

# 2022

ANNUAL REPORT



PEOPLE



PLANET



PROSPERITY

ROCA GROUP



PEOPLE



PLANET



PROSPERITY

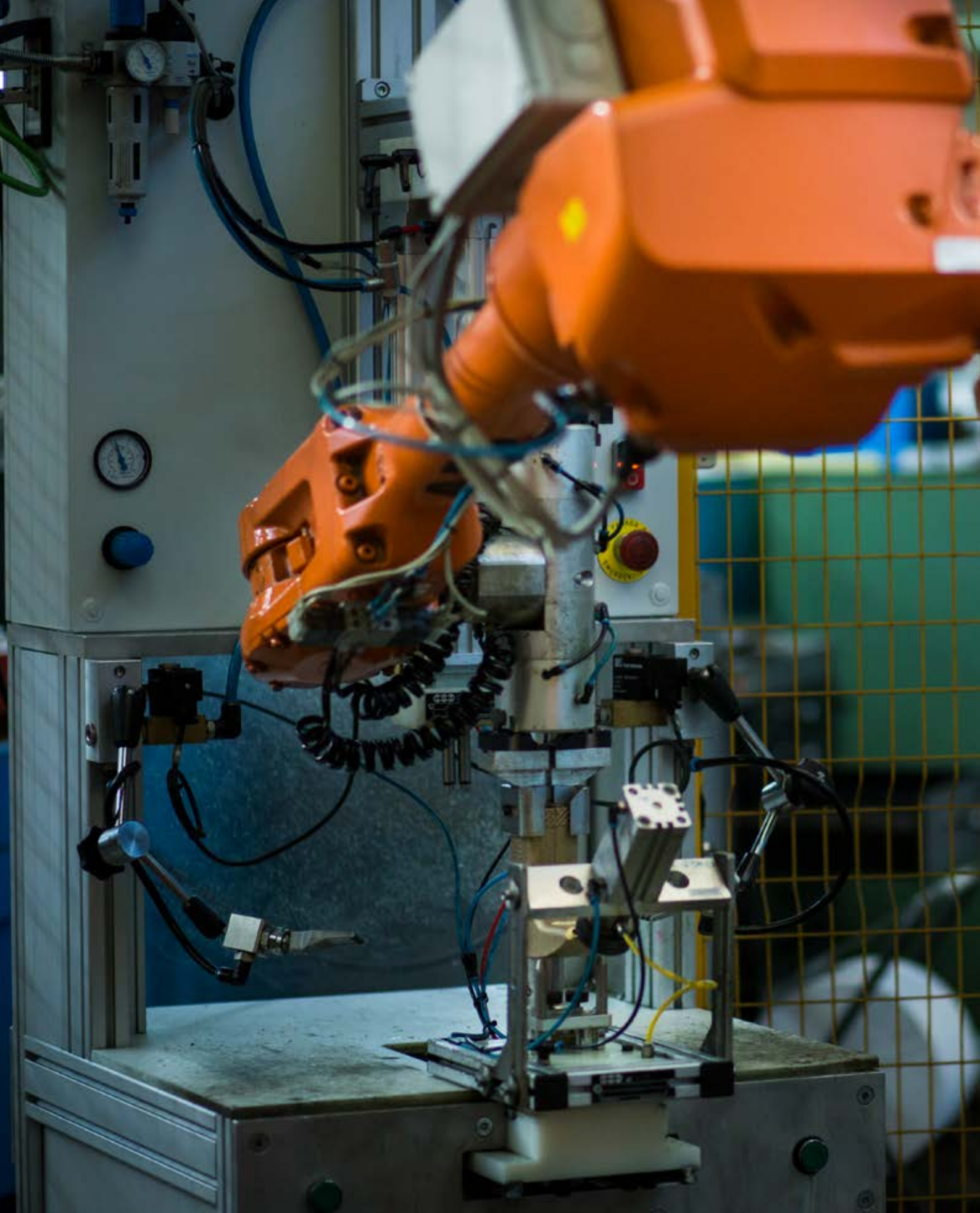
Roca Group is a family-owned enterprise with a firm commitment to society that has been proven throughout its century-long history. As a member of the UN Global Compact, sustainability forms an integral part of our commitment and we work in line with the targets of the Sustainable Development Goals (SDGs).

This corporate commitment seeks to create a positive impact in three broad areas: People, Planet and Prosperity. This edition of the Annual Report describes the main milestones of the group's activity in 2022, focusing most particularly on its contributions in these three areas.

# 2022

ANNUAL REPORT

ROCA GROUP





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## Introduction

The year 2022 began with post-pandemic recovery well underway, soon cut short by the Russian invasion of Ukraine with the economic effects of this conflict rapidly spreading far and wide. An unprecedented energy crisis exacerbated the unrelenting supply chain bottleneck caused by the pandemic, leading to inflationary pressures and interest hikes that continue to dampen economic activity to this day.

Amidst this adverse economic climate and geopolitical uncertainty, Roca Group has continued to pursue its long-term corporate strategy with the goal of having a positive impact at three levels: People, Planet and Prosperity.

### People

Group growth and operational excellence are achieved by continuing to invest in innovation, digitalization and sustainability, but people will always remain at the heart of our strategy, starting with the company's own workforce. In 2022, we continued to implement tools to develop talent, such as the new Roca Group Way model, 132,000+ hours devoted to training and new policies put in place to ensure an inclusive culture and work environment that encourage collaboration.

The group is present in multiple countries and cultures, and our aim to improve the lives of people compels us to develop aid projects for disadvantaged communities. The humanitarian crisis caused by the Ukrainian conflict led us to focus the group's efforts this year on providing water supplies and sanitation infrastructures to victims and refugees, making a one-time donation of one million euros to the We Are Water Foundation specifically for this purpose.

## Planet

Our firm commitment to keeping sustainability at the core of all Roca Group activities continues to bear fruit, with steady improvements in our main environmental indicators. Over the past five years, we have achieved a drop of 39% in our CO<sub>2</sub> emissions, 47% in water consumption and 46.5% in waste generation.

In addition, we carried out a double materiality assessment to identify the most relevant material aspects for the company and its stakeholders. The results of this analysis confirmed that we should continue to prioritize our decarbonization plan to achieve the goal of carbon neutrality by 2045, establish ambitious goals in our circularity roadmap and continue developing increasingly more sustainable products.

## Prosperity

The commendable efforts made by Roca Group's team have enabled us to continue our upward growth trend this year, with turnover reaching a new record of €2,092M, an EBITDA of 17% and net profits of €42M.

These results have allowed us to continue reinvesting in our industrial facilities and processes, moving forward with digitalization and minimizing our environmental impact. Likewise, we continue to relay our skills and know-how to the entire group through our new competence centers, particularly in strategic categories for the business, such as bathroom furniture and installation systems. We are working on optimizing our brand portfolio and of course we continue developing our offering through a corporate culture of innovation, cutting-edge

collaborations and the Roca Group Ventures platform.

The year 2022 brought several unexpected challenges, and the Board of Directors would like to express its enormous appreciation to Roca Group's 21,275 employees for their extraordinary efforts, dedication and commitment. This appreciation also extends to our customers, suppliers, shareholders and other stakeholders. Collaboration and teamwork are key for making progress towards our shared ambition of generating positive economic, social and environmental impact.

**SANTIAGO DE GOMAR ROCA**

**Chairman**



# 2022 IN SUMMARY

Roca Group has continued to make strides in creating positive impact in the areas of People, Planet and Prosperity, the mainstays of its commitment to sustainable development.

Although company activity has continued to be affected by external factors, such as energy costs and the impact of geopolitical conflicts, Roca Group has been able to meet the objectives set for each area. In People, the group maintains a stable team of professionals, characterized by a diversity of origin that cultivates a highly enriching multicultural work environment. In Planet, significant reductions have been attained in the main environmental indicators, making it possible to move forward at a steady pace with the established plan.

Last, in the area of Prosperity, the financial indicators attest to the group's ability to adapt and achieve record turnover for the second consecutive year, despite the complexity of the environment.



## People

TEAM

**+21,000**  
professionals

STABILITY

**+90%**  
permanent contracts

DIVERSITY

**+80**  
nationalities

TRAINING

**+132,700**  
hours



## Planet

CO<sub>2</sub> EMISSIONS

**-18%**

WATER CONSUMPTION

**-28%**

ENERGY INTENSITY

**-26%**

GENERATION OF  
NONRECOVERABLE WASTE

**-30%**

Performance compared to 2021





# Prosperity

## TURNOVER

# 2,092

million euros

## EBITDA

# 356

million euros

## CONSOLIDATED NET INCOME

# 42

million euros

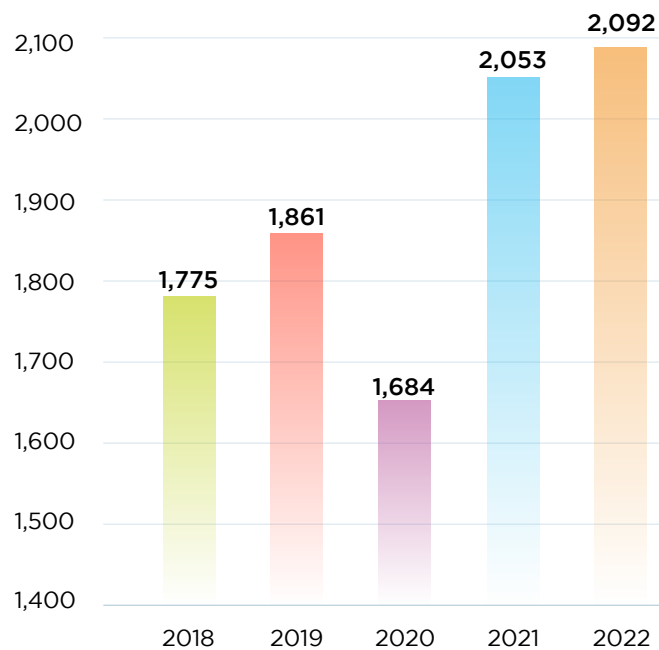
## CURRENT INVESTMENTS

# 135

million euros

Complete financial reports on  
pages 56 to 63 of this report.

## TURNOVER



EBITDA	243	253	306	401	356
NET INCOME	95	69	60	179	42
CURRENT INVESTMENTS	153	154	106	124	135
	2018	2019	2020	2021	2022

# ROCA GROUP AROUND THE WORLD

76 plants located in 20 countries on all 5 continents ensure a production and supply model with proximity to customers, in order to minimize the environmental impact of the supply chain and logistical operations.

America  
**14** plants

- 9 Brazil
- 3 Argentina
- 2 Mexico



**76**

PRODUCTION PLANTS



**+170**

COUNTRIES WITH COMMERCIAL PRESENCE

## Europe 34 plants

- 9 Spain
- 8 Portugal
- 4 Poland
- 4 Czech Republic
- 3 Germany
- 2 Bulgaria
- 2 Switzerland
- 1 Austria
- 1 Türkiye

## Asia 20 plants

- 9 China
- 8 India
- 1 Indonesia
- 1 Malaysia
- 1 Taiwan

## Oceania 1 plant

- 1 Australia

## Africa 7 plants

- 5 Egypt
- 2 Morocco





# MOVING TOWARD THE FUTURE

The group remains faithful to its long-term strategy for growth and sustainable development.

In keeping with the enterprising spirit of a family business, the group's mission and vision establish a model to create shared value built on six strategic pillars, for the purpose of generating a positive impact at three levels -economic, social and environmental- in all operations worldwide.

PEOPLE



PLANET



PROSPERITY



WE GENERATE A

# THREE-FOLD POSITIVE IMPACT

The group's corporate purpose seeks to create positive impact in three broad areas: People, Planet and Prosperity.

BY CONSOLIDATION OF

# 6 STRATEGIC PILLARS

Roca Group's strategy is based on six main pillars that guide its future trajectory.



GROWTH



OPERATIONAL  
EXCELLENCE



INNOVATION



DIGITAL  
TRANSFORMATION



SUSTAINABILITY



PEOPLE



PEOPLE

Roca Group is present in multiple countries and cultures, working to improve the lives of people both inside and outside the organization.



PLANET

A commitment to sustainable development drives the group to continue working day by day to lessen the impact of its operations on the environment.



PROSPERITY

The company's sustainable growth seeks to forge shared value by creating quality jobs and reinvesting profits.



GROWTH

Development of solutions that add value and improve people's lives as a guarantee of sustainable growth and viability.



OPERATIONAL EXCELLENCE

Application of methodologies and resources that help build a more agile, productive and fast-learning organization.



INNOVATION

Whole-of-business involvement in R&D + Innovation and simultaneous development of a hybrid entrepreneurial model together with emerging companies.



DIGITAL TRANSFORMATION

Digitalization and technological integration to standardize and streamline processes, optimize the value chain and generate new business models.



SUSTAINABILITY

The ambition to leave future generations with a better society and planet puts sustainability at the center of all activities.



PEOPLE

The Talent Management Department and the Roca Group Corporate University ensure that all employees continue to grow and develop professionally.

Commitment to sustainable development

As a member of the UN Global Compact, sustainability forms an integral part of the commitment of Roca Group, which works in alignment with the Sustainable Development Goals (SDGs). The group's Sustainability Plan defines the five SDGs directly impacted by the organization's activity.









## GROWTH

Ever-changing markets and a complex environment make it necessary to constantly review processes and resources to ensure the group's sustainable growth strategy.

One of the main projects aimed at adapting the Roca Group's capacities to the market is its implementation of the industrial model of Competence Centers, which allows the group to respond with greater flexibility and efficiency to trends and to users' demands. In 2022, the group has also met the challenge of the energy crisis by taking cross-the-board measures to minimize its impact on results.

### DIRECT IMPACT



### INDIRECT IMPACT



## Development of Competence Centers

The Royo and Sanit units, acquired in 2021, were included in the group's industrial network, further driving the consolidation of the Competence Center model to develop businesses other than sanitaryware.

Competence Centers are set up as know-how and technology hubs that coordinate the activities of the entire group in its respective categories.





### Faucets

Development of solutions that meet the market demands for energy efficiency, connectivity and design, based on work with new materials and the implementation of new production technologies. Competence Center located in Basel (Switzerland).

### Installation systems

Design of a universal toilet flush mechanism for the entire group and an installation system for all bathroom space components with its own configurator. Located in Eisenberg (Germany).

### Steel bathtubs

Centralization of R&D, design and production processes for steel bathtubs in the only group facility in the world specializing in the category. Located at the Águeda facilities (Portugal).

### Bathroom furniture

Implementation of a smart factory model based on the automation of the logistics and transportation of parts, with efforts made to expand the product range and style to more customizable solutions. Located in Valencia (Spain).

### Composites

Construction project for a new production plant to boost capacity, with sizable investments made in R&D to further develop resin formulation and broaden the range. Located in Gryfice (Poland).

### Shower screens and accessories

Development of customizable shower screen solutions and configurators for B2B clients, as well as enhancement of accessories as an added-value category for the bathroom space. Located in Barcelona (Spain).

### Stronger presence in the U.S. due to the acquisition of Madeli

In April 2023, Roca Group announced the acquisition of Madeli, a bathroom furniture and mirror company with head offices in Florida and a network of 500 points of sale in the U.S. The operation strengthens the group's position in the country with a strategic category, due to a carryover effect toward other bathroom products.



## Measures to manage the energy crisis

One of the main challenges encountered by Roca Group in 2022 was management of the energy crisis to prevent high electric power and natural gas prices from adversely affecting the company's results.

- **Creation of an Energy Committee**, with regular meetings to analyze price trends and to optimize available resources. Centralized in the European region, most impacted by the increases.
- **Plant integration in the supply chain**: planning of sanitaryware production, usually undertaken from a local frame of reference, has integrated the group's main plants to adequately meet the demands of any market.
- **Reorganization of the product portfolio of the various group brands**, in order to provide a complementary offering that promptly and flexibly responds to the demands of each market.



Comprehensive production management and the ability to adapt have made it possible to control the impact of energy price hikes on the group's results.

## Investment in production technology

In keeping with its profit reinvestment policy, every year Roca Group allocates a large percentage of its annual investments to renovating its manufacturing technology.

The most notable achievements of 2022 include commissioning of the robotics installation of the sanitaryware dry polishing process at the Gliwice plant (Poland), automation of the faucet assembly line and thermostatic columns in Gavà (Spain) and startup of the Settat 2 sanitaryware plant expansion (Morocco).

Smart factory projects have also been developed in production units, focusing on process digitalization.



### Conversion of the Croatia plant into a logistical center

In 2022, it also undertook the conversion of the group's sanitaryware plant in Croatia into a logistics facility that serves the main markets in central Europe. The facilities were adapted using an exemplary approach.





# OPERATIONAL EXCELLENCE

Implementation of common work processes and methodologies throughout the entire group allows it to react with greater flexibility to market needs.

In 2022, the gradual return to normality made it possible to deploy new solutions designed to improve supply chain management, resulting in more flexible and precise customer support. The commitment to continuous improvement also extends to industrial processes through more sustainable materials and processes and to a brand architecture model based on providing a full range for any user type.

### DIRECT IMPACT



### INDIRECT IMPACT



# Supply chain optimization

After two unusual years due to the repercussions of the pandemic, in 2022 the group was able to begin implementing a series of tools and processes that optimize the main supply chain processes by leveraging a powerful technological platform.

Process digitalization provides a more flexible, efficient and sustainable chain, with a direct impact on reducing the carbon footprint.



## Suppliers

### Supplier portal

- Centralization in a single platform for supply, contracting and procurement processes.
- Inclusion of compulsory acceptance of the group's Corporate Code of Conduct and Environmental Code of Conduct in the onboarding process.
- Approach based on concentrating purchases on local suppliers.



**Milestone in 2022: portal deployment for European suppliers, with short-term implementation in America and Asia.**



**SHIPPING OF RAW MATERIALS OR FINISHED PRODUCTS**

**Transport Management System (TMS)**

- Automated route planning model based on quality, efficiency, costs and environmental impact criteria.
- Inclusion of measures for better space optimization in vehicles and transition to more sustainable materials (reduction in plastics, use of recycled materials, etc.) to meet efficiency and sustainability goals.



**Milestone in 2022: application to operations in Spain, Portugal and Switzerland, with plans to extend it to the rest of Europe in an initial phase.**



**Production plants**



**Logistics centers**



**Users**



**AFTER-SALES DEPARTMENT**

**Integrated Business Planning (IBP)**

- Common process for demand and production planning for all group companies under a single platform.
- Focus on inventory management and service quality, for strict compliance with delivery dates.



**Milestone in 2022: initial implementation in Brazil with plans to expand to Asia.**

**Digitalization of after-sales service**

- Technical support to distributors and installers to facilitate the search, acquisition and installation of spare parts.
- Solutions to improve the reparability and durability of products, encouraging a circular approach.



**Milestone in 2022: implementation in Roca and LAUFEN, with specific online catalogs for spare parts.**

# Management of commercial brands

Roca Group encompasses more than 25 brands that meet a wide variety of client needs in each market, channel and category.

Each brand has its own unique personality, adding differential value in its competitive environment while conveying the group's core values, such as quality and trust. The group's brand architecture is divided into three levels:

**Global brands:** progressively reaching out to all markets, building through a uniform and consistent image and personality around the world.



**Local brands:** enhancing a feeling of closeness and specific to regional and societal settings, covering important market segments.



**Specialist brands:** confined to market channels that require unique value proposals or to product categories in which specialized positioning produces greater added value.



## Reduction of complexity

The group remains committed to brand concentration to strengthen its market position as a global supplier of complete bathrooms. In 2022, LAUFEN incorporated the faucet offering of the Swiss brands of Arwa, Similar and Sanimatic and also brought the Pomd'Or accessory range under the Cosmic brand.

# Roca and LAUFEN, featured at Fuorisalone Milano 2022

Held as part of the prestigious Milan Design Week, Fuorisalone is an international landmark event that includes the leading design brands of the world.



## Debut of Roca with a Mediterranean spirit

Roca participated in Fuorisalone for the first time, introducing the "Influence" installation, which explores Mediterranean culture and tradition through talaiots, megalithic structures from the Balearic Islands. The installation was inspired by the new Ona collection from Roca and was designed in collaboration with Cobalto Studio.

## LAUFEN multimedia space

LAUFEN presented a space developed with the NM3 studio on the relationship between the world of water and the brand's products, receiving a special mention award at Fuorisalone. During Milan Design Week, the LAUFEN Space Milan unveiled an exhibit on the progression of the ILBAGNOALESSI collection.



# Continuous improvement of the production process

Operational excellence also extends to production processes through the application of solutions to streamline and facilitate processes while also helping to reduce environmental impact.



## New resin formulation

Significant R&D investment to obtain new resins based on recycled plastics, plant-sourced materials and production waste. The resulting formulation makes it possible to develop lighter parts with a lower environmental impact and encourages the circular economy. Along with shower trays and bathtubs, trends in materials and customizable options drive the development of new products.

## Trivalent chromium line in Gavà

Roca Group continues to move forward with installing trivalent chromium lines in its faucet plants, anticipating upcoming European regulations banning hexavalent chromium. The new line in Gavà is the result of collaboration with internationally renowned chemical companies to ensure finish quality, product safety and minimal environmental impact.

# Comprehensive project management and exchange of know-how

The recent incorporation of new specialized product development units in the form of Competence Centers has bolstered the cross-cutting methodology for project management and exchange of know-how.

This objective is pursued largely through the work done by two global units:

- **Project Management Office (PMO):** management system that combines all units involved in developing a product, all with a view toward assigning the most adequate resources, minimizing risks and streamlining all processes to reduce time to market..
- **Technical Office:** newly created unit in 2022, intended to ensure that all of the group's technical facilities use common tools, terminology and information systems.

Both initiatives are implemented worldwide by applying the Kaizen methodology and include all product categories.







## INNOVATION

Roca Group understands innovation to be a pivotal value in its goal to respond to market demands and trends in ongoing transformation.

The acceleration of technological development and the need for constant refreshers on know-how has led the group to develop its own innovation culture based on establishing synergies between internal units, while also cooperating with emerging companies in a new hybrid entrepreneurial model. This ensures a product and service offering that is an industry leader.

### DIRECT IMPACT



### INDIRECT IMPACT



# First year of Roca Group Ventures activity

One of the pillars of the culture of innovation in the company is Roca Group Ventures, the Corporate Venture Capital (CVC) and open innovation platform created in early 2022.

The aim of Roca Group Ventures is to invest in cutting-edge startups and to offer solutions to new innovation and sustainability challenges that improve the group's value proposition to customers. In its first year of activity, it has made good progress in its main lines of action.



## Start-up identification and analysis

Throughout the year, interviews were conducted with more than 120 start-ups in Roca Group Ventures' areas of interest. After the selection process, an initial investment was made in Aquí Tu Reforma (ATR), a digital platform for residential refurbishment that is focused on improving the end user's experience.



## Participation in landmark events

Presence at South Summit Madrid, Paris Viva Technology and Angels Capital IDAY enhanced the company's visibility and connected it with the innovation ecosystem, while also involving Roca Group's business areas in analyzing potential opportunities for collaboration.



## Internal promotion of an open innovation model

In 2022, collaborations were undertaken between group departments and start-ups on proofs of concept (POC) for connected products, breakdown management, new training technologies and digital reputation.



## Main areas of interest



### Smart homes and improved user experience

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- New products for the bathroom space, with greater customization
- Internet of Things (IoT) and connectivity solutions
- Focus on hygiene, health and well-being
- Online channels for stakeholder relations



### Environmental sustainability and energy efficiency

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- Reduced energy consumption in group plants and facilities
- Solutions that help lower water consumption
- Logistics optimization and packing improvements
- Development of new materials



### Productivity improvements

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- Smart factory and new construction methods
- More efficient manufacturing and distribution processes
- Digitalization of work processes and environments
- Enhanced familiarity with customers and marketing activities

In performing its activity, Roca Group Ventures collaborated in 2022 with Alantra, a financial consulting firm, and Lanzadera, a business accelerator and incubator. In April 2023, an agreement with the Plug-and-Play innovation platform was announced, thus allowing further advances at the international level.

# Anticipation of trends: accessibility and health in the bathroom space

In 2022, Roca Group developed new external work and collaboration processes to anticipate and respond to the future needs of users of the bathroom space. The two main scopes of work are linked to universal accessibility and health.

## Preventive health monitoring

Continuous analysis of user health by scanning urine and stools, combining health analysis technology with Internet of Things connection capabilities.

In cooperation with



## Smart mirror as a connected home hub

Smart mirror that centralizes control of all electronic products in the home bathroom and even in the rest of the home. Integration with Roca Connect and LAUFEN Smart platforms.

In cooperation with



## Fall detection system

Fall detection lamp in the bathroom space and automatic alerts to assistance services, based on infrared sensors and artificial intelligence.

In cooperation with



## Inclusive and universal design

Revision of the Roca Group product offering from the standpoint of universal accessibility and inclusive design, in order to identify short-term opportunities for improvements.

In cooperation with



The development of innovative solutions combines group expertise in the bathroom space with specialized technological know-how from collaborating companies.



### ILBAGNOALESSI, evolution of an icon

Created 20 years ago, LAUFEN's iconic collection is back with a brand-new image, thanks to ongoing technological research and advances made in materials. Other notable efforts have been the integration of parts in Saphirkeramik, free-standing bathtubs in Sentec and a new furniture collection.



### In-Wash® Insignia: technological integration

New features of the Roca smart toilet include directed air-jet drying (Coanda effect), self-cleaning nozzle, using ultraviolet light, and access to Roca Connect through a mobile app.



### Hydro In-Tank®: tank-less, connection-less toilet

New example of integration of in-house innovations. The Roca In-Tank® technology (bowl-integrated tank for flushing) no longer requires an electrical connection, and flushing is entirely hydraulic. It also includes the Roca Rimless® Vortex flush system and the Supraglaze® antimicrobial glaze.

### Fresh looks at the bathroom space

The use of outside creative talent is the distinctive approach taken by LAUFEN, which worked with Stefano Giovannoni (ILBAGNOALESSI collection) and Toan Nguyen (LUA and LANI) in 2022. Roca has also collaborated with Noa Design Studio (Ona), Andreu Carulla (Tura) and the Inma Bermúdez studio (Nu faucets). Additionally, the collection of washbasins designed by Ruy Ohtake was relaunched worldwide.







# DIGITAL TRANSFORMATION

In addition to integrating supply processes, digital solutions also define new services and business models.

The launch of the first wave of connected Roca and LAUFEN products marks the start of the development of the smart bathroom, one of the main areas of the industry changing rapidly. In 2022, it has also moved forward in the design of configuration solutions to facilitate design and installation processes, and in user service platforms that centralize the relationship with the brand.

## DIRECT IMPACT

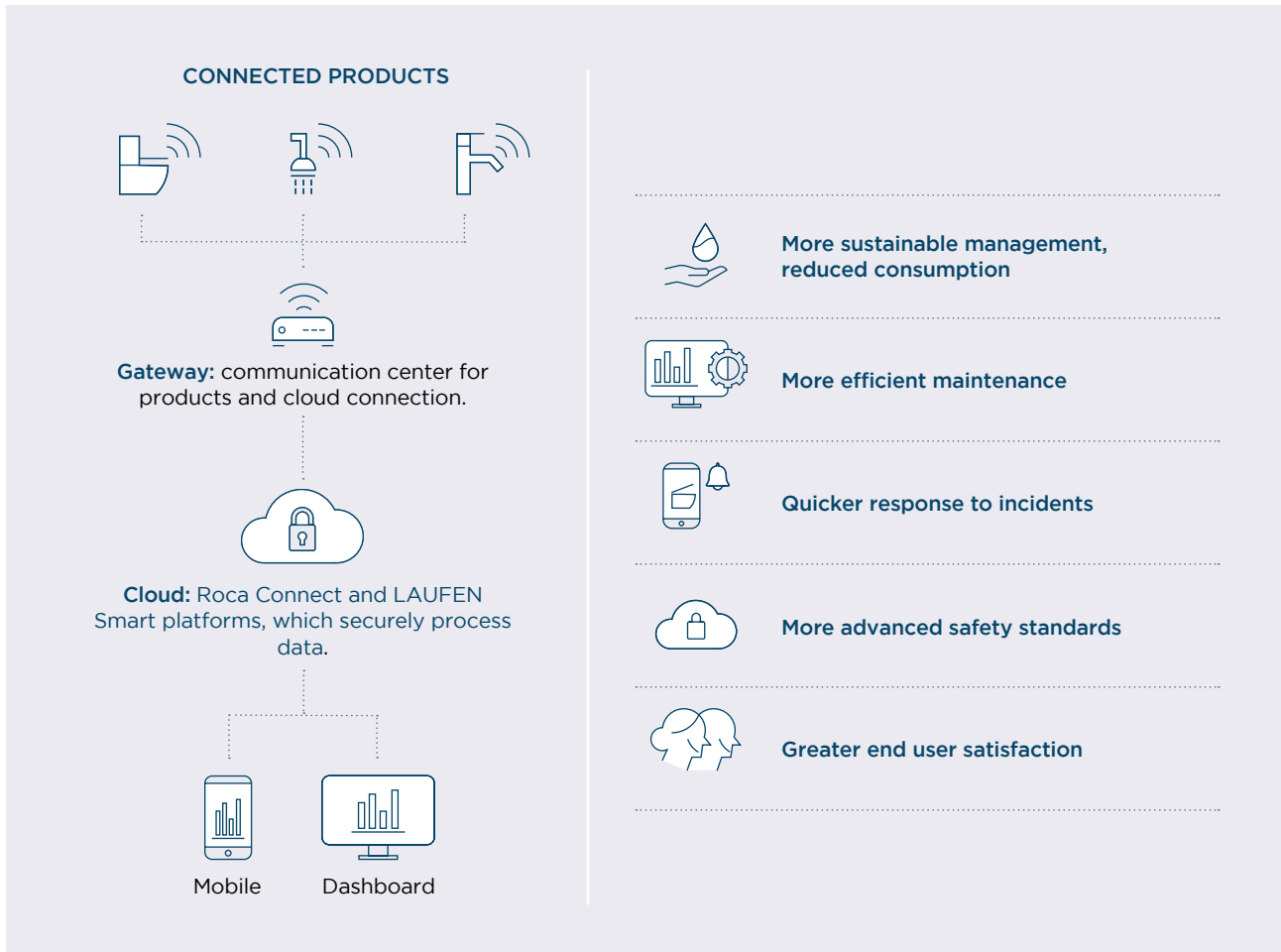


## INDIRECT IMPACT



# Smart bathrooms connected for more efficient and sustainable use

The Roca Connect and LAUFEN Smart digital platforms allow the group's new smart products to be controlled via an app.



Connected solutions are able to manage large facilities and, therefore, highly efficient in public settings. For home use, it allows additional features, such as customizable operating modes or remote control of the product.

## Next-generation configurators



In 2022, Roca Group pioneered an innovative configuration solution for wall-mounted installations. Configurator users –usually architects or designers– can define the product layout in 3D view, and the system automatically develops the behind-the-wall installation components needed for installation. This application was developed by the new Sanit Competence Center and also provides information on the time required to install each design.

The group also has configurators for shower screens, shower trays and furniture, making it possible to visualize the various combinations of each product and adapt them to the user’s needs. Once designed, the respective systems produce a report with the specifications and codes for subsequent production.

### Parryware Bano, user service platform

Roca Group’s local brand in India developed the Parryware Bano app, a platform that combines all the services offered to users and allows the entire process to be handled online. In this space, the user can request the installation or repair of any product from the group brands in the country (Roca, Parryware and Johnson Pedder), in addition to cleaning or consulting services for refurbishment of the bathroom space.









# SUSTAINABILITY

The ambition to leave future generations with a better society and planet puts sustainability at the center of all activities.

The company's roadmap is aligned with the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs) of the 2030 Agenda.

As part of its efforts, in 2022 the group has updated its double materiality assessment and, thanks to the global actions taken, has made considerable progress in reducing environmental indicators.

## DIRECT IMPACT



## INDIRECT IMPACT



# Cross-cutting management of sustainability

Roca Group’s Sustainability Department is responsible for defining and consolidating the group’s global strategy in the three sustainability areas (environmental, social and governance), validating lines of work and defining the specific projects that should be undertaken.

To prioritize efforts and promote strategic decision-making, in 2022 Roca Group carried out a double materiality assessment that identified the eight most relevant material topics for the group. Preparing the analysis involved identifying global and industry trends, performing interviews and surveys with internal and external stakeholders, and holding participatory and validation sessions with the company’s Sustainability Committee and Executive Committee.

Priority topics are those with the highest scores for the organization’s ESG impact and financial impact.

-  Decarbonization and energy
-  Sustainable materials and circularity
-  Sustainable products
-  Profitable and sustainable growth
-  Quality of employment
-  Sustainable supply chain
-  Quality of products and services
-  Innovation

## New sustainability data reporting platform

In a joint project with the Digital Transformation team, in 2022 the Sustainability Department worked to develop a specific platform for sustainability data consolidation and reporting. The platform simplifies and automates data collection and combines indicators for the three facets of sustainability into a single environment. This system produces an updated picture of the group’s current status, both locally and globally.

# Eight workstreams for sustainability



Based on topics identified in the double materiality assessment, Roca Group structures its sustainability roadmap into eight workstreams, from which the main initiatives and projects in this area are derived.


## Ongoing improvements in the main environmental indicators

Roca Group has been able to again reduce its main environmental indicators in 2022 through consolidation of previous years' actions, continuous global development of good practice and the uniform and centralized control of data.

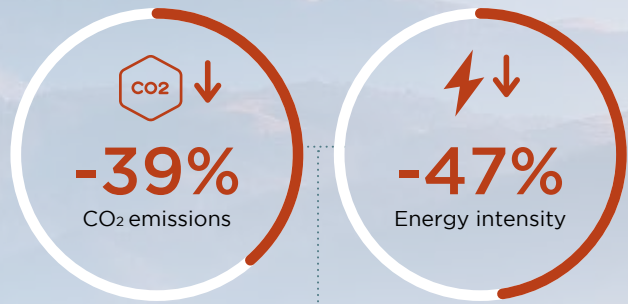
**Note: variations over the past 5 years (2018-2022).** The emissions data correspond to the emissions derived from total energy use in scopes 1 and 2. Due to the variety of the group's product types and production processes, the intensity of emissions, water use and waste is calculated by dividing the total value of each parameter by net sales.

### Achieving carbon neutrality

In 2022, major advances have been made in the corporate ambition to achieve **carbon neutrality for direct emissions by 2045** through a plan applied across the board to the company's 76 plants. Progress has also been made in calculating scope 3, which involves the entire supply chain and product life cycle.

 **2045**  
Carbon neutrality ambition

## Energy



### New photovoltaic panels in plants

In 2022, **nearly 10,000 photovoltaic panels** were installed in various group plants, allowing it to double its capacity for self-generated electrical power from a renewable source. Most notably, new installations were set up in Burgos (Spain), Cantanhede (Portugal) and Suzhou (China), among others.

 **21,800**  
photovoltaic panels in operation

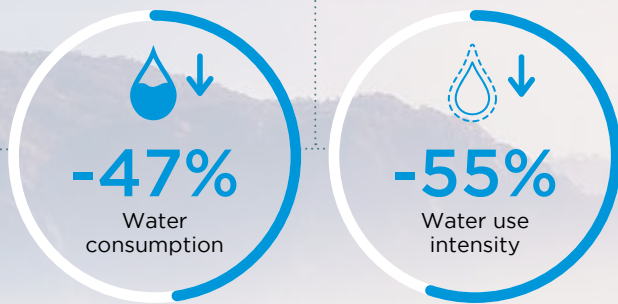
## Pilot programs to analyze the water cycle

In 2022, the ceramics plants in Settat (Morocco) and Burgos (Spain), as well as the faucets plants in Eskisehir (Türkiye) and Cantanhede (Portugal) have developed pilot programs to analyze the water cycle and thus identify good practice and aspects that can be improved.

## Reduction of plastics in packaging

The creation of a team specialized in packaging has made it possible to **reduce the use of shrink wrap and plastic components inside packaging**. In addition, the group's supplier in Spain and Portugal is reintroducing plastic waste produced at the plants in a completely circular process. The success of this good practice has led to plans for worldwide implementation.

## Water



## Waste



# 74%

Waste introduced into production processes

## Industrial waste reduction programs

Roca Group made a special effort to **optimize production processes and thus minimize waste generation and encourage reuse**, whether at its own plants or at partner firms. A good example is the reuse of waste from ceramics manufacturing, which is reintroduced into the production process itself as raw material or allocated to the production of other materials in outside companies, such as cement for construction.





## PEOPLE

The group endeavors to ensure a working environment of utmost quality and efficiency for its 21,000+ employees worldwide.

Roca Group continued to make progress in 2022 in implementing tools and resources to develop talent in areas such as training, internal communication and professional career management for team members. For this, it uses a corporate culture model based on the principles of diversity, equality, inclusivity and meritocracy.

### DIRECT IMPACT



### INDIRECT IMPACT



# Training program specialization

ROCA GROUP  
Corporate University

Training is a primary focus of the talent development model used to ensure updated knowledge and team capacities in an ever-changing environment. The Roca Group Corporate University (RGCU), a unit that coordinates all training activities, developed various initiatives in 2022:

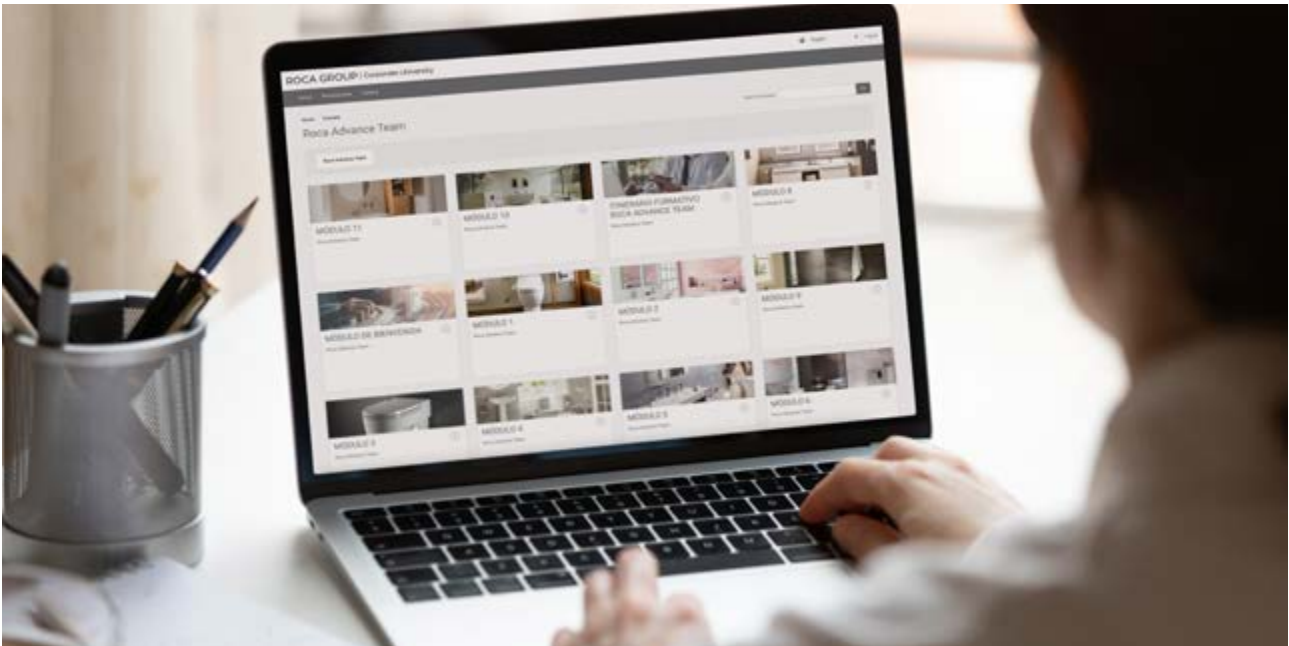
- **Design of its new technological platform**, with the dual purpose to standardize corporate programs and enhance the visibility of local programs to establish potential synergies.
- **Selection of local coordinators**, to ensure training options that meet the team's real needs.
- **Consolidation of specialized training units:** Sales Academy, Manufacturing Academy and a new language learning platform.



132,709  
training hours



8.8/10  
average level of satisfaction





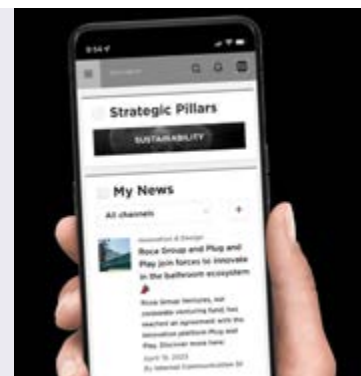
# Diversity, equality and inclusivity

Roca Group has employees representing more than 80 nationalities and includes professionals from widely differing cultures and customs. This highly diverse team is brought together through the principles laid down in the Code of Ethics and the Corporate Regulations. Based on these principles, in 2022 the group developed a new Diversity, Equality and Inclusivity Policy that continues to build a work culture that fosters respect, inclusion and collaboration. In addition to creating a more positive environment, these values also improve the capacity to innovate and maintain competitiveness.



## New internal communication channel

In 2022, Roca Group launched a new internal communication app that will become the main channel for information and documentation aimed at all company employees. The app posts corporate and local news items and provides access to group policies and documents, including practical services.



# Roca Group Way, a new talent management model

The purpose of the new model, designed in 2022, is to ensure the development of all professionals, based on their potential and best contributions to company growth.



## Talent



Identification of professionals who will contribute to the future success of the organization.

Evaluation of “what” and “how” to act for continuous improvement and professional development.



## Performance

## Development



Acquisition of skills and know-how for professional growth.

## A resilient team to overcome the effects of a natural disaster



On 28 May 2022, Roca Group's production plant in Recife (Brazil) experienced severe flooding as a result of a torrential downpour affecting the city. Since the day of the incident, which made most of the facilities unusable, the entire team at the plant was mobilized to attempt activity resumption as soon as possible and avoid affecting delivery commitments to clients. The involvement of each and every one of the remaining production units in the country made complete recovery of the plant possible within only 35 days. In this case, multidisciplinary teams were created to handle sector and equipment cleaning, organization and review.

The plant's recovery experience was narrated in a video posted on social media as a great example of teamwork and commitment to the company.

## Roca Group in India renewed its Great Place to Work certificate

For the second consecutive year, the group's subsidiary in India was certified as a Great Place to Work, in recognition of its high-quality working environment. The new certificate is in effect until January 2024, following a successful review in 2022. The results reflect the high level of employee satisfaction in the five values defined by Great Place to Work to identify the best corporate cultures: credibility, respect, fairness, pride and camaraderie.





# WE ARE WATER FOUNDATION

In 2022, the We Are Water Foundation undertook further development of projects and activities aimed at improving water and sanitation access.

The coronavirus pandemic, the war in Ukraine and natural catastrophes have once again shown the value of hygiene for people's quality of life. The Foundation has developed its emergency responsiveness through collaborations with nonprofit organizations, while also holding awareness activities and participating in landmark international events on climate change and its effects.



**WeAreWater**  
Foundation

## Cooperation projects

Emergency aid for Ukrainian war refugees and work on infrastructure to help improve hygiene in the planet's most disadvantaged areas have been the focus of the We Are Water Foundation's efforts in 2022. This is done with a view to improving communities' quality of life and contributing to their economic and social development by improving access to water and adequate sanitation facilities.

Projects performed (2011-2022)



**85**  
projects



**33**  
countries



**3,664,501**  
beneficiaries

**International cooperation** The We Are Water Foundation works closely with highly prestigious international nongovernmental organizations with an in-depth understanding of the needs of each community. World Vision, UNICEF and Acción Contra el Hambre collaborated on projects undertaken in 2022.



Projects carried out in 2022 focused on four main areas of activity: support to Ukrainian war refugees, development of the rural environment, water, sanitation and hygiene in schools, and women's empowerment.



### Support to war refugees

Projects with UNICEF and World Vision to help victims remaining in Ukraine as well as refugees in Romania and Moldova. These projects will continue until the end of the conflict.

### Support to rural environments

Follow-up of reservoirs constructed together with Fundación Vicente Ferrer in India, completion of a project providing water access to Honduran farmers (El Paraíso) and activity in Madagascar to improve the availability of sustainable drinking water facilities.



### Water and sanitation in schools

Projects in schools continue to be a primary focus of the Foundation's activities. The year 2022 saw the construction of a well in one of the poorest areas of Zimbabwe and the installation of gender-separated bathrooms in three schools in Indonesia.

### Women's empowerment

Women are the group most adversely affected by the lack of access to water and sanitation, despite being the main force against poverty. The Foundation has started a project in Malawi to address menstrual hygiene and education.



# Participation at COP27, landmark event on climate change

In November 2022, Sharm El-Sheikh (Egypt) hosted a new edition of the annual United Nations Climate Change Conference (COP27). Held under the motto “Together For Implementation,” the summit focused on the need for action and ended with the agreement to create a Loss and Damage Fund. The aim of the agreement is to help developing countries, which are the most vulnerable to the adverse effects of climate change.



Water was one of the broad-sweeping themes of debate, and the We Are Water Foundation was present as a world-renowned area specialist on the issue. Most notably, it participated in a round table on the link between decarbonization and water and in a debate on innovative cooperation strategies.



At COP27, the Foundation defended a cooperation model involving public agencies and business sectors.



# World Water Day and World Toilet Day

The Foundation's awareness work is yearlong but there are two milestone events, namely World Water Day (22 March) and World Toilet Day (19 November), when it addresses aspects related to water and sanitation on social media and other media outlets. For example, in 2022 it developed an awareness campaign on the importance of groundwater for community hygiene.



## “Aquanauts” starts up again

As coronavirus prevention restrictions have eased, workshops have resumed for the “Aquanauts” training program, which the Foundation offers to schools free of charge to help raise awareness among students about the problem of water. During the 2021-2022 school year, 41 activities were performed at 25 educational facilities in Barcelona and its metropolitan area, with the participation of nearly 900 students aged 8 to 16 years.



# FINANCIAL REPORTS

Flexibility, adaptability and excellence to maintain sustainable growth.

Despite the complexity of the macroeconomic environment, characterized by increased energy costs and inflationary pressures, the group continues to see the growth trend recovered in 2021, as a result of the pursuit of excellence in all processes, the implementation of a flexible approach to business, and the application of cost control and cost-cutting policies.



PLANET

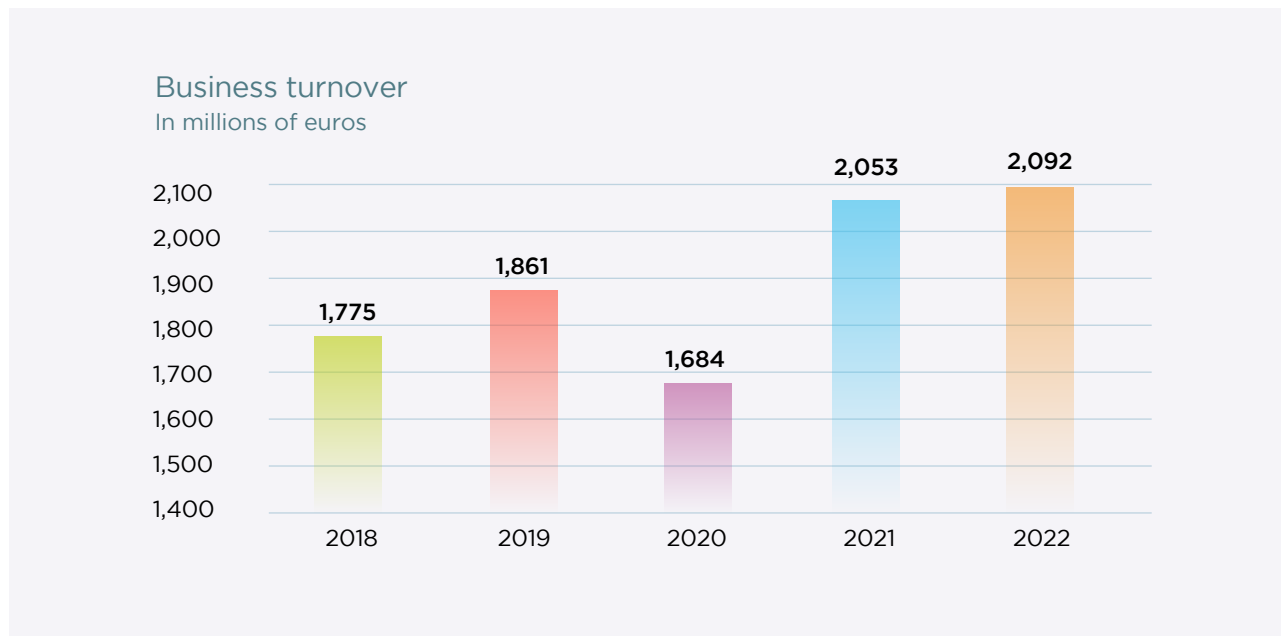
# Key figures

The world economy in 2022 felt the impact of the war in Ukraine and its effects on the costs of energy and various raw materials. The consequences of the conflict were added to supply-demand imbalances caused by the pandemic, made more acute by inflationary pressures in major markets. Global GDP growth for 2022 was ultimately 3.4%, noticeably lower than the level expected at the beginning of the year.

## Turnover

The net turnover of Roca Group in 2022 was 2,092 million euros, an increase of 1.9% over 2021. Consequently, the group had its best P&L in its history for the second year in a row, a result that would have been even higher if not for the divestiture of Russia.

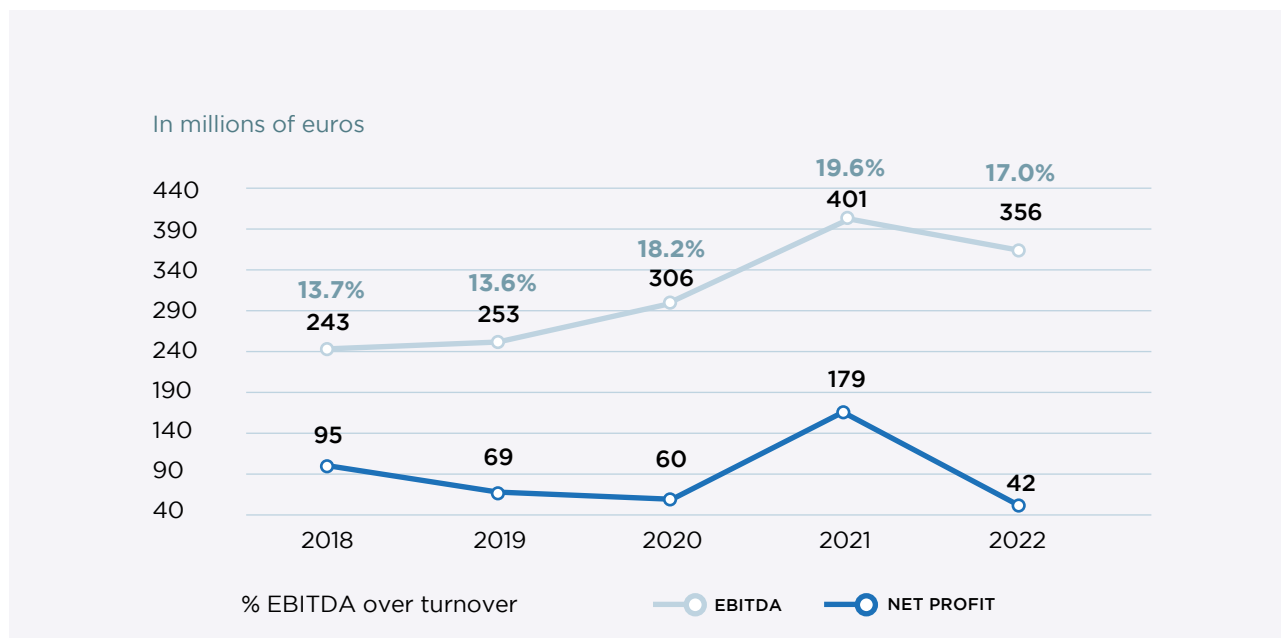
Sales in Spain, the group's main market, have maintained the pace of growth recovered in 2021 after the extraordinary effects of the lockdown in 2020. Except for that period, Spain has had sustained growth since 2014. Significant increases were achieved in the other major markets, with Brazil, India and China boosting their contributions to the group's consolidated results, due to upward trends in internal sales and the positive impact of exchange rates.



## Results

Consolidated EBITDA, which reflects earnings before financial results, corporate taxes, depreciation and amortization was 356 million euros, accounting for 17% of business turnover. The net consolidated result for the year attributed to the group reflects a profit of 42 million euros, also adversely affected by the divestiture of Russia. Additionally, the operating result was 197 million euros, compared with 245 million euros in 2021.

Over the course of the year, the group has faced a sharp increase in energy costs in Europe, high levels of inflation around the world and a rapid deterioration in the global macroeconomic situation with appreciable drops in demand. The results achieved are attributable to the pursuit of excellence in all processes, the implementation of a business approach that is both flexible and adaptable to the local preferences of customers, and the application of production cost control policies.



## Current investments

The total amount of investments in tangible assets and intangible fixed assets was 135 million euros, compared with an investment of 124 million euros in 2021. The main investments have been allocated to new projects to enlarge and improve productive capacity at sanitaryware plants in Brazil and India, resin shower tray and composite bathtub facilities in Poland and expansion of the furniture business in Spain and Poland. Numerous ordinary investments were also made to ensure adequate development of production facilities, in accordance with the highest standards on safety, environmental protection and efficient use of resources.

## Financial structure

Net worth has risen to 1,707 million euros, a reflection on the group's financial soundness, which bases its growth on self-funding through the reinvestment of profits. Net financial debt at the end of 2022 was 154 million euros, whereas unused credit lines totaled 374 million euros.

On 23 June 2021, the group renewed the long-term syndicated loan, which was set to mature on 31 July 2023. This agreement was first signed on 30 April 2009 and was renewed early on 29 December 2014 and 3 August 2017. The group has comfortably met the financial obligations set out in this agreement.

In millions of euros

TOTAL NET EQUITY	<b>1,305</b>	<b>1,402</b>	<b>1,289</b>	<b>1,552</b>	<b>1,707</b>
CURRENT INVESTMENTS	<b>153</b>	<b>154</b>	<b>106</b>	<b>124</b>	<b>135</b>
NET FINANCIAL POSITION	<b>(378)</b>	<b>(365)</b>	<b>(194)</b>	<b>(117)</b>	<b>(154)</b>
	2018	2019	2020	2021	2022

The net financial position shows the balances at the end of each financial year for short-term financial investments, cash and other liquid assets, minus short-term and long-term debts with banks.

# Consolidated profit-and-loss account for the financial year

<b>INCOME (EXPENSES)</b>	<b>2022</b>	<b>2021</b>
<b>NET SALES</b>	<b>2,091,865</b>	<b>2,052,702</b>
Purchase of materials, trade goods and services	(850,407)	(805,467)
Personnel costs	(534,540)	(507,854)
Depreciation	(136,977)	(138,374)
Work carried out by the group for noncurrent assets	25,262	21,926
Other operating expenses and income	(398,611)	(377,455)
<b>OPERATING RESULT</b>	<b>196,592</b>	<b>245,479</b>
<b>FINANCIAL RESULTS</b>	<b>(35,105)</b>	<b>(14,552)</b>
Result from companies consolidated by equity method	(1,709)	(519)
<b>CONSOLIDATED RESULT BEFORE TAXES</b>	<b>159,778</b>	<b>230,408</b>
Income tax expenses	(54,315)	(52,206)
<b>CONSOLIDATED RESULT FOR CONTINUED ACTIVITIES</b>	<b>105,463</b>	<b>178,202</b>
<b>CONSOLIDATED RESULT FOR DISCONTINUED ACTIVITIES</b>	<b>(65,429)</b>	<b>-----</b>
<b>CONSOLIDATED RESULT FOR THE YEAR</b>	<b>40,034</b>	<b>178,202</b>
Net profit attributable to the parent company*	41,564	178,749
Net profit attributable to noncontrolling interests	(1,530)	(547)

in thousands of €

\* Includes the negative accounting result of the divestiture of operations in Russia.

# Consolidated balance sheet at 31 December

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
<b>NONCURRENT ASSETS</b>		
Goodwill	289,910	304,698
Other intangible assets	205,286	226,589
Rights of use of assets	75,824	85,863
Property, plant and equipment	718,340	758,656
Property investment	7,666	10,127
Investment in associates	25,059	29,378
Noncurrent financial assets	12,932	6,397
Other noncurrent assets	5,176	4,697
Deferred income tax assets	82,183	95,843
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,422,375</b>	<b>1,522,246</b>
<b>CURRENT ASSETS</b>		
Noncurrent assets held for sale	197,957	-
Inventories	519,346	463,899
Trade accounts receivable and other debtors	331,869	319,812
Other current financial assets	29,155	50,501
Income tax prepayments	13,103	17,397
Other current assets	39,650	43,053
Cash and cash equivalents	119,431	148,769
<b>TOTAL CURRENT ASSETS</b>	<b>1,250,510</b>	<b>1,043,431</b>
<b>TOTAL ASSETS</b>	<b>2,672,885</b>	<b>2,565,677</b>

in thousands of €



LIABILITIES	2022	2021
<b>TOTAL EQUITY</b>		
Share capital	152,623	152,624
Share premium	409,564	409,564
Reserves	1,255,610	1,053,829
Net profit attributable to the parent company	41,564	178,749
Prepaid dividend	(28,998)	(25,899)
Foreign currency translation differences	(141,549)	(237,238)
<b>EQUITY ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>1,688,814</b>	<b>1,531,628</b>
Noncontrolling interests	17,800	19,926
<b>TOTAL EQUITY</b>	<b>1,706,614</b>	<b>1,551,554</b>
<b>NONCURRENT LIABILITIES</b>		
Capital grants	2,262	2,751
Provisions	24,672	25,010
Noncurrent bank financial liabilities	268,377	294,771
Other noncurrent financial liabilities	78,540	96,483
Deferred tax liabilities	53,788	56,394
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>427,639</b>	<b>475,408</b>
<b>CURRENT LIABILITIES</b>		
Liabilities associated with noncurrent assets held for sale	31,168	-
Provisions	18,763	17,104
Current bank financial liabilities	32,224	15,037
Other current financial liabilities	35,100	37,162
Trade accounts payable and other creditors	370,145	411,947
Income tax payable	5,543	18,924
Other current liabilities	45,690	38,542
<b>TOTAL CURRENT LIABILITIES</b>	<b>538,632</b>	<b>538,715</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,672,885</b>	<b>2,565,677</b>

in thousands of €

### **JUNE 2023**

Avda. Diagonal 513, 08029 Barcelona

In 2022, the group prepared the fifth edition of its Nonfinancial Information Disclosure (NID), for the purpose of complying with the provisions of the Commerce Code, Law 11/2018 of 28 December 2018, and other legal regulations, and for the purpose of reporting on issues related to environmental protection, social responsibility, treatment of employees, human rights, anti-corruption and bribery, as well as in relation to society and those relevant for the company in the execution of its business activities.



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ROCA GROUP