

# Statement of non-financial information 2022



# Index

## Sustainable Development

Statement of  
Non-financial  
Information 2022

**Finsa**

<b>About this report</b>	3
<b>The company</b>	4
Market environment	4
The year 2022	5
Industrial process	6
Products	7
Other business lines	8
Economic data	8
<b>Social and personnel aspects</b>	9
Respect for human rights	9
The experience of a team	10
Remuneration and the pay gap	15
Flexibility policy	17
Absenteeism	17
Conciliation	17
Diversity and equal opportunities	18
Digital disconnection	19
Training, the key to talent development	19
Measures to promote employment	20
Promotion of accident prevention culture	21
Safe activities	22
Health and safety committee	22
Audits	23
Agreements	23
<b>Suppliers, our travelling companions</b>	24
Selection criteria	24
Central purchasing department	24
<b>Responsibility to the consumer. Circularity of the product</b>	25
Guaranteed product	25
Product certifications	25
Forestry certifications	26
Sustainable building certifications	26
Complaints and claims	26
<b>Environment and sustainable management</b>	27
Wood, a vital raw material	27
Environmental management, an essential re- source	28
Risk management	28
Sustainable use of resources	31
Towards a sustainable future	32
Protection of biodiversity	33
<b>Social commitment</b>	33
Associative vocation	33
Collaborative projects	33
Training	33
Industry 4.0	33
Health and safety liabilities in the forestry sector	34
2030 Observatory of the Senior Council of the Spanish Architects College	34
Gender-based violence	34
<b>Ethics, integrity and transparency</b>	35
Fighting corruption and bribery	35
Tax information	35
<b>Appendices</b>	38

# About this report

This Statement of Non-financial Information (hereinafter, "SNFI") of the Consolidated Group of Financiera Maderera S.A, (Finsa) corresponds to the information contained in point 10 of the Management Report of the Consolidated Group, corresponding to the financial year ended 31 December 2022 and formulated by the Board of Directors at its meeting held on 28 March 2023.

## Materiality analysis

The information included in this report is that which, in the opinion of the directors, is relevant to the Group according to its business activity and structure, and is presented in accordance with the current regulatory framework.

In order to design the contents of the SNFI and select the matters that are relevant, a materiality analysis is essential and was carried out with the aim of assessing the non-financial aspects that are critical for our stakeholders, as well as responding to the non-financial information and diversity requirements established by Law 11/2018 of 28 December 2018.

The guidelines for sustainability and corporate social responsibility reports of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standard Board (SASB), which specialise in evaluating the economic, environmental and social performance of companies, were taken into account in its preparation. In this context, the aspects were prioritised according to their impact on the business and the expectations of Finsa's key stakeholders, which may be either

internal (partners, shareholders and employees) or external (customers, suppliers, local government and environmental authorities).

In the case of some legally requested matters, additional data have not been reported as they are not considered material for the company; these include those related to light and noise pollution (the reasons for not attaching measurement data are explained in the report) and actions to combat food waste, as they do not affect the development of the company's activity.

## Finsa\* materiality aspects

### ECONOMIC

- Reduction of emissions from deforestation (REDD) ●●
- Indirect economic effects ●●
- Product design and life cycle management ●●

### ENVIRONMENTAL

- Material procurement ●●●●
- Energy consumption ●●
- Water consumption ●●
- Water management ●●
- Protection of biodiversity ●●
- GHG emissions ●●●
- Chemicals / waste management ●●●●
- Waste management ●●●
- Forestry practices (deforestation, fire control, use of pesticides, etc.) ●●●●
- Forestry management ●●●

### SOCIAL

- Internships ●
- Working conditions ●
- Workforce relations ●
- Health & safety ●
- Corruption ●●●●
- Human rights ●

### OTHERS

- Regulatory compliance ●●●●
- Procurement strategy and policies ●●●●

\* Detailed table in APPENDIX I

- Partners / Shareholders
- Workers
- Customers
- Suppliers
- Administration
- Company

# The company

**F**inancial Maderera S.A. (Finsa) is a family company that develops its activities in the field of industrial wood processing. The company started its industrial activity in 1931 as a sawmill in Portanxil (Ames, A Coruña, Spain).

Finsa develops solutions that aim to respond to the needs of the interior design, habitat and construction sectors. Its main activity is concentrated on the manufacture and processing of wood products (boards, decorative surfaces, laminate flooring and furniture components) and the processing of solid wood. These solutions offer a variety of integral applications: cladding, decorative surfaces, façades, flooring, building systems and outdoor equipment.

Alongside this main line of business, Finsa has two complementary divisions: its Chemical business that produces resins and chemical components, and its Energy business that deals with power generation. More details on page 8.

To achieve this, Finsa has established a network of solid and valuable relationships with its staff, its environment and the various agents involved in the sector.

## Market environment

The changing reality of the markets, along with other variables such as the digitalisation of the sector, will influence success

in achieving these objectives. Similarly, the company must manage self-financing, business ethics policies and business sustainability.

The purposes of the business include development of a market share in countries where activity is lower. The established objective will be achieved with a specific product catalogue adapted to the relevant geographical reality whenever possible, with the implementation of local manufacturing (both in-house and through alliances with similar

production plants close to the ports of loading, 16 sales offices in 10 countries, 9 logistics platforms in different parts of Europe and an export department that works with customers around the world.

Spain, Portugal and France are Finsa's main markets. The company maintains a share that it intends to reinforce by adapting the positioning of its solutions within all the channels in which it is present (distribution, industry and supermarkets) and by providing specialist services and technical advice to its prescribers.



businesses and other agents in the sector).

Given the global nature of the company, the company maintains its commitment to international presence and currently has 10



During the 2022 financial year, we can distinguish two distinct parts, the first half of the year with high demand, and the second half, in which a trend of decreasing demand begins as a result of the invasion of Ukraine and the uncertainty that this has caused.

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### The year 2022

During the financial year 2022, in the Iberian wood products market, we can distinguish two distinct parts: the first half of the year, in which the high demand that had already started in the second half of 2020 and had been consolidated in the financial year 2021, in all sectors related to the home, has continued. On the other hand, in the second half of the 2022 financial year, a downward trend in demand begins, as a result

of Russia's invasion of Ukraine and the war and the general uncertainty that this has provoked.

The first half of the 2022 financial year was characterised by high activity in our sector, with tensions between supply and demand, already existing in the previous year, and accentuated by various circumstances related to transport, such as the strikes called in the first quarter, the increase in costs and the shortage of supply. In the second half of the year, the effects of the war in Ukraine were accentuated, with strong inflationary pressure causing a reduction in the disposable income of households and, consequently, a fall in consumption in our sector in favour of staple products and goods. This drop in demand led us to make adjustments in production.

and mechanical characteristics and in terms of commitment to sustainability, which will enable us to introduce new value proposals for our customers; and also on the technological improvement of processes, based on digitalisation, automation and artificial intelligence techniques. We continue to highlight the developments in the chemical area in obtaining bio-based products and the continuity of the multi-year smart factory project at the Ourense plant (Enxeño+), as well as the start of the Packtabla project, which addresses the integral traceability of wood products.

In this changing environment, the basic lines of our management have focused on reinforcing the reliability of service to our customers, updating the salaries of our staff, trying to pass on the increase in costs to prices in a staggered and contained manner, controlling current expenses, and prioritising investments.

With regard to research and development activities, during the financial year 2022, both in the area of wood solutions and in the chemical area, we have continued to work on obtaining new products and improving existing ones, both in terms of technical



# The wood retains its qualities and improves its efficiency.

## COMMERCIAL BRANCHES

### SPAIN

- Finsa Santiago
- Finsa Barcelona
- Finsa Bilbao
- Finsa Madrid
- Finsa Seville
- Finsa Valencia
- Finsa Export

### PORTUGAL

- Luso Finsa

### FRANCE

- Finsa France

### IRELAND

- Finsa Forest Products

### ITALY

- Finsa Italia

### POLAND

- Finsa Polska

### UNITED KINGDOM

- Finsa UK

### THE NETHERLANDS

- Finsa BV

### PANAMA

- Finsa Latinoamérica

### UAE

- Finsa Trading Middle East

### MOROCCO

- Finsa Morocco

## FACTORIES

### SPAIN

- Padrón
- Santiago
- Rábade
- San Ciprián das Viñas
- Coirós
- Caldas de Reis
- Cella

### FRANCE

- Ambarés et Lagrave

### PORTUGAL

- Gafanha de Nazareth
- Nelas

## LOGISTICS PLATFORMS

- Barcelona
- Rábade
- Albacete
- The Netherlands
- Ireland
- France
- United Kingdom
- Poland
- Portugal



## Industrial process

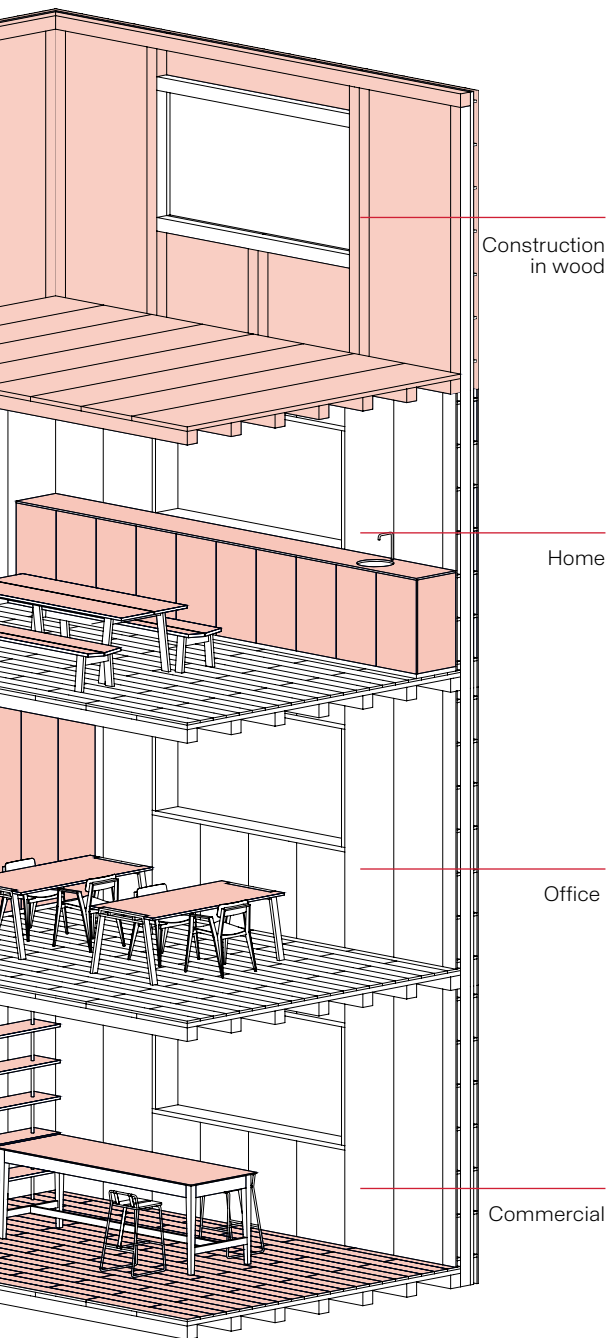
At Finsa we believe that the only way to grow in a responsible and sustainable way is by taking care of every detail of our production chain. It is one of the ways we can contribute to improving our environment, both natural and social.

The industrial process is based on the circular economy system, so that manufacturing is optimised to minimise waste (through recycling and reuse) and maximise energy

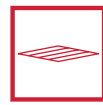
savings through co-generation. In this way, the unusable waste created by industrial activity, together with matter recovered from other industries, can be used as an energy resource.

These processes require advanced technology, a good level of training and a management in permanent development, to which different areas that support the organisation contribute.

Finsa's main activity is the manufacture of particleboard and MDF boards, the most common applications of which are found in the world of housing and in the furniture and construction industries.



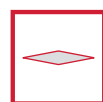
Particleboard  
MDF board  
Natural wood



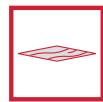
Flooring



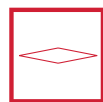
Solid pine wood board



Decorative board



Board with veneer



Structural board



Coloured board

**Products**

For more than ninety years, Finsa has based the transformation of wood on the conservation of its qualities, from the moment it enters the transformation process until it reaches the end consumer. This supply chain means that all the agents involved in the cycle (suppliers, intermediate customers, etc.) are enriched and involved in the achievement of this objective.

Innovation is a key lever throughout the entire product development and manufacturing process. This philosophy involves the technical and material aspects, while enhancing design as a differentiating value of the solutions required by its customers.

Finsa's main activity is the manufacture of particleboard and MDF boards, whose most common applications are in the interior design, habitat and construction sectors.

Particleboards are made of three layers of shredded wood bonded together by synthetic resins through flat pressing at high temperatures, and MDF boards are products made from lignocellulose fibres obtained from selected woods, bonded with synthetic resins under pressure at high temperatures.

Once coated with decorative paper, the boards are used for the manufacture of decorative surfaces, laminate flooring and furniture components, among other applications.



## We continue to promote design as a differentiating value.

### Other business lines

Alongside the main line of business (manufacture and transformation of products derived from wood), Finsa has established two complementary divisions:

- A chemical business (Foresa): since 1964 it has focused on the creation of resins and chemical components. The purpose of this division is, on the one hand, to innovate in terms of internal industrial processes and, on the other, to respond to the demands and needs of customers by offering solutions applied to all sectors, including those targeted by the products manufactured by Finsa.

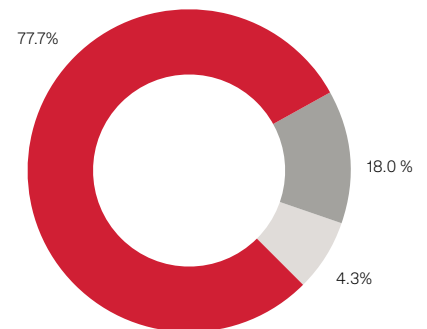
- An energy business (Cogeneración del Noroeste): the company has four co-generation plants that enable thermal energy to be used in the production process. The energy surplus is

sold on the energy market and income is generated.

### Economic data

In terms of turnover, of the €1,419.0 million invoiced in 2022 (€1,118.7 million in 2021), the distribution by business would be as follows: €1,102.4 million in wood products (€895.0 million in 2021); €254.7 million in chemicals (€179.9 million in 2021); and €61.9 million in energy (€43.8 million in 2021). In these business activities, direct employment benefited 3,273 people (3,321 people in 2021).

### 2022 Turnover



- Products derived from wood
- Chemical department
- Energy



# Social and personnel aspects

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In 2022, we will continue to make progress in organisational evolution, creating spaces of responsibility and taking on new challenges for the people of the Organisation. Our intention is to continue to promote our variety and diversity of visions so that the best decisions can be taken at all times, allowing us to continue to be relevant to a third party, based on the autonomy and responsibility of individuals.

In this regard, among other things, we continue to work on maintaining and developing the coordination of functions in both structure and processes. We also continue to work on improving working conditions, training and career development, occupational health and safety, equal opportunities for all, and the promotion and integration of diversity.

The entire Finsa workforce continues to be included within the scope of application of different collective bargaining agreements, which constitute the instrument regulating relations in the company within the framework of the labour legislation of the different countries in which the Group operates.

We promote a culture of agreement based on respect for trade union freedom, fundamental rights and collective bargaining, as evidenced by the Organisation's commitment to establishing channels of communication with

all representatives involved in the workplace. It is also worth mentioning that collective agreements include various channels of communication with corporate representatives. Good industrial relations and effective social dialogue are elements of our history. Through dialogue with social partners we continue to strive and improve people's working conditions.

During the year 2022, the changing circumstances that have affected the world economy have meant that we have needed to apply temporary employment regulation mechanisms, which were agreed with social representation. The first of these was applied in March due to the stoppage of production activity as a direct consequence of the transport conflict, which directly affected the supply chain's basic ability to continue production, and the saturation of space in the finished product warehouses, as it was not possible to supply the manufactured material to customers. During the month of September, temporary employment regulation measures were once again agreed upon to deal with productive economic causes that led to the stoppage of production lines due to the reduction in demand.

## Respect for human rights

We remain committed to human rights and promote respect for human rights in all countries where we operate. This commitment is linked to compliance with our code

of values and the provisions of the fundamental conventions of the International Labour Organisation concerning respect for freedom of association, the right to collective bargaining and the elimination of discrimination in employment. We identify with and defend each and every one of the principles set out in the United Nations Universal Declaration of Human Rights. The dignity and value of the person, as well as equality between men and women, are principles that govern all our actions in the daily development of our activity.

We encourage the conduct of all individuals to be respectful of human, social and labour rights in accordance with international standards including the Universal Declaration of Human Rights, the United Nations Global Compact and the principles of conduct and recommendations for the conduct of business published by the United Nations, the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organisation (ILO).

We strictly comply with current labour regulations and the principles governing the employment relationship in the company. In all the territories in which we operate, the minimum age for access to employment is that which corresponds to the age of majority. As far as forced labour is concerned, there are no cases in any of the Finsa centres that indicate the need to

## We continue to encourage a variety of visions in all areas of the Organisation.

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adopt measures other than those currently in place in this area.

Finsa has a Code of Conduct which sets out and updates the group's principles of action, and which includes the corresponding rules on the obligation to maintain a workplace free of harassment, intimidation and offensive or improper conduct, as well as any action that undermines the dignity of the individual.

Finsa is not aware of any reports of behaviour that violates or is contrary to the respect for human rights.

### **The experience of a team**

A total of 3,273 people were employed during the year, mainly in Spain, Portugal and France, 84% of whom work in Spain.

The percentage of women in the total workforce is 18%, in Spain this percentage is 19%. It is important to take into account when assessing this idea of representation that Finsa belongs to a very male-dominated industrial sector, such as the wood transformation sector. Similarly, it is also necessary to consider the availability in the labour market of the profiles required for each position, especially in those related to the industrial technical field, engineering and technical training. The measures incorporated in the Equality Plan have contributed to women's access to positions of responsibility and positions in which they are under-represented. We continue to work

on the promotion of measures to encourage the incorporation of women in these types of functions.

Internal selection processes have continued to be opened up with the aim of filling new positions and vacancies, continuing and in line with Finsa's ongoing commitment to internal talent and the growth and development of its professionals.

The following tables detail the staff by country. This does not include a breakdown of the 84 people who are part of the local branches and who are mainly located in the Netherlands and the United Kingdom.

A total of 3,273 people, distributed mainly between Spain, Portugal and France, made up the workforce during this year.

SPAIN	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>					2 (1)	2 (2)	4 (3)
<b>Female and male directors and female and male technicians</b>	23 (19)	110 (104)	13 (12)	20 (17)	221 (216)	142 (141)	529 (509)
<b>Female and male admin. / commercial staff</b>	11(11)	70 (62)	34 (33)	14 (10)	91 (91)	42 (39)	262 (246)
<b>Female and male operators</b>	27 (36)	192 (221)	37 (37)	157 (186)	1,126 (1,162)	426 (407)	1,965 (2,049)
<b>Total</b>	61 (66)	372 (387)	84 (82)	191 (213)	1,440 (1,470)	612 (589)	2,760 (2,807)

(X) 2021

FRANCE	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>							
<b>Female and male directors and female and male technicians</b>	0 (0)	6 (4)	2 (2)	1 (1)	6 (16)	4 (7)	19 (30)
<b>Female and male admin. / commercial staff</b>	1 (2)	6 (8)	1 (2)	2 (2)	7 (5)	1 (2)	18 (21)
<b>Female and male operators</b>	0 (0)	4 (1)	0 (0)	1 (1)	18 (18)	13 (6)	36 (26)
<b>Total</b>	1 (2)	16 (13)	3 (4)	4 (4)	31 (39)	18 (15)	73 (77)

(X) 2021

PORTUGAL	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>							
<b>Female and male directors and female and male technicians</b>	4 (4)	19 (22)	2 (2)	7 (6)	29 (34)	22 (22)	83 (90)
<b>Female and male admin. / commercial staff</b>	2 (2)	7 (5)	5 (4)	0 (0)	6 (7)	11 (11)	31 (29)
<b>Female and male operators</b>	3 (3)	7 (5)	0 (0)	34 (37)	141 (140)	57 (53)	242 (238)
<b>Total</b>	9 (9)	33 (32)	7 (6)	41 (43)	176 (181)	90 (86)	356 (357)

(X) 2021



In line with the permanent commitment to internal talent, internal selection processes are opened to fill new positions and vacancies.

By type of contract, the headcount in Spain would be as follows:

#### SPAIN

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>					2 (1)	2 (2)	4 (3)
<b>Female and male directors and female and male technicians</b>	12 (5)	106 (101)	13 (12)	9 (6)	217 (208)	142 (141)	499 (473)
<b>Female and male admin. / commercial staff</b>	5 (6)	67 (61)	34 (33)	7 (7)	89 (88)	42 (39)	244 (234)
<b>Female and male operators</b>	16 (9)	174 (164)	37 (36)	123 (118)	1,088 (1,069)	425 (403)	1,863 (1,799)
<b>Total</b>	33 (20)	347 (326)	84 (81)	139 (131)	1,396 (1,366)	611 (585)	2,610 (2,509)

(X) 2021

TEMPORARY CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>							
<b>Female and male directors and female and male technicians</b>	11 (14)	4 (3)	0 (0)	11 (11)	4 (8)	0 (0)	30 (36)
<b>Female and male admin. / commercial staff</b>	6 (5)	3 (1)	0 (0)	7 (3)	2 (3)	0 (0)	18 (12)
<b>Female and male operators</b>	11 (27)	18 (57)	0 (1)	34 (68)	38 (93)	1 (4)	102 (250)
<b>Total</b>	28 (46)	25 (61)	0 (1)	52 (82)	44 (104)	1 (4)	150 (298)

(X) 2021

We continue to see employability and functional mobility as a lever for professional growth and development.

Average number of contracts in Spain:

#### SPAIN

PERMANENT CONTRACT AVERAGE	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>					1.99 (1)	1.99 (1.99)	3.99 (2.99)
<b>Female and male directors and female and male technicians</b>	5.93 (3.74)	106.69 (104.10)	13.50 (12.96)	5.89 (4.49)	213.37 (214.41)	146.68 (143.04)	492.05 (482.74)
<b>Female and male admin / commercial staff</b>	4.23 (5.15)	64.28 (60.83)	34.44 (32.91)	4.73 (4.84)	88.31 (87.59)	42.78 (37.54)	238.76 (228.86)
<b>Female and male operators</b>	11.33 (7.82)	162.15 (161.93)	42.93 (37.45)	110.30 (110.28)	1,065.95 (1,058.06)	442.46 (417.42)	1,835.13 (1,792.95)
<b>Total</b>	21.49 (16.71)	333.12 (326.86)	90.87 (83.32)	120.92 (119.61)	1,369.62 (1,361.06)	633.92 (559.99)	2,569.93 (2,507.54)

(X) 2021

TEMPORARY CONTRACT AVERAGE	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>							
<b>Female and male directors and female and male technicians</b>	13.32 (12.40)	7.01 (6.78)	0.00 (0.00)	10.24 (11.98)	5.66 (5.26)	0.34 (0.0)	36.56 (36.42)
<b>Female and male admin. / commercial staff</b>	5.78 (5.15)	4.06 (0.05)	0.00 (0.84)	6.80 (2.93)	5.04 (2.71)	0 (0.0)	21.68 (11.68)
<b>Female and male operators</b>	27.14 (21.97)	53.91 (53.88)	0.89 (0.96)	67.33 (65.87)	87.75 (94.69)	3.99 (5.16)	241.01 (242.54)
<b>Total</b>	46.24 (39.52)	64.98 (60.72)	0.89 (18.22)	84.37 (80.77)	98.46 (102.57)	4.32 (5.16)	299.26 (290.64)

(X) 2021



The percentages of indefinite-term contracts were maintained in financial year 2022.

We detail Portugal and France separately, taking into account the differences in the type of contracting derived from the regulations that apply in each country.

In the particular case of Portugal, taking into account that the weight of temporary contracts

over the total mass of the Group's workforce is not material, the data on average contracts tends towards the number of permanent contracts

In the case of France, all contracts are permanent, which is why the averages are not shown.

We remain committed to employment stability and quality, maintaining the percentage of permanent contracts (95% in Spain, 100% in France and 87% in Portugal). We continue to see employability and functional mobility as a lever for professional growth and development.

#### PORTUGAL

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Total</b>	4 (3)	29 (29)	7 (6)	22 (34)	159 (170)	90 (85)	311 (327)
TEMPORARY CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Total</b>	5 (6)	4 (3)	0 (0)	19 (9)	17 (11)	0 (1)	45 (30)

(X) 2021

#### FRANCE

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Total</b>	1 (2)	16 (13)	3 (4)	4(3)	31(39)	18 (15)	73 (76)
TEMPORARY CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Total</b>	0 (0)	0 (0)	0 (0)	0(1)		0 (0)	0 (1)

(X) 2021



To ensure personal well-being, Finsa considers the proper management of the organisation of work to be fundamental and has various initiatives to achieve its objective.

### Remuneration and the pay gap

We work to consolidate a common remuneration model that respects the shared principles of internal equity and external competitiveness, in coherence with the organisational model, and that allows for professional development as well as promoting salary equity between men and women.

Taking all the above into account, the wage policy is articulated on the basis of the value of the role in the Organisation assigned to each individual and his or her performance. Finsa thus follows performance assessment processes for the workforce with a methodology that considers three areas: competence, development and contribution.

Remuneration is allocated on the basis of the skills and

responsibilities assumed by each employee without gender discrimination. Our policy states that the value of each position is indifferent to one's gender, and that professional positions/categories are dependent on the actual functions of the individuals in them. In this sense position/category and salary are linked.

#### AVERAGE SALARY BY AGE IN SPAIN (Amount in euros)

<30	30 to 50	>50
28,049 (26,106)	33,660 (30,996)	43,352 (40,070)

(X) 2021

To calculate the average remuneration, the gross annual remuneration has been taken into account. The remuneration received depends on different elements, such as level of specialisation, category, seniority or responsibility.

The average remuneration values for the year 2022 take into account the consolidable salary increase in tables and a non-consolidable variable applied in the different work centres, which has had an impact on the overall wage bill.

The salary evolution is in accordance with the labour relations model established in the company, and is marked by the salary parameters set by the collective agreements in force in each region and community.

The wage gap shown in the results is in line with the sectoral context and is based mainly on the historical gender composition of the company, which translates into a higher average seniority of men compared to women. This comparison does not disaggregate, in absolute terms, elements such as seniority or the

#### AVERAGE REMUNERATION\* (Amount in euros)

	Male and female board members		Male and female executives		Male and female directors and male and female technicians		Female and male admin / commercial staff		Male and female operators	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Spain</b>	-	-	-	168,814 (152,485)	43,672 (39,262)	56,013 (51,690)	36,949 (33,432)	45,022 (40,748)	26,499 (24,093)	30,519 (28,187)
<b>Portugal</b>	-	-	-	-	32,390 (30,534)	39,120 (35,596)	28,092 (26,146)	34,188 (34,204)	15,649 (14,664)	20,889 (19,789)
<b>France</b>	-	-	-	-	52,961 (42,866)	73,008 (53,307)	36,422 (33,916)	46,765 (51,741)	41,941 (35,203)	41,217 (36,063)

(X) 2021

\* Partial retirees have not been taken into account for the calculation of the average remuneration. Information on the Directors is not included, as they do not have an employment relationship with the Company.

The restructuring of production capacity in the French market initiated in the previous financial year has led to a review of positions, jobs and profiles, resulting in differences between categories compared to the previous year.

## We continue to work on the consolidation of a remuneration model that responds to the shared principles of internal equity and external competitiveness.

analysis of the functional bonuses received in each segment to define whether there is a gender gap in jobs of equal activity or whether the difference is due to any other cause (seniority, performance, results, etc.). The objective is to eliminate any cases of this type of inequality that may be detected.

With respect to the data for the financial year 2021, in the financial year 2022 the difference between the average salaries of men and women in the different professional groupings was reduced, to which the implementation of the measures included in the Company's first Equality Plan signed in 2019 undoubtedly contributed.

In 2022, the Negotiating Committee for what will be the second Equality Plan was set up. The Committee held several meetings with the aim of drawing up the diagnosis of the situation

that will serve as a starting point for defining the measures that will make up the second Equality Plan.

The Organisation keeps working on the prevention of any type or form of direct or indirect discrimination based on gender, providing objective criteria and analytical systems for determining the salaries of its professionals, thus responding to any possible salary gap between genders that may arise. In a sector traditionally associated with the male gender, we are trying to normalise a greater presence of women. In this work, we have always counted on the collaboration of corporate representatives, a key element in establishing the joint commitments and objectives that are reflected in the Equality Plan.

There are additional components that make up the overall remuneration, including social benefits of an economic or service nature, which may vary depending on the agreement applicable to each centre. Some of these

Social benefits are accident insurance, retirement plans, temporary disability supplements, Spanish Gourmet Cheques, agreements with local establishments for the application of promotional discounts, health insurance, children's Christmas parties, summer camps and language training for a large group within the Organisation.

The ratio in absolute terms between the average salary of men and women in the consolidated balance sheet is as follows:

### AVERAGE CONSOLIDATED SALARY

<b>Female and male board members</b>	-
<b>Female and male executives</b>	-
<b>Female and male directors and female and male technicians</b>	1.28 (1.32)
<b>Female and male admin / commercial staff</b>	1.22 (1.22)
<b>Female and male operators</b>	1.11 (1.17)

(X) 2021

In 2022, a total of 21 redundancies were made for various reasons:

### DISMISSALS

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
<b>Female and male board members</b>							
<b>Female and male executives</b>							
<b>Female and male directors and female and male technicians</b>		3 (0)	0 (0)	1 (0)	0 (0)		4 (0)
<b>Female and male admin. / commercial staff</b>	1 (0)	1 (0)		0 (0)	1 (0)		3 (0)
<b>Female and male operators</b>	1 (0)	2 (0)	0 (0)	2 (5)	8 (8)	1 (0)	14 (13)
<b>Total</b>	2 (0)	6 (0)	0 (0)	2 (5)	9 (8)	2 (0)	21 (13)

(X) 2021





## We are aware of the importance of measures to favour work/life balance.

### Flexibility policy

The organisation of working time in the different companies that make up part of the Organisation responds to the production needs of each activity, in accordance with the standards and regulations applicable in each sector and location.

To ensure personal well-being, Finsa considers the proper management of the organisation of work to be fundamental and has various initiatives to achieve its objective. Among the various actions carried out, we place special emphasis on those that are carried out on matters of work-life balance, flexibility, co-responsibility and disconnection, which are adapted to the various organisational or production situations and needs of each centre, function or activity.

In the annual computation, the actual and effective working day respects the limits established in the collective agreements and in the corresponding applicable labour regulations, so that in the annual computation each employee will follow the actual and effective working day established in the applicable labour regulations, whatever daily schedule or timetable may be required of them due to the peculiarities of their work.

The working hours at Finsa are split shifts and continuous shifts.

In the split shift mode, 8 hours a day of effective work are carried out in the morning and afternoon, with an interruption in the working day at midday. In the split-shift system, there is a policy of flexible working hours, allowing for the adaptation of working hours and a flexible timetable, both on arrival and departure, including meal times, and respecting the legislation defined in each country. This allows each person to adapt the timetable to his or her personal situation and to the organisational needs of the function, setting minimum attendance times that favour teamwork.

In the continuous shift working day, work is carried out in continuous hours and in rotating shifts according to the annual work calendar established for each section. In all cases, people have the right to enjoy the legally established breaks.

Individuals also have access to identification data, salary slips, company information, etc. on the staff portal.

Most of the company's people are employed full-time. Part-time employment in the company is rare and is mainly used for the conclusion of partial retirement contracts.

### Absenteeism

The absenteeism rate, calculated for each country, is the percentage resulting from the ratio between the number of hours workers are absent from work and the

total number of theoretical hours worked in the different centres of the company. Since the pandemic, very high values have been maintained.

\*Absences correspond to sick leave.

### ABSENTEEISM

	Hours worked	Hours lost	%
<b>Spain</b>	4909527 (4,745,382)	299428 (206,968)	6.10 (4.36)
<b>Portugal</b>	642980 (618,996)	27013 (23,842)	4.20 (3.85)
<b>France</b>	130743 (195,446)	7000 (8,324)	5.35 (4.26)

(X) 2021

### Conciliation

We maintain and promote relationships based on trust between people and professional performance, and we are also aware of the importance of work-life balance. The measures implemented in this respect are intended to facilitate work-life balance.

At Finsa, everyone enjoys the same rights, and the right to work-life balance is a necessity for many of them, as well as an increasingly widespread request from the working population in general, and therefore does not go unnoticed by the Group. Finsa Group employees may adapt the length and distribution of the working day in order to make their right to the reconciliation of personal, family and working life effective, within the possibilities

## In 2022, the Negotiating Committee for the 2nd Equality Plan was set up.

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that the organisation has at any given time, as long as the working day calculated weekly/yearly is respected, depending on the case, under the terms and to the extent provided for in the collective agreements or applicable labour regulations.

Finsa has measures aimed at facilitating the balance between personal, family and working life of the people who work at the Company. Organising working time and favouring the compatibility of personal and family life with work is possible thanks to the implementation of initiatives such as flexible working hours in split shifts, the promotion of teleconferences, calls and meetings in online format to avoid displacements, the accumulation of breastfeeding leave, summer camps for children and paid leave and leave in excess of that stipulated by law.

### **Diversity and equal opportunities**

As reflected in our code of conduct, at Finsa we have known since our origins, more than 90 years ago, that without a solid foundation of principles that support the different value propositions we offer society, it is not possible to maintain relationships based on trust between people and professional performance. Trust in our conduct, anchored in our values, commits us and is required of all of us, regardless of the function or position we occupy in the organisation, and the code of

conduct, which must be complied with by everyone who works at Finsa, serves as a reference for us to continue maintaining relationships based on mutual respect and effective effort.

With regard to the Equality Plan for the year 2022, the Negotiating Committee for what will be the 2nd Equality Plan has been set up, giving continuity to the first plans signed with the social representatives at the Cella centre (2010) and at the centres in Galicia (2019). These plans include measures affecting different areas of labour relations such as selection, recruitment, promotion, training, occupational health, remuneration and reconciliation of work and family life. These measures are designed to prevent situations of inequality from a gender perspective and to promote equal opportunities.

Part of the Equality Plan is the Workplace Harassment protocol for the prevention of situations of workplace and sexual harassment within the Company, which is configured as a Guide for Action in situations of this type and which includes the procedure for prevention and intervention.

With the aim of making the entire workforce aware of the aspects regulated in this Equality Plan, specific communication actions have been carried out to publicise the measures that are being implemented and to contribute to raising awareness of equality among the staff.

The work carried out by the working groups that meet regularly in the workplaces should be highlighted. In these groups, proposals are made for actions to be carried out in each of the centres with the aim of promoting measures that contribute to the visibility of the Equality Plan and the promotion of equal opportunities between men and women.

As an Organisation, Finsa is committed to a culture based on shared values, developed on the principles of mutual respect and efficient effort. To that end, it is necessary to respect the culture of each country and community, as well as to promote diversity and equal opportunities for all people. It therefore attaches importance to maintaining an environment of mutual respect, listening and ongoing dialogue, with particular attention to the achievement of gender targets and the inclusion of persons with disabilities.

At Finsa we value people for their skills and experience, in order to avoid possible discriminatory biases that can sometimes be applied unconsciously during selection processes.

In compliance with the provisions of Spanish legislation concerning corporate integration of persons with disabilities, alternative measures have been established through collaboration and contracting of services with various special employment centres located in the vicinity of



## During the financial year 2022, we resumed on-site training to facilitate the transfer of acquired knowledge.

the production centres. In 2022, spending on this type of service exceeded €1 million.

The company also collaborates with various entities and associations that promote the integration of particularly sensitive groups into the workplace. It takes responsibility for eliminating any obstacle that prevents equal access to and equal performance of jobs. This requires corporate representation.

In 2022, 24 people with disabilities were part of the Finsa team in Spain.

As for the rest of the countries, since the concept of disability is not homogeneous and due to legal restrictions in some countries that prohibit employers from accessing this information, data which can be extrapolated is not available.

### PERSONS WITH DISABILITIES

2022	24
2021	25

### Digital disconnection

Article 88 of Organic Law 3/2018 of 5 December, regarding the protection of personal data and guarantee of digital rights, regulates the right to digital disconnection in the workplace. It also includes the company's obligation to listen

to the workers' representatives and subsequently draw up an internal policy aimed at workers, including those in management positions, which must define the methods for exercising the right to disconnection and the training and awareness-raising actions for staff regarding the reasonable use of technological tools to avoid the risk of computer fatigue.

In particular, the regulation establishes that the right to digital disconnection will be preserved in cases of total or partial remote work, as well as at the employee's home, provided that it is linked to the use of technological tools. Finsa is currently working to meet all the requirements of the aforementioned law.

In its aim to improve the quality of life and contribute to a healthier future, Finsa has specific measures in social and labour flexibility matters that ensure the personal well-being of its male and female employees, promoting the reconciliation of their professional and personal or family life and respecting working hours. This is managed on an individual basis, in each work team and according to

personal and Section needs.

### Training, key to the development of talent

Training motivates people, attracts and retains talent, and is a factor that influences the quality of our work.

We continue to consider training as one of the basic pillars for the professional development of the team, as it gives us a differential value as a company. Training people is seen as an investment, not an expense. The knowledge of the workforce is the company's greatest asset and is constantly evolving. The globalisation of markets and the emergence of new technologies now require continuous investment in the organisation's most important resource. Training at Finsa is planned, organised and executed according to the current or foreseen positions, once the need for and/or convenience of that training has been determined. The training actions are classified into five main areas: training in occupational risk prevention, technical updating, interpersonal skills, IT and languages.

### TRAINING HOURS\*

	Women	Men
Female and male executives	-	21 (17)
Female and male directors and female and male technicians	2,516 (3,142)	4,084 (5,478)
Female and male admin / commercial staff	398 (980)	388 (1,149)
Female and male operators	3,717 (2,463)	19,248 (15,032)
<b>Total</b>	<b>6,632 (6,584)</b>	<b>23,742 (21,676)</b>

(X) 2021

## The globalisation of markets and the emergence of new technologies nowadays require continuous investment in the organisation's most important resource: staff training.

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In 2022, the total number of training hours amounted to 30,374 (28,260 in 2021), part of which corresponds to accident prevention training (see page 21).

During this financial year 2022, we resumed on-the-job training to facilitate the transfer of acquired knowledge, which had been suspended or adapted to online modalities during the years of the pandemic. Insofar as the type of training allows, training activities will continue to be delivered online or by distance learning.

### Measures to promote employment

Internally, Finsa is committed to employment stability, with a very high percentage of the workforce holding permanent contracts, and to encouraging and seeking internal promotion as the best way to promote the growth of people and of the organisation itself.

In order to promote employment and facilitate the labour integration of people that are studying, and within the framework of the talent recruitment policy, in recent years agreements have been signed with universities and vocational training centres in the different countries in which the company is present.

We continue to participate in round tables with other organisations, training centres and the public administration, we continue to promote both dual vocational training and dual university training. We continue

to participate in teacher training and to open our facilities to visits from future professionals, in order to facilitate knowledge of the industry.

We collaborated with the vocational training cycle that establishes the title of Technician in processing and transformation of wood in the course 21-22 in Santiago de Compostela.

Dual training continues to be promoted in the Organisation's various factories. The teaching stays, the teaching of training units, the participation in training centres with talks and dynamics, the accreditations of professionalism of the people of the Organisation.

We continue to welcome students from various different degree specialisms to our company to facilitate the practical realisation of their final degree or Master's Degree projects. This is in addition to Workplace Training (FCT, Formación en los Centros de Trabajo), which supports Vocational Training (Formación Profesional) students and various collaborations with universities and training centres to expand practical student training via scholarships.

Ever since the signing of the first collaboration agreement for the 2014/2015 academic year with the Education Department of the Xunta de Galicia, with a view to implementing a dual vocational training project accompanying

the Industrial Mechatronics advanced degree cycle at the CIFP Politécnico de Santiago, collaboration has prevailed. Finsa has extended this collaboration to other communities and other specialities such as industrial robotics, regulation systems (electronics), laboratory and quality systems, carpentry and furniture among others.

The aim of this type of training is to help people achieve professional qualifications, alternating practical activities at the company with training activities in the educational centre. Dual vocational training integrates the three pillars that support the training process of a professional: curricular training (specific to the training cycle), work experience at the company and complementary training (specific to the company's production processes).

At the same time, this training method offers Finsa the opportunity to participate in the professional training of young people, developing academic content adapted to the needs of the company, enabling fast adaptation to the labour market.

In 2022, there were Vocational Training students in the Galician factories, broken down between those undergoing Dual Vocational Training in advanced Mechatronics (first and second year) and those who did the Training in Work Centres (FCT), a module that students take at the



The year 2022 means a return to normality and allows us to recover those face-to-face activities focused on promoting a culture of prevention.

end of their Vocational Training studies. In the Aragon factories, dual vocational training in Advanced Industrial Automation and Industrial Robotics was carried out alongside the FCT practices.

In the financial year 2022, a number of training Seminars were held (both on-site and online) on various subjects with the participation of students from Vocational Training Centres.

**Promotion of accident prevention culture**

The prevention of occupational hazards will always remain a priority and is accepted as a responsibility by the entire organisation, in the same way that it is integrated into all areas of the production process. The

participation and cooperation of all people is necessary to continue improving occupational risk prevention throughout the Organisation.

The year 2022 means a return to normality and the recovery of all those face-to-face activities focused on promoting a culture of prevention and safety at work.

During the financial year, the implementation of the new causal analysis tool related to accidents in general and, in particular, to potential major accident situations is going to begin.

This tool allows for a more in-depth analysis of the various situations and the identification of various warning scenarios and precursors that will allow personnel to identify situations that could lead to the production of an accident.

Also, the work started in 2020 continues with the analysis of various aspects related to possible situations with potential for serious accidents with different perspectives, with multidisciplinary working groups being assembled for each selected topic in which participants range from area managers to accident prevention officers.

Colleagues from all centres participate, which makes it possible to discuss reflections, analyses and standards implemented in the group with colleagues from different centres and the implementation of the same, adapting them to the specific nature of each centre.

In 2022, a total of 140 lost-time accidents were recorded (142 in 2021) in the three main countries of activity. With regard to occupational illnesses, no case was detected.

Within the activities related to ergonomics and with the collaboration of the staff of the medical services and external experts, the ergonomic analysis of tasks of a more manual nature stands out, which is complemented by training people in postural education.

Psychosocial assessment processes have also been initiated and will be followed up in the coming year.

Preventive activity is channelled through the Joint Prevention Service (SPM), set up as such in June 2001. The SPM is made

**ACCIDENT INDICATORS**  
(GRI 403-9)

	Spain		Portugal		France	
	Women	Men	Women	Men	Women	Men
<b>Accidents requiring leave</b>	9 (22)	102 (97)	2 (3)	20 (18)	1 (0)	6 (2)
<b>Index rate</b>	1.65 (4.18)	4.43 (4.29)	4.26 (7.14)	6.45 (5.86)	5 (0)	10.91 (2.41)
<b>Index rate</b>	0.88 (1.73)	1.35 (1.18)	0.70 (0.85)	0.53 (0.73)	0.35 (0)	0.88 (0.23)
<b>Index rate</b>	9.47 (23.98)	25.41 (24.57)	20.46 (34.34)	31.02 (28.19)	29.36 (0)	62.05 (14.1)

(X) 2021

\* Accident rate: no. of accidents requiring sick leave/average number of workers \* 100; Severity rate: no. of days lost/total hours worked\*1000 (days lost are understood to be scheduled working days); Frequency rate: no. of accidents/total hours worked\*1000000

\* The data in this table exclude those corresponding to international local branches.

The analysis tool was implemented that will allow us to further analyse situations and identify different alert scenarios.

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up of 20 people with advanced training in occupational risk prevention and who have the three accident prevention specialities (industrial safety, industrial hygiene and ergonomics / applied psychosociology).

At the same time it has other personnel, located in different departments, with basic, intermediate and higher training, who support and collaborate in the tasks assigned to the prevention service, as well as other people with a higher level specifically designated for preventive functions.

The health personnel, assigned to the different medical departments of Finsa, also collaborate actively with the prevention department. The health activity includes those specified by the Spanish General Health Law, as well as others such as surveillance functions and staff health checks.

Personal involvement can in itself be a preventive action in the world of work. With this vision in mind, Finsa continues to develop a prevention project based on safety behaviours, which was started in 2015 after a situation analysis that was researched and established at the Group's ninth Prevention Day.

The focus of accident prevention management has centred on the observation of safe behaviour in the Organisation, which is a step towards a more active type of

accident prevention with a greater degree of involvement on the part of the workforce.

Cross observations of the different behaviours in all plants and sections are carried out periodically, which makes it possible to assess the degree of implementation of the prevention system and to plan useful improvement measures to reduce risk situations.

A positive trend is confirmed in the evolution of this preventive culture, which requires perseverance and reinforcement of safe behaviours for its consolidation. These observations are digitised for ease of implementation and analysis.

#### **Safe activities**

Continuing along the line that Finsa's occupational health and safety must necessarily be shared by everyone, it is therefore essential that the companies that access the different centres of the Organisation do so following the same safety standards that are used by the company's own personnel.

In order to facilitate and ensure that all personnel who access our facilities are aware of the existing risks therein and how to act in the event of an emergency, there is a specific training programme. There are explanatory videos for each centre and rooms are being set up in which this training can be carried out. Once a knowledge test has been passed, access to the centre will be granted.

Throughout 2022, in addition to

this induction training, more than 20,818 hours (13,578 in 2021) of training were given on various health and safety topics, including the following:

- Risks and preventive measures when working at heights.
- Emergency plan. Practical training in fire control and extinguishing techniques.
- Risks in tasks involving the driving of various vehicles (forklift trucks, lifting platforms, shovels, etc.)
- Chemical risks associated with exposure to products used in each work station.
- Risks and preventive measures associated with working in ATEX areas.

#### **Health and safety committee**

The Health and Safety Committee is the joint participation body for the regular and periodic consultation of the company's actions in terms of risk prevention. The staff of the four centres in Galicia and the centre in Cella are represented in these committees. In addition, at the centres in Portugal and France the corresponding bodies are constituted according to the legislation in force.

The focus of accident prevention management has centred on the observation of safe behaviour in the Organisation, which is a step towards a more active type of accident prevention with a greater degree of involvement on the part of the workforce.

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### **Audits**

Regulatory audits are carried out periodically to verify compliance with prevention regulations, which also serve to assess the effectiveness of the management of the system and the integration of accident prevention within the company.

In 2021, audits were carried out at the Santiago, Cella, Padrón, Ourense and Rábade centres, the sales offices and Cogeneración del Noroeste. The overall assessment of the prevention system was satisfactory.

In accordance with the legal periodicity with which these audits must be carried out, none were carried out in 2022.

### **Agreements**

In 2008, the corporate representatives and the Finsa Board of Directors jointly signed an agreement including points agreed with the Health and Safety Committee. These include fundamental aspects of accident prevention, such as risk assessments, accident investigation, preventive planning, training, communication, etc. The participation of accident prevention officers in these activities is also included, as well as the promotion of the active participation of the rest of the staff.

# Suppliers, our travelling companions

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Suppliers are a fundamental part of the value chain that ends with customer service. Finsa is rigorous when it comes to selecting them, and maintains stable relationships with many of them, based on trust on both personal and professional levels, in order to guarantee good service, adequate prices and high quality products. To be precise, professionalism and ethics in relationships with supplier companies is an essential value that the company both demands from others, and offers in return.

## Selection criteria

The selection of suppliers is carried out taking into account objective and impartial mechanisms that take into account the availability of necessary products, quality, service, collaboration and contribution. An active search is also carried out for suppliers with differential value proposals such as technological innovation and technical improvements with innovative products and services that can be adapted to different needs and applications.

There is a high degree of integration between the different players involved in the production process (such as purchasing, maintenance, technical office and production staff), which makes it possible to carry out analyses, identify needs and develop any improvements required by the market and the product. The mechanisms for defining standards are based on

training and supervision of all the departments involved.

Requirements with supplier companies comply with those in force in the countries in which the Group operates in terms of contracts and subcontracts. The company does not currently have a specific policy that explains and establishes its commitments to social issues or gender equality in hiring.

The different legislations make up the legal framework that regulates the relations between companies. In any case, Finsa has the necessary human and organisational resources so that any supplier who believes their rights have been violated can express the relevant allegations to the company's management.

It is worth highlighting the company's absolute insistence on eliminating any preferential treatment that is not justified by differentiated professional qualities. Likewise, no company will gain a benefit in the relationship if it tries to curry favour with the company by methods other than those that are strictly professional. Thus, Finsa's staff has clear instructions on what the terms of the relationship with suppliers should be. In cases of non-compliance or unsuitable practices, the sanctioning code would be applied to staff members and the supplier would be excluded from professional relations with the Finsa Group.

## Centralised purchasing service

With regard to the purchase of materials from the different work centres, we have opted for a centralised service, for which the purchasing department is responsible, and which takes into account the possibility of integrating the local distribution of suppliers with a competitiveness similar to that existing in the countries or regions where the production processes are carried out.

The purpose of the work, done under a commercial or 'framework' agreement, is to seek out partners or allies and secure the best conditions, in terms of both product purchases and value-added services. To this end, it promotes the improvement of collaboration opportunities with specialised technical training for the different plants. The conditions of purchasing agreements are managed to include supplier contacts for each centre, rates/discounts, after-sales service, warranties and training.



# Responsibility to the consumer

## Guaranteed product

The products marketed by Finsa have Technical Data Sheets which include their characteristics in accordance with European Standards and which are available to the consumer in the Resources section of the Finsa website.

All products marketed by Finsa manufactured for construction comply with regulation (EU) 305/2011, which establishes harmonised conditions for the marketing of construction products in Europe, and have EC declarations of performance that include their essential characteristics in accordance with the EU regulation EU574/2014 of the European Union. These declarations of performance are available to the consumer in the Resources section of the Finsa website.

Consistent with its environmental policy and commitment, in 2011 Finsa became the first technical wood manufacturer in the Iberian Peninsula to provide the Environmental Product Declaration (EPD-Environmental Product Declaration). The EPD is a public report that expresses the results of the Life Cycle Assessment (ACV, Análisis del Ciclo de Vida) of a product, validated by an external evaluator. It is therefore a tool for transparency concerning a product's actual impact on the environment during all stages of its

life cycle.<sup>1</sup>

In 2022, the declarations for the main products were renewed and published.

On the other hand, the EPD of a board with a higher recycled content was developed. We are working on extending the availability of this eco-labelling to all products, as a further sign of transparency on the environmental impact of our solutions.

In addition, we are one of the few manufacturers in the European Union with the Ecolabel (EEA) for laminate flooring. This is a voluntary seal of environmental excellence for products and/or services that meet high ecological standards throughout their life cycle, which contributes to the generation of a circular economy.<sup>2</sup>

## Certifications

### Cradle to cradle

In 2018, work began on obtaining C2C certification. Multi-attribute certification to ensure that a product is safe and 'circular'. This certification is directly connected to SDGs. It has been extended to new products, and has achieved a presence in three categories:

<sup>1</sup> <https://www.finsa.com/publicaciones/doc-prod05.nsf/fichas11dop?OpenPage&Start=1&Count=800&Expand=1>

<sup>2</sup> <https://www.environdec.com/Detail/?Epd=7995>

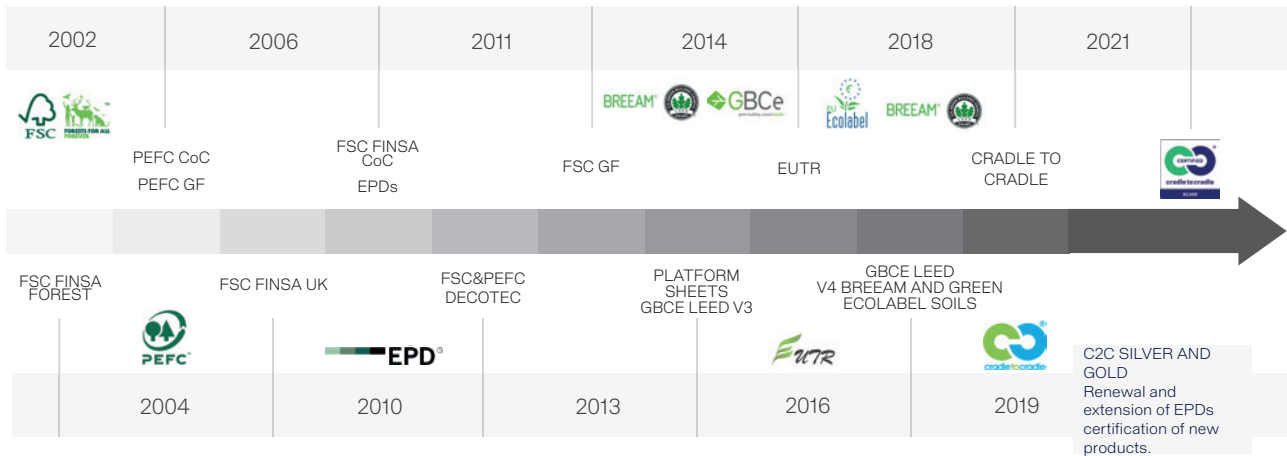
<https://www.environdec.com/Detail/?Epd=7988>

<sup>3</sup> <http://ec.europa.eu/ecat/category/en/33/wood--cork--and-bamboo-b>





During the financial year, we developed the EPD of a board with a higher recycled content.



Bronze, Silver and Gold.

Product Transparency - DECLARE

A voluntary outreach program that aims to transform the building materials industry towards healthier products through ingredient transparency. All materials with the Declare seal have declared at least 99.9% of their ingredients.

HPD Health Assessments

A Health Product Declaration (HPD) is a document shared by manufacturers to disclose a product's ingredients and associated health hazards.

The Material Health Certificate

Based on the rigorous health assessment methodology of the Cradle to Cradle standard, materials are evaluated to promote healthier and safer products.

Ecolabel

Voluntary seal of environmental excellence created by the EU in 1992 for products/services that

meet high ecological standards throughout their life cycle. Laminate flooring is currently certified.

**Forestry Certifications**

PEFC/FSC®

Wood is a sustainable and 100% recyclable material that helps to fight climate change. Finsa buys certified wood, certifies its own farms and helps its suppliers to achieve certification. Since 2004, the Finsa Group has implemented a PEFC/FSC® chain of custody certification system, which allows it to supply certified wood products to its customers.

EUTR

As a sign of transparency, Finsa voluntarily certifies compliance with EU regulation 995/2010 regarding the legal origin of wood.

ISO 38200

ISO 38200 certification is available. This is an internationally recognised standard for the transmission of information along the supply chain of timber and timber products.

**Sustainable building certifications**

BREEAM and LEED GREEN, WELL and LBC

Finsa materials help to meet the requirements of sustainable building certifications. Their products are validated by Green Building Council España and can be queried on their materials platform.<sup>3</sup>

**Complaints and claims**

Finsa provides its customers, industrialists and distributors with a system for processing and resolving complaints and/or information files from all factories, relating to both product quality and deficiencies in service and marketing.

The complaint files are used, in turn, to detect potential problems, make improvements, adapt the products to the specific characteristics of the customer's production processes, prevent future complaints, etc.

In the financial year 2022, the cases managed accounted for 0.12% of total net sales.

4 <http://materiales.gbce.es/tag/finsa/>

# Environment and sustainable management

## Wood, a vital raw material

Since its beginnings, Finsa has been aware of the responsibility of using wood as a base element to transform and develop solutions for the market. This responsibility has in turn generated a greater awareness of one of the main challenges facing the world today: the reduction of CO<sub>2</sub> emissions into the atmosphere, the main cause of global warming. As is well known, trees naturally contribute to this reduction, as their wood absorbs and stores the CO<sub>2</sub> produced by both industry and daily consumption habits.

With this starting point and knowing the importance for the environment of this renewable and versatile raw material, at the end of its first useful life, both wood and a by-product can be reused, recycled and used as a carbon neutral energy source. This means that they do not emit more CO<sub>2</sub> than they have absorbed throughout their life cycles.

Data in the industry counts for a lot: every m<sup>3</sup> of wood used as a substitute for another material can save a total of two tonnes of CO<sub>2</sub>. Wood products therefore have an important role to play in increasing the efficiency of forests. They do so in two ways: on the one hand, by extending the period in which CO<sub>2</sub> is stored before being released back into the atmosphere; and on the other, by encouraging the

growth and renewal of those. The use of engineered wood is another way to extend the use of natural wood and its CO<sub>2</sub> storage capacity. The use of forest harvesting and recycled wood in the manufacture of chipboard contributes to extending the CO<sub>2</sub> storage capacity by an average of 30 years. During 2022, Finsa manufactured 2.1 million m<sup>3</sup> (2.3 million m<sup>3</sup> in 2021) of chipboard, equivalent to a removal of 2.6 million tonnes of CO<sub>2</sub> eq.

## Environmental management, an essential resource

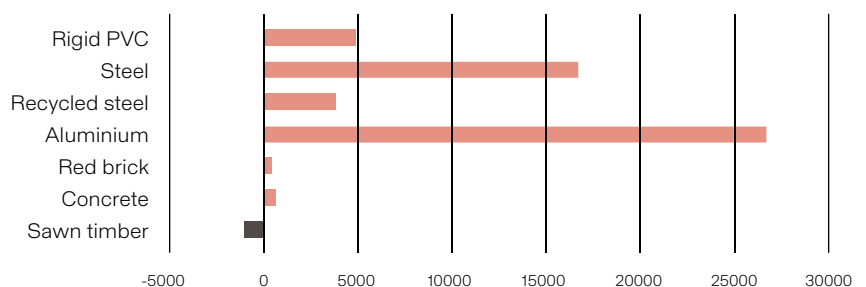
Finsa has its own environmental management system, following the requirements established in the international reference standard UNE-EN ISO 14001:2015, which regulates environmental management systems.

The management team establishes and develops its policy, understood as the set of guidelines and general objectives that guide the company's actions

in relation to environmental protection. To this end, it assumes a series of commitments based on compliance with environmental legal requirements; the prevention and control of pollution through the application of the best available techniques, the prevention of environmental risks, the training and sensitising of all members of the Organisation and, of course, the creation of channels for communication with interested parties.

In addition, it has opted for external certification of its environmental management system so that an independent body audits all work centres annually, verifying that its environmental practices are in line with this standard. The first ISO 14001 certificate was obtained in 2004 at the Bresfor site in Portugal and to date, all production sites have validated and maintained their certificates.

**TOTAL CO<sub>2</sub> EMISSIONS**  
(Kg CO<sub>2</sub>/m<sup>2</sup>)





## The purchase of timber at the local level has been maintained.

### Risk management

Finsa interacts with society in order to identify communities and organisations that are affected, or may be perceived to be affected, by its business activities. Each centre continues to identify these groups, consider their relevance, and define their needs and expectations regarding the company's environmental performance. Once the risks have been identified, they are incorporated into the annual management plan.

Regarding risk management, two common concerns continue to be highlighted, as in the previous year: water consumption during manufacturing of MDF boards and resins, and the use of fossil fuels in co-generation plants, which are subject to an uncertain payment framework. There are other environmental aspects, such as light pollution or noise released outdoors, which have not been considered as relevant in this report. With regard to the first case, the environmental licenses of the facilities do not establish any particular conditions in this respect. As for the second, the external checks carried out with the frequency stipulated in the same environmental licenses have as yet shown no evidence of non-compliance regarding noise emissions within the facility limits.

### Sustainable use of resources

Environmental aspects that may be relevant to the performance of Finsa's activity are quantified

at each work centre by means of indicators that enable performance to be monitored.

### Raw materials

Finsa continues using wood from properly managed forestry operations, and requesting and managing documentation verifying the origin of each purchase. It thereby avoids trade in timber or harvested timber products that does not comply with the applicable legislation in accordance with Regulation (EU) No. 995/2010 of the European Parliament and of the Council, which establishes the obligations of operators who place timber and timber products on the market. In addition, and on a voluntary basis, it has certified its due diligence system externally in accordance with the aforementioned

regulation as a guarantee and indicator of transparency.

The Group also complies with PEFC (Program for Endorsement of Certification Systems) and FSC® (Forest Stewardship Council) requirements, both in the management of its own forestry operations and in the custody chain of the certified wood consumed in its factories.

In accordance with the controlled wood categories established by FSC®, Finsa avoids any controversial source of wood and is progressively increasing the purchase volumes of FSC®/PEFC certified wood as it becomes available on the market.

In 2022, as in previous years, the policy of purchasing raw materials locally was maintained, giving

### RAW MATERIALS

(GRI 301)

	2021	2022
<b>Wood</b>	3,373,957 tonnes	3,110,200 tonnes
<b>Wood from safe sources</b>	100%	100%
<b>PEFC Certificate<sup>1</sup></b>	39.98%	45.24%
<b>FSC Certificate<sup>2</sup></b>	0.4 – 22%	2.4 – 15%
<b>Resins</b>	293,114 tonnes	254,775 tonnes
<b>Methanol (resin manufacturing)</b>	183,789 tonnes	174,609 tonnes

<sup>1</sup>Global group certificate (multi-site). The percentage of PEFC certified forest area in Spain compared to the total forested area is 14 % (28.2 % in Galicia and 9.2 % in Aragon).

<sup>2</sup>PEFC is the most widely implemented forest certification system in the world. PEFC's aim is to ensure that the world's forests are managed responsibly, and that their multitude of functions are protected for present and future generations. To this end, it draws upon the collaboration of owners and companies in the forestry sector who, by committing to the certification of their forests and industries, are ensuring the sustainability of the sector". (Source: <https://www.pefc.es/pefc.html>).

<sup>3</sup>The percentage of FSC certification varies depending on the production site, as FSC does not support the possibility of multi-site certification. Approximate percentage of FSC certified area in Spain in 2022: 2.2%

<sup>4</sup>FSC facilitates the development of standards, ensures monitoring of forestry projects and protects the FSC trademark so consumers can choose products that come from well-managed forests". (Source: <https://es.fsc.org/es-es/acerca-de-fsc>)

## In 2022, 481,217 tonnes of recycled wood were reused as raw material.

priority to small local producers. In 2022, we maintained the provenance of around 70% of the wood consumed to a supply radius of less than 150 km, and more than three million m<sup>3</sup> of wood was mobilised, mostly from small local suppliers including sawmills, auctioneers, private owners and wood waste salvagers.

As a result of our clear commitment to the circular economy, we manage and recycle wood to manufacture new materials in our factories and we research and invest in new recycling technologies. In addition, we have more than 720 of our own collection containers and, in 2022, 481,217 tonnes of recycling were reused as feedstock (470,592 tonnes in 2021) which is an increase of just over 10,000 tonnes from last year, but more than 110,000 tonnes (+30%) from 2018 (see GRI 306).

### Energy

The industrial process consumes mainly thermal and electrical energy. Thermal energy consumption is associated with the drying processes of wet wood particles or fibres due to contact with the hot gases generated in the boilers and co-generation plants. Another source of thermal energy consumption is the heating of the board presses, where the wood particles are compacted to form the wood board.

In this respect, a reduction in the consumption of primary thermal

energy in combustion installations can be seen, while the use of renewable energies is increasing, reaching 75% by 2022.

This reduction in primary energy consumption is due to a double effect: the reduced operation of the cogeneration plants (35% less electricity generated) and the investments made to increase the use of renewable energies in the boilers, as in the case of the Cella and Padrón plants, where the capacity of the wood dust and biomass combustion chambers has been increased.

These improvements will be reinforced in the coming year with the installation of a new boiler in Cella that will allow the energy recovery of 100% of the biomass waste generated in the process and which cannot be used as

raw material. In addition to this investment, the Luso Finsa particle dryer will be refurbished, which will enable the use of energy from part of the waste gases from the dryer. Both investments exceed a budget of 16 million euros.

On the other hand, the consumption of electrical energy that is associated with the manufacturing processes is located in different stages and with different intensities depending on the type of board manufactured. These essentially include wood chipping and milling, chip shredding and sanding / cutting of the final product.

In this case, the monitoring and control work carried out by the energy management teams, and some investments

### ENERGY MANAGEMENT<sup>1</sup> (GRI 302)

	2021	2022
<b>Consumption of thermal energy in combustion installations<sup>2</sup></b>	11,944 Tj	10,021 Tj
<b>Biogenic origin (biomass)</b>	71%	75%
<b>Of fossil origin</b>	29%	25%
<b>Consumption of energy by motor vehicles<sup>3</sup></b>	102 TJ	90 TJ
<b>Consumption of electricity</b>	688.88 GWh	624.02 GWh
<b>Electricity fed into the grid for co-generation plants</b>	350.70 GWh	227.29 GWh

<sup>1</sup>Scope: all factories belonging to the group, including co-generation plants.

<sup>2</sup>Source: Calculation factors used in the verification of greenhouse gas emissions in accordance with the Commission Decision of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions.

<sup>3</sup>Internal vehicle traffic within the plants.

## A reduction in direct GHG (Greenhouse Gas) emissions has been consolidated as well as a greater use of renewable energies.

in different aspirations or LED lighting, contribute to this good performance, which in 2023 will be reinforced with the development of the Cella, Fibranor, Luso Finsa, Orember, Padrón and Xilonor photovoltaic plants.

Another issue associated with this energy consumption — which is necessary for our activities — is the emission of greenhouse gases, in regard to which the Organisation continues to implement measures to reduce these emissions and therefore mitigate climate change.

and cool the gas stream before it enters the WESP filters and there are no dry gas treatment BATs on the market.

From this perspective, the factories are taking actions aimed at controlling and reusing wastewater in production processes and in the WESPs themselves, reducing consumption by 2021.

### Emissions

Direct GHG emissions were reduced that year by 20% compared to those verified in 2021. This substantial improvement is associated with the increase in the renewable energy mix to the detriment of the operation of CHP plants. This use of biogenic energy avoids atmospheric emissions equivalent to 418,711 tonnes of CO<sub>2</sub> <sup>4</sup>(473,688 equivalent tonnes of CO<sub>2</sub> in 2021).

GHG emissions associated with electricity consumption (Scope 2), in absolute terms, have increased compared to 2021, in which electricity was consumed with a guarantee of origin. With regard to VOC emissions (volatile organic compounds), there is a lower emission of this

<sup>4</sup>Refers to the combustion of natural gas, for the same thermal energy generated.

### WATER MANAGEMENT (GRI 303)

	2021	2022
<b>From municipal network</b>	677,763 m <sup>3</sup>	623,890 m <sup>3</sup>
<b>From underground or surface catchment</b>	1,689,138 m <sup>3</sup>	1,410,862 m <sup>3</sup>

### Water

The use of this resource in production processes continues posing a constant challenge for the design of the company's processes and products, since water consumption goes hand in hand with the production of both formaldehyde and resins (since these are water-based products), as well as the generation of steam in the MDF board manufacturing process.

The implementation of Best Available Techniques in the treatment of emissions associated with the drying processes resulted in an undesired increase in water consumption in 2020 and 2021. This water is necessary to saturate

### CLIMATE CHANGE AND ATMOSPHERIC EMISSIONS (GRI 305)

	2021	2022
<b>Direct GHG<sup>1</sup> emissions (Scope 1)</b>	268,967 tonnes CO <sub>2</sub> eq	212,470 tonnes CO <sub>2</sub> eq
<b>Indirect GHG emissions (Scope 2)</b>	116,707 tonnes CO <sub>2</sub> eq	118,622 tonnes CO <sub>2</sub> eq
<b>TOTAL VOC<sup>2</sup> EMISSIONS</b>	1,891 tonnes C	1,527 tonnes C
<b>Indirect GHG<sup>3</sup> emissions (Scope 3)</b>	Not available	Not available

<sup>1</sup>Source: Calculation factors used in the verification of greenhouse gas emissions in accordance with the Commission Decision of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions. This includes motor vehicles within the factories, proprietary vehicles and rentals for company trips.

<sup>2</sup>Source: European E-PRTR register and estimated calculations based on the same emission factors.

<sup>3</sup>This table does not include emissions derived from the management of freight transport carried out by external parties.

## We recover 97% of the wood waste generated in our plants as raw material.

type of compound. This reduction is determined by the consolidation of BATs in the associated emission sources, as well as the improvement in the quantification system, based on analytical controls instead of estimates based on recognised emission factors.

### Waste

The industry has adapted technologically to be able to use second-use wood waste as a raw material, particularly in the manufacture of particleboard. Ninety-seven percent of the total volume of waste produced in plants is considered non-hazardous waste, and its recovery rate remains very high at around 97%. In global terms, we can observe an increase in the generation of these wastes, centred on ashes from biomass boilers. This is therefore an inevitable effect, associated with the reduction of greenhouse gas emissions.

Those wastes produced characterised as dangerous account for only 3% of the total. Their own nature and the treatments that the final managers

apply to this waste do not allow us to recover more than 58% of this waste which is generated at the moment.

Biomass combustion ashes and sludge from wastewater treatment processes are quantitatively the main waste generated in factories. Currently, most of this waste is being recovered off-site, in the restoration of degraded areas and in the production of fertilisers.

The Organisation continues to actively search for management alternatives that improve on the current ones, such as the material recovery of the most commonly generated wastes, namely ashes (for reuse in various materials associated with sustainable construction) and sewage sludge (from which biopolymers for various uses may be obtained).

### A sustainable future

We continue to consolidate in 2022 the significant investments associated with the adaptation to the European guidelines setting out the conclusions on Best Available Techniques (BAT) for the manufacture of wood-based panels.

Within the Group overall so far, more than €75.0 million have been spent since 2016 on the design, installation and commissioning of environmental technologies defined by the European Commission as those with the best environmental performance in the EU.

In the area of energy efficiency, in addition to the consolidation of a tool for monitoring plant consumption, sectoring the main consumers and carrying out control and reduction actions, the implementation has been established of an energy management system based on the UNE-EN ISO 50001:2018 standard, the certification of which will be undertaken during 2023 in the 5 Spanish board plants. The investment in this area, which amounts to 27.2 million euros for 2022 and part of 2023, mainly includes the installation of photovoltaic panels in some manufacturing plants and the installation of two plants in other centres. Not forgetting LED lighting, the installation of frequency inverters for high consumption equipment such as compressor pumps or actions aimed at the use of residual thermal energy.

### Protection of biodiversity

The protection of biodiversity is a demand that also affects the industry, one which Finsa meets specifically through forestry approval. Timber felling is

WASTE (GRI 306)		
	2021	2022
Wood waste recovered as raw material	470,592 tonnes	481,217 tonnes
Waste generated in production processes	96,495 tonnes	97,417 tonnes
% recovery vs total	93%	97%
% hazardous vs total	4%	3%



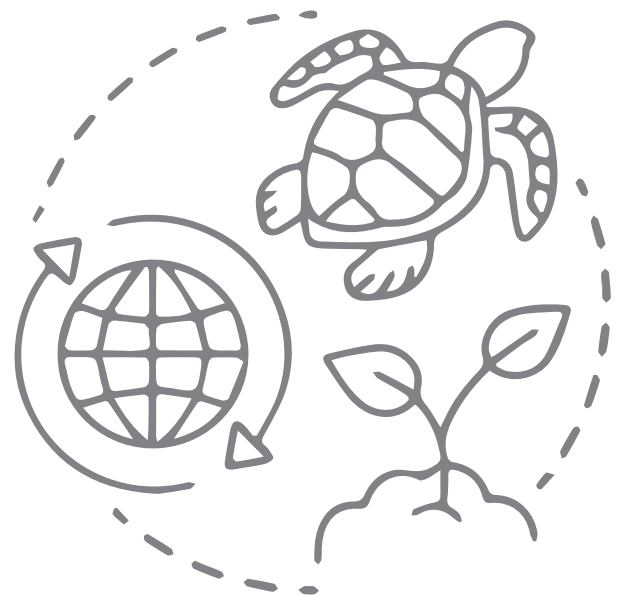
## Wood products play an important role in the maintenance of forests.

subject to prior authorisation by the competent authorities, who are responsible for monitoring compliance with the biodiversity preservation measures imposed in each case.

The Group's production centres are located outside protected natural areas, except Finsa Padrón, the activity of which began in 1964. Next to this centre there are protected natural spaces such as the ZEC Ulla-Deza River System (a territory included in the Natura 2000 Network). The following table details some characteristics about their status and protection:

All Finsa Group facilities are subject to compliance with Directive 2010/75/EU regarding industrial emissions, which recasts Directive 96/61/EC regarding integrated pollution prevention and control (IPPC) and six sectoral directives. All the plants have thus processed their corresponding integrated environmental authorisations and, when applicable in compliance with current

legislation, have also submitted the relevant environmental impact assessments to the competent environmental bodies. It should be noted that in no case have the competent authorities determined any need to take specific measures for the preservation or restoration of biodiversity.



### NATURAL ELEMENTS OF INTEREST

	Direction	Distance	Protection
<b>Ulla-Deza River System</b>	Surrounds the facility to the north, east and south	3 m (the nearest point)	Natura 2000 Network (ZEC) ZEPVN Area
<b>Arousa Wetland Complex</b>	Surrounds the facility to the north, south and east	3 m (the nearest point)	—



# Commitment to society

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In 2022, we will continue to collaborate with projects promoted by different local and regional administrations, by the academic community, by different professional associations, and also by non-profit organisations and associations. The main projects in which we participate are related to the development of training in the sector, industry 4.0, the promotion of equal opportunities, the fight against gender violence, sustainable development and social action.

## Associative vocation

We continue to make up an active part of the most relevant associations in the sector and the wood value chain, at European and national level, as well as other business associations of a cross-cutting nature.

## Projects

As in previous years, in 2022, we continued to work on different projects to contribute to the development of the communities in which we operate.

### Collaboration projects in the field of training

- G2030 Project Professional Profiles of the Future, coordinated by the Spanish Regional Ministry of Education and the Galician Business-University Foundation (FEUGA).

- The FUTUREfacing project belonging to the European Erasmus+ programme. We have participated in various

conferences related to the enhancement and dissemination of the project.

- Continuity in the coordination of the training project promoted by the Arume Foundation for industry and forestry, started in 2018.

- Continuity in the collaboration for the implementation of the training strategy for the forestry sector promoted by the Galician Forest Industry Agency (XERA).

- Collaboration agreement with the University School of Industrial Design of Ferrol (EUDI) belonging to the UDC (University of A Coruña). We highlight the collaboration in the VULTUS project, a plastic/exhibition research project linked to the MASKS project developed at EUDI for an exhibition at the WOW space in Oporto.

- Convenio de colaboración co Mestrado em Engenharia e Design de produto da Universidade de Aveiro.

- Participation in the SpainSkills VET project in the wood professional family.

- Training project for teachers in the professional wood, furniture and bark field, in which teachers from various vocational training centres have participated.

- Collaborative projects and artist residencies to investigate new methods of architecture. These residencies facilitate the exploration of new uses of wood and wood-based materials in

construction processes, carpentry and performance art.

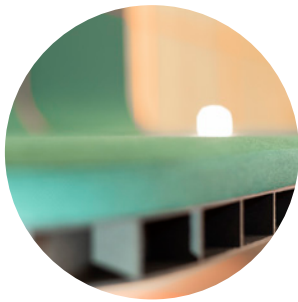
We have continued to receive visits from dozens of students from different universities and vocational training centres. We have also participated in several job fairs and have given workshops and career guidance talks to students and unemployed people.

### Collaboration projects in Innovation and Industry 4.0

The most relevant projects of the year 2022 in the industry were:

- Enxeño+: We have continued to work on pilot projects that integrate the digitalisation of processes, in the search for alternative production models that continue to be sustainable and provide greater added value. These models will facilitate the board industry's advance in line with Industry 4.0 smart and sustainable manufacturing. The Enxeño+ project is subsidised by the Galician Innovation Agency (GAIN) and funds from FEDER.

- Smartpack Project: a project co-financed by the Ministry of Science, Innovation and Universities and the State Research Agency. This project is the first in Spain to address the development of a component packaging production line based on an intelligent process through the development of innovative manufacturing technologies and their combination with the



## We have continued to develop projects related to innovation and Industry 4.0.

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development of new flexible and high-precision robotised systems, in order to optimise the material used during the process.

- Packtabla Project: a project co-financed by the Ministry of Science, Innovation and Universities and the State Research Agency. The project addresses the full traceability of wood products, from the forest to the end customer, in order to accredit and enhance the value of local wood, particularly Galician pine, from sustainable and certified plantations, free of deforestation. This traceability is registered in the digital platform FORTRA of the Xunta de Galicia.

- EOI Challenge: the Spanish EOI Business School held a conference in which various companies presented technological challenges. Finsa participated with a project on the use of blockchain.

- Consello Empresarial Gradiant: since 2019 we have been part of the Consello Empresarial de Gradiant, one of the technological centres of Galicia.

- Habitat Tech: participation in the second edition of this innovation programme, which connects the experience and business opportunity of a benchmark company in the habitat industry with the most innovative technology of start-ups and technology companies from all over the world. In collaboration with another company we have

made progress in exploring a more efficient use of the ash.

- IHL DataLife: Finsa has continued to participate as a founding partner of the DataLife Digital Innovation Hub, one of the two official DIHs of Galicia which aim to make Galicia into a European benchmark 'bio-region'.

- FORTRA Project: collaboration in the project developed by the Xunta de Galicia for the traceability of Galician wood and its by-products, using blockchain technology.

- The "Intelligent Systems for Industry 4.0" project (second phase). Through this collaboration, the CiTIUS (Singular Centre for Research in Intelligent Technologies of the University of Santiago - USC) and the CESGA (Galician Supercomputing Centre) will contribute to improve and optimise manufacturing processes.

### Collaboration project for the prevention of occupational hazards in the forestry sector

We continue to participate in a working group with other companies in the sector and with the Galician local government with a view to improving working conditions in the forest, contributing to the development of tools that promote safe activities. As a result of this project, various documents on preventive planning and coordination of activities in this field have been developed.

### Participation in the 2030 observatory of the Senior Council of the Spanish Architects College (CSCAE)

In 2022, Finsa continued its participation in various meetings of the Architecture Observatory, promoted by the Senior Council of the Spanish Architects College (CSCAE) to promote SDGs (Sustainable Development Goals) for 2030. The working groups convened the main players in the sector and the relevant local government authorities in order to develop this instrument for change, with the support of four ministries, the High Commissioner for the 2030 Agenda and UN-Habitat Spain.

### Collaboration projects for equality and in the fight against gender violence

Finsa has carried out awareness-raising actions in its various centres to promote equality and the fight against gender-based violence.

- Participation in the different actions promoted by ElasXeranSector, a project promoted and energised by the innovation department of the Galician Forest Industry Agency, with the aim of encouraging the participation and integrating the vision of women who form part of the timber value chain in the different public and private management areas related to the sector.

## We participate in social and cultural projects developed by non-profit organisations.

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- Participation in the project "Transitar lo impensable" coordinated by GEN (Gráficas en Negro). The project represents the idea of the space taken, conquered over time, by women and the feminist movement in the different spheres of life and their cross-border relationship with the places they inhabit.

### Social action projects

We continue to provide materials for the adaptation of facilities to various associations that serve people who are in situations of need and/or have been disadvantaged by circumstances. We participate with economic contributions in social and cultural projects developed by non-profit organisations.



# Ethics, integrity and transparency

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Ethics and compliance with regulations are the pillars on which the Company's business activity is based. This obliges us to act with the utmost integrity in the performance of our obligations and commitments, as well as in our relations and collaborations with stakeholders. The group has a series of rules of corporate conduct, which establish the values and behavioural guidelines that must be assumed by all the people who make up the group.

The main line of action involves acting responsibly in management and complying with tax obligations in all jurisdictions in which the company operates, as well as assuming a commitment to transparency and collaboration with the corresponding tax administrations.

A robust, integrated ERP system and segregation of duties are critical to preventing and mitigating fraud risk. Generally speaking, internal audits, internal operational monitoring, IT monitoring and the support of the IT Department make up the action guide promoted by the Management.

No complaints related to the subject of reference were received during the financial year.

On the other hand, the Group implemented the Crime Prevention Model in 2020, which was configured as:

- Identification of activities in the scope of which illegal activities may be committed (Risk Map)

- Appointment of a Compliance Oversight Body.

- Implementation of a Complaints Channel within the Group.

- The approval of a Group Code of Conduct.

In 2022, work continued along these lines, with actions mainly focused on training for the entire Group's workforce.

## Tax information

The company accepts and respects its responsibility to comply with current tax legislation and all tax obligations resulting in the payment of taxes in all the territories in which it operates.

In 2022, as in 2021, several companies belonging to Finsa were taxed under the tax consolidation regime in Spain, Portugal, France and the United Kingdom.

**1. Pre-tax profit:** Pre-tax profit of each company aggregated by country is included, excluding dividends from Group entities.

**2. Income tax:** The income tax paid corresponds to the amounts paid for corporate income tax on a country-by-country basis for the current financial year.

On the other hand, in the 2022 financial year 2022, corporate income tax refunds for the 2021 financial year were received for a value of €3.88 million: in Spain €2.94 million and in Portugal €0.94 million. Tax payments for the previous financial year amounting to €1.67 million were also made in 2022: in Spain €0.48 million, in France €1.02 million, in the United Kingdom €0.14 million, in the Netherlands €3,178, in Ireland €4,163, in Poland €18,204, in Italy €5,060 and in Panama €4,226.

After implementing the Crime Prevention Model the previous year, during this financial year we worked on its training and dissemination.

**3. Public subsidies received:** In the financial year 2022, €37.31 million were received from public bodies in the form of subsidies (in 2021: €16.28 million).

- Capital grants of €35.56 million (in 2021: €13.43 million): €34.79

million correspond to emission rights (in 2021: €12.94 million), €0.77 million were granted for investments made in the expansion and modernisation of the Group's industrial facilities (in 2021: €0.49 million).

- Operating grants: €1.75 million, mostly official aid for R&D&I activities. (in 2021: €2.85 million).

Country	Pre-tax profits (1) (Euro)		Income tax paid (2) (Euros)		Public subsidies received (3) (Euros)	
	2021	2022	2021	2022	2021	2022
<b>Spain</b>	69641560	104027930	17601149	21358294	14096045	32208635
<b>Portugal</b>	34081148	48218354	3747750	6505140	1996370	5082094
<b>France</b>	9488207	14036245	0	717096	168418	8667
<b>United Kingdom</b>	1435213	1551976	144253	159357	12953	14046
<b>The Netherlands</b>	828284	1184307	145708	133158	0	0
<b>Ireland</b>	1644482	1363562	12485	16648	0	0
<b>Poland</b>	495705	355846	36877	40199	0	0
<b>Italy</b>	43193	337000		5040	4387	60
<b>United Arab Emirates</b>	2978	54592	0	0	0	0
<b>Mexico</b>	10498	6294	0	0	0	0
<b>Panama</b>	170418	281064	2222	6721	0	0
<b>Total</b>	117841689	171417170	21690444	28941653	16278173	37313502

# Appendix I

## MATERIALITY ANALYSIS

Scope	Features	Relevance			Stakeholders
		FINSA	GRI Topics	SASB	
Economic	Reduction of emissions from deforestation (REDD)	X	0		Partners, company (reuse and recycling of raw materials, use of wood as a carbon store, etc.)
	Indirect economic effects	X	0		
	Product design and life cycle management	X		0	Administrators, partners (use of wood at the end of its first useful life, use of resources for the generation of a certain level of waste).
Environment	Material procurement	X	0	0	Suppliers, partners, administrators, company (use of raw material from properly managed farms, use of local timber, etc.)
	Energy consumption	X	0	0	Managers, society (energy consumption during product manufacturing, energy efficiency, reduction of water consumption - reuse of waste water in steam generation).
	Water consumption	X	0	0	
	Water management / storage	X	0	0	
	Treatment of species		0		—
	Protection of biodiversity	X	0	0	Administrators, company (protection of biodiversity in the forest - timber production - and in factories).
	GHG emissions	X	0	0	Administrators, partners, company (climate change and atmospheric emissions, use of wood as a method of CO <sub>2</sub> reduction, circular economy and waste management).
	Chemicals / waste management	X	0		
	Waste management	X	0		
	Forestry practices (deforestation, fire control, use of pesticides...)	X	0		Suppliers, partners, managers (enhancement of forest management and the timber value chain).
	Forest management	X	0		
Ground management			0	—	
Social	Internships	X	0		Employees (staff welfare, work climate, training, promotion of diversity/equality, work-life balance measures)
	Working conditions	X	0		
	Workforce relations	X	0		
	Health & Safety	X	0	0	
	Corruption	X	0		Employees, suppliers, partners, administrators (measures against corruption, fraud, money laundering and bribery - compliance and respect for ethical values).
	Child exploitation		0		—
	Human Rights	X	0	0	Society (respect for rights in the different regions and regulations on the subject - conventions).
	Production certification		0		—
Others	Corporate governance		0		—
	Regulatory compliance	X	0	0	Employees, suppliers, partners, administrators (regulatory compliance regarding environmental issues, personnel, human rights, corruption and society in general).
	Strategy and policies for procurement	X	0	0	Partners, administrators, company (establishment of responsible strategies and policies within the organisation).
	Crisis management			0	—

0 Potentially relevant aspect/material

X Relevant aspect/material for Finsa

# Appendix II

**TABLE OF CONTENTS ACCORDING TO THE REQUIREMENTS OF LAW 11/2018 REGARDING NON-FINANCIAL INFORMATION AND DIVERSITY AND ACCORDING TO GRI**

Area	Contents	Material issue (Yes/No)	Selected GRI indicator	Document section/page	Comments
<b>Business model</b>	Brief description of the group's business model, including: 1.) your business environment, 2.) its organisation and structure, 3.) the markets in which it operates, 4.) its objectives and strategies, 5.) its objectives and strategies, and the main factors and trends that may affect its future evolution.	YES	2-1/ 2-6/ 2-1/ 2-6/ 2-7/	4 to 8	
<b>Policies</b>	A description of the group's policies with respect to such matters, including: 1.) the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, 2.) the verification and control procedures, including what measures have been taken.	YES	3-3	35	
<b>Risks to CP, MP and LP</b>	The principal risks related to those issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact on those areas; and * how the group manages these risks, * explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. * This should include information on the impacts that have been identified, giving a breakdown of these impacts, in particular regarding the main risks in the short, medium and long term.	YES	3-3		In each section of the report the specific ones are discussed according to the subject to be dealt with
<b>Global Environmental</b>					
	1.) Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures; 2.) Resources dedicated to prevention of environmental risks; 3.) The application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (e.g. derived from environmental liability law)	YES	3-3	27 to 31	
<b>Contamination</b>					
	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment.	YES	3-3	27 to 31	
<b>Environmental issues</b>	Taking into account any form of activity-specific air pollution, including noise and light pollution.	YES	3-3	27 to 31	
<b>Circular economy and waste prevention and management</b>					
	Circular economy.	YES	3-3	6	
	Waste: Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	YES	3-3/ 306-3	27 to 31	
	Actions to combat food waste	NO			
<b>Sustainable use of resources</b>					
	Water consumption and supply according to local constraints	YES	303-5	27 to 31	
	Consumption of raw materials and measures taken to improve the efficiency of their use.	YES	301-1	27 to 31	
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy sources.	YES	302-1	27 to 31	

Area	Contents	Material issue (Yes/No)	Selected GRI indicator	Document section/page	Comments
Environmental issues	<b>Climate Change</b>				
	The significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	YES	305-1/ 305-2	27 to 31	
	Measures taken to adapt to the consequences of climate change.	YES	3-3	27 to 31	
	The reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and the means implemented to this end.	YES	3-3	27 to 31	
	<b>Protection of biodiversity</b>				
	Measures taken to preserve or restore biodiversity.	YES	3-3	32	
	Impacts caused by activities or operations in protected areas.	YES	304-2	27 to 31	
Social and personal issues	<b>Employment</b>				
	Total number of dismissals and breakdown by sex, age, country and professional classification;	YES	405-1	11	
	Total number and distribution of employment contracts.	YES	2-7	12	
	Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification.	YES	405-1	13	
	Number of dismissals by sex, age and professional classification.	YES	401-1	16	
	Average salaries and their evolution broken down by sex, age and professional classification or equal value.	YES	405-2	15	
	Wage gap, the pay for equal or average jobs in society.	YES	405-2	16	
	The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payment, disaggregated by sex.	YES	3-3	15	
	Employees with disabilities.	YES	405-1	19	
	Implementation of work disconnection policies.	YES	3-3	19	
	<b>Organisation of work</b>				
	Organisation of working time.	YES	3-3	17	
	Number of hours of absence.	YES	403-9	17	
	Measures aimed at facilitating the benefits of conciliation and encouraging the co-responsible exercise of these by both parents.	YES	3-3	17	
	<b>Health &amp; safety</b>				
	Occupational health and safety conditions.	YES	3-3	22 to 21	
	Accidents at work, in particular their frequency and severity, occupational illnesses, disaggregated by sex.	YES	403-9/ 403-10	21 to 21	
	<b>Social Relationships</b>				
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	YES	3-3	9		
Percentage of employees covered by collective bargaining agreements by country.	YES	2-30	9		
Mechanisms and procedures available to the company to promote worker involvement in terms of integration, consultation and participation	YES	3-3	9		
The balance of collective agreements, particularly in the field of health and safety at work.	YES	403-4	21		



Area	Contents	Material issue (Yes/No)	Selected GRI indicator	Document section/page	Comments
Social and personal issues	<b>Training</b>				
	The policies implemented in the field of training.	YES	3-3	19 to 20	
	The total number of hours of training per professional category.	YES	404-1	19 to 20	
	Universal accessibility for persons with disabilities.	YES	3-3	19 to 20	
	Measures taken to promote equal treatment and opportunities for women and men.	YES	3-3	20	
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities.	YES	3-3	18	
Human rights	The policy against all types of discrimination and, where appropriate, diversity management.	YES	3-3	18	
	Implementation of human rights due diligence procedures.	YES	3-3	9	
	Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses.	YES	2-23/ 2-26	9	
	Complaints of human rights violations.	YES	406-1	9	
	Promotion and enforcement of the provisions of the core conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining.	YES	407-1	9	
	The elimination of discrimination in respect of employment and occupation.	YES	3-3	9	
	The elimination of forced or compulsory labour.	YES	409-1	9	
	The effective abolition of child labour.	YES	408-1	9	
Corruption and bribery	Measures taken to prevent corruption and bribery	YES	2-23/ 2-26	36	
	Measures to combat money laundering.	YES	3-3	36	
	Contributions to foundations and non-profit organisations	YES	413-1	36	
Company	<b>The company's commitment to sustainable development</b>				
	The impact of the company's activity on local employment.	YES	203-1/ 413-1	33 to 34	
	The impact of the company's activity on the local populations and territory.	YES	203-1/ 413-1	33 to 34	
	The relations maintained with significant local community parties and methods of dialogue with them.	YES	2-29	33 to 34	
	Association or sponsorship actions.	YES	2-28	33 to 34	
	<b>Subcontracting and suppliers</b>				
	* The inclusion of social, gender equality and environmental issues in the procurement policy. * Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	YES	2-6	24	
	Monitoring systems and audits and their results.	YES	3-3	24	
	<b>Consumers</b>				
	Measures for the health and safety of consumers.	YES	3-3	25 to 26	
	Complaint systems, complaints received and their resolution.	YES	3-3	26	
	<b>Tax information</b>				
	Benefits obtained by country. Paid benefit taxes.	YES	3-3	36 to 37	
Public subsidies received.	YES	201-4	36 to 37		



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