

ROCA GROUP

INTEGRATED ANNUAL REPORT 2023



PEOPLE
PLANET
PROSPERITY

For the first time, Roca Group is presenting the last financial year's activity in an integrated report format. This document describes the group's main performance milestones in 2023, structured around the three areas defining its commitment to creating a positive impact: People, Planet and Prosperity.

Along with the key financial indicators for the year, the integrated report provides details on the pillars of our commitment to sustainable development and also includes several pages chronicling the activity of the Roca Group Corporate University and the initiatives of We Are Water Foundation, endorsed by Roca Group.

INTEGRATED ANNUAL REPORT 2023

PEOPLE

PLANET

PROSPERITY

ROCA GROUP



4

INTRODUCTION

8

ROCA GROUP
AROUND THE WORLD

SUMMARY

6

2023
IN SUMMARY

10

TRIPLE IMPACT

PEOPLE

Quality of employment
Commitment to society
Human rights

16

18
24
30



PLANET

Decarbonization
Circularity
Products

32

34
40
44



PROSPERITY

Sustainable growth
Supply chain
Business ethics

48

50
56
58



INTRODUCTION

The year 2023 has once again confirmed we live in a historical era of unpredictability. Changes occur due to global political and socioeconomic instability, technological advances, climate change and demographic trends.

In this challenging context, our expansion as a global company continues to be in line with our dedication to leadership and sustainable growth. We remain steadfast in our long-term corporate strategy, honoring the entrepreneurial and independent spirit that characterize our family company, a perspective that has allowed us to overcome multiple adversities.

A commitment to sustainable development has guided Roca Group's progress for more than 105 years, and in 2023 we achieved significant new milestones in our aim to create positive impact in three broad areas: People, Planet and Prosperity.

People

We continue to implement policies and allocate resources to ensure a diverse and high-quality work environment for the nearly 20,000 people who make up our team. We have restructured Roca Group Corporate University, updated our Code of Ethics and implemented our Diversity, Equality and Inclusivity Policy to promote a collaborative work model and a stable workplace atmosphere built on the highest standards in safety and health.

We continue to facilitate dialogue with our various stakeholders through spaces open to society all over the world, for instance, at the new Roca São Paulo Gallery. In addition, we are meeting hygiene and sanitation needs in emergency areas and disadvantaged communities through the social and environmental activism of the We Are Water Foundation, with growing impact year after year as it shares know-how and raises awareness on the culture of water.

Planet

Our commitment to the Planet is perfectly exemplified in the commissioning of the world's first electric kiln for the production of ceramic sanitaryware. This initiative offers the ceramic industry the possibility of emission-free production, thus taking the lead in the decarbonization of industries traditionally requiring heavy fossil fuel usage. This project marks another significant milestone in our decarbonization plan and moves us closer to our ambition to reach net-zero emissions by 2045. In 2023, we are proud to have already reduced our scope 1 and 2 emissions by 50% in the past five years.

Consistent with the same spirit of leadership in the sustainable transition of our industry, we have implemented our circularity and water neutrality roadmaps, setting up initiatives around the world and defining ambitious goals with various time horizons.

Prosperity

In 2023, the number of new construction projects have continued to drop, held back by high interest rates. This circumstance, along with changes in users' behavior patterns, has continued to weaken refurbishment demand in residential homes. In this context, further impacted by inflationary pressures and the resulting decrease in retail margins, we

achieved a turnover of 2,057 million euros, an EBITDA of 15.5% and net profits of 27 million. Concurrently, we have increased the volume of our current investments to 153 million euros, in order to continue to meet future challenges decisively.

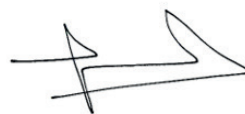
This year, we have welcomed the teams at Madeli (bathroom furniture), Clark (bathtubs and shower trays) and Alape (premium washbasins in steel), acquisitions that have enriched our know-how and technology in their respective categories, strengthening our Competence Center model. The Roca Group Ventures platform continues to foster collaborations and investments with start-ups that drive innovation and progress in the industry.

The Board of Directors would like to express our appreciation for the effort, engagement and commitment shown by Roca Group's 19,768 workers and for the trust shown by our customers, suppliers, shareholders and other stakeholders. Each and every one is essential to our model, characterized by corporate values that have been redefined this year.

We are building the future together. We are entrepreneurs. We are committed to people and we work as a single team that grows through its diversity. Because the impact of Roca Group is the sum of each and every one of our actions. Together we make the difference. Together, we are Roca Group.

SANTIAGO DE GOMAR ROCA

Chairman



ROCA GROUP IN 2023



PEOPLE



+19,700

people of more than **80** nationalities, fostering diversity, equality and inclusivity



90%

workers with an indefinite contract



1.5M€

in donations to improve access to water and sanitation

3.7M

beneficiaries

WeAreWater
Foundation



8.8/10

average satisfaction with training courses

Member of the Tent Partnership for Refugees, a global business network connecting refugees to jobs



+243,000

training hours
ROCA GROUP
Corporate University

↓50%

waste generated,
compared with 2018

SUSTAINABLE
INNOVATION
through our brands
and products



PLANET

↓50%

CO₂e emissions,
compared with 2018



WORLD'S FIRST
ELECTRIC TUNNEL
KILN IN OPERATION

- + Water neutrality roadmap
- + Circularity roadmap



↓57%

energy intensity,
compared with
2018

+31,500

photovoltaic panels
in operation



PROSPERITY



+105

years of history

25M€

in investments committed
to start-ups through



FAMILY BUSINESS



TOP 3%
of companies
globally, as rated
by EcoVadis for
sustainability
performance



170

markets

79 plants in
21 countries on
5 continents

2,057M€

in turnover

ROCA GROUP AROUND THE WORLD

+170



COUNTRIES WITH
COMMERCIAL PRESENCE

79



INDUSTRIAL
PLANTS

14



DIALOGUE SPACES

● **Roca Gallery**

▲ **LAUFEN**
space

SPAIN

Gavà-Viladecans / Ceramics, faucets, bathroom furniture and accessories
Quart de Poblet I y II / Bathroom furniture
Cortes / Steel
Burgos / Ceramics
Alcalá de Henares / Cast iron
Barcelona / Roca Gallery ●
Madrid / Roca Gallery ●
LAUFEN Space ▲

PORTUGAL

Agueda / Steel
Anadia / Ceramics, shower screens and accessories
Cantanhede / Faucets
Leiria I and II / Ceramics
Lisboa / Roca Gallery ●

UNITED STATES

Waco / Acrylics
Miami / LAUFEN Space ▲

MEXICO

Monterrey / Ceramics
Puebla / Ceramics

BRAZIL

Ceará / Ceramics
Vitória de Santo Antão / Faucets
Recife / Ceramics
Serra / Ceramics
Santa Lúzia I and II / Ceramics
Jundiaí / Ceramics, bathroom furniture and plastic products
● São Paulo / Roca Gallery

ARGENTINA
Lanús / Ceramics, faucets and acrylics

GERMANY

Goslar / Steel
Wittenberg / Installation systems
Eisenberg / Installation systems
Rödental / Installation systems
▲ Berlin / LAUFEN Space

POLAND

Sztum I and II / Bathroom furniture
Gryfice I and II / Acrylics and composites
Gliwice / Ceramics

UNITED KINGDOM

● London / Roca Gallery

SWITZERLAND

Laufen / Ceramics and faucets
▲ LAUFEN Forum

AUSTRIA

Gmunden / Ceramics
▲ Vienna / LAUFEN Space

CZECH REPUBLIC

Znojmo / Ceramics, faucets and bathroom furniture
Bechyne / Ceramics
▲ Prague / LAUFEN Space

TÜRKIYE

Eskisehir / Faucets

BULGARIA

Kaspichan / Ceramics and acrylics

ITALY

▲ Milan / LAUFEN Space

CHINA

Jiangmen / Bathroom furniture
Tangshan / Ceramics
Suzhou / Acrylics, faucets, shower screens and smart toilets
Foshan (Nanhai) / Ceramics
Foshan / Ceramics
Foshan (Shunde) / Accessories
● Beijing / Roca Gallery
● Shanghai / Roca Gallery

TAIWAN

Taichung / Smart toilets

INDONESIA

Jakarta / Ceramics

MALAYSIA

Batang Barjantai / Ceramics

MOROCCO

Settat I and II / Ceramics

EGYPT

Al Mansura I and II / Ceramics
6th of October / Ceramics, faucets and acrylics

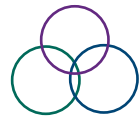
INDIA

Perundurai / Ceramics
Bhiwadi / Faucets
Alwar / Ceramics
Chennai I and II / Plastic products
Pantnagar / Plastic products
Dewas / Ceramics
Ranipet / Ceramics

AUSTRALIA

Melbourne / Composites





TRIPLE IMPACT

Roca Group's Mission and Vision establish an approach based on creating shared value with the aim of producing a threefold positive impact in economic, social, and environmental terms.





The group’s corporate purpose seeks to create positive impact in three broad areas:



People



Planet



Prosperity



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 lists the six SDGs directly impacted by the organization’s activity.





People

QUALITY OF EMPLOYMENT



Commitment to ensuring a fair, safe and healthy work environment for all group professionals and fostering their development through corporate university activities.



Planet

DECARBONIZATION



Global decarbonization plan to achieve net-zero carbon emissions by 2045, with the involvement of all group operations around the world.



Prosperity

SUSTAINABLE GROWTH



Growth based on profit reinvestment, along with tools and processes development to ensure maximum operational efficiency and productivity.

COMMITMENT TO SOCIETY



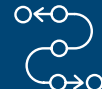
Contribution to improve people's quality of life through We Are Water Foundation initiatives, ESG collaborations and dialogue spaces open to communities.

CIRCULARITY



Implementation of a roadmap intended to tackle the challenges of the circular economy, thus guiding the company in its transformation in the approach taken to design, manufacture and distribute its products.

SUPPLY CHAIN



Application of environmental and social sustainability criteria to the entire value chain with special focus on homologations and collaboration with suppliers.

HUMAN RIGHTS



Due diligence rules and procedures to ensure compliance with human and labor rights throughout the entire value chain.

PRODUCTS



Design and manufacture of products that meet the needs of people, based on the principles of water and energy efficiency, innovation and quality.

BUSINESS ETHICS



Governance and compliance model aligned with corporate values and development of the resources needed to ensure knowledge and adherence to these values.

Sustainability Policy

Roca Group’s Sustainability Policy defines the general principles governing the group’s sustainable development strategy, thus ensuring that all corporate activities and businesses are undertaken while fostering the sustainable creation of shared value.

This policy applies to all group sites, all workers regardless of their contractual relationship or functions and all companies operating at any of its facilities. Roca Group’s Sustainability Policy is based on the three general principles underpinning the company’s commitment to sustainable growth and responsible business practices:

- Creation of long-term shared value
- Integrity, responsibility and compliance
- Transparency, cooperation and reporting



The Sustainability Policy ensures that all corporate activities and businesses are undertaken while promoting the creation of sustainable shared value.

Whole-of-group involvement

The development of the corporate sustainability strategy involves all group departments and is coordinated by the Sustainability Committee, composed of managers from the business and functional areas that are most relevant for sustainable development. Committee functions include workstream validation and monitoring the implementation of strategic projects.

Identification of material topics

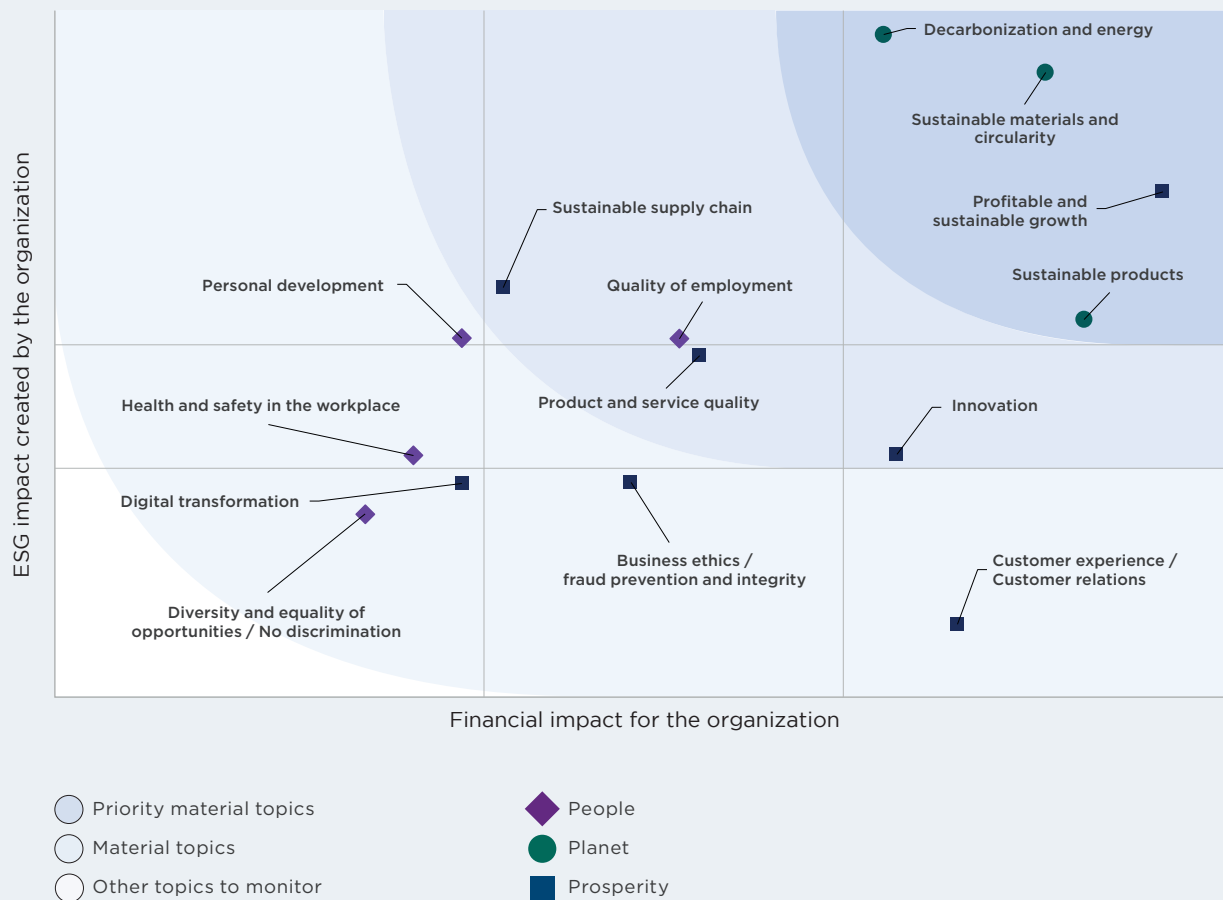
Roca Group's sustainability strategy is developed on the basis of material topics identified in the double materiality assessment.

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.

Material topics

	Decarbonization and energy
	Sustainable materials and circularity
	Sustainable products
	Profitable and sustainable growth
	Quality of employment
	Sustainable supply chain
	Product and service quality
	Innovation







PEOPLE

Present in multiple countries and cultures, Roca Group works to improve people's quality of life, both inside and outside the organization.



QUALITY OF
EMPLOYMENT



COMMITMENT
TO SOCIETY



HUMAN
RIGHTS



DIRECT IMPACT



INDIRECT IMPACT





A diverse workforce in a high-quality work environment of excellence

One of the main pillars of Roca Group’s business strategy are people. The company fosters a quality work environment based on respect, diversity and personal and professional development.

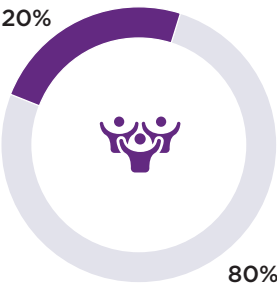
19,768
workforce

39
countries

+80
nationalities

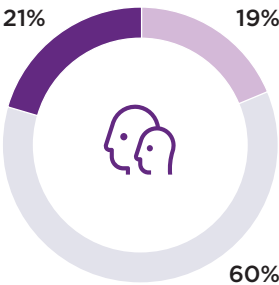
Workforce by gender

- Women
- Men



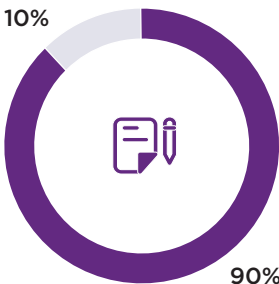
Workforce by age

- 18 to 29 years
- 30 to 50 years
- > 50 years

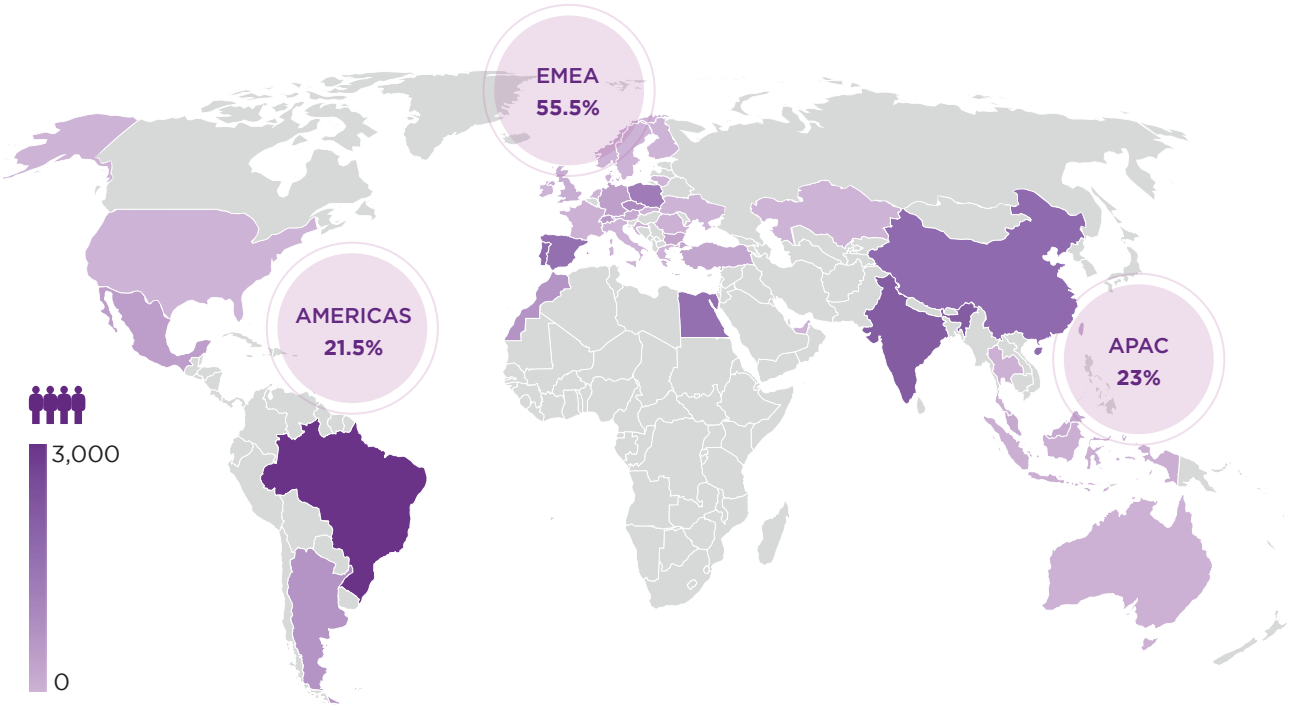


Workforce by contract type

- Permanent
- Temporary



Workforce by country



Work environment awards
in Brazil and India

The subsidiaries in Brazil and India, the two countries where the group employs more people, have received workplace atmosphere quality awards.

Lugares Incríveis para Trabalhar (Brazil), presented by the Fundação Instituto de Administração (FIA), following an evaluation that highlighted the leadership, job quality of life and ESG attributes.



Great Place to Work® (India), obtained for the third consecutive year for work environment quality.



ROCA GROUP Corporate University



New phase in global expansion of the Roca Group Corporate University

The Roca Group Corporate University (RGCU), the unit that coordinates all group training activities, has moved forward in 2023 with internationalization of its activity by implementing new learning platforms and developing local teams.

In 2023, the RGCU conducted an analysis of the training needs of the various international business areas, in order to develop a new learning strategy that would meet the challenges and opportunities identified. To enhance this approach, the training team has been expanded with new professionals in China, India, Switzerland, Spain and Brazil. Coordinated by the main RGCU unit in Barcelona, these teams have worked to identify the local training needs and develop synergies to share good practice.

Common training areas around the world:

- Professional and leadership skills
- IT tools
- Languages
- Human resources, sustainability, corporate affairs and general administration
- Production and sales



TRAINING ACTIVITY
IN 2023

1,956
training sessions

243,119
training hours received

8.8/10
average satisfaction
with training

64,383
training experiences

By combining highly flexible global platforms and adapting programs to local needs, we are able to meet RGCU's mission with even greater precision: professional development of the team, in alignment with the group's vision, values and culture.

ROCA GROUP

Corporate University

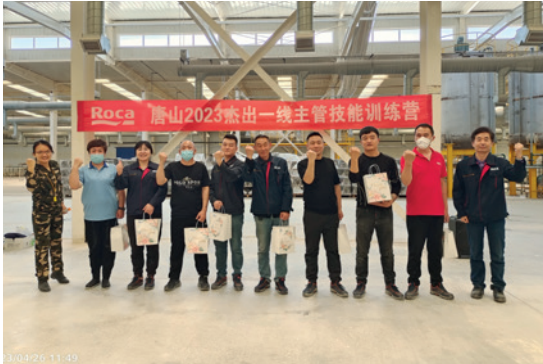
New online learning platforms

Totara: Launched in April 2023, Totara is a tool specially designed for large companies to allow synchronization with the human resources database. This integration offers important benefits for academic and professional development, for instance, by allowing the work team to receive training according to various parameters or by providing access to an overview of each professional's individual progress. Developed in 15 languages.



goFLUENT: New global solution for language learning, one of the priorities identified by the RGCU. By the end of 2023, the platform had nearly 1,500 active users who had completed more than 7,100 hours of training in 11 languages with 765 conversation classes. The platform features have been used to create an English-learning challenge that was rolled out at the head office, an initiative to be expanded to other business units in upcoming months.





International leadership programs

In 2023, several training programs focused on leadership training have been undertaken in countries that are strategic for the group:

TWI-Training Within Industry (China)

First systematic training project for production line managers with extensive in-house experience. Based on a role play methodology, the goals in this case are to develop mentorship skills, improve job performance, guide front-line staff and streamline trouble-shooting of incidents.

50 leaders

9.7/10 average overall satisfaction



Emerging Sales Leaders (India)

Program aimed at the junior sales team (more than one year of experience) in India, focused on developing key skills, know-how and experience in sales as well as anticipating new organizational challenges and roles and boosting internal networking and synergies. This program model, implemented with far-reaching results and impact, can be replicated in other markets as a resource to retain younger talent.

+30 participants

42 weeks

Learning Agility (Brasil)

Program developed in cooperation with the local ISAE business school and aimed at providing company leaders with training in self-awareness, mental and interpersonal agility, a capacity to adapt to change and results orientation. This novelty is part of Roca's commitment to lifelong learning and advances in digital transformation in Brazil.

31 participants

9.5/10 average overall satisfaction



We Are Water: water, sanitation and climate change

The relationship between water, sanitation and climate change has characterized the awareness message of the We Are Water Foundation in 2023. In addition to participating in aid projects among disadvantaged communities, the Foundation also inaugurated a new site in Brazil to help improve the situation in the country more directly.

PROJECTS PERFORMED (2010-2023)

96
projects

38
countries

3,708,236
beneficiaries

International cooperation: The We Are Water Foundation works closely with highly prestigious international nongovernmental organizations that have an in-depth understanding of the needs of each community. The following organizations have collaborated in projects undertaken in 2023:





Emergency action due to the earthquake in Türkiye

The Foundation mobilized a special aid plan after the February earthquake in Türkiye. Activities consisted of distributing hygiene kits for babies, clothes and dishwashing, rubbish collection, menstrual hygiene, personal hygiene and dental care, benefiting more than 900 families in the area of Gaziantep.



In 2023, Foundation activity has reached new countries, such as Madagascar, Sierra Leone, Malawi and Madagascar.

Recovery of water bodies impacted by the drought

Recovery of aquifers, ponds and streams impacted by drought is essential for the survival of communities around the world. In Tanzania, Mexico, Ivory Coast and India, the Foundation carries out projects that allow inhabitants in rural areas to learn how to manage their water bodies. These actions are also empowering for women, who no longer have to walk long distances to collect water and can start to actively manage their own water supply facilities and strategies.

Cooperation projects

Water, sanitation and hygiene to improve school attendance

One of the main areas of action of Foundation projects is the adaptation of sanitation facilities in schools and fostering hygiene among students. Along with ongoing work in communities in India, new projects were carried out in Madagascar, Sierra Leone, Malawi and one of the refugee settlements in Uganda.





Awareness activities

Along with direct aid to disadvantaged communities, the Foundation has continued working in 2023 on speaking out on the social and environmental impact of adequate water and sanitation management.

“Walkathon for Water” with Hilton Grand Vacations

As a continuation to the “Let’s make a deal” program, the Foundation developed new actions in cooperation with the Hilton Grand Vacations hotel group to raise awareness among all stakeholders about the importance of water conservation and to raise funds for cooperation projects. Several “Walkathons for Water” were organized in Tenerife and London in solidarity with these needs.



Participation at COP28 in Dubai

At the latest United Nations Climate Change Conference, the Foundation participated in the round table debate on “Climate Change, Water and Peace” regarding the importance of individual beliefs and values when fighting against the climate crisis. The Foundation was also present at the debate on “Innovation as a Lever for Decarbonization” held in the Spanish pavilion at COP28.





“Aquanauts” school workshops

In 2023, the Foundation continued to expand the “Aquanauts” initiatives for school children to learn and become aware of water-related problems by participating in educational workshops, discussion groups and meetings. In 2023, 68 workshops were held, with participation of 1,700 children and teenagers from 31 educational facilities in Barcelona and its metropolitan area.



New permanent site in Brazil

In 2023, the We Are Water Foundation opened a new permanent site in Brazil, a country that has historically had an alarming lack of access to drinking water despite having one fifth of the world's reserves. The site is located in the new Roca São Paulo Gallery and will allow more direct and intense collaboration with local organizations and institutions. This is the Foundation's second international site, after the one inaugurated in India in 2017.

Unique spaces for dialogue with society

In 2023, the group inaugurated the Roca São Paulo Gallery, the first Roca Gallery in Latin America. Along with the LAUFEN Spaces network, these facilities were created as unique spaces where the company can interact with its stakeholders.

Designed by Fernanda Marques, the new Roca São Paulo Gallery is well-fitted to the concept of the network of Roca Galleries and LAUFEN Spaces with their iconic spaces and projects by renowned designers and architects, offering a new relational model with society.

Along with an innovative concept on product exposition, the spaces are conceived to facilitate dialogue between architecture and design professionals with society. With this in mind, they hold regular exhibitions and host events on innovation and sustainability.



"Designing the Roca São Paulo Gallery gave me a chance to make my mark on a project that breaches the urban dimension, combining architecture, design, innovation and sustainability"

Fernanda Marques
Architect and designer





Roca Barcelona Gallery

The interior of the first Roca Gallery was also completely refurbished in 2023, outfitting it with new monitors and interactive spaces (virtual reality and 3D) and an area set aside for professionals.



LAUFEN Forum

The brand's iconic space in Laufen (Switzerland) has renovated its various areas and has just opened an interactive space devoted to showcasing the possibilities that connectivity offers for the bathroom space.

CODE OF ETHICS

ROCA GROUP

Respect for human rights

Since it was founded in 1917, Roca Group has conducted all its activity in keeping with the principles of integrity, honesty and respect toward its stakeholders. The group has a series of internal standards to ensure compliance with these principles by the entire workforce.

Promotion of the values of respect, inclusion and cooperation help to create a more positive work environment, thus improving the company's capacity to innovate and remain competitive.

Code of Ethics, an overall norm for group activity

Roca Group's Code of Ethics is used to guide its activity and is compulsory for all group employees regardless of any other orders or commands from superiors. When they join the company, all employees agree in writing to act in accordance with this code, which lays down the group's regulations in aspects such as respect for human rights, handling of confidential information, equality and nondiscrimination, or unfair practices and fraud, among others. In June 2023, a new version of the Code of Ethics was approved and circulated.

To ensure these principles, the document also describes how the Whistleblower Channel functions, where any poor practice or noncompliance with the Code of Ethics can be reported. Complaints are held in strict confidentiality and can be sent by any collective linked to the group (employees, business partners, suppliers and third parties).

In 2023, no cases of human rights infringement were identified within the scope of group activity.

DIVERSITY, EQUALITY & INCLUSIVITY (DEI) POLICY



ROCA GROUP

Diversity, equality and inclusivity

The group's corporate culture is based on respect for human rights and human dignity, with an express commitment to working to maintain a workplace environment free of any type of abuse, intimidation or offensive or improper conducts. These principles take on a differential value in a company, such as Roca Group, that includes employees from various cultures and customs.

Put in place in 2023, the Diversity, Equality and Inclusivity Policy acknowledges the unique experiences and perspectives brought by each employee and seeks to create a work culture that fosters respect, inclusion and cooperation. The aspects of diversity addressed by the policy include gender, ethnic origin, age and skills.

New commitment to labor insertion of refugees

Roca Group is one of the founding members of Tent Spain, a new coalition of more than 30 major companies that help refugees enter the Spanish job market by preparing them for employment and job opportunities. The purpose of the group is to broaden this commitment to connecting refugees with jobs in the rest of the countries where it conducts business.





PLANET

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



DECARBONIZATION



CIRCULARITY



PRODUCTS



DIRECT IMPACT



INDIRECT IMPACT



Decarbonization plan

Roca Group has made significant progress in its decarbonization plan in 2023, developing initiatives that put the company at the forefront of sustainable production in the industry.

To achieve the objectives set in the decarbonization plan, the group focuses its efforts on six initiatives

1

Governance system consolidation

Formalizing a robust project governance system in 79 plants to coordinate local development of the plan, monitor its compliance and identify opportunities for improvement.

2

Consumption measurement

Implementing the necessary digital equipment to measure industrial energy consumption.

3

Energy consumption optimization

Optimizing energy consumption in production processes via new installations and technologies.



Energy Management System (EMS)

Corporate EMS has begun to be implemented at eight pilot plants of the group. The aim of this system is to measure and monitor energy consumption with more detail and granularity, identifying new opportunities to improve and replicating best practices.




Heat recovery equipment

Installing equipment to allow reuse of 30% of kiln-generated heat for other processes, thus reducing consumption and contributing significantly to a reduction in emissions generated.

Electrical power from renewable sources

The plan for on-site green electrical power production led to the installation of 9,756 photovoltaic panels in 2023, enabling the generation of more than 5,700 MWh of renewable electrical energy per year. This brings the group total to more than 31,500 operational panels with an output of nearly 14 MWp at its plants. At present, Roca Group already has facilities that supply 100% certified renewable electricity in countries such as Spain, Portugal, Austria, Switzerland, Croatia, Germany, Argentina and Brazil.

 **31,500** photovoltaic panels in operation

 **50%** of electrical consumption from clean energy sources

4
Renewable energy use maximization

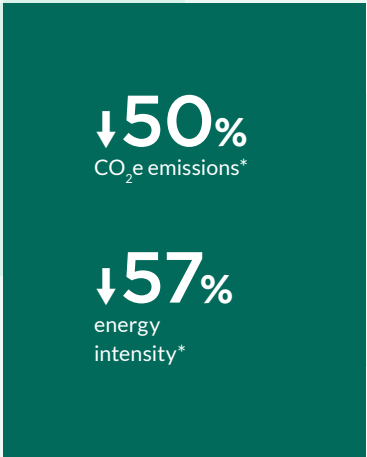
Maximizing the use of clean energy sources via self-production using photovoltaic systems, the purchase of green electricity and the use of the most sustainable alternatives for thermal processes.

5
Sustainable mobility promotion

Using sustainable vehicle fleets and offsetting emissions from business travel.

6
Supply chain engagement

Engaging suppliers to minimize scope 3 emissions.



* Reductions compared with 2018. Due to the variety of product types and production processes within the group, the energy intensity of its operations is calculated by dividing the total energy consumption by the net sales amount.

Emissions reduction objectives validated by SBTi

The emissions reduction objectives established in Roca Group's decarbonization plan were analyzed and validated by the Science Based Targets initiative (SBTi), a global leader in this area.

In particular, Roca Group is committed to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions 42% by 2030, from a 2021 base year. Additionally, the group also committed to reduce absolute scope 3 GHG emissions 25% within the same timeframe.

SBTi has certified that Roca Group's objectives are aligned with a 1.5°C trajectory above preindustrial levels. Climate science considers that is the target required to prevent the most devastating effects of climate change.

Science Based Targets is a joint initiative of CDP, the United Nations Global Compact, the World Resources Institute (WRI) and WWF that identifies and promotes innovative approaches to ambitious and significant corporate goal-setting for greenhouse gas reduction. By year end 2023, SBTi had validated the decarbonization objectives of more than 4,000 companies and financial institutions worldwide.



OBJECTIVES 2030*

↓42%
Scope 1 and 2
emissions

↓25%
Scope 3 emissions

* From a 2021 base year. The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Scope 1: direct emissions generated by operations and equipment owned by the company.
Scope 2: indirect emissions associated with the use of energy purchased by the company.
Scope 3: indirect emissions from the company's value chain activities.

Details on the group's energy consumption and emissions in 2023

Scope 1 and 2			Scope 3	
Natural gas	1,117,923 MWh	204,500 t CO ₂	Purchased goods and services	866,094 t CO ₂
Propane	109,397 MWh	23,423 t CO ₂	Capital goods	11,972 t CO ₂
LPG	23,668 MWh	5,077 t CO ₂	Fuel-and-energy-related activities	74,870 t CO ₂
Diesel	3,869 MWh	975 t CO ₂	Upstream transportation and distribution	119,781 t CO ₂
Gasoil	1,964 MWh	504 t CO ₂	Waste generated in operations	33,103 t CO ₂
Gasoline	42 MWh	10 t CO ₂	Business travel	4,451 t CO ₂
Butane	23 MWh	5 t CO ₂	Employee commuting	7,941 t CO ₂
Refrigerant gases	-	1,046 t CO ₂	Upstream leased assets	0 t CO ₂
Commercial fleet	-	4,446 t CO ₂	Downstream transportation and distribution	9,710 t CO ₂
Process emissions	-	7,499 t CO ₂	Processing of sold products	0 t CO ₂
Subtotal scope 1	1,256,886 MWh	247,485 t CO₂	Use of sold products	122,233 t CO ₂
Electricity	147,943 MWh	86,690 t CO ₂	End of life treatment of sold products	205,767 t CO ₂
Renewables	141,913 MWh	-	Downstream leased assets	0 t CO ₂
Subtotal scope 2	289,856 MWh	86,690 t CO₂	Franchises	0 t CO ₂
			Investments	20 t CO ₂
			Subtotal scope 3	1,455,943 t CO₂
Total Scope 1+2	1,546,742 MWh	334,175 t CO₂	Total scope 1+2+3	1,790,118 t CO₂

Roca Group consolidates its emissions inventory by using the operational control approach.

The emission factors used to calculate scope 1 are taken from DEFRA GHG Conversion Factors for Company Reporting.

Scope 2 emissions have been calculated according to the market-based methodology, using the guarantees of origin for operations with renewable energy available and the residual factor for each country for those that do not.

Scope 2 emissions calculation according to the location-based methodology would be 74,132 t CO₂eq when using the International Energy Agency (IEA 2023) average emission factors for electrical grids in each country.

Biogenic emissions derived from the use of biodiesel and biopetroleum fuels in our fleets during 2023 were 140 t CO₂eq.

Pioneers in emission-free ceramics production

Roca Group has commissioned the world's first electric tunnel kiln for the production of ceramic sanitaryware. This initiative has made the group the first company with a net-zero emissions production plant of ceramic sanitaryware in the world.

First electric tunnel kiln in the industry

Highly efficient and automated, this kiln represents a totally new alternative for a traditionally gas- and carbon-intensive industry.





Knock-on effect on the industry

Driving force for a sustainable ceramic industry, both in sanitaryware production and in other products, such as structural and technical ceramics and dishware.

European success story

Collaboration between Roca Group's headquarters in Spain, the plant in Austria and Keramischer OFENBAU in Germany.

Gmunden, the world's first ceramic sanitaryware plant with net-zero emissions in 2024

The group's plant in Gmunden, which already uses 100% renewable electric power, was chosen for the first electric kiln installation in view of its specialization in high-quality and late-generation production of ceramic pieces. The installation of this technology ensures that it will become the first ceramic sanitaryware production plant in the world with net-zero emissions.

Participation in Keramischer OFENBAU to lead the sustainable ceramic industry

The project was carried out through a pioneering collaboration with Keramischer OFENBAU, market leader in energy-efficient ceramic kilns. To advance together toward a sustainable ceramic industry, the group has acquired a majority share in the company through Roca Group Ventures, although both businesses will remain completely independent.

**Keramischer
OFENBAU**

Roadmap to promote circularity

Following a thorough analysis of its materials and processes, Roca Group has launched its Circularity Roadmap, a comprehensive action plan to tackle the challenges of the circular economy.

The Circularity Roadmap provides a path to steer the company as it transforms the way it designs, manufactures and distributes its products. The document describes the analysis of the situation, the identification of the main challenges and indicators and a timeline of actions, divided into five strategic areas.

Along with developing specific actions, the Circularity Roadmap highlights the importance of scaling good practices already being developed in relation to waste, energy, water and packaging to new markets or production plants. It also focuses on the need to boost actions involving suppliers even further.

OBJECTIVE

↓90%

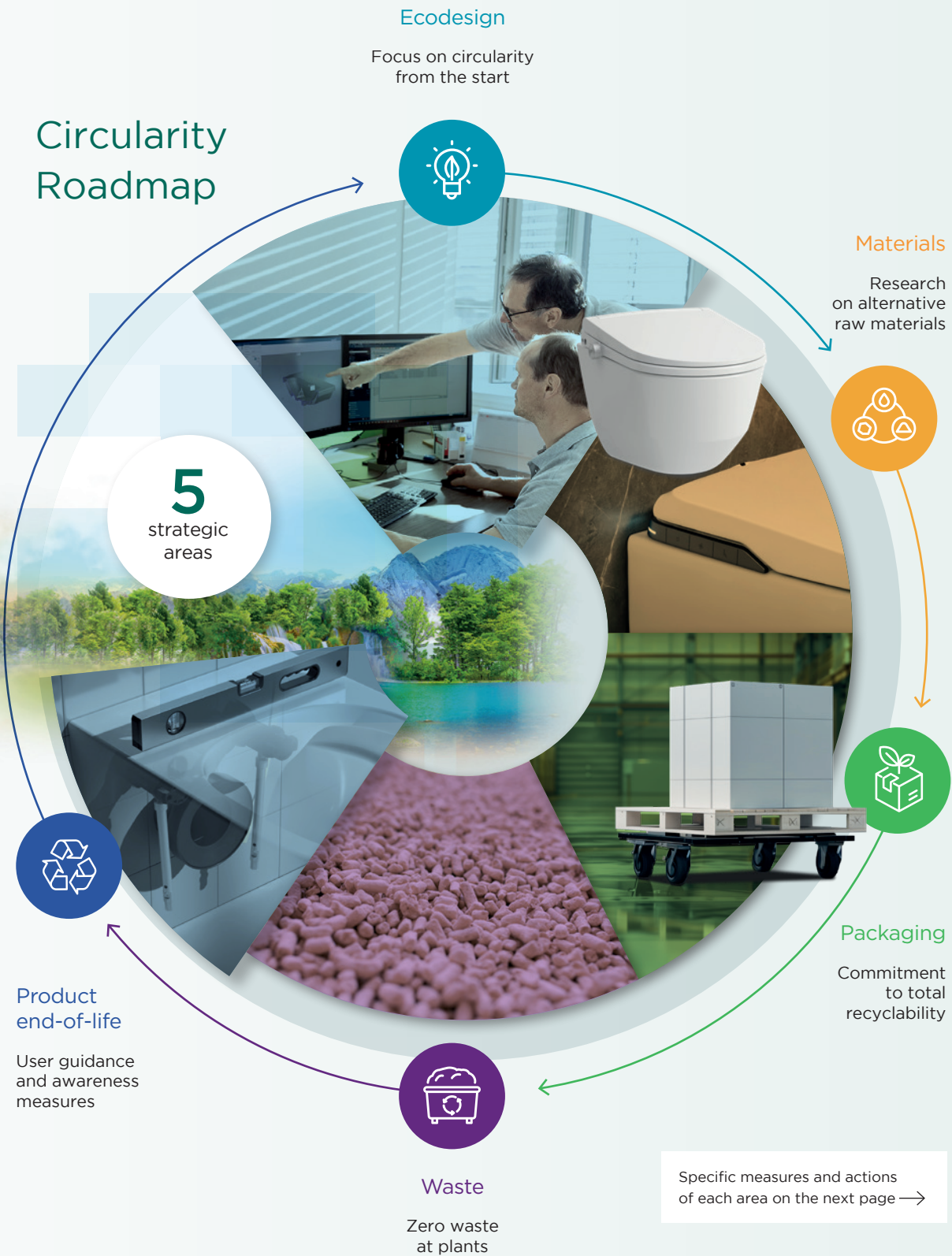
reduction in the impact of activities on scarce natural resources

IMPLEMENTATION PERIOD

2023-2030

Gradual compliance deadlines

Circularity Roadmap





Ecodesign

- Application of the “Cradle to Cradle” concept during the design phase to encourage the use of zero-waste recyclable or biodegradable materials.
- Use of durability, repairability and recyclability criteria in product conception.
- Other aspects: volume/weight reduction for greater energy efficiency in production and transport, or search for solutions that simplify end-of-life parts uninstallation, disassembly and recycling.



Materials

- Prioritization of the use of recycled and certified materials without affecting product quality and durability.
- Goal to increase the current percentages of recycled contents in bathtub steel (20%), faucet brass (30%), furniture agglomerate (74%) and packaging cardboard (65%).
- Inclusion of environmental criteria in homologation and selection processes of raw materials from suppliers.



Roca's Tura collection includes lids and trays made of recycled cork



Packaging

- Actions under development: reduction of single-use plastics, reuse of recycled wood from pallets or utilization of plant-sourced plastic waste to produce shrink wrap film.
- Elimination of polyethylene bags and protection from interior packaging materials to reduce single-use plastics in products by 80%.
- Standardization of single-ink printing on unbleached Kraft materials for simpler materials and printing processes.



FSC® chain-of-custody certificate for wood used to manufacture bathroom furniture (Horizon collection from Roca)



Waste

- Pilot initiatives in plants in Austria, Germany, Brazil or India to increase the current percentage of reuse of waste generated and to replicate good practices at other plants.
- Sustainable Ceramics Project to maximize the percentage of waste reintroduced into the ceramics production process itself.

158,663

metric tonnes of waste generated in 2023

↓50%
waste*

↓59%
waste intensity*

69%
of waste reused or recycled



Product end-of-life

- Promotion of repairs and distribution of common replacement parts.
- Retrieval of dismantled products for proper disassembly and recycling.
- Analysis of retrieval initiatives for products dismantled in Denmark and Brazil to be broadened to other regions.

Water Neutrality Roadmap

Roca Group is also developing a specific roadmap for water conservation, based on the 6R system (Reduce, Reuse, Recycle, Recover, Reclaim and Replace). The six principles of the plan were derived from an analysis of a pilot project undertaken in recent years at several group plants:

- Fresh water use reduction
- Process water quality management
- Loss minimization
- Wastewater management
- Circular economy
- Regulatory compliance

1,947,904

water consumption (m³) in 2023

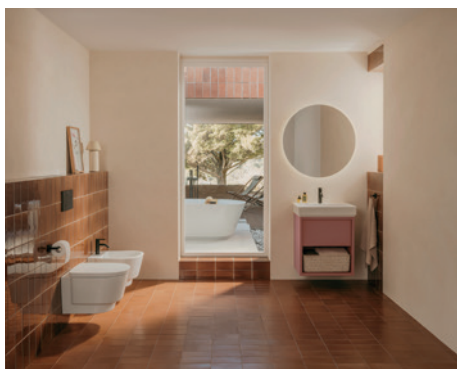
↓53%
water consumption*

↓59%
water use intensity*

* Compared with 2018. Due to the variety of product types and production processes within the group, intensity is calculated by dividing total volumes by the net sales amount.

ISH 2023, innovative solutions for new trends in the bathroom space

Roca and LAUFEN presented their latest proposals to outfit the bathroom space at ISH 2023, the world's leading trade fair for the industry, held every two years in Frankfurt.



Tura, inspired in architecture

Complete bathroom collection designed in collaboration with Andreu Carulla. These pieces are characterized by a robust and harmonious design that combines volumes and voids to create a game of lights and shadows.



Light of Mediterranean design

Inspired in Barcelona's great mid-20th century architects, the Roca stand reflects both the brand values and its industrial leadership and Mediterranean origins.

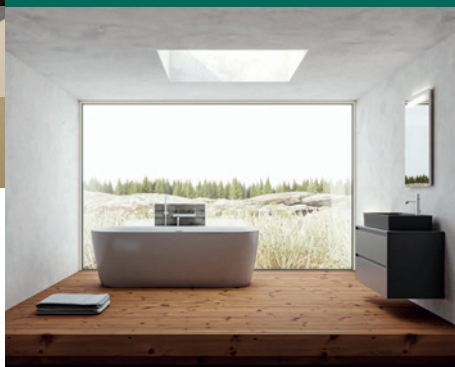
Nu, shape and color

Colorful faucet collection designed by Inma Bermúdez Studio, creating a unique blend of shapes and colors for utmost personalization of the bathroom space.



A new era of connectivity

The LAUFEN stand revealed how the brand views connectivity in the bathroom space: an interactive setting that brings together people, architecture and environment and contributes to well-being via an emotionally intelligent design.



MEDA, modular design

Complete bathroom collection that combines the distinctive components of Swiss design: clarity, functionality and attention to detail. The modular configuration allows for adaptation to almost any space and ambiance.

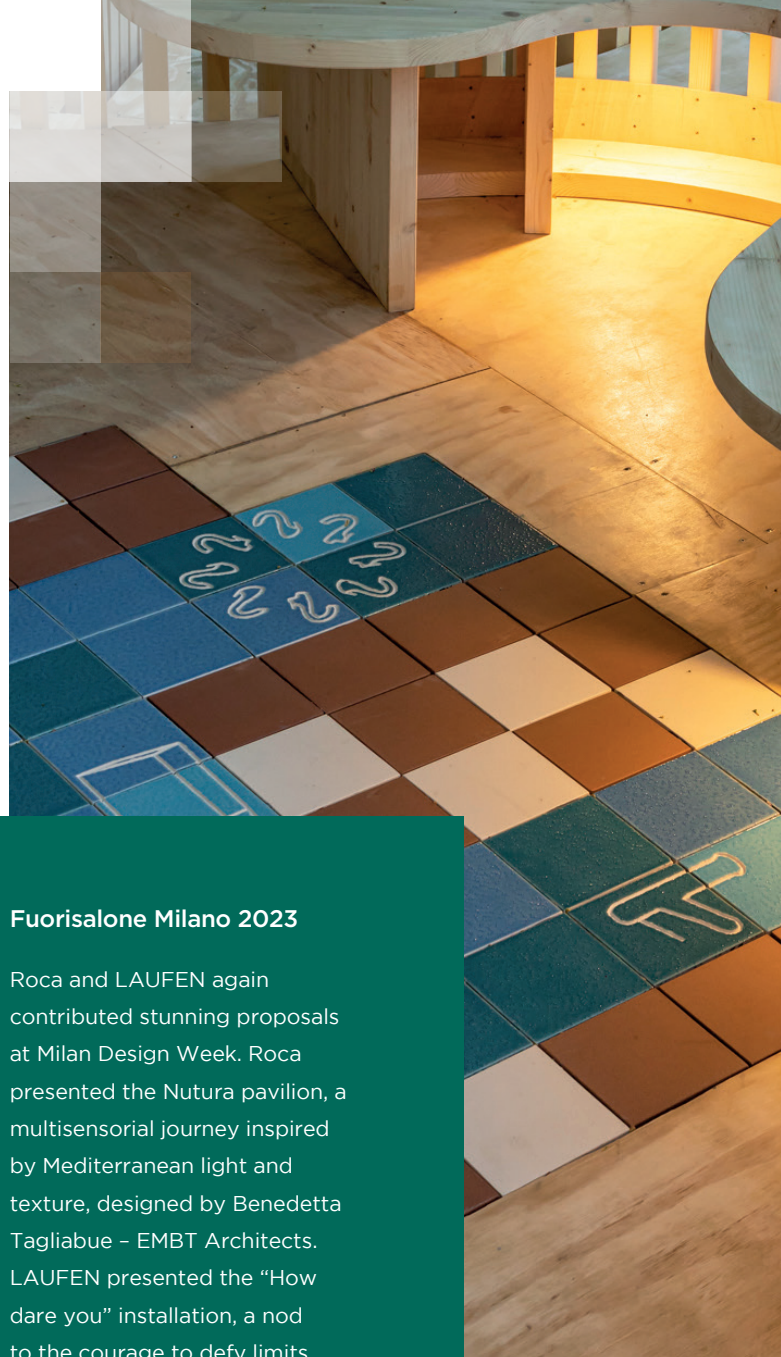


ILBAGNOALESSI, new take on a classic

The evolution of this iconic collection includes the possibilities offered by Saphirkeramik®, ceramic sanitaryware with thinner, lighter shapes. The collection also includes new finishes, colors and bathroom furniture.

Leaders in design and innovation

In addition to participating in major trade shows in the industry, the group's brands are also present throughout the year in key events for design and innovation, with impactful stands and setups.



Fuorisalone Milano 2023

Roca and LAUFEN again contributed stunning proposals at Milan Design Week. Roca presented the Nutura pavilion, a multisensorial journey inspired by Mediterranean light and texture, designed by Benedetta Tagliabue - EMBT Architects. LAUFEN presented the "How dare you" installation, a nod to the courage to defy limits and create audacious, eclectic and unexpected projects. The exhibition includes proposals from the artists Monique Baumann and Marcel Wanders.





Climate oasis at Construmat

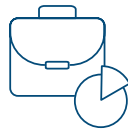
The Roca stand in the Barcelona construction show used only recycled, locally sourced materials and generated zero waste. Emissions derived from its production were counterbalanced by the vertical garden surrounding the installation or offset through We Are Water Foundation projects.



Revestir

Over 20,000 visitors to the most prestigious trade fair held in Latin America stopped by the booths of the group's brands in Brazil (Roca, Celite and Incepa).





PROSPERITY

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



SUSTAINABLE
GROWTH



SUPPLY
CHAIN



BUSINESS
ETHICS



DIRECT IMPACT



INDIRECT IMPACT



Excellence and financial soundness for strong, sustainable growth

The pursuit of excellence in all processes, the implementation of flexible business operations and continuous application of cost control policies have given Roca Group a sound financial position to readily handle any of the company's new strategic challenges.

TURNOVER

2,057
million euros

EBITDA

318
million euros
15% over turnover

CONSOLIDATED NET INCOME

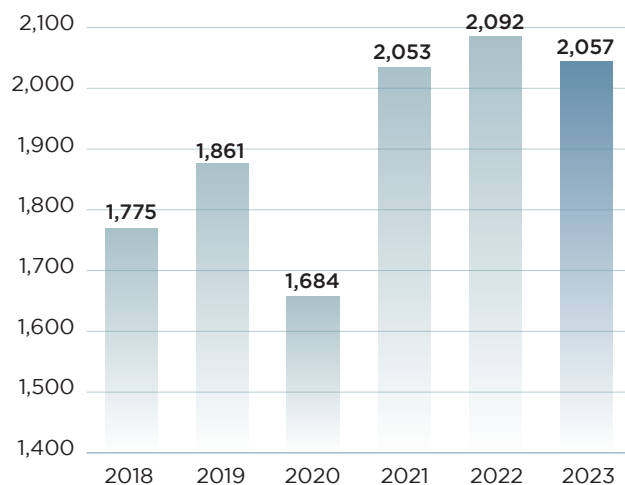
27
million euros

CURRENT INVESTMENTS

153
million euros



Turnover evolution



In millions of euros

Group activity in 2023 was undertaken in a context characterized by a cutback in new build projects due to high interest rates. Changes in users' patterns of behavior have also led to diminished demand for renovations of residential homes. The market climate has also been impacted by strong inflationary pressures and the resulting decrease in profit margins.

EBITDA	243	253	306	401	356	318
Net profit	95	69	60	179	42	27
Current investments	153	154	106	124	135	153
	2018	2019	2020	2021	2022	2023

In millions of euros

Main current investments

Total investments in tangible and intangible fixed assets rose to 153 million euros in 2023, compared with 135 million invested in 2022.

Major projects undertaken during the year include:

- Expanded production capacity and improvements in ceramic sanitaryware plants in Brazil, India and Morocco
- Construction of a new plant for composite shower trays and bathtubs in Poland
- Development of new products to meet new user demands for design, comfort and sustainability
- Renovation of facilities and exhibition spaces (Roca Galleries and LAUFEN Spaces, among others)

Competence Centers: promotion of business specialization

In 2023, the Competence Center model has continued to focus on specialization and excellence in nonceramic businesses by creating a corporate management unit in charge of managing these centers. This approach is intended to spur greater specialization in each business, expediting process standardization and improving efficiency. The acquisition of leading firms to boost the creation of value is also considered.



Faucets

Faster inclusion of materials that allow solutions more suited to market needs and more sustainable, such as trivalent chrome. Specialization of production plants by facilitating process standardization and stepping up automation and computerization efforts to improve efficiency and competitiveness. Inclusion of technology and service options in products that offer new functions and enhance the perception of excellence.

Bathroom furniture

Product and process standardization plus reduction in the number of stock keeping units. Consolidation of a global plant model that facilitates knowledge sharing and good practices.

→ **Acquisition of Madeli (USA)**, a mid-to-high end bathroom furniture and mirror company, with a network of 500 points of sale in the US.

M A D E L I
Functional Elegance

Installation systems

Automation and focus on creating systems that offer new solutions for the bathroom space. Investment aimed at strengthening and growing the company's prefabricated wall system, which combines all installation needs and allows the use of other brand products from the group. This system opens up new possibilities and proposes flexible architectural solutions because it can be adapted to any type of wall.

Competence Center-based management allows for greater streamlining and efficiencies in product development by adapting investments to the strategic needs of each business and coordinating production plants through a global vision.

**CERTIFIED
PLANTS**

70%

Quality management
ISO 9001

62%

Environmental
management ISO 14001



Composites

Commissioning of a new plant in Gryfice (Poland), with an automated production line for shower trays, using the best technologies available in the industry. Process improvements and coordination at all other production facilities.

→ **Acquisition of Clarke (USA)**, manufacturer of acrylic and solid-surface bathtubs.

CLARKE

Shower screens and accessories

Construction of a new plant for shower screens and accessories in Portugal, outfitted with the best technologies available. Reinforcement of pre-sales and after sales service areas with a firm commitment to leadership. Coordinated management of the accessory business has led to the introduction of the first in-house collection of the LAUFEN brand, presented at the Swissbau 2024 trade fair.

Steel

Analysis of new textures, colors and solutions to broaden the portfolio of options. New investments in an automated line to create new products and designs at lower cost in a flexible and streamlined manner.

→ **Acquisition of Alape (Germany)**, premium brand specializing in the manufacture of basins in enameled steel.

Alape

Innovation and sustainability for smart homes and cities



Roca Group Ventures, a group-wide platform for corporate venture capital (CVC) and open innovation, has moved forward in 2023 in its ambition to invest and collaborate with start-ups that help face the industry's new challenges in innovation and sustainability.

Roca Group Ventures was created in 2022 and has positioned Roca Group as a key player in the innovation ecosystem. Direct contact with start-ups also allows the company to incorporate updated know-how in three major areas:



Technologies as an aid for development of goods and services for smart homes



Solutions to fulfill new requirements in environmental sustainability and energy efficiency



Tools and resources to improve daily productivity in the company, both in the industrial setting and in management

In its activity, since April 2023 Roca Group Ventures has been working together with the Plug-and-Play innovation platform to identify start-ups of interest for investment processes and proof of concept (POC) development.

Investment in BrickBro

In 2023, Roca Group Ventures has finalized the investment in BrickBro, a start-up founded in Barcelona specializing in online sale and rental of commercial properties in more than 40 cities around the world. This is the fund's second investment, following its first commitment to Aquí Tu Reforma (ATR), a digital platform for residential refurbishment.



Hybrid innovation model

The work of Roca Group Ventures had led to the company's commitment to a hybrid innovation model that combines insourced and outsourced international talent. An example of this information exchange is the development of proofs of concept (POC) through collaborations between group professionals with a thorough grasp of the industry and the start-ups selected, which have advanced technological solutions to meet the new needs of users.

Positioning in the innovation ecosystem

Strong activity of Roca Group Ventures in its first two years of operation has allowed the firm to steadily position itself in the innovation ecosystem, leading to greater recognition of Roca Group as a leader in technological innovation and development. As example of this positioning is access to prestigious investment communities with global reach (Endeavor or NEXT Gen VC) and participation in events such as the Plug and Play Summit in Silicon Valley and 4YFN at Mobile World Congress 2024 in Barcelona.

25
million euros
in funding

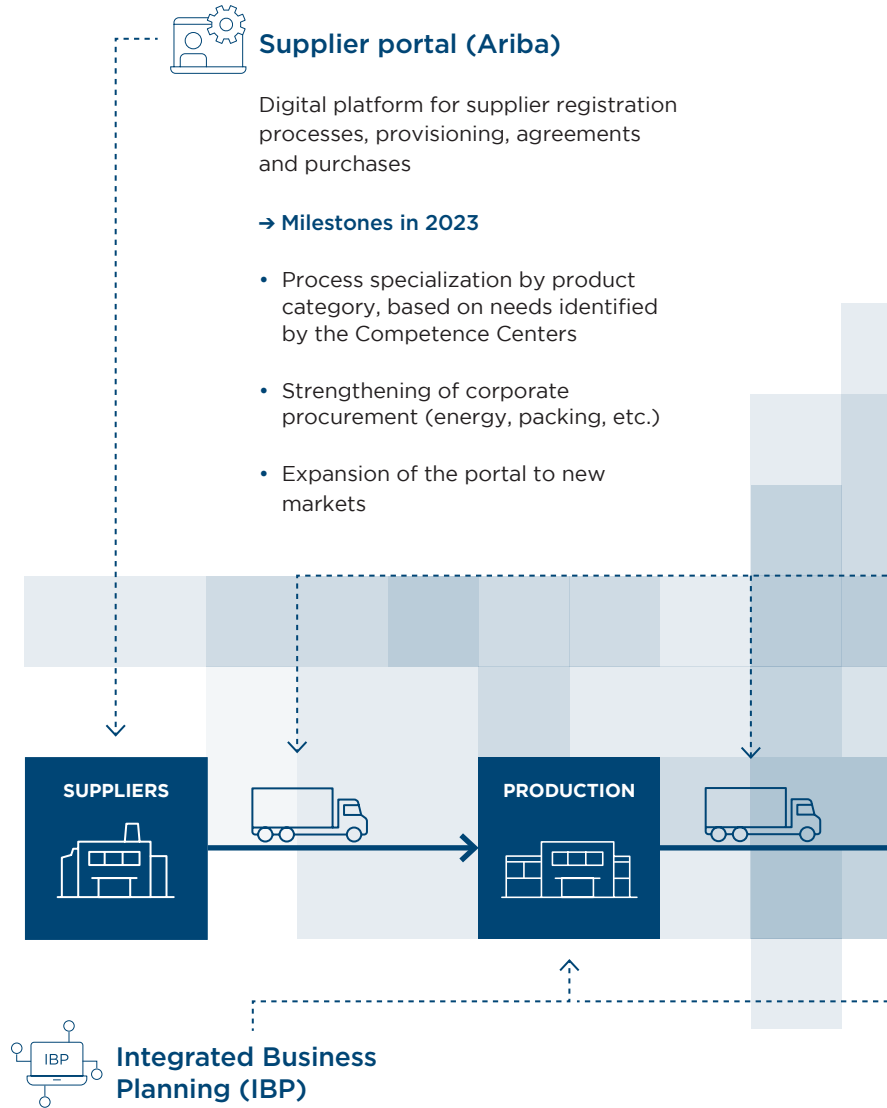
+400
start-ups
identified



Supply chain engagement

The development of the decarbonization plan and the consolidation of the Competence Center model directly impact supply chain management, involved in a cross-cutting manner in the corporate objectives of efficiency and sustainability.

Simplification of the management structure, broader use of digital media and continuous improvement in processes, major milestones in 2023





Transport Management System (TMS)

Automated planning model for transport routes and cargo space usage, based on criteria related to service, efficiency, costs and environmental impact

→ Milestones in 2023

- Creation of teams specializing in route and load management and in packing systems (materials, product distribution, etc.)
- Expansion to new markets

LOGISTICS



USERS



Digitalization of after sales service

Development of support platforms for distributors and installers to manage after sales service and spare parts, with significant improvements in the level of customer support

→ Milestones in 2023

- Strengthening and specialization of after sales team through training activities
- Introduction of new catalogs for spare parts
- Implementation of digital processes and tools used to follow up user incidents for continuous improvement in services.

Supplier relations model

Roca Group is a key player in the value chain, promoting a supplier relations model based on collaboration and continuous improvement. Several of the main activities of this model include:

- Supplier acceptance of corporate norms for human rights (Social Code of Conduct) and environmental protection (Environmental Code of Conduct)
- Start in 2023 of the corporate responsibility risk analysis project for major suppliers
- Roca Group involvement in supplier training on corporate sustainability, as one of the companies promoting the second edition of the “Sustainable Suppliers” training program of the United Nations Global Compact
- Involvement in scope 3 emissions calculations and reductions

New corporate values

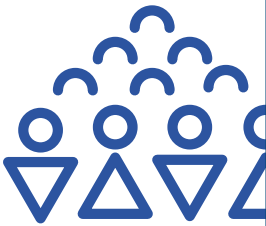
In 2023, Roca Group has redefined the corporate values to adapt them to the current activities, dimensions and environment. The values are reflected in the company’s management style and growth model, in order to create shared value among all stakeholders.

Global campaign in 25 languages

To communicate the new values to company stakeholders worldwide, in early 2024 Roca Group developed a communication campaign in 25 languages through all group companies. Campaign activities include the creation of a microsite on the new values on Roca Group’s corporate website.



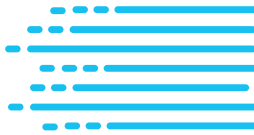
We are committed to people



We are committed to people and build trust in our environment

- We put the customer at the center of our decisions.
- We act with responsibility towards our social and environmental surroundings.
- We act with sustainability criteria.
- We are respectful of the relationships in our environments.
- We create a safe working environment.

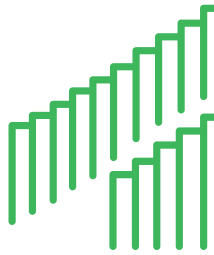
We build our future



We are entrepreneurs and we want to grow, looking for new opportunities and improvements in everything we do.

- We seek to grow sustainably.
- We are proactive and think ahead.
- We are innovative and strive for continuous improvement.
- We are open to change and continuous learning.
- We promote people's progress and development.
- We have long-term vision.

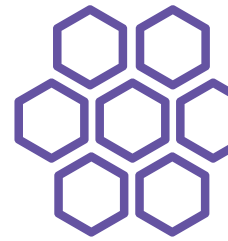
We make things happen



We take responsibility for our work in order to achieve results, putting people at the center of our work.

- We are agile and flexible.
- We fulfill our commitments.
- We take our responsibility.
- We look for solutions and strive for the highest quality in everything we do.

We are one team

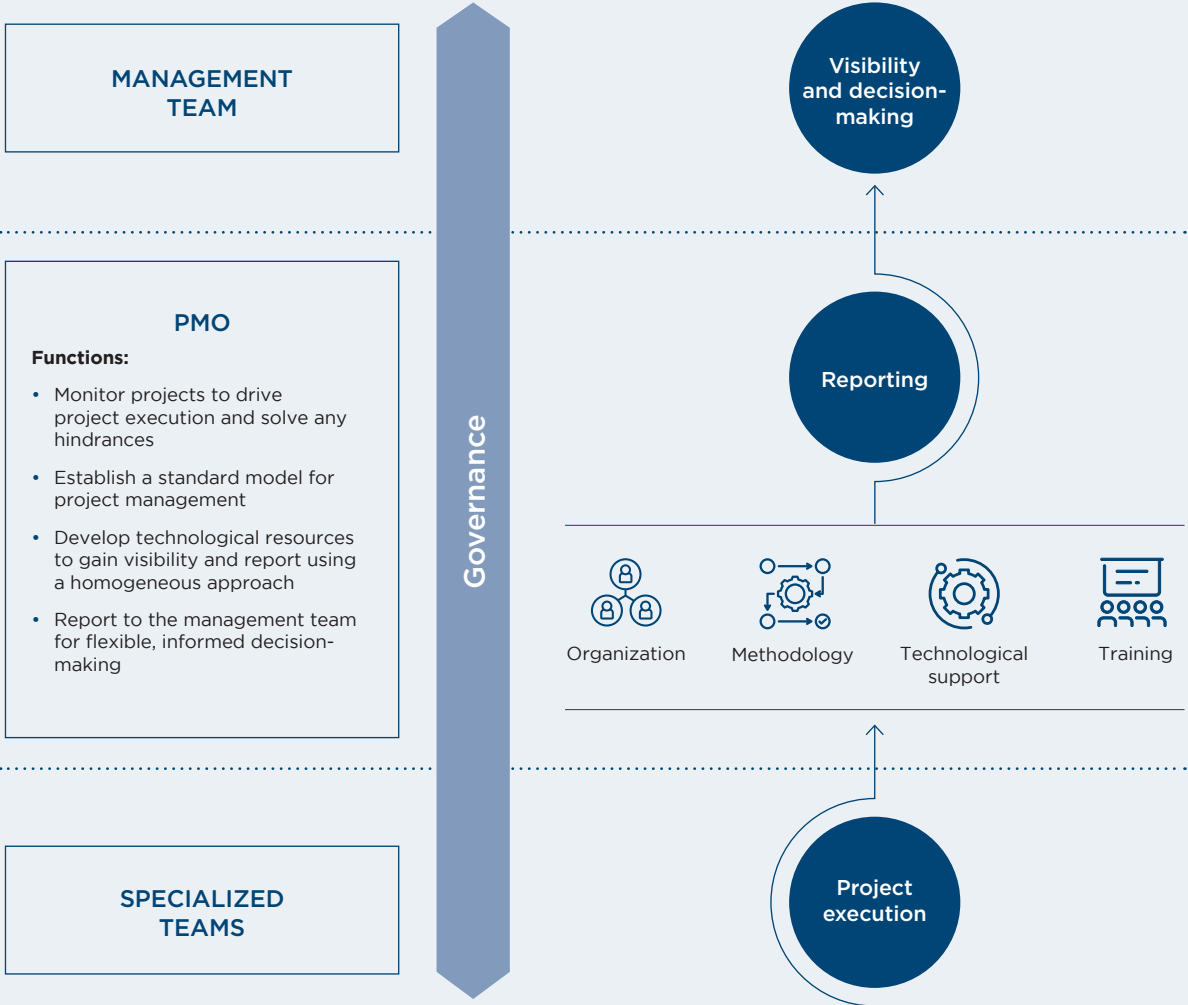


We work as one team, highlighting the value of our diversity.

- We feel pride in belonging to Roca Group.
- We prioritize collective interest over individual interests.
- We foster a good atmosphere and spirit of collaboration with our colleagues.
- We work in a network generating alliances.
- We are inclusive of diversity.

Expediting of strategic projects

In 2023, the group began to operate the Project Monitoring Office (PMO), a new corporate unit focused on overseeing and promoting projects of particular strategic importance for the group. The PMO also works to identify synergies and good practices that can be applied to other projects.



Corporate norms for prevention of fraud, unfair competition and bribery

Roca Group's Code of Ethics is the basis for the group's Corporate Regulations, which serve as the global reference standard and define the management style of the organization. These norms include specific guidelines for the areas of Sales, Human Resources, Administration, Finance and Procurement, with specific emphasis on aspects related to supplier selection, the use of technological equipment and issues related to the prevention of fraud, anticompetitive practices and bribery, among others.

Cybersecurity program updates

In 2023, the group worked on a review and update of its cybersecurity program to ensure utmost protection against cyber risks. The activities undertaken include the development of a safety operations center, the creation of a specific e-learning plan and the definition of new data management and classification policies.



EcoVadis Gold Medal for sustainability performance

The recognition given by EcoVadis, a world-renowned rating body for corporate sustainability, is a testament to the organization's commitment and performance, positioning it among the top 3% worldwide. Most notably, the Environment score (90 out of 100) situates the group in the top 2% around the world in this area. EcoVadis has already evaluated more than 100,000 companies in 175 countries.

JUNE 2024

Avda. Diagonal 513, 08029 Barcelona

In 2023, Roca Group has prepared its Non-Financial Information Statement (NFIS) to report on environmental, social and personnel areas in relation to human rights and the prevention of fraud, bribery and anticompetitive practices, all relevant issues for the company as it carries out the inherent activities of its business.

The indicators reported in this integrated report have been taken from the Non-Financial Information Statement and the Annual Accounts. Both documents have been verified by an independent verification service provider.



ROCA GROUP