FAR CELONA

# THENGE THEIGHT

**IMPACT REPORT 22/23** 

### "In an increasingly complex and uncertain world, simplicity is a rising value"



Xavier Martin CEO

The world has become more complex. In a new reality in which uncertainty is the norm, we have less and less clarity about the future. Therefore, simplicity is a rising value. An answer that enlightens us with truth and frankness.

In this complex scenario, light represents a key element that contributes to people's well-being and comfort. At Faro Barcelona we talk about happy lighting. We are convinced that as a lighting and ventilation company we have a social mission.

We practice honesty, authenticity and transparency.

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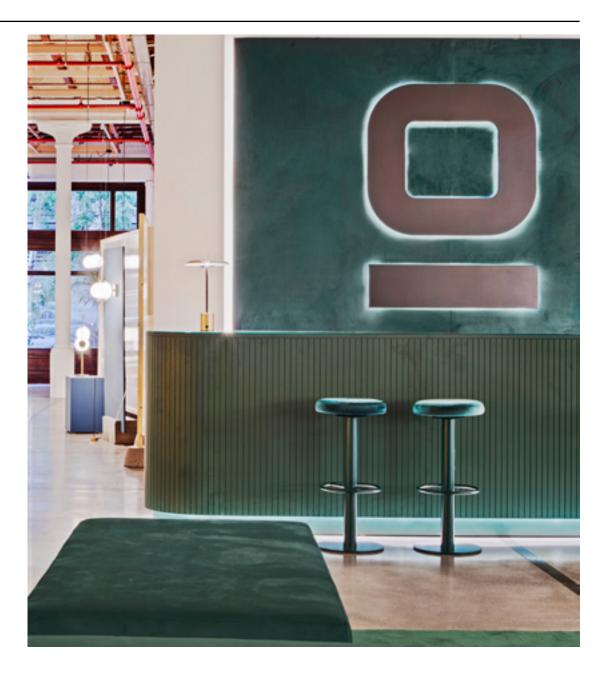
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### THE FUTURE

# FARO BARCELONA



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We focus on people, providing them with innovative, durable and timeless solutions, committed to making them accessible and optimal. We adapt to technological and social changes to promote a more conscious, joyful environment, and environmentally friendly. This is our mission.

Ours has been a story of growth driven by an innovative spirit. A spirit that has always led us to improve the way we do things, undertaking with courage and decision.

All these years, our direction has been closely linked to our values.
Values that revolve around people and the environment, such as thinking about the happiness of others, the impact of our actions, creating value and the search for a purpose.

The true value lies in getting closer to people and their lifestyle with a design that connects with positive emotions.

That improves their comfort and well-being, that makes them happier.



The acquisition of one of the most emblematic and traditional lighting brands in Catalonia, BioscaBotey, allows Faro Barcelona to get closer to the final public and create synergies that expand and

improve its business.

2015

Faro Barcelona is experiencing such significant evolution and growth that the brand itself is asking to reinvent itself. The new image seeks to better express the current identity: dynamism, freshness, closeness, creativity and well-being.

2018

Creation of the Sustainability
Committee: multidisciplinary team with
representatives from all areas, whose
mission will be to define and ensure the
sustainability strategy.
Launch of Hook, the first luminaire that
incorporates the concept of circularity and
with a positive social impact.

2019

Showrooms in Barcelona, Madrid, Milan and Tokyo.

Installation of solar panels in the facilities: 20% self-sufficiency. The brand is present in more than 110 countries around the world.

International awards: Red Dot Award,IF Design Award, German Design Award Green Product Award, among others.

**2020** 

Sart of measuring our carbon footprint according to ISO14064 certification.

75th anniversary.

2022

100% green energy consumption in our facilities

2023

EcoVadis bronze medal.
Reduzco seal for three consecutive years of reducing the carbon footprint.
Launch of the Earth, Sea and Air collection.

40% self-sufficiency in the facilities' solar panels.

Showrooms

### Barcelona / Madrid / París

+100

Offices

# Barcelona, Castellbisbal, Hong Kong y Foshan

107

Logistics centers

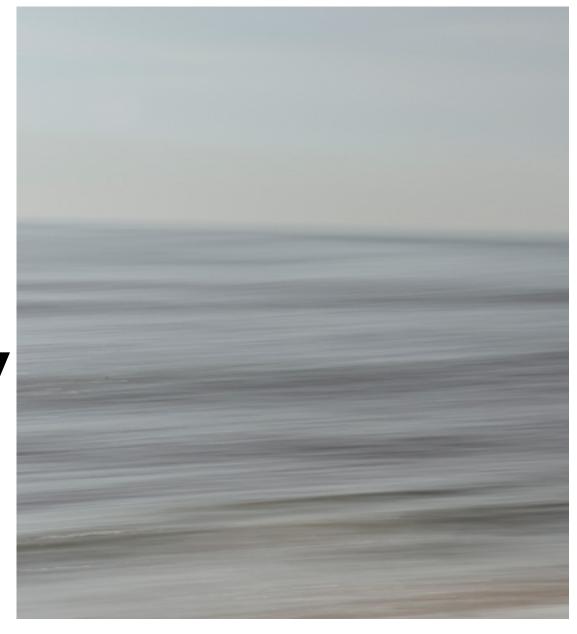
### Barcelona / Shenzhen

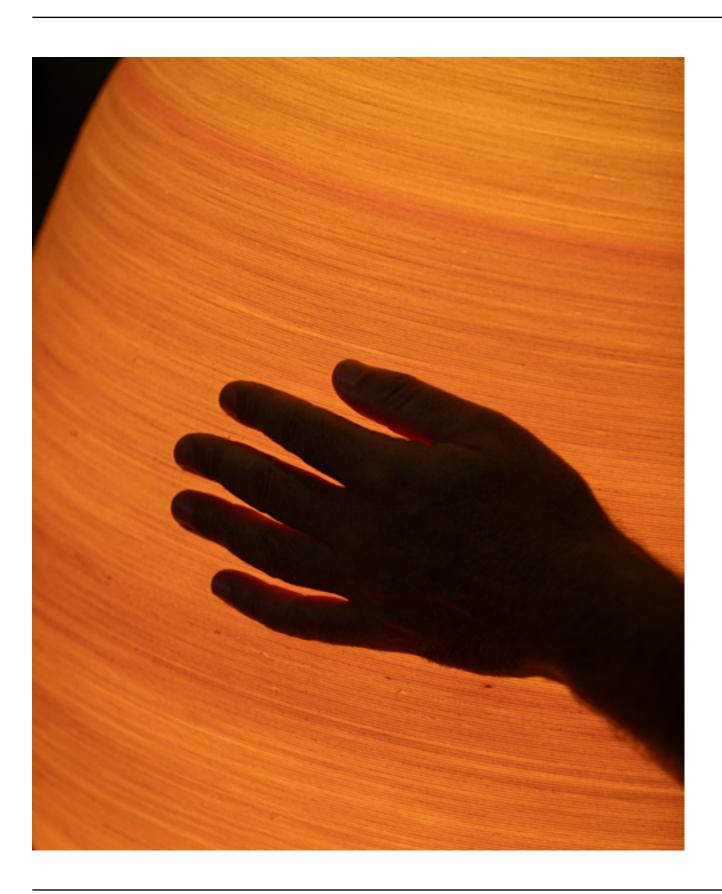
38M€

References

29.000

# OUR PATH TOWARDS SUSTAINABILITY





At Faro Barcelona sustainability is not a goal. It is a starting point, a path that has no end. There is always room for improvement.

We move through the world with sensitivity and concern to decipher our environment, to understand what is happening around us. To provide value to the people who are in contact with us.

As a company, we know that more is expected of us. We are asked to help solve the problems of which we are a part and we assume our responsibility.

For us, sustainability goes far beyond reducing our carbon footprint. Beyond the certifications that guarantee our good practices.

Our way of doing things is connected with a real commitment to people and the planet.

Sustainability is a value present in everything we do.

Our sustainability committee puts awareness in everything we do.

Our concern about the impact generated by our activity led us in 2018 to enlist the help of an expert sustainability consultant. We carry out an audit of all our areas to evaluate our environmental and social impact and define an action plan.

He revealed to us some aspects that today are the cornerstones of our sustainability strategy.

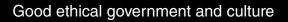




75%

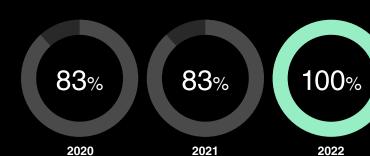
2022

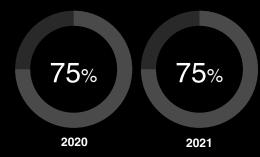
Respect and promotion of diversity



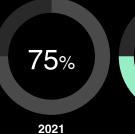
Traceability of the Supply Chain

Improvement of the quality of life of the community







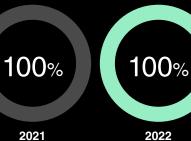




2022



2020

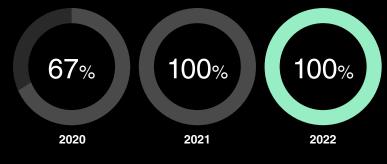


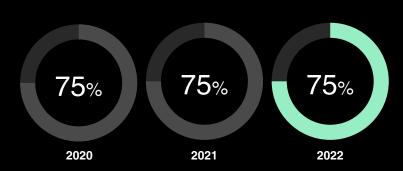
Attraction, retention and strengthening of talent

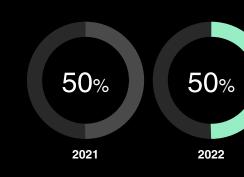
Sustainability business environmental

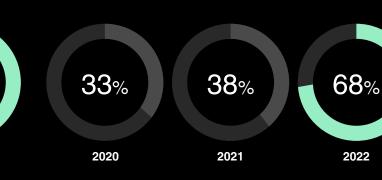
Promotion of sustainability in manufacturers and suppliers

Promoting involvement of customers on sustainability









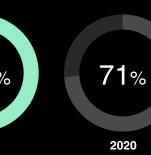
Promoting the commitment of people as promoters of sustainability

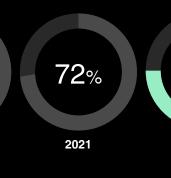
Ecodesign in product development

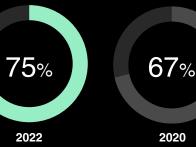
Minimization of environmental impact

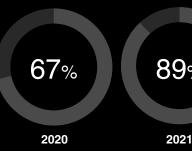


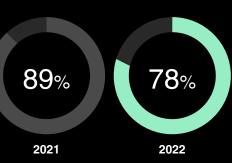












People

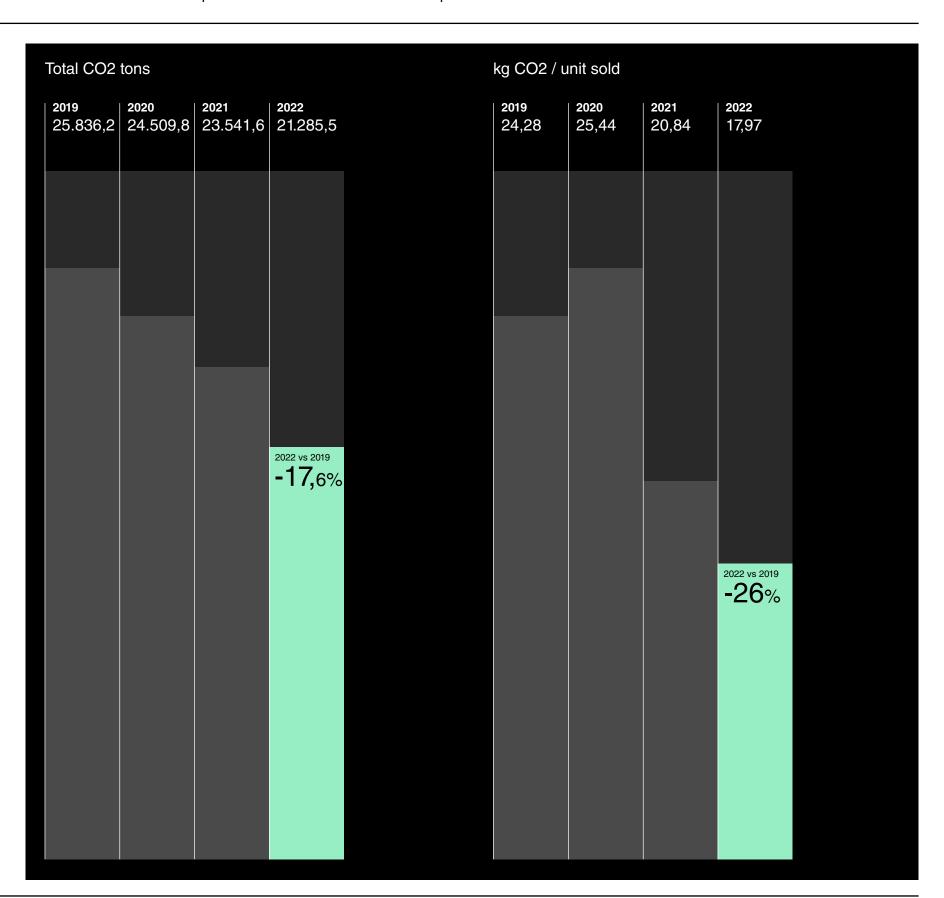
### We reduced our carbon footprint by 17.6% in the last three years

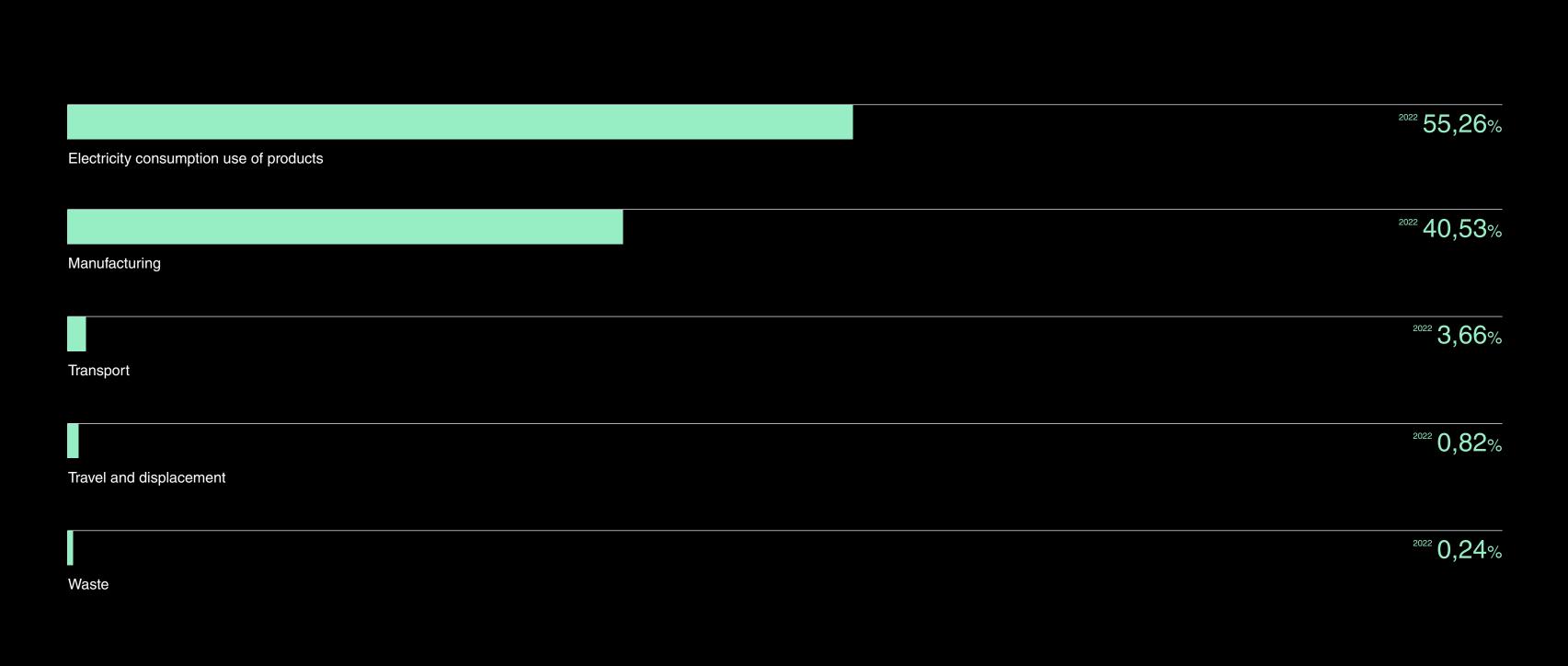
We have obtained certification for calculating our carbon footprint in accordance with the international standard ISO14064-1, a great milestone on our path towards sustainability.

Thanks to this certification we know the real volume of greenhouse gas emissions generated by our activity and allows us to identify areas for improvement.

In 2019, we have progressively reduced our carbon footprint. In 2022 our carbon footprint was 21,286 tons of CO2eq, 17.6% less than in 2019.

Our commitment is to reduce our footprint by 0.5% annually compared to 2019.





Our products

Our planet

Faro Barcelona

Our path

People

The Future

Barcelona • Our path

People

Our products

Our planet

The Future

% Tons of CO2 eq	2019	2020	2021	2022	2022 vs 2021	2022 vs 2019
Direct emissions (company vehicles)	0,09%	0,07%	0,07%	0,08%	-0,02% •	-0,01% 🔮
Indirect emissions (fleet cars)	0,02%	0,02%	0,02%	0,02%	-	-
Electricity consumption emissions	0,03%	0,00%	0,00%	0,00%	-	-0,03% 🕛
Transport (product from suppliers)	1,07%	1,15%	1,10%	1,31%	+0,21% 🚳	+0,24% 🚳
Transport (catalogues)	0,10%	1,07%	0,08%	0,12%	+0,04% 🚳	-0,02% •
Transport (boxes and pallets)	0,01%	0,01%	0,01%	0,01%	-	-
Commute of workers	0,81%	0,45%	0,50%	0,61%	+0,11% 🕜	-0,20% •
Business trip	0,84%	0,10%	0,03%	0,11%	+0,08% 🚳	-0,73% 🕛
Distribution of catalogue products to clients	2,03%	1,94%	2,14%	2,22%	+0,08% 🚳	+0,19% 🚳
Product manufacturing	38,14%	34,85%	34,85%	38,07%	+0,78% 🚳	-0,07% •
Office material manufacturing	0,02%	0,02%	0,03%	0,03%	-	+0,01% 🚳
Manufacturing (containers and packaging)	0,31%	0,33%	0,41%	0,50%	+0,09% 🚳	+0,19% 🚳
Manufacturing (catalogues)	1,19%	1,18%	0,99%	1,43%	-0,20% 🕛	+0,24% 🚳
Center waste management	0,02%	0,02%	0,02%	0,02%	-	-
Electricity consumption use of products	55,08%	59,55%	59,54%	55,26%	-4,28% •	+0,18% 🐠
Product and packaging waste management	0,23%	0,21%	0,20%	0,22%	+0,02% 🚳	-0,01% •

People

An eye-opening fact we discovered was that 55.26% of our carbon footprint is derived from the use of the products.

This created a new challenge for us: we not only design and produce energy efficient products but we also raise awareness in our environment of the impact generated by use.

To achieve this, we carry out awareness campaigns and have an internal team that provides advice and prioritizes the strategic location of the lighting, ensuring that it is optimally placed according to the needs of each client.

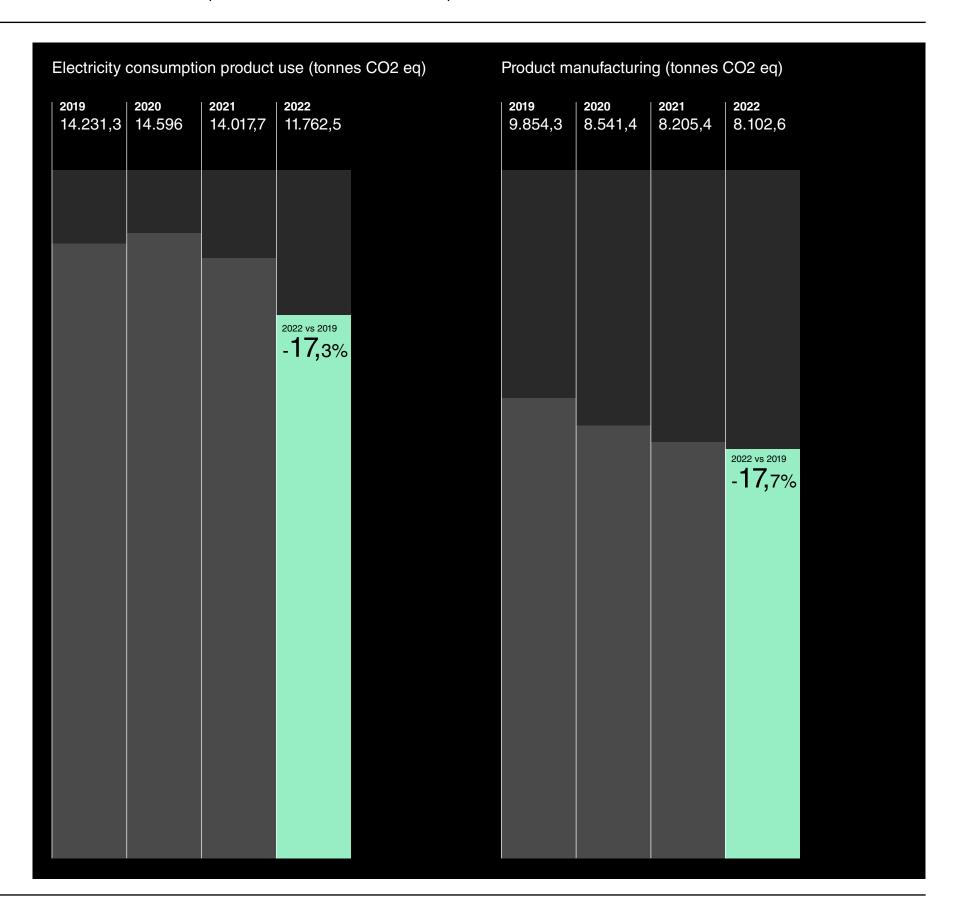
We use technology to ensure that

the use of light is as efficient as

possible.

38.07% of our carbon footprint is generated in the manufacturing process of our products. A fact that creates another challenge for us: to continue constantly improving our process to reduce emissions.

Our main strategy focuses on ecodesign, which we incorporate throughout the manufacturing process of our products. This implies from the careful selection of materials to the reduction of weight or the number of components. Additionally, we are committed to designing products that are durable and repairable, among other measures.





#### **Carbon footprint certification**

We have certification for calculating our carbon footprint in accordance with the international standard ISO 14064. A standard that measures the amount of greenhouse gases emitted in the execution of our activities during the years 2019, 2020, 2021 and 2022. We will soon obtain the data relating to 2023.



#### Sello Sileo

We have been awarded in the 1st Open Call for SILEO Business Digital Transformation projects co-financed by the European Union. Another step forward on our path towards the digital and ecological transition.



#### **Ecovadis Seal**

In 2023 we passed the EcoVadis sustainability audit and obtained a medal for our efforts and achievements in this matter. This audit evaluates the Corporate Social Responsibility of companies according to international standards such as GRI and ISO 2600. A great recognition for our progress in sustainability. Specifically in 4 key areas: environment, social and human rights, ethics and responsible purchasing.



#### **Plimsoll Business Excellence Certificate**

In recognition of our work and performance in the decorative lighting sector, we have been awarded the Plimsoll Award for Professional Excellence in 2022 and 2023.



#### **Reduzco Stamp**

We have received the REDUZCO seal from the Ministry of Ecological Transition for 3 consecutive years of reducing our carbon footprint.

Our path

People

Our products

Our planet

The future

# PEOPLE



We are committed to the well-being and growth of all the people who make up Faro Barcelona.

Creating a unique culture in our team has been one of the most important milestones for us. Our way of doing and point of view are not something anecdotal.

Those of us who are part of Faro Barcelona relate to each other through common values. Something we share. Everyone on our team shares the same enthusiasm. The purpose of contributing to the well-being of people.

To increase the happiness of everyone who is in contact with us, our company and our products.

We believe in our team and the potential of collaborating to learn from each other, thus fostering an environment conducive to the generation of new ideas and innovation.







### We keep training to keep growing

We give the importance it deserves to the training of our team since it is essential for our continued growth and collective improvement. Annually, each department evaluates its training needs and presents a training plan.

specific development. As an organization, we considered all of these proposals and selected a comprehensive plan that benefits our entire company

Training in 2022	3.391h		
Technical skills and office automation	1.687h		
Languages	1.474h		
Risks prevention	230h		
Hours per worker	32h		

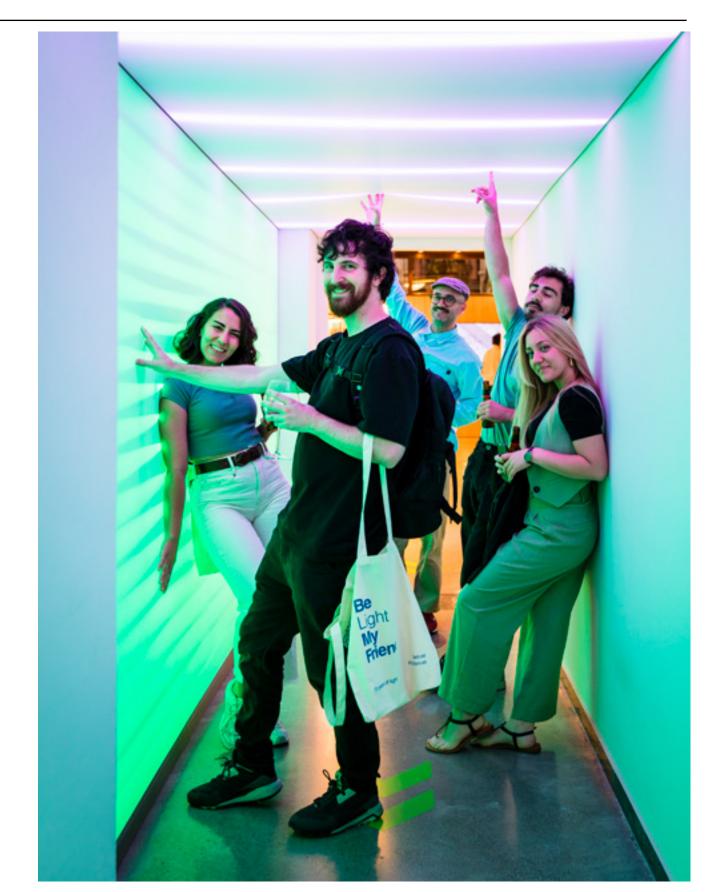
### We connect with emotions

We are firmly committed to the well-being of both our clients and our teams. This conviction has prompted us to seek the assistance of external coaches to facilitate a personal leadership training process.

Most of Faro Barcelona workers have participated in this training. This experience has allowed us to recognize different leadership styles and carry out relevant adjustments and processes to strengthen our relationships as a team and company.

This training has also had a significant impact on our personal development. It has represented a valuable opportunity for self-knowledge, allowing us to explore both our strengths and our areas for improvement, in the work and personal spheres.

Thanks to this training process, we have adopted a horizontal leadership approach, where each individual in the company contributes to its evolution with their ideas and contributions, always ensuring that they are heard and valued.



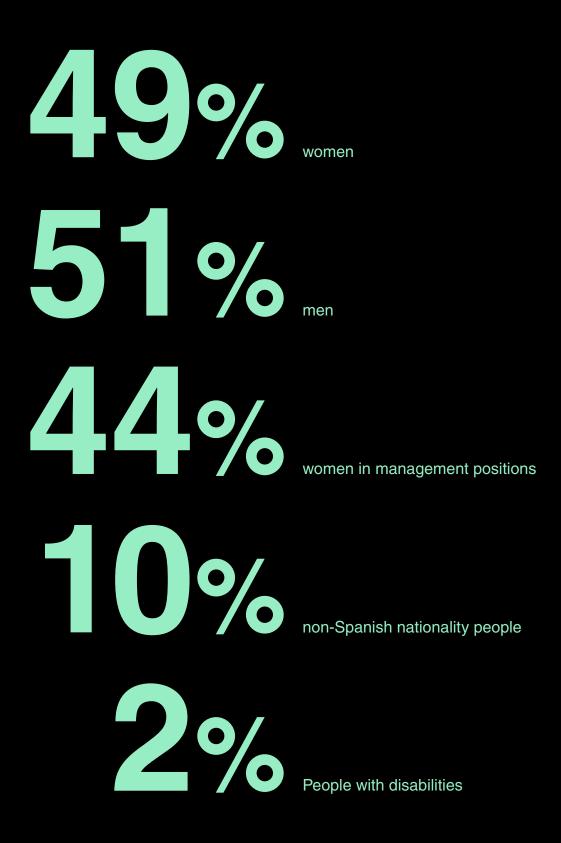
# DI VER SI

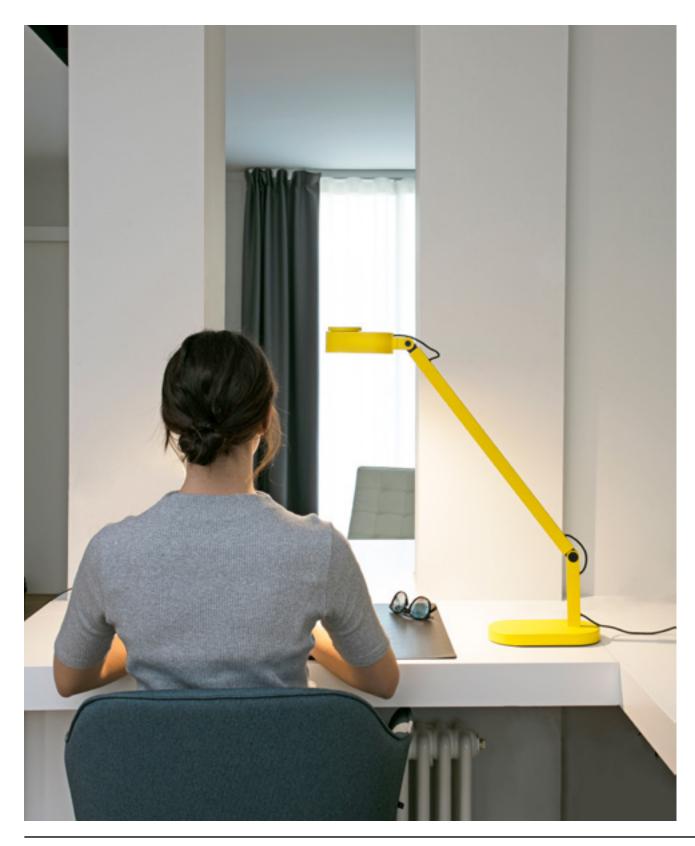


At Faro Barcelona we implemented an equality plan and eliminated the salary gap in all categories.

We believe in the richness of having divergent views. These are the perspectives of a team made up of people born in 8 different countries. From an equal and diverse team.

Guaranteeing this richness and diversity is a constant effort to which we have a real commitment.





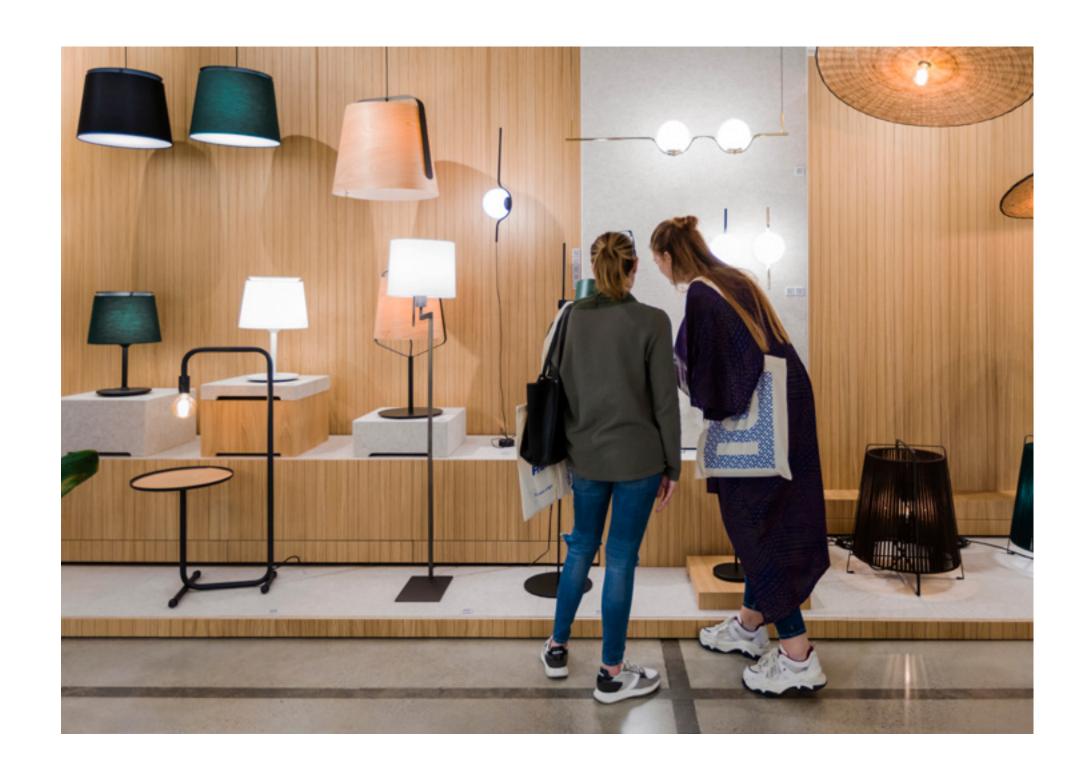
### Work-life balance

We believe that well-being is found in balance. Mainly, in work-life balance. And that is why we have a teleworking plan available to all workers whose functions allow to do so. A plan adapted to each department, reaching up to 4 days of teleworking per week in some cases.

# We involve our collaborators in our commitment to sustainability

Our path

Our commitment to well-being does not end with our team. We have a long-term commitment to all people. Therefore, we always try to maintain lasting relationships with all our collaborators. We make sure to help them and take care of them. We accompany each other with a clear orientation: always improve together.







We want to share our knowledge and discover new visions

We are committed to the future of the lighting and ventilation sector, and we do so by investing in it, contributing to the development of future professionals. Of all the students who are training in our academic field.

We share our knowledge and experience with them. We want to transmit our vocation and our commitment to the challenges and opportunities of the sector. We collaborate with product design schools and universities specialized in the sector.

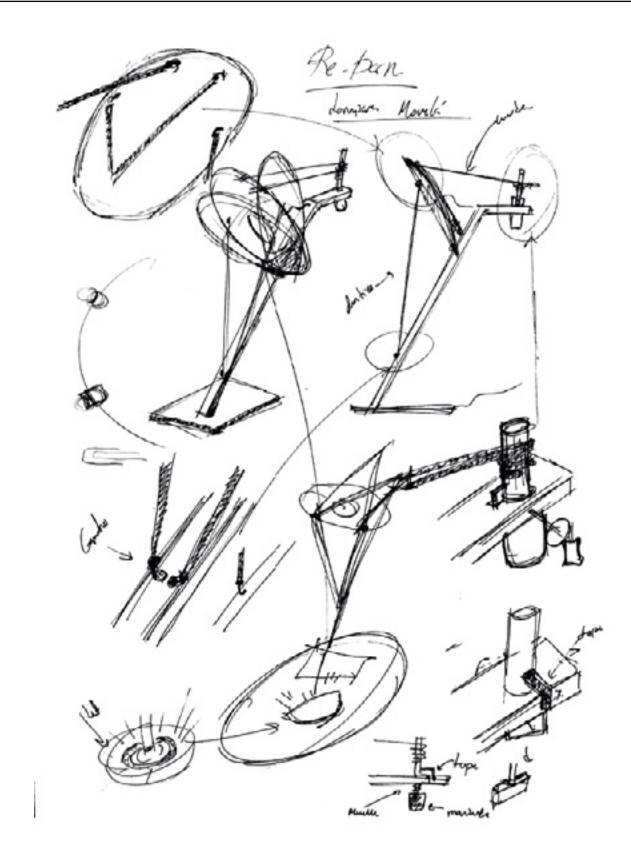
### We reach more corners of society

Our approach is focused on people and their well-being, recognizing the importance of considering each individual without exception, to ensure that everyone moves together towards a common goal.

In 2019 we collaborate with the Llotja design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject. The challenge we posed to the design school for a circular diproject.

Since 2011 we have supported Cáritas to get closer to this goal. We support projects and initiatives that promote employment and entrepreneurship in Spain. In 2019 we collaborated with the Llotja design school for a circular design project. The challenge we posed to the design students was to create a new luminaire from the reuse of various components and parts recovered from old products of our company. A work of reflection on design and its environmental impact.

We have also collaborated in recent years with associations, organizations and foundations such as the Mary's Meal Foundation, Doctors Without Borders, the Paralympic Sailing Team or the María Raventós Foundation.



# OUR PRODUCTS



# We design objects thinking about the happiness and well-being of the people who will be in contact with them.

We believe in honest, close and conscious design.

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Committed to sustainability, we focus on the continuous improvement of our production processes with the aim of creating simple but ingenious designs that minimize their environmental impact.

At Faro Barcelona, we have evaluated the impact of our carbon footprint, identifying two main areas: energy consumption derived from the use of our products by customers, and the manufacturing of our products, which represents 38% of our total footprint.

Aware of this impact, we have focused on the continuous improvement of our production processes and the selection of more sustainable materials. In addition, we have given special importance to ecodesign as part of our strategy.

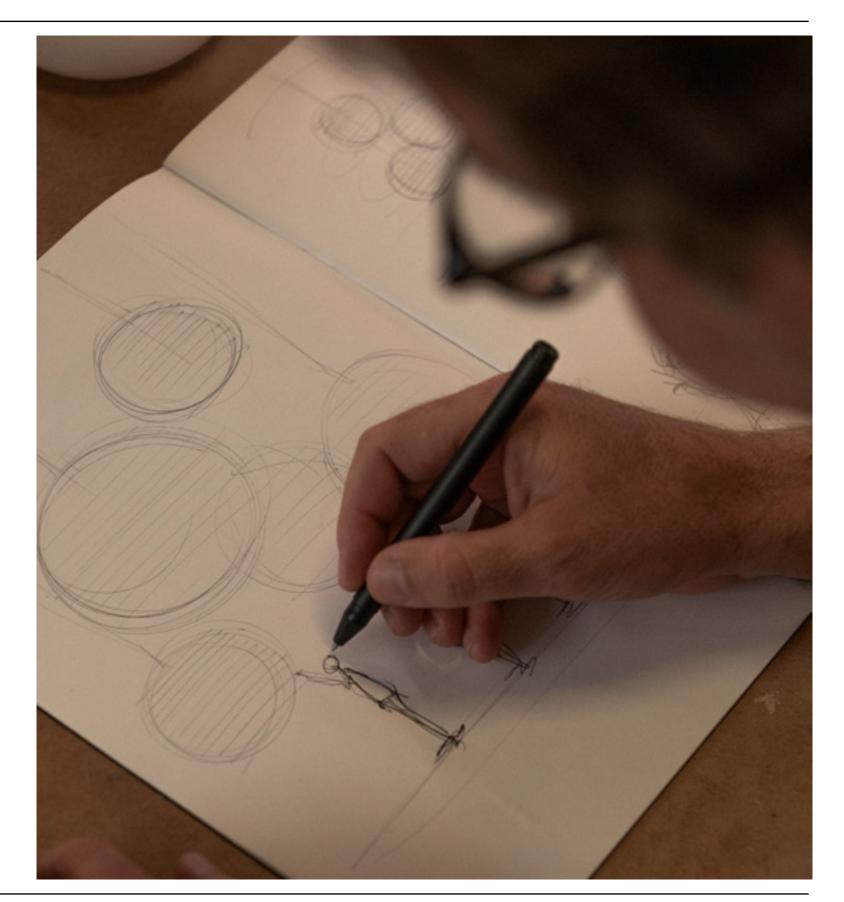
Our work philosophy, "simple but ingenious", is the result of this approach towards constant improvement in the manufacturing of our products. It drives us to create products that are simple in terms of processes and quantity of materials used, but at the same time ingenious in its design and functionality. In addition, we work with approved

factories approved by our Quality department. All of them have satisfactorily passed our own audit and have obtained the GREEN result in the Factory Audit Report.

This result is a guarantee that the factory has a quality control system, correct environmental management and decent working conditions.

# We apply the principles of ecodesign

Ecodesign is part of everything we do. Since the manufacturing of products has a significant impact on our carbon footprint, practicing ecodesign is not only a matter of responsibility but a key strategy to reduce our environmental footprint. In this sense, our innovation in design and preservation of the environment takes on special relevance for future generations.



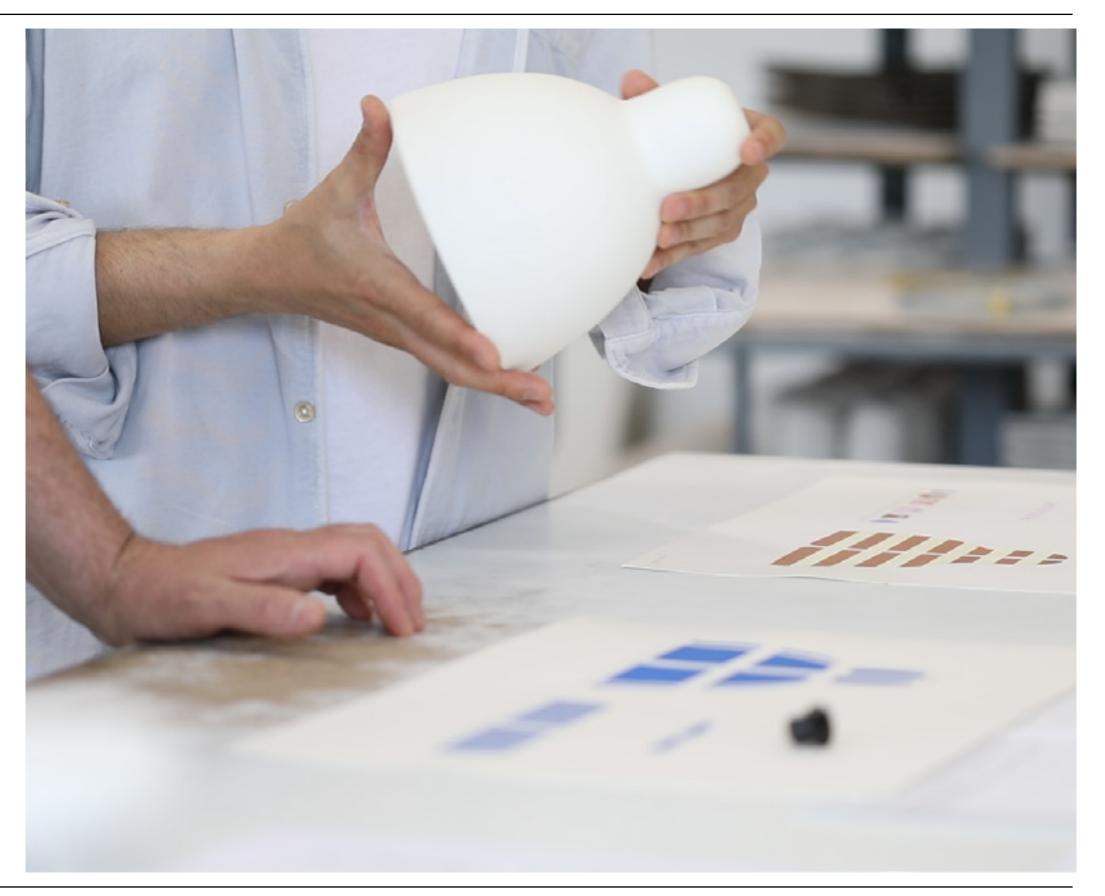


# We use recycled and recyclable materials

We are committed to the circular economy, an approach that involves reusing and recycling resources to minimize waste and promote sustainability. To this end, we are committed to the use of recycled and recyclable materials in our products, thus contributing to reducing the environmental footprint and promoting a more sustainable life cycle for our products.

# We promote minimalist processes and designs

Less is more. From the beginning of the design we optimize the amount of material in each product and the final weight. In addition, we reduce processes and waste in all stages of production, without affecting the functionality and quality of our products.

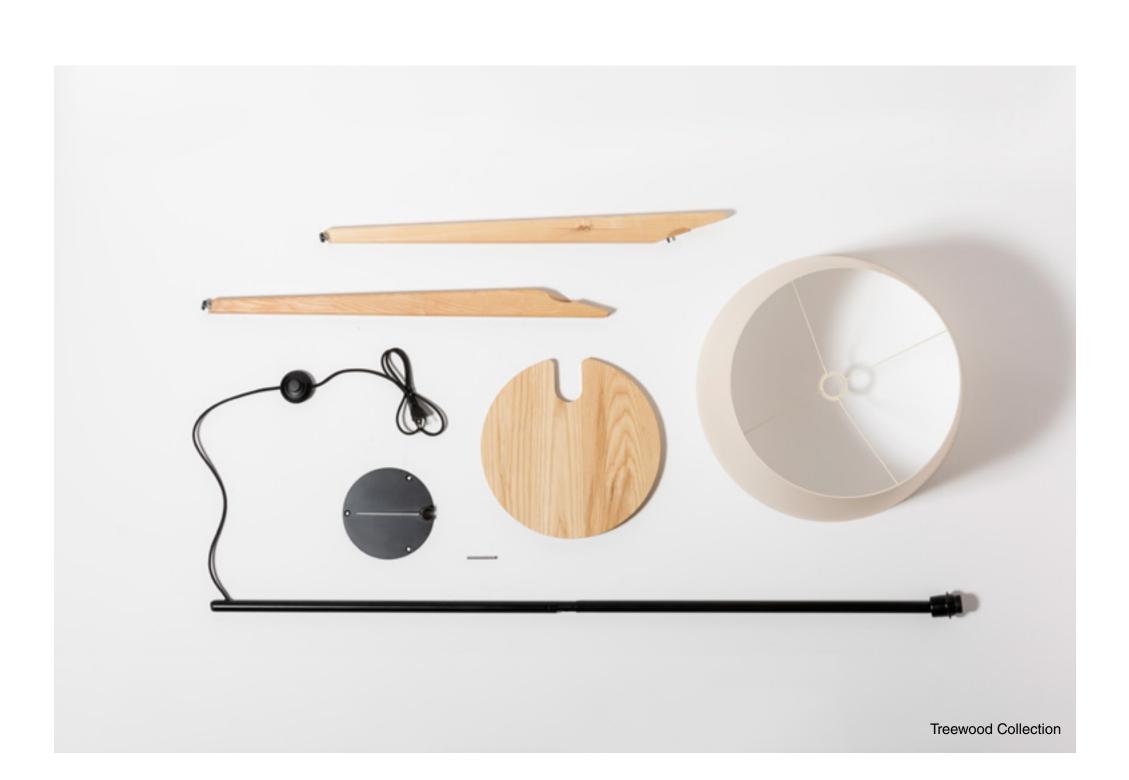




# We promote modularity and standardization of components

We seek to create scalable products. Modular products that are even more adaptable to any space and need.

Our goal is to standardize the pieces and parts of the products as much as possible. To unify spare parts and optimize management, we standardize the type of drivers and LED modules we use.



# We design removable products

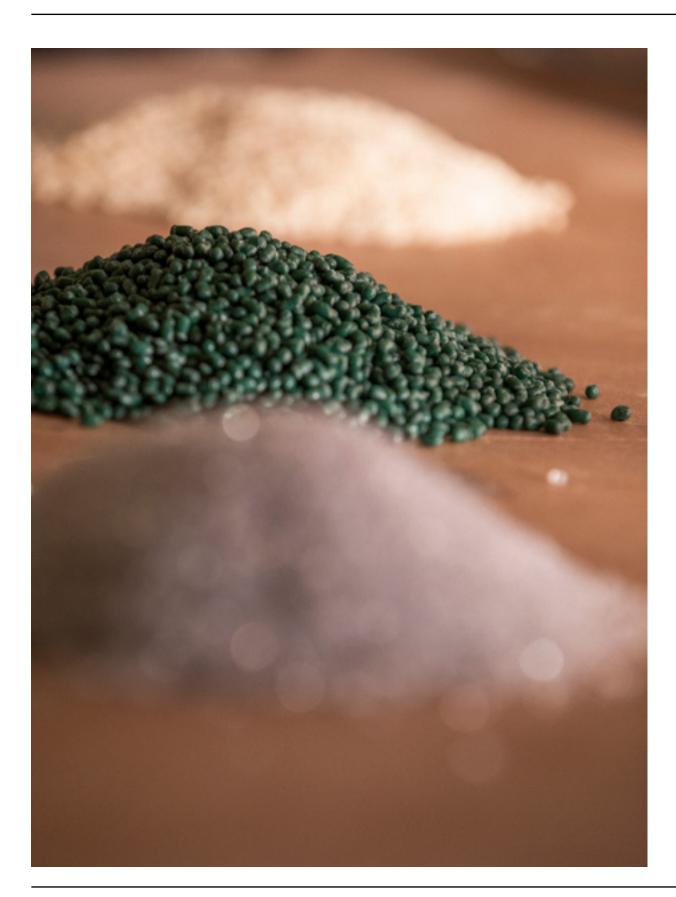
It is part of our strategic sustainability plan to develop removable products that are easy to repair and recycle at the end of their lifespan.

To do this, we avoid the use of adhesives that could interfere with the disassembly process and ensure that our instructions include clear guidance for disassembly and separation of materials. In this way, we not only seek to offer high quality products, but also promote a longer life cycle, in line with our values of environmental responsibility and commitment to continuous innovation.

#### **Goals 2025**

97% of new references easily removable

Replaceable LEDs and drivers



### We explore new materials

We explore the use of recycled materials to enhance circularity.

An example of this commitment is our collection *Tierra*, *Mar y Aire*. A project that symbolizes our spirit and sustainable vocation. recycled fishing nets. Aire luminaires are m recycled PETG.

A circular design that responds to a global urgency that appeals to us all.

The urgency of rethinking our relationship with the planet. Precisely for this reason, this project is inspired by nature.

Tierra is made of PLA and cellulose bioplastic.
The Mar collection is made from recycled fishing nets.
Aire luminaires are made of recycled PETG.

In addition, we manufacture this collection locally, on demand and without the need for molds.

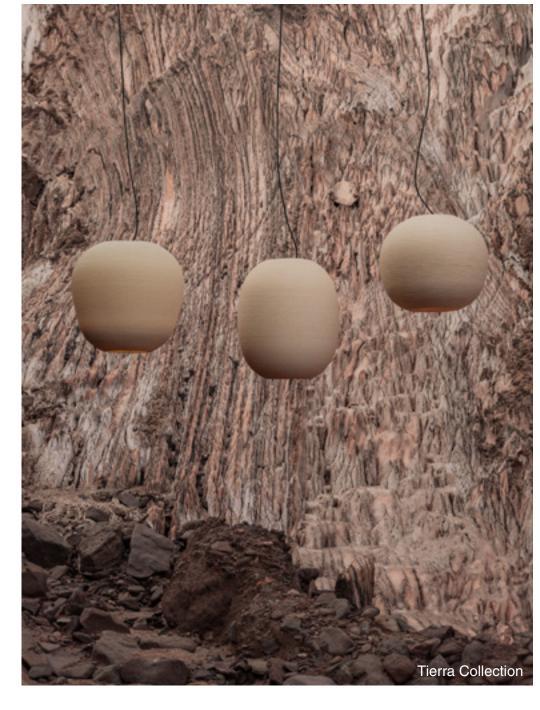


aro Barcelona Our path

People • Our products

Our planet

The Future







# We use electronic components with maximum energy efficiency

Desarrollamos luminarias con menor consumo, sin reducir las prestaciones lumínicas. Para ello, diseñamos nuevos productos y rediseñamos los existentes siguiendo criterios de máxima eficiencia: elegimos módulos LED de clase energética alta, drivers de máximo factor de potencia y difusores de baja opacidad.



## We look after packaging

We ensure that the packaging of our products has the lowest possible environmental impact. To do this, we use sustainable materials such as cardboard, paper, molded cellulose and biodegradable bags.

Our efforts focus on avoiding plastic packaging (such as bags, EPS, polyethylene foams or shrink plastics) or the use of additional elements such as staples that make recycling difficult and opting for recyclable materials and printing in a single ink (certified with Imprim'Vert, ISO, Ecolabel or Blue Angel).

We are committed to optimized packaging that reduces the impact of its transportation.

All the boxes we use at Faro Barcelona have optimal dimensions and comply with the highest Drop Test quality standards (ISTA-2C) to guarantee that the product arrives in perfect condition.

Not only do we reduce the amount of documentation for our deliveries, we also keep only the strictly necessary information: basic assembly and disassembly instructions and a QR code that redirects to other additional documents (e.g.: warranty letter, descriptions in other languages, etc.).



95% of references without plastic in the packaging



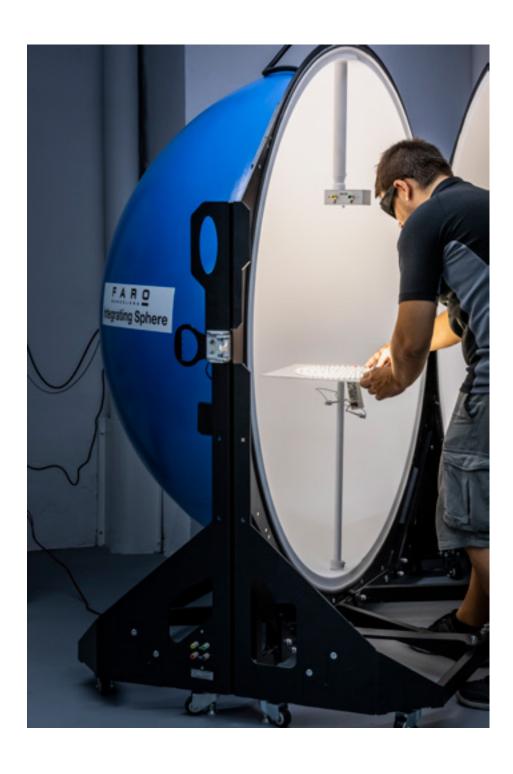


### We optimize the palletization and grouping of products

From the beginning, the design of our products is carried out with a broad perspective that includes considerations about transportation and storage.

This approach is reflected in the development of our collections, where priority is given to the design of packaging that not only facilitates the efficient grouping of high-volume products, such as screens of our luminaires, but also look for the optimal composition of the pallets.

The objective is to maximize the available space and, at the same time, minimize the environmental impact associated with the transportation of our products.



"Our products are tested internally in our laboratory following the highest standards in the sector. This allows us to offer the broadest guarantees on the market."

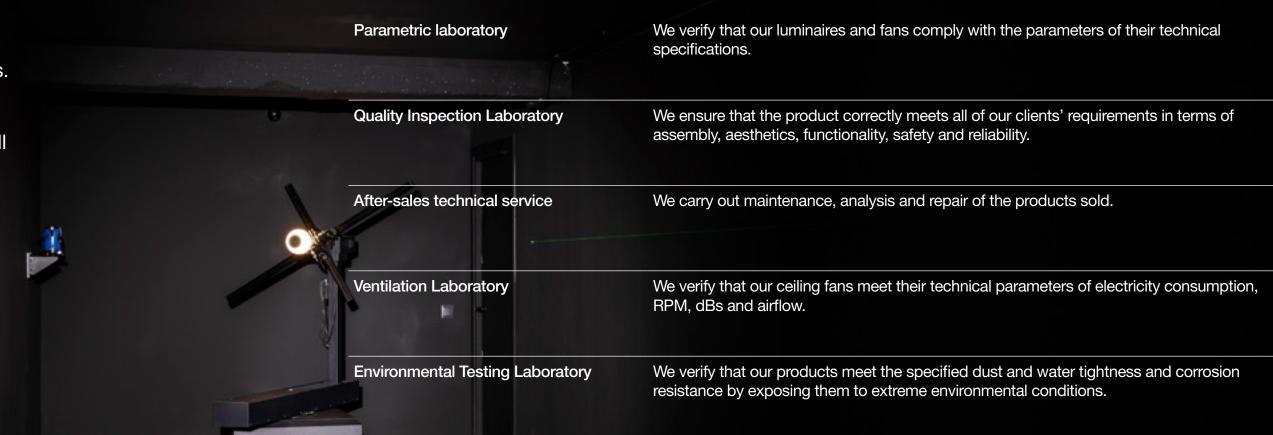
**Antoni Rosell** Quality Manager Ensuring the quality of our products is another of our pillars.

Quality control is present in all production phases of our collections. From conceptualization and design, to functionality and reliability testing.

We are guided by the highest quality standards in our field, complying with the international standard EN60598 in terms of safety and with the European standard ERP in terms of energy efficiency. We have also implemented a Quality Management System based on ISO9001.

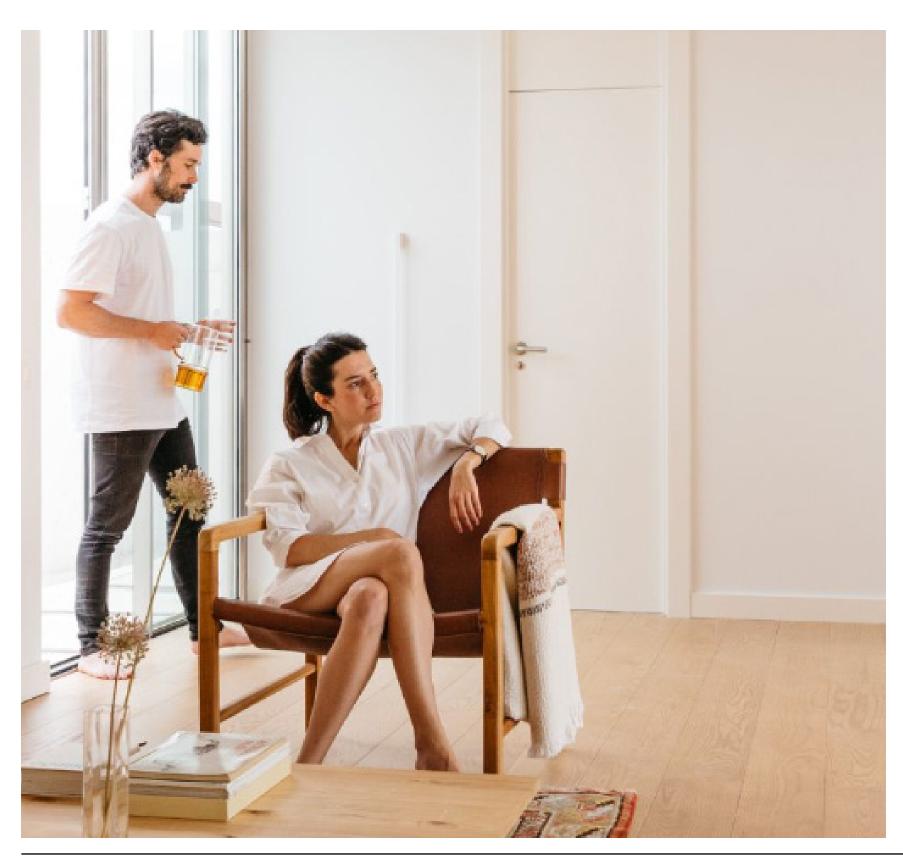
### Q-LAB

320 m2 to test everything we do. We have our own quality laboratory to develop these tests. Before any product sees the light, our technical team carries out trials and tests to calibrate all parameters.



People





### We improve people's well-being

Lighting or ventilation needs vary depending on the person, space or situation.

The recent pandemic and confinement normalized teleworking. A new way of relating to our homes that entailed new lighting needs.

Needs that drove an evolution towards adaptability and personalization.

Systems that allow the color temperature of light, its intensity and direction to be regulated are already a reality. Both in the residential, commercial or work environment.

There is a close link between lighting and people's biological processes. Light is the main factor that affects to the circadian rhythm, the 24hour cycle that regulates our physiological functions. Artificial lighting can significantly affect and that leads us to develop lighting solutions that synchronize with the biorhythm.

Synchronizing artificial light with biological rhythms has benefits on people's well-being, sleep quality, mood and our performance.

An example of lighting that adapts is VIA: a family of luminaires with an advanced regulation system. This system allows the light to be precisely adapted to the changing needs of any environment. Something that not only means personal and greater sustainability.

Its ability to adjust the intensity and color of the light, along with its cleanlined shapes, make it an ideal solution for lighting large spaces. From lobbies or conference rooms, to restaurants. Always well-being at the center, as well as energy efficiency.

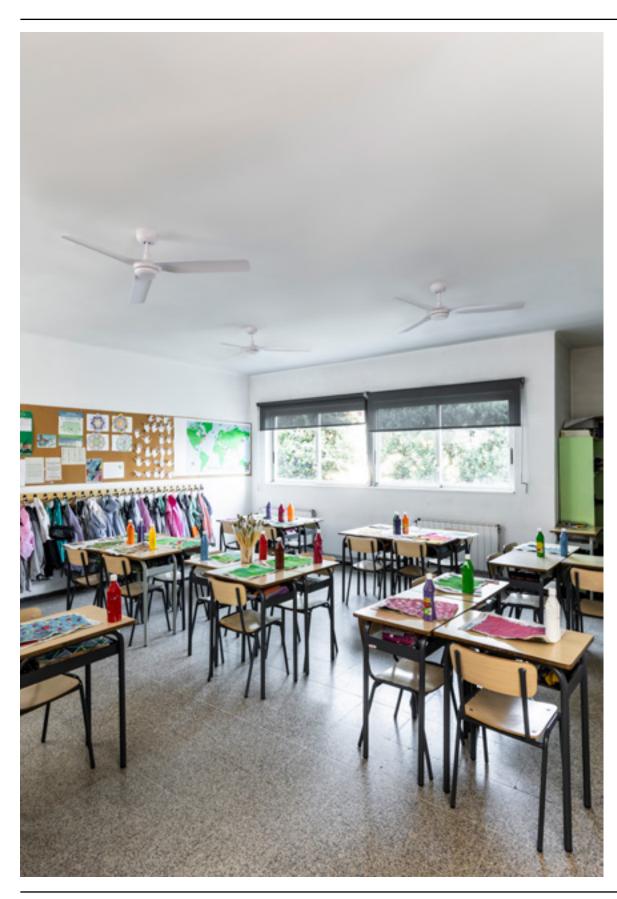
VIA integrates drivers made in Europe with a high power factor for stable operation. With them, energy consumption is reduced and your environmental footprint decreases. And in addition, they are combined with high energy class LEDs to well-being, but also optimized performance make this an even more sustainable family. The perfect balance between lighting performance, energy efficiency and intelligent regulation.



#### **Goal 2025**

90% dof our luminaires are dimmable



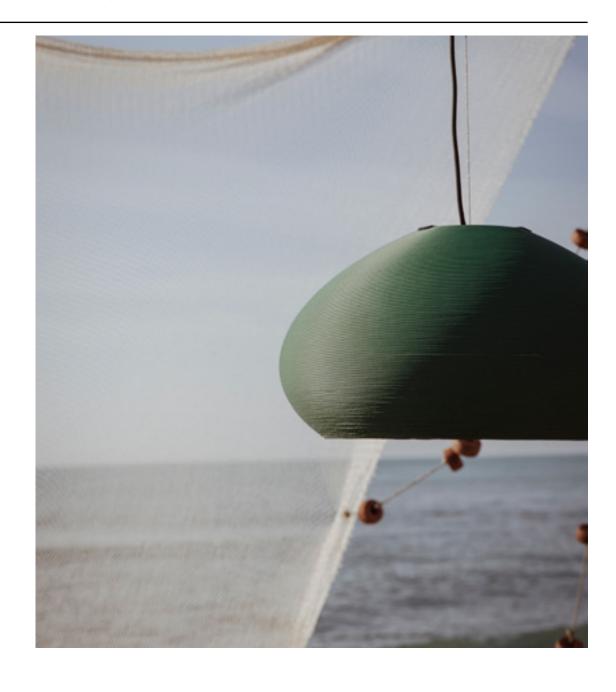


Efficiency is the great current challenge of air conditioning systems. Obtaining sustainable accreditations has become a constant among construction companies and building developers. In that sense, the WELL certification for buildings is the world reference in terms of health and well-being since it establishes how to approach the great challenge: sustainability.

One of the drivers of this sustainability is ventilation. A system that represents not only economic savings compared to traditional air conditioning systems, but also greater well-being. And the fans do not dry out the environment and the air quality does not worsen.

At Faro Barcelona we take this efficiency further by opting for increasingly smaller motors that generate less noise and, above all, less consumption. Because a quieter air conditioning system is also a healthier system for people.

# OUR PLANET



### Energy

We are moving towards more circular and sustainable production.

We have a real commitment to the use of green electrical energy. And we do it by guaranteeing that it comes from renewable sources. Specifically, from our own photovoltaic installation. An installation which produces 40% of our energy and whose capacity we have doubled.



of the energy we use is that of green origin.

100%

of our products meets the EPREL regulations regarding energy efficiency.

60%

of the boxes we use to protect our products in ours shipments are recycled in our logistics installations.

-32%

waste generated in our facilities.



### **Mounting**

With our just-in-time production model we reduce shrinkage and overstocking in our facilities. We produce and assemble 19,000 different references only according to the client's real needs with a lead time that varies between 3 and 5 days.

### **Logistics**

operations. And for this, our logistics center in Barcelona has more than 10,000 m² of warehouse, a maximum preparation capacity of 800 orders per day and the management of between 200 and 250 containers per year. This large capacity allows us to prepare orders in just 60 – 180 minutes, send 90% of them the same day and deliver 70% of them in just 24 hours.

We seek efficiency in all our

In our continued effort to minimize the environmental impact of our operations in the Asia-Pacific (APAC) region, we have established a logistics center in China. This strategic expansion allows us to optimize our supply chain and significantly reduce transportation distances, which entails a notable decrease in our carbon emissions and reinforces our commitment to sustainability in all our areas of operation.

### **Transport**

The transport of our products represents 1.31% of our carbon footprint. For this reason, we prioritize sea shipping and optimize space in all our shipments.

# THE FUTURE



We continue to move forward to get closer to our goal: to have less impact on the planet and achieve a greater impact on people's well-being and happiness. This is our guide and the purpose of all our decisions.

"We know that everything we do has a consequence. Every color, every tint, every action. Our commitment must permeate everything we do.

Our purpose is to contribute to a more sustainable, happier future."

Xavier Martin CEO

Our challenge is to contribute to people's well-being with quality lighting and ventilation that adds value and that is mindful of the impact on the planet.