



Statement of
non-financial
information
2023

Finsa

Sustainable Development

Finsa* materiality aspects

Economic

- Reducing 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 ●
- Ethics and Corruption ●●●●
- Human rights ●

Others

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

* Detailed table in ANNEX I

- Suppliers
- Administration
- Company
- Partners /Shareholders
- Staff
- Clients

STATEMENT OF
NON-FINANCIAL
INFORMATION 2023

Finsa

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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 2023 and formulated by the Board of Directors at its meeting held on 20 March 2024.

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.



The company

Financial 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, homewares 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 busi-

ness that produces resins and chemical components, and its Energy business that deals with power generation. More details on page 14.

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 manages the self-financing system and also establishes business ethics and business sustainability policies.



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

Given the global nature of the company, it maintains its commitment to international presence and currently has 10 production plants close to the loading ports, 16 sales offices in 11 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.



En 2023

In the 2023 financial year as a whole, the Iberian market for wood-based products has contracted, continuing the downward trend that began in the second half of 2022, with lower activity in all sectors related to the world of homewares. In this scenario, our sales have decreased, both in quantity and amount, although higher value-added products have allowed us to maintain average prices.

There has also been a decline in foreign markets for wood products, which has also led to a reduction in sales. In this case, the decrease in quantity is proportionally greater than in the Iberian Peninsula, and the average price of the products sold has also fallen.

Throughout 2023 we have lived with the uncertainty created, on the one hand, by the continuity of several situations that are still ongoing, such as the war in Ukraine, inflationary pressure and the price of raw materials; and on the other hand, by new circumstances generated this year, such as the rise in interest rates, the conflict in the Gaza Strip and the crisis in the Red Sea. In general terms, there is a reduction in the disposable income of consumers, which has a direct impact on the homewares sector in which we operate, causing the drop in activity that began in the second half of 2022 to continue into 2023.

The implementation of different actions has allowed us to contain this drop and stabilise volumes in the last months of the year.

The main actions have been focused on evolving and adapting our offer to market requirements, greater specialisation with the aim of anticipating new demands, improving our market positioning and increasing operational efficiency. To this we

must add lines of action already initiated in previous years: consolidating the reliability of service to our customers, reinforcing the brand, dynamism and proximity to customers and suppliers, cultivating long-term relationships and working with indirect customers and prescribers.

With regard to research and development activities, during the financial year 2023, both in the area of wood solutions and in the chemical area, we have continued working to obtain new products and improve existing ones, both in terms of their technical and mechanical characteristics and in terms of our 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. In this regard, we highlight the developments in the chemical area in obtaining bio-based products and new smart factory projects in different plants.

During the financial year 2023, the Iberian wood products market has shrunk, although the implementation of different actions has allowed us to contain this slump and stabilise volumes in the last months of the year.



Local Branches

- | | |
|--|---|
| <p>Spain</p> <ul style="list-style-type: none"> · Finsa Santiago · Finsa Barcelona · Finsa Bilbao · Finsa Madrid · Finsa Seville · Finsa Valencia · Finsa Export <p>Portugal</p> <ul style="list-style-type: none"> · Luso Finsa <p>France</p> <ul style="list-style-type: none"> · Finsa France <p>Ireland</p> <ul style="list-style-type: none"> · Finsa Forest Products | <p>Italy</p> <ul style="list-style-type: none"> · Finsa Italy <p>Poland</p> <ul style="list-style-type: none"> · Finsa Poland <p>United Kingdom</p> <ul style="list-style-type: none"> · Finsa UK <p>The Netherlands</p> <ul style="list-style-type: none"> · Finsa BV <p>Panama</p> <ul style="list-style-type: none"> · Finsa Latin America <p>UAE</p> <ul style="list-style-type: none"> · Finsa Trading Middle East <p>Morocco</p> <ul style="list-style-type: none"> · Finsa Morocco |
|--|---|

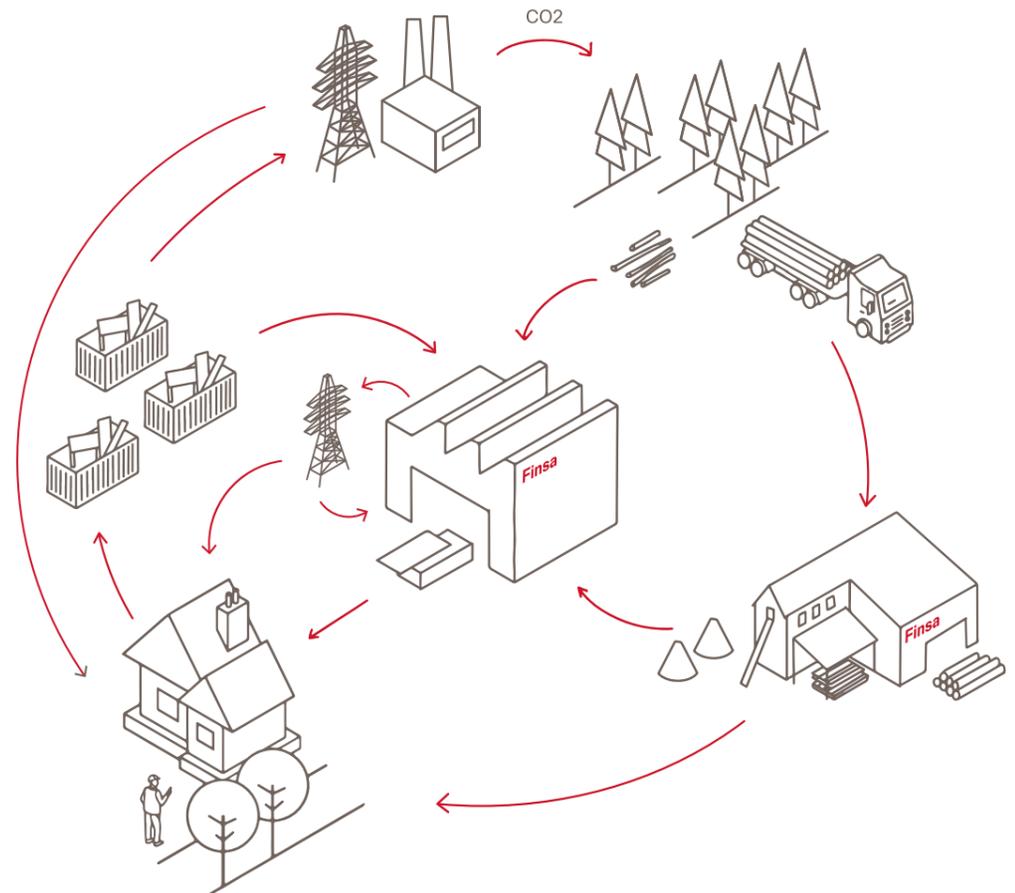
Factories

- | | |
|--|---|
| <p>Spain</p> <ul style="list-style-type: none"> · Padrón · Santiago · Rábade · San Ciprián das Viñas · Coirós · Caldas de Reis · Cella | <p>France</p> <ul style="list-style-type: none"> · Ambarés et Lagrave <p>Portugal</p> <ul style="list-style-type: none"> · Gafanha de Nazaré · Nelas |
|--|---|

Logistics Platforms

- | | |
|---|--|
| <ul style="list-style-type: none"> · Barcelona · Rábade · Chinchilla · The Netherlands · Ireland | <ul style="list-style-type: none"> · France · United Kingdom · Poland · Portugal |
|---|--|

The wood retains its qualities and improves its efficiency.



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.



Products

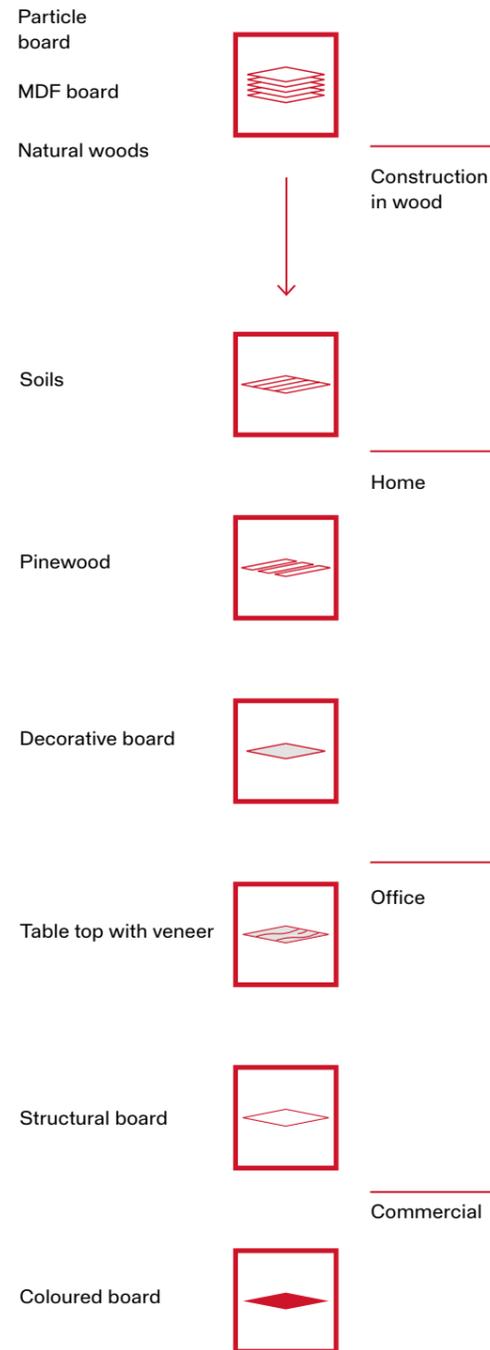
For more than ninety years, the wood transformation process that has been carried out has ensured that the wood retains all its qualities from the start of the process to the end consumer.

Innovation is a key lever throughout the product development and manufacturing process, and design is the differentiating value of the solutions demanded by its customers.

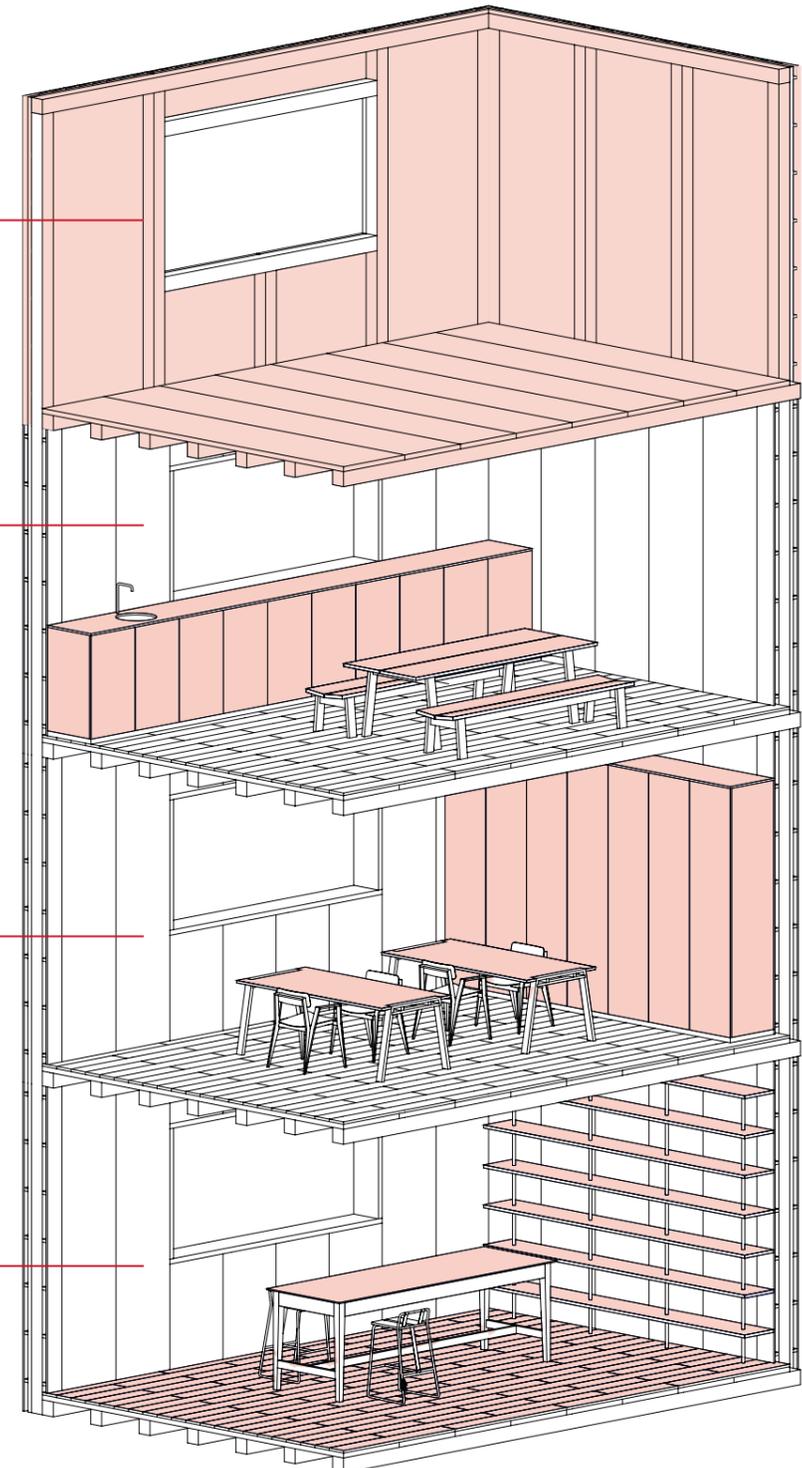
Finsa's main activity is the manufacture of particleboard and MDF boards, whose most common applications are in the interior design, homewares and construction sectors.

The boards 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.



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





Other business lines

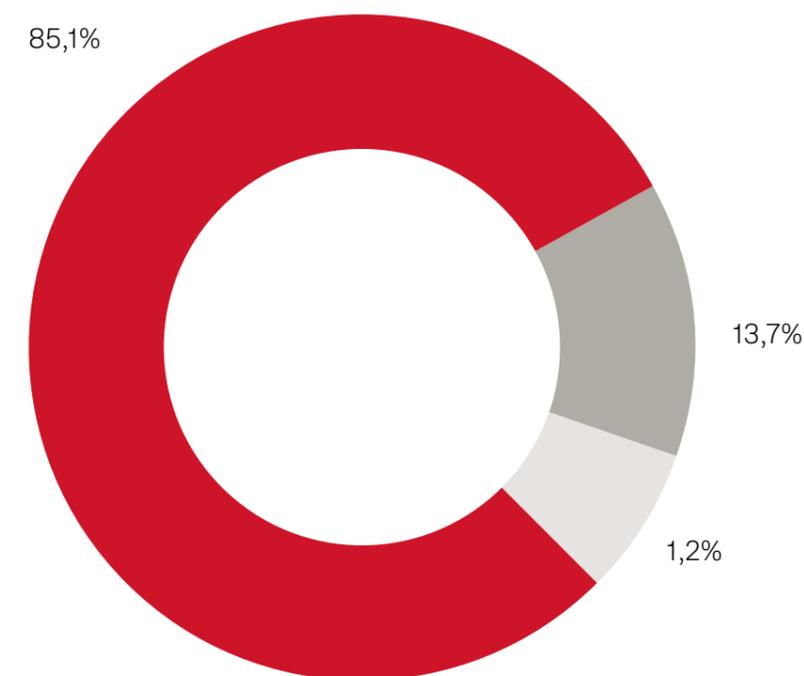
Alongside the main line of business (manufacture and transformation of products derived from wood), Finsa has established two complementary divisions:

- 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 offered on the energy market.

Continuamos potenciando el diseño como un valor diferenciador.

2023 Turnover



- Products derived from wood
- Chemical department
- Energy

Economic data

In terms of turnover, of the €1,222.9 million invoiced in 2023 (€1,419.0 million in 2022), the distribution by business would be as follows: €1,040.4 million in wood products (€1,102.4 million in 2022); €167.4

million in chemicals (€254.7 million in 2022); and €15.0 million in energy (€61.9 million in 2022). In these business activities, direct employment benefited 3,270 people (3,273 people in 2022).



Social and personnel aspects

In the year 2023, we continue to make progress in organisational evolution and generational transition, generating spaces of responsibility and the assumption of 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 2023, the agreement for the implementation of a new job classification system was signed with the social representation.

In 2023, the company signed an agreement with employee representatives for the implementation of a new job classification system, which includes the criteria for moving from the Professional Categories classification system to Professional Groups, with the aim of providing a more appropriate response to the professional requirements of the different functions carried out in the company, which are subject to permanent technological renewal and the automation of processes and operations.

The classification system also aims to establish a link with the professional itineraries in each of the processes and activities carried out in the company in the field of production, support services and productive maintenance, incorporating the professional development of people in the company as an essential objective of the system.

Respect for human rights

We reaffirm our commitment to zero tolerance of modern slavery and human trafficking, and to the prevention of slavery and human trafficking in all our business activities and in our supply chain.

FINSA maintains its commitment to human rights and promotes respect for them in all the countries in which it operates. This commitment is linked to compliance with its 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 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).

For all these reasons, the minimum age for access to employment corresponds to the age of majority in the territories where it operates. As regards forced labour, there are no cases in any of Finsa's centres that indicate the need to adopt measures other than those currently in place in this area, in strict compliance with current labour legislation and the principles governing relations in the company.

Finsa has a crime prevention model, including a whistleblowing channel, that enables the confidential and easy reporting of potentially irregular activities and conduct that may involve a breach of the code of conduct and/or the possible commission of a criminal offence. Finsa is not aware of any reports of behaviour that violate or are contrary to the respect for human rights.

We continue with internal selection processes aimed at filling new positions, thus focusing on individual development.

The experience of a team

A total of 3,269 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 20%, in Spain this percentage is 19.4%. Among operational staff this percentage is lower, at around 16%, but among structural staff it is more balanced, with 51% being women. 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, the availability in the labour market of the profiles required for each position should also be considered, 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 81 people who are part of the local branches and who are mainly located in the Netherlands and the United Kingdom.

A total of 3,269 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	
Female and male executives					0	4	4
					(2)	(2)	(4)
Female and male directors and technicians	31	102	18	26	204	142	523
	(23)	(110)	(13)	(20)	(221)	(142)	(529)
Female and male admin / commercial staff	11	69	40	19	85	50	274
	(11)	(70)	(34)	(14)	(91)	(42)	(262)
Female and male operators	31	193	39	150	1092	445	1950
	(27)	(192)	(37)	(157)	(1,126)	(426)	(1,965)
Total	73	364	97	195	1381	641	2751
	(61)	(372)	(84)	(191)	(1,440)	(612)	(2,760)

(X) 2022

France	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male directors and technicians		8	2	1	5	5	21
		(6)	(2)	(1)	(6)	(4)	(19)
Female and male admin / commercial staff	0	6	1	0	6	2	15
	(1)	(6)	(1)	(2)	(7)	(1)	(18)
Female and male operators	1	4		2	16	13	36
	(0)	(4)		(1)	(18)	(13)	(36)
Total	1	18	3	3	27	20	72
	(1)	(16)	(3)	(4)	(31)	(18)	(73)

(X) 2022

Portugal	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male directors and technicians	3	18	4	6	30	20	81
	(4)	(19)	(2)	(7)	(29)	(22)	(83)
Female and male admin / commercial staff	1	7	6		6	13	33
	(2)	(7)	(5)		(6)	(11)	(31)
Female and male operators	6	7		33	147	58	251
	(3)	(7)		(34)	(141)	(57)	(242)
Total	10	32	10	39	183	91	365
	(9)	(33)	(7)	(41)	(176)	(90)	(356)

(X) 2022



We remain committed to stability and quality in employment.

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	
Female and male executives					(2)	(2)	(4)
Female and male directors and technicians	20 (12)	101 (106)	18 (13)	17 (9)	203 (217)	142 (142)	501 (499)
Female and male admin / commercial staff	6 (5)	68 (67)	40 (34)	13 (7)	84 (89)	50 (42)	261 (244)
Female and male operators	19 (16)	176 (174)	39 (37)	114 (123)	1057 (1,088)	444 (425)	1849 (1,863)
Total	45 (33)	345 (347)	97 (84)	144 (139)	1344 (1,396)	640 (611)	2615 (2,610)

(X) 2022

Temporary contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male directors and technicians	11 (11)	1 (4)		9 (11)	1 (4)		22 (30)
Female and male admin / commercial staff	5 (6)	1 (3)		6 (7)	1 (2)		13 (18)
Female and male operators	12 (11)	17 (18)		36 (34)	35 (38)	1 (1)	101 (102)
Total	28 (28)	19 (25)		51 (52)	56 (44)	1 (1)	136 (150)

(X) 2022

The average number of permanent contracts in Spain remains unchanged (95%).

Average number of contracts in Spain:

Spain

Average permanent contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives					(1.99)	(1.99)	3.99 (3.99)
Female and male directors and technicians	14.43 (5.93)	96.15 (106.69)	17.95 (13.50)	11.16 (5.89)	197.37 (213.37)	139.60 (146.68)	476.67 (492.05)
Female and male admin / commercial staff	4.95 (4.23)	65.80 (64.28)	39.89 (34.44)	10.23 (4.73)	83.35 (88.31)	49.85 (42.78)	254.08 (238.76)
Female and male operators	15.59 (11.33)	169.41 (162.15)	38.89 (42.93)	97.56 (110.30)	1040.48 (1,065.95)	441.12 (442.46)	1803.05 (1,835.13)
Total	34.97 (21.49)	331.36 (333.12)	96.73 (90.87)	118.96 (120.92)	1321.20 (1,369.62)	634.56 (633.92)	2537.78 (2,569.93)

(X) 2022

Average temporary contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives							
Female and male directors and technicians	11.24 (13.32)	1.97 (7.01)		8.48 (10.24)	2.86 (5.66)	(0.34)	24.54 (36.56)
Female and male admin. / commercial staff	3.91 (5.78)	1.55 (4.06)		5.16 (6.80)	1.24 (5.04)		11.86 (21.68)
Female and male operators	8.73 (27.14)	16.44 (53.91)	(0.89)	32.20 (67.33)	33.44 (87.75)	1.68 (3.99)	92.50 (241.01)
Total	23.88 (46.24)	19.96 (64.98)	(0.89)	45.84 (84.37)	37.54 (98.46)	1.68 (4.32)	128.90 (299.26)

(X) 2022



We break down Portugal and France's numbers 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

We remain committed to employment stability and quality, maintaining the percentage of permanent contracts (95% in Spain, 96% in France and 87% in Portugal). We continue to see employability and functional mobility as a lever for professional growth and develop-

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	
Total	4 (4)	30 (29)	10 (7)	19 (22)	163 (159)	91 (90)	317 (311)

Temporary contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	6 (5)	2 (4)		20 (19)	20 (17)		48 (45)

(X) 2022

France

Permanent contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	0 (1)	17 (16)	3 (3)	2 (4)	27 (31)	20 (18)	69 (73)

Temporary contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	1 (0)	1 (0)		1 (0)			3 (0)

(X) 2022



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

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.

Consolidated average wage per age

(Amount in Euro)

	<30	30 to 50	>50
	29266	35042	44024
	(26,326)	(33,097)	(41,676)
(X) 2022			

Finsa cuenta con un registro retributivo adaptado a los requerimientos exigidos por el RD 902/2020 de 13 de octubre de igualdad retributiva entre mujeres y hombres.

Average remuneration*

(Amount in euros)

	Female and male board members		Female and male executives		Female and male directors and technicians		Female and male admin / commercial staff		Female and male operators	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	-	-	191,778 (168,814)	46,371 (43,672)	58,535 (56,013)	39,398 (36,949)	47,104 (45,022)	28,501 (26,499)	32,746 (30,519)
Portugal	-	-	-	-	35,172 (32,390)	41,951 (39,120)	30,422 (26,092)	37,676 (34,188)	16,882 (15,649)	22,371 (20,889)
France	-	-	-	-	49,026 (52,961)	76,133 (73,008)	36,787 (36,422)	52,451 (46,765)	28,771 (41,941)	43,005 (41,217)
(X) 2022										

* 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.
France: in the calculation of the average remuneration affecting additions and deductions during the financial year.

Finsa has a remuneration register adapted to the requirements of Royal Decree 902/2020 of 13 October on equal pay for men and women.

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 2023 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 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.

La asignación de retribuciones se realiza en base a las capacidades y responsabilidades, sin discriminación de género.

With respect to the data for the financial year, in the 2023 financial year 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 Equality Plan signed in 2019 undoubtedly contributed.

In the Organisation we continue working on the prevention of any type or form of direct or indirect discrimination based on gender, providing objec-

tive criteria and analytical systems for determining the salaries of its professionals, thus responding to any possible salary gap between genders that may arise.

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

Dismissal

In 2023, a total of 24 redundancies were made for various reasons:

Permanent contract	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male executives					0	0	0
					(2)	(2)	(4)
Female and male directors and technicians		2	1	0	3	0	6
		(3)	(0)	(0)	(1)	(0)	(4)
Female and male admin / commercial staff	0	0			1	0	1
	(1)	(1)			(0)	(1)	(3)
Female and male operators	0	2		1	13	1	17
	(1)	(2)		(2)	(8)	(1)	(14)
Total	0	4	1	1	17	1	24
	(2)	(6)	(0)	(2)	(9)	(2)	(21)

(X) 2022

La organización continúa trabajando en la prevención de cualquier tipo y forma de discriminación directa o indirecta por razón de sexo.

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

Female and male board members	-
Female and male executives	-
Female and male directors and technicians	1.27 (1.28)
Female and male admin / commercial staff	1.21 (1.22)
Female and male operators	1.11 (1.11)

(X) 2022

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. Work time is organised on the basis of the application of the conventional rules applicable to the company and through negotiation with the social representatives of each work centre, which takes the form of different work schedules.

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 concerning the 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 consist of split shifts and continuous shifts.

In the split shifts, 8 hours a day of effective work are carried out in the morning and afternoon, with a break in the working day at midday. In the split



Equality Commission meetings have continued in order to define the measures that will make up the 2nd Equality Plan.

shift system, there is a policy of flexible working hours, allowing for the adjustment 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 task, setting minimum attendance times that favour teamwork.

For continuous working day shifts, work is carried out in consecutive 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.

Absenteeism*	Hours worked	Lost hours	%
Spain	4,775,518 (4,909,527)	255,444 (299,428)	5.35 (6.10)
Portugal	622,633 (642,980)	27,314 (27,013)	4.39 (4.20)
France	129,640 (130,743)	7,825 (7,000)	6.04 (5.35)

(X) 2022

*Absences correspond to sick leave.

The commitment to equal opportunities is expressly included in Finsa Group's Code of Conduct.

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 the work-life balance.

At Finsa, everyone enjoys the same rights, and the right to a 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 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, is part of our commitment and is required of all of us, regardless of the function or position we occupy within 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.

The commitment to equal opportunities is expressly stated in the Code of Conduct:

"III. We stand for diversity, equal opportunities and non-discrimination. We promote the development of relationships based on the criteria of respect and non-discrimination. We all have a responsibility to help ensure a work environment free from discrimination, bullying, abuse, sexual harassment and/or harassment based on sex. It is essential to ensure equality of treatment and opportunity between persons irrespective of race, ethnicity, religion, sexual orientation, political orientation, gender, age, disability or any other personal or social status"



The Equality Plan includes a workplace harassment protocol to prevent workplace and sexual harassment within the organisation.

With regard to the Equality Plan, we have continued negotiating the 2nd Equality Plan after the constitution of the Negotiating Committee during the year 2022, giving continuity to the first plans signed with the social representation in the Cella centre (2010) and in the centres of Galicia (2019). In 2023, we have continued to progress in this area with the development of equality plans and the progressive incorporation of companies in this process of seeking equal treatment and opportunities. 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.

In this work, we have always relied on the collaboration of corporate representatives, a key element in establishing the joint commitments and objectives that are reflected in the Equality Plan.

Part of the Equality Plan is the Workplace Harassment protocol for the prevention of situations of workplace bullying 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 high-

lighted. 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 on-going dialogue, with particular attention to the achievement of gender targets and the inclusion of persons with disabilities.

In compliance with the General Law on the Rights of Persons with Disabilities and their Social Inclusion (known as LGD in Spanish), the recruitment of staff with disabilities is combined with the adoption of alternative measures to comply with the Law. Specifically, in Spain, the company resorted to alternative measures through the contracting of different goods and services from special employment centres for more than 1 million euros, which represents an amount equivalent to the hiring of more than 50 people with disabilities, in addition to the 24 people hired directly.

The company also collaborates with different entities and associations that promote the integration of particularly sensitive groups in the workplace, and assumes the elimination of any obstacle that prevents equal access to and performance of jobs.

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

2023	24
2022	24

In 2023, 24 people with disabilities were part of the Finsa team in Spain.

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.

We live in a time when we are increasingly digitally connected. This has changed the way

we understand life and how we relate to each other in both the personal and work spheres, in addition to the implementation in many cases of hybrid work models as a way of improving people's work-life balance and thus contributing to a better balance between work and personal life.

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 personnel, 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.

The job classification agreement incorporates a system linked to the development of professional competences in the different trades and specialities.

Training: the key to talent development

Training hours	Women	Men
Female and male executives	-	20 (21)
Female and male directors and technicians	2874 (2,516)	5166 (4,084)
Female and male admin / commercial staff	697 (398)	778 (388)
Female and male operators	2951 (3,717)	20039 (19,248)
Total	6521 (6,632)	26002 (23,742)

(X) 2022

We consider training to be the basis for people to be in a better position to face the challenges of our day-to-day work, which is becoming increasingly complex, and it allows us to attract and retain talent, as well as being a factor that influences the quality of our work.

The job classification agreement reached with the social partners in 2023 incorporates a job classification system that is directly linked to the development of professional competences in the different processes, trades and specialities in the organisation and establishes the appropriate framework for the recognition of people's professional qualifications through their assignment to Professional Groups.

This process will be addressed gradually over the coming years, establishing a systematic approach to the design of training content, teaching resources and monitoring to accredit the assimilation of the knowledge, skills, abilities and be-

haviours that will enable us to accredit the professional competence of people in the performance of their role. We continue to consider investment in continuous 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 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.

Insofar as the type of training allows, training activities will continue to be delivered with a two-fold approach: face-to-face and online.

In 2023, the total number of training hours amounts to 32,524 (30,374 in 2022), part of which corresponds to prevention training (see page 38), training in personal data protection and information privacy, compliance training and equality awareness.

During this financial year 2023, 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

Finsa continues to be committed to employment stability, with the majority of its staff holding permanent contracts. It also continues to encourage and seek internal promotion as the best way to foster the growth of individuals 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 provide 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 21-22 school year 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.

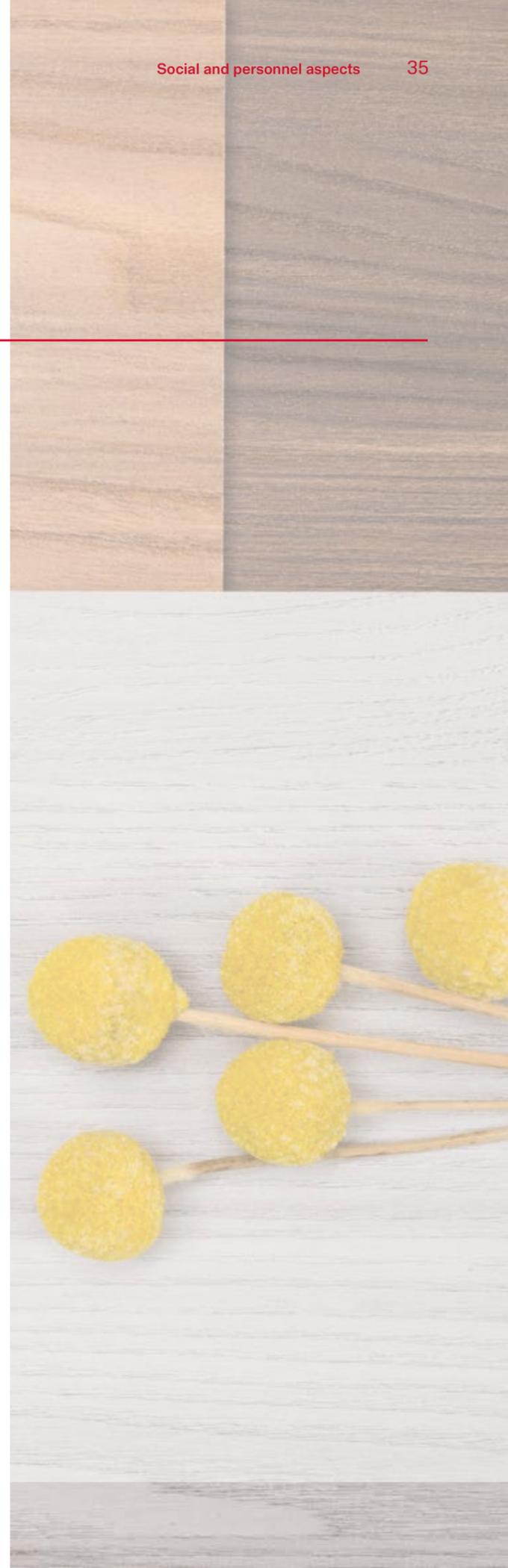
We continue to welcome students from various different degree specialisms to our company to facilitate the practical realisation of their final degree or Master's Degree projects. This is in addition to Workplace Training (FCT, Formación en los Centros de Trabajo), which supports Vocational Training (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. We contribute to providing them with a solid foundation and experience that enriches their employability in the market and speeds up their integration into the world of work.

In 2023, 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 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.



By 2023, we will have completed psychosocial assessments at all board production centres in Spain.

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.

During 2023, the use of the new causal analysis tool that had been implemented during the previous year relating to accidents in general and, more specifically, to potential major accident situations, was consolidated.

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 occurrence of an accident.

In 2023, a total of 133 lost-time accidents were recorded (140 in 2022) 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.

During the year, psychosocial assessments were carried out in all the Spanish board production centres and started in Portugal.

Accident indicators (GRI 403-9)	Spain		Portugal		France	
	Women	Men	Women	Men	Women	Men
Accidents requiring sick leave	17 (9)	93 (102)	2 (2)	19 (20)	0 (1)	2 (6)
Incident index	3.20 (1.65)	4.18 (4.43)	3.85 (4.26)	6.11 (6.45)	0 (5)	2.44 (10.91)
Severity index	0.57 (0.88)	1.83 (1.35)	0.30 (0.70)	0.62 (0.53)	0 (0.35)	82.11 (1) (0.88)
Frequency index	18.32 (9.47)	23.94 (25.41)	18.49 (20.46)	29.18 (31.02)	0 (29.36)	21.87 (62.05)

(X) 2022

* 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.

(1) Index affected according to the legislation of the country by the days lost in the event of a fatal accident.

At the end of the first cycle (2015-2022) of the project based on security behaviours, we will move forward with the definition of an internal observation model (OCP).

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

It also 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, which is why, during the period 2015-2022, Finsa developed a project based on safety behaviours. In each cycle, behavioural observations are carried out in the different workplaces, which makes it possible to see the evolution and degree of implementation of the system.

At the end of the 2015-2022 cycle, a review of the different centres was carried out and a new internal observation model (OCP) defined to continue the work of the first cycle. In this new model, safe behaviours are integrated into more technical aspects of safety and health.

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.

A specific training programme is in place to facilitate and ensure that all staff are aware of the risks in our facilities and how to act in the event of an emergency. 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.

During the year 2023, we developed a pilot, with external support and, at one of our sites, an accident prediction model that is still undergoing testing and validation. Once the model was developed, it was fed with various historical data related to production, workforce, accidents, etc., and from there, the system will be able to generate visual alerts on the production line, along with the type of risk. By doing so, we can predict which situations are likely to generate an incident.

The Rábade centre has obtained ISO 45001:2018 certification - health and safety management system.

Throughout 2023, in addition to this induction training, more than 19,040 hours (20,818 in 2022) 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.

Audits

In 2023, 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.

During this year, the Rábade centre obtained ISO 45001:2018 health and safety management system certification, which will be extended to the other board production centres.

This certification is in addition to those already obtained in the plants of the chemical business: Bresfor and Foresa.

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

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 sub-contracts. 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.

Central purchasing department

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.

UNE-ISO 20400 in the chemical area.

Foresa follows the UNE-ISO 20400 standard to integrate sustainability into its purchasing and supply chain management processes. This implies, among other things, the active search for raw materials in those companies that have active policies of life cycle analysis of their products and place value, in addition to economic aspects, on environmental and social impact and responsibility throughout the life cycle of the products. In this sense, alliances have been established with our most relevant raw material suppliers in the business for the manufacture of bio and/or low carbon footprint products. Foresa will consider the possibility of certification.



We have the eco-label (EEE) for laminate flooring.

Consumer responsibility.

Circularity and product sustainability

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 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). The EPD is a public report that expresses the results of the Life Cycle Assessment (ACV, Análisis del Ciclo de Vida in Spanish) of a product, validat-

ed 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.¹

In 2023, we continued to make product declarations.

The CLT EPD was developed. We are working on extending the availability of this eco-labelling to all of our 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 (EEE) 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.

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: Bronze, Silver and Gold.

Product Transparency - DECLARE

Voluntary disclosure programme that aims to steer 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 Product Declaration

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.





During the exercise we developed the EPD of the cross-laminated timber panel (CLT). We continue to work on extending this eco-labelling to other products.



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.

PEFC Chain of Custody Certification (PEFC/14-35-00006). FSC® Chain of Custody Certification (FSC-C041397).

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 is a globally valid standard certification for the transmission of information along the supply chain of timber and timber products

Sustainable building certifications

BREEAM AND LEED VERDE, 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.

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 2023, the cases managed accounted for 0.17% of total net sales.

¹ <https://www.finsa.com/es/certificaciones>
<https://www.environdec.com/Detail/?Epd=7995>
<https://www.environdec.com/Detail/?Epd=7988>
<https://environdec.com/library/epd10735>
<https://www.environdec.com/library/epd6053>
² <http://ec.europa.eu/ecat/category/en/33/wood---cork--and-bamboo-b>
³ <http://materiales.gbce.es/tag/finsa/>



During the 2023 financial year, Foresa has obtained EcoVadis certification (performance measurement tool) with a bronze rating.

Chemical certifications

Cradle-to-Cradle

Initiated at Foresa, in 2023, was the process for obtaining Cradle-to-Cradle certification, based on the assessment methodology set out in the C2C Certified Product Standard for the material health category. This certificate verifies that the materials used in the product prioritise the protection of human health and the environment, generating a positive impact on the quality of the materials available for future use and life cycle.

EcoVadis

Foresa has carried out for the first time in 2023 the ecovadis rating process (performance analysis tool) and obtained a bronze rating.

The EcoVadis rating process contributes to the enhancement of environmental, social, ethical and sustainability performance, improving transparency practices.

Nordic Swan Ecolabel

The Nordic Swan Ecolabel is the official sustainability ecolabel for products from the Nordic countries. It was introduced by the Nordic Council of Ministers in 1989, whose logo symbolises trust, integrity and freedom.

Foresa and Foresa France declare the necessary product information for customers to obtain the Nordic Swan Ecolabel from 2021.

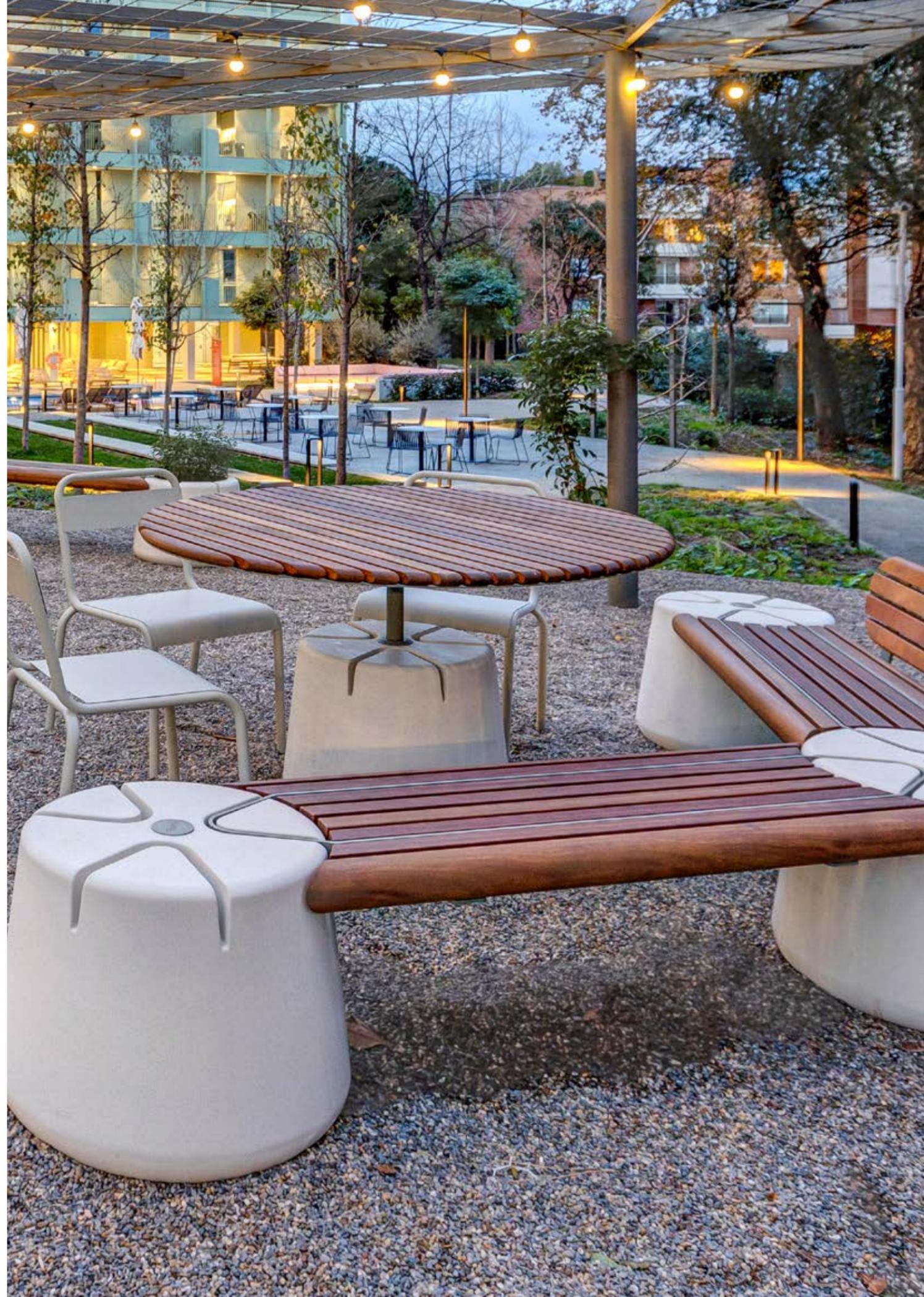
ISCC PLUS

ISCC PLUS certification is a voluntary scheme that applies to the bioeconomy and circular economy for food, feed, chemicals, plastics, packaging, textiles and renewable raw materials derived from a process using renewable energy sources.

Foresa has had this certification in its port facilities at the Vilagarcía de Arousa terminal since 2020, being extended throughout 2023 for the management of various raw materials and their final use in production processes.

SNVS Certification

The Vilagarcía de Arousa terminal is also certified based on the standards required by SNVS (National Sustainability Verification System), specific regulations applicable to the verification of the sustainability of biofuels and bioliquids, regulated in Royal Decree 235/2018.





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 CO2 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 CO2 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 CO2 than they have absorbed throughout their life cycles.

Data in the industry counts for a lot: every m3 of wood used as a substitute for another material can save a total of two tonnes of CO2. 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 CO2 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 CO2 storage capacity. The use of forest harvesting and recycled wood in the manufacture of chipboard contributes to extending the CO2 storage capacity by an average of 30 years.

During 2023, FINSA manufactured 1.9 million m3 (2.1 million m3 in 2022) of engineered wood, equivalent to a removal of 2.4 million tonnes of CO2 eq.

Finsa has an environmental management system in accordance with the requirements established in the UNE-EN ISO 14001 reference standard.

Environmental management, an essential resource

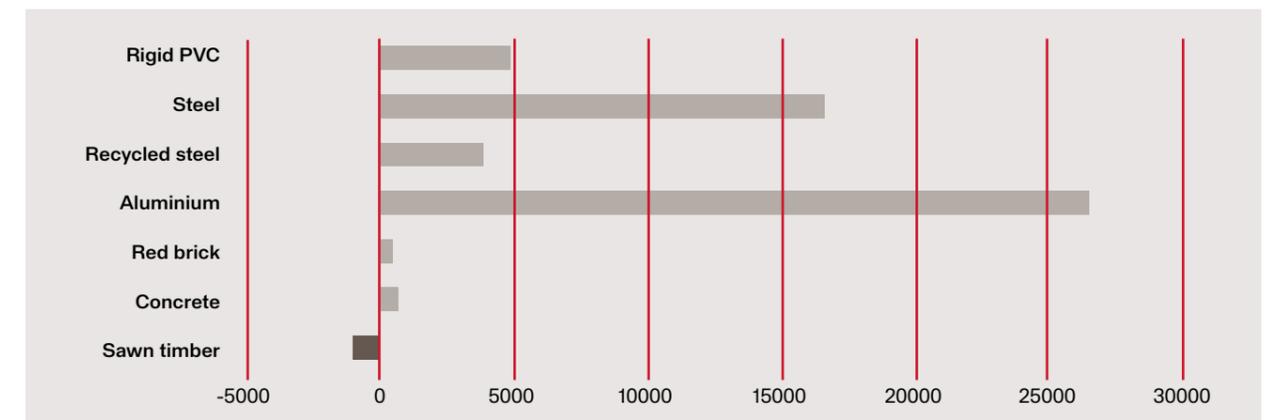
Finsa has its own environmental management system, following the requirements established in the international reference standard UNE-EN ISO 14001:2015, which regulates environmental management systems.

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.

The design of this management system therefore establishes a basic framework. From this, each facility determines its significant environmental aspects and establishes its annual environmental management plan, taking into account its own reality, its physical environment and local stakeholders.

NetCO₂emissions

Kg CO₂/m²



During the 2023 financial year, an analysis of climate risks and opportunities was carried out under an international reference framework.

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 site continues to identify its stakeholders, considers their relevance, and determines their needs and expectations regarding the company's environmental performance. Once risks and opportunities have been identified, they are incorporated into the annual environmental management plan.

With a global perspective, during 2023 we conducted an analysis of climate risks and opportunities under the TCFD (Task Force on Climate-Related Financial Disclosures) framework. Both the physical facilities and the services and value chain associated with the wood, chemical and energy businesses were analysed.

The analysis of physical and transitional risks was carried out by evaluating the probability of occurrence of the hazards identified according to different climate scenarios, as well as the exposure and vulnerability of the different facilities, plantations and sectors of activity. No risk was classified as critical, with the most significant risks having a low or medium risk level.

With regard to the physical risks analysed, the most noteworthy for the activities derived from wood processing are the increase in the frequency of fires and the increase in pests that directly affect plantation production, with a medium and low final risk respectively.

For the chemical sector, the most significant risks are those affecting the production process and the transport of essential raw materials. These risks are

periods of drought and water scarcity associated with decreasing rainfall and, on the other hand, sea storms.

The carbon border mechanism (CBAM) will affect raw materials that share use with the manufacture of fertilisers, steel, cement, hydrogen and energy, among others. As a result of the new rules defined for the Emissions Trading Scheme (ETS), we anticipate a reduction in free carbon allocations for the period 2026-2030. These are the transitional risks that have proven to be the most significant, with their impact on business anticipated to be low.

It is also worth highlighting the costs associated with the energy transition, such as the increase in the price of transport fuels, which represent transitional risks that we will have to face, especially depending on how the decarbonisation of the transport sector evolves following its entry into the ETS.

On the other hand, there are a number of opportunities associated with climate change that the Finsa Group has also analysed. The aim is to be able to take advantage of those that are most feasible and to position themselves adequately in the face of the major disruption that climate change represents. For each opportunity, its level of feasibility (technical and economic) and its current level of development has been analysed. The most prominent opportunities would be the following:

- Increased demand for certified wood and wood products made from sustainable materials.
- Proximity wood as a basis for bioeconomy and population fixation in rural areas.

Circular economy and proximity wood as a basis for the bioeconomy were two of the opportunities identified in the analysis.

- Circular economy, particularly with regard to the increased use of wood waste as a raw material.
- Improving efficiency in production processes and increasing the use of renewable energies, taking advantage of favourable financing conditions for increasing the capacity of generation and self-consumption facilities.
- Revaluation of resins and new technologies based on renewable carbon sources from different biogenic carbon-containing wastes for the manufacture of resins or other chemical products with a lower carbon footprint.

We see, therefore, that the availability of wood resources, water management and ensuring the independence of production processes from the use of fossil fuels continue to be the three major issues on which the organisation must focus its available resources.

In addition to climate risks, there are other environmental risks, such as light pollution or noise emitted outdoors, which have not been considered relevant in this report. With regard to the first case, the environmental licences 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 licences have as yet shown no evidence of non-compliance regarding noise emissions within the facility limits.

We manage and recycle wood to make new materials and research and support new recycling technologies

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.

Finsa establishes agreements with forest communities to jointly support and develop forestry plantations that fundamentally allow for the recovery, silvicultural improvement and revaluation of coniferous forests. In connection with the environment, we work to respond to the needs of individuals and communities by providing tailor-made advice and detailed control and monitoring of all processes and phases. In addition, our policy of purchasing raw materials locally gives priority to small local producers. In 2023, 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 m3 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. This allows us to replace the use of wood with waste wood products generated at the end of their useful life, thus extending their life cycle.

In terms of our own resources, we have two stockpiling platforms for the recovery of wood, one in Morcenx (France) and the other in Chinchilla de Montearagón (Albacete). We also have 740 collection containers of our own and are expanding our cooperation with the network of intermediate waste managers on a daily basis. As a result, 504,119 Tn of recycling were reused as feedstock in 2023 (481,217 Tn in 2022) which is an increase of approximately 23,000 Tn compared to 2021 (+5%), but more than 134,000 Tn (+36%) from 2018 (see GRI 306).

The path already started in the Cella and Luso Finsa production centres will also be reinforced in the

In 2023, 504,119 tonnes of recycled wood were reused as raw material.

Santiago factory, for which significant investments are planned in the coming years, which will enable greater use of wood waste in the manufacture of chipboard.

Similarly, the business is working intensively on the analysis of viable technologies that allow the incorporation of wood waste into the manufacture of MDF boards, from a product life cycle perspective. As a result, an industrial-scale project has been launched that will allow us to learn and develop a solution that can then be scaled up.

Raw materials

(GRI 301)

	2022	2023
Wood	3,110,200 tonnes	2,896,475 tonnes
Wood from safe sources	100%	100%
PEFC Certificate¹	45.24%	45.44%
FSC Certificate²	2.4 – 15%	3.38 – 27.47%
Resins	254,775 tonnes	240,136 tonnes
Methanol (resin manufacturing)	174,609 tonnes	167,031 tonnes

¹Global group certificate (multi-site). The percentage of PEFC certified forest area in Spain compared to the total forested area is 14.4% (30.2% in Galicia and 9.5% in Aragon).

²PEFC 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>).

³The 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 2023: 3.8%

⁴FSC 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>)

We have consolidated the energy management systems based on the UNE-EN ISO 50001:2018 standard.

Energy

The drying processes of wet wood particles or fibres are the main users of thermal energy generated in boilers and co-generation plants. Another source of thermal energy consumption is the heating of the board presses, in which the dried material is compacted to form the wood board. The thermal energy consumption of chemical plants is irrelevant, as they are designed to utilise the enthalpy generated in the chemical processes.

The consumption of electrical energy is present throughout all production processes 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.

We highlight the consolidation of energy management systems, based on the UNE-EN ISO 50001:2018 standard. In 2023 we have achieved certification in the centres of Cella, Ourense, Padrón, Santiago and Rábade. The Aveiro plants will be progressively joined by the Aveiro plants,

Caldas de Reis and Nelas.

Energy management indicators continue to develop positively in absolute terms.

By 2023 we have achieved that 89% of the thermal energy used will come from renewable sources. This use of biogenic energy avoids atmospheric emissions of 410,625 tonnes of CO2 equivalent¹.

The reported results are the result of the invest-

¹Refers to the combustion of natural gas, for the same thermal energy generated.

ment plan that has increased the nominal capacity of the biomass-based combustion plants. The progressive increase in the use of recycled wood with a lower moisture content also contributes positively to the reduction of primary thermal energy consumption. In the immediate future, the installation of a second biomass grill at the Ourense facility is underway, thus guaranteeing its operational independence from fossil fuels.

In terms of energy efficiency, various actions have also been carried out focusing on improving heat regulation systems, the internal management of the bio-waste generated, the reinforcement of thermal insulation and the use of various waste energies.

If we focus on electricity consumption, the factories have developed their action plans associated with the energy efficiency of the processes, focusing on significant consumers such as the compressed air network, installation of frequency inverters for high consumption motors, replacement of pumping units with others with lower specific consumption, regulation of the operating regime of suction and pneumatic conveyors.

In terms of investments, we have developed other larger projects aimed at self-generation of renewable electricity. In the last quarter of 2023, the Cella, Luso Finsa and Orember photovoltaic plants were brought into operation, to be joined in 2024 by those already completed at Padrón and Fibranor. In the second half of 2024, the start-up of the Cella biomass self-generation facility is scheduled for the second half of 2024, which will enable the energy recovery of 100% of the biomass waste generated in the process and which cannot be used as raw material. It is yet another example of the cascading use of wood.

We have developed projects aimed at self-generation of renewable electricity.

The final result of these investments will give us a renewable electricity self-generation capacity of 49 GWh per year at the board mills, which will be added to the 8.2 GWh per year already generated at the 3 chemical plants.

Energy management¹

(GRI 302)

	2022	2023
Thermal energy consumption in combustion facilities²	10,021 TJ	8,219 TJ
Biogenic origin (biomass)	75%	89%
Of fossil origin	25%	11%
Consumption of energy by motor vehicles³	90 TJ	81 TJ
Consumption of electricity	624.02 GWh	587.15 GWh
Electricity fed into the grid by co-generation plants	227.29 GWh	56.56 GWh

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

²Source: 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.

³Internal vehicle traffic within the plants.

In the last quarter of the year, photovoltaic plants were commissioned at several of our production sites.

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 and cool the gas stream before it enters the WESP filters and there are no dry gas treatment BATs on the market. For this reason, we consider 2021 as the base year to evaluate the evolution of water consumption, with a value of 2,232,878 m3.

Water management

(GRI 301)

	2022	2023
From municipal network	623,890 m ³	458,581 m ³
From underground or surface capture	1,410,862 m ³	1,555,205 m ³

Direct GHG emissions have been reduced by 70% compared to those verified two years ago (ref.2021).

Emissions

All factories are within the scope of the Emissions Trading Scheme (ETS), so emissions related to all stationary combustion installations and chemical processes are verified annually by an external party. These emissions account for more than 90% of the total direct emissions reported.

Our decarbonisation strategy continues to focus on reducing direct emissions, which are those for which we are directly responsible and which we have full capacity to influence. Direct GHG emissions were reduced (scope 1) that year by 70% compared to those verified in 2021. This substantial improvement is linked to the strategy of decoupling from fossil fuels and the various energy efficiency actions described above.

Emissions associated with motor vehicles account for 7% of our scope 1. In this section, we are continuing the gradual replacement of diesel-powered forklifts with new electric forklifts. They currently total 94 units with zero direct emissions. To these, we can add 14 forklifts powered by LPG, which, compared to traditional diesel, represents a 15% reduction in emissions.

Following the publication of Circular 2/2021 of 10 February, the CNMC publishes (as of 2021), the electricity labelling of all trading companies that have registered energy sales in the corresponding year, as well as the remaining electricity labelling of trading companies that have redeemed guarantees of origin to their customers. This leads us to apply from 2021 the emission factor corresponding to the remaining labelling for electricity purchased in Spain and France for the calculation of emissions associated with the origin of

the electricity purchased (scope 2). With regard to scope 3 emissions, we have developed a tool for 2023 that allows us to calculate the emissions associated with the transport of raw materials and finished products. This is a highly complex project, given the characteristics of the procurement itself, but above all our value proposition in terms of portfolio, batch size and service. Regarding the other categories for the quantification of scope 3, we have launched the calculation with the support of a specialised consultancy. With all this, in 2025 we will be able to report a verified figure that will serve as a starting point to formalise a decarbonisation strategy.

The Organisation continues to take steps to advance in the decarbonisation of wood-based raw materials.

It is important to note that the Organisation is taking decisive steps to advance in the decarbonisation of wood-based raw materials. This year we have launched the commercialisation of Fibrapan Bio board. This is a medium-density fibreboard made with organic glues, with no added formaldehyde, and a paraffin of biological origin, allowing us to achieve over 99% natural components.

Related to this, a strategic investment is being planned at the Caldas de Reis centre, where resins obtained from biomass and paraffin emulsions, also of renewable origin, will be manufactured, thus increasing the supply of wood-based boards, in which the presence of fossil-based raw materials is nil.

To close the chapter on atmospheric emissions, we confirm the very positive evolution in terms of the reduction of VOC emissions (volatile organic compounds) since 2021, the explanation for which lies in the continuous improvement applied to the emission control technologies used in the main emission sources.

Climate change and atmospheric emissions

(GRI 305)

	2022	2023
Direct GHG¹ emissions (scope 1)	212,470 tonnes CO ₂ eq	86,834 tonnes CO₂eq
Indirect GHG emissions (Scope 2)	164,560 tonnes CO ₂ eq	146,140 tonnes CO₂eq
Total VOC² emissions	1,527 tonnes C	1,224 tonnes C
Indirect GHG³ emissions (scope 3)	Not available	Not available

¹Source: 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.

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

³This table does not include emissions derived from the management of freight transport carried out by external parties, which is in the process of being calculated.

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

Waste

As an inherent part of the production processes, internal waste from wood processing is reintroduced into the production of the board. Those whose reuse is not viable as a raw material due to their physical characteristics are recovered energetically in the boilers themselves.

Other waste that is incompatible with our production processes must be treated off-site. Of these, 97% are recovered, of which only 3% are destined for disposal operations. In terms of their nature, only 2% are classified as hazardous waste.

In global terms, we can observe an increase in the generation of this waste, closely linked to the ash from biomass combustion. Its increase in absolute terms is inevitable, as increased use of biomass is part of the decarbonisation strategy. Continuous monitoring and optimisation of combustion in the boilers is aimed at minimising the level of unburned

ash, thus contributing to the reduction of the specific weight of the ash. We continue to make progress in RDI projects focused on the use of these ashes in various materials associated with sustainable construction, as an alternative to their current use in the restoration of degraded areas and in the production of fertilisers by authorised managers.

In the same line of material recovery, we are also exploring the production of biomaterials for different uses from sewage sludge or other wood processing waste generated in manufacturing processes.

In the chemical field, Europe's position in the production of chemicals from biomass and by-products is limited to a few compounds, while its demand is one of the fastest growing in the world. Lignocellulosic waste is one of the most abundant resources and does not compete with products used in the food chain. Foresa manufactures these plant-based products on an industrial scale and

Waste

(GRI 306)

	2022	2023
Wood waste recovered as raw material	481,217 tonnes	504,119 tonnes
Waste generated in production processes	97,417 tonnes	107,183 tonnes
% recovery vs total	97%	97%
% hazardous vs total	3%	2%



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

has as an ongoing project, the revaluation of forest residues to use them as raw material in the synthesis of adhesives and other secondary products, used in the wood sector, as well as in construction, packaging, etc

Protection of biodiversity

We know that the protection of biodiversity is a social demand as well as a demand of our industry and that we meet that demand by optimising the use of forestry, which is why we consider it our obligation to respect and protect our main raw material, wood. Thus, as part of our responsibility to ensure progress based on the protection of the environment, we actively promote the use of wood from FSC and PEFC forests, certifications that guarantee sustainable forest management. The felling of timber is subject to authorisation and is supported by prior studies of the forest stand to ensure the preservation of biodiversity in each case. In this way, we not only actively promote the use of wood from certified forests, but also ensure increasingly sustainable forest management, and thus a better future for the sector as a whole.

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.

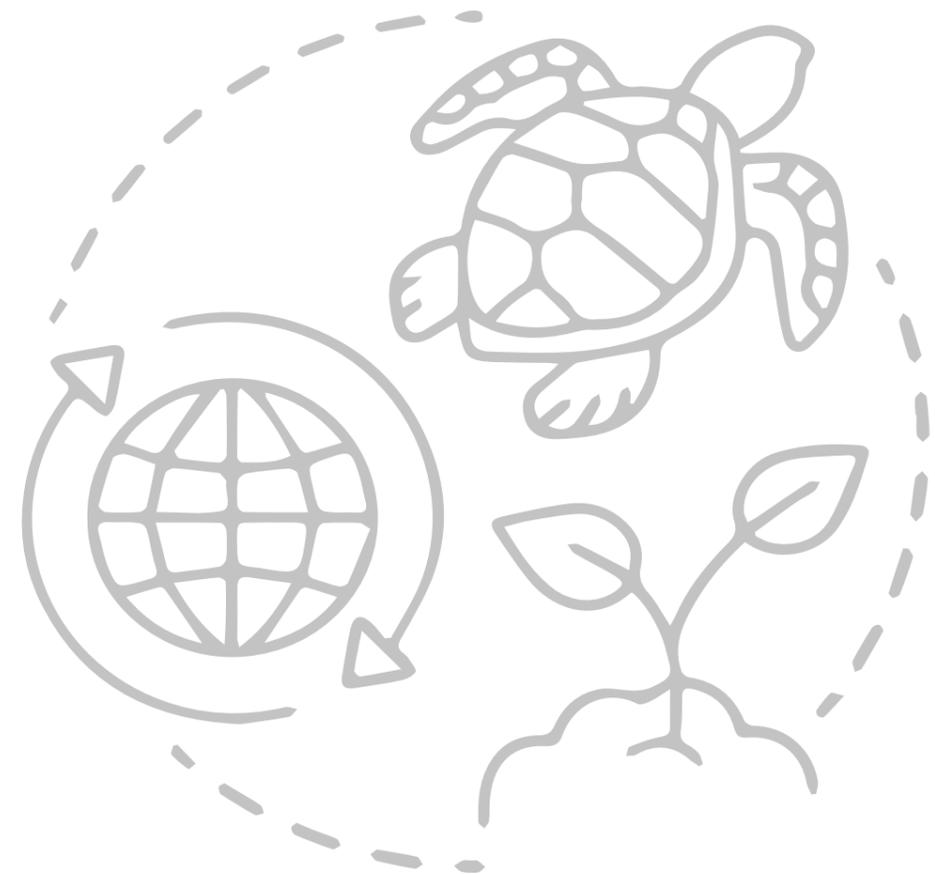
All the plants have thus processed their corresponding integrated environmental authorisations and, when applicable in compliance with current legislation, have also submitted the relevant environmental impact assessments to the competent environmental bodies. It should be noted that in no

case have the competent authorities determined any need to take specific measures for the preservation or restoration of biodiversity.

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:

Natural features of interest

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





Commitment to society

We have given continuity in the year 2023 to various projects promoted by the academic community, by different professional associations, non-profit organisations and associations and by different local and regional administrations. These projects 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

Continuing the work started in previous years, we continue to collaborate in different projects that

contribute to the development of the communities of which we are a part.

Collaboration projects in the field of training

- Collaboration in the InnovaTech FP programme, promoted by the Regional Ministry of Education for the promotion of technological projects by students and the transfer of knowledge to companies.
- G2030 Project Professional Profiles of the Future, coordinated by the Spanish Regional Ministry of Education and the Galician Business-University Foundation (FEUGA).
- The Future-facing 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.
- Collaboration agreement with the Mestrado em Engenharia e Design de produto (Master in Product Design and Engineering) at Universidade de Aveiro.
- Collaboration in the master's degree in Logistics and in the master's degree in Industry 4.0 of the U.Vigo as a demonstrator company.
- Training project for teachers in the professional wood, furniture and bark field, in which teachers from various vocational training centres have participated.
- Continuation of 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

These are some of the most relevant projects we have worked on in 2023:

- Smartlogistic Project: In the field of Industry 4.0, this project is focused on the search for intralogistics efficiency and the reduction of the carbon footprint associated with distribution.
- Enxeño+: Completion of pilot projects integrating the digitalisation of processes, in the search for alternative production models that continue to be sustainable and provide greater added value. The implementation and development of these models will facilitate the advancement of smart and sustainable manufacturing in Industry 4.0. 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 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

We continue to develop different projects related to innovation, efficiency and Industry 4.0.

- 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 third edition of this innovation programme, focused on sustainability and carbon footprint reduction.
 - 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.
 - Intelligent "Systems for Industry 4.0" project. Continuation of the collaboration in this project with which the CiTIUS (Singular Centre for Research in Intelligent Technologies of the University of Santiago - USC) and the CESGA (Galician Supercomputing Centre) will contribute to the improvement and optimisation of manufacturing processes.
 - Collaboration in the Spanish Makers Camp edition.
 - CDP (Carbon Disclosure Project) is a non-profit charity that manages the global disclosure system for investors, companies and governments to manage their environmental impacts. This voluntary management system has been in place for more than 20 years, aiming to accelerate the rate of change towards a sustainable economy for all actors involved, including the corporate actions of companies and also at the urban level. Bresfor joined this initiative, in 2023.
 - Since 2017, the Foresa and Bresfor plants have been part of the Responsible Care voluntary membership programme, a global initiative of the chemical industry to advance in the continuous improvement of Safety, Health and Environmental Protection in all operations of this sector from a sustainable and socially responsible approach. It is an industry reference framework that has enabled chemical companies to make progress in the safe management of chemicals and in the excellence of their operational performance.
 - Foresa has been a member of SusChem-Spain since 2018 and actively participates in working groups of interest such as: bioeconomy for the chemical industry, CO2 as a raw material, design of reactions and processes, and chemical recovery of waste. SusChem-Spain is the Technology and Innovation Platform for Sustainable Chemistry, with a public-private structure, led by industry and with the participation of all the agents of the science, technology and innovation system, which promotes cooperative activities and the exchange of knowledge and experiences in the field of Sustainable Chemistry.

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

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

Once again this year we have continued our participation in the working group with other companies in the sector and with the Galician administration to improve 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 Fundación Empresa-Universidad Gallega (FEUGA)

Finsa is a founding member and participates in the board of the Fundación Empresa-Universidad Gallega (FEUGA). Founded in 1982, FEUGA specialises in the transfer of knowledge, innovation and technology from the Galician university system to the business world and society in general. The Foundation is a benchmark in the management of business-university relations; in the promotion and execution of collaborative R&D&I projects and in the implementation, improvement, management or certification of business innovation.

Participation in the 2030 observatory of the Higher Council of the Spanish Architects' Association (CSCAE)

Finsa continued to be connected during 2023 with different tables of the Architecture Observatory, promoted by the Higher Council of the Spanish Architects' Association (CSCAE) to promote the SDGs (Sustainable Development Goals 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.

Inclusion in the Aragonese Network of Healthy Companies

The Aragonese Network of Healthy Companies, an initiative coordinated jointly by the Directorate General for Employment and the Directorate General for Public Health, has recognised Finsa Cella by including it in this network for the development of its preventive policy through actions aimed at improving working conditions by promoting health.

Collaboration projects for equality and in the fight against gender violence

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

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

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.

Continuamos trabajando en la formación y divulgación del Modelo de Prevención de Delitos implementado en años anteriores.

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 2023, work continued along these lines, with actions mainly focused on training for the entire Group's workforce.

Tax information

Compliance with current tax legislation and all tax obligations resulting in the payment of taxes in all the territories in which it operates is a duty acquired and respected by the company.

In 2023, as in 2022, 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 2023 financial year 2022, corporate income tax refunds for the 2022 financial year were received for a value of €3.51 million: in Spain €3.49 million and Ireland €0.02 million. Tax payments for the previous year amounting to 2.50 million were also made in 2023: in Spain €48,683, in Portugal €1.22 million, in France €1.00 million, in the United Kingdom €0.13 million, in Poland €49,437, in Italy €83,504 and in Panama €4,554.

3. Public subsidies received:

In the financial year 2023, €38.85 million were received from public bodies in the form of subsidies (in 2022: €37.31 million).

- Capital grants of €37.20 million (in 2022: €35.56 million): €36.09 million correspond to emission rights (in 2022: €34.79 million), €1.11 million were granted for investments made in the expansion and modernisation of the Group's industrial facilities (in 2022: €0.77 million).



- Operating grants: €1.65 million, mostly official aid for R&D&I activities as well as aid received as electro-intensive consumers for the items that we bear in the price of the electricity paid (in 2022: €1.75 million).

Country

	Pre-tax benefits (1) (Euros)		Tax on benefits paid (2) (Euros)		Public subsidies received (3) (Euros)	
	2022	2023	2022	2023	2022	2023
Spain	104027930	132915519	21358294	31763481	32208635	33751880
Portugal	48218354	42259363	6505140	8149890	5082094	5089814
France	14036245	8570761	717096	1729162	8667	5833
United Kingdom	1551976	1477571	159357	258680	14046	-
The Netherlands	1184307	1275973	133158	162139	-	-
Ireland	1363562	1454143	16648	81	-	-
Poland	355846	420165	40199	51190	-	-
Italy	337000	81373	5040	88544	60	2204
United Arab Emirates	54592	-98223	-	0	-	-
Mexico	6294	9831	-	0	-	-
Panama	281064	254798	6721	11100	-	-
Total	171417170	188621274	28941653	42214268	37313502	38,849.731



Appendix I

Materiality analysis

Scope	Features	Relevance			Stakeholders
		FINSA	GRI Topics	SASB	
Economic	Reduction of emissions from deforestation (REDD)	X	O		Partners, company (reuse and recycling of raw materials, use of wood as a carbon store, etc.)
	Indirect economic effects	X	O		
	Product design and life cycle management	X		O	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).
	Material procurement	X	O	O	Suppliers, partners, administrators, company (use of raw material from properly managed farms, use of local timber, etc.)
	Energy consumption	X	O	O	Managers, society (energy consumption during product manufacturing, energy efficiency, reduction of water consumption - reuse of waste water in steam generation).
	Water consumption	X	O	O	
	Water management / storage	X	O	O	
	Treatment of species		O		
Environment	Protection of biodiversity	X	O	O	Administrators, company (protection of biodiversity in the forest - timber production - and in factories).
	GHG emissions	X	O	O	Administrators, partners, company (climate change and atmospheric emissions, use of wood as a method of CO2 reduction, circular economy and waste management).
	Chemicals / waste management	X	O		
	Waste management	X	O		
	Forestry practices (deforestation, fire control, use of pesticides...)	X	O		Suppliers, partners, managers (enhancement of forest management and the timber value chain).
	Forest management	X	O		
	Ground management		O		-
	Internships	X	O		
	Working conditions	X	O		Employees (staff welfare, work climate, training, promotion of diversity/equality, work-life balance measures)
	Workforce relations	X	O		
	Health & Safety	X	O	O	
Social	Corruption	X	O		Employees, suppliers, partners, administrators (measures against corruption, fraud, money laundering and bribery - compliance and respect for ethical values).
	Child exploitation		O		-
	Human Rights	X	O	O	Society (respect for rights in the different regions and regulations on the subject - conventions).
	Production certification		O		-
	Corporate governance		O		-
Others	Regulatory compliance	X	O	O	Employees, suppliers, partners, administrators (regulatory compliance regarding environmental issues, personnel, human rights, corruption and society in general).
	Strategy and policies for procurement	X	O	O	Partners, administrators, company (establishment of responsible strategies and policies within the organisation).
	Crisis management			O	-

O 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
Business model	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/	6-15	
	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	68 - 69	
Risks to CP, MP and LP	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
Global Environmental					
	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	48 - 60	
Contamination					
	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment.	YES	3-3	48 - 60	
Environmental issues	Taking into account any form of activity-specific air pollution, including noise and light pollution.	YES	3-3	48 - 60	
Circular economy and waste prevention and management					
	Circular economy.	YES	3-3	11	
	Waste: Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	YES	3-3/ 306-3	48 - 60	
	Actions to combat food waste	NO			
Sustainable use of resources					
	Water consumption and supply according to local constraints.	YES	303-5	48 - 60	
	Consumption of raw materials and measures taken to improve the efficiency of their use.	YES	301-1	48 - 60	
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy sources.	YES	302-1	48 - 60	

Appendix II

Area	Contents	Material issue (Yes/No)	Selected GRI indicator	Document section/page	Comments
Environmental issues	Climate Change				
	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	48 - 60	
	Measures taken to adapt to the consequences of climate change.	YES	3-3	48 - 60	
	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	48 - 60	
	Protection of biodiversity				
	Measures taken to preserve or restore biodiversity.	YES	3-3	60 - 61	
	Impacts caused by activities or operations in protected areas.	YES	304-2	48 - 60	
	Employment				
	Total number of dismissals and breakdown by sex, age, country and job classification;	YES	405-1	19	
	Total number and distribution of employment contracts.	YES	2-7	20	
Social and personnel-related issues	Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and job classification.	YES	405-1	21	
	Number of dismissals by sex, age and job classification.	YES	401-1	26	
	Average salaries and their evolution broken down by sex, age and job classification or equal value.	YES	405-2	25	
	Wage gap, the pay for equal or average jobs in society.	YES	405-2	27	
	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	26	
	Employees with disabilities.	YES	405-1	31	
	Implementation of work disconnection policies.	YES	3-3	32	
	Organisation of work				
	Organisation of working time.	YES	3-3	27	
	Number of hours of absence.	YES	403-9	28	
	Measures aimed at facilitating the benefits of conciliation and encouraging the co-responsible exercise of these by both parents.	YES	3-3	29	
	Health & safety				
	Occupational health and safety conditions.	YES	3-3	36 to 38	
	Accidents at work, in particular their frequency and severity, occupational illnesses, disaggregated by sex.	YES	403-9/ 403-10	36 to 38	
	Social Relationships				
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	YES	3-3	16 to 17		
Percentage of employees covered by collective bargaining agreements by country.	YES	2-30	16 to 17		
Mechanisms and procedures available to the company to promote worker involvement in terms of integration, consultation and participation	YES	3-3	16 to 17		
The balance of collective agreements, particularly in the field of health and safety at work.	YES	403-4	38		

Appendix II

Area	Contents	Material issue (Yes/No)	Selected GRI indicator	Document section/page	Comments
Social and personnel-related issues	Training				
	The policies implemented in the field of training.	YES	3-3	33	
	The total number of hours of training per professional category.	YES	404-1	33	
	Universal accessibility for persons with disabilities.	YES	3-3	31	
	Measures taken to promote equal treatment and opportunities for women and men.	YES	3-3	31	
	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	29	
	The policy against all types of discrimination and, where appropriate, diversity management.	YES	3-3	29	
	Implementation of human rights due diligence procedures.	YES	3-3	17	
	Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses.	YES	2-23/ 2-26	17	
	Complaints of human rights violations.	YES	406-1	17	
Human rights	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	17	
	The elimination of discrimination in respect of employment and occupation.	YES	3-3	17	
	The elimination of forced or compulsory labour.	YES	409-1	17	
	The effective abolition of child labour.	YES	408-1	17	
	Measures taken to prevent corruption and bribery	YES	2-23/ 2-26	68 - 71	
Corruption and bribery	Measures to combat money laundering.	YES	3-3	68 - 71	
	Contributions to foundations and non-profit organisations	YES	413-1	68 - 71	
Company	The company's commitment to sustainable development				
	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	
	Subcontracting and suppliers				
	* 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	40 to 41	
	Monitoring systems and audits and their results.	YES	3-3	40 to 41	
	Consumers				
	Measures for the health and safety of consumers.	YES	3-3	42 to 47	
Complaint systems, complaints received and their resolution.	YES	3-3	47		
Tax information					
Benefits obtained by country. Paid benefit taxes.	YES	3-3	68 - 69		
Public subsidies received.	YES	201-4	68 - 69		



Finsa