

Sustainability Report

March 2023

Tecnofil



Index

Tecnofil



A. Tecnofil in figures 2022

B. Worldwide presence

C. Distribution Centers

D. Awards

1. Presentation

1.1. About us

1.2. Our purpose

1.3. Our principles

1.4. Sustainability approach

2. Continuous improvement

2.1. Strategic planning

2.2. Integrated Management System

2.3. 5S

2.4. Improvement Projects

3. Environment commitment

3.1. Waste Management with a Circular Economy Approach

3.2. Sustainable Production

3.3. Environmental Management

3.4. Awareness-Raising

4. Social commitment

4.1. Accident prevention

4.2. Employees

4.3. Communication

4.4. Training

4.3. Community

5. Commitment to Good governance

5.1. Crime prevention

5.2. Risk and Audit Committee

5.3. Supply Chain

A. Tecnofil in figures 2022

Tecnofil



47

years of experience in the market

\$ 413

million in sales

45,919

thousands MT of finished product

New warehousing facilities in
USA, Mexico and Puerto Rico



53

Operational Improvement Projects

7

certifications

we continue to maintain for
the last 22 years

6

awards

to our quality, safety, control, and
environmental management system

\$ 4.6

million in improvement projects

A. Tecnofil in figures 2022

Tecnofil



\$ 389

million dollars in domestic purchases that helped to boost the economy

67%

of administrative jobs perform remote or hybrid work

17.9

average training man-hours provided, 11% better than in 2021

64%

of improvement on accident rate index compared to 2021



Cero

Environmental accidents

Cero

Socio-environmental conflicts in our area of influence

\$ 79

thousand dollars of budget for environmental management

32

critical suppliers BASC / AEO in our supply chain

B. Worldwide presence

Tecnofil



Sales in more than

50

countries worldwide.

C. Distribution Centers

Tecnofil



We have distribution centers in

USA

■ El Paso

■ South Carolina

Mexico

■ Ciudad de México

Puerto Rico

■ Caguas

D. Awards

Tecnofil



We have been recognized with the **3rd Star of the "Huella de Carbono Peru"** (Carbon Footprint Peru) Program of the Ministry of Environment (MINAM), which positions us as a company committed with the Agreement of the United Nations Framework Convention on Climate Change.



We have been recognized by the GEA Group, the Centro de Estudios y Prevención de Desastres (Disaster Prevention Research Center) and the **European Union**, for how we manage and measure our **water footprint, carbon footprint and circular economy**.



Tecnofil participated in the Inter-laboratory Proficiency Test 2022, organized by ASTM, ranking in the **TOP 10** of the 62 laboratories evaluated worldwide.



The **Municipality of Independencia** awarded Tecnofil a Certificate of Recognition for its good **environmental practices** and participation in the 'Independencia Recicla' program.



We have been recognized by **BASC** for an **18-year** continuous participation in BASC certification. We are proud to be recognized by international organizations for our good safety practices.



Our quality laboratory achieved excellent results in the **COMPALAB France 2022** chemical analysis tests, obtaining the **2nd place worldwide** in the evaluation of nickel.

1. Presentation

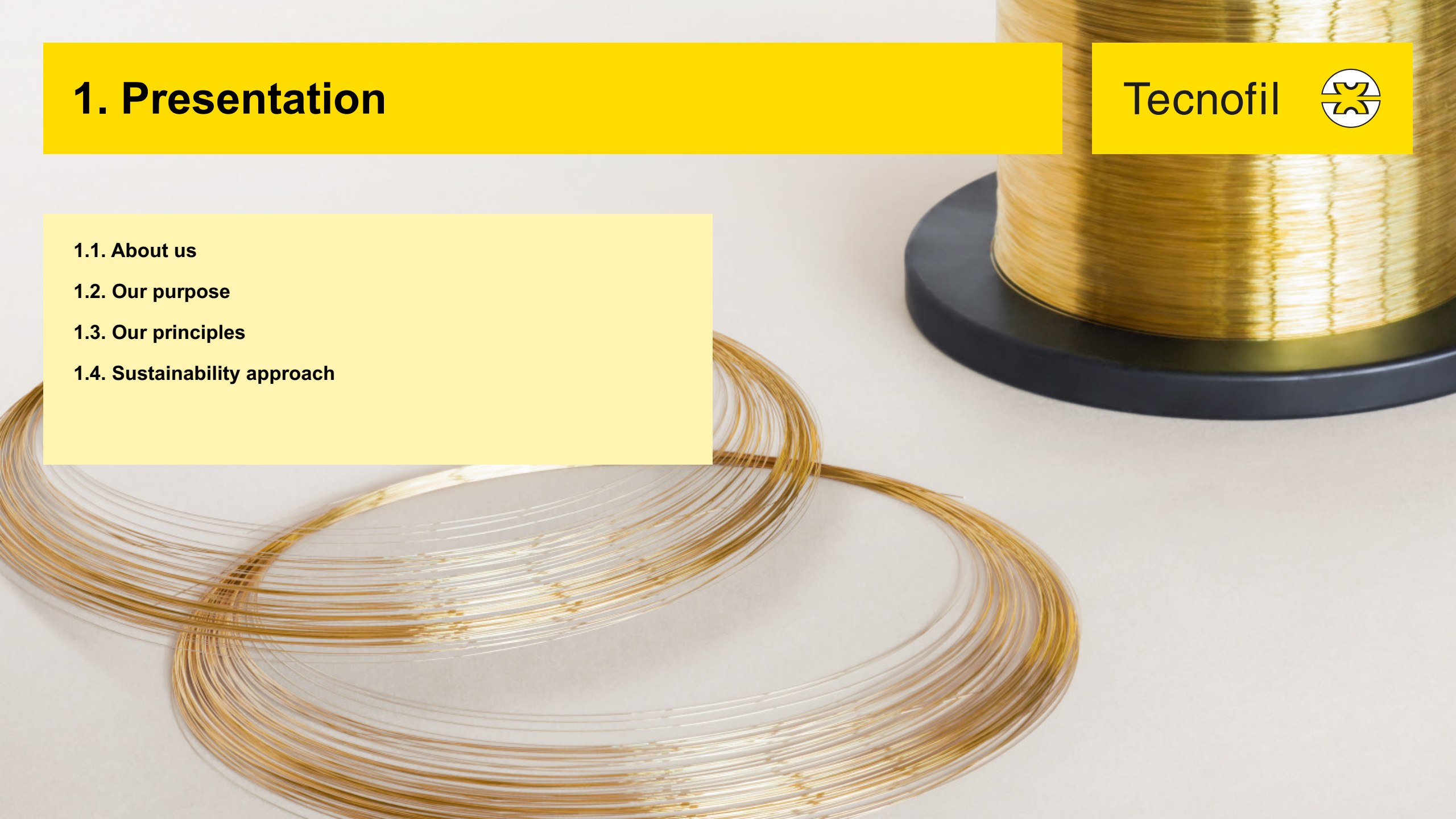
Tecnofil 

1.1. About us

1.2. Our purpose

1.3. Our principles

1.4. Sustainability approach



1.1. About us

Tecnofil



We have more than 47 years of experience in the manufacture of copper and copper alloy products. We are recognized globally for our quality and competitive pricing, which has allowed us to develop long-term commercial relationships with our customers. We are confident that our quality, service and flexibility make us your most reliable supplier to meet all your requirements.



1.2. Our purpose

Tecnofil



We transform copper to build a better world.

We seek to be the best option for copper and copper alloy products worldwide.

+ connected

+ clean

+ efficient

1.3. Our principles

Tecnofil



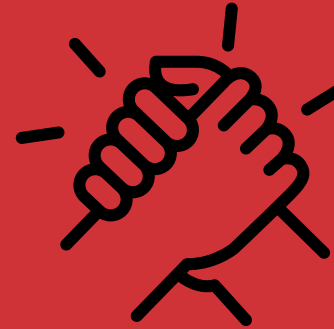
You and I A GREAT TEAM!

Your welfare is a priority for Tecnofil. Only by working as a team we can generate value.



Focused WE WIN MORE

We think and act in the best interest of the organization, aligning ourselves to meet all the financial objectives.



With customers ALWAYS!

We provide a unique and memorable experience to our clients; from the first time they contact us.



NEW CHALLENGES new solutions

We generate new and better ideas in an environment of trust. The best technology is our ally.

1.4. Sustainability approach

Tecnofil



Continuous improvement

We maintain an Integrated Management System through continuous improvement and integrity of all our processes.

Social commitment

We provide safe working conditions to prevent injuries and health deterioration affecting our safety and the safety of everyone within our area of influence.

Environmental commitment

We protect the environment to prevent pollution, managing the environmental aspects and impacts generated by our activities and products, reinforcing the positive ones and reducing the negative ones.

Commitment to good governance

We have ethics, transparency and accountability as the cornerstones of good governance. Our organizational structure balances the responsibilities of the organization and divides the functions.

2. Continuous improvement

Tecnofil



2.1. Strategic planning

2.2. Integrated Management System

2.3. 5S

2.4. Improvement Projects

2.1. Strategic planning

Tecnofil



Strategic objectives

Our commitment to continuous improvement drives us to periodically verify that our processes are adequate and working properly.

BSC indicators

The Balanced Scorecard is a tool or methodology that helps us to achieve an integrated and strategic balance of the progress, growth, productivity and competitiveness of our organization and provides the direction we will follow in the future.

Management review

Our strategic guidelines to 2026 are periodically reviewed by Senior Management. There are 2 Trinorma Certification (ISO 9001, ISO 14001 and OHSA 18001) annual reviews and 1 BASC/AEO annual review.

13

New objectives since 2022 and 73 strategic initiatives.

100%

Compliance with objectives in 2022.

3

Annual management reviews.

2.2. Integrated Management System

Tecnofil



22

years certified
with **ISO 9001**

19

years certified
with **ISO 14001**

18

years certified
with **BASC**

16

years with certification to
ISO 45001 (formerly OHSAS
18001)

9

years certified
with **SMETA**

7

years certified with **AEO
Importer and Exporter**

Tecnofil has a **Certified Integrated Management System** focused on satisfying all its stakeholders: clients, suppliers, employees, shareholders, government and society, within the concepts of Quality, Environment, Integral Safety and Occupational Health, which aims to provide a high-quality product, guided by the guidelines established in our processes for the environmental protection, without prejudice to the health and safety of our employees and community.

2.3. 5S

97% of plant areas

Implemented with the 5S project

Shelves and cabinets were delivered for the classification and organization of tools, supplies, PPE and packaging material. As well as **cleaning corners**, plastic **sleeve dispensers**, **tool carts**, among others.

560% of space gained

Result of the installation of racks

We gained **610 m²** of storage space as a result of the project to install racks for storage points in the plant for: **spools, recycled material, wire rods, raw material and production equipment.**

Tecnofil



1. Seiri (Classify)

What is useless should be out of the way

2. Seiton (Order)

A place for each thing and each thing in its place

3. Seiso (Clean)

Avoid making a mess

4. Seiketsu (Standardize)

Everyone the same

5. Shitsuke (Discipline)

Create a habit

2.4. Improvement Projects

Tecnofil



Improvement Projects are a tool of our Continuous Improvement process to increase our operational capacity, increase the efficiency of our operations and/or implement new technologies in our processes. The 2023 budget for improvements is \$3 million.

Number of Improvement Projects

2017	2018	2019	2020	2021	2022
54	34	23	43	54	53

3. Environmental commitment



3.1. Waste Management with a Circular Economy Approach

3.2. Sustainable Production

3.3. Environmental Management

3.4. Awareness-Raising

3. Environmental commitment

Tecnofil



One of the current problems in Peru is the inadequate management of solid waste.

According to figures from the Ministry of Environment (MINAM), Peru generates 8,214,355.90 tons of waste per year, of which only **1.81%** is **recovered**. This waste is made up of: 56.7% organic waste, 20.9% inorganic waste, 12.7% non-usable waste and 9.7% hazardous waste.

1.81%

of recovered waste
in Peru

8,214,355.90

tons of waste were generated
in Peru in 2021

148,496.63

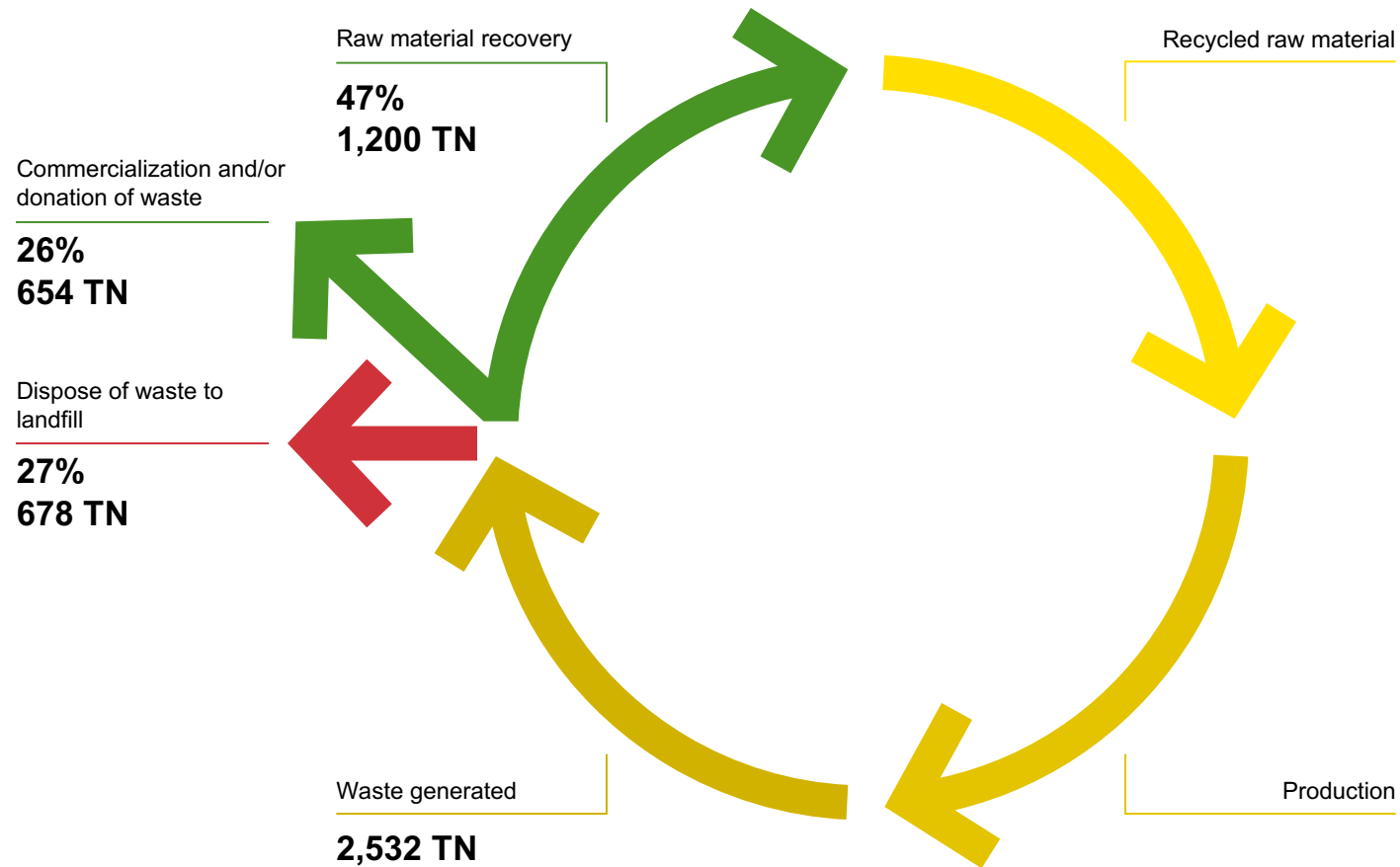
tons per year total waste
recovered in Peru in 2021

3.2. Waste Management

Tecnofil



Circular Economy Approach



73%

of our waste is recovered

3.2. Waste Management

Tecnofil



Circular Economy Approach

Use of recycled raw materials

Tecnofil uses recycled raw material in its production process maintaining the quality standard in its finished product.

18% of the raw material coming into our production process is recycled:
13% comes from our **clients**,
3% **recirculates** to our own process and 2% comes from the purchase of **scrap**.

Waste commercialized and/or donated

23% of our waste is **commercialized** and 3% is **donated** as a supply or raw material in other production processes.

Supply recovery

We recover **21%** of the **wooden pallets**, **12%** of the used **industrial wiping rags**, and **2%** of the **cardboard boxes** that come from our clients, which we use within our operation.

3. Environmental commitment

In line with the UN Sustainable Development Goals (SDGs), Tecnofil recovered 73% of the total waste generated in 2022. Thanks to our **Circular Economy** initiatives, recovering our waste and using it as supplies for the production of other industries, strengthening our country's waste management and generating indirect employment.

12 PRODUCCIÓN
Y CONSUMO
RESPONSABLES



SDG 12: Responsible Consumption and Production

Tecnofil



29%

Waste reduction target for 2023

How are we going to achieve this?

To achieve our goal of reducing waste by a 29% by 2023, we are working on 4 initiatives: implementation of an organic waste **composting machine**, implementation of two new **evaporators** for liquid waste treatment, source **segregation program** and **Clean Production Agreement** with the MINAM (solid waste reduction targets).

3.2. Waste Management

Tecnofil



Circular Economy Approach

Tecnofil is working on 4 initiatives to manage solid waste reduction by a **29%** by 2023.

Reduction target
for 2023

29%

Distributed as follows:

Reduction of SW

Source Segregation Program

We are part of the Source Segregation Program of the Municipality of Independencia, which allows the proper recovery of municipal solid waste for recycling.

Reduction of SW

Clean Production Agreement

We signed the Clean Production Agreement with the MINAM, through which we improve the Environmental Conditions for production in our processes, joining efforts towards a circular economy.

Reduction of SW

Composting project

We are implementing a composting process within our facilities to recover our organic waste and convert it into natural compost.

Reduction of HLW

Evaporators project

We are implementing high-capacity evaporators to recover liquid waste in the processes through condensation.

Solid Waste

24% less

Hazardous liquid
waste

24% less

*SW: Solid Waste

*HLW: Hazardous liquid waste

3.2. Sustainable Production

Tecnofil



In Tecnofil we have an environmentally responsible operation, so we work on projects focused on **energy efficiency, reduction of greenhouse gases and reduction of water consumption.**

Energy efficiency

Sustainable Industrial Zones Project

We were selected to be part of the ZIS Project. It is an initiative of the *GEF**, *PRODUCE*** and *UNIDO**** co-financing energy efficiency, clean production and GHG reduction projects.

Greenhouse gases

Carbon footprint Peru

We obtained the third star from MINAM for demonstrating a reduction in our GHGs, and we are now planning to offset all of our emissions.

Water consumption

Water Footprint and Blue Certificate

We calculated our Water Footprint and submitted two water saving projects to apply for ANA's Certificado Azul (Blue Certificate) program. Our shared savings project benefits a school in our community.

Estimated savings by 2023

Natural Gas

17,977 sm³/year

Electricity

5% (1'763,622 kWh/year)

Water

1,000 (m³/year)

GHG*

783 (tCO₂/year)

*Greenhouse gases

*GEF: Global Environment Facility.

**PRODUCE: Ministry of Production.

***UNIDO: United Nations Industrial Development Organization

3.3. Environmental Management

Tecnofil



ISO 14001
Certification

Approved
environmental
instrument
(TSR and EIS)

100% of
environmental
commitments
assumed

We promote environmental protection and pollution prevention from a point of view of balance with social and economic aspects.

Environmental
monitoring

Environmental
remediation

Environmental
projects
focused on ce*

*Circular Economy

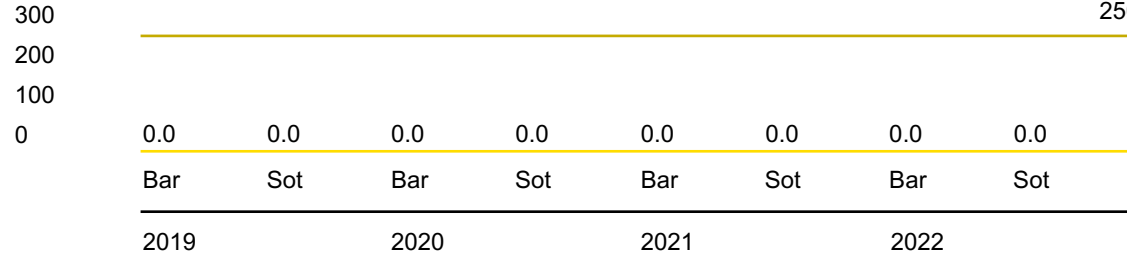
3.3. Environmental Management

Tecnofil



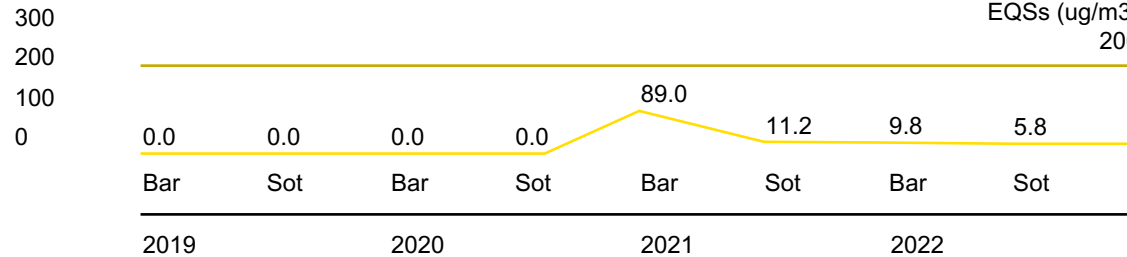
SO2

EQSs (ug/m3)
250



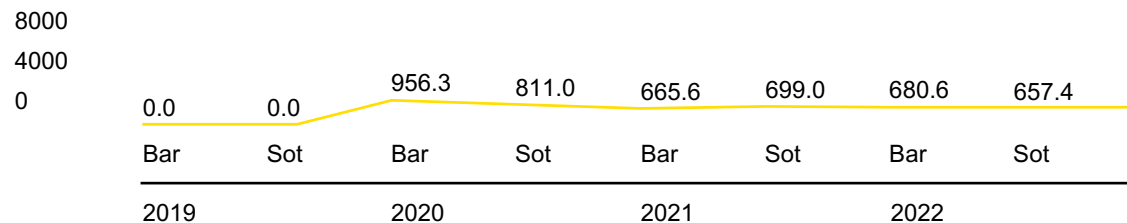
NO2

EQSs (ug/m3)
200



CO

EQSs (ug/m3)
10000



Air Quality Results

We are

96%

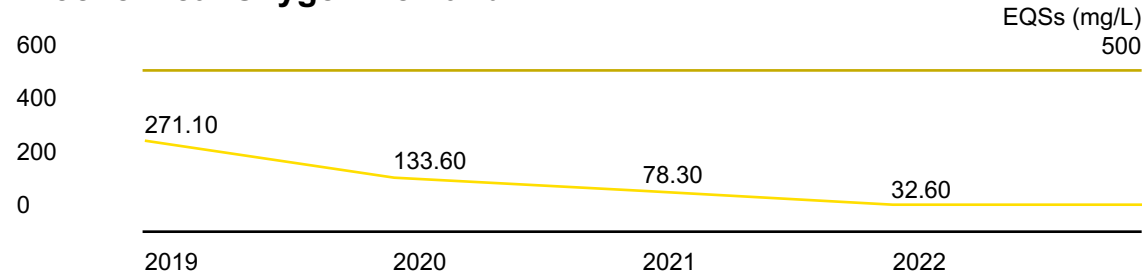
below the Maximum Allowable Air Quality Limit.

3.3. Environmental Management

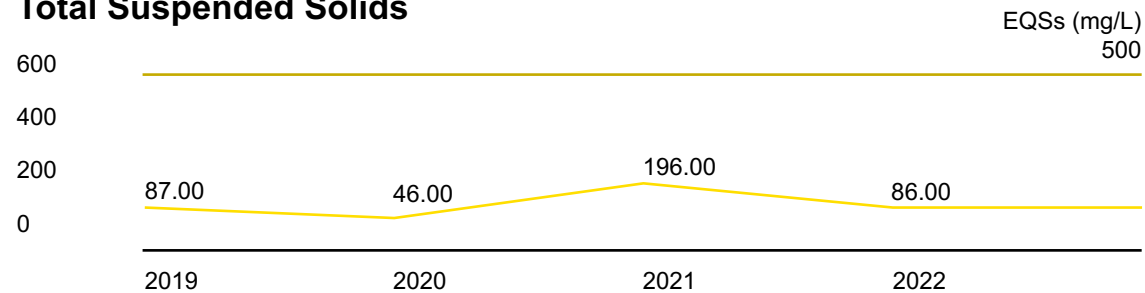
Tecnofil



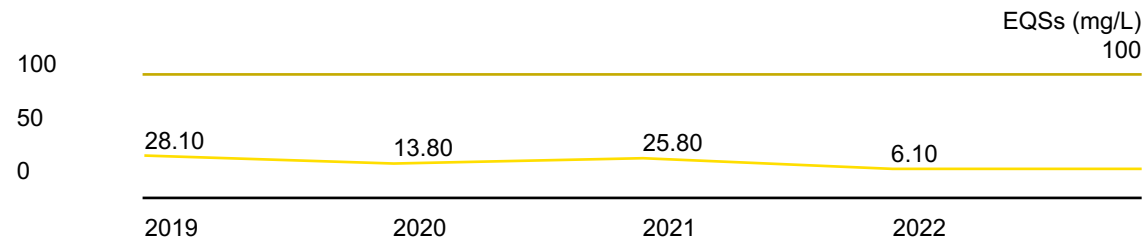
Biochemical Oxygen Demand



Total Suspended Solids



Oils and Greases



Water Quality Results

We are

78%

below the Maximum Allowable Water Quality Limit, discharged to the sewage system.

3.4. Awareness-Raising

Tecnofil



Matrix method of environmental impact

Identification of environmental aspects, impact assessment and control measures.

Recycling and circular economy

Adequate segregation of solid waste for its correct disposal and recovery.

Ecofriendly Culture

Pollution prevention, energy saving and rational use of resources.

We train all our employees annually on strategically selected environmental issues to ensure proper waste management in all our processes.

4. Social commitment

Tecnofil



4.1. Accident prevention

4.2. Employees

4.3. Communication

4.4. Training

4.5. Community



4.1. Accident prevention

According to the International Labor Organization, about 1,000 people a day lose their lives as a result of occupational accidents and about 6,500 from occupational diseases. It is estimated that at least 1.9 million occupational fatalities occur worldwide each year, in addition to 360 million non-fatal occupational accidents that result in more than 4 days of sick leave. According to the Ministry of Labor, during 2022 a monthly average of 12 fatal accidents, 1875 occupational accidents, 18 dangerous incidents and 9 occupational diseases were recorded in Lima. In the Manufacturing Industry, the monthly average was 3 fatal accidents, 622 occupational accidents, 10 dangerous incidents and 0 occupational diseases.

Contusions and strikes with objects and work tools occupy the first place in reported non-fatal accidents, with overconfidence and the lack of prevention plans in the companies as the main factors causing these accidents.

In Tecnofil, during 2022, we have 0 fatal accidents, 2.3 occupational accidents, and 0 occupational diseases as a monthly average.

Tecnofil's Accident Prevention Program is focused on reducing the level of occupational risk by identifying and correcting Unsafe Acts and Conditions. For Unsafe Acts, we have been working with a Behavior Based Safety methodology SOTA (Stop, Observe, Think and Act) that responds to a powerful tool for safe decision making in our working day. For Unsafe Conditions we work on Improvement Projects in machines, tools and facilities that help us to reduce the occupational risk index.

15%

Accident reduction target
for 2023

Tecnofil



64%

of improvement in the
accident rate with respect
to 2021

57%

improvement in the
occupational risk index for
unsafe conditions with
respect to 2021

20%

improvement in the total
number of occupational
accidents due to **unsafe
acts** with respect to 2021

4.1. Accident prevention

Tecnofil



S

Stop

O

Observe

T

Think

A

Act

POPA (SOTA) is our **Behavior-Based Safety** methodology that prioritizes the prevention of workplace accidents due to **unsafe acts**, through this culture we seek to standardize the method for making **safe decisions** during the workday.

Management of unsafe acts

20%

improvement in the total number of occupational accidents due to unsafe acts with respect to 2021

4.1. Accident prevention

We executed **24 Improvement Projects** focused on improving **unsafe conditions** in machines and tools, **80% better** than in 2021. This represents a **57%** decrease in the **occupational risk index** for unsafe conditions.

Management of unsafe conditions

57%

improvement in the occupational risk index for **unsafe conditions** with respect to 2021

Tecnofil



We provide annual specialized **training** in Occupational Safety and Health, and **daily 5-minute talks** before starting work.

We conduct periodic **drills** in all our Emergency Plans to prepare all our employees.

We have a **Brigade** that has been trained in all emergency situations that may arise.

4.2. Employees

Tecnofil



71%
of work environment

84%
of satisfaction with
cultural change

64%
of operators benefiting
from self-insurance

86%
proud to work at Tecnofil

94%
recognize and identify
themselves with the
company's purpose

72%
of administrative
personnel have received
technical/leadership trainings

83%
would recommend Tecnofil for
its good working environment

20%
of administrative personnel
have been promoted

47%
of plant personnel have
received technical/leadership
trainings

13%
more women in leadership
positions compared to 2021

25%
more women in managerial
positions compared to 2021

24%
of the total number of women
have been promoted

4.2. Employees

Tecnofil



Economic benefits

Food allowances

based on monthly indicators.

Quinquenios (Five-year periods)

to recognize years of service.

Interest-free loans,

according to each need.

Transportation

100% covered for workers attending the plant.

Shared savings

to duplicate the AFP/SNP according to the years of service.

4.2. Employees

Tecnofil



Welfare

Breakfast and snack are free.

Psychological support and counseling available to everybody.

Bereavement leave of an immediate family member.

Lunch subsidized at 75%.

Free laundry for all employees.

Gifts to employees for births or marriages.

Solidarity and voluntary collection to bring help in the most difficult moments.

Self-insurance for care in private clinics, covering 90% of analyses or examinations.

4.2. Employees

Tecnofil



Development

Agreements

for the development of our employees in :

- Short courses
- Technical and University careers
- Continuing education programs (post-graduate).

Sponsorships

to children or siblings who study at SENATI, to support the family of our employees.

4.3. Communication

Tecnofil



Employee representatives

We hold face-to-face meetings every 4 months between Senior Management and Employee Representatives, where issues related to the running of the factory are discussed and suggestions are received.

Tcomunica and monthly responses

Through Tcomunica we communicate with workers about different plant issues through WhatsApp and banners in the plant. We also receive queries that are answered monthly by Management.

Meetings with Senior Management

Every 3 months we hold virtual meetings between Senior Management and all employees, to inform them about issues related to quality and complaints, safety and environment, common interests, etc.

4.3. Communication

Tecnofil



170

Daily average number of **views** of the corporate WhatsApp stories.

1520

Monthly average of corporate LinkedIn **views**.

100%

Percentage of messages **answered** by TComunica (692 messages in total).

4.4. Training

Leadership

Aimed at personnel with people in charge in order to develop their leadership and high-performance team management skills.

Technical

Aimed at all personnel with the purpose of developing the theoretical knowledge and skills necessary for the execution of responsibilities inherent to each position.

Regulations

Aimed at all personnel in order to comply with legal and Integrated Management System audits.

Tecnofil



% of operating
personnel trained

37%

more compared to 2021

% of administrative
personnel trained

32%

More compared to 2021

4.5. Community

Tecnofil



Donations 2021



We contribute to the **Hombro a Hombro** initiative, to help in the early care of families affected by natural disasters



We contributed to **INDECI's Reactive Disaster Risk Management** for the benefit of the population at risk due to COVID-19.



We contribute to **UTEC's Avanzando Juntos** Scholarship for outstanding students facing financial hardship due to COVID-19.



We delivered 5 oxygen cylinders for the **local community** until the end of the State of Emergency due to COVID-19.



We contribute to the **Hombro a Hombro** initiative, to help in the early care of families affected by natural disasters.



We contributed to the **Respira Perú** initiative to donate oxygen plants and mechanical ventilators to vulnerable populations due to COVID-19.

4.5. Community

Tecnofil



Donations 2022



We contributed to the NGO **Soluciones Empresariales contra la Pobreza** for the transfer of vaccines against COVID-19 and the creation of oxygen plants.



We contributed financially to control the **oil spill** in Ventanilla.



We contribute to the **Alimenta Perú** program, which brings aid to 1,000 ollas comunes (common pots) and benefits 15,000 Peruvian families.

4.5. Community

Tecnofil



Projects 2023



We will install water-saving plumbing fixtures in the restrooms of a community school.



We will promote the participation of the community in activities for children on festive days such as: Christmas, beginning of school, Children's Day.



We will conduct vaccination campaigns for influenza and other diseases with the community.



We will donate floral arrangements for the Señor de los Milagros procession, tables and chairs for local dining halls, among others.

5. Commitment to good governance

Tecnofil



5.1. Crime prevention

5.2. Risk and Audit Committee

5.3. Supply Chain

5.1. Crime prevention

Peruvian Anti-Corruption Law 3024 regulates the Administrative Liability of Juridical Persons and has been regulated on January 12th, 2019 through DS-002-2019 JUS. This Law penalizes companies for the commission of crimes of Bribery, Collusion, Influence Peddling and Money Laundering and Financing of Terrorism.

The Administrative Liability consists of sanctions against the company ranging from: **the closure of the premises, loss of licenses and fines** of up to 49 million soles and **imprisonment of its legal representatives** (Directors, Managers, among others), for committing acts of corruption.

Tecnofil



TECNOFIL S.A. is implementing a Prevention Model based on 5 Components: **Prevention Officer, Risk Management, Complaints Procedures, Training and Monitoring.**

5.1. Crime prevention

Tecnofil



Anti-bribery Law

The Anti-Corruption Law is a tool that regulates liability for corruption, bribery, money laundering, financing of terrorism, influence peddling and collusion.

ISO 37001

It is the international standard that specifies the requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.



Internal fraud

Defines key information management and controls to permanently prevent internal fraud, misrepresentation or misappropriation of information or assets in the organization at all levels.

We are in the fourth of five stages for the implementation of the Anti-Bribery Act, ISO 37001 and Internal Fraud Management System.

With these controls we minimize the risk of being part of illicit activities such as bribery, money laundering, terrorist financing, drug trafficking, among others.

5.2. Risk and Audit Committee

Tecnofil



4

Annual internal audits

- BASC/OEA
- Trinorma
- Legal compliance
- Anti-bribery

3

Annual external audits

- BASC
- OEA
- Financial Institution

2

Six-monthly external audits

- Trinorma Follow-up

2

Triannual external audits

- Trinorma Recertification
- Social Responsibility

1

Biannual external audits

- SST / MINTRA

Our Risk Management methodology encompasses our entire **Integrated Management System**. Our Risk and Audit Committee is formed by Tecnofil's Board of Directors and ensures the implementation and compliance of all control measures determined to minimize the risks identified.

This process is periodically evaluated through environmental, occupational health and safety, quality, supply chain safety, financial and organizational audits.

5.3. Supply chain

Tecnofil



Illicit drug trafficking is a crime against public health and is defined in articles 296 to 298 of the Penal Code. It consists of promoting, favoring or facilitating the illegal consumption of drugs through manufacture or trafficking, or possessing such substances for the latter purpose.

According to figures from the National Institute of Statistics and Informatics (INEI), 12,714 people were arrested for illicit drug trafficking in Peru in 2021. In these interventions, a total of 66,520 kg of drugs were seized, of which 39% corresponded to cocaine base paste (PBC), 34% to marijuana and 27% to cocaine.

12,714

people arrested for illicit drug trafficking during 2021 in Peru.

66.520 kg

of drugs confiscated in interventions during 2021 in Peru.

5.3. Supply chain

Our international trade activities allow us to maintain a control and security management system to mitigate the current risks of product contamination, terrorism, smuggling, among other illicit activities. Our BASC and AEO Importer and Exporter certifications ensure that we counteract and prevent these illicit activities and guarantee the security of our processes for all our business partners.

Other benefits

Timely response to illicit findings

International credibility

Increased access to international markets

Streamlining customs management

Safe working environment

Tecnofil



100%

of the critical Business Partners have BASC, AEO certification or other equivalent.

100%

of the critical Business Partners have signed Security Agreements.



BUSINESS ALLIANCE FOR SECURE COMMERCE
LIMA
TECNIFIL S.A.
PERU000000



operador económico autorizado

5.3. Supply chain

Tecnofil



Security

- **38% reduction** in thefts and losses

Logistics operations

- **29% reduction** in transport times
- **43% increase** in automated import management

Inventories

- **14% reduction** in stock requirements

On-time deliveries

- **30% increase** in on-time deliveries to clients

Clients

- **48% reduction** in client inspections

Tecnofil has a **Control and Security Management System** based on BASC and AEO certification, which allows us to have the following benefits* in the areas of security, customs, processes, logistics operations, inventories, on-time deliveries, timely response and clients.

*Source: Stanford University report, 2018.

Thank you

www.tecnofil.com.pe

