amounted to 1.88 million euros. As of September 2021, there are no SEC people working in SALTO, everything is carried out at SEC facilities. This important change has been due to the need to expand the assembly work surface in our facilities and to changes in the processes (safety and infrastructure) so that it is no longer necessary to carry out some operations at SALTO HQ facilities.

With regard to staff **training**, for the moment we only have data from SALTO HQ. The average number of hours of training received was as follows:

WORK CATEGORY	WOMEN	MEN
Management	22.7	35.6
Level 1 Middle Management	-	52
Level 2 Middle Management	40.6	1.9
Technical	79.1	58.4
Administration - Sales	0.6	11.6
Direct Labour (DL)	4.5	56.6



Salto offers a general **training catalogue** and a technical training plan depending on the position and the needs of the work area. In 2021, several noteworthy actions were carried out in this area:

- Change in the approach to continuous training for technical positions; a substantial increase in the average number of training hours for this job category.
- Commitment to short, online training courses, leaving it up to the user to choose from a wide range of options.
- Agreement with two online training platforms (to come into operation in 2022).
- Equality awareness training for the management team, as part of the actions of the Equality Plan.
- Training talk on sustainability delivered to all Salto HQ staff and BU managers. This information is provided to all people joining the organisation.
- Global Compact sustainability training; short courses prepared by this entity are available to all those who wish to take part. At the moment there is no way of counting how many people take them, but the aim is to incorporate the Global Compact training platform into Salto's training plan over the next few years.
- Completion of the Climate Ambition Accelerator course in order to be able to join the Science Based Target Initiative in 2022.
- Specific training on prevention and occupational risks at Salto HQ:
  - Postural hygiene: 77% of the Direct Labour staff and 19% of the total staff attended.
  - Fire extinguishing: 100% of the intervention team (23 people) attended.
  - First aid: ten people attended.
- Mentors in assembly project.



06

# ABOUT THE COMPANY

# 06. ABOUT THE COMPANY

## COMMITMENT TO THE REGION

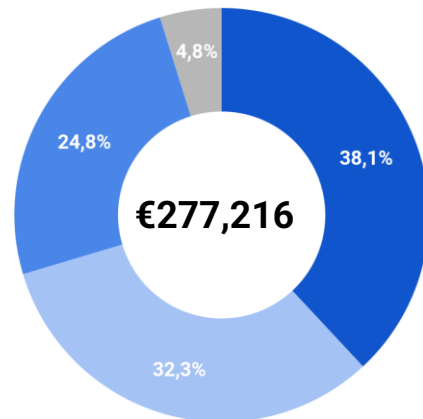
SALTO's commitment to society is largely reflected through the social initiative *Salto Adaptado*, designed to help people with problems related to physical disability and mobility.

For years, SALTO has been providing targeted support to people in the world of adapted sports. The ultimate aim of the initiative is to promote adapted sport as a way of self-improvement and social integration. In addition to specific projects in different sports (skiing, basketball, paratriathlon, cycling, and athletics), we are actively working on the development of guides with accessibility maps for Paralympic sports around the world.



In addition, SALTO contributes to society in the regions where it operates. Its overall contribution in 2021 was 48% higher than the previous year, surpassing the contribution figure prior to the COVID pandemic. HQ accounted for 64.5% and the rest for the BUs and Gantner. This aid has been given to different types of project, with sport being the area where there is the most support.

- DEPORTE ADAPTADO
- SALUD/IGUALDAD EN EL DEPORTE
- INICIATIVAS SOCIALES/PATROCINIOS DE CONTENIDO SOCIAL
- INICIATIVAS DE APOYO AL TEJIDO EMPRESARIAL



In addition to the social work carried out through Free2move with adapted sports, one of the areas to which SALTO is most committed is education. It has been working for several years on the Future Talent project, which aims to bring the company closer to the educational centres in the area and encourage STEM vocations among students in the Territory. Within this project, and in 2021, the following actions are worth highlighting:

## 4 EDUCACIÓN DE CALIDAD



### TEACHING COLLABORATIONS

Tecnun (U. Navarra)  
Master's Degree in Social Psychology (UPV/EHU)  
MEDEA Master's Degree (U. Deusto)

### STUDENTS IN THE COMPANY

Three in Dual Vocational Training  
11 Final Degree / Master's Degree  
Projects at SALTO's facilities  
Three internship contracts  
Eight students in the factory through Lanbide and its employment development programmes

### OTHER INITIATIVES

INDUSTRIA EGUNA: introduction to the business world for 4th year secondary school students in Gipuzkoa  
Participation in six JOB FAIRS and similar initiatives  
Sponsorship of the D. Bosco award

10 REDUCCIÓN DE LAS DESIGUALDADES



2 HAMBRE CERO



3 SALUD Y BIENESTAR



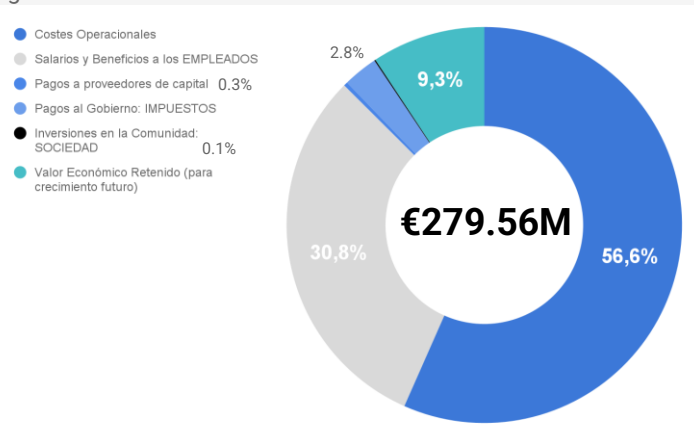
Together with the actions carried out with educational centres, in 2021, we have collaborated with some local entities. By way of example, the following can be highlighted, among others. Columbus Foundation (Luz para Candela), Banco de alimentos, Action Against Hunger, Refugeat (purchase of books), Kemen Association, Aalborg Zoo, etc.

## SOCIO-ECONOMIC VALUE

### Value generated and distributed

The economic value generated and distributed by SALTO in 2021 (consolidated with Gantner) is shown in the graphic on the right. The amount of subsidies received in 2021 (consolidated) was €2,153,956, 87% for subsidiaries and 13% for SALTO HQ. 47% of these subsidies went to R&D&I projects, 8% to productive investments, and 32% to training activities. The remaining 13% was for new hires.

Of the total grants, 48% corresponded to aid from the US government.



### Subcontracting and suppliers

In this field we have data from SALTO HQ and, as in previous years, the high percentage of local suppliers is noteworthy. In 2021, 73% of purchases were from state-owned suppliers. In order to determine the contribution to the territory, these purchases are calculated at a more in-depth level. Thus, 38% of the suppliers are from Gipuzkoa and 45% from the BAC. Only 12% of purchases are from non-European suppliers and China is the only country with which there is a trade relationship and that has been identified by the UN as a high-risk country.

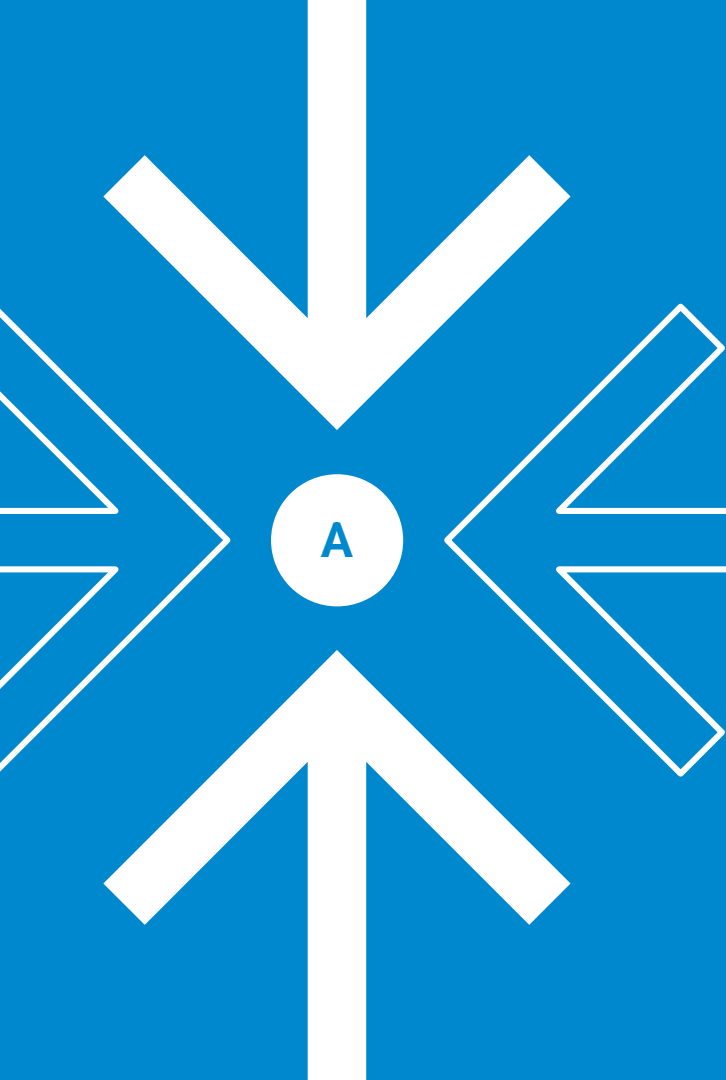
In 2021, the responsible purchasing project was launched, adding ESG criteria to the supplier approval process. This project includes specific actions to encourage/help suppliers on their path towards sustainability.

### Corruption and bribery

The SALTO Code of Conduct defines specific measures in the event of possible cases being detected in the organisation. Both Oiartzun (Salto HQ) and Nüziders (Gantner HQ) control 100% of the payments made in the different group companies and, whenever technically possible, a dual signature system is used.

### Consumers

Product safety is one of SALTO's key competitive requirements and this is ensured by strict compliance with safety regulations by all products. Claims and complaints follow the process defined in the company's Management Manual. The number of enquiries, complaints and claims received in 2021 in all Business Units has been 84,133, of which 97.5% are closed.



# APPENDIX

# APPENDIX

## Content of the non-financial information statement.

CONTENT OF LAW 11/2018		LOCATION/DIRECT RESPONSE	GRI
<b>BUSINESS MODEL</b>			
Business environment		Page 5-18	
Organisation and structure		Page 13-14	
Markets		Page 10-12	
Objectives and strategies		Page 9	102 and 103
Factors and trends that may affect the evolution		Page 8-18	
Policies		Page 20-23	
Risks		Page 20	
<b>ENVIRONMENTAL ISSUES</b>			
Pollution	Measures to prevent, reduce, or remedy any air, noise, light pollution	25-34	416-1
	Prevention measures	Page 28	
	Recycling, reuse	Page 28	301-2 / 301-3
Circular economy, waste prevention and management	Waste recovery and disposal	Page 28	306-2 / 306-3 / 306-4
	Actions to combat food waste	Not a material area	Not applicable
	Water	Page 29	303 (from 1 to 5)
Sustainable use of resources	Consumption of raw materials	Page 30	301-1
	Energy consumption (measures for energy efficiency and the use of renewable energies)	Page 31-33	302 (from 1 to 4)

Climate change	Emissions of greenhouse gases	Page 34	305 (from 1 to 7)
	Climate change adaptation measures	Page 31-34	307-1
	Reduction targets and measures implemented	Page 31-34	305-5
Protection of biodiversity	Measures to preserve or restore biodiversity	Not a material area	Not applicable
	Impacts caused by activities or operations in protected areas	Not a material area	Not applicable
SOCIAL AND PERSONNEL ISSUES			
Employment	Total number and distribution of employees by gender, age, country, and job category	Page 38-39	401
	Total number and distribution of contract types	Page 39	401
	Average annual number of permanent contracts, temporary contracts, and part-time contracts by gender, age, and job category	Page 39	401
	Number of dismissals by sex, age, job category	Page 39	401
	Average earnings and their evolution broken down by gender, age, and job category	Page 41	405-2
	Pay gap	Page 41	405-2
	Average remuneration of board members and managers	Page 41	405-2
	Implementation of disconnecting from work policies	Page 38	405-2
	Employees with disabilities	Page 43	405-1

		LOCATION/DIRECT RESPONSE	GRI
Work organisation	Organisation of working time	Page 41	102-8
	Number of hours of absenteeism	Page 42	403-2
	Measures aimed at achieving work-life balance	Page 42	401-3
Health and safety	Health and safety conditions at work	Page 42	403 (from 1 to 3 and from 6 to 8)
	Occupational accidents (frequency and severity) and occupational illnesses broken down by sex	Page 42	403-9 / 403-10
Social relations	Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them	Page 41	402-1
	Percentage of employees covered by collective bargaining agreements by country	Page 41	102-41
	Summary of collective agreements: field of health and safety at work	Page 41	403-4
Training	Policies implemented in the field of training	Page 44	403-5 / 404-2
	Number of hours of training by category professionals	Page 44	404-1
Accessibility	Policy to combat all types of discrimination	Page 40	103-2
	Diversity management policy	Page 40	
	Universal plan for people with disabilities	Page 40	
Equality	Measures taken to promote equal treatment and equal opportunities for men and women	Page 40	
	Equality plans	Page 40	
	Measures taken to promote employment	Page 40	
	Protocols to combat sexual harassment and gender-based harassment	Page 40	

Equality	Measures to address integration and accessibility for people with disabilities	Page 40	103-2
	Policy to combat all types of discrimination	Page 40	406-1
	Diversity management policy	Page 40	405-1
<b>INFORMATION ON HUMAN RIGHTS</b>			
Due diligence	Due diligence procedure	The reference to this information is given on page 18 (Ethical framework). SALTO's Code of Conduct sets out the way the company operates.	
Prevention	Prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage, and redress possible abuses committed		412-1 / 412-2 / 412-3
	Summary of collective agreements: field of health and safety at work		411-1
Ethical channel- Ethical mailbox	Complaints for cases of human rights violations		407-1
	Promotion of and compliance with fundamental ILO conventions – freedom of association		
	Guaranteeing the right to collective bargaining.		
Human rights principles	Effective abolition of child labour		
	Elimination of forced or compulsory labour		
	Elimination of discrimination based on employment and occupation		

## INFORMATION ABOUT THE COMPANY

INFORMATION ABOUT THE COMPANY			
Corruption and bribery	Measures taken to prevent corruption and bribery	Page 48	205
	Measures to combat money laundering	Page 48	103-2
	Contributions to foundations and non-profit organisations	Page 46	103-2 / 201-1
Commitments	Impact of the company's activity on local employment and development	Pages 39 and 46-48	203-1 / 203-2 / 204-1
	Impact of the company's activity on local populations and the region	Page 46-48	413-1 / 413-2
	Relationships with stakeholders in the local community and the types of dialogue with them	Page 47	413-1
	Association or sponsorship actions	Page 46 - 47	103-2 / 201-1
Subcontracting and suppliers	Inclusion of social, gender equality, and environmental issues in procurement policy	Page 48	103-3
	Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	Page 48	414-1
	Monitoring and audit systems and their results	Page 48	414-2
Consumers	Measures for the health and safety of consumers	Page 48	416-1
	Claim systems	Page 48	
	Number of complaints received and their resolution	Page 48	416-2
Tax information	Indicators of benefits obtained by country	Information not available	
	Taxes on profits paid and public subsidies received	Page 48	201-1 / 201-4

**SALTO SYSTEMS S.L. AND SUBSIDIARIES PREPARATION OF THE NON-FINANCIAL INFORMATION REPORT FOR THE 2021 FINANCIAL YEAR**

In compliance with the provisions of current legislation, on 24 June 2022, the Board of Directors of Salto Systems S.L. prepared the non-financial information statement for the year ended 31 December 2021 ("2021 non-financial information report"), which consists of the documents attached hereto.

**SIGNATORIES**

\_\_\_\_\_  
Mr José Antonio Itarte San Gil  
(President)

\_\_\_\_\_  
Ms Jaione Goñi López  
(Non-Director Secretary)

\_\_\_\_\_  
Ms Ainhoa Manterola Solans  
(Board Member)

\_\_\_\_\_  
Mr Jon Santa Cruz Azcabide  
(Board Member)

\_\_\_\_\_  
Mr Gonzalo de Rivera García de Leániz  
(Board Member)

\_\_\_\_\_  
Mr Javier de la Rica Aranguren  
(Board Member)

\_\_\_\_\_  
Mr Marcus Johannes Anna Maria Handels  
(Board Member)

\_\_\_\_\_  
Mr Francisco Javier Roquero Ussía  
(Board Member)

\_\_\_\_\_  
Mr Juan Tadeo Itarte San Gil  
(Board Member)

\_\_\_\_\_  
Mr Juan Antonio Imedio Ocaña  
(Board Member)

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Mr Esteban Salegui Arbizu  
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