

CSR

Corporate Social Responsibility

2019



Corporate Social Responsibility 2019

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Page 8
Welcome

Page 12

Letter from the President

Page 14

Who are we?

Page 16

What do we do?

2019 Launches

Page 22

Where to find us

Page 24

Our vision

Company proposition

Business model

Vision of Corporate
Social Responsibility

Risk management and control

Proximity to our clients
and stakeholders

Page 32

Where are we heading?

Page 34

2019 milestones and figures

Business evolution and results

Awards and distinctions
received in 2019



Page 40
Activity

Page 44

Commitment to good governance
and transparency

Our governance structure

Page 51

Ethics, Conduct and Regulatory Compliance

Ethics Committee

Regulatory Compliance Body

Complaints Channel

Anti-corruption mechanisms
and conflicts of interest

Human Rights

Associations and other initiatives

Page 56

Fiscal Transparency

Public subsidies received

Page 58

Commitment to innovation

Innovation at Cosentino Group

Main developments and launches in 2019

Alliances for innovation

digitalisation and automation

Page 76

Commitment to our customers

Proximity to our customers

Excellence in quality and service

Customer health and safety

Constant dialogue with our customers

Page 96

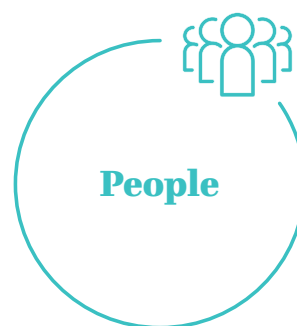
Commitment to our suppliers

Our purchasing procedures

We promote our values and policies

Supplier health and safety

Dialogue with our suppliers



Page 104
People

Page 108

Our People

Page 110

Committed to our people

Page 112

Principal HR indicators

Page 115

Quality employment

Work-life balance

Health insurance

Flexible Remuneration

Company bus route

Education Fund

Employees signed up to
collective agreements

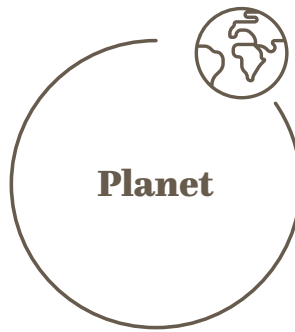
Composition of representation
of Cosentino employees

Page 120

Equal opportunities

Page 122

Remuneration



Page 122

Integration

Page 124

Discrimination and prevention of harassment

Page 126

Health and Safety

Commitment to our value chain

Leadership programme in occupational health and safety

Health and safety training

Main accident rates

Page 136

Talent development and management

Training offer

Employee-focused innovation

Page 144

Dialogue with our employees

Communication tools

Employee events

Employee social actions

Page 148

Planet

Page 152

Commitment to the environment

Sustainability in the value chain

Environmental management system

Environmental R&D

New Eco products

Circular waste management

Page 169

Climate action

Energy efficiency

Sustainable mobility

Air quality control

Page 178

Natural capital

Biodiversity

Water footprint

Page 183

Training and involvement in the environment

Page 187

Prizes and certifications



Page 188

Community

Page 192

Commitment to the community

Page 194

Our commitment to local employment

Page 195

Our commitment to Almeria and Andalusia

Page 196

Our commitment to education

Page 205

Our commitment to architecture and design

Page 219

Our commitment to the kitchen and cooking

Page 225

Our commitment to art and culture

Page 230

Community involvement

Page 234

Our commitment to sport

Page 237

Conversation with the community





Welcome

Hello!

Page 12

Letter from the President

Page 14

Who are we?

Page 16

What do we do?

2019 Launches

Page 22

Where to find us

Page 24

Our vision

Company proposition

Business model

Vision of Corporate Social Responsibility

Risk management and control

Proximity to our clients and partners

Page 32

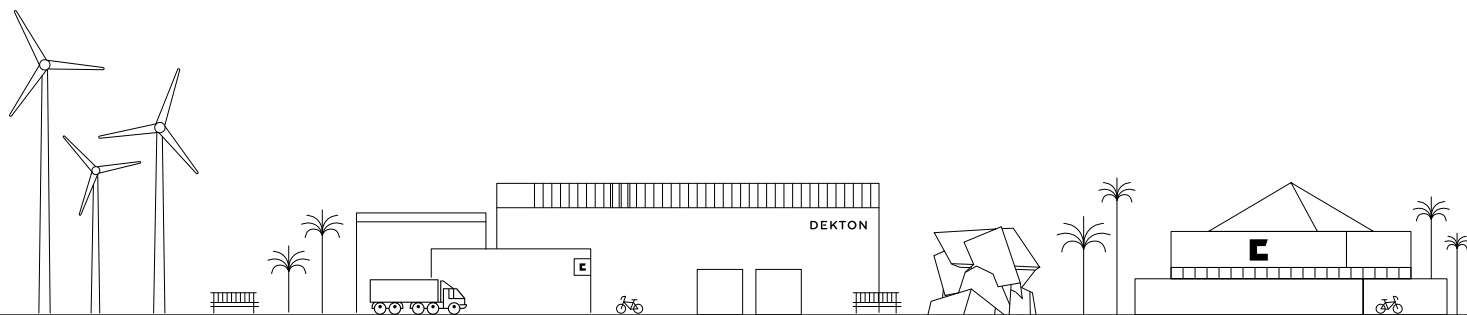
Where are we heading?

Page 34

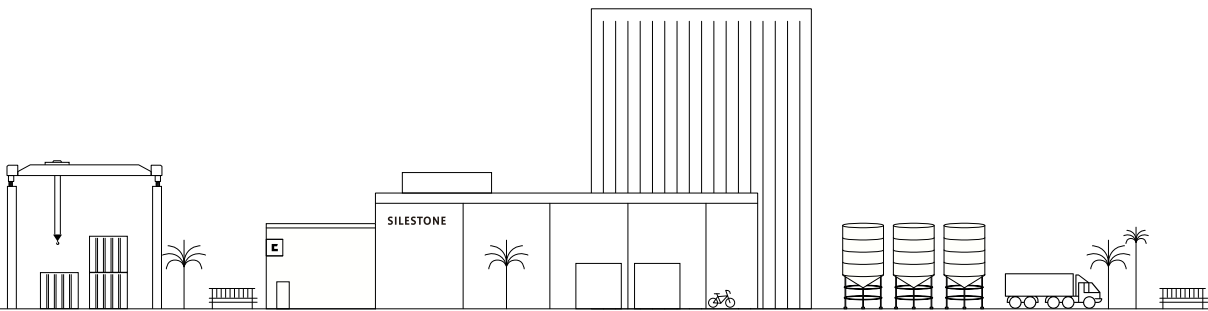
2019 milestones and figures

Business evolution and results

Awards and distinctions received in 2019



Hello!



Letter from the President

A commitment to innovation and ongoing improvement is a key part of our value proposition

This CSR report gives us the opportunity to present another year of advances in our commitment to transparency in terms of economic, social, environmental and ethical sustainability. We present this report to update our stakeholders on our contribution to society in every location where we have a presence.

We closed the year 2019 with significant business growth and, more importantly, with a considerable increase in the number of employees. The Cosentino Group now employs nearly 4,800 people worldwide. 470 new jobs were generated in 2019, an increase of 11% over 2018.

The diversity of our employees in terms of place of origin, nationality, gender, beliefs and religion constitutes a rich human tapestry that must be managed with an open and inclusive spirit.

In 2019, in line with this spirit of welcoming diversity, the Cosentino Group joined the Diversity Charter, a European Union initiative promoted in Spain by the Fundación Diversidad. This involves the adoption of a code that upholds the fundamental principles of equality and non-discrimination in companies.

With regard to turnover, 2019 closed with sales of 1,110 million Euros, maintaining double-digit growth compared with the previous year, specifically 12.7%. Growth in North America and Europe has placed these markets at the forefront of commercial development for the Cosentino Group, which has an active presence on five continents.

It was particularly intense year for investments, with an executed amount of approximately 120 million Euros in 2019. These investment efforts, primarily industrial in nature, have marked the start of an ambitious growth plan for production capacity and automation and digitalisation. Both of our Silestone® and Dekton® factories are being continuously updated to increase their production capacity and offer the maximum efficiency and quality standards expected of the world leader in the two product categories.

Another fundamental pillar reinforced by the company last year was our commitment to the environment and people, aiming to apply the latest technology and measures for collective and individual protection. In addition to investments in heat recovery, improved energy efficiency, expansion

of water treatment capacity and modernisation of VOC treatment systems, I would like to highlight Cosentino's endorsement of the National Agreement on the Circular Economy, from the Ministry for Ecological Transition. This commitment also covers waste recovery, with Cosentino reaching a new record recovery rate of 33% in 2019. Among other initiatives, this is thanks to the R&D project "Circularity", an innovative programme that has already achieved real success stories such as the manufacture of technosols from wastewater sediment.

From an international perspective, in 2019 we opened new Cosentino Centres in the United States, Canada, France and Malaysia. We also established a new Cosentino City in Los Angeles, California.

Finally, I would like to thank all of our stakeholders, from suppliers, public administrations and financial institutions, among others, for the trust and support they have placed in us throughout the year. I would like to invite you to learn more about our work, which is explained over the various chapters of this Report.



**Francisco
Martínez-Cosentino Justo**
President, Cosentino Group

Who are we?

The Cosentino Group is a global, family-owned Spanish company that produces and distributes innovative, high-quality surfaces for the architecture and design sectors worldwide. We work alongside our clients and partners to offer high-value solutions and design, inspiring the lives of many.

Purpose

To inspire people through innovative and sustainable spaces.



Mission

A leading company that works responsibly with its clients to anticipate and imagine the future, creating innovative, high-value surfaces for the world of architecture and design.

Vision

To lead the global surfaces market through our brands, offering innovative architectural solutions that provide design, value, and inspiration for our clients.

Our DNA

As Cosentino Group employees, we all share a single DNA comprised of the following values:

Innovation

We act proactively, seeking and implementing creative ideas and solutions, identifying and generating opportunities in a variety of settings. The value of responsible innovation.

Global Vision

We understand corporate strategy and focus our efforts on achieving the Cosentino Group's goals, overseeing and assessing the impact of our actions on people and processes at all times. We plan our actions to meet our objectives.

Client Partner

We evaluate and understand how our work contributes to customer satisfaction (external and internal) and focus our efforts around their needs. Committed to customer satisfaction.

Team Building

We achieve common goals by aligning our contributions with the overall objectives, actively promoting collaboration and eliminating barriers between the different departments and members of Cosentino Group. We work as one team in our organisation. COSENTINO People, much more than staff.

Inspiring Action

We transmit enthusiasm and positivity, encouraging others to make the most of their abilities. We motivate the team to achieve our goals. Be the best version of yourself at Cosentino.

Passion for Change

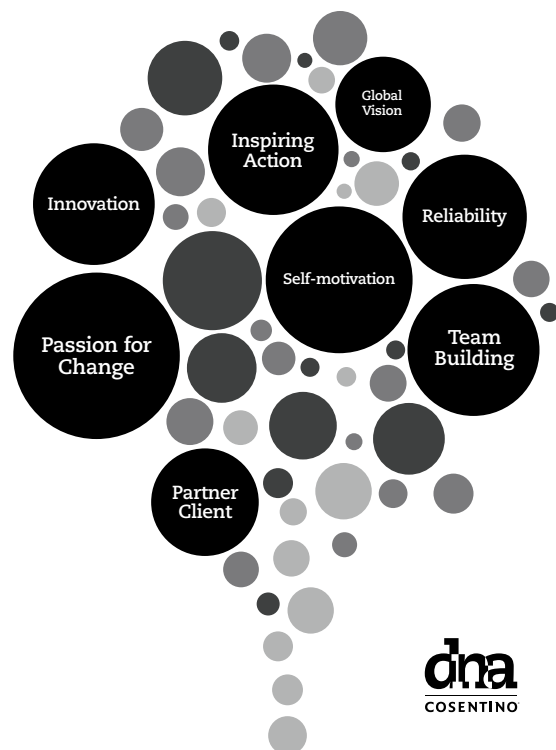
We adapt with agility to new or changing situations, whether planned or unexpected, and we question the established order from a constructive standpoint to propose and implement actions that will bring progress. We mark our future path together.

Self-motivation

We set our own goals with determination and ambition, not just settling for the required outcome, but seeking to exceed expectations. Improve every day by advancing with determination, never settling for mediocrity.

Reliability

We conduct our work with rigour and honesty to achieve the established objectives. We persevere in the face of obstacles and difficulties. We improve through work, effort and dedication.



What do we do?

The focus of our business is the design, production and distribution of decorative and architectural solutions for the world of design and architecture. We achieve this by creating leading brands and products that provide sustainable, innovative and functional solutions for both the home and public spaces.

Silestone®, Dekton® and Sensa by Cosentino®, are pioneering brands and leaders in their respective segments. Through them, we make innovative surfaces with which to create unique settings and designs.

Our main brands

SILESTONE® DEKTON® SENSA



Description

- World leader in the quartz surfaces category.
- Composed of over 90% natural quartz.
- Launched in 1990.

Manufacturing process

It includes the innovative N-BOOST technology patented by Cosentino, which features technological advancements that improve the functionality, quality and beauty of the surface. It makes daily cleaning and maintenance easier, and gives it a rich colour and extraordinary brightness.

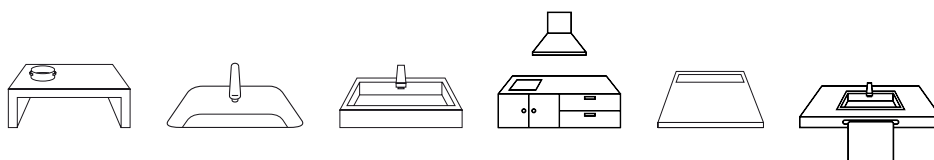
Characteristics

- Highly resistant to stains, impacts and scratches; and a low liquid absorption rate, adaptability and easy cleaning.
- Extraordinary durability and resistance.
- It comes with a 25-year warranty.
- Manufactured in 75 colours, four textures and a range of formats.
- Option to use large slabs without joints.



Uses

World benchmark for kitchen and bathroom countertops, one-piece sinks (Integrity line by Cosentino), washbasins, shower trays, walls, flooring, stairs or thin cladding.



Certifications

In addition to its physical-mechanical characteristics that make it a benchmark product, Silestone® has been awarded a large number of certificates and has undergone testing in external laboratories that accredit its quality:

UL Greenguard and UL Greenguard Gold

Certificates awarded by the International Safety and Certification Organisation from US company Underwriters Laboratories product standards.

NSF

The NSF logo attests to the fact that it is safe for Dekton® to come into contact with any kind of food. The certification is awarded by NSF, the independent international organisation. With regard to European regulations, its compliance has been tested at Intertek, the external laboratory based in Germany.

Eurofins

It obtained a higher-level rating in tests of compliance with international and French legislation with regard to low VOC emissions carried out by the Eurofins independent external laboratory.

EPD

In December 2018, Cosentino was awarded the Environmental Product Declaration (EPD) certificate by the International EPD® System.

ECO Line by Silestone®

This series is manufactured using at least 50% recycled materials. It blends design and high-performance features with sustainability.

Certification: Cradle to Cradle, promoting complete recycling and sustainability; LEED, Greenguard and EPD.



www.silestone.com



Description

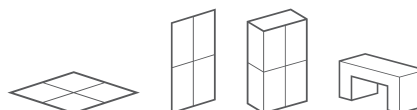
Ultra-compact surface that brought a revolutionary new category of surface to the market when it was launched in 2013.

Manufacturing process

Manufactured with the exclusive Sinterized Particle Technology (SPT) developed by the Cosentino Group company dedicated to R&D. It involves an ultra-compaction system that imitates the way stone is produced by nature.

Characteristics

- It possesses advanced technical properties such as exceptional resistance to ultraviolet rays, scratches, stains and thermal impact, and has a very low water absorption rate.
- Produced in large formats and different thicknesses.
- Customisable using inkjet printing.
- It comes with a 25-year guarantee.
- Over 50 different colour references in nine collections: Solid, Industrial, Tech, Natural, Wild, XGloss Solid, XGloss Natural, XGloss Basiq and XGloss Stonika.



Certifications

Dekton®, a certified quality product:

UL Greenguard and UL Greenguard Gold

Dekton® has been granted the UL Greenguard and UL Greenguard Gold certifications. The Greenguard Certification programme identifies those products that have been tested to guarantee that their chemical and particle emissions are in line with the strict guidelines for indoor contaminants.

NSF

Dekton® has been tested and certified by NSF in accordance with the NSF/ANSI 51 standard. To obtain the NSF certificate, the product must undergo a toxicological evaluation of all its ingredients to ensure that it meets the requirements for materials in contact with food of any kind as well as proficiency tests and an annual audit at all manufacturing sites.

BBA

British Board of Agrément (BBA) Certification for ventilated façade insulation. This certification analyses factors such as the durability of the products, their compliance with local regulations or design considerations.

ETA

European Technical Assessment (ETA) certification: Dekton® has been awarded the ETA 14/0413 certificate and the CE marking for exterior cladding of façades. The performance of exterior cladding for ventilated façades with the CE marking has been assessed by a third party and it presents proven performance characteristics in compliance with European methods.

QB UPEC (France)

Awarded by the Scientific and Technical Centre for Building (CSTB), this certification attests to the durability of floor cladding against transit, its perforation resistance due to being in contact with furniture and/or other objects and its resistance to water and chemical agents.

IMO

In 2018, Dekton® obtained the IMO certification from the independent certification agency Bureau Veritas, approving it for use as flooring on ships sailing under a European flag. It underwent external testing and an exhaustive audit of the manufacturing site and can be marked for use in ships with the internationally recognised WHEELMARK.

EPD

Since 2016, it has been certified by the Environmental Product Declaration (EPD). Awarded by The International EPD® System, this certification accredits Cosentino Group's policy of commitment to sustainability, and endorses its involvement in improving efficiency in the consumption of raw materials and energy, reducing the generation of waste.

SENSA

by COSENTINO®

Description

Cosentino's range of exclusive high-quality quartzite and granite surfaces that feature the innovative Senguard NK anti-stain protection.

Uses

An excellent choice for kitchen worktops and other household surfaces, interior vertical cladding, floor cladding and façades.

Certifications

NSF (issued by NSF, the Public Health and Safety Organisation), therefore offering maximum safety when in contact with food products.

Greenguard and Greenguard Gold, which guarantee that VOC (Volatile Organic Compounds) emissions are below the limits established by international regulations.

Characteristics

- Undergoes a revolutionary protective treatment making it highly resistant to stains. This treatment comes with a 15-year warranty.
- Ensures a long-lasting and durable surface without the need for special maintenance.
- The surface is unaffected by sunlight and UV radiation, guaranteeing it for use in both interiors and exteriors.
- Available in a wide range of colours for use in any decorative and architectural project.
- It comes with a 15-year warranty.
- Exclusive designs created by nature.



2019 Launches



DEKTON® SLIM
designed by COSENTINO

Dekton® Slim XGloss

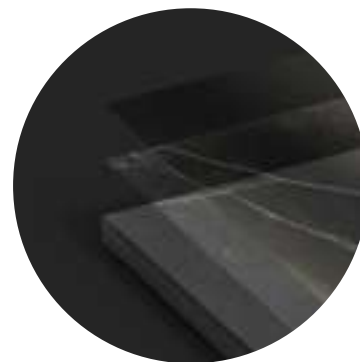
The result of tireless work, the revolutionary Slim thickness of just 4 mm is presented for the first time in four spectacular colours with the polished finish of the ultra-compact Dekton® surface.



DEKTON GRIP +

Expansion of Dekton® Grip+

Dekton Grip+ is an anti-slip finish for areas that legally require greater grip, guaranteeing minimum non-slip qualities.



DEKTON ID
INDIVIDUALLY DESIGNED

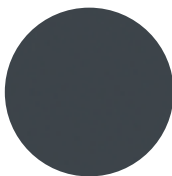
Launch of Dekton® ID

Dekton® introduces a revolutionary customisation service to bring innovation and product development closer to its customers.

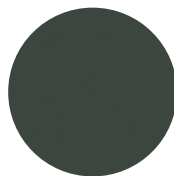
Dekton® Chromica Series

Launch of new colour series Chromica, initially comprising the innovative Baltic and Feroe tones.

DEKTON®
chrōmica
BY DANIEL GERMANI



Baltic



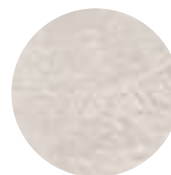
Feroe

Dekton® Liquid

Presentation of the three new colours: Liquid Sky, Liquid Shell and Liquid Embers.



Sky



Shell



Embers

Awards

German Design Award 2019 for the DeKauri project by Dekton® & Daniel Germani.



Additions to Silestone® Eternal

Launch of Eternal Noir and Silken Pearl, the two new colours in the Eternal collection.

eternal
COLLECTION



Eternal Noir



Silken Pearl

Wakka shower tray in Silestone®

Development of the new Silestone® Wakka shower tray.



Awards

Silestone® is a member of "El Foro de Marcas Renombradas Españolas" [Leading Brands of Spain Forum], as the undisputed leader in its sector with an extensive international presence.

It was chosen by the prestigious American magazine Time as one of the technological innovations to shape people's daily activities during the 21st century.

SENSA
by COSENTINO®

New Launches



Nilo

Launch of Nilo, an exotic Brazilian quartzite.

Where to find us

We are an increasingly global company.

Our strong global vision for business means we now have a presence on five continents.



Countries

Distribution

116

We distribute our products across five continents

Implementation

40

Affiliated companies or assets

30

Business units

Factories

8

SPAIN

- 3 Silestone factories® (1, 2 and 3)
- 1 factory for preparing Raw Materials
- 1 factory for special finishes or manufactured products
- 1 factory for samples
- 1 factory for Dekton®

BRAZIL

- 1 factory for granite

Workshops

13

Workshops for cutting kitchen and bathroom worktops

- 12 workshops for cutting kitchen and bathroom countertops in the USA
- 1 production plant in Spain



Logistics Platform

1

Smart logistics platform (Spain)

Logistics operators

5

Business and commercial units

134

- 119 Cosentino Centers
- 12 Cosentino Cities
- 3 Hubs, two in the USA and one in Australia

Warehouse space

2

- Over 24,000 m² for storing display slabs in our corporate head office
- 1 logistics centre that includes a smart warehouse with capacity to store up to 300,000 Silestone® and Dekton® slabs and prepare over 6,600 surfaces every nine hours on shipping frames (sea or land)

Our vision

Company proposition

*“To inspire people through innovative
and sustainable spaces”*

At Cosentino, we want to take our commitment to society one step further. To guide the future of our business, we have worked with our employees from all over the world to define our company proposition.

This is part of our long-term business plan and guides the company's approach to sustainability. It involves going a step further in the value proposition for our partners, clients and stakeholders, and is intended to go above and beyond the needs of the company to convey in one sentence how we want to impact and contribute to society.

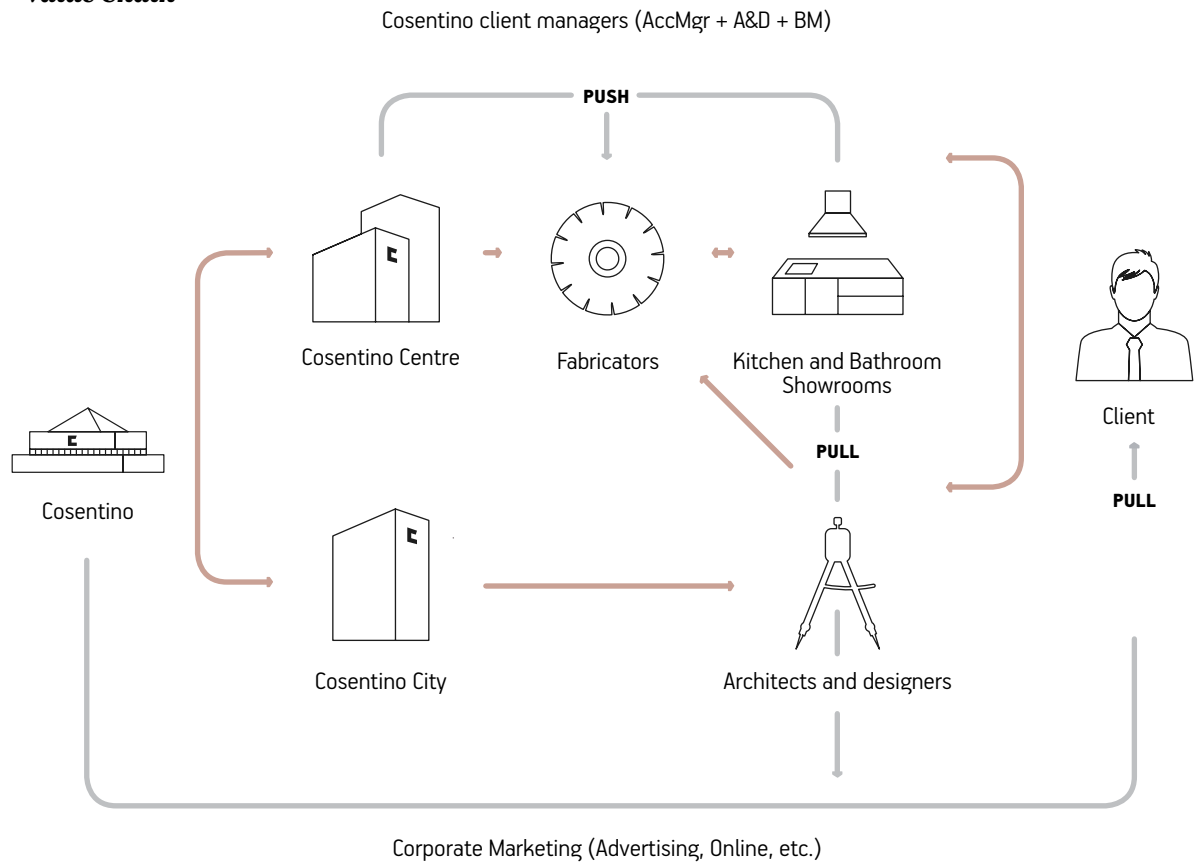
Inspiration is not an abstract entity: it can be seized and unleashed to give our actions meaning. Cosentino does not only inspire through innovative surfaces, but we also apply our inspirational approach to all the elements that shape our brand and our contribution of value. We are aware that launching innovative materials is not enough to inspire people; we also need to create products based on proximity and trust. In Cosentino, we try to apply this philosophy to everything we do, not only through our products.



Business model



**Business model:
The Cosentino
Value Chain**



Vision of Corporate Social Responsibility

Our current strategic position has put corporate social responsibility at the forefront of the business culture. Commitment to environmental, financial and social sustainability is an opportunity to imagine and commit to the future. Therefore, at Cosentino we work to create value within and outside the company, anticipating people's needs through innovation, thereby improving the environment.

In accordance with this framework of activity, in 2019 the company continued working to fulfil its commitments towards the UN Sustainable Development Goals, consisting of 17 goals and 169 targets that make up the 2030 Global Agenda. This requires the involvement of governments, companies, third sector entities and society in general to successfully tackle the crucial social

and environmental challenges faced by the world. In particular, a public commitment has been made to make a specific contribution to 5 of the 17 Sustainable Development Goals:

"Spain has proposed an ambitious project that calls for all people and institutions to play a part". At Cosentino, we understand that our leadership position comes with a responsibility to lead the way in sustainability. Therefore, we are driving this agenda forward in addition to fulfilling strategic goals for our business, such as health (SDG 3), quality education (SDG 4), decent work (SDG 8), innovation (SDG 9) and sustainable production (SDG 12)".



Santiago Alfonso

Cosentino Group's Vice President
of marketing and communication.



SDG 3 - Health

The health and well-being of our employees and all the workers in our value chain is of fundamental importance to the company.



SDG 4 - Quality Education

Cosentino's commitment to quality education comes mainly in the shape of the Eduarda Justo Foundation, established in 2006 to promote the economic, social, educational and cultural development of Cosentino's immediate environment. Cosentino is also committed to the potential of art and culture to develop people's talent.



SDG 8 - Decent work

Cosentino continues to support the ongoing growth in employment that it has targeted in recent years.



SDG 9 - Innovation and infrastructure

We are committed to RG-DGI to transform our industrial model and we promote innovation in the communities in which we operate.



SDG 12 - Sustainable consumption and production

We never cease to innovate and develop more sustainable products, in addition to improving our production systems in order to progress towards a circular economy. Environmentally sustainable products, produced with a reduced use of resources, are a good example of this commitment.

During this year, the company has not only advanced in its commitment to SDG, but also in selecting the main indicators of progress towards them. These indicators are integrated into the management model itself, so the definition of objectives and the monitoring of progress against these targets will allow us to quantify our contribution to the 2030 Agenda for Sustainable Development. The main indicators of contribution to the aforementioned SDG feature throughout the sections in this report.

Risk management and control

At Cosentino, we are exposed to certain risks, which we manage by applying systems to identify, control and manage them. Accordingly, we use various tools to anticipate the different kinds of financial and non-financial risks:

- With the aim of mitigating potential adverse effects on our economic and financial profitability, and against the backdrop of uncertainty in the financial markets, we drew up a global Group risk management programme that covers financial market risks, credit risk and liquidity risk.
- Every year we update our SWOT analysis, analysing strengths, weaknesses, opportunities and threats for Cosentino Group. It is a comprehensive analysis that considers the perspective of different departments in the company: Finance, Innovation, Internal Auditing, Purchases, People, Sales Process, Logistics, Quality and Environment. The SWOT matrix is part of our Annual Strategy Plan and is reviewed by the Board.
- We establish corrective or preventive action for each of the situations of risk identified in our annual review.

We update the company's risk map every two years. For the 2019 and 2020 financial years, we identified 10 critical risks and 24 risks to monitor. To identify and prioritise these risks, the Senior Management of Cosentino Group assessed a series of parameters. Responsibility for monitoring the 10 critical risks has been assigned and risk sheets drawn up that include indicators to measure risks, the company's internal guidelines that regulate the processes affected by these risks, and the action plan being carried out to mitigate them. These risk sheets are presented at the quarterly audit and control committee meetings.

Proximity to our clients and stakeholders

We maintain constant interaction with our stakeholders. We acquire a sound knowledge of their needs and expectations by means of communication channels and procedures. We regularly update information about the requirements of our clients and our legal and statutory obligations. This information is incorporated into the annual review conducted by the Cosentino Group's Board.

During 2019, we maintained an ongoing dialogue with our stakeholders through a variety of communication channels:



Employees

Corporate intranet, Chatter – internal social network, newsletters, YouTube TV Channel, Cosentino Ideas and face-to-face gatherings such as Breakfasts with the Management or the Cosentino Family Day.



Customers and partners

Visits to our facilities and direct communication with those in charge, information and ongoing training on relevant topics, regional meetings, newsletters, satisfaction surveys, communication by email, social networks, websites or the Cosentino TV channel on YouTube.



Social and environmental bodies

Social and environmental organisations in the regions in which we operate. In 2019, we donated over one million Euros to various initiatives by NGOs and local authorities.



Communication methods

We have 21 press offices serving 26 countries, paying special attention to the general media and those that specialise in architecture, design, kitchens and bathrooms.



Public Entities

Direct communication, visits to our plants, participation in initiatives organised together with the local authorities in the Almanzora region of Almería (Spain).



Suppliers

Visits to our facilities, audits and controls, attending forums and gatherings, and specific training.

Where are we heading?

Cosentino has evolved over time, setting exacting goals and challenges with the goal of growing in every sense and becoming an increasingly sustainable company with a commitment to health and safety as well as the environment.

The company's Strategic Plan has set out the framework and lines of action for the next three years. In turn, these initiatives are expressed in the Shape project, which defines the key strategic levers for building a more robust, responsible and sustainable company:



Sales

We continue to maintain double-digit growth, diversifying our brands and distribution channels and developing new niche markets (such as façades). The average price of our products increased in 2019, thanks in part to the company's improved pricing management, highlighting Silestone's positive progression in an environment of maximum competitiveness in the quartz category.



Marketing

We have refocused the Marketing strategy, giving greater weight to Digital Marketing with a clear focus on capturing leads, among professionals as well as end consumers. We have relaunched our new Loyalty Programme globally and reinforced the management model for Cosentino Cities, after celebrating the first Summit at our headquarters.



Innovation

2019 saw the launch of new series such as Liquid, along with the new Eternal series colours, whose successful launch consolidates our leadership position. The organisation has been strengthened to boost our agility in developing products for new niche markets and to achieve a more robust Time to Market process.



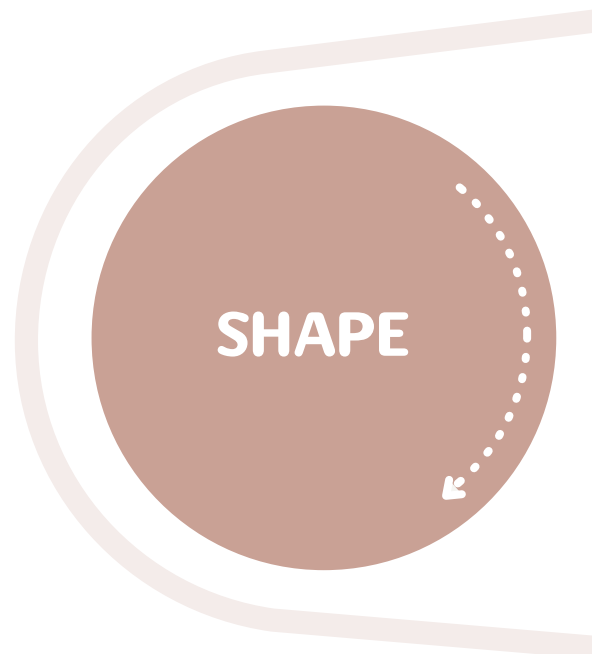
Service

We have optimised logistics thanks to new agreements with ports and shipping companies worldwide, which enable us to improve service for our clients.



Efficiency

Thanks in part to Cosentino's strong commitment to automation, critical aspects such as accident rates and the profitability of certain plants have improved, together with the development of new thicknesses of our products..





Digitalisation

In 2019, Cosentino's digital platform has been rolled out in more than 20 countries, offering segmented digital services according to the type of professional. In addition, we have continued to digitise our processes, making the architecture of our technological infrastructure more flexible and improving communication through Teams, which is all defined by the Group's Cybersecurity Master Plan.



People

During 2019, the company continued to reduce turnover, succeeding not only to attract the best possible talent, but also to retain and develop it through a comprehensive management programme for human resources. Additionally, we have defined the Cosentino employee experience, which will guide them throughout the process.



Sustainability

We advanced our commitment to the circular economy in 2019, consolidating the company's leadership on environmental sustainability. We also reinforced internal and external security and protection against external threats. Working every day to turn Cosentino into a sustainable company is a clear goal that will remain a directive in 2020.

2019 Milestones & Figures

Internationalisation

- We distributed our products to 116 countries.
- We opened a new Cosentino City in Los Angeles (United States).
- We opened new Cosentino Centers in the United States, Canada, France and Malaysia.

Innovation

- We invested 18.6 million Euros in R&D+innovation.
- In 2019, construction began for the new R&D centre, which will bring together the various laboratories currently dispersed across our Almeria site. This will open in 2020.

Financial dimension

Net business turnover

€1,109,884,277

2018: €984,527,015

EBITDA ex IFRS-16

€156,229,940

2018: €142,996,194

Total Assets / Liabilities + Net Equity

€1,307,493,472

2018: €1,047,510,657

Net Financial Debt

€258,344,778

2018: €210,519,534

Investments over the Financial Year

€125,119,003

2018: €88,167,065

Commitment to our region:
Almeria receives 76% of our Investment Plan 2016-2020

Net Equity

€396,675,147

2018: €329,116,952

Main ratios

Net Debt / EBITDA ex-IRFS 16

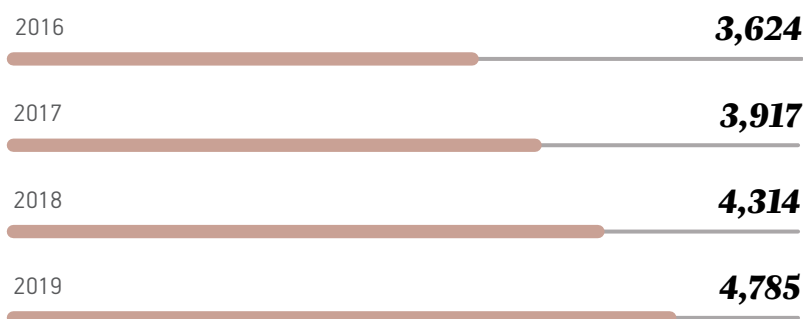
1.64

Net Debt / Equity

0.63

People

Annual increase in job numbers



Training

170,543 hours

(43,925 in 2018)



Employment

90.76 %

Job roles with
permanent contracts



Occupational Health and Safety

TCIR 3.4 / LTIR 1.5

In 2019 we reduced the total injury rate to 3.4 and the lost-time injury rate to 1.5 (4.1 and 1.8 respectively, in 2018)

Environment and Circular Economy

- We have calculated that the Carbon Footprint of the Cosentino Group is 455,255 tn CO₂ in all its areas. Furthermore, through innovation and new infrastructures, in 2019 15,000 tn of CO₂ were avoided.
- In 2019 Cosentino produced 1.45 million square metres of products from recovered or recycled materials.
- We achieved a waste recovery rate of 33% at the Cantoria Industrial Park.
- We allocated €10.9 million to launching assets related to our environmental management and €8.4 million to environmental expenses.

Community



Donations

€1.1 million

to social activities

- We consolidated our commitment to the education of youngsters through the Eduarda Justo Foundation.
- We continue to support art and culture as sponsors of the Ibañez Cosentino Art Foundation.

Business evolution and results

Over 2019, Cosentino has consolidated and strengthened its position as a global market leader. The key to our success is remaining true to our commitment to excellence and continuous improvement. In this financial year we have based our activity on increasing R&D, investment in new products and sales channels, international growth, respect for the environment, sustainability and contributing to society. Our constant investment in new production processes, internationalisation, product differentiation, vision of the future and financial strength have enabled us to stay ahead of our competitors.

Turnover at the end of 2019 was 1,109.8 million Euros, which represents an increase of 13% compared to the previous year.

The Group's EBITDA at the end of 2019 amounted to 189.6 million Euros, heavily influenced by the application of IFRS 16. In terms of comparison, Ebitda ex-IFRS 16 would amount to 156.2 million Euros, a 9% growth.

The Group's net profit also rose to 69.8 million euros (50.5 million euros in 2018), up 38% on 2018.

Cosentino's financial strength has allowed us to continue with our Strategic Expansion Plan into international markets, to develop our production capacity and to pursue our goal of diversifying our range of products and distribution channels.

€1,109.8 million

Turnover in 2019
(13% more than
in 2018)

€156.2 million

EBITDA ex IFRS-16
in 2019 (9% more
than in 2018)

€69.8 million

We increased the
Group's net profit
(€50.5 million in 2018)

<i>Economic dimension (€)</i>	2017	2018	2019
Net business revenues	900,716,027	984,527,015	1,109,884,277
Net income	909,866,357	999,196,524	1,128,619,137
Net equity	296,471,486	329,116,952	396,675,147
Net financial debt	197,727,332	210,519,534	258,344,778

Profit breakdown*

Country	Pre-tax profit (€)
Spain	86,073,554
Netherlands	840,277
Germany	480,775
United Kingdom	1,944,485
Italy	719,197
Portugal	582,657
Sweden	203,757
Belgium	412,468
France	572,812
Switzerland	439,248
Brazil	-520,286
Austria	121,403
Ireland	281,985
Norway	111,425
Singapore	74,108
Turkey	-304,390
Israel	405,490
Mexico	-128,997
Australia	479,026
Japan	108,929
Dominican Republic	-14,635
Denmark	100,562
Finland	119,829
New Zealand	77,016
South Africa	102,298
Poland	52,688
Malaysia	-56,963
USA	7,812,761
Canada	763,654
Puerto Rico	13,650

*Pre-tax profit breakdown
by country on 31 December 2019

Welcome



Francisco Martínez-Cosentino Justo, Diario de Almería newspaper Award 2019



Santiago Alfonso, named "Best Marketing Professional 2019"



Antonio Urdiales, Cosentino's Environmental Director, collects the Andalusia Environment Prize 2019

Awards and distinctions received in 2019

Cosentino

- **Julio Martín, Best Director of Sales at the 10th annual "El Diamante de la Compra" Awards:** Global Vice-President of Sales for Cosentino Group, Julio Martín, received the Best Director of Sales award at the tenth annual "El Diamante de la Compra" Awards, given by the Spanish Association of Professionals in Purchasing, Contracting and Supplies (AERCE).
- **C Magazine, Architect's Darling Bronze Award 2019:** The magazine 'C- architecture & everything else' has once again been awarded the Architect's Darling Award by Heinze GmbH, this time a Bronze in the "Best Corporate Architectural Magazine" category.
- **Francisco Martínez-Cosentino Justo, Diario de Almería newspaper Award 2019:** The President of the Cosentino Group, Francisco Martínez-Cosentino Justo, won the award "A Toda Una Vida Ejemplar" [For An Exemplary Life], presented to him by the deputy president of the Joly Group, Tomás Valiente.
- **Cosentino, Andalusia Environment Prize:** On behalf of the Almerian company, Antonio Urdiales, Environmental Director of the Cosentino Group, received the Andalusia Environment Award 2019 in the category of "Climate Change and Circular Economy", from the Regional Ministry of Agriculture, Livestock, Fisheries and Sustainable Development.
- **Cosentino won a 2019 Stevie Award for its "Global Kitchen" research project:** Cosentino won Bronze medal in the 2019 edition of the Stevie Awards with its project "Global Kitchen: the kitchen, the heart of the home", in the "Communications Research" category.
- **Santiago Alfonso, named Best Marketing Professional 2019:** Santiago Alfonso, Vice President of Marketing and Communication for Cosentino Group, was named 2019's "Best Marketing Professional" at the 11th National Marketing Awards, which are given by the Spanish Marketing Association.
- **Dircom 2019 Awards Finalist:** Cosentino was a finalist in the "Dircom Ramón del Corral" 2019 awards, in the category of "Best Internal Event" for fewer than 500 people, with the concert "Live On The Square".

- **2019 Mercury Excellence Award:** Cosentino won Silver at the Mercury Excellence Awards 2019 with its project Global Kitchen.
- **DeKauri wins Beautiful Kitchens & Baths' 2019 30 Most Innovative Products Award:** Cosentino joined Italian furniture manufacturer Riva 1920 to present DeKauri, the latest piece designed in collaboration with renowned architect and designer Daniel Germani. The piece was named one of the 30 most innovative products of 2019 by Beautiful Kitchens & Baths.

Silestone®

- **Silestone® Eternal Noir was honoured at the Kitchen & Bath Product Innovator Awards:** Silestone® Eternal Noir, one of Cosentino's latest innovations, won third place in the Bathroom category of the 2019 Kitchen & Bath Business Product Innovator Awards.

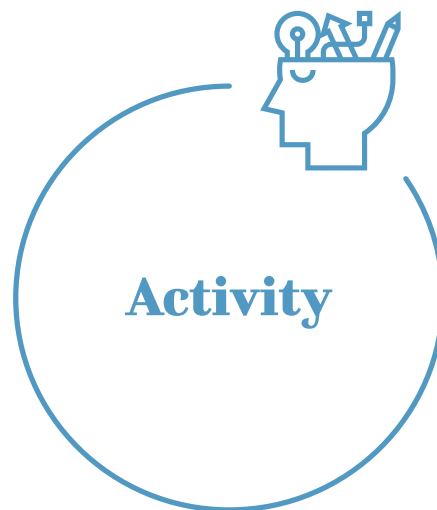
Dekton®

- **Double international recognition for Dekton® Slim:** Dekton® Slim won the annual *Best Products of the Year* competition in the American magazine Architectural Record, and received the Maison & Travaux Award in the "Materials, Structures and Insulation" category.
- **Dekton® Sogne, winner of the AD Great Kitchen Design Awards:** The 2019 edition of the AD Great Kitchen Design Awards, from Architectural Digest, saw Dekton® Sogne win the Kitchen category.
- **Dekton Grip+, Honourable Mention in the Architect's Newspaper Best of Products 2019 Awards:** Dekton® Grip+, one of Cosentino's latest innovations, has received an Honourable Mention in the Architect's Newspaper Best of Products Awards (USA), in the category "Finishes and Surfaces for Exteriors".

Sensa

- **Sensa Verde Aquarius wins Architectural Digest Great Design Award 2019:** Sensa Verde Aquarius by Cosentino® is among the winners at the annual Great Design Bath Awards 2019.







Page 44

Commitment to good governance
and transparency

Our governance structure

Page 51

Ethics, Conduct and
Regulatory Compliance

Ethics Committee

Regulatory Compliance Body

Complaints Channel

Anti-corruption mechanisms
and conflicts of interest

Human Rights

Associations and other initiatives

Page 56

Fiscal transparency

Public subsidies received

Page 58

Commitment to innovation

Innovation at Cosentino Group

Main developments and launches in 2019

Alliances for innovation

digitalisation and automation

Page 76

Commitment to our customers

Proximity to our customers

Excellence in quality and service

Customer health and safety

Constant dialogue with our customers

Page 96

Commitment to our suppliers

Our purchasing procedures

We promote our values and policies

Supplier health and safety

Dialogue with our suppliers



Commitment to good governance and transparency

Our governance structure

Our commitment to corporate governance is ongoing improvement, seeking the highest degree of transparency, efficacy and rigor. This is a decisive factor in the generation of trust and long-term commitment between Cosentino and our stakeholders.

The Corporate Governance structure of Cosentino Group, consisting of the General Board of Shareholders, the Board of Directors, the Delegated Committees and the Family Assembly, combines purpose, mission, vision and values with the tradition that characterises our origins as a family company, aiming to uphold the highest levels of rigour, efficacy and transparency in our decision-making process.

Board of Directors

The Board of Directors is the highest management and representative body. Given our family tradition, it largely consists of members of the Cosentino family, who ensure continuity of our family and business values. It is formed by a diverse group of professionals, with varied knowledge, experience and background; whose aim is to bring real value to the company by working on a daily basis to manage company affairs with integrity and transparency in an efficient and effective way.

Their mission is to promote social interest, represent the company in the administration of its assets, manage the business and direct the organisation of the company.

The Administrative Board is made up of eight members, four men and four women, meaning a 50% split of people of each sex.

Chairman / CEO

Francisco Martínez-Cosentino Justo

Members of the Board

Eduardo Martínez-Cosentino Alfonso

Pilar Martínez-Cosentino Alfonso

Isabel Martínez-Cosentino Ramos

Eduardo Martínez-Cosentino Ramos

María del Mar Martínez-Cosentino Ramos

Eduardo Martínez-Cosentino Rosado

Isabel Martínez-Cosentino Rosado

Secretary

Álvaro de la Haza de Lara

External Consultants

Carlos González Fernández

Fuencisla Clemares

Santiago Seage



Delegated Committees

The Delegated Committees are advisory bodies consisting of independent consultants and advisers with renowned prestige and experience in listed companies. Their role is to inform and make proposals to the Board of Directors.

Appointments and Remuneration Committee

Advises and supports the Board of Directors regarding its own composition and those of the Delegated Committees. It proposes, reviews and regularly updates the remuneration policy and recommends improvements in appraisal and gender diversity policies.

This body is also responsible for establishing the criteria related to the selection, qualifications and experience required of directors and independent advisers, and different positions in Cosentino Group.

External Consultant

Tony Gennaoui

Audit and Control Committee

The Audit and Control Committee proposes the appointment, re-election or replacement of account auditors and monitors the independence and efficacy of the Internal Audit function, the process for preparing and supervising financial information, the efficacy of the internal control system of Cosentino Group and its systems for managing risk, including fiscal risks, and the review and efficacy of the Code of Ethics and Conduct, and Regulatory Compliance.

External Consultant

Carlos González

Innovation Committee

The Innovation Committee advises the Board of Directors on the implementation of the R&D&I work plan, promoting this activity and fostering an innovation model based on the following premises:

- Multidisciplinary teams.
- Specialisation and versatility.
- Innovation as a transversal competency in the company.
- A system approach to continuous innovation.
- Market orientation.
- Focus on developing differential attributes of products.
- Global alliances and strategic partners.
- Dynamism and the quest for excellence.

External Consultants

Santiago Seage

Fuencisla Clemares

Corporate Social Responsibility (CSR) Committee

The goal of the Corporate Social Responsibility Committee is to identify and guide the policy, aims, best practices, sustainability and corporate social responsibility programmes of the Cosentino Group in line with its business strategy. In addition, it prepares the CSR report and monitors the philanthropic initiatives and the contributions to Public Administrations through the payment of taxes.

Executive Committee

The Executive Committee comprises 19 professionals with extensive experience in multidisciplinary and international environments. This Committee is a nexus between the Board of Directors and the rest of the company.



Cosentino Group Executive Committee.

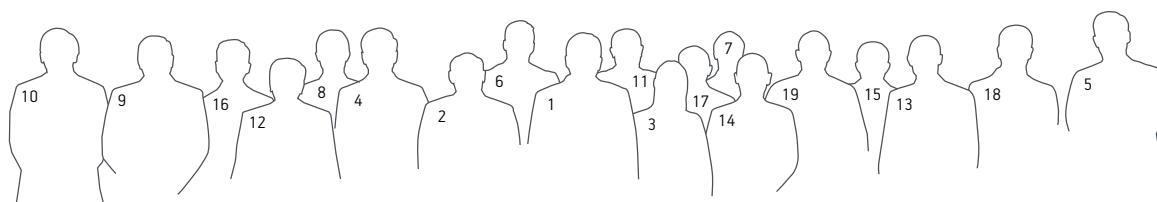
Members of the Executive Committee

As of 31 December 2019, the Executive Committee has the following members:

1. Francisco Martínez-Cosentino Justo,
President and CEO Cosentino Group
2. José Martínez-Cosentino Justo,
VP General Treasurer
3. Pilar Martínez-Cosentino Alfonso,
EVP Deputy Chairman
4. Eduardo Martínez-Cosentino Alfonso,
EVP Global Sales and CEO
Cosentino North America
5. Álvaro de la Haza de Lara,
EVP Corporate Functions
& General Secretary
6. Julian Edwards,
VP CFO

7. Valentín Tijeras García,
VP Global Product and R&D
8. Julio Martín Mancera,
VP Global Purchasing
9. Ángel Madariaga Álvarez,
VP Engineering & Projects
10. Alberto Quevedo González,
VP Global Production
11. José Antonio Fernández Pérez,
VP Global Logistics & Planning
12. Santiago Alfonso Rodríguez,
VP Global Marketing & Communication
13. Pedro Parra Uribe,
VP Sales Europe

14. Eduardo Martínez-Cosentino Ramos,
VP Sales Iberia
15. David Benavente Pérez,
VP Sales LATAM
16. Ginés Navarro Rubio,
VP Sales ROW
17. Christophe Gontier,
VP Sales Oceania & Asia
18. Francisco Carrillo Quilez,
VP Pricing & Technical Unit
of Commercial Projects
19. Brandon Calvo,
Chief Operations Officer
Cosentino North America





1. Francisco Martínez-Cosentino Justo, President of Cosentino Group

Francisco Martínez-Cosentino Justo holds a degree in Education from the University of Almería, and spent a year working as a teacher. A few years later, he graduated from an Executive Management for Leading Companies (ADEL) programme at the Instituto de San Telmo. He began his career in business in 1972, and in 1979 he founded the Cosentino Marble company together with his brothers. He currently holds the position of President of Cosentino Group. He has received various awards for excellence in business, including the Silver Medal of Andalusia from the Andalusia Regional Government; Favourite Son of Andalusia, also granted by the Regional Government this year, the Gold Medal for Merit at Work, awarded by the Ministry for Work and Social Security; the Gold Medal of the Province, awarded by the Provincial Council of Almería; the Accreditation of Honorary Ambassador for Brand Spain, awarded by the Spanish Forum of Leading Brands; the Gold Medal of the High Council of the National Chamber of Commerce and the Medal of the Chamber of Commerce of Almería.

He was Chairman of the Marble Entrepreneurs Association from 1983 to 1988 and Chairman of the Chamber of Commerce, Industry and Shipping of Almería from 1999 to 2003.

2. José Martínez-Cosentino Justo, VP General Treasurer

He graduated from the University of Barcelona with a degree in Economic Science (1969-1975). He was one of the founders of Cosentino in 1979 and currently holds the position of General Treasurer.

He previously worked for other companies such as Henkel Ibérica, Banco Popular and Torras Hostench.

3. Pilar Martínez-Cosentino Alfonso, EVP Deputy Chairman

Pilar Martínez-Cosentino Alfonso holds a degree in Law and Legal Business Consulting from the Pontifical University of Comillas (ICADE) in Madrid. She went onto complete an MBA at the Instituto de Empresa.

She started her career at KMPG, later moving to Cosentino Group as Strategy Manager. She currently holds the position of Deputy Chairman at Cosentino Group. She combines her professional role with that of Chairwoman of the Almería Foundation for Excellence in Business, and she is a member of the General Assembly of the Almería Chamber of Commerce. She is also a member of the Board of Trustees for the Eduarda Justo Foundation, dedicated to training and leadership for young people.

4. Eduardo Martínez-Cosentino Alfonso, EVP Global Sales and CEO Cosentino North America

Eduardo Martínez-Cosentino Alfonso studied Business Management and Administration, specialising in Marketing at ESIC Madrid until 2002. At the age of 35, he has already built up a solid career at Cosentino Group, where he has worked his way up through Sales, gradually taking on more responsibility until reaching management level. In 2010, Eduardo was appointed Chairman and CEO of Cosentino North America, as well as EVP for Corporate Sales worldwide, supervising the growth of the company and taking responsibility for national and international business units.

5. Álvaro de la Haza de Lara, EVP Corporate Functions & General Secretary

Álvaro de la Haza holds a degree in Law from ICADE. He also has an MBA from the Instituto de Empresa. He completed his executive training at Wharton and the London School of Economics. After starting his career as a lawyer at Garrigues, he joined Cosentino in 2004, where his responsibilities have steadily increased. He is currently Executive Vice President of corporate functions and General Secretary.

He was formerly President of the World Stone Engineering Association. He is the company representative for CEOE and Trustee of the US Spain Council Foundation. He is a regular speaker at business schools.

6. Julian Edwards, VP CFO

Julian Edwards holds a degree in Economics and Business Management (London School of Economics and Political Science) and a master's degree in Economic Financial Management (EFM).

Before joining Cosentino he worked for eleven years at Ferrovial Group, where for the last three years he held the position of Internal Audit Manager for North America.

7. Valentín Tijeras García, VP Global Product and R&D

Valentín Tijeras García holds postgraduate studies in business management, power electronics, an MSc in Electronic Engineering and a BSc in Physics. He previously worked as a researcher in the department of Electronics and Computer Technology at the University of Granada. He was Project Manager at SEPSA, developing high power electronic equipment (2001-2003) and worked from 2003 to 2006 as the Technical Director of the Andalusian Technology Centre for Stone (CTAP).

He has worked for Cosentino since 2006 as Product Manager. Since then he has been in charge of developing new products and defining innovation policy. Over the years he has also run the Technical Office, the Project Service unit and the Pricing department. Since 2017, he has been in charge of Research and Development in Cosentino Group.



8. Julio Martín Mancera, VP Global Purchasing

Julio Martín Mancera is a graduate in Mine Engineering, and holds a Masters in Operations and Services from ESADE Business and Law School. Before joining Cosentino Group he worked in Industrial Engineering and Mining, managing projects involving the opening of new mines and industrial plants, as well as running technical management and mining operations.

He is currently Vice President of Global Purchasing at Cosentino Group. He began his career at Cosentino in the Mining department and a year later joined the Purchasing department, which he has helped to develop from a number of different positions.

9. Ángel Madariaga Álvarez, VP Engineering & Projects

Ángel Madariaga Álvarez is a Senior Industrial Engineer. She started out as Internal Audit Manager after joining Cosentino in 2005 and three years later she was appointed Assistant Director of Operations and Services. She was in charge of the Projects department between 2008 and February 2015, when she accepted her current role. She previously worked for five years for Arthur Andersen as an Accounts Auditor.

10. Alberto Quevedo González, VP Global Production

Alberto Quevedo González studied Industrial Engineering, Business Management and Administration, and has an Executive Master from IE. He was a CIO before taking up his current position. Before joining Cosentino Group, he worked for Ernst & Young and Deloitte.

11. José Antonio Fernández Pérez, VP Global Logistics, Planning & Distribution Operations

José Antonio Fernández Pérez studied Telecommunications Engineering at the Polytechnical University of Jaén. He has an Executive Masters in Marketing and Commerce from the Instituto de Empresa (IE), a master's in Shipping Business Administration and Logistics from the Spanish Maritime Institute (IME) and a Certificate in Planning, Production and Stock Management (BSCM-DRP-DSP) from APICS. He joined Cosentino in 1998 and after working at the Technical Office, USC, where he created the Pricing Department, he is currently the Director of Planning, Logistics and Distribution Operations.

12. Santiago Alfonso Rodríguez, VP Global Marketing & Communication

Santiago Alfonso Rodríguez is a Law Graduate and holds an AD1 Diploma from the San Telmo Institute. He also completed business administration studies at the European University of Brussels. He joined Cosentino in 1990, and after working in the Sales department in both the Spanish and international market, he created the Marketing department in 2000.

He represents the company in a number of associations and federations within the field of architecture, design and marketing.

13. Pedro Parra Uribe, VP Sales Europe

Pedro Parra Uribe is a graduate in Telecommunications Engineering (Polytechnic University of Catalonia) and has an MBA from The Wharton School (University of Pennsylvania). Before joining Cosentino he worked for British Telecom, Morgan Stanley and McKinsey & Co.

14. Eduardo Martínez-Cosentino Ramos, VP Sales Iberia

Eduardo Martínez-Cosentino Ramos holds a degree in Fine Art from the University of Barcelona. He graduated from EADA in 2005. He has worked for Cosentino since 1985, beginning with sales work in Barcelona. In 1987, he opened the Madrid Center with Pedro Expósito. Since 2004, he has been the manager of the Centres in Spain and since 2007, those in Portugal.

15. David Benavente Pérez, VP Sales LATAM

David Benavente Pérez holds a degree in Finance and Accounting from the University of Houston. He also has an MBA in International Business from Saint Thomas University. He has worked at Cosentino for 18 years, moving through different positions, such as Administration and Accounts Director for Cosentino USA, Sales Director for Europe and finally Sales Director for LATAM.

16. Ginés Navarro Rubio, VP Sales ROW

Ginés Navarro Rubio holds a degree in Business Science, an MBA from IEDE and a Senior Management Degree from the San Telmo International Institute. After two years as an Economic and Tax Advisor, he has spent the rest of his career at Cosentino, first as Economics Director, before becoming involved in the Group's international expansion process.

17. Christophe Gontier, VP sales Oceania & Asia

Cristophe Gontier holds a degree in Business Sciences and an MBA in Business (UD, Texas). He worked for Steelcase and Fagor before joining Cosentino in 2007. Since then, he has held several posts in Sales within the company, such as Area Manager for the European market. In 2017, he took up the post of VP Sales Oceania & Asia.

18. Francisco Carrillo Quilez, Pricing VP

Francisco Carrillo Quilez is a graduate in Telecommunications Engineering and has a master's degree in Marketing and Commercial Management. He has held a number of different commercial management positions at Cosentino in Iberia and Europe, and for the past three years he has been Director of Pricing and Cosentino Group's Technical Project Service Unit.

19. Brandon Calvo, Chief Operations Officer Cosentino North America

Brandon graduated from McCombs Business School at the University of Texas with a specialist degree in International Business Studies. He is one of the original employees and founders of Cosentino North America, dating back to 1998. Over the span of his career, he has worked in the distribution and manufacturing segments and has been Director of Operations for Cosentino North America since 2008.

Family Assembly

The Assembly is attended every year by all family members over the age of 16 to share information about the progress of Cosentino Group and to reinforce the family and business principles and values.

The Assembly has the following tasks and functions:

- It meets once or twice a year to inform the family of the company's progress and of any developments deemed appropriate.
- It constitutes a forum that defines the family's objectives for the Group.
- It detects problems that affect the Family and the Group.
- It promotes education and training programmes for family members.

Ethics, Conduct and Regulatory Compliance

At Cosentino Group, in order to build a relationship of full trust among the members of our team, shareholders, partners, customers and suppliers, we are deeply committed to comply with ethical standards and principles, as well as the legislation in force, both internally and in our external relations.

With this aim, we update and promote our Code of Ethics, Conduct and Regulatory Compliance. This Code is our main tool for establishing an ethical behavior based on integrity, that goes beyond the legal minimums requirements and obliges our directors, officers and employees to develop its activities and relationships with our stakeholders in an upright manner.

Such behaviour will be based on the following principles:



We develop our activities in strict compliance with the law in force in each of the places we operate.



The activity carried out by Cosentino Group and its employees shall be based on integrity and in accordance with the principles of honesty, avoidance of any form of corruption and respect for all the circumstances and particular needs of all those involved.



All of our actions shall scrupulously observe the Human Rights and Public Freedom included in the Universal Declaration of Human Rights. The values of our Code of Ethics are part of the culture that all of the Cosentino Group's employees share, and every employee shall be familiarized with such document.

In order to ensure compliance with such basic principles of conduct, Cosentino Group has provided itself with tools such as our Ethics Committee, the Regulatory Compliance Body and the Whistleblower Channel.

Ethics Committee

Its goal is:

- To ensure compliance with the Code of Ethics, Conduct and Regulatory Compliance.
- To ensure commitment to the 10 principles of the United Nations Global Compact.
- To address complaints related with ethical questions submitted through the Whistleblower Channel and open the relevant investigations.
- To resolve conflicts of interest relating to the business activity.

The Ethics Committee reports directly to the Chairman, has full autonomy and meets regularly.

Composition

EVP Deputy Chairman

Pilar Martínez-Cosentino Alfonso

Internal Audit Director

Guillermo José Vicente Saúco

EVP Corporate Functions & General Secretary

Álvaro de la Haza de Lara

Regulatory Compliance Body

Its aims is:

- To ensure compliance with regulations.
- To control, supervise and act as the body in charge of complaints relating to regulatory compliance received through the Whistleblower Channel.

Composition

EVP Corporate Functions & General Secretary

Álvaro de la Haza de Lara

Director of Legal Consulting

Jorge Cuervo Vela

Although Cosentino does not have a specific communication system for critical issues per se, we have various forums such as the cross-departmental Committees which meet quarterly and deal with critical issues in accordance with the subject.



Whistleblower Channel

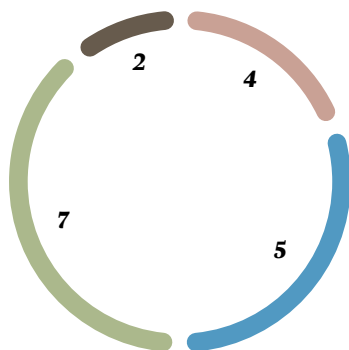
Our Whistleblower Channel is available to all Cosentino employees on the corporate intranet. In addition, people from the outside of the Company can access and communicate or file a claim via our website or by email.

The Whistleblower Channel enable any person to report with complete confidentiality any kind of misconduct related with any case of non-compliance or infringement of the behaviours set out in the Code of Ethics, Conduct and Regulatory Compliance mentioned afterwards.

The complaints and communications received are processed by the Ethics Committee or the Regulatory Compliance Body, depending on their nature.

A total of 18 complaints were received in 2019 at the Ethics Committee inbox, all of which were resolved. Please find the type of complaints detailed by typology below:

Number of complaints



- Harassment
- Fraud
- Inappropriate behaviour
- Others

(1) Includes communications related to customer service, access to systems etc.

Anti-corruption mechanisms and conflicts of interest

At Cosentino Group, we have a firm commitment against corruption and bribery. This is embodied by the anti-corruption measures established by the Code of Ethics, Conduct and Regulatory Compliance and the Anti-Corruption Policy, which sets out our greatest commitment to law, ethical values and transparency.

Our Anti-Corruption Policy was approved in 2017 and it is applicable to the main companies of Cosentino Group: Grupo Cosentino, S.L., Cosentino, S.A.U and Cosentino RGD.

Cosentino Group Anti-Corruption Regulations

The company expressly prohibits offering or giving:

- Gifts or gestures of any kind in direct return for an act, whether performed in the past or in the future. Such gestures would only be given, offered or accepted without expectation of anything in return.
- Cash.
- Gifts or gestures of any kind if there is a risk of, due to its frequency or value (individually or jointly), they may not be considered to be given in an occasional or reasonable manner.

In 2019, the company implemented its Annual Training and Communication Plan on matters concerning Compliance, including monthly training on key anticorruption issues.

Our Annual Audit Plan includes activities to accurately assess the existence any conflict of interest in the Company and compliance with internal rules such as our Purchasing Standards. We also have procedures in place to control payments on behalf of third parties and we have implemented measures such as: centralised treasury system, payments reflected in SAP, verification procedure, accounting of invoices, etc.

The regulations regarding money laundering are included in the Code of Ethics, Conduct and Regulatory Compliance. Thus, Cosentino Group commits to comply with money laundering laws of any competent jurisdiction.



Human Rights

The main risks of human rights violations occur in our own business activities as well as those of our suppliers. The company uses various measures to prevent and remedy these.

The responsibility for respecting human rights lies with all individuals and bodies to which the aforementioned Code of Ethics, Conduct and Regulatory Compliance apply. We follow basic guidelines for conduct including ILO's Declaration of Fundamental Principles and Rights at Work and Conventions,

the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact. Via our Code of Ethics, we agree to respect the human rights and civil liberties recognised in the United Nations Universal Declaration of Human Rights. In this Code, Cosentino expressly agrees to abolish child labour, requiring all employees, partners and suppliers to comply strictly with this principle.

As for the supply chain, this requires the same conditions of compliance, accepting the principles of respect for human rights, among others. In addition, the General Purchasing Conditions

stipulate that suppliers undertake to comply with a set of criteria, including those relating to human rights. Audits are also conducted on key suppliers in terms of human rights. For further information, please consult the chapter on our commitment to our suppliers.

As mentioned in the previous sections, any non-compliance or breach of conduct stated in the cited Code must be communicated, including those concerning human rights.

Associations and other initiatives

The Cosentino Group plays an active role in a number of organisations related to our activity, promoting dialogue with our stakeholders and reaffirming our commitment to sustainable development. The total sum contributed in 2019 was €51,553.13:

- SERES Foundation: A Spanish foundation promoting business commitment and actions to reinforce corporate responsibility and generate shared value.
- Innovative Natural Stone Business Association [Asociación Empresarial Innovadora de la Piedra Natural].
- Kitchen Furniture Association [Asociación Mobiliario de Cocina - AMC].
- Association of Communications Directors and Participation in DIRCOM awards.
- Association of Leading Spanish Brands, sponsorship of the Brand Spain Ceremony in New York and publication of the FMRE 10th Anniversary Report.

- Association of Real Estate Developers [Asociación Promotores Inmobiliario] Fadedco.
- Association for the Management Progress [Asociación para el Progreso de la Dirección - APD].
- Association of Spanish Design Companies (RED).
- Spanish Advertising Association.
- CENFIM.
- Collaboration with FUNDACOM awards.
- Spanish Green Building Council.

We are also subscribe to a number of external initiatives that form the basis for our ethical rules and procedures:

- Sustainable Development Goals.
- OECD Guidelines.
- ITO Tripartite Declaration.
- Universal Declaration on Human Rights.
- ISO 9001 G- 14001.
- European Purchasing Standard UNE 15896.

€51,553.13

Total amount
contributed in 2019



International Labour
Organisation



United Nations
Global Pact



Guidelines for OECD
multinationals

Fiscal Transparency

In line with Cosentino's commitment to fiscal management, since 2015 we have voluntarily published details of the tax payments made in the countries where we operate, thereby demonstrating our commitment to transparency in tax payments.

Cosentino Group's fiscal policy is based on all our companies complying with their tax obligations, their relationship with the tax authorities being governed by our corporate principles: integrity, honesty, transparency and professionalism.

It should be stressed that Cosentino Group holds no shares in any company based in a tax haven or territory on the European Union blacklist of non-cooperative jurisdictions on tax matters, and aligns itself with the principles and conduct advocated by the OECD BEPS Plan. Similarly, and with regard to Transfer Pricing, the Group evaluates its transactions

between related entities in line with the OECD Transfer Pricing Guidelines, presenting the Report on a country-by-country basis in Spain, where the Group's parent company is located.

The taxes paid by the Group in the countries and territories in which it operates represent the main contribution of Group companies to the public purse and, therefore, one of its key contributions to society. As well as our significant direct contribution to the government via the payment of taxes, the Group also makes a substantial contribution via the collection of taxes from third parties as a result of our business activity.

In 2019, the financial and social contribution through the net payment of taxes (sum of taxes paid plus rebates) as well as the taxes collected by Cosentino on behalf of the tax administrations, increased to 176 million Euros, compared with 149 million Euros in the previous year.

Cosentino Group's performance principles



To comply with general regulations and particularly with the tax laws in the different countries and regions that the Group operates in, paying the applicable taxes according to the legal system of each country.



To encourage mutually cooperative relations with the tax authorities.



To collaborate in the fight against tax evasion, rejecting the use of contrived structures unrelated to the activities of the Society in the different countries with the sole purpose of lightening the tax burden.

Evolution of tax contributions

	2017	2018	2019
Direct tax payments (€)	29,352,857	21,075,335.38	33,389,801
Tax collection (€)	112,962,346	128,579,465.05	143,041,598
TOTAL	142,315,203.42	149,654,800.42	176,431,399

Contribution by geographical area (€)

Regions	2018	2019	Regions	2018	2019
SPAIN	51,857,916	63,241,428	GERMANY	4,251,494	4,237,468
Own contributions	10,906,611	19,178,643	Own contributions	38,281	55,038
Other contributions*	40,951,306	44,062,786	Other contributions*	4,213,212	4,182,429
UNITED STATES	25,447,063	32,595,991	BELGIUM	3,091,505	3,547,893
Own contributions	5,413,307	9,718,980	Own contributions	93,848	90,756
Other contributions*	20,033,756	22,877,011	Other contributions*	2,997,656	3,457,138
UNITED KINGDOM	17,966,709	19,219,528	NETHERLANDS	2,341,381	2,840,646
Own contributions	1,172,853	1,647,727	Own contributions	60,663	72,373
Other contributions*	16,793,856	17,571,801	Other contributions*	2,280,718	2,768,273
ITALY	5,291,641	6,190,660	IRELAND	2,712,723	2,680,911
Own contributions	77,330	125,132	Own contributions	108,722	119,173
Other contributions*	5,214,311	6,065,528	Other contributions*	2,604,001	2,561,738
FRANCE	3,963,966	6,150,742	SWEDEN	2,201,468	2,446,545
Own contributions	194,330	187,145	Own contributions	27,165	45,217
Other contributions*	3,769,636	5,963,597	Other contributions*	2,174,302	2,401,328
BRAZIL	5,958,253	5,569,889	ISRAEL	2,124,935	2,186,517
Own contributions	1,689,756	816,218	Own contributions	148,461	200,721
Other contributions*	4,268,498	4,753,671	Other contributions*	1,976,473	1,985,797
CANADA	5,153,126	5,517,495	TURKEY	924,283	1,679,852
Own contributions	251,222	110,805	Own contributions	15,565	2,883
Other contributions*	4,901,904	5,406,690	Other contributions*	908,718	1,676,969
PORTUGAL	4,212,456	4,923,489	OTHER (Remaining 5%)	7,886,069	8,904,224
Own contributions	116,786	179,165	Own contributions	384,222	246,872
Other contributions*	4,095,670	4,744,323	Other contributions*	7,501,847	8,657,352
AUSTRALIA	4,269,812	4,498,121	TOTAL	149,654,800	176,431,399
Own contributions	376,212	592,952	Own contributions	21,075,335	33,389,801
Other contributions*	3,893,600	3,905,169	Other contributions*	128,579,465	143,041,598

* Contributions paid by third parties

Of the 33,389,801 Euros of our own contributions, 20,899,806 Euros represent the net payment of Corporation Tax, with the remainder being local taxes and duties.

By region, Spain is the country where we contribute the most in direct taxes because it is the country where the Group's main activities take place (including manufacturing, research, development, purchases and marketing), followed by other European countries and the USA.

Public subsidies received

The activity of non-repayable subsidies, donations and legacies received is as follows:

	2018	2019
Balance on 1 January	21,322,216	18,758,115
Subsidies awarded during the year	1,486,889	6,558,447
Reduction of subsidies received in previous years	-607,507	0.00
Transfers to the profit and loss account	-3,443,483	-3,082,321
Balance on 31 December	18,758,115	22,234,241

Commitment to innovation

Innovation at Cosentino Group

Cosentino Group's strong and continuous commitment to innovation has enabled us to differentiate our product portfolio and consolidate our position as leaders in the sector. We offer a range of products and services that contribute to well-being and social progress in an efficient, sustainable and safe way.

Innovation forms part of our corporate culture and our corporate goal. It is an integral part of our work and an essential tool for competitiveness. We focus on our clients, ensuring sustainability and adding value to our current and future products and services.

The whole Cosentino Group is involved in creating value through this tool. Innovation is the order of the day for everyone in Cosentino Group, to imagine and anticipate future needs. At Cosentino, innovation in our products and services is a strategic function to ensure our future growth and is reflected in our corporate goal *"to inspire people through innovative and sustainable spaces"*.

We consider continuous investment in R&D&I to be an essential lever for sustainable development. In 2019, we invested 18.6 million Euros in R&D&I, in R&D&I projects and related assets. Cosentino Research and Development is a company belonging to the Group where most of our R&D&I activity takes place. It boasts a multidisciplinary research and development team.

It also actively implements a policy of collaboration with prominent external consultants and institutions belonging to the field of design, engineering and technology.

€18.6 million

Investment in R&D in 2019 for R&D&I projects and related assets



<i>Innovation (€)*</i>	2016	2017	2018	2019
Investment in R&D&I projects	8,984,665	10,825,575	14,435,338.96	12,670,330.95
Investment in R&D&I-related assets	6,864,907	11,734,753	10,849,610.60	6,010,452
Total investment in R&D&I	15,849,572	22,560,328	25,284,949.56	18,680,782.95

* Investment by Cosentino S.A. and Cosentino R&D partnerships.

We have an Integral Management System and our own centre in Almería. We have also established a number of collaboration agreements and alliances with third parties to promote innovation and development.

The sale of new products remains Cosentino's main lever for generating sales, with particular intensity in the new lines of Silestone® and Dekton® colours.

In 2019, construction began on the new R&D centre, which will bring

together the various laboratories currently dispersed across our plants on the Almería site. This will open in 2020. The group also underwent an organisational restructure to ensure that lines of research are better aligned with company strategy.

Main developments and launches in 2019

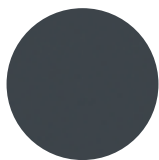
Dekton® by Cosentino

Dekton® Chromica: Baltic and Feroe

Dekton®, Cosentino's innovative ultra-compact surface for the world of architecture and design, sets itself apart once again in the sector with the launch of the new Chromica colour range. The series is initially formed of the cutting-edge colours Baltic and Feroe. These monochrome shades, both featuring a dark base hue and matte finish, were designed by the renowned architect and designer, Daniel Germani, to meet cutting-edge decorative trends.

The result of this recent collaboration between Germani and the Cosentino Product and R&D team is two simply stunning and unique colours. The intense character afforded by the Baltic blue and Feroe green tones are perfect for elegant, sophisticated and balanced projects that exude personality. Taking inspiration from the colours seen in nature's wildest and most remote places, Baltic and Feroe are synonymous with force and determination. The launch of these colours enriches and expands the current Dekton® colour palette.

Added to the extraordinary aesthetics of Chromica is the unbeatable quality afforded by a unique surface such as Dekton® by Cosentino. Created using raw materials taken from porcelain, glass and quartz, the Dekton® ultra-compact surface boasts superior resistance to UV rays, scratches, stains and sudden changes in temperature. Its durability and low maintenance guarantee a long useful life regardless of its application. Thanks to its high mechanical properties, Dekton® is perfect for the most daring cuts in designs that are exposed to demanding situations, such as wind loads, irregular loads and various perforations. All of this makes it the perfect product for a wide range of uses, such as flooring, façades, cladding, worktops and stairways. Dekton® is available in large-format slabs and in various thicknesses, opening up a large range of creative possibilities for architects and designers for commercial and residential projects alike.



Baltic



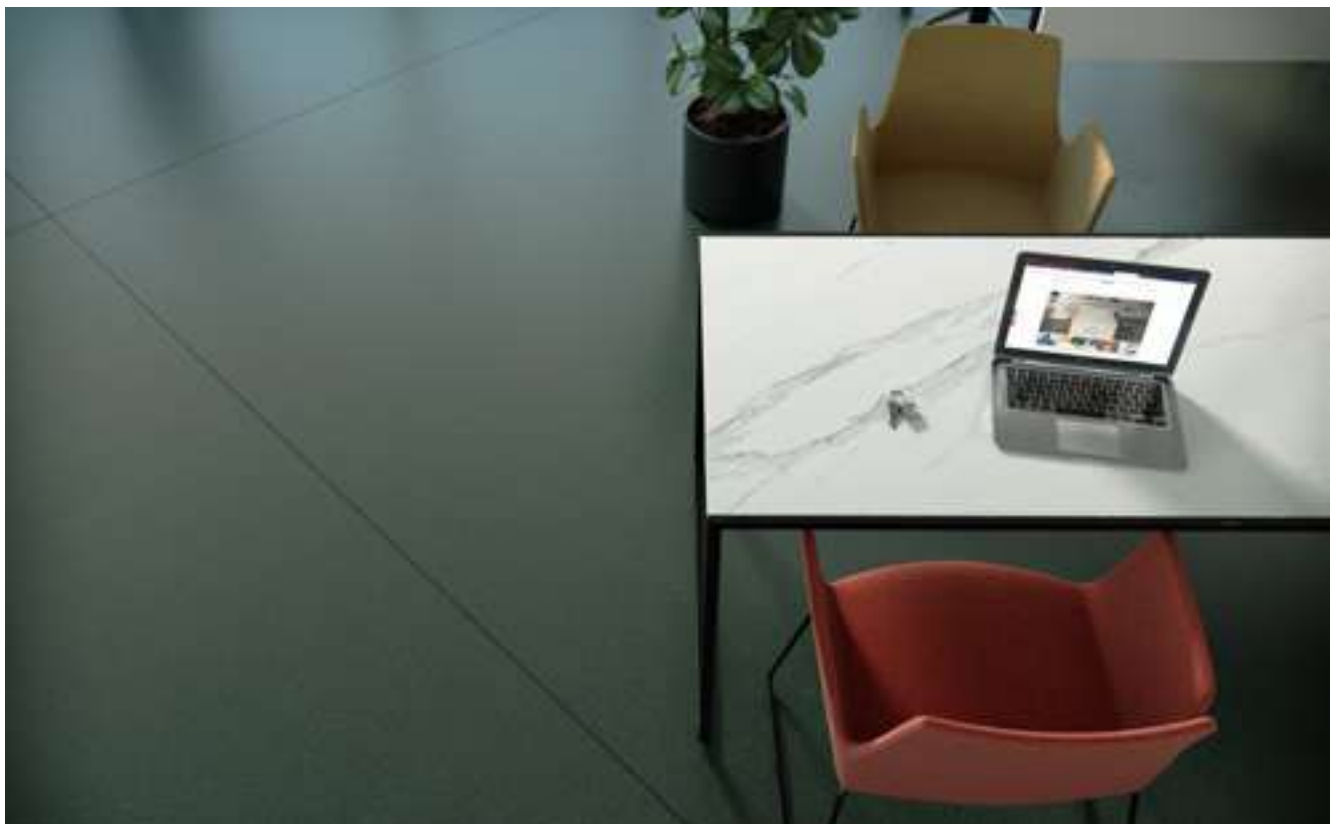
Feroe



"Chromica is an exploration in colour. In researching new hues that could be used with both organic and technical materials, the answer was in front of me all along...dark shades of blue and green. These two analogous colours go well with each other but also combine with a lot of different colours in the colour wheel. The difficult part was to find hues that will be both timeless and modern, that will play well both in traditional as in contemporary spaces and that could be used both in indoor as outdoor spaces. The process was very intuitive and working with the Cosentino R&D department made it a breeze."



Daniel Germani
Architect and Designer



Feroe Dekton® Chromica

Dekton® Liquid

Cosentino introduces Liquid, a collection of colours designed by PATTERNITY for Dekton® by Cosentino, a cutting-edge ultra-compact large format surface. This collection, which will be launched in March 2020, is the result of a collaboration between Cosentino's design team and PATTERNITY, the London design studio that specialises in the creation of motifs and patterns. It offers the client three innovative colours that will be shown for the first time in December as part of Design Miami. The Collectors Lounge space of Design Miami will house an installation, whose highly conceptual design will serve as a showcase for this chromatic conception of Dekton®.

With Liquid, Cosentino presents three new colours: Liquid Sky, Liquid Shell and Liquid Embers. This collection embodies the force of a liquid element, giving us the opportunity to incorporate its whirlwinds, torrents and flows into the spaces we inhabit every day.



Anna and Grace
Patterinity



Sky



Shell



Embers



Embers Dekton® Liquid



Sky Dekton® Liquid



Shell Dekton® Liquid

Dekton® Slim XGloss

As a result of those tireless efforts, the revolutionary Slim thickness, measuring just 4 mm, is presented for the first time in four spectacular colours with the polished finish of the ultra-compact Dekton® surface. The colours Natura18 (XGloss Natural series), Halo (XGloss Solid series), Arga and Bergen (XGloss Stonika series) offer sophistication and a unique shine. The sublime I+D carried out by Cosentino professionals has made it possible to create a technologically advanced and unique surface on the market, as there is no other option that combines such thinness with such an extraordinary and spectacular mirror-like shine.

This launch is part of Cosentino's international roll-out of a further 10 products in the Slim chromatic palette, with the most sophisticated, texturised and structure-rich tones of Dekton® to enrich the home's most important spaces. In addition to the polished finishes, there are matte finishes in six colours: Aura15, Edora and Bromo from the Natural collection, and Trilium, Laos and Lunar from the Industrial series. With this development, Dekton® Slim has a 19-reference colour palette.

The Slim thickness heralds a revolution in the architecture and design panorama, offering an innovative surface that combines the extraordinary technical and mechanical properties that characterise Dekton®, with a much finer thickness (4 mm) and a much lighter weight (10kg/m²). It is also easier to handle and install.

Combining its hardness, high resistance to scratches and stains, low water absorption and production in large format slabs with an expanded and exquisite colour range, Dekton® Slim establishes itself as the perfect option for those applications requiring high performance at the same time as lightweight materials. These include, for example, furniture coverings, door coverings or large panelling, among others, whether for new construction or restoration projects.



Arga Dekton® Slim XGloss



Dekton® Grip+

Dekton® Grip+ is an anti-slip treatment for areas that legally require greater grip, ensuring minimum non-slip qualities.

Dekton® Grip+ technology modifies the surface of the material in a controlled way while ensuring it remains soft to the touch and easy to maintain and clean.

Unlike most other non-slip treatments on the market, the GRIP+ treatment is applied before our firing process, so it anchors to the body and forms part of the product.

COLOURS: Vera, Kreta, Soke, Keon, Orix, Laos, Trilium, Kira, Strato, Danae, Nilium, Lunar, Sirocco, Nayla, Aura 15, Makai. These belong to two different groups, depending on their application at the installation site.

DEKTON GRIP +

Dekton® ID

Dekton® introduces a revolutionary customisation service to bring innovation and product development closer to its customers.

With all the benefits, formats and finishes offered by our Dekton® material, we're able to achieve a whole range of colours and textures, such as high-purity solids, marbled materials, fresh and natural touches, and bolder colour ranges, all thanks to the manufacturing technology used.

What does Dekton® ID by Cosentino guarantee for us?

- The same performance and resistance to UV radiation.
- A wide range of possible colours.
- Adaptation to client requests.
- Available in small quantities.

DEKTON ID

INDIVIDUALLY DESIGNED

Activity

"Working with Dekton ID has been a truly rewarding experience. As an industry professional, having that opportunity to work side-by-side with the company's innovation and customisation department, involving our client 100% in the development and choice of the customised material, and seeing how an idea becomes a reality that exceeds expectations, it encourages you and makes you feel like a "consultant of dreams". Right from the start, you realise that can turn your clients' vision into reality with virtually no limits. This adds value to our brand that sets it apart from the rest, allowing us to offer the perfect solution for all sorts of projects and ambitions. I recommend that all our sales networks promote and work with this brand. Between us all, we can bring both beauty and efficiency to everything around us."



Jesús Carreño
Area Manager CC Vancouver



Customized Grays: different shades of grey created exclusively for the ToHa building, designed by Ron Arad and Avner Yashar



Silestone® by Cosentino

Wakka shower tray by Silestone®

Silestone® by Cosentino has developed Wakka, a new shower tray in a single piece.

This is whole new concept in shower trays, designed to be incorporated into the floor (mounted). This ensures a sense of flow and harmony of all elements of the ensemble. With the superior quality and advantages that Silestone® offers, it is an eye-catching shower tray with a premium, technologically-advanced look to suit all uses.

Just like the rest of the collection, the Wakka model guarantees correct water drainage with just 3 cm of thickness, also including "guides" to facilitate its correct installation. Available in all Silestone® colours, with the opportunity to customise the sandblasted surface (bubbles, transversal strips or scattered lines), it meets the most demanding anti-slip standards (class C) and features complementary pieces such as covers or valves.



Wakka shower tray by Silestone®

Eternal Noir and Silken Pearl

Silestone® by Cosentino, the world leader in quartz surfaces for architecture and design, launches two new additions to the best-selling “Eternal” colour collection. The Eternal Series was created in 2017 to revive the classic aesthetic of marble, an ancient natural stone and a symbol of the Cosentino company heritage.

Eternal Noir and Silken Pearl are the names given to the two new versions of Silestone® Eternal, which have been created in response to major decoration trends towards marbled textures. The timeless natural beauty of this stone has made it a huge interior design hit, seen everywhere at the world's most prestigious architecture, decoration and design shows.

Eternal Noir provides an asymmetrical design inspired by the pure elegance of natural stone. Its black finish emanates distinction and simplicity and the intense, dramatic veining, highlighted by an interplay of white and orange tones, appeals to a whole spectrum of aesthetic tastes. Eternal Noir is a colour that captivates and inspires interior design choices based on dark colours.

Silken Pearl takes its inspiration from a creamy stone whose smooth, refined base is complemented by delicate white veining. A notably natural and calm look. This colour option provides architects and designers with a wide range of aesthetic combinations. Silken Pearl is synonymous with reliability.

In keeping with the philosophy of the entire collection, the veining plays an essential role. The random nature of the veining pattern lends distinction, elegance and a sense of continuity and completeness.

The inherent exclusivity of the natural stone is intensified in this series by Silestone®, whose natural finishes are not only beautiful, but they also come with the advanced technical properties that only a surface such as Silestone® can guarantee. Eternal Noir and Silken Pearl, as well as the colours in the Eternal series, Eternal Marfil, Desert Silver, Charcoal Soapstone, Eternal Marquina and Eternal Serena.



Eternal Noir



Silken Pearl



Eternal Noir Silestone® Eternal



Silken Pearl Silestone® Eternal

Sensa by Cosentino®

Nilo

Nilo is Sensa's star launch, an exotic dark grey Brazilian quartzite with blurred veining, creating a sensation of movement that is perfect for any environment. Each piece is like a unique canvas that transports us to the river Nile's mythical waters.

White Macaubas

Brazilian quartzite with a light background, marked by fine linear grey veins. White Macaubas, with a Polished texture, is able to create clear, homogeneous spaces with a distinctive and elegant touch.

Taj Mahal

Brazilian quartzite with a soft ivory-coloured background and a warm brown veining, lends any space a sophisticated and harmonious style.



Taj Mahal Sensa by Cosentino®



Nilo Sensa by Cosentino®



White Macaubas Sensa by Cosentino®

Our lines of action

The challenge provided by our innovation strategy is to develop products that reflect the preferences of markets and consumers in the 110+ countries where we operate, and to anticipate their needs and expectations. The continual improvement in the features of these products and their applications while maintaining an efficient, sustainable production and distribution system are the key areas of our work in this context.

One of our greatest challenges is to promote ancillary businesses and, in our Cluster, to develop and incorporate new technology that enables us to create new products aimed at ever more demanding consumers and uses. In essence, innovation that requires an increasingly global perspective of the product and the processes associated with it.

Our main lines of innovation for both Silestone® and Dekton® are the following:

Product innovation:

- Colours, textures, effects and finishes adapted to international market trends.
- New formats and applications.
- Continuous improvement to the specialist applications of our surfaces: higher resistance, better shine, slip coefficient, conductivity, protection, easy cleaning etc.
- User interaction.
- Customised complementary products.
- High-performance products with a collection of top quality colours and design (i.e. Stonika).

Process innovation:

- More efficient, safe and sustainable raw materials.
- Elimination of dependence on raw material suppliers and accreditation of suppliers of key raw materials.
- New technologies that allow for the creation of new decorative effects on surfaces.
- New protective and recyclable film implemented as an environmental impact solution.
- New developments to improve production efficiency and better process control.
- New technologies ensuring continuous improvement in design, the properties of our materials and their quality control.
- New tailored production models.
- Upgrading of waste and by-products.

Business model and service innovation:

- Product sales and their use calls for an exhaustive study of our business strategy. Business model and service innovation is an increasingly essential requirement for the correct sale of the products we sell.
- New installation and maintenance tools.
- New sales and logistics systems.



Co-creative innovation

As a new feature within our innovation methodology, co-creative Innovation was formalised in 2019 as a multidisciplinary innovation technique.

This comprises a team of professionals with different specialities (designers, researchers, engineers, product managers, innovation specialists, raw material technicians, technology specialists, etc.), all working together to achieve innovative and manufacturable designs with the best performance and design features on the market.

This team's work includes prospecting, selection of stakeholders and proposals for collaborative product and project design. Ideas become prototypes that, after their evaluation cycles at a laboratory and pilot plant level, pave the way for new products to be scaled industrially. A multidisciplinary and agile approach to launching products that meet and surpass our clients' expectations as quickly as possible.

This new team works on a weekly basis on the most innovative concepts and materials to match current and future trends, thus offering a wide range of options and opportunities.

"The Co-creation team is able to generate new concepts thanks to the collaboration of the excellent group that has been created. We believe that cooperation right from the start of the research process will provide a realistic vision of technical and industrial feasibility and markets, reducing development times as well as optimising resources and resulting in trend-setting innovative designs."



Maria Jesús Ayuso
Co-creation Team Leader



Co-creation Team

Alliances for innovation

One of the key factors in Cosentino's innovation model is forging successful research and innovation alliances with partners from different sectors, following the multidisciplinary approach that our products demand.

These strategic alliances are formed on a national and international level and belong to the stone and materials sectors, as well as ancillary and complementary industries in the fields of machinery, chemicals, plastics, nanotechnology and energy, etc. Their progress becomes a key factor in the elaboration of surfaces with increasingly demanding features.

Our R&D&I department works continuously along with multidisciplinary teams including professionals from partner companies, technological centres, research institutes and public and private organisations involved in R&D&I.

Key to our open innovation model are a win-win collaborative focus in a confidential environment and a shared vision of the goal. Sharing risk and results with our partners makes us increasingly demanding of ourselves and our partners. We carefully safeguard intellectual property and

confidentiality in collaborations. In 2019, we launched DISCOVER, our new format for prospecting with research groups. Through visits and prior knowledge of our products, exchange sessions are held between our researchers and external teams who are seeking solutions for pre-defined technological challenges.

Furthermore, with the aim of continuing to boost innovation in Cosentino, we signed 36 new collaboration agreements with universities, research centres and partner companies.

Furthermore, Cosentino Group belongs to the Technological Corporation of Andalusia (CTA), established in 2005 to encourage more R&D&I alliances between universities, companies and the public sector.

To support our Research, Development and Innovation activities, we have received support from various public funding bodies such as the Centre for the Development of Industrial Technology (CDTI), the Ministry of Finance, and the Institute for Energy Diversification and Saving (IDAE).

36

Collaborative agreements with universities, research centres and businesses in 2019

Principle collaboration agreements with universities and research centres



Ceramics Technology Institute (ITC)



Instituto Tecnología de los Materiales (ITM [Material Technology Institute])



Chemical Technology Institute (ITQ [Instituto Tecnología Química])



National Renewable Energy Centre (CENER)



Navarra Industrial Association (AIN)



Centre for Advanced Scientific Research (CSIC) - Arid Zones Station



Catalonian Institute of Energy Research (IREC)

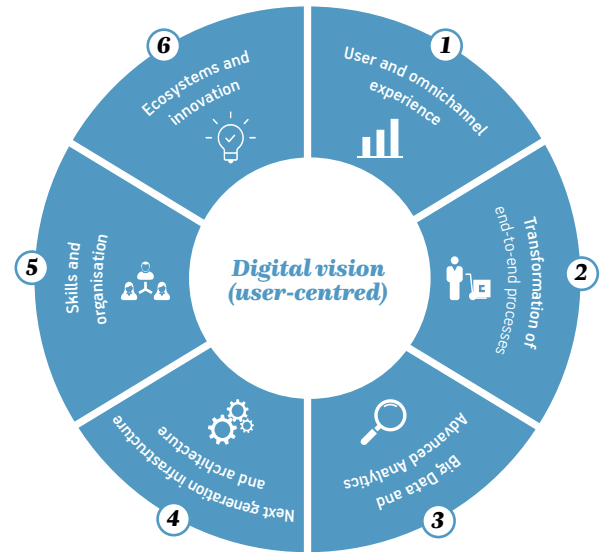


Universities of Almería, Alicante, Málaga and Valencia.



Digitalisation and automation

At Cosentino, we are keen to accept the challenge of adapting to new technology and take advantage of the opportunities that it provides. Two strategic plans of SHAPE, our corporate transformation project, are leading us in this direction:



Digital transformation

Cosentino has a very clear goal of turning the company into an organisation that is fully connected with digital ecosystems. We are implementing a comprehensive digital transformation project aiming to digitise the organisation at every level in order to become more competitive as a company.

To this end, we are progressing with the digital transformation of every process and are helping our employees to acquire the digital skills required for future updates of work tools.

Highlighted digitalisation projects in 2019:

Strategic Sourcing

Aimed at optimising the purchasing management department. This project is based on the introduction of the SAP Ariba technology.

“Safety By Routines, Leading by Example”

It is a leadership programme that aims to integrate health and safety through a series of routines tracked by software and an app (Gensuite®) that allows users to timetable, report and monitor preventative activities.

Efficiency

Our 2016-2020 Investment Plan foresees an investment of 460 million Euros to advance in this direction and increase our industrial capacity through automation and investment in technological capacity, generating productive efficiencies to satisfy market requirements.





Commitment to our customers

At Cosentino we put our customers at the heart of our business model and meeting their needs and expectations is therefore one of our main goals. Our customers from every corner of the globe, trust Cosentino Group because every day we uphold our commitment to offering them the most cutting-edge brands and best quality products. Our fabricator customers and partners from the world of architecture, design, kitchens and bathrooms are our best ambassadors for taking our brands to the end users. Our challenge is to do so in a way that is entirely customer-oriented, gaining their trust with a business model that centres around proximity, excellence, constant dialogue and support.

Proximity to our customers

Cosentino Group remains strongly committed to international expansion and geographical diversification based on our own assets and has achieved quick and in-depth market penetration in recent years. Our ongoing growth allows us to be increasingly closer to our clients and partners, consolidating our deployment and innovating in our model of international expansion. Our sustained effort to reinvest resources in productive assets, distribution, innovation and technology has resulted in a worldwide presence. We closed the 2019 financial year with over 160 business and sales units in 32 countries.

Each of these is a space for bringing our products and brands closer to our clients and partners, and we provide them with an exclusive information and advisory service in addition to transferring our know-how as added value.

+160
business and sales units
en 32 countries

Proximity to our customers

Cosentino Cities
12

Cosentino Centers
119

We care about your health and safety

Best Practice

Best Practice Guide and Safety Datasheet.

Excellence in quality and service

ISO 9001 & 14001
ISO We renewed our ISO 9001 & 14001 quality certification.

Health and Safety

Specific training in health and safety.

An open dialogue

Loyalty programmes

Cosentino Loyalty Programme launched in 25 markets.

we
by COSENTINO

Social networks
50 Over 92,567,600 users reached through our 50 social media channels.



Cosentino Center

Cosentino Center are innovative facilities with combined functions for storage, brand and product display, and distribution. These platforms demonstrate our total commitment to customers, offering them exclusive top-quality service. In addition to being at the heart of our distribution network, our Cosentino Centers double as storerooms and showrooms for our products and brands. These facilities also host a dynamic, never-ending training programme, tailor-made to suit the different professionals in attendance: fabricators, architects, interior designers, and kitchen and bathroom retailers. Cosentino Group has made a considerable effort to put into place new spaces that enable us to get closer to our customers.

We closed 2019 with 119 Cosentino Centers around the world, with the opening of:

Europe:

- France: Cosentino STRASBOURG

North America:

- United States: Cosentino SAVANNAH
- Canada: Cosentino OTTAWA

Asia:

- Malaysia: Cosentino KUALA LUMPUR

This year we also closed the Cosentino Center in Fortaleza (Brazil).

<https://www.cosentino.com/en-gb/cosentino-center/>

Cosentino City

Cosentino City is a new exhibition space concept located in the heart of the world's largest cities. As well as boosting the relationship between Cosentino and our clients in a dynamic, social venue where everyone speaks the same language, these spaces are designed for visitors to interact with the materials and use all five senses to discover the latest market trends.

These showrooms seek to bring the Cosentino experience closer to architects, planners, interior decorators, designers and end users, thus becoming a more intimate experience for clients.

They offer complete and personalised information and service to professionals and end users alike, giving them the chance to discover all the company's products first hand through an interactive experience. Visitors are immersed in a sensory experience where they can interact with their project, define, create and visualise it in digital format using the computer equipment available.

Since adopting this approach in 2013, we have opened 12 Cosentino Cities in Sydney (Australia), Singapore (Singapore), Toronto (Canada), Montreal (Canada), Milan (Italy), London (UK), Madrid (Spain), Dubai (United Arab Emirates), New York (USA), San Francisco (USA), Miami (USA) and, in 2019, Los Angeles (USA).

We aim to continue expanding our network by opening more centres in other cities around the world.

<http://www.cosentino.com/en-gb/city/>

Other facilities

Cosentino has logistics operators in Christchurch (New Zealand), Tokyo (Japan), Cape Town (South Africa), Dubai (United Arab Emirates) and in Puerto Rico. We also have 3 Hubs, or logistics centres, two in the United States and one in Australia.

In those countries where we do not have our own assets, our sales activity is based on exclusive agreements with local distributors and partners.

Activity



New opening: Cosentino Center Malaysia



New opening: Cosentino Center Malaysia



New opening: Cosentino Center Marseilles





Excellence in quality and service

We want our products to inspire our customers and partners to create innovative spaces. This challenge requires us to meet the expectations of increasingly demanding users who seek high-quality, beautiful and functional products that are also environmentally friendly and meet the highest safety standards with regard to their production and handling.

In addition, the Cosentino Group sets the quest for quality in its products and services, environmental protection and safety as the guide for its business activities.

These strategic routes are included in our Integrated Management policy, specifically in the Quality and Environmental Management Policy implemented in Cosentino S.A.U. and diffused amongst employees and stakeholders.

Cosentino operational principles:

- To seek maximum satisfaction of all stakeholders, meeting all their requirements.
- To continuously improve our processes and products.
- To ensure compliance with legislation and current regulations.
- To establish environmental objectives and targets while taking into account the environment as a variable in the planning and development of our activity.
- To adopt the necessary measures to prevent potential contamination of soil, atmosphere and water.
- Raising awareness amongst our employees and involving them in protecting and taking care of the environment.
- Promote company knowledge and competence in the Design and Development activities.
- Promote our company image through the Integrated Management system.

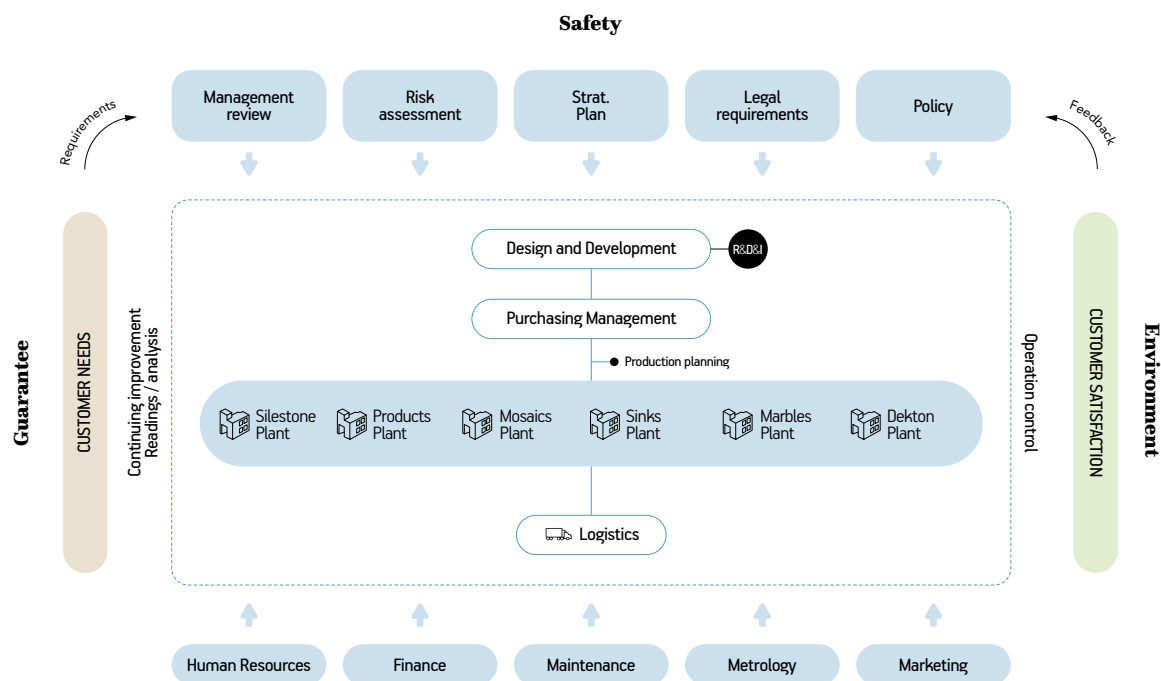
We renewed our ISO 9001 & 14001 Quality Certification

In line with our company DNA and commitment to continuous improvement, in 2019 we decided to change to a new certification body, choosing DNV, GL, a leading global certification body, to verify the effectiveness and efficiency of our Management System. Our aim was to generate more value, guaranteeing the future development of our company, products and facilities.

In November 2019, Cosentino S.A again obtained the ISO 9001 and ISO 14001 Integrated Management System certification, with the adaptation of the 2015 version, corresponding to the design, manufacturing, production, distribution and sale of quartz, ultra-compact, natural stone and recycled surfaces. This system certifies the company's capacity to provide products that satisfy the requirement of its clients and that they comply with quality and environmental regulations. The main aim of the IMS is to pursue and achieve continuous improvement in our end-to-end design, manufacturing, processing, distribution and sales processes, placing particular emphasis on the processes directly involving clients.

Likewise, over this year we have worked to initiate a philosophy and strategy based on generating a solid Management System that incorporates Cosentino's various standards, working in line with the different processes and generating a broad vision that drives the company's growth.

**COMPANY WITH
MANAGEMENT SYSTEM
CERTIFIED BY DNV GL**
= ISO 9001 =
= ISO 14001 =





Claims systems, complaints received and resolution

To establish a single criteria for the management of settlements (complaints associated with the quality of the product), in October 2019 Cosentino updated the Quality Settlement Policy for all its centres and distributors. The principal objectives of this policy are:

- To establish single evaluation criteria
- To improve timing and quality of services
- To establish a bilateral exchange of information
- Rapid detection of possible faults related to material

As a result of improved analysis of these claims, we have achieved a deeper analysis of the root cause of defects in our products and continue improving our manufacturing process to ensure the highest quality expected by our customers at all times.

To submit a complaint or claim about any of Cosentino's products, customers should contact the sales network in their area, providing the minimum information required as stipulated in our policy. The sales manager can then leave a record of it in the Salesforce system, whereupon an evaluation is carried out after they visit the customer. In the end, the Customer Quality team will evaluate the information provided as to whether the claim is associated with product Quality or not.

In 2019, the total number of complaints registered in Salesforce associated with Product Quality was 16,543, among the various markets and brands.

Of this amount, 65.23% was approved, 20.68% was rejected, and the remaining 14.09% was either closed or resolved without generating any payment.

16,543

total claims registered
by Salesforce in 2019

65.23%

claims approved

20.68%

claims rejected

14.09%

claims closed or solved

Quality Audits and process improvements

To verify the effectiveness of the quality system implemented in our processes as well as to ensure the quality of our products and/or services, a total of seven internal quality audits were conducted in 2019 to check that the characteristics of the processes comply with the required specifications.

Improvements were also made to control incidents detected in the different processes. These have helped improve management and decision making, analysed root causes and allow us to implement improvements and risk reduction in each of the production plants.

7

internal quality audits





Customer health and safety

For Cosentino to set a benchmark in health and safety, we are expanding the scope of this aim to our customers and partners. This commitment is set out in our Health and Safety Policy.

We provide continuous, high-quality training regarding occupational safety and preventive measures, giving our customers and partners information and advice via collaborative partnerships with agents from the sector as well as training workshops. In addition, we maintain constant communication about information and best practices in order to encourage a culture of prevention following a holistic, integrated approach.

We work on a daily basis to perform our activities in a safe and healthy way and we safeguard the well-being of the people in our own facilities and in all our areas of influence.

As part of our strong commitment to the health and safety of professionals in the stone industry, during 2019 we conducted classroom sessions that included health and safety training. These promote a culture that prevents exposure to silica dust and identifies the hazards associated with working with natural or artificial stone.

Over this year we have conducted 15 sessions in Sydney, Auckland, Brisbane, Newcastle, Cairns, Canberra, Christchurch, Wellington, Adelaide, Perth and Melbourne.

Labelling

Cosentino Group continues to take the necessary action to communicate and inform our clients about possible hazards and the preventive measures to take with our products.

A new feature in 2019 was the creation a web area, Cosentino® Safety Space, to make access to this information even easier for our clients and partners. This Safety Space presents health and safety information in an easily readable, structured, and multilingual way. It is accessible from any device with Internet access, mobile phones, tablets, etc., via the address osh.cosentino.com or by scanning the following QR code, which is incorporated into product labels, delivery notes, invoices, general sales conditions or good practice guides.



The information on the labelling of our main brands

<p>Local applicable regulations</p> <p>Indication of the obligation to comply with applicable local health and safety regulations and to consult with an industrial hygienist to implement risk mitigation measures as appropriate.</p>	<p>Safe Handling Notices (SGA)</p> <p>Warnings regarding the risks and precautions to be taken for safe handling of these products, together with the corresponding pictograms, in compliance with international GHS regulations.</p>	<p>Emission mitigation processes</p> <p>Reference to the existence of adequate processes for emission mitigation and product disposal.</p>
<p>Notices of prolonged exposure</p> <p>Indications on possible health issues arising from prolonged exposure to dust resulting from cutting and handling materials without recommended safety measures.</p>	<p>Cosentino Safety Space QR Code</p> <p>QR Code that directs users to the Cosentino® Safety Space, where they can find additional health and safety information, download Safety Data Sheets and Good Practice Guides or watch videos demonstrations on how to safely handle products.</p>	



The Cosentino Group also makes its product Safety Data Sheets available to clients and partners in multiple languages. These are created and revised in compliance with the international GHS (Globally Harmonised System) regulations for the classification and labelling of chemical products and mixtures.

Other documents made available to clients and partners of the Cosentino Group are the Good Practice Guides covering the tasks of cutting, carving, polishing and installation of our products. In addition to these guides, a specific Prevention and Safety Guide was created and published in 2019 for the prevention of health risks during the installation of worktops and prefabricated modules.

With regards to the treatment and labelling of chemical products, we comply with the following international standards:

***REACH
regulation***

For the protection of human health and the environment against risks from chemical products.

***CLP labelling
regulation***

Which seeks to harmonise label information at an international level.

Customer data privacy and loss of data

This office deals with requests to exercise rights, performs the Data Protection Impact Assessment when necessary for new projects and processes new data in the Register of Data Processing Activities.

The Data Protection Delegate office ensures that we comply with both the General Data Protection Regulations and the new Organic Data Protection Law, using suitable legal and technical advisory systems. Likewise, a Data Protection Committee (DPC) was created to check that the actions carried out by the office of the Data Protection Delegate are correct.

For 2019, the company has no knowledge of claims being made for breaches in the law or voluntary codes concerning client privacy and the loss of data.

In constant dialogue with our customers

Dialogue with our clients and partners from around the world is a key factor in achieving excellence in the positioning of our brands. Innovation in our communication tools allows us to reach clients and stakeholders locally, directly and in their own language, providing them with interesting content and adapting to the market, its needs and its preferences. Thanks to this dialogue, we are able to establish the best activities for our loyalty members, improve the experience of our clients and partners and respond to their needs and expectations.

Loyalty programmes

We are making great progress in the evolution of the Cosentino Group loyalty programme. Over 2019, we launched the Cosentino loyalty programme in 25 markets within the framework of the company's digital transformation project concept.

The project is based on a new digital environment for our clients in which the loyalty scheme plays a key part. It is presented as part of an ambitious deployment plan that will allow for improved contact with our partners and a better experience. In turn, it will allow us to offer new benefits; not only online services, but also offline operations that will result in a comprehensive service.

We are also consolidating two new areas, with architects and interior designers joining fabricators and kitchen and bathroom retailers. Although these two new segments share common ground, they must be treated differently, as they have very specific motives and needs.

25

We launched the Cosentino
Loyalty Programme
in 25 markets



Dialogue channels with our clients

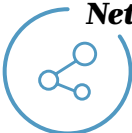
We're harnessing the potential of new technology to expand our online community, using digital resources forgetting the power of personal communication, which helps us to develop bonds and strong, dynamic relationships. For this reason, we're innovating in our use of communication tools in the pursuit of excellent brand positioning.

Personal communication



- Direct relationship with the Account Manager and General Manager.
- Communication by email.
- Visits to our facilities around the world.

Social Networks



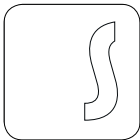
Our global social media strategy was created with the aim of expanding our online community through active communication with clients via the main social media channels on which we are present.

In 2019, these channels enabled our publications to reach more than 92,567,600 users, to be viewed more than 211,217,600 times and receive more than 5,414,300 interactions. Some very positive results, which we aim to optimise year on year among our audiences.

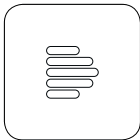


•	•	•	•	•	•	Spain/Corporation
•						Germany
•		•				Asia
•	•	•				Australia
•		•	•			Belgium
•	•	•				Brazil
•	•	•				Canada
•		•				Scandinavia
•	•	•				USA
•		•				France
•		•				Israel
•	•	•				Italy
•	•	•				Mexico
•		•				Middle East
•		•				Netherlands
•	•					Portugal
•	•	•				UK/Ireland
•		•				Switzerland
•	•	•				Turkey

Apps



Silestone



Dekton



Home Design



Online Visualizer



Kitchen 3D



Silestone 25



Cosentino TV

Web Apps



Live Showroom



Home VR

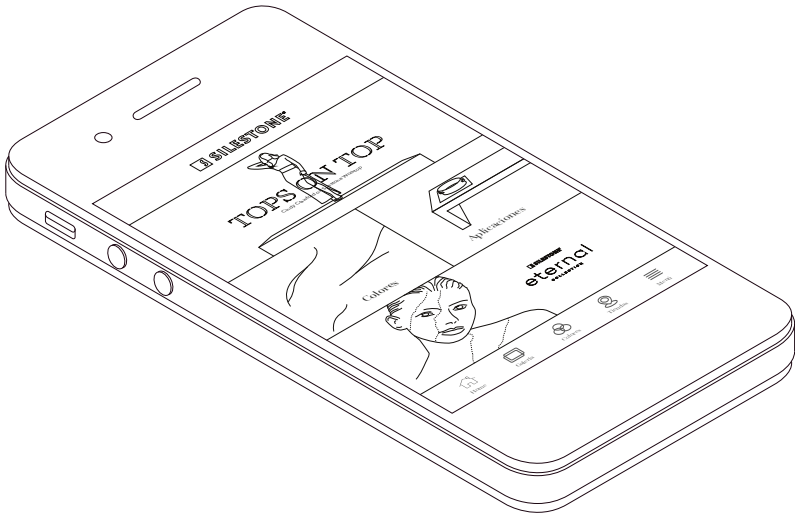


Designer



Cosentino

Internal Apps





News Blog



www.cosentino.com/blogs-news/
21 versions for different markets.
389,402 page views
across all countries.

Press Offices



21 offices covering 26 countries.
Average impacts: total estimated
advertising value worldwide of
€61,872,540 (vs. €60,025,750 in
2018). Number of clippings obtained:
13,330 (vs 10,880 in 2018).
26 versions of news blogs: Page
views obtained in 2019: 389,402
Strategic relationships with influencers.

Publicity campaigns



Once again, **Cindy Crawford** is our
ambassador for Silestone with the
"Tops on Top 2019" campaign.
For professionals, we've created the
"Architectural Campaign 2019".
On the one hand, campaigns feature
images of some of our real projects
created in Dekton®, such as **Toha and
Gunni**. In a more inspirational line,
meanwhile, we show the application
of products in detail in kitchens.

Cosentino TV



youtube.com/user/CosentinoTV
Our television channel
on YouTube.

News- letters



News, events, advice and promotions.
Global developments and specific
ones for each market.

C-Top Magazine



Articles and interviews about
fashion, design, architecture,
culture, travel and cuisine
Two issues per year of
50,000 copies each.

Advertising value 2018

EAV 2018 (€)	EAV (€)	NO. CLIPPINGS	PR PUBLICATIONS	PUB. PRINT TV RADIO	PUB. ONLINE
SPAIN + ES CORPORATE	10,700,495	2,945	971,139,086	141,642,100	829,496,986
GERMANY	not applicable	not applicable	not applicable	not applicable	not applicable
AUSTRALIA	7,106,395	183	740,628,913	7,114,924	733,513,989
BELGIUM	343,417	154	27,997,011	8,170,482	19,826,529
BRAZIL	4,748,296	953	140,688,408	9,342,380	131,346,028
SWEDEN	211,084	108	7,454,831	877,800	6,577,031
NORWAY					
DENMARK					
FINLAND					
CANADA	689,542	343	93,555,419	42,555,551	50,999,868
UNITED STATES	29,256,678	3,107	3,118,711,819	14,772,865	3,103,938,954
FRANCE	1,265,080	271	29,268,862	7,656,584	21,612,278
NETHERLANDS	485,968	203	18,572,466	3,367,944	15,204,522
ISRAEL	398,167	86	38,975,766	6,795,766	32,180,000
TURKEY	558,019	265	3,935,828	1,949,805	1,986,023
ITALY	1,191,579	371	100,739,828	31,824,611	68,915,217
PORTUGAL	109,274	151	4,630,501	286,801	4,343,700
IRELAND	423,081	329	7,086,690	5,638,090	1,448,600
UNITED KINGDOM	1,088,949	824	59,097,829	21,631,032	37,466,797
SINGAPORE	210,915	91	7,026,348	1,118,628	5,907,720
MALAYSIA	not applicable	not applicable	not applicable	not applicable	not applicable
SWITZERLAND	193,508	147	5,125,731	2,524,109	2,601,622
MEXICO	560,092	245	14,682,200	9,260,619	5,421,581
MIDDLE EAST	485,211	104	6,213,575	1,556,607	4,656,968
POLAND	not applicable	not applicable	not applicable	not applicable	not applicable
INTERNATIONAL	not applicable	not applicable	not applicable	not applicable	not applicable
TOTAL	60,025,750	10,880	5,395,531,111	318,086,698	5,077,444,413

Advertising value 2019

EAV 2019 (€)	EAV (€)	NO. CLIPPINGS	PR PUBLICATIONS	PUB. PRINT TV RADIO	PUB. ONLINE
SPAIN + ES CORPORATE	12,735,308	3,219	1,161,495,576	148,852,300	1,012,643,276
GERMANY	not applicable	not applicable	not applicable	not applicable	not applicable
AUSTRALIA	3,712,670	168	391,543,471	17,606,558	373,936,913
BELGIUM	196,971	125	11,384,489	5,156,789	6,227,700
BRAZIL	4,141,841	779	103,390,976	8,620,680	94,770,296
SWEDEN	257,727	75	10,935,723	2,624,624	8,311,099
NORWAY	182,371	20	7,058,867	1,022,367	6,036,500
DENMARK	14,906	17	946,161	279,300	666,861
FINLAND	62,184	21	4,783,803	1,157,000	3,626,803
CANADA	423,173	81	40,291,495	25,492,400	14,799,203
UNITED STATES	28,873,310	5,262	4,473,001,747	51,784,880	4,421,216,867
FRANCE	1,565,933	312	36,081,196	12,815,864	23,265,332
NETHERLANDS	544,216	131	3,013,208	2,262,278	750,930
ISRAEL	493,093	71	54,247,000	5,202,000	49,045,000
TURKEY	401,299	216	1,969,945	1,085,066	884,879
ITALY	2,967,554	445	250,599,098	38,689,807	211,897,571
PORTUGAL	427,596	129	6,594,222	2,209,500	4,384,722
IRELAND	363,117	339	5,336,939	5,336,939	0
UNITED KINGDOM	1,381,950	652	56,966,038	20,681,608	39,284,430
SINGAPORE	198,074	92	16,576,330	1,921,992	14,654,338
MALAYSIA	116,088	48	5,440,068	1,373,662	4,066,406
SWITZERLAND	270,502	110	4,929,437	2,107,590	2,821,847
MEXICO	227,511	178	8,042,007	3,685,807	4,356,200
MIDDLE EAST	534,645	175	20,552,731	966,107	19,586,624
POLAND	1,780,501	665	18,160,866	1,594,970	15,565,896
INTERNATIONAL	not applicable	not applicable	not applicable	not applicable	not applicable
TOTAL	61,872,540	13,330	6,693,341,393	362,530,088	6,332,799,693

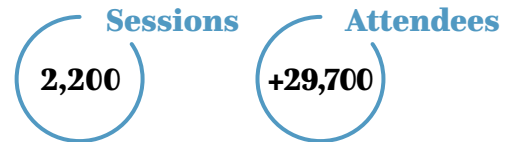
*The estimated advertising value is calculated by adding the estimated price of advertising space in print publications, radio or TV in accordance with the official advertising rate. The advertising value of online publications is calculated according to the standard formula: Number of Unique Monthly Visits (online impressions) X0.37 X 0.025 (the probability of the article being read)



Training sessions

By creating spaces for meetings and training, we can share knowledge and experience in all the markets where we have a presence. Sharing this knowledge and experience with clients and partners all over the world is a fundamental part of Cosentino Group's annual agenda.

In 2019, we conducted over 2,200 training sessions for over 29,700 participants.



Regions	No. of Classrooms	Attendees
Europe	250	6,100
Iberia	83	2,643
USA/Canada	1,400	11,200
Latin America	300	5,475
ROW	61	2,728
Asia	95	950
Oceania	32	640

These meetings enable us to:

- Establish a personal communication flow and to share best practices with our clients and partners.
- Identify customers' needs and respond directly to their doubts and concerns.
- Share our commitment to health and safety and promote the prevention-based culture as a fundamental value.

Commitment to our suppliers

Our policy concerning these partners involves working as a team to offer excellence in all our products. With this in mind we select suppliers that share our vision of the business and understand the needs of our brands.

With a network of suppliers selected specially for their quality, Cosentino Group aims to establish medium and long-term relationships with suppliers who understand our business and needs, and work with us to provide the highest quality to our customers and maintain excellence across all of our products and brands.

Stable, high-quality relationships with our partners around the world are essential to Cosentino Group's success and progress towards a sustainable business model that includes financial, social and environmental commitment in our entire value chain.

We work hand in hand, conducting audits and training to ensure that they comply with our requirements and expectations.

Standardisation and Risk Management

Reinforcement of supplier approval and risk management process.

Supplier Risk Committee

Creation of a Supplier Risk Committee.

Supplier Lead

Enhancement of the Supplier Lead to extend our geographical scope.

ISO Standard20400 Sustainable purchases

ISO 20400 Standard Certification on Sustainable Procurement.

Purchasing Management APAC

Extension of purchasing management scope to APAC, with a purchasing manager physically present in Singapore.

16,494

Total number of suppliers

4,208

National suppliers

1,317

Local suppliers Almeria, Andalusia (Spain)

21%

Volume of expenditure in Almeria (Andalusia)*

19%

Proportion of expenditure with local suppliers* in relation to raw materials

*Data refers to Cosentino S.A and Cosentino R&D, the principal companies operating in Spain



Main suppliers in 2019

Cosentino S.A.

Ineos Composites
Omar Coatings, S.A.
Sibelco Minerales, S.A.
Scott Bader
Polynt Composites Spain, S.L.U.
Tenax S.P.A
Componentes Industriales
Maser, SL
Breton, S.P.A.
Sacmi
Telefónica
T-System

United States and Canada

Lease Plan Usa INC
PMA Companies
Total Quality Logistics LLC
Estes Express Lines
Cigna Health and Life
Insurance COM
Nolan Transportation
Group, LLC
Waste Management
Nat Service INC

Australia and New Zealand

Clemenger International Freight
Slabtrans Group
Oxford Communications Group
Pty LTD
Custom Fleet

Brazil

Mineração Pagani
Ferraz Brasil Marmores
e Granitos
Minera BR Granitos
Adria Brasil Importação
e Exportação
D-Wire SLR
Sinto do Brasil

Singapore, Malaysia and Japan

Jacobson Global Logistics PTE LTD
CL Leasing PTE LTD
Abaco Machines
Damco Japan K.K.

Rest of the World

United-International
Freight Forwar
JLL
Gma Logistics (PTY) LTD
Ald Autoleasing D GMBH
Ventur Gumruk Musavirligi Ve
Shell UK Oil
Gaash Customs Clearing
& Internatio
Arval Limited

Supply of raw materials

Spain	33%	Netherlands	2%
Turkey	23%	India	2%
Belgium	10%	United Kingdom	2%
UAE	10%	Portugal	1%
China	9%	France	1%
Italy	3%	USA	1%
Germany	2%	Brazil	1%

Our purchasing procedures

Cosentino's purchasing procedures seek to adapt to the needs of a developing reality to attend to all the Group's needs with the highest possible quality and guarantee.

With this objective in mind, we continue working to enhance our purchasing function, in the spirit of Continuous Improvement and in line with the content and objectives of the UNE 15896, European Purchasing Standard, under which we are still certified.

In line with these improvements to the Purchasing Function, while always striving to align Purchasing strategy with that of the company, in 2019 we addressed ISO 20400 STANDARD certification on Sustainable Purchasing. Our commitment to Sustainability is aligned with that of Cosentino, and it is our obligation to pass it on to our suppliers.

As a continuation of our digital transformation, initiated in 2018 with the implementation of the SAP Ariba platform for strategic purchasing, standardisation and evaluation of suppliers, in 2019 we strengthened the processes for standardisation and risk management of suppliers with GoSupply. This platform allows us to monitor the main risks (financial, compliance, geopolitical and standardisation) in real time.

In this line, we ensure that, in compliance with the standardisation procedure, our main suppliers accept our general purchasing conditions, code of ethics and conduct, as well as our quality and environmental policy.

The main pillars of our purchasing procedure

Purchasing procedure

Compliance with the Purchasing Procedures and their ongoing adaption to the needs of Cosentino Group.

Best practices in purchasing

Implementation of best practice to purchasing.

Annual plan and purchasing strategy

Elaboration of an Annual Strategic Purchasing Plan.

Purchasing committees

Monthly supervision activities by the Purchasing Committees.

Supplier portal and SAP Ariba

Develop and introduce the Suppliers Portal and integrate the SAP Ariba purchasing platform. Creation of a Suppliers Committee to manage Policies and supervise the evaluation of suppliers.



The role of the Supplier Lead, created in 2018 for the purposes of centralising supplier management, monitoring and control of information, has continued to grow. With an initial scope for suppliers in Spain, we currently manage 70% of Cosentino's total supplier volume, and 100% of Europe and APAC.

In 2019, we aligned our procedures to meet the requirements of the IKEA IWAY Standard, one of our main customers, reaffirming our commitment to the fundamental principles regarding environmental, social and working conditions.

IWAY is based on the eight conventions set out in the Fundamental Principles and Rights at Work, ILO declaration of June 1998, and the Ten Principles of the United Nations, United Global Compact 2000.

Certification of the ISO 20400 Standard on Sustainable Procurement

In 2019, we renewed our European Purchasing Standard Certification, UNE 15896:2015. This standard certifies that our Purchasing Management System responds to the principles of efficacy, efficiency and communication. It also establishes links with other departments of the company to bring purchasing into line with quality and environmental regulations, amongst others. In addition, we take another step forward by being the first company in the world to be certified for the ISO 20400 Sustainable Purchasing Standard by Aerce (Spanish Association of Purchasing, Contracting and Supply Professionals) and the IFPSM (The International Federation of Purchasing and Supply Chain Management).



Julio Martín Mancera was nominated Purchasing Manager of the year by Aerce at the Diamond Purchase Awards.

Management of supply chain risks

Cosentino has set up a Risk Panel for our supply chain, which includes the identification of internal and external risks, the adoption of measures to mitigate them and applying these to our main suppliers.

In 2019, we supported this risk management from a digital point of view with the GoSupply Platform and by creating a Supplier Risk Committee. The latter meets on a fortnightly basis to monitor incidents that arise and any possible risks they may generate, in addition to drawing up and updating the policies that apply.

"For GoSupply, Cosentino is a benchmark client when it comes to supplier risk management. As the result of a joint project, Cosentino now has a pioneering risk management model for its main suppliers, which different Group businesses can use to check the status of their suppliers, potential risks, and mitigation and development plans launched, all in real time. GoSupply, with its clear technological focus, is delighted to be able to take part in Cosentino Group's global vision in this way, which consists of providing greater sustainability, transparency and strength to its supply chain".



Jaime Velasco Praga
CEO GoSupply



We promote our values and policies

Promoting our values and corporate policies among partners and collaborators is a function of the Purchasing Department, just as responding to the needs of our business involves sharing values and commitments with our entire value chain.

In this regard, by agreeing to our General Purchasing Conditions our suppliers commit to complying with a series of sustainability requirements, the most important being:

- Measures to prevent corruption and money laundering.
- Respect for human rights and liberties, at least in accordance with the International Bill of Human Rights and the principles of the International Labour Organisation (ILO).
- Occupation health and safety standards.
- Action against child labour.
- Compliance with environmental measures according to current law.

Furthermore, we apply an accreditation process to our main suppliers using the SAP Ariba tool. This process requires them to accept our General Purchasing Conditions, Cosentino's Code of Ethics and Conduct, and our Quality and Environment Policy, in addition to aligning with the content and requirements of the IKEA IWAY Standard as one of our principal customers.

Assessment and Audits

Our responsibility to products begins with how we choose and obtain raw materials. The framework of Cosentino Group's purchasing process includes the assessment of our suppliers' performance and compliance. Cosentino Group's supplier audit plan is committed to on-site checks of the conditions of all our suppliers of raw materials before agreeing to any important cooperation.

This assessment covers aspects of sustainability such as whether the supplier has a Corporate Social Responsibility standard or has obtained an Environmental Management System certification. In addition to guaranteeing the quality of the products, it also verifies other factors such as respect for Human Rights, that no child labour is employed and that working standards correspond to the Group's policies.

Supplier health and safety

To extend values such as prevention and safety to our partner companies, we focus on continuous improvement of health and safety systems as well as checks and actions to ensure compliance with legal standards.

Cosentino integrates its safety standards among suppliers through the application of the procedure PR-640-06 of Coordination of Business Activities, which establishes that the document exchange between Cosentino S.A.U. and suppliers shall be conducted through the digital platform Ser-CAE, where the documentation provided is reviewed and validated.

As well as this exchange of information prior to carrying out the work, regular meetings are held with the main contractors to update the procedure on situations of risks according to the characteristics of the work and changes in the production process, while also recording the agreements in coordination reports.

Over 2019, we implemented a system to evaluate the performance of our suppliers. With regard to Occupational Risk Prevention, 75 contractor companies operating at the Cosentino facilities in the Cantoria industrial estate were evaluated. The forecast is to duplicate the number of assessed companies in 2020. The indicators evaluated are as follows:

- Accident rate. 26 accidents were registered between partner companies.
- Unsafe acts.
- Access control incidents.
- Compliance with the Coordination of Business Activities.

A monthly score is calculated against these indicators and sent to a supplier assessment platform. An overall score is then calculated on this platform, with indicators from other areas such as Environment, Quality, and Finance.

Any companies with lower scores are issued a report on their status and incidents in order to help them improve performance.

Dialogue with our suppliers

Fluid communication with our suppliers is the best guarantee for sharing our commitment, identifying expectations and needs, and working together to obtain the best possible final product. We strengthen our supplier relationships through various communication channels. With the help of SAP Ariba, we reinforce transparency, traceability and a level playing field in our tendering processes.

Supplier Portal

The purpose of the portal, established in 2016, is to streamline the management of orders and the supply chain with our main suppliers. The platform was used by 6,148 suppliers in 2019, 3,006 more than the previous year. It is a strong commitment by Cosentino to include our suppliers in our processes.

In 2019, we continued to consolidate the SAP Ariba tool. The SAP platform provides our suppliers with a management and communication tool for use in tenders. It improves our strategic purchasing processes, ensuring transparency and traceability and strengthening supplier standardisation in 2019.

Other communication channels



Gatherings of different industrial and service sectors.



Participation in professional seminars and conferences.

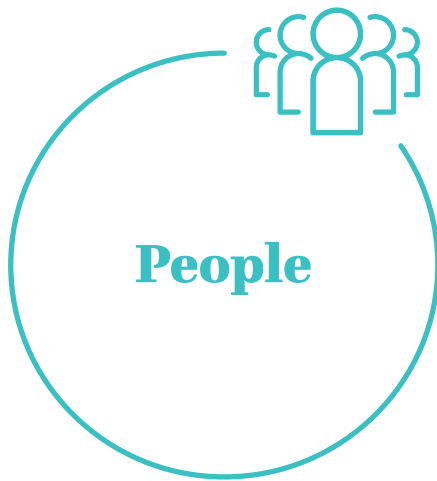


Attendance at events organised by suppliers.



Technological development sessions with suppliers and partners.







Page 108

Our People

Page 110

Committed to our people

Page 112

Principal HR indicators

Page 115

- Quality employment
- Work-life balance
- Health insurance
- Flexible Remuneration
- Company bus route
- Education Fund
- Employees signed up to collective agreements
- Composition of representation of Cosentino employees

Page 120

Equal opportunities

Page 122

Remuneration

Page 122

Integration

Page 124

Discrimination and prevention of harassment

Page 126

- Health and Safety
- Commitment to our value chain
- Leadership programme in occupational health and safety
- Health and safety training
- Main accident rates

Page 136

- Talent development and management
- Training offer
- Employee-focused innovation

Page 144

- Dialogue with our employees
- Communication tools
- Employee events
- Employee social actions



Our people



SDG 8 - Decent work

Promote continuous, inclusive and sustainable economic growth, full and productive employment and decent work for all.

4,785*
Employees

3,690 Men - 1,095 Women
202 under 25 years of age

New contracts



Permanent contracts



Turnover rate



Average age



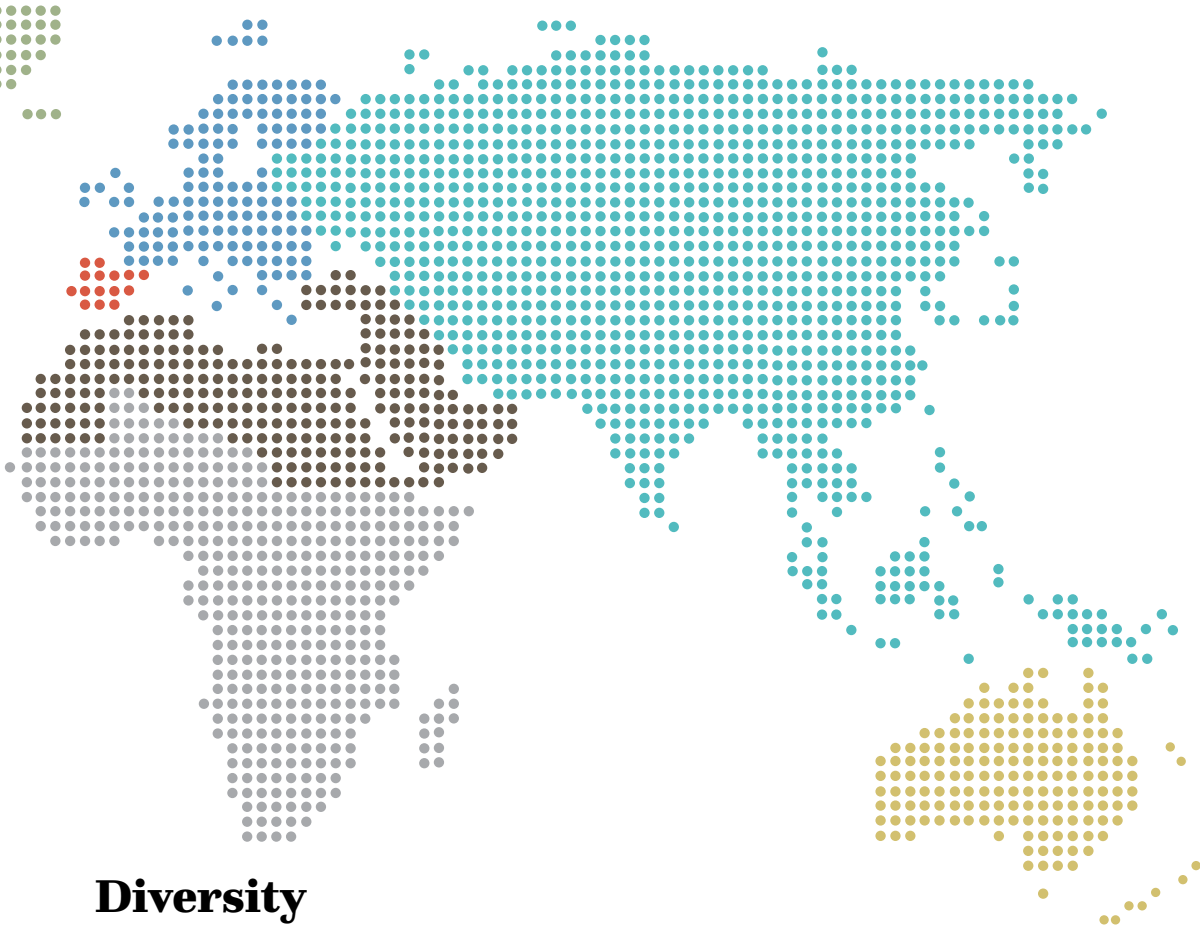
(*) Date corresponding to 31 December 2019, not including staff on internship contracts



Employees and types of contract

	Employees	Permanent	Rotation
Iberia	2,616	84.01%	10.97%
Europe	449	94.4%	21.58%
North America	1,256	100%	27.94%
LATIN AMERICA	256	100%	30.45%
Oceania	98	99%	18.49%
Asia	40	97.5%	21.43%
MENA	55	100%	17.62%
Africa	15	100%	28.92%

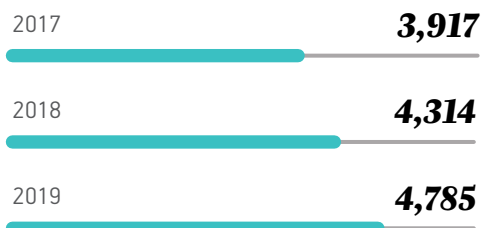
MENA (Middle East and North Africa)



Diversity



Constant growth



Gender equality



Mobility



Committed to our people

Having worked for several years with the philosophy that people are Cosentino's principal value in the world, it is an increasingly well-established approach within the company to consider any business process in terms of its impact on people, both employees and the external agents with whom Cosentino interacts: clients, suppliers, institutional representatives and the population in general.

Our objective is to spearhead the creation of a safe, appealing, inspiring and successful workplace. To make this possible, we develop initiatives oriented towards our employees that serve to increase their satisfaction, improve recruitment, foster internal promotion and talent retention.

We consider our employees not just from a professional perspective, but also from a personal, family and motivational one. We are aware that our workers constitute a cornerstone of our activity.

We place particular emphasis on what is important to our staff: their health and safety, training and professional development, and quality employment that is adapted to their needs.

We ended 2019 with a workforce of 4,785 people across the globe, comprising professionals from 72 different nationalities and with 14.37% of our positions of authority held by women. This diversity enriches our vision when making decisions and paves the way for our leadership.

Thanks to our support for internal promotions and improving satisfaction levels, we have a high percentage of permanent contracts. This year, the percentage of this type of contract at a global level is 90.76%.

Changes in the number of employees broken down by geographical region

	2017	2018	2019
Iberia	1,984	2,289	2,616
Europe	365	416	449
North America	1,128	1,158	1,256
Latin America	280	254	256
Oceania	74	93	98
Asia	20	36	40
MENA	51	55	55
Africa	15	13	15
TOTAL	3,917	4,314	4,785



COUNTRY	NO. OF EMPLOYEES 2019*
Spain	2,592
USA	1,176
Brazil	242
United Kingdom	111
Australia	85
Canada	80
France	65
Italy	62
Germany	52
Sweden	25
Turkey	25
Portugal	24
Israel	22
Belgium	20
Netherlands	20
Singapore	19

COUNTRY	NO. OF EMPLOYEES 2019*
Switzerland	18
South Africa	15
Ireland	14
Mexico	14
Finland	13
Norway	13
New Zealand	13
Poland	13
Austria	12
Malaysia	11
Denmark	10
United Arab Emirates**	8
Indonesia**	5
Japan	5
Russia**	1
Puerto Rico	0

*31 December

**Relationship through representative office
or contract with third parties



Principal HR indicators

The main HR indicators are shown below, including the number of employees with permanent and temporary contracts, separated by type of workday (full or part time) and broken down by gender, age and professional category:

Evolution of the number of employees by contract type and sex

Employees 2019 Year End	Women	Men	Overall total
Permanent	1,024	3,319	4,343
Full time	998	3,311	4,309
Part time	26	8	34
Temporary	71	371	442
Full time	70	357	427
Part time	1	14	15
Overall total	1,095	3,690	4,785

2019 average	Women	Men	Overall total
Permanent	974.79	3,185.74	4,160.54
Full time	957.18	3,179.46	4,136.64
Part time	17.61	6.28	23.89
Temporary	68.47	346.45	414.92
Full time	67.50	344.25	411.75
Part time	0.97	2.21	3.17
Overall total	1,043.26	3,532.20	4,575.46



***Evolution of the number of employees
by contract type and age***

Employees 2019 Year End	Under 25	from 25 to 35	from 35 to 45	from 45 to 55	over 55	Overall total
Permanent	142	1,288	1,600	961	352	4,343
Full time	142	1,282	1,578	957	350	4,309
Part time	0	6	22	4	2	34
Temporary	60	218	99	45	20	442
Full time	60	218	99	45	5	427
Part time	0	0	0	0	15	15
Overall total	202	1,506	1,699	1,006	372	4,785

2019 average	Under 25	from 25 to 35	from 35 to 45	from 45 to 55	over 55	Overall total
Permanent	115.82	1,192.78	1,559.73	943.42	348.79	4,160.54
Full time	115.82	1,187.84	1,544.45	941.24	347.29	4,136.64
Part time	0	4.94	15.28	2.17	1.50	23.89
Temporary	63.74	204.46	91.74	43.59	11.39	414.92
Full time	63.74	203.59	91.74	43.59	9.08	411.75
Part time	0	0.86	0	0	2.31	3.17
Overall total	179.56	1,397.23	1,651.47	987.01	360.17	4,575.46

Development of the number of employees broken down by contract type and professional category

Employees 2019 Year End	Senior Management	Management	Supervisory	Type of professional	Administrative	Operator	Overall total
Permanent	21	66	557	1,358	308	2,033	4,343
Full time	20	66	554	1,344	298	2,027	4,309
Part time	1	0	3	14	10	6	34
Temporary			3	70	7	362	442
Full time	0	0	1	70	7	349	427
Part time	0	0	2	0	0	13	15
Overall total	21	66	560	1,428	315	2,395	4,785

2019 average	Senior Management	Management	Supervisory	Type of professional	Administrative	Operator	Overall total
Permanent	20.75	65.73	537.65	1,300.73	304.58	1,932.09	4,161.54
Full time	20.00	65.73	535.54	1,289.54	298.08	1,928.75	4,137.64
Part time	0.75	0	2.11	11.20	6.50	3.34	23.89
Temporary			0.96	72.91	11.07	329.98	414.92
Full time	0	0	0.47	71.82	11.07	328.39	411.75
Part time	0	0	0.49	1.09	0	1.59	3.17
Overall total	20.75	64.73	538.61	1,373.64	315.65	2,262.08	4,576.46



Quality employment

The People philosophy entails a holistic view of our employees' experience, encompassing their working environment as well as personal, family and motivational aspects.

We therefore offer various work-life balance initiatives and social benefits that meet the needs of each geographical area and are independent of the duration of the employment contract. This is possible thanks to quality employment that is adapted workers' needs, thereby encouraging maximum input.

Work-life balance

The balance between work and family life is key to employee well-being. All corporate positions at the Cantoria headquarters (Almeria, Spain) have now had their lunch break reduced to fall in line with the European schedule, so that the working day better suits the needs of each employee and position.

All employees with the right to request paternity leave have enjoyed this in 2019. You will find the total number of employees who have taken parental leave below.

Employees who have been granted paternity/maternity leave

Country	Maternity	Paternity	Overall rate
Spain	25	82	107
Singapore	1	1	2
Portugal	1		1
Norway		1	1
South Africa	1		1
France	1		1
Germany	1		1
Italy	1		1
Overall total	31	84	115

Of all the employees who returned to work after enjoying parental leave, only one person in Spain requested an extended unpaid leave. Of the 114 people reinstated after parental leave, 108 were still working for the company at the end of the 2019 financial year, while five of the six terminations of contract were voluntary.

Employees who have continued in the company after paternity/maternity leave

Active employees at the end of 2019 after maternity/paternity leave	Maternity	Paternity	Overall total
Yes	28	80	108
Spain	24	78	102
Singapore	1	1	2
Portugal	1	-	1
South Africa	1	-	1
Germany	1	-	1
Norway	-	1	1
NO	3	4	7
Spain	1	4	5
Italy	1	-	1
France	1	-	1
Overall total	31	84	115

Percentage of employees who have continued in the company after paternity/maternity leave

After enjoying parental leave	Maternity	Paternity	Total
Retention rate	90%	95%	94%
Turnover rate	10%	5%	6%



Health insurance

One of our priorities is to improve conditions for our employees, especially in locations or cases where the socio-economic situation hinders access to health and social safety benefits.

Over the course of 2019, in addition to continuing with our existing health insurance, we incorporated health insurance for employees and their families in Malaysia and Poland, as well as improved health insurance coverage for employees in Portugal, where the type of coverage has been authorized at all authorization levels.

Flexible Remuneration

In 2019, Cosentino continued to offer employees the option of flexible remuneration. This compensation system allows each employee to decide, voluntarily, how to receive part of their monetary remuneration so that it best adapts to their personal and family needs at all times, making the most of the tax advantages of certain products and services. This plan is currently offered in Spain and Portugal.

During 2019, the number of recipients of flexible remuneration in Spain has increased significantly, from 391 at the beginning of the year to 571 at the end of the year, an increase of 46%.

All benefits provided by Cosentino are common to every employee, regardless of their type of contract.

Company bus route

2019 saw the implementation of a company bus route running from the provincial capital, Almeria, to the Cantoria Industrial Estate, largely authorized by the company. This route covers office opening hours as well as shifts in the factory.

It has been introduced by popular demand from the increasing number of workers from Almeria and complements the previously implemented route between Macael and the Cantoria industrial estate.

The new service is currently being used by 145 employees, which reduces the cost of their travel to work as well as saving them time.

Education Fund

In 2019 we started offering a new company benefit for employees in Israel. All employees in the country now enjoy a shared contribution savings plan called Education Fund. Every year, workers contribute 2.5% of their basic salary to this plan while the company contributes a supplement of 7.5% of that basic salary. This contribution is offered to all employees regardless of their background.

Employees signed up to collective agreements

57.9% of our employees worldwide contribute to collective agreements. In Spain, where more than 57.2% of our workforce is located, 100% of our employees are signed up to one of the 22 established agreements.

In addition to Spain, collective agreements apply to all employees from the following countries:

- 1. Cosentino THE NETHERLANDS
- 2. Cosentino Italy
- 3. Cosentino Belgium
- 4. Stone Services of France
- 5. Cosentino Austria

It is noteworthy that Cosentino UK has published the Modern Slavery Statement on its website. This is due to the legal obligation to publish a statement regarding the company's commitment to oppose slavery and human trafficking, as well as our measures to prevent this throughout our supply chain.

57%
of our employees worldwide
are signed up to a
collective agreement

22
Established collective
agreements

Trade union membership

The Organic Law 11/1985 of 2 August regarding Trade Union Freedom guarantees that all workers have the right to freely join trade unions for the promotion and defence of their economic and social interests.

The same law establishes, in its second article, that the freedom of association includes:

- The right to establish trade unions without prior authorisation, as well as the right to suspend or dissolve them through democratic procedures.
 - The right of a worker to join the union of their choice under the sole condition of observing the union's
- statutes or to leave the one they are affiliated with, with no one being obliged to join a union.

 - The right of members to freely elect their representatives within each union.
 - The right to trade union activity.

In addition, both the workers' Statute and the collective agreements apply this right to employees.



Composition of representation of workers in Cosentino (working headquarters in Cantoria)

Workers' representation at Cosentino Cantoria (Park 1) consists of 23 members of the works council, elected in the 2017 elections, of which 14 members belong to the Comisiones Obreras trade union and 9 members belong to the UGT union.

The 14 members of Comisiones Obreras represent the group of unskilled specialists.

Of the nine members of UGT, three members represent the unskilled specialists group and six members represent the technicians and administrators group.

Several committees have been set up at Cosentino Cantoria (Park 1):

- Ordinary Committee: a joint committee made up of 6 members, of which 3 members form part of the company representation and the remaining 3 represent the works council.
- Training Committee: a joint committee made up of 6 members, of which 3 form part of the representation of the company and the remaining 3 members represent the works council.
- Harassment and Equality Committee: a joint committee with 6 members, 3 from the representation of the company and another 3 representing the works council.

There are also two trade union sections in the industrial park 1:

- UGT (General Workers Union) trade union section
- CC.OO (Workers' Commissions) trade union section
- Health and safety Committee (a joint committee of 10 members: 5 company representatives and a further 5 members are prevention delegates).

Equal opportunities

The growth of the Cosentino team means the incorporation of increasingly diverse talent. Cosentino's commitment to effective equality of opportunities is included in the Equality and Diversity Plan that integrates this commitment into all recruitment, selection, communication and training processes. This Plan has been registered and is in the process of being published. Various national and international legal instruments guarantee the defence of human rights in general and the principle of equality and non-discrimination in particular, which have been taken into account in preparing this Cosentino S.A.U. Equality Plan II and are aimed at implementing measures to fulfil this objective: (San Francisco Charter of 26 June 1945; World Conferences on Women held in 1975, 1980, 1985 and 1995; International Covenant on Civil and Political Rights or the enactment of the Treaty of Amsterdam, within the scope of action by the European Union, ...).

All of these international texts have been key for subsequent legislative development. Specifically, the Spanish Constitution sets out in its articles the right to equality and non-discrimination as a fundamental and essential principle, inherent in a State of Law.

Similarly, and based on these constitutional principles, the legislator drafted the Organic Law 3/2007 of 22 March for the effective equality of women and men, establishing the obligation for companies to adopt specific measures to this end. Some collective agreements also cover and regulate this matter.

In the same way, the **Royal Legislative Decree 1/2013 of 29 November, approving the Revised Text of the General Law on the Rights of Persons**

with Disabilities and their Social Inclusion, guarantees the right to equal opportunities and treatment, as well as the real and effective exercise of rights by persons with disabilities under equal conditions as other citizens, through the promotion of personal independence, universal accessibility, access to employment, inclusion in the community, independent living and the eradication of all forms of discrimination.

Likewise, Cosentino is committed to diversity amongst its employees, considering that diversity enriches the company and represents an important capital.



This internal policy places special emphasis on the promotion of women, both within the company and in partner companies and society in general.

Cosentino makes the following commitments

- To promote women's access to positions of responsibility.
- To proactively incorporate equality in people management and in advertising and marketing policies.
- To partner with organisations that promote the labour insertion of women. To name jobs neutrally.
- To incorporate equality into the selection processes of partner companies.
- To raise awareness of people responsible for the selection of personnel regarding equality and non-discrimination.
- To promote applications by women for those positions in which women are underrepresented.
- To promote the balanced assumption of family responsibilities.
- To promote a positive balance between the work and family life of our employees.
- To avoid or resolve any situation of harassment or discrimination based on gender.

Throughout 2018, the Workers' Legal Representation negotiated the Cosentino Equality Plan II, in which we promote improvement and continuous progress in terms of equal opportunities and non-discrimination. This Cosentino Equality Plan II reflects the company's commitment to promoting a business culture based on the principle of equal opportunities and non-discrimination, and implementing the necessary measures to achieve this.

Organisational level	Women	Men	Overall total
Senior Management	4	17	21
Management	6	60	66
Supervisory	83	477	560
Type of professional	610	818	1,428
Administrative	247	68	315
Operator	145	2,250	2,395
Overall total	1,095	3,690	4,785





Remuneration

Cosentino's remuneration policy does not differentiate by gender and seeks objectification when reviewing individual remuneration, so that the remuneration is equitable based on the level of responsibility and the contribution to the Group's results.

Integration

Cosentino's conduct guide is based on the "Code of Ethics, Conduct and Regulatory Compliance" and applies to all the group's businesses with regard to non-discrimination against people with disabilities or who are excluded from society or the labour market. Cosentino does not tolerate any type of workplace discrimination for reasons of age, race, skin colour, sex, religion, political opinion, heritage, sexual orientation, social background or disability.

This promotes effective equality, a term that in practice consists of promoting gender diversity as well as the professional and personal development of all employees, ensuring equal opportunities.

Cosentino diversifies support for the employment of people with disabilities in two ways, through direct hiring and through projects in which services are contracted from companies with labour integration.

In this context, the table below lists employees with disabilities:

Breakdown of the number of employees with a reported disability, by gender

Company	Women	Men	Overall total
Cosentino S.A.	11	3	14
Cosentino Latina (Brazil)	3	4	7

Discrimination and prevention of harassment

Non-discrimination is a key factor in our commitment to employee welfare. We have a clear commitment to preventing and eradicating this type of behaviour in the workplace, whether by reason of birth, race, sex, religion, opinion or any other condition or personal or social circumstance.

At Cosentino, we consider harassment to be a workplace risk, so we strive to maintain an organisational structure that prevents it. We commit to assigning the necessary human and material resources to prevent and act against any possible cases.

The Cosentino Protocol on Harassment Prevention, in which we set out our intention to adopt any measures necessary to promote a harassment-free working environment, is available to all employees on the corporate intranet. Thanks to the training programmes we work with, we are prepared to act.

Cosentino's Complaints Channel is a tool for reporting or making inquiries about discrimination issues. It can be accessed and reports made anonymously.

In 2019, we received five complaints referring to cases of harassment and no complaints regarding discrimination through this portal.

After conducting the relevant internal investigation, with a thorough study of the circumstances and in compliance with the impartiality standards, the Ethics Committee closed all the cases.





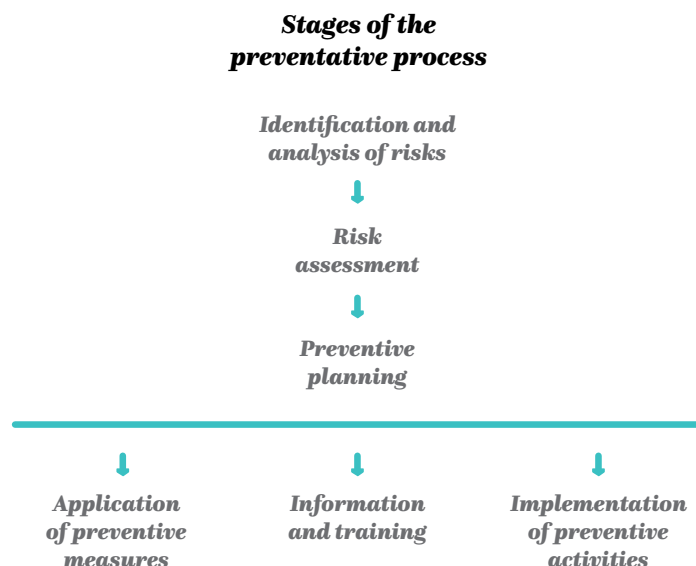


Health and Safety

Cosentino's safety policies are based on risk assessment, planning of preventative measures, maximum transparency in the reporting of incidents and accidents, improvement actions, implementation of procedures that address critical risks, ongoing employee training, communication, control and monitoring of action plans through production inspections and meetings, and audits of the prevention service of each affiliate.

Risk Assessment is the key element to plan the different activities of the health and Safety management system. The initial risk assessment result document and its corresponding updates should be taken into account when verifying the application of preventive measures in the workplace, whether through periodic inspections or internal or external audits, in order to verify the effectiveness of the solutions adopted.

Cosentino's risk evaluations are conducted by Senior Prevention Technicians and cover all jobs and work stations. They must consider all the risks of the job or the environment that are unavoidable and that could affect employees' health and safety.



In order to eliminate the risks to which employees may be exposed, accidents with personal injuries are investigated as are all near miss incidents that could pose a risk to people's health. To facilitate this task in 2020, there is a commitment to conduct a risk assessment of at least one section per factory through Gensuite, a specific security software that traces safety actions in this area.

For Cosentino, the safety and welfare of its employees is a priority. As such, the company has a Health and Safety Committee—a joint and chartered participation body for the regular and periodic consultation of the company's actions in preventative areas formed in accordance with Article 38 of Law 31/1995. This committee is comprised of three company representatives and three prevention delegates, whose roles are set out in Article 35 of the Prevention Law, all of whom have full voting rights.

In addition to the members of the Health and Safety Committee, prevention technicians and company employees with special qualifications or information on the matters to be addressed may participate in a non-voting capacity. Meetings will be held monthly or when requested by either party.

The Health and Safety Committee deals with any current issues in the organisation with particular relevance to the health and safety of workers.

Cosentino has set up a Joint Prevention Service that implements processes for employee participation and consultation as follows:

- Providing support to the Gensuite tool through which different participation tasks are organised, such as:
 - Preventive safety observations (PSOs), through which personnel managers observe tasks and make proposals for their improvement.
 - Regular meetings are organised between shift workers on the different production lines

to discuss safety issues. The proposals are coordinated as actions that are monitored by the technicians assigned to each production facility.

- Weekly safety requirement meetings are held between the prevention technician and the production manager of each plant, where the actions being taken with regard to safety are monitored.
- Accident statistics and knowledge about the prevention measures to be applied in certain risk situations such as Near Miss or occupational accidents, are shared with workers through the Safety Alert tool, which is published in the Safety Corners located in each plant.
- A Medical Service with specialised staff is available to employees for any kind of consultation.
- Sensitive personnel are also served by both the Medical Service and the People and Health and Safety departments in order to make any possible adaptations to the workplace.
- The Health and Safety department coordinates communication tools such as videos, posters and Best practice manuals, which are then distributed among internal staff and clients.

An annual safety week is held, in which various health and safety awareness campaigns are carried out and exemplary individual conduct is rewarded.



At Cosentino Group we work every day to be a leader in the areas of risk prevention and occupational health, with the objective of creating a safe working environment and achieving the goal of "Zero Accidents".



Overall accident rate reduction

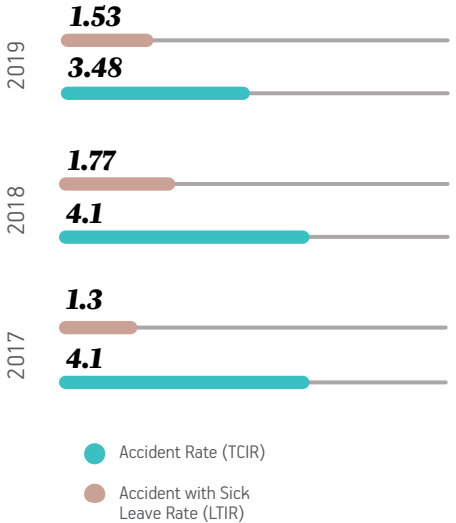


Reduction in Accident with Sick Leave Rate



Reduction in the Rate of Serious Accidents

Change in Accident Rates TCIR and LTIR



Health and safety training and promotion

Routines Safety Programme

Promotion of healthy life habits

Health and safety training: 13,635 hours of training at Cantoria HQ.

Commitment

to the entire value chain: employees, partners, customers and suppliers.

Objective

Zero Accidents

€12.8 million

Investment in safety

Commitment to our value chain

In 2019, we invested 12.8 million Euros in safety at the Cantoria plant, 9.1 million of which was spent on preventing exposure to dust. These actions have mainly consisted of implementing pneumatic transport, suction systems, water control systems in polishing lines, placing activation systems outside the equipment, air-breathing systems, ventilation, water treatment systems and sectioning off areas during closures.

Cosentino's management system, which covers all employees, contractors and stakeholders such as customers and suppliers, follows the standards of the regulations in force, consisting of Policy, Prevention Plan, procedures, safety instructions and operational instructions. In 2019, adaption of the Management System ISO 45001 was started. The following have been defined as a result: Integrated manual of Safety, Quality and Environment, risk assessment procedure, training, change management procedure, non-compliance and audits.

With regard to occupational health services, Cosentino carries out health surveillance programmes in accordance with applicable regulations. In this regard, the factory in Cantoria has arranged the discipline of Medicine in the Workplace with the Quirón Prevención organisation.

Under Health Monitoring, health examinations are carried out on new starters and all employees periodically on an annual basis.

2,337

Health check-ups in
Cantoria HQ in 2019

Main lines of action

- To continue with our preventive action plan for employees initiated several years ago to minimise sources of dust, making any necessary investments, informing and training employees in best practices and ensuring the use of personal protective equipment.
- To maintain ongoing dialogue with our stakeholders, customers, installers, suppliers, employers' associations, mutual companies, public administrations in the field of health and safety, trade unions, in order to find and disseminate the best available health and safety measures.
- To continue with our digitalisation programme on safety by providing the management chain with the tools to supervise activity and to report incidents and irregularities in terms of safety.
- To implement smoking cessation programmes in Cantoria and promote healthy habits.
- To certify the Cantoria factory according to an ISO 45001 management system over the next three years, in order to continuously improve beyond legal compliance.
- To consolidate compliance with the prevention measures of the free crystalline silica exposure reduction project being implemented in U.S. workshops, via an audit every 6 months and a specific silica assessment per workshop. Integration of Silica Engineering measures into maintenance plans, through Gensuite.
- Reporting of contractor incidents to purchasing, maintenance, engineering and production on a weekly basis.
- To include contractor accidents in our calculation of group accident rates.



Leadership programme in occupational health and safety

Our Safety by Routine programme is now a tried and tested key tool for accident reduction, reducing total accident rates by 30% in the four years since it was first implemented in 2016. Through these actions, we have improved leadership, commitment and daily management of health and safety, thanks to the reporting of actions in each area and follow-up in production meetings.

These actions include the implementation of the computer application Gensuite to improve the management of preventive activity. This system is now fully implemented in the United States, Oceania, Brazil and our factory in Spain. It is currently being rolled out in Europe.

The key measures taken include:

- Improved Accident Rates (TCIR) by 17% (3.4 vs 4.1).
- Reduction in Accident Rates with Sick Leave by 16% (1.5 vs 1.8).
- Reduction of severity rate by 10% (72 vs 80).
- USA: All posts remain under the limit.
- 1,233 safety improvement actions reported through the Gensuite platform, of which 1,003 have been closed.
- Start of the 5 Cardinal rules audits in the period from October-December resulting in:
 - 232 Improvement actions detected.
 - 202 Improvement actions completed.
 - 28 Proposals to issue warnings to contractors for safety breaches.
 - 23 warnings for non-use of PPE and failure to consign equipment to own staff.
- Latin America
 - Different types of training on employee safety (bridge crane, machine and equipment safety, respiratory protection, chemicals, working at heights, rotary machines);
 - Implementation of safety records in Gensuite;
 - Training for bridge crane instructors;
 - Review of the Emergency Plan and signs indicating the meeting points in the plant;
 - Installation of equipment locking devices using padlocks on looms;
 - Installation of exhaust fans (air extractors) in the grinding area on the deck of part of building 3.

17%

Improved Accident Rates (TCIR) by 17% (3.4 vs 4.1)

16%

Reduction in Accident Rates with Sick Leave by 16% (1.5 vs 1.8)

10%

Reduction in severity rate by 10% (72 vs 80)

- Commitments made by Cosentino
 - Implementing a communication plan for employees about silicosis.
 - ISO 45001 certification in 2020 in the Cantoria plant.
 - Video broadcast about logistical handling in the centres on an international level.
 - To continue providing information to clients through classrooms, newsletters, communications etc.
 - To consolidate Silica performances in USA workshops, keeping dust levels below the limit.
 - Video broadcast of SCR Stone focus in Iberian centres.
 - Training customers in Iberia together with the CTM (Technological Centre for Marble, Stone and Materials) and the INSST (National Institute for Occupational Health and Safety) in Industrial Hygiene.
- In Latin America, the commitments for 2020 are:
 - Inspection of registered machines and equipment.
 - Review of the risk analysis of each sector of factories and centres.
 - Conducting SIPAT (Internal Week of Accident Prevention).
 - Environmental assessments (dust, noise and others) in the factory sectors.
 - Ergonomic assessment of each work station in offices and factories.

Each year, at the Cantoria work centre, the annual training plan, which contains all training given to workers in the area of occupational risk prevention, is drawn up jointly with the workers' representatives.

Highlighted health and safety issues discussed with union representatives

1. An accident rate summary is presented monthly.
2. Initiatives carried out by the organisation, such as the implementation of the pneumatic system, are presented as collective protection measures against the risk of exposure to silica dust.
3. Initiatives in terms of protocols for the diagnosis of occupational diseases are presented to the prevention delegates.
4. This forum is used to inform workers' representatives of changes in the workplace.
5. Updates are provided on the use of individual respiratory protection and progress in implementing collective protection measures, such as increased suction capacity in production lines.
6. The action plans for the most typical accidents are discussed with the employees' representatives.



Health and safety training

In 2019 a total of 387 training activities on employee health and safety have been carried out at Cantoria HQ. Compared to the previous year, this represents a decrease of 8.7% in the number of sessions delivered, since many of the needs had already been covered by the training provisions developed in the previous period. Meanwhile, the total number of staff trained increased to 3,483, which signifies an increase of 23.3% compared to 2018.

This data shows an increase of 7.7% in the total number of training hours, compared to the 13,635 total hours training in 2019. This increase is due to an improvement in the organisation of different sessions and a rise in interest in the topics proposed, increasing the number of participants in each session.

13,635

Training hours in 2019 at Cantoria HQ, an increase of 7.7% compared with 2018

1,997

Training hours in 2019 in the USA

2,936

Training hours in 2019 in Latina Vitoria

	2017	2018	2019
Students trained	4,324	2,824	3,483
Total training hours	12,272	12,661	13,635

Training programme

Some of the areas included in the training programme in 2019

- Machine safety;
- ATEX ExB;
- Management chain responsibilities;
- Work permit management;
- Risks and preventive measures in industrial or administrative jobs;
- Authorisation in the industrial area and the distribution and logistics areas (fork-lifts, electric pallet truck, bridge crane/hoist, crane truck, mobile elevated platform for people, working at height, confined spaces);
- ATEX for operators;
- Handling chemical products;
- Recycling of ITC Mining;
- Second cycle of the construction sector;
- Safety Champion;
- Basic Level in Occupational Risk Prevention;
- First aid;
- GENSUITE.

Main accident rates

The main aim of all the activities mentioned above is to reduce our main accident rates.

These results are thanks to daily work and efforts and the ongoing promotion of a culture of prevention amongst our employees.

	Men	Women
Overall accident rate	10.19253	1.6436
Severity Rate	99.1	2.4
No. of occupational illnesses declared	8	0

In production posts where there are more men than women, the risk level is higher, so we have a high number of accidents and lost days affecting men. Furthermore, a larger number of women work in posts that are not involved in production itself and carry less risk, thus contributing to a lower accident rate.

	2017	2018	2019
Accident with Sick Leave Rate (LTIR)	1.30	1.77	1.53
Severity Rate	66.30	80.1	71.7
Total Accident Rate (TCIR)	4.10	4.1	3.40
Lost days	2,344	3,011	3,086
Total number of accidents	141	156	150
Occupational Illnesses Rate	0	0	0.17
Absenteeism figures	1.70	1.80	3.80
Absenteeism hours	n.a.	n.a.	154,828.76

n.a.: Not available at the time of writing the report.

TCIR = (Total no. accidents/hours worked)*200000

LTIR = (No. accidents with sick leave/hours worked)*200000

Severity rate = (No. of days lost due to accident/hours worked)*200000

Occupational illnesses rate = (No. declared OIR incidents/hours worked)*200000

The absenteeism figures are limited to employees in Spain: (Days lost / (No. of workers x calendar days)) x 100 where days lost are the total number of days of absence, within the period of the total cases in the period.

Total Cases: These are cases that are on leave during the period, whether or not they began within the period.



Regarding the type of accidents, the most common and notable in 2019 were entrapment, cuts and blows due to handling materials (mainly slabs) and entrapment by machinery, mainly in production centres. Accidents in the commercial network predominantly relate to driving commercial vehicles, representing a challenge for improvement.

Health and well-being programmes

Cosentino's responsibility to its workers is translated into a strategy that invites them to incorporate healthy diet and exercise habits, and to reduce the incidence of diseases associated with a sedentary lifestyle.

In 2019 the Health Promotion Program was continued, based on:

Raising awareness of healthy nutrition

To this end, information sessions were delivered by nutrition specialists and advisors from the Regional Government of Andalusia to workers from the Cantoria work centre (Almería, Spain). This action has been supplemented with the Healthy Canteen, introducing healthy dishes, and health and well-being messages.

Promotion of physical activity

Promotion of physical activity. The Activate project has been started, with a monitoring pilot of the physical activity programmes through the New Me smartphone app, carried out over 3 months.



SDG 3 - Health

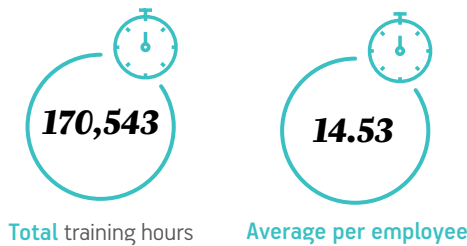
To ensure healthy lives and promote well-being for all, regardless of age.

Carrying out employee training within our Health Promotion Program.

Talent development and management

We promote hiring the best professionals and giving them continuous learning to ensure the professional and personal growth of our employees. They are our main asset and competitive advantage. For this reason, we want each individual to play a role in their own development and be able to express their highest potential, beyond providing skills and knowledge.

Hours given to employee training



Objectives

- To consolidate our corporate culture and promote continuous learning for all our employees and collaborators.
- To develop our employees in the performance of their duties.
- To increase the operational efficiency of the organisation and ensure that it has the necessary skills and competences to face the challenges of the future.
- To enable all people to reach their maximum potential.
- To generate pride of belonging.
- To increase employee satisfaction with their work environment.

	Total hours	Average hours per employee
Staff	17,276	19.09
Sales	8,926	12.63
Production	12,663.5	11.26
Logistics	906.5	14.62
Others	4,153.5	15.27



Talent management

Our talent management model seeks to identify and develop people's potential. To achieve this, we involve our employees in their development and identify their requests and suggestions, through a Talent Management tool. This system creates a meeting between the employee and their manager to get feedback and to jointly establish the objectives that the employee will pursue during the following year. In this way, they define which workplace aspects will allow the employees to fully develop their skills.

In addition, every year we analyse the organisation's talent map, which enables us to identify and evaluate talent. To do this, we create actions with the objectives of developing and building loyalty in our work teams and attracting the talent we need to address the expansion, change or diversification challenges that we will face in the future.

In 2016, we created Talent Development, whose mission is to ensure that each and every person within the Cosentino Group has the necessary resources to continue learning and developing their skills. To this end, we ask for the involvement of our employees, who receive support from their manager and the Talent Business Partners.

Throughout 2019, the number of periodic evaluations of professional performance and development totalled 4,500, an increase of 30% on the 3,438 evaluations carried out in 2018. This means that 88% of Cosentino's employees had an evaluation completed by their line manager, which evaluated their performance throughout 2019, their potential for growth and validated their occupational concerns (training needs, level of languages and career trajectory).

4,500

Periodic assessments in
2019 increasing by 30% in
relation to 3,438 in 2018

88%

of employees evaluated

Training offer

Our approach to continuing education is based on the 70:20:10 model. This principle establishes that most of the learning occurs in daily work (70%) or through informal processes such as coaching or mentoring in the workplace (20%), while only 10% takes place during structured training processes.

These processes, including the Talent Review and procedures to detect training needs, are of vital importance since they can become the key component for future learning, in the workplace as well as in other learning processes.

The people who form part of the Cosentino Group have access to a wide variety of training programmes. In 2019, we allocated **170,543 hours (Training Plan + Onboarding + English)** to training our employees, in two lines of training:

- **Onboarding**

Initial training plans. Anyone who joins the Cosentino Group, anywhere in the world, is greeted with a welcome plan to facilitate their integration, help them deepen their knowledge of the company and speed up their full immersion in the position.

- **Continuous training**

In 2019, we carried out 256 training activities. Training sessions include soft skills, industrial techniques, commercial techniques, product training, digital transformation and languages.

A highlight of the programmes carried out in 2019 is Leading by Example, aimed at directors, as well as the Evolution and industrial techniques programmes, aimed at leaders and managers, and employees in industrial areas, respectively.

Each year we include new training methodologies, integrating innovation and best practice for the future of the company's employees.

This year, we continued to promote digital training thanks to the implementation of a platform that is accessible by all Cosentino employees.

The digitalisation of our training content allows us to reach all employees, regardless of the geographical area in which they work, as part of our digital transformation process.

256
employee training
activities

170,543
training hours for
employees on the
Training Plan +
Onboarding + English



**Programmes to improve employees' skills
and programmes to help with transition**

***Skills
programmes***

Communication
Negotiation
Project management

***Leading
programmes***

Leading by example
Evolution
Sales and leadership

***Coaching
programmes***

***Lean Management
programmes***

Six Sigma – Green & Black Belt

Additionally, Cosentino offers employees the possibility to apply for a Masters, Postgraduate or specialisation course. To promote multi-disciplinary training for our employees, the support is as follows:



***Flexible
Remuneration***

Provided that they are relevant to the work performance of the employee, these studies can be undertaken through flexible remuneration. The employee will need to speak to their line manager and, if agreed, they may apply for it.



***Cosentino
Scholarships***

Employees interested in studying for a Masters, Postgraduate or specialisation course on their own initiative may apply for a Cosentino scholarship under the current admission criteria.



Funding

The company, together with banks, is looking into the possibility of offering low-interest loans to those interested in studying in their own time.

*Should these needs arise during the year but not at the meetings that are set up to detect them, the corresponding department will bear the whole cost of the Masters, Postgraduate or specialisation course.

Below is the average number of employee training hours per year and the number of total training hours broken down into gender and professional category:

Average hours of training per year per employee

Actual average per	27.38
employee/year	14.53
Average per employee/year	

Training hours by gender

	Men	Women	Total hours
Training plan	31,145	10,302	41,447
Onboarding	70,510	56,520	127,030
English Online	1,127	939	2,066
TOTAL	102,782	67,761	170,543

Training hours by professional category

	Senior Management	Management	Administrative	Supervisory	Operator	Professional	Total
Training plan	22	1,212	2,634	10,314	6,894	20,371	41,447
Onboarding	0	4,080	12,495	16,865	20,635	72,955	127,030
English Online	47	48	195	483	150	1,143	2,066
TOTAL	69	5,340	15,324	27,662	27,679	94,469	170,543



Attracting and managing talent

Cosentino seeks to increase the effectiveness of the selection process so that attracting and managing talent is a continuous process that begins before our professionals join.

COSENTINO impulsa

Impulsa Graduate

Paid programme that includes training in different business areas, assignment of real work responsibilities and the chance to work at an international location. Twenty young people took part in the 2018/19 session.

COSENTINO impulsa FP

Impulsa FP

This offers work experience in different areas within the company. A total of 10 young people are benefiting from this programme, which they joined in 2018/19.

COSENTINO Proyecta PROGRAM

Proyecta Programme

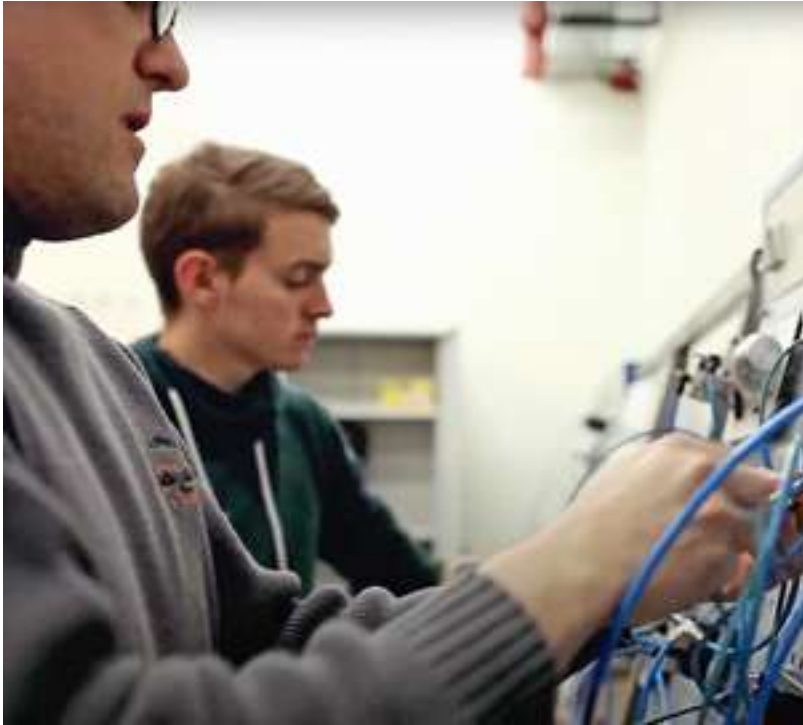
Two-month long comprehensive training programme. It is aimed at training operators to facilitate their full integration into the labour market. Thirty people are taking part in the 2019 session, with almost 100% having the opportunity to join Cosentino.

COSENTINO Leader SALES PROGRAM

Sales Leader

The objective of this programme is to train potential business leaders aligned with our culture and objectives through a learning process based on experience, tutoring and formal knowledge of the business. Each year we offer seven places with an approximate training duration of six months.

Other training programmes



Professional training students at Cosentino's Industrial Park in Cantoria (Almería, Spain)

Thanks to our partnership with the Juan Rubio Ortiz de Macael Institute of Higher Education (Almería, Spain), we opened our facilities to students from the following training levels:

- Upper-Level Training in Industrial Mechatronics (First and second year).
- Post-secondary Training in Electromechanical Maintenance (First and second year).

We offer the chance to give part of the training in our industrial park, which allows students to experience the reality and needs of industrial plants. In addition, they can receive an official degree and opt for some of the regionally paid scholarships that are offered annually for recent graduates.

A high percentage of these students go on to be part of our workforce. In 2019, 20 students took part in FP Graduate and 10 in FP Impulsa.



Employee-focused innovation

In September 2019, the finishing touches were made to the Talent Management tool. In addition to being accessible to all of the different Cosentino groups, since it can be accessed from any device at any time, this tool represents an advance in the monitoring of employees' professional development.

Furthermore, within the Talent Management process, requesting feedback has become a development tool for employees, providing an opportunity to discuss their strengths as well as areas for improvement with their managers. This represents added value since it allows the manager to carry out a more objective talent assessment. It also creates an organisational culture with a more interactive climate and positive guidance towards change and the continuous development of its professionals.

Furthermore, in 2019 we organised a launch day for the Office 365 digital tools. Familiarity with these tools allows us to work more efficiently and optimise time to achieve better results due to automating and simplifying processes.



Brainstone concept in Cosentino's Industrial Park in Cantoria (Almería, Spain)

Dialogue with our employees

To ensure that individuals play an active role in their own professional development, dialogue with our employees across the globe is crucial - finding out their interests, capturing the best ideas and advancing together on the road towards excellence. At Cosentino, we have established different channels for direct communication.

Communication Tools

Internal communications via email



In 2019, more than **300 internal communications** were shared from the different areas of the organisation. Each communication is personalised to have maximum impact on employees. They include videos, infographics and impactful images to help bring the content to life.

Cosentino Ideas



Platform to collect employees' ideas and suggestions.
Enables voting for the best proposals.
The best ideas are rewarded and implemented.
In 2019 we received more than 500 proposals.

Corporate Intranet



Digital portal for all employees.
Enables the company to share notices and news.

Cosentino Family Day



Open day at the Cantoria Industrial Park (Almeria, Spain). Open to employees and their relatives. It provides a tour of our offices, the showroom, the auditorium, the Dekton® and manufacturing plants and the Industrial Park.
In 2019, we held four open days attended by more than **200 family members and employees.**

Chatter



Corporate social network. This allows all employees to share content and interact. Made up of groups, such as the product consultation group, which is one of the most successful and allows our commercial network to resolve queries about our products in real time.

Cosentino One Magazine



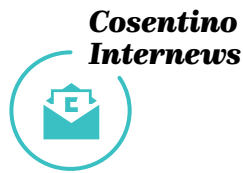
Semi-annual global internal publication. It connects all employees from across the world. With a print run of **5,000 copies.**



Breakfasts with Management

Monthly meetings between managers and employees.

They deal with topics such as health and safety, strategy or new products. We held **22 talks** with managers from different areas in 2019.



Cosentino Internews

Monthly newsletters.

Summary of the month's highlights.



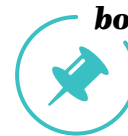
Cosentino Mobile App

Launch of the new **mobile app for Cosentino employees**, allowing them to keep up to date with the latest corporate news and consult the apps that are most commonly used within the business.



TV channel

Project implemented in our headquarters in Almería and Miami. **It broadcasts content in real time.**



Notice boards

These provide information to employees who do not have a computer at their place of work.



Informative Chats

Informative sessions held in the auditorium of our central offices, providing in-depth knowledge of the topics that are most relevant to Cosentino employees, for example Flexible Remuneration or Physical Activity. This is an interactive initiative and we have also extended it to other Cosentino Centres and Cities.



Other communication tools

Competitions: we organise a drawing contest for children of employees under 12 years of age. We organise a photo contest for employees with the theme of "*inspiring people through innovative spaces*".

Raffles: we organise raffles for employees to win tickets to sporting events, such as the Mutua Madrid Open, or for the Circo de Hielo (Ice Circus) show.

Employee events

- Inspiration Day:

At Cosentino we celebrated Inspiration Day with employees at Cantoria (Almeria). This was a day for sharing our corporate purpose *"To inspire people through innovative and sustainable spaces"*.

During the day, participants enjoyed a yoga session, a healthy breakfast and attended interesting talks on creativity, sustainability, architecture and inspiration for action.



Cosentino "Inspiration Day"



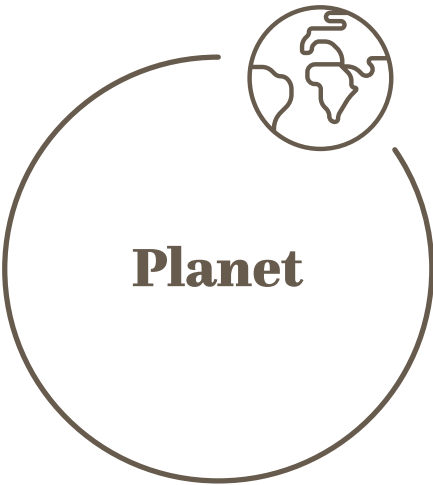
Employee social actions

- **World Breast Cancer Awareness Day:** on World Breast Cancer Awareness Day, our pyramid headquarters were lit up pink. Employees were also encouraged to come to work wearing a pink item of clothing as a sign of breast cancer awareness.
- **World Autism Awareness Day:** on World Autism Awareness Day, our pyramid headquarters were lit up blue. Employees were also encouraged to come to work wearing a blue item of clothing, as a sign of our commitment to creating a more accessible company.
- **ACOES Honduras Solidarity Campaign and Tíjola Book Bank:** social action in which Cosentino employees contributed by donating of toys and school supplies.



World breast cancer awareness day





Planet



Page 152

- Commitment to the environment
- Sustainability in the value chain
- Environmental management system
- Environmental R&D
- New Eco products
- Circular waste management

Page 169

- Climate action
- Energy efficiency
- Sustainable mobility
- Air quality control

Page 178

- Natural capital
- Biodiversity
- Water footprint

Page 183

- Training and involvement in the environment

Page 187

- Prizes and certifications



Commitment to the Environment

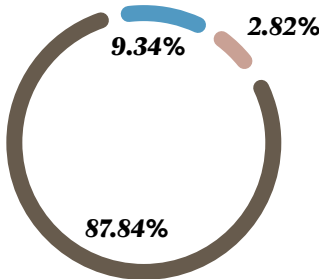
Environmental sustainability in the value chain

For the Cosentino Group, sustainable development is an essential strategic pillar, and protecting the environment is one of its most important commitments throughout its entire value chain. Through this commitment, we aim to minimise the impact of Cosentino's activity, a key element of which is the measurement of the organisation's carbon footprint as well as strategies for reduction and offsetting. Fundamentally, we address aspects throughout the value chain related to efficient use of resources, management of waste, atmospheric emissions, discharges and other potential negative impacts. In addition, the Cosentino Group's environmental management strategy aims for the sustainable use of natural resources and the protection of biodiversity and ecosystems in the environments where it operates.

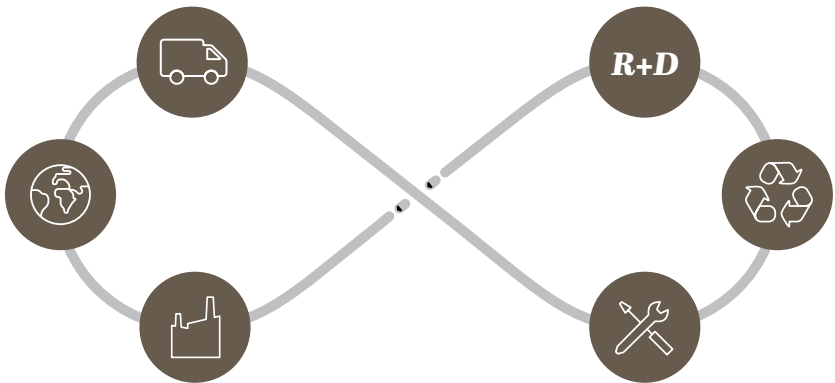
With this objective in mind, we emphasise innovation and continuous improvement to move towards a model that is committed to tackling climate change and promoting the circular economy. This, in turn, promotes the shift towards an efficient economy in the use of resources, using the best available technologies, and the minimisation and recovery of waste. Based on this, we are working towards a more efficient use of raw materials in our processes. We reuse water, reduce the waste we generate and lengthen product life cycles by promoting repairs, reuse and recycling.

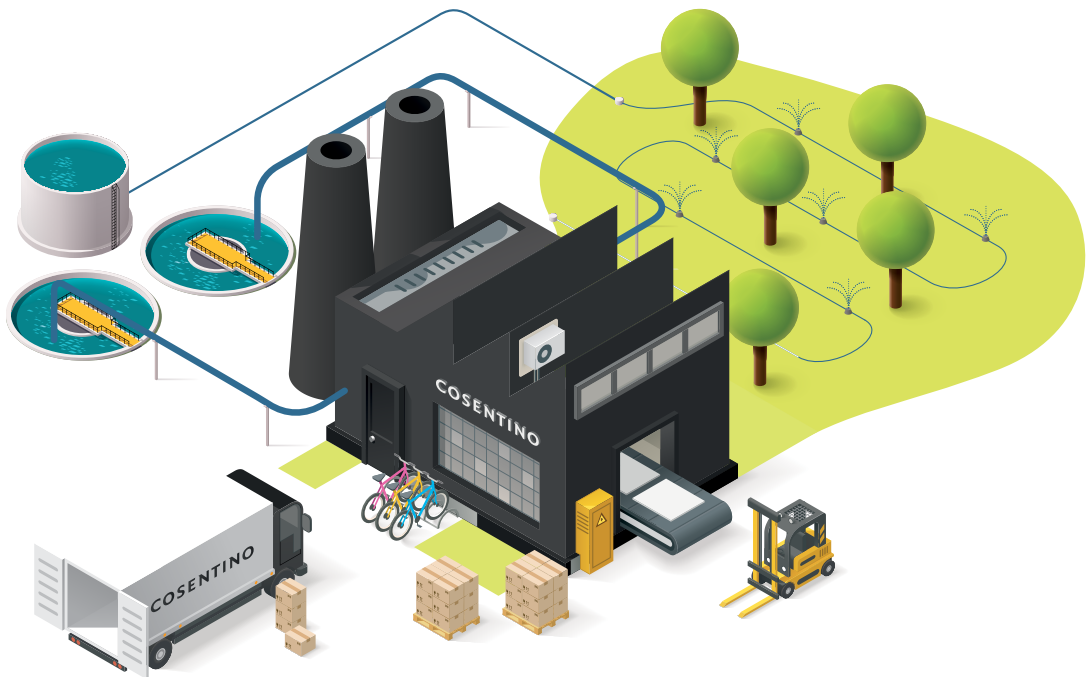
455,255.19 tCO₂e

Total carbon footprint from Cosentino



- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions





In addition, as a symbol of this real and voluntary commitment, the Cosentino Group is firmly aligned with the 2030 Agenda promoted by the United Nations and the Local Action Plan promoted by the Government of Spain. The company, aware of its leadership, assumes its particular role of signposting the path towards sustainability. And it does so, adding strategic objectives to its performance goals such as innovation (Sustainable Development Goal 9) or sustainable production (Sustainable Development Goal 12).



SDG 9 - Innovation and infrastructure

Build resilient infrastructures, promote inclusive and sustainable industrialisation and foster innovation.

- In 2019 we avoided the emission of 15,512 tonnes of CO₂.
- Increase in production of "Eco" colours. The number of Dekton® colours containing recovered material increased to 25 in 2019.



SDG 12 - Sustainable consumption and production

Ensure sustainable consumption and production patterns.

- In 2019 Cosentino produced 1.45 million square metres of slabs using recovered materials.
- Through the R&D Circularity project, a continuation of the Reborn project, the company continues to open new lines of research for the ongoing recovery of our waste.

One of the main milestones in 2019 has been the initial calculation of our organisation's carbon footprint. The carbon footprint has been calculated based on the company's results from 2018, taking into account both direct emissions from sources monitored by the organisation in its activity (scope 1), and indirect emissions from purchasing electricity (scope 2), as well as other indirect emissions that mostly come from the extraction and provision of raw materials by our suppliers (scope 3).

This means we have been able to identify the points in the process where the most emissions are created and their impact is greatest. As a next step, for 2020 we will have a tool that enables us to define goals for reducing, offsetting and neutralising GHG emissions and energy consumption, focusing on the short, medium and long term. These goals will be included in the Cosentino Group's "*Strategic Plan for reducing, offsetting and neutralising CO₂ emissions*" (currently under development). This document will not

only contain the company's strategic lines of activity, but also the carbon footprint calculations from 2019.

At the same time as obtaining Environmental Product Declaration (EPD) for Dekton® and Silestone®, we continue to meet new demands from customers and investors who are most aware of this issue.

Our commitment

The company seeks to progress along the road to excellence and assume the maximum standards of quality and respect for the environment. However, this commitment aims to go further towards identifying and correcting the

main direct or indirect impacts that are generated by Cosentino's activity.

With this objective in mind, it makes significant investments in assets related to the environment and projects to deploy the best available technology. A highlight of 2019 was the global roll-

out of investments in environmental assets worth 10,841,331 Euros and expenditure on environmental control and improvement worth 8,331,921 Euros. This is detailed below by geographical area:

Evolution of investment and environmental spending in the Cantoria Industrial Estate (Spain)

	2017	2018	2019
Investment in environmental assets (€)	13,200,000	5,049,000	10,372,807
Spending on environmental control and improvement (€)	7,364,559	8,127,819	6,881,342

Development in investment and environmental spending in the United States and Canada

	2018	2019
Investment in environmental assets (USD)	531,600	526,340
Spending on environmental control and improvement (USD)	1,230,160	1,426,909

*The exchange rate on 31 December 2019 was used for the total calculation: 1.1234 USD = 1 Euro

Change in investment and environmental spending in Brazil







	2017	2018	2019
Investment in environmental assets (BRL)	-	-	-
Spending on environmental control and improvement (BRL)	1,032,310	1,102,124	814,674

*The exchange rate on 31 December 2019 was used for the total calculation: 4.5157 BRL = 1 euro

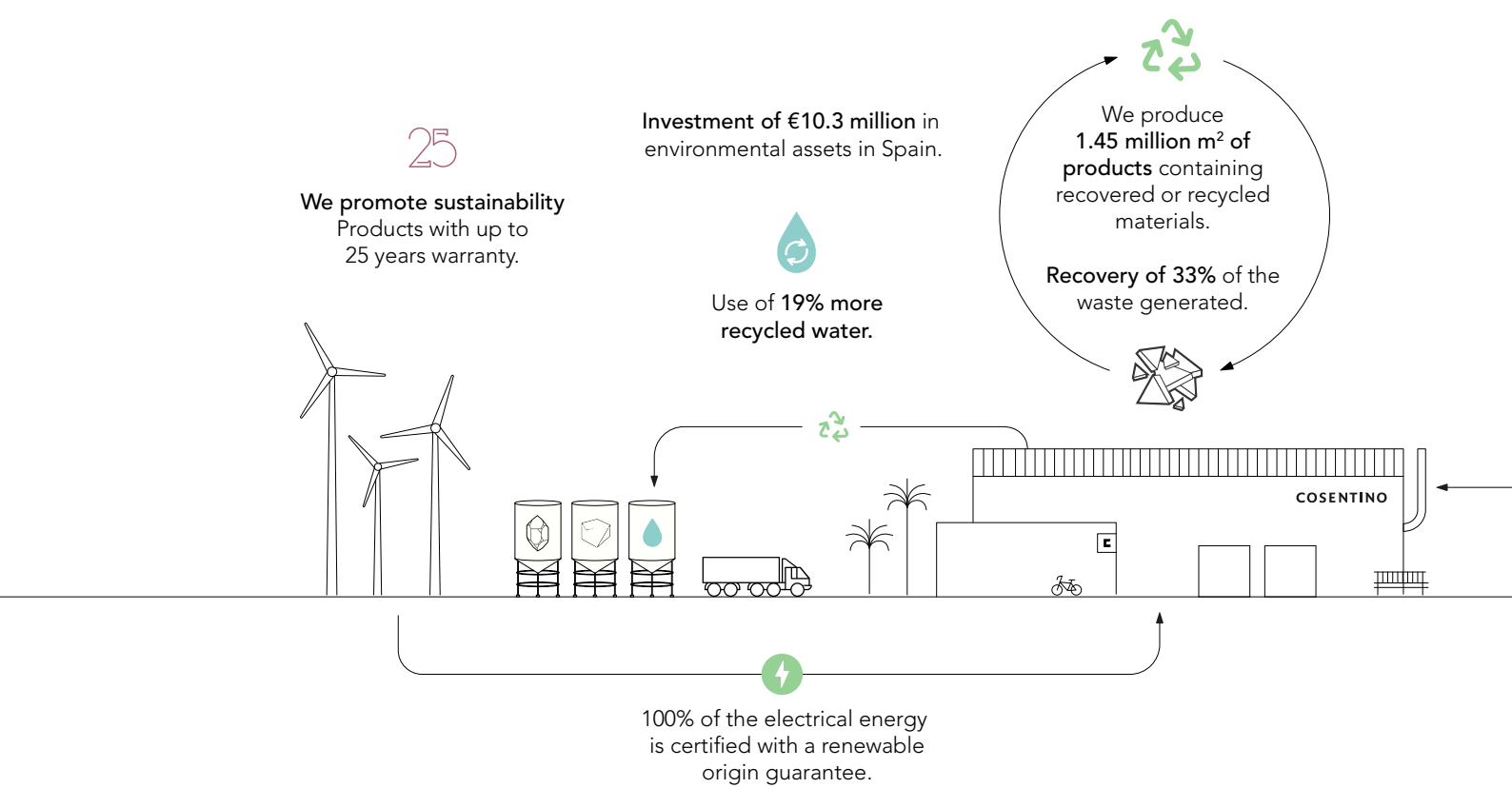


The investments made had a direct effect on the goals to reduce the carbon footprint for 2019, contributing to an annual reduction in CO₂ emissions of 15,512 tons/year.

The following projects have contributed to this reduction:

PROJECTS	CO ₂ AVOIDED (TÓN PER YEAR)		EQUIVALENT TO...?
System to reuse heat in the Dekton® plant - reduction in gas consumption	4,482		Cosentino-Beijing return journey Every day for 4 years
Project to replace machinery with the best available technology in Silestone® 1	1,540		Almeria-Los Angeles return journey Every day for 3 years
Projects to implement and adapt auxiliary equipment of compressors and motors/optimisation drives	252		Almeria-Cosentino return journey Every working day for 30 years
Project to replace the interior and exterior lighting at the Silestone® factories with minimum consumption LED technology (continuous action 2018-2019)	1,443		Almeria-Auckland (NZ) return journey Every day for 1 year
Sustainable Mobility Initiatives	5,255		Almeria-Los Angeles return journey Every day for 12 years
Emissions avoided from transportation of waste thanks to the launch of the CoMA waste management and recovery plant	2,540		Going round the world 800 times

Our commitment to the environment



The data provided refers to activities at the Cantoría Industrial Park in 2019 (Almería, Spain)



Our **sustainable mobility strategy** avoided 1,255 tons emissions per year of CO₂ equivalent in 2019

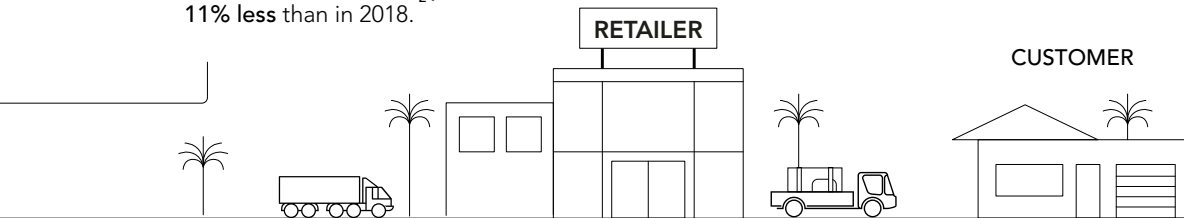
Dekton® products represents the emission of **14.54 kg of CO₂ per m²**, **11% less** than in 2018.

The **agreements signed with the shipping companies** In 2019 have avoided the emission of 4,000 tons of CO₂ equivalent



We renewed the **ISO 14001:2015**.

We have **Environmental Product Declaration (EPD)** certification for Silestone®.



Environmental Management System

The Cosentino Group's environmental management model is our framework for action in this area and the maximum guarantee of our commitment to the environment. We work every day in a spirit of continuous improvement to adapt it to the needs of a demanding environment, promoting excellence in environmental management and going beyond the requirements established in environmental legislation.

This system allows us to act in accordance with the requirements set forth in the different regulations applicable to the industrial activity carried out by Cosentino. To this end, a series of internal audits was carried out in 2019 to verify compliance with the ISO 14001:2015 standard. In addition, external monitoring was carried out of the Environmental Management System into the performance under the ISO standard, leading this year to the new certification of the international body DNV.

We have also started to develop the procedures and registrations needed to implement ISO standard 50001:2011 for energy management, which will be effective from 2020.

Within the framework of the environmental management system, the monitoring of contractors' environmental compliance was strengthened in 2019. In this respect, the digital management system has been improved to require contractors to provide environmental documentation, through the Sercae application, in order to carry out their activity within the Cosentino facilities. This therefore ensures their correct performance and, specifically, the controlled management of the waste they produce in the course of their activities. This is accompanied by environmental inspections that check any incident that may occur within the environment through audits with Gensuite®. All this is orientated towards obtaining environmental indicators to allow contractors to be evaluated and improvement actions to be proposed.



Environmental risk management

At the Cosentino Group, we identify any environmental risks that may result from our activity, both from an internal and external perspective. The analysis allows the System's weaknesses, threats, strengths and opportunities for improvement to be established and developed to guarantee an early response to any possible risks.

In 2019, the global development of the environmental incident management system (Gensuite®) was continued, with the aim of achieving our commitment to excellence in safety, health and the environment. This new tool has made it possible to keep track of all environmental aspects and incidents that affect the company's daily life, as well as creating a collaborative environment that involves both production and maintenance staff, and the occupational risk prevention team. The number of Gensuite® environmental incidents registered in Spain in 2019 was 19, and none in the United States.

Application of the Precautionary Principle

To protect the environment, we apply the precautionary principle, as we are aware of the importance of preventing negative environmental situations in our productive environments.

During 2019, the audit conducted by the insurance company FM GLOBAL was therefore followed up. This audit made it possible to identify measures to apply the precautionary principle, including some of an environmental nature, which are being implemented through internal work groups.

The new AQP equipment implemented for the storage and control systems of chemical products in 1,000 litre containers should also be highlighted.

In 2019 the biannual SEVESO project was also launched. This comprises various initiatives and measures aimed at improving facilities and creating the necessary procedures for us to adapt to the new requirements of the SEVESO regulations.

Risks and opportunities associated with climate change

Cosentino has an interdepartmental area focused on the analysis of risks and new opportunities in different fields, including the environment. Changes in the raw materials industry, such as new sources of energy or emission control, generate various opportunities for the innovative spirit inherent in Cosentino's DNA to translate them into environmental protection, combating climate change and economic savings.

To tackle the consequences of climate change, we have launched actions that have a direct impact on our results.

Environmental risk provisions and guarantees

Regarding risk insurance, the company has civil environmental liability insurance that guarantees, according to its conditions, compensation claims against the company for environmental damage resulting from its activity.

Furthermore, there is an annual provision for the necessary restorations for the waste management activity conducted by the organisation Environmental Solutions COMA S.L.

Environmental R&D

Sustainable innovation towards a circular economy

Cosentino continues to promote innovation (SDG 9) as an essential lever for sustainable development. Much of this work on innovation focuses on promoting sustainable production and the circular economy, faithful to its strategic commitment to Sustainable Development Goal 12 "*Sustainable Consumption and Production*". Environmentally sustainable products, which use waste from the productive process or recycled materials in their composition, are a good example of this. In 2019, Cosentino produced 1.45 million square metres of slabs with recovered or recycled material, representing 17% of the total production.

One of Cosentino's major milestones in 2018 was the launch of its own Waste Management and Recovery Plant, a facility dedicated to the treatment, valuation and recovery of waste generated by the company in its production processes. Once we had consolidated our commitment to managing our own waste, in 2019 we began to adapt these facilities to provide us with sufficient infrastructure to ensure the long-term storage and treatment of waste generated.

Creation of innovative and sustainable products

Cosentino Group remains committed to sustainable innovation, aspiring for its products to offer the best qualities of respect for the environment and safety.

In this respect we continue to invest resources and efforts so that, year after year, the circular economy and waste recovery is reflected in Cosentino's range of colours and products, offering materials with a significant content of recycled and/or recovered raw material in their formulation.

Likewise, we are developing projects to reduce the possible negative impact that the consumption of our raw and/or auxiliary materials may have on health and the environment, taking into account the entire value chain. 2019 saw advances in the development of new Silestone® colours, which are more sustainable and better for the health and safety of employees.

1.45 million
m² of recovered material,
representing 17% of
total production



Production of “ecological” materials over total production

Product lines	Eco Produced 2019 (m ²)	Total produced 2019 (m ²)	M ² Eco Vs Total (%)
Dekton®	1,078,096	2,236,432	48.21%
Silestone®	373,892	6,283,494	5.95%
Total	1,451,988	8,519,926	17.04%

The commitment to incorporate recycled or recovered material into products has led to the production of up to 1.45 million m² of products using recycled or recovered raw materials (17% of our production of the Silestone® and Dekton® brands).

The various improvements made to the efficiency in production processes have kept the amount of recoverable waste generated in the manufacturing of Dekton® practically constant throughout 2019 compared with 2018 (+1.2%). This is despite the increase in total annual production (+20.2%).

Despite these improvements having occasionally decreased the annual production of eco materials, improvements were made to the process during the last three months of 2019. An example was recovering sludge from atomisers, which will have a positive impact on the production of eco materials in 2020 and beyond.

Use of recovered or recycled raw materials by product line in 2019

Product lines	Total Raw Materials (RM) (Kg) Recycled/Recovered	Total RM (Kg) Consumed 2019	% Recovered/ Recycled Vs Total
Dekton®	9,987,288	107,981,501	9.25%
Silestone®	10,932,485	468,335,100	2.33%
Total	20,917,773	576,316,601	3.63%

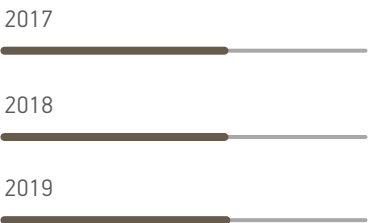
Our Eco products

Silestone®

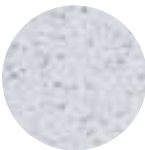
The Silestone® Eco Line® Series, made up of at least 50% recycled material, was the first step along our path to increasing the proportion of ecological materials. Currently there are 19 colours with eco material (Dekton discs, glass, mirrors, porcelain or vitreous ash) in eight different series.

2019 saw advances in the development of new Silestone® colours with important changes in their formulation to make them more sustainable.

Silestone® colours with recycled/recovered material



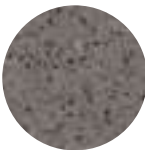
Aluminio Nube
23.70%
30,818 m²



White Diamond
75.50%
19,059 m²



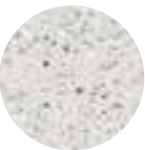
Eternal Emperador
2.20%
16,874 m²



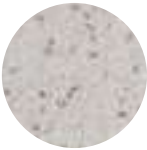
Gris Stellar
51.40%
11,292 m²



Iconic Black
24.40%
28,789 m²



Stellar Blanco
34.20%
137,214 m²



Luna
59.40%
3,668 m²



Negro Stellar
52.10%
53,327 m²



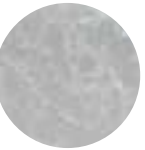
Ocean Jasper
7.70%
36,466 m²



Ocean Storm
7.60%
18,622 m²



Riverbed
54.30%
7,325 m²



Polaris
43.80%
1,814 m²

373,892 m²
Total recycled surface



Dekton®

At Dekton® we continue to make great efforts, not only to maintain the amount of waste we recover from that generated during the production process, but to increase it.

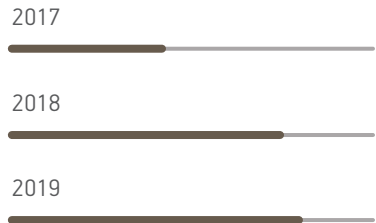
This waste is reintroduced at the beginning of the production process to be used as new raw material. Thanks to these measures, we have managed to find another use for waste, and also reduce consumption of

the raw materials used in our processes and their associated environmental impacts.

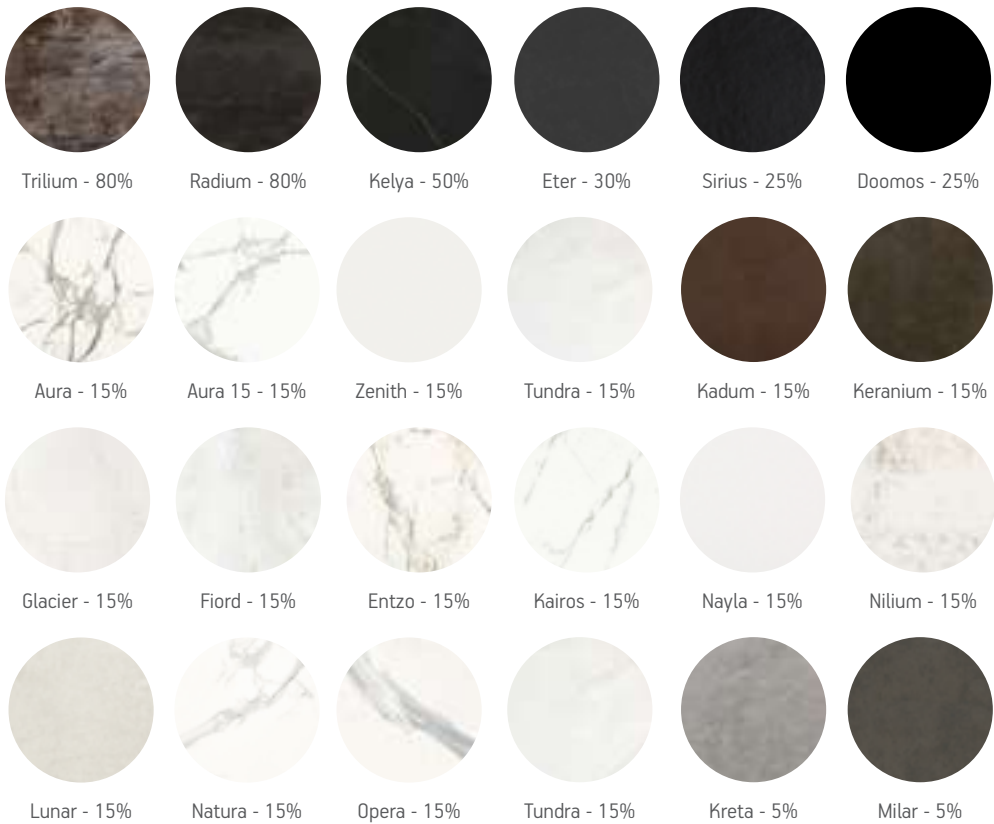
The number of Dekton® colours containing recovered material increased from 13 and 24 in 2017 and 2018, to 25 in 2019.

Sirius, Kelya, Aura and Zenith were the four most produced Dekton® colours with eco content in 2019.

Dekton® colours with recycled/recovered material



Dekton® process reductions



1,078,096 m²
Total recycled surface



Dekton® Kelya



Dekton® Trilium

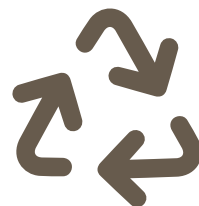
Durability and warranty of Cosentino products and brands

Silestone® and Dekton® offer up to 25 years warranty in use, which certifies the durability of these products, extending their useful life. This fact, linked to the use of recycled or reused materials in the manufacturing process, is an important added value asset for our stakeholders and has great relevance as a financial measure within the sector. Cosentino develops products that improve efficiency, reducing the use of energy and closed circuit.



Circular Waste Management

We encourage innovation and continuous improvement to move towards a circular economy model that promotes the efficient use of resources, and the minimisation and recovery of waste. We focus on the waste generated as part of the raw material treatment processes and in the production of our surfaces. Thanks to the application of the best available technologies, we have managed to increase the efficiency of our processes and reduce the generation of waste per unit produced.



Projecto Circularity

At Cosentino, we work to ensure that our waste can be used, reused and recycled as new products for different external and internal applications. Our objective is to convert them into quality raw materials which can be reintroduced, with the maximum technical, economic, health and safety conditions.

The Circularity R&D project, a continuation of the Reborn project (started in 2016), aims to respond to the need to expand research lines for waste treatment, particularly in the case of Silestone®.

Within the framework of this project, different external lines have been researched to be able to reuse our waste in different applications, such as:

- **Civil Engineering and construction materials:** We conducted several laboratory studies to verify the technical feasibility of introducing our waste as substitutes for construction and civil engineering materials (roads, drainage systems, backfills...). Thanks to this, we have defined the maximum optimal percentages in which our waste can be used in the formulations of different products without altering their properties. These short and

long-term laboratory studies were carried out in partnership with various universities in Andalusia. Likewise, different pilot tests have been carried out that have allowed us to verify that the positive results are transferable on a real scale.

- **Technosol:** We are conducting short and long-term research on the development of a new technosol obtained from mixing our non-hazardous waste and different waste generated in the province of Almería, seeking synergies to resolve several problems with the same solution. The results obtained have been positive, with 100% of the species tested surviving, as well as in analytical tests carried out to evaluate technical viability. Following these results on a laboratory scale, we carried out a pilot study on a pre-industrial scale. This research obtained positive results in its different phases.
- **Ceramics industry:** We have verified another successful case study with the introduction of a type of our waste to ceramic industry products. After carrying out different industrial tests on a real scale, it has been concluded that this particular waste is not only suitable for use in this application, but also adds value to the final product.

Currently, work is being done on the necessary processes and procedures for using waste in these applications that have already been demonstrated in the laboratory and in the pilot projects. To achieve this, Cosentino believes it is essential to comply with all the necessary regulations and administrative processes, as well as the health and safety requirements for individuals and the environment. Thanks to the progress made along these different lines and an appropriate segregation and classification of waste generated both at source and in the factory, we now have a basis to develop large-scale recovery projects for all the lines underway and make this a reality.

Last but not least, we are still opening up new lines of research to continue our progress towards recovery of all our waste and achieving our future goals.

Waste management

Efficient waste management is key to both our sustainability strategy and achieving the objectives of a circular economy and zero waste. Year on year, we make an impact on the development and application of new waste management strategies throughout the production chain, always following the principles of "R"eduction, "R"euse and "R"ecycling of waste. All this has been reflected in a gradual increase in efficiency in the set of processes and the reduction of waste generation ratios.

In 2019, we completed the first year of using our own treatment and recovery plant for non-hazardous waste through the subsidiary "*Environmental Solutions CoMA*". Thanks to this we successfully integrated a new, more

effective system of waste management that aims, in the future, to recover all non-hazardous waste generated in the production process. This new management model highlights the commitment of the Cosentino Group to achieving the future objectives of zero waste and a circular economy, and also allows us to continue to invest and research in a sustainable manner in new fields and projects for the recovery of materials and energy from waste.

Regarding the management of hazardous waste, we continue to research waste management alternatives that prioritise recovery over disposal, as well as new commercial products that progressively replace the hazardous products used in production with non-hazardous

products, which contribute the same final properties to the product and whose waste is preferably classified as recyclable and/or biodegradable.

In 2019 we constructed new, clean areas in the main factories within the industrial park, improving waste segregation as well as the efficiency of the factory's "*door to door*" collection service.



The CoMA Waste Management Plant at Cosentino's Industrial Park in Cantoria (Almería, Spain)



Our performance

● Cantoria Industrial Park (Almería, Spain)

- We managed around 400,000 tons of waste.
- We recovered 33% of the waste generated.

- We increased the recovery ratio by 12% compared to 2018 and doubled the rate from 2017, despite the annual increase in production and corresponding increase in waste generation.
- We increased the waste recycling rate by 30% compared to 2018.

33%
recovery of
waste generated

Evolution of waste recovery (Tons)

		2017	2018	2019
Non-Hazardous	Reuse	29,532	76,512	107,493
	Recycling	6,447	9,124	22,363
	Disposal	186,416	207,421	267,847
Hazardous	Recovery	1,715	2,107	2,693
	Disposal	644	1,115	1,355
Total disposal		187,060	208,536	269,201
Total recovery		37,694	87,742	132,549
Total		224,754	296,278	401,751
Recovery rate		16.77%	29.61%	32.99%

Regarding the management of Non-Hazardous Waste, we reached more than 30% of recovered material, either by reusing it internally or recycling it. This model is based on internal management (through our subsidiary "Environmental Solutions CoMA") with the installation of the treatment and recovery plant for non-hazardous waste generated in the production process, and the constant search for new lines of waste recovery (Circularity Project).

83% of all non-hazardous waste recovered by Cosentino in Cantoria (Almería, Spain), is directly reused within the production chain to make new products, thus strengthening the circular economy as a fundamental point in our waste management strategy.

Regarding Hazardous Waste, the total weight transported was around 4,000 tons, of which 2,600 tn were

recovered. The recovery rate represents 67% of waste management, two percentage points higher than in 2018. This highlights the effort made to identify products that give rise to hazardous waste, thereby adding value to our efficient waste management philosophy. The hazardous waste generated was not transported to other countries.

● **Latina Vitoria
Factory (Brazil)**

- We work with government-
authorised management
companies for 100% of the
waste generated, thus promoting
responsible waste management.
- We recovered the waste stone
generated in the sawing process,
maintaining a recovery rate
of up to 25% of the total.

Change in waste recovery (Tons)

		2017	2018	2019
Non-Hazardous	Reuse	0	0	0
	Recycling	5,979	5,693	5,667
	Disposal	19,734	18,985	16,854
Hazardous	Recovery	-	-	-
	Disposal	65.55	39.48	31.63
Total disposal		19,799	19,024	16,886
Total recovery		5,979	5,693	5,667
Total		25,778	24,717	22,553
Recovery rate		23.19%	23.03%	25.13%

Of all the Non-Hazardous Waste recycled by Cosentino in Brazil, 99% were recovered at no cost to the company. This highlights the 5,608 tons of waste recovered from waste stone.

Regarding the management of Hazardous Waste, 100% of the waste generated in the Vitória factory (Brazil) was disposed of in 2019.

As with the facilities in Cantoria, we are continuing to improve and optimise waste management in the Brazilian factory. Among the notable initiatives in 2019, we have worked to increase the recovery of waste (plastic, wood and packaging) instead of its disposal and to find solutions in the process that allow the amount generated to be reduced. These include the use of wood in place of cement slabs in the bases of the blocks of the transport trolleys.



Climate Action

To make our activity more sustainable and more respectful towards the environment, we seek maximum efficiency in the use of resources and we promote clean technologies to reduce our environmental impact. We progress alongside the international propulsion towards a low carbon economy promoting energy efficiency, reduction of emissions and sustainable mobility. This approach promotes our innovative character and allows us to improve processes with a vision of the future.



Energy Efficiency

Reduction of the energy process both in the production process and in the group's general activity.



Sustainable Mobility

Promote sustainable mobility and reduce emissions generated.



Air Quality Control

Introduce improved technologies to be more efficient in our processes and reduce emissions.

Energy efficiency

Energy efficiency is a priority target for Cosentino, reducing energy consumption in the production process and in general group activity by optimising processes. This is happening in new projects and investments, promoting technologies with a smaller environmental impact and working towards a low carbon economy.

Our achievements

- 100% of the electrical energy consumed in our Cantoria Industrial Park (Almería, Spain) is certified with a renewable origin guarantee.
- In 2011, we attained Environmental Product Declaration for Silestone® Eco Line and for Dekton® in 2016. In 2018, we expanded the certification for the entire range of Silestone® products.
- 8% reduction in electricity consumption per m² produced in Cantoria, Almería.

Actions

- | | | |
|---|--|--|
| <ul style="list-style-type: none">• Projects to replacement of conventional motors and compressors by others with high efficiency.• Improvement in energy efficiency due to the replacement of machinery with the best available technology, decreasing the consumption of raw materials, and reworking of the calibration and polishing optimisation processes. | <ul style="list-style-type: none">• The project to replace the interior and exterior lighting at the Silestone® factories with minimum consumption LED technology has been implemented.• The heat recovery system project at the Dekton® plant to reduce gas consumption has been implemented, with an expected saving of 12.45 GWh/year.• Development of multidisciplinary teams at all plants to study the implementation of new | <p>improvement actions in energy matters and to start the introduction of ISO 50.001 in Energy Management.</p> <ul style="list-style-type: none">• Intensive use of joint applications: frequency converter and electric induction motor to optimise and minimise operating costs. |
|---|--|--|

Below are the data relating to the Cantoria Industrial Park:

Energy consumption 2019 (Kw/h)

	Factories	Offices	Ancillary installations
Electrical Energy	132,689,573	1,039,937	5,853,907
Natural Gas	199,365,936	-	-

100% of our energy requirements for both products and services are met through renewable energy sources with certified origin.

	From renewable sources	From non-renewable sources
Electricity consumption	139.583.417 kWh	0
Heating consumption	130,881 kWh	0
Refrigeration consumption	130,881 kWh	0
Steam consumption	N/A	N/A
Natural Gas consumption	199,365,936 kWh	N/A
Diesel consumption	N/A	1,318,434 L
Other fuels (Indicate)	N/A	N/A

We have reduced our kWh energy consumption by 8% per m² produced, achieving more efficient electricity consumption.

	2017	2018	2019
Total Consumption of Electrical Energy (kWh)	113,163,936	126,767,241	139,583,417
Total products produced (m ² /year)	8,308,892	9,402,545	11,199,794
Indicator (kWh/m ² produced)	13.62	13.48	12.46



Sustainable Mobility

At Cosentino Group, we are conscious of the environmental impact of the transport we use in our activity so have introduced various initiatives to promote sustainable mobility and reduce the emissions generated. In 2010, with the expansion of the Cantoria Industrial Park (Almería, Spain), we developed our Sustainable Mobility Strategy, which takes into account both internal and external mobility. These initiatives have successfully improved our environmental impact by reducing greenhouse gas emissions, which cause climate change, as well as contributing to social welfare and improving the quality of life of our employees.

Our achievements

- Thanks to the sustainable mobility initiatives, we avoided more than 1,255 tons of CO₂ equivalent a year at our facilities in Almería, as well as 4,000 tons of CO₂ equivalent in 2019 with the new logistical operations and the new routes through the port of Almería.
- We reduced our employees' driving hours, increasing their well-being and performance.
- We generated an economic benefit by saving fuel costs estimated at €300,000 per year.

4,000 tCO₂e

emissions avoided with shipping companies agreements in 2019

Actions

- In December 2018, new logistical operations were implemented in the port of Almería, which has allowed to reduce transport distances (approx. 560 km per route) compared with the previous situation, and minimising CO₂ emissions associated with this transport. It is estimated that this initiative has led to a reduction of 5,600,000 km in transport, meaning 4,000 tons of CO₂e per year have been avoided.[*]

*CO₂ truck emissions: 717.04 g CO₂/km.
Source: Practical guide for calculating Greenhouse Gas emissions (GHG)



Maersk and MSC shipping companies for Cosentino in the Port of Almería (Spain)

Actions

- We continue to develop the use of electric mobility methods inside the Industrial Park. In 2019 we acquired nine new electric vehicles, with their respective charging points, to reach a total of 50. Our electric vehicles travel an average of eight to ten kilometres a day.
- We encourage the use of non-motorised vehicles within the Industrial Park. In 2018 we incorporated 20 new bicycles, doubling this number in 2019. We expanded the route network by 5% so that it now extends over 2.5 kilometres, with improved access to the "Brainstone" Training area and the logistics warehouse. All the urbanisation projects within our facilities have an exit corresponding to the construction of new bike lanes to allow safe travel within the industrial park.

In the same vein, 2019 saw the launch of the ByCo project. This is a pilot developed in response to the internal movement of employees and trainers who move around training rooms within the logistics Platform. It entails the installation of eight bikes and two bike parking areas by ByCo, for whoever needs them and with the accessories needed to cover the established security measures.

- We offer a bus service for our employees from the towns surrounding the industrial park. The service runs at the start and end of the working day, as well as offering transportation during the lunch break.
- New bus lines were added in 2019, including Almería capital and the surrounding metropolitan along the route. These measures have helped to optimise the transportation

of people at the same time as reducing the impact of emissions from traditional transport.

More than 350 employees benefit from this initiative, which has had a positive impact by saving 1,000 tons of CO_{2e} emissions a year.

*Source for calculating data: UK Government Emissions Conversion

- We encourage car sharing. During 2019, more than 265 employees participated in the "Share your car" initiative, avoiding 230 tons of CO_{2e} per year.
- We continue working to make our employees aware of the importance of sustainable mobility. As a result of this effort, some employees purchased hybrid and/or electric vehicles in 2019.



BYCO Project for a Sustainable Mobility



Air Quality Control

The continuous implementation of the best technology allows us to be more efficient in our processes and to reduce greenhouse gas emissions per square metre of our products. This has resulted in a reduction of 11% in the case of Dekton®. We also work to improve our air purification systems, to capture both particles and volatile organic compounds, to allow us to keep emissions levels below the established environmental requirements.

Despite improvements in efficiency and control, the rise in our production has increased our total direct emissions of CO₂e to 31,642 tons in 2019; i.e. 5% more than in 2018. In addition, the changes that have occurred in some of the manufacturing processes mean that we must focus our efforts on reducing other pollutants that have been increased this year. The measurement refers to the Cantoria Industrial Park (Almería, Spain), the main location of our emissions.

Our achievements

- Reduction of greenhouse gas emissions in the Dekton® manufacturing process by 11% compared to 2018, ending the year with 14.54 kg of CO₂ per square metre produced. This represents a reduction of 29% compared to 2016.
- Obtaining 100% of electricity from renewable sources in Cantoria means that Scope 2 of the greenhouse gases emitted in this regard totals 0 kg of CO₂.
- Using 70% of the €2.8 million investment for the recovery of heat from kilns in the production of Dekton® and using it in drying rooms.
- Launch of a continuous monitoring system for the operation of Volatile Organic Compound (VOC) purification systems and non-systematic Dekton® sources to control the operation thereof.

100%

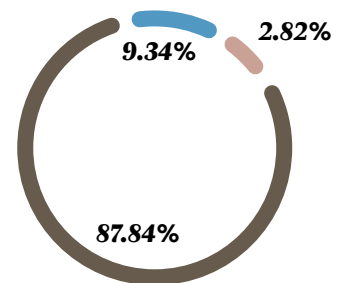
of the electricity obtained is from renewable sources

-11%

we have reduced greenhouse gas emissions per m² in the process of manufacturing Dekton® compared with 2018

455,255.19 tCO₂e

Cosentino's total carbon footprint



- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions

Actions

- Evaluation of the 2018 Carbon Footprint for the whole organisation, in scopes 1, 2 and 3.
- We develop and implement a control system for pressure differentials in particle filtering equipment to ensure early maintenance.
- We establish annual maintenance plans scheduled in coordination with the internal and external inspection plans of the corresponding government agency.
- We control the emissions in new sources, linked to the expansion of the industrial park's facilities and those that are included in the Integrated Environmental Authorisation (IEA).

Reduction of Greenhouse Gas emissions and fight against climate change

Greenhouse Gas (GHG) emissions produced by industrial activity and human beings contribute to the global warming of the planet and are therefore one of the main causes of climate change. For this reason, Cosentino is committed to reducing these GHG emissions that are mainly generated by our ultra-compact Dekton® product through the development of clean industrial technologies, the consumption of renewable energies and process efficiency improvements.

Cosentino has always been conscious of the proper use of natural resources, protecting its direct and indirect environmental surroundings and constantly establishing the necessary bases to mitigate the effects of climate change and associated issues.

Due to its industrial and manufacturing nature, optimising the management of these resources is fundamental for Cosentino, prioritising the use of clean and renewable energies,

reducing emissions through use of the best available technological systems and ensuring that practically all the water used in its productive plants and industrial park is reused. In this way, the company aims to contribute effectively to mitigating the potential impacts of climate change on its environment and areas of influence.

The company generates scope 1 emissions in its production processes. However, it is worth highlighting that the company, in its commitment to combating climate change, has carried out a study of its carbon footprint for the whole scope of the consolidated report, in other words, of the three scopes. This first exercise took place in 2018, although the company aims to calculate the full carbon footprint of the financial year reported in future years.



In 2019, the scope 1 emissions associated with the production of Dekton® are:

Change in direct emissions of Greenhouse Gases (GHG) in scope 1 associated with the production of Dekton®

Emissions	Type	2017	2018	2019
Direct emissions of GHG (scope 1)	Absolute GHG (Kg/year)	25,774,000	30,125,000	31,642,267
	Relative GHG (Kg/m ² product)	17.36	16.18	14.54

Despite improvements in efficiency and control, growth in our production has increased our Scope 1 emissions or total direct emissions of CO₂e to 31,642,267 tons in 2019; i.e. 5% more than in 2018. However, regarding the annual number of square metres produced, during the same year we have managed to reduce greenhouse gases by 11%, obtaining a value of 14.54 kg of CO₂/m² of product.

In addition, the following table shows other scope 1 emissions associated with the consumption of natural gas from other products and diesel for trucks.

Other direct emissions of Greenhouse Gases (GHG) from scope 1 (Natural Gas or other products and Gasoil)

Emissions	Type	2018	2019
Direct emissions of GHG (scope 1)	Absolute GHG (Kg/year)	6,805,051	8,551,794
	Relative GHG (Kg/m ² product)	0.72	0.76

Regarding scope 2 emissions, it should be noted that, in the Cantoria Industrial Park, no emissions are generated as a result of the agreement guaranteeing that the electricity supply comes from 100% renewable sources. Therefore, the emissions gathered in scope 2 of the Organisation's Carbon Footprint correspond to Cosentino's other sites in the world.

Emission of other substances

In order to promote respect and care for the environment, Cosentino performs a series of measurements in relation to approximately 60 sources that are distributed across the group of factories within the industrial park. This is the only place in the world where these emissions are generated. In addition, this allows us to comply with the requirements set forth in the Integrated Environmental Authorisation (IEA) and comply with the emission limit values.

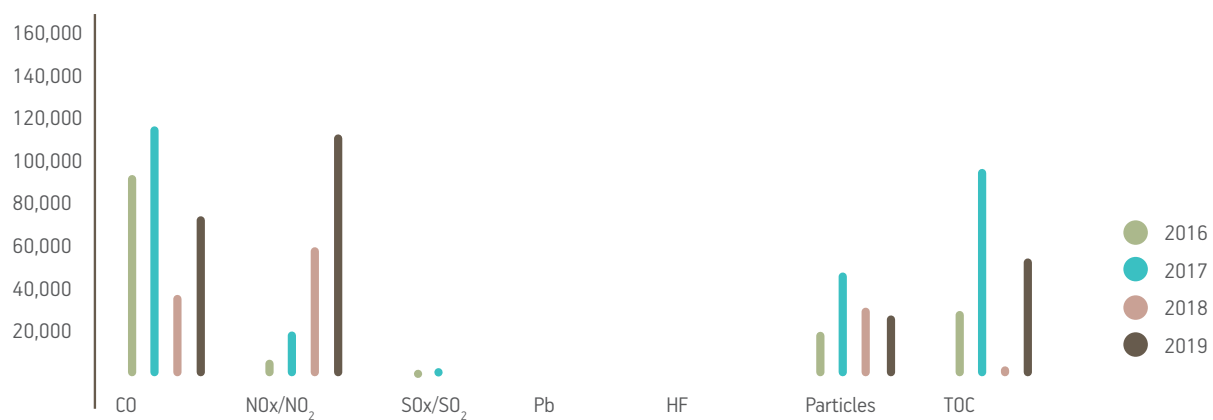
In this case, the launch of Dekton® line 2 in mid 2018, with the installation of new equipment and machinery, means that total emissions have increased due to the operation of 20 new sources for a full year.

On the other hand, the end of life of some of the materials that comprise two of the reduction systems or TOC purification, caused the increase in emissions in 2019. Because of this, at Cosentino we have put in place an action plan that includes the corrective measures needed to re-establish the optimal operation of such systems, as well as an investment plan for 2020-2021, which will enable the capture and treatment of diffuse emissions from productive processes to be increased.



Evolution in significant atmospheric emissions

Emissions	Type	2017	2018	2019
NOX, SOX and other significant atmospheric emissions	Absolute Carbon Monoxide (CO) (Kg/year)	119,322	44,824	75,772
	Absolute Oxides of Nitrogen (NOx and SO2) (Kg/year)	32,033	69,045	117,563
	Absolute Lead and compounds (Pb) (Kg/year)	10	1	3
	Absolute Total Suspended Particles (TSP) (Kg/year)	46,311	28,953	26,405
	Absolute Total Organic Carbon (TOC) (Kg/year)	101,558	4,456	55,600



Natural Capital

We consider the use of water resources and the protection of biodiversity in the environments where we operate to be key factors for adapting to climatic variations.

Biodiversity

At the Cosentino Group, we are committed to protecting biodiversity to generate value for our workers and for all the communities where we operate. With this objective, we developed the Green Belt in our Cantoria Industrial Park (Almería, Spain): a landscape project that surrounds all of our facilities. The objective is to have a green perimeter around the entire industrial park and other areas, so as to preserve the native flora, and generate a natural barrier against dust emissions from outside or even against possible fires.

The project has already completed phases 2 and 3, with approximately 130,000 m² having been accomplished at present. Consequently, only the last two phases remain. These are being modified so they can be adapted to the configuration of the industrial park's

future expansion. We have managed to complete 54% of the entire Green Belt Project, in addition to 42,900 m² more in common spaces. This Green Belt is a fundamental element of the integration of the industrial park into the region and the landscape.

We maintain three fundamental ground rules for restoration actions:

- Use of native species.
- Species with minimum water needs to reduce water consumption as much as possible.
- Low need for maintenance, to reduce the associated energy consumption, as well as replacement of species.



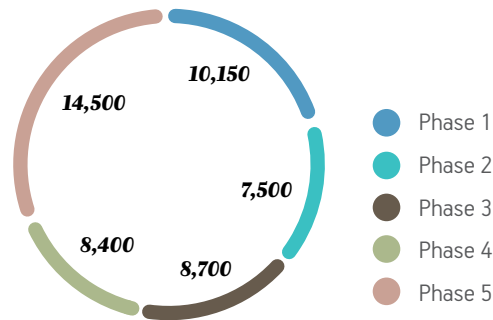
130,000 m²
of restored areas

54%

Green Belt Completed



Green Belt Project (m²)



Green Belt	m ²	Year
Phase 1	10,150	2017
Phase 2	7,500	2018
Phase 3	8,700	2019
Phase 4	8,400	2020
Phase 5	14,500	-
Estimated total	49,250	-
Completed	26,350	54%

Common Spaces	m ²	Year
Central Warehouse	3,100	2017
Outside Areas	25,800	2017
New Access Areas	14,000	2019

Protected or restored habitats

The Habitats Directive identifies a set of types of habitat and species of flora and fauna that must be represented in the Natura 2000 Network.

This regulation defines natural and semi-natural habitats that are of community interest, and all animal and plant species, for which it is necessary to designate Special Conservation

Areas, such as those which:

- are threatened with disappearance in their natural area of distribution, or
- present a reduced natural distribution area because it is receding or because it is intrinsically restricted, or
- are representative examples of one or more of the biogeographical regions of the European Union.

Our Cantoria industrial park (Almería, Spain) is located in an area where there are no nearby protected habitats or places of special environmental interest. This is because we are located in a historically industrial area.

Water footprint

The historical meaning of belonging to the Comarca del Almanzora (Almería, Spain) is that the activity of the Cosentino industrial park is located in an area which is classified climatologically as a Mediterranean sub-desert, characterised by its scarcity of water and long periods without rain. All this means that Cosentino is committed to developing actions that promote the reuse of water, and constant improvement in the efficiency of water usage in all production processes.

Regarding the sustainable water usage policy, the company continues to maximise its efficient use in guaranteed high-quality productive processes thanks to the use of the best available technology. Thanks to this, Cosentino treats more than 385 m³ every day to achieve “Zero Waste Water”.

Cosentino practices a policy of using recycled water in the production process, which allows us to be increasingly efficient in our use of available water. In 2019 we managed to maintain recycling levels similar to those of 2018. As well as recycled water in the industrial process, some of our treated water is used for irrigating the various green spaces of the Cantoria Industrial Park (Almería, Spain).



19%

Use of 19% more recycled water compared with 2018



Water Treatment Plant in Cosentino's Industrial Park in Cantoria (Spain)



With a view to the integral water cycle, Cosentino is committed to controlling all processes that involve the use of water. For this reason, the analysis begins with controlling the source water, which includes both that collected from underground sources and the water delivered via the supply network.

Greater efficiency in the use of recycled water, especially in the irrigation of green spaces, has resulted in a reduction in the volume of water collected in 2019 by 10% compared to 2018.

In addition, the destination of the collected water that is divided between irrigation water and that needed in the manufacturing processes is also monitored. The latter has increased by 19% due to the increase in production. However, by optimising the system for processing the extra water used in the manufacturing processes and, after appropriate purification treatments, it is possible to use a total of 58,664 m³ to irrigate the green spaces within the industrial park. This means the use of 100% of the recycled water for irrigation.

Finally, and to close the cycle, the different discharges are analysed, both from industrial water and waste water. Regarding waste from industrial water, Cosentino has seen zero waste from industrial effluents for years. Waste water, for its part, is managed and treated in the Regional Treatment Plant, with periodic analyses of discharge quality in compliance with the current environmental authorisation.

Change in the total volume of treated/reused water*

	2017	2018	2019
Total volume of water recycled by the organisation (m ³)	40,486	86,221	81,909
Total volume of water reused for irrigation (m ³)	-	31,781	58,644
Total volume recovered (m ³)	40,486	118,002	140,553

*Recycled during the production process and reused for irrigation.

Change in collection and discharge of water (m³)*

		2017	2018	2019
Discharge (m ³)	Discharge of sewage waste water (m ³)	129,568	141,180	156,594
Use of collected water (m ³)	Sanitary	80,000	36,187	40,138**
	Irrigation	48,500	-	-
	Industrial	191,000	210,703	251,025
	Total	319,500	246,890	291,163
Total water collection by source (m ³)	Groundwater (well)	239,500	246,955	221,949
	Public Supply	80,000	36,187	40,138**
	Total	319,500	283,142	262,087

*Estimated according to information available / **Estimated according to staff changes

Our achievements

- We continue to achieve the objective of zero discharge of industrial water in the facilities of the industrial park.
- We continue to recycle 99% of water in industrial processes in the whole Cantoria Industrial Park (Almería, Spain).
- The increase in reuse facilities has allowed 30% of water to be reused in processes, in relation to the total collected.
- We managed to reuse 140,553 m³ of water, which represents 19% more than in 2018.
- The total amount in litres (22 litres/mix m²) used to produce one square metre of product mix has remained the same as the previous financial year.
- 100% of the water used for irrigation has been recycled.
- During 2019, we did not produce any significant discharge that could affect the natural environment.

Actions

- Cosentino introduced five new Silestone® manufacturing lines, which involved the design and partial construction of three new water treatment plants.
- The system for registering water levels was improved, which allows us to see the consumption of industrial water in the plant.
- In 2019, the processing of the paperwork was continued in order to obtain the concession to use the water from the regional treatment plant. The Waste Water Regeneration Plant (WWRP) Construction Project was developed. A new WWRP is planned to be built in 2020
- We carried out a plan to modernise the water treatment systems in our US workshops. The priority for 2019 was the study and improvement of the design of the workshops to ensure they are equipped with the best available technologies to guarantee occupational safety and respect for the environment in our processes.



Training and involvement in the environment

At Cosentino we assume the commitment to promote responsibility and sustainability amongst all our employees and partners, with a integrated internal and external vision. In this regard, various training, awareness-raising and participation activities are carried out to convey the importance of the biodiversity of our area and the need to engage in responsible consumption.

In 2019, in line with our commitment to the 2030 Agenda and attaining the SDGs, we signed up to the National Pact for the Circular Economy, promoted by the Ministry for Ecological Transition.

As part of this, over the past year we have promoted and participated in various actions in the interest of raising awareness of the circular economy and respect for the environment. Our participation in the green area at the United Nations Conference on Climate Change COP25 in Madrid, over three sessions, was a highlight:

- Session *"How does your organisation contribute, through actions or concrete examples, to a carbon-neutral planet that is climate resilient in 2050?"*, organised by the SUEZ Group on 4 December
- Session *"Andalusia committed to the Planet"*, organised by the Regional Government of Andalusia on 11 December.
- Session *"Mainstreaming Sustainability in the Hotel Industry"*, organised by Cosentino and HIDALSA on 11 December at Cosentino CITY MADRID, situated in COP25's Castilian Green Axis.

● Cantoria Industrial Park (Almería, Spain)

Environmental training:

Environmental training is carried out for new employees who join Cosentino, representing 2% of the total volume of "Onboarding" training hours. We should also add the "Breakfasts with Management" which include discussions on the themes of sustainability and circular economy.

Food collection campaign: To combat food waste, once a year, specific food collection campaigns

are carried out so that employees who wish to donate food to food banks can do so. Employees are also offered the possibility of voluntarily donating Christmas baskets. GoodFood is another initiative carried out at the Cantoria headquarters (Almería, Spain), which consists of integrating healthier dishes and more balanced portions into the catering.

EsAgua: Cosentino is a member of the association and participated in the "Use of the water footprint in the mining sector" Webinar.

As part of World Environment Day on 5 June 2019, Cosentino organised a campaign to raise awareness of the company's environmental values. This took place during Environment Week, both internally at the Cantoria headquarters and in various other locations. A series of activities, talks and special days were planned, which were attended by employees as well as the region's most relevant public and private bodies.

The planned activities, which were open and interactive, included:

- Guided visits for employees around the Residual Materials Processing Plant and showcasing the various RGD programmes underway.
- Various informative talks and conferences, highlighting the main sustainability challenges faced by the company as well as our latest CSR results.
- Installation of different environmental “corners” in the Park’s factories and corporate offices.
- A recycling workshop to transform some of the residual materials generated by Cosentino into useful products for the home.
- Information stand about recycled plastic water bottle suppliers.
- Cards and signs showing the company’s understanding of and commitment to the Sustainable Development Goals, with different phases of impact.
- IDEAS for the Environment competition, whereby the employees who came up with the top three sustainability ideas received a financial award.
- A Circular Economy Day organised by Cosentino in partnership with the Europa Press news agency. (Cajamar Foundation event space in Almería). Experts such as Nicola Cerantola, Executive Director of Ecologing, and Vicente Galván from the Ferroviario Environment Competence Centre, took part. Representatives from some of the province’s iconic companies such as Tecnova, Suez and Frutildados also took part in an interesting round-table debate. The day was brought to a close by the Minister for Agriculture, Livestock, Fisheries, and Sustainable Development for the Andalusian Regional Government, Ms. Carmen Crespo.
- A day on “Circular business: the formula for success” at Cosentino City Madrid, with breakfast and a debate as part of the presentation of the 2018 CSR report, with Nicola Cerantola as guest speaker.

In addition, different activities regarding sustainability were carried out, such as:

- Use of serviettes made from 100% recycled material, without using dye or bleaching processes. This also involves packaging made from recycled cardboard.

- Promoting the use of reusable cups in coffee machines, adapting the product’s flow into a cup format, information cards, interactive competitions, etc.
- Replacing single-use plastic stirrers with biodegradable stirrers.
- Replacing coffee cups (non-recyclable carton) and water cups (single-use plastic) with paper cups that are compostable and biodegradable.
- Installation of recycled paper hand towels and improvement of the dispensing systems for hand towels and soap.
- Removal of single-use plastic bags in favour of those made from materials such as recyclable paper.
- Removal of single-use plastic bottles.
- In 2019, we started using the **Docusign** platform, which enables documents to be signed digitally, thereby avoiding the use of paper and its impact in terms of cutting down trees, water use, emissions and waste generated, evaluating the environmental savings made from this.



● **Other days or events that we have participated in:**

- MMH (Mining and Mineral Halls) International Congress, a round-table on circular economy opportunities for the mining industry, taking place at the Seville Conference and Exhibition Centre.
- Workshop on Business Innovation and Entrepreneurship in the Circular Economy, taking place in the Andalusian Centre for Entrepreneurship in Albox.

● **Latina Vitoria Factory (Brazil)**

The following environmental partnerships stand out:

- Environment Conference with the Arquipélago Engenharia consultancy: Carried out during Internal Event Prevention Week (Semana Interna de Prevenção de Accidentes: SIPAT), raising employee awareness of the need to improve waste segregation, water and energy saving.



Latina Vitoria Factory (Brazil)



COMA Photovoltaic Solar Plant for self consumption



New Access to Industrial Park: minimum consumption with LED technology



Prizes and certifications

The following certifications, seals and awards were received or renewed in 2019:

- Andalusian Regional Government Environment Prize, in the Circular Economy and Climate Change category.

We have a certified Environmental Product Declaration for Dekton® and Silestone®. This allows us to assess the environmental impact on the whole value chain, assessing the improvements/variances generated in the decision-making process that affects this chain.



Environment Award
Regional Government of Andalusia









Page 192

Commitment to the community

Page 194

Our commitment to local employment

Page 195

Our commitment to Almeria and Andalusia

Page 196

Our commitment to education

Page 205

Our commitment to architecture and design

Page 219

Our commitment to the kitchen and cooking

Page 225

Our commitment to art and culture

Page 230

Community involvement

Page 234

Our commitment to sport

Page 237

Conversation with the community





Carlos Pérez Siquier Photography Centre



Commitment to the community

The Cosentino Group actively participates in the economic, social and cultural development of the areas where we operate, getting involved in fields such as education, culture, architecture, design, gastronomy and sport

Community involvement

with the aim of improving the quality of life of the people within our community, we are actively involved in projects of a social nature.

Commitment to education

we promote various initiatives to support the personal and professional development of young people.

Commitment to art and culture

we support Andalusian culture and artists through the Ibáñez Cosentino Art Foundation, which supports several museums in the province of Almería.

Social innovation to generate a positive impact on individuals:



Eduarda Justo Foundation

Real social impact on the young people in our region



Silestone Institute

Constant dialogue with and participation in bodies within the kitchen sector



Cosentino Design Challenge

Supporting young people's talent



Solidarity Initiatives

More than one million euros allocated to social solidarity initiatives



Sport, Art and Fashion

Support for sport, art and fashion in Almería and Andalusia.

Our commitment to local employment

As previously mentioned in the section on Attracting and Managing Talent in the People chapter, Cosentino is dedicated to boosting local employment. The development of job roles in Cantoria has been particularly significant this year, progressing from 2,006 employees at the end of 2018 to 2,394 at the end of 2019.

Development of job roles in Cantoria

2018	2,006
2019	2,394

“Proyecta” Project

Furthermore, the project “Proyecta” has been implemented, in partnership with the Red Cross. Three years in the making and originally named Project Quarry (Proyecto Cantera), the aim of this project is to offer training in applying for jobs to a group of unemployed people with qualifications or skills that are difficult to incorporate into the labour market.

The programme offers:

- Training for two months in various subjects, with a special focus on CNC and digital skills
- One month of practical training (in CNC and “craftsmanship” -manufacture-)
- Use of classrooms and facilities at Cosentino
- Teaching given by the Red Cross
- Financial scholarship from the Red Cross

If the individual completes the programme with good results, they can join Cosentino with a work contract. In 2019, 30 people started the programme, of whom 28 joined the company, which means an incorporation rate of 93%.

At the end of 2019, a new round began with 30 places, which will last until the year end.



Our commitment to Almería and Andalusia

At Cosentino Group, we believe in the need to contribute to improving quality of life by supporting the communities with which we interact, especially in Almería, where the heart of our company is located. The commitment to Almería goes far beyond a purely business relationship. At Cosentino, we also feel a responsibility to generate well-being for the region's citizens.

The Cosentino Group has become the first business, both in its sector and worldwide, to obtain the ISO 20400:2017 certification under the guidelines of the International Federation of Purchasing and Supply Management (IFPSM), a group of 44 Purchasing and Supply Management Associations worldwide.



This achievement recognises the responsible management and strict principles of sustainability of the Purchasing Department of the company for its whole area of influence, both at home and abroad.

The ISO 20400:2017 is one of the requirements recently incorporated into the UNE 15896:2015 standard, also known as the "European Purchasing Standard", which was established in 2007 to bring together the best business practices and to create a guide to help all Purchasing departments lead their companies to excellence. The ISO 20400:2017 on Sustainable Purchasing was issued in 2017. It aims to highlight and establish the contribution of Purchasing to sustainability and CSR policies by requiring such policies to be applied both internally within the company and to its suppliers and customers.

At Cosentino we have managed to obtain this certification, which is private in nature and is valid for three years with yearly renewals, under the model developed by the Association of Purchasing Professionals of Spain (AERCE), based on the guidelines established by the IFPSM. These entities thereby endorse Cosentino's commitment to sustainable and efficient management for this function as well as the creation of added value for its direct value chain and for society in general. In the same way, this certification ratifies good practices and excellence in the activities in this area as well as our other areas of influence: commercial, financial, operations, human resources, work environment, etc.

Our commitment to education

At the Cosentino Group, we have always had a strong commitment to education. We invest in training the younger generations to support and promote their talent and offer them the tools with which to become the leaders of the future. We promote innovative initiatives that make us as a company one of the most committed to educating young people in the communities where we are based.



SDG 4 - Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

- In 2019, at Cosentino we collaborated with 20 universities, institutes and schools to boost training for young people and promote their talent.
- This was provided by the Eduarda Justo Foundation, which trains and empowers local young people.

Corporate partners 2019

We have partnered with the following centres in 2019:

• University of Granada	• (IES) El Valle	• (IES) Acci
• University of Seville	• (IES) Alto Almanzora	• (IES) El Jaroso
• University of Jaén	• (IES) Abdera	• Granada School of Management
• University of Almería	• (IES) El Algar	• (IES) Sol De Portocarrero
• University of Valencia	• (IES) Juan Rubio Ortiz	• (IES) Pedro Jiménez Montoya
• (IES) Zaidín Vergeles	• (IES) Alhamilla	• (IES) Cardenal Cisneros Albox
• (IES) Rosa Navarro	• (IES) Fuentezuelas	



Eduarda Justo Foundation

Since its creation in September 2006, the Eduarda Justo Foundation has been working to develop the social environment around the Cosentino Group. Specifically, it supports the economic, social, educational and cultural development of the province of Almería, and therefore of Andalusia and Spain, with a special focus on people with very limited economic resources. The Foundation's principle activities are aimed at identifying, training and empowering local young people with the potential to become future leaders, to help them positively impact society.



The Foundation develops three main areas of activity:

Eduarda Justo Scholarships

Eduarda Justo Scholarships were created to identify and select young pre-university students from Almería with high potential for the future. The scholarships provide the necessary financial resources for them to undertake their International Baccalaureate studies within the United World Colleges (UWC) network, for two years.

The vision of United World Colleges is to promote a peaceful society through education in diversity and multiculturalism. Young people of more than 100 nationalities come to study at its 18 colleges spread over four continents. All the students have been selected and received scholarships in their native countries based on personal merit, regardless of socio-economic background, political convictions, religion, etc.

It is a comprehensive training programme, combining academic excellence, development of artistic and creative activities and sports alongside service to local communities where the College is situated.

The spirit of the Scholarship Programme is to *"train future leaders"*.

"Leaders of the Future" seminar:

Intensive specialist leadership training seminar that aims to identify, train and advise young professionals who show great potential and help them to become future social, economic and business leaders, through encouraging their Initiative, Innovation, International Vision, Ambition and Leadership skills.

Forums

Forums for meeting and debate with a global aim of contributing to the creation of a stronger, more committed civil society and a younger generation that is better prepared to face the challenges of the 21st century.

These include:

- *"The Value of Healthy Ambition"* forum, aimed at high school students to guide them in their training and encourage Ambition and Nonconformity in their personal development.
- Education Forum. Meetings with experts and professionals from the world of education to analyse the major trends in education and facilitate the training of teachers and parents of students with the aim of promoting educational excellence in the 21st century.

Main projects from the Eduarda Justo Foundation in 2019

- **Call for International Baccalaureate Scholarships at United World Colleges.**

The Foundation awarded three scholarships to young people from Almería:

1. Juan Romero Cruz, from Roquetas de Mar. UWC Armenia.
2. Abdellah Mouredi, from Las Norias de Daza. UWC Germany.
3. Virginia Llena Velarde, from Aguadulce. UWC Maastricht (Netherlands).

The scholarships awarded to three students in the previous year were also maintained for the second year: María Prieto Sánchez (Retamar) at UWC Costa Rica, Silvia Montiel Sánchez (Aguadulce) at UWC Italy and Carmen Sánchez Martínez (Macaël), at UWC Armenia.

At the same time, four scholarships were given for the CMU ActionXChange summer campus, to Rocío Águila Rodríguez, Julia Nogal Berzal, Lola Martos Bonachela and Miriam Twintoh Gómez.

- **Sponsorship and support of the "First Lego League" robotics competition in Almería.**

FLL is the biggest international robotics competition and aims to promote innovation, creativity and entrepreneurship and awaken young people's interest in science and technology through the launch of a challenge based on a real-world problem. This year, the most experienced regional team in this area, the IES Cardenal Cisneros Albox, won the prize for the best scientific project.

Total hours donated by volunteers

	No. of volunteers	No. of hours donated	Total no. of hours
Voluntary team advisers	20	9	180
Voluntary jury in regional final	5	3	15
TOTAL	25	12	195



- **Education Forum with Mar Romera: *The Challenge of Education in the 21st century. Emotional Education and Exhilarating Education.***

The teacher and expert in emotional intelligence and educational innovation, Mar Romera, brought dozens of teachers and parents together in Cosentino's auditorium. A firm believer in the role of the teacher, Romera placed the student at the centre of the teaching-learning process, highlighting the value of emotions in the educational process. According to her "Three Cs" educational theory, creating the School of the Future requires a combination of skills, abilities, and heart, or 'competencias, capacidades, corazón' in Spanish. *"Generating a connection to the classroom and encouraging curiosity, admiration and security are key to new education".*



**Education Forum
with Mar Romera**

"I met a highly motivated group of kids who were led by a very supportive teacher. It's been a very productive experience for them. It's been a lightbulb moment for them as entrepreneurs. Working with my colleagues from Cosentino has also been very interesting. Being from different departments, we were able to find synergies in our work."



Bernardo Sánchez Sevilla
from the Product and Innovation department.
Volunteer for the Microenterprises Programme 2019

- **Microenterprise Programme in the Comarca del Mármol (Marble Region), in partnership with the Junior Achievement Foundation and volunteers from Cosentino.**

The programme has been carried out in five schools (Macael, Purchena, Tíjola and two from Albox) and has seen the participation of 80 students in high school, sixth form or professional training, 25 volunteers and seven microenterprises. The winning team, from IES Martín García Ramos in Albox, took part in the national final in Madrid with notable success.

The programme uses a highly practical "*learning by doing*" methodology and aims to promote entrepreneurial and financial education to prepare and inspire young people for the global economy. This was achieved thanks to the involvement of Cosentino and its employees, who proactively participated as volunteers in the programmes at the respective schools.

Community



12th Leaders of the Future Seminar



- **12th edition of the Seminar, *Leaders of the Future***

On 12, 13 and 14 September, the Cosentino Group's Eduarda Justo Foundation organised a successful 12th edition of the seminar, *Leaders of the Future*. The aim of this is to awaken idealism, ambition, commitment, global vision and leadership in young people. In front of a full house, a large and diverse group of speakers stood out for their leadership and/or business, social or sporting ventures.

The three days of intense and inspirational talks included the story of Ernest Shackleton, the Anglo-Irish explorer who led a gruelling expedition to the Antarctic in the early 20th century. An expert on the adventures of the man who recruited dozens of others *"in search of honour and glory"*, Jesús Alcoba detailed the principles and values of this leader, whose aim was to save the lives of all his companions on a voyage beset by adversity.

Two young entrepreneurs from Almería - Luis Castillo, founder and CEO of NeuroDigital Technologies, which creates virtual reality gloves sold all over the world, and Laura Pérez Vega, founder and CEO of the fashion accessory company Lausett, very well-known in Spain for its highly original earrings - agreed that you need to *"follow your dreams"*.

Ignacio Dean, the first Spanish person to walk across the world, explained the key to tackling a challenge of such magnitude, and facing fears at the same time as dreams. *"The future isn't inevitable, but it is inventable"*, said the adventurer who, last year, swam across the five continents in the Nemo expedition.

A key figure at these meetings is Miguel Milano, Salesforce.com international president for Europe, the Middle East, Africa, Latin America and Asia-Pacific,

who offered his vision of the five pillars for conquering the world. The executive, a native of Seville, promised that *"perseverance is fundamental, because in the world of work, unlike in your free time, the results are not immediate"*.

Pilar Manchón, director general of Amazon Artificial Intelligence and vice president of Artificial Intelligence at Roku, encouraged the young attendees to forget their preconceptions. An expert in linguistics, she emphasised that *"language defines our thoughts"*.

Cristina Balbás, founder and CEO of Escuelab, described how her passion for teaching began after a career in science. Winner of the National Education Prize and the Unicef Emprénde Award, she has managed to reach thousands of children with her team, showing them science in a different way. Íñigo Pírfano, orchestra director, composer and writer, gave a powerful yet

sensitive talk on being a leader as *"example, service and excellence"*, underlining, among other qualities, *"their preparation, human talent, greatness and security"*.

Cosentino's President, Francisco Martínez-Cosentino Justo, took them on a journey through the history of the company, the many obstacles faced and the key moments that lead them to be leaders on a global level. *"Be honourable, be constant."*

Eduardo Martínez-Cosentino, President of the Eduarda Justo Foundation, called on the boys and girls to *"be honest, to work and be good people"*.

The assessment given by the participants at the end of the seminar was 9.8/10.

12 years
of the seminar "*Leaders of the Future*"

9.80
out of 10

Community

Below are some comments
from the participants:

- *"There are conversations that change the course of your life"*
- *"I arrived feeling a bit sceptical, and I'm leaving completely transformed, full of optimism and energy to start creating my story"*
- *"Hopefully you will carry on organising this kind of project so that all young people can benefit from it"*
- *"Awesome, emotional, thrilling...I can't let the flame go out"*
- *"Commitment, values and humility. Thank you"*

- **The Social Forum for Education, *"The Value of Healthy Ambition"***

The Eduarda Justo Foundation brought together more than 600 young people from the marble region who are currently preparing to enter the sixth form. The aim was to inspire them with an ambitious, non-conformist vision for their future, encouraging them to apply for foundation scholarships for the next course: 3 International Baccalaureate scholarships in the UWC network, 7 scholarships for the summer camp ActionXChange and 2 for the winter camp ActionXPeace. Two recipients of the Foundation's UWC scholarships attended the event: Carlos Arriaga and Laura Sancho.



Donations made by the Foundation to social organisations in 2019

The Eduarda Justo Foundation works with different social organisations that support infants, young people, families or groups in disadvantaged situations.

€15,583
in support of social
organisations

Contributions to social organisations in 2019

Organisation	Contribution (€)
Alba Association - Proyecto Hombre	4,800
Macael Association of Culture and Music	2,160
Teléfono de la Esperanza (Telephone of Hope) International Association	901
Almería Solidarity Foundation	1,300
Santa María del Rosario Parish, Macael Church	2,500
ARGAR Association	300
Voluntary Association of Macael	3,621
TOTAL	15,583

Details of the how the donations were used are provided below:

- **Alba Association:** Proyecto Hombre for people with addictions and antisocial behaviour.
- **Cáritas Almería:** Support for families and people at risk of exclusion.
- **Macael Association of Culture and Music:** Promotion and development of the culture, teaching and practice of music.
- **Telephone of Hope International Association:** helping people facing personal, family or psycho-social crisis.
- **Almería Solidarity Foundation:** support for young people in disadvantaged areas.
- **Santa María del Rosario Parish, Macael:** helping young people and families at risk of exclusion, as well as supporting elderly people.
- **Argar Association:** supporting families affected by childhood cancer.
- **Voluntary Association of Macael (Macael Foodbank):** collecting and distributing food at help centres.

Other partnerships

Partnership between the University of the Basque Country and Cosentino.

In the development of their own Masters degree in the design of gastronomic spaces.

Partnership with the Commission for Cultural, Educational and Scientific Exchange between Spain and the United States.

In 2019 the Cosentino Group began a partnership with the Commission for Cultural, Educational and Scientific Exchange between Spain and the United States for the sponsorship of the Fulbright program. The company finances two years of the Fulbright scholarship for extended postgraduate studies in the United States, starting in the academic year 2019-2020.

This scholarship grants the recipient the following support:

- Support with selecting and applying for an American university through a partner organisation in the United States.
- Management of visas.
- Orientation sessions in Spain.
- Pre-academic programme in a different university to that selected in the United States.
- Support network in the United States, from the Commission's partner organisation.
- Participation in seminars and cultural and scientific activities organised by and on behalf of the Fulbright Programme.
- Joining the Fulbright alumni network of the *U.S. State Department*.



Our commitment to architecture and design

We support, sponsor and partner with numerous initiatives that contribute to innovation in the worlds of architecture and design.

Cosentino Design Challenge 13

Cosentino promotes the Cosentino Design Challenge, an international competition that seeks to foster global student talent in architecture and design. It encourages students from anywhere in the world to create sustainable, innovative projects based on good quality ideas and technique, in which they think creatively about the topics set out in each category.

The 13th edition of the competition saw a total of 350 entries, 214 from architecture and 136 from design, representing 5% more entries than the previous year and 55% more than the 11th edition.

The award ceremony for the 13th Cosentino Design Challenge took place during the 2019 Architecture Week at Cosentino City Madrid. The winning projects, three in the category *Cosentino and water* (architecture), and three in the category *Cosentino and energy* (design) each received a prize of 1,000 Euros. A certificate was awarded to three more projects in each of the categories mentioned.

Cosentino Design Challenge includes 31 schools, universities and partner institutions throughout the world and a media partner, the magazine *Experimenta*.



Cosentino Design Challenge 13

13 Editions

organised

350 Candidates

214 Architecture "Cosentino and water"

136 Design "Cosentino and energy"

31 partners

schools and universities

1 media partner

Website

www.cosentinodesignchallenge.org

Community



Presentation of the Cosentino Design Challenge 13 at ETSAM



Judge's decision of the Cosentino Design Challenge 13



Winners of Cosentino Design Challenge 13

"Cosentino Design Challenge is an international architecture and design competition for students. In my opinion, it's Cosentino's most important initiative as it is aimed exclusively at students, which is rare in this type of competition. This helps students in training to experience the competitive process under the same conditions as a professional competition. What's more, its international nature gives students the chance to discover trends from other countries."



Adelina Salinas

Coordinator of the Cosentino Design Challenge

C Magazine

The magazine "*C - Architecture & Everything Else*", created in 2014, showcases the best innovations, designs and projects that contribute to making the world more sustainable and beautiful. It is dedicated to readers from the world of construction as well as those who are unconnected to it, aiming to promote architecture and other related areas.

In 2019, the magazine received the Architect's Darling Award by Heinze GmbH, in the "*Best Corporate Architecture Magazine*" category.

C magazine sections

Architecture: a chapter dedicated to architecture that describes outstanding works from the recent international panorama.

Art: this section selects striking artistic or photographic projects, from recognised as well as emerging artists.

Cosentino: a detailed study of the application of Dekton®, Silestone® or other Cosentino Group materials in relevant works of art or architecture.

Interior: interior design as part of everyday life.

Style: a section dedicated to life and design that directly or indirectly complements and improves architecture or the landscape.

Interview: dialogue between two authors from the world of culture.

Travel: architectural tours take precedence, but features on gastronomy and festivals are also included.

2017 saw the launch of the website magaceen.com, which is incorporated into the professional blog on Cosentino's website to accompany and complement the printed version of the magazine.

In 2018 the Instagram account was launched, which now has more than 3,600 followers (an increase of 2,000 followers in 2019).

C Magazine 15 issues

since its launch in 2014

Website

www.magaceen.com



C-15 Magazine



C-14 Magazine



magaceen.com website



Supporting organisations and activities in the world of architecture and design

We support different organisations and activities related to the world of architecture and design, both nationally and internationally.

Spain

- **Foundation for Contemporary Architecture.**

www.arquitecturacontemporanea.org

In 2019, Cosentino and the Contemporary Architecture Foundation, which is focused on architectural research, awareness and creation, joined forces to present a new global guide to contemporary architecture: C-Guide. This digital tool was created primarily to promote awareness and recognition of current architectural excellence across the globe, and particularly beyond the academic world.

<http://c.guide/>

App (apple and android): C guide

- **Architecture and Society Foundation.**

A cultural and private, non-profit organisation aimed at the public on a national and international level, with an interest in promoting architecture as being inextricably linked to life in society.

In 2019, in Madrid and Barcelona, we sponsored three workshops entitled "*Architecture and Industry. WAYS OF WORKING. TECHNIQUES AND TACTICS*".

- **FAD & ARQUIN-FAD.**

Promoting Art and Design (FAD, after its Spanish name) is an association of companies and professionals from the world of design, architecture and other creative disciplines.

<https://www.fad.cat/arquin-fad/en>

- **Partnership with the catalogue of Architecture Awards of the Official College of Architects in Granada.**

- **Cosentino at Face to Face workshops in the Canary Islands, Lisbon, Valencia, Porto and Malaga.**

Private meetings that promote contact between architects.

Community



Cosentino at Architect@Work Bilbao



Madrid Design Festival 2019 - Alfredo Häberli at Cosentino City Madrid



"4 perspectives, 1 view" exhibition at COAM



- **I+D+Art**

The I+D+Art seal has been consolidated as a guarantee brand that recognises the commitment of companies to innovation and development through art.

In 2019 the team collaborated with Cosentino on the following initiatives:

- Organisation and presentation of the book by Javier Pioz "*Bionic Architecture*".
- Exhibition: "*Squaring the Circle*" by Pepe Cruz Novillo.
- Programme of talks at Madrid Cosentino City, which brings together experts from the world of interior design and architecture on the first Tuesday of each month.
- Organisation of the photography competition on Instagram for Cosentino City Madrid.
- International exhibition in its third phase "*The Spirit of the Gothic Mediterranean*", on display in 2019 in the city of Matera (Italy).
- Reviving the Stone project.
- Capa Foundation Sculpture Competition.
- "*Four perspectives, one view*" exhibition at COAM. Two displays were shown: "*Cervantes: Vivid Spaces*" and "*American Dreams*".

- **Cosentino at the Madrid Design Festival 2019.** Cosentino contributed to the content of the festival, bringing the British designer Benjamin Hubert and the Argentine-Swiss designer Alfredo Häberli to the Spanish capital. Cosentino also organised the Madrid Design Festival 2019 programme with the exhibition *Squaring the Circle* by the National Design Award winner, Pepe Cruz Novillo. He is a pioneering graphic designer in Spain.
- **Cosentino at Architect@Work Bilbao:** An initiative aimed at architects and interior designers. Suppliers and distributors show their latest innovations in products and techniques.
- **Cosentino at Barcelona Building Construmat 19:** Biennial construction festival that takes place in Fira Barcelona. Cosentino, with Dekton®, attended Sustainable Solutions, an initiative from Evowall and Arquima, with the support of BBConstrumat, which consisted of the construction of two sustainable residence buildings.
- **Cosentino with Nika Zupanc:** Cosentino City Madrid hosted an interesting conversation with the well-known Slovenian designer Nika Zupanc. She talked about design and her successful career path, at the conference series "*From poetics to design*", organised by Cosentino and Room Diseño.

- **Cosentino in the "2030 Observatory" of CSCAE.** This is the first meeting of the "2030 Observatory", of the Higher Council of Architects Associations in Spain (CSCAE) with the slogan: "*Housing, climate change and urban transformation. Three problems, one solution*".
- **Cosentino at InteriHotel Canarias and Barcelona 2019:** Leading event for hotel interior design.
- **Cosentino with the Design Institute Of Spain (DIOS):** Cosentino City Madrid has welcomed the first meeting of the Design Institute of Spain (DIOS), a not-for-profit association whose mission is to support, develop, advise and promote the culture of design in all areas of society, recognising its important role in Spain's changing economic model.
- **Cosentino at the ECIA 2019:** Cosentino sponsored the 2019 General Meeting of the European Council of Interior Architects (ECIA), which took place in Bilbao.

Community



2030 Observatory of C3AE



Design Institute Of Spain (DIOS) presentation at Cosentino City Madrid



Nika Zupanc at Cosentino City Madrid



- **Presentation of the magazine ARQ/DECÓ:** The magazine ARQ/DECÓ held an exclusive party at Cosentino Centre Valencia to present its new masthead.
- **Creation of the Pedro Expósito Awards:** Cosentino City Madrid awarded the I Pedro Expósito Awards that recognise the support and collaboration of businesses, institutions, architects and designers.
- **Cosentino at Madrid Architecture Week 2019:** This event, now in its 16th edition, is organised by the Official College of Architects in Madrid (COAM, after its Spanish name) and the COAM Architecture Foundation, in partnership with the city council. Cosentino City Madrid was turned into a dynamic space and a reference point for the world of architecture, with the development of outstanding actions.
- **Cosentino sponsors the 5th "Interiores" Awards:** The magazine Interiores hosted the 5th edition of the Interiores Awards at the Hotel Westin Palace in Madrid.
- **Cosentino at Casa Decor Madrid 2019:** An exclusive interior design fair which takes place every year in a different central Madrid location. For six weeks, the exhibition will open a unique historical building to the public, which houses nearly fifty spaces decorated by the most renowned interior designers of today.
- **Cosentino with Scalae. Architectural Documentary Agency:** Initiative led by architect and editor Félix Arranz to develop scientific ideology, create editorial content and develop an architectural documentary agency.
<http://www.scalae.net/>
- **Dekton® Slim in Room 2030:** Cosentino has joined ArcelorMittal, Ecus, Baragaño Studio, Geopannel, NormaGrup, Roca, Saint-Gobain, Hotel Palacio de Avilés (as the user partner) and Jansen (as the supply partner) to create the Room 2030 consortium, whose aim is to design and build the living space of the future.
- **Collaboration with the alumni association of the Almerian school of art,** for the eighth Design Week: "*Design that transforms*".

Community



House with Terrace from Três Arquitetura in CASACOR São Paulo 2019



"Fashion + Textures" at Cosentino City Miami



International

- **Partnership with the Official College of Architects in Andorra.**
- **Cosentino at Casa FOA Argentina** (Circulo Olivos, near Buenos Aires): An exhibition on interior design and landscaping, that burst in over 30 years ago with the premise of raising funds for the Jorge Malbrán Ophthalmological Foundation (FOA).
<https://casafoa.com/lanzamiento2019/>
- **Decorex** (South Africa): One of South Africa's biggest design fairs. Cosentino collaborated with kitchen and bathroom studios to create exhibitions.
- **Cosentino Malaysia with MIID (Malaysian Institute of Interior Designers)** and ACG Media in the DOTY DESIGNER OF THE YEAR AWARDS.
- **Cosentino at the 2019 BAU Fair** (Munich, Germany): Germany's most important event for the construction and architecture industry.
- **Cosentino at KBIS 2019: Poliform, Daniel Germani and Dekton®** (Las Vegas, United States): The Italian furniture company Poliform, the designer Daniel Germani and Dekton® presented an innovative concept space that reimagines kitchen design at KBIS 2019 (Kitchen & Bath Industry Show).

- **Cosentino at Milan Design Week 2019** (Milan, Italy): Cosentino was once more at this prominent event with diverse and outstanding activities and meeting points such as the exclusive presentation of the Raytrace project by Benjamin Hubert with Dekton®.
- **Cosentino City Miami & "FASHION+TEXTURES"** (Miami, United States): Cosentino City Miami was transformed into an elegant pop-up store and activation space, showcasing exquisite clothing, jewellery and accessories from more than 20 Latin American designers.
- **Casa Contêiner Cosentino at CASACOR São Paulo 2019** (São Paulo, Brazil): CASACOR is the biggest decoration, architecture, landscaping and design show in the Americas. The architect Marilia Pellegrini presented the project, Casa Contêiner Cosentino with Dekton® and Silestone®. In this re-utilisation challenge, she converted containers with a metallic structure into an avant-garde and welcoming home.
- **Cosentino at CASACOR MIAMI 2019:** North America's most prestigious exhibition on architecture, interior design and landscape gardening.
- **"Carved in Stone"** (London, UK): Cosentino launched this competition in the United Kingdom, encouraging architecture and design studios to create marble sculptures inspired by "Life on Mars".

The call for entries received many high-quality designs, with the winning five proposals going on to be carved by the Almeria-based company, Cuéllar Stone. The winning projects were designed by the most prestigious and award-winning British studios: Cartwright Pickard, Foster + Partners, Hugh Broughton Architects, Ian Ritchie Architects and Tonkin Liu.

- **Cosentino at Cersaie 2019** (Bologna, Italy): The biggest international exhibition of the ceramics and bathroom industry.
- **Cosentino with House Beautiful Kitchen of the Year** (Dallas, United States): Designed by Michelle Nussbaumer, "Kitchen of the Year" 2019 is situated in a large house measuring 1,600m², which includes a maze of kitchens, terraces and a studio.
- **Cosentino at Sicam 2019** (Pordenone, Italy). International exhibition of components, product technology and accessories for the furniture industry.
- **Cosentino with Patternity:** The prestigious London design studio Patternity, who are experts in creating motifs and patterns, together with Cosentino, developed an innovative series of colours for Dekton®, the "Liquid" collection.

Community



Cosentino's stand at Cersaie 2019 in Bologna



Pedro Exposito Awards at Cosentino City Madrid



2019 General Assembly of the European Council of Interior Architects (ECIA) in Bilbao



Dekton® Liquid collection designed by Patternity



Cosentino at the "House Beautiful Kitchen of the Year



Cosentino at Casa Decor Madrid 2019



-The living space of the future. Room 2030. Cosentino City Madrid

"When Spain was chosen as the location for the General Assembly of the ECIA, we then had to decide who would be our national partner. Cosentino, as a Spanish company with a strong European and global presence, met all the criteria. Its prestigious and renowned professional experience, support for students and schools in this field with initiatives such as the Cosentino Design Challenge, and its values of sustainability, quality, doing things well together with a professional attitude are akin to our own values."



Teresa Casas

President of the General Council of Interior Designers
in Spain and member of the ECIA board



Our commitment to the kitchen and cooking

We are global leaders in the manufacture of worktops, thanks to our commitment to the world of the kitchen and cooking. We bring value and innovation to inspire a healthy lifestyle.

Silestone Institute

The Silestone Institute is an international platform dedicated to researching and sharing knowledge about the kitchen as both a professional and domestic space.

The institute promotes activities and projects from a multidisciplinary viewpoint, providing valuable knowledge for its stakeholders and society in general.



Silestone Institute

Website

www.silestoneinstitute.com



Conversations about Architecture and Gastronomy at Cosentino City Madrid

Key initiatives carried out in 2019:

- **Second Global Kitchen study “*The kitchen, the heart of the home*”:** The report addresses trends related to the kitchen as the centre of life in the home. It shows it as a multi-functional space that reflects the manifestation of social changes and new ways of living in the 21st century through the design and use of this space: a kitchen that is multipurpose, enlightened, unisex and connected to social media.
- **Workshops and talks on how to ensure food safety,** in the framework of activities at Almería 2019 Spanish Capital of Gastronomy.
- **Practical workshops for school groups and adults were held, in partnership with Carrefour’s “*Actions for eating better*” roadshow, and a talk was given on “*Safe Food in the 21st Century*: new consumption habits”** by Maite Pelayo, specialist microbiologist in Food Safety and technical spokesperson for the Silestone Institute.
- **Conversations on Gastronomy and Architecture:** The Silestone Institute organised three Conversations on Gastronomy and Architecture. These sessions brought together professionals from the world of architecture, design, gastronomy and entrepreneurship, who offered their views and opinions on the conceptualisation and impact of restaurant spaces.
- **Global Kitchen “*The domestic kitchen in the age of globalisation*” won a Silver Award 2018-19 at the Mercury Excellence Awards in the Non-profit/Public Affairs Campaigns category.** This study was also approved as a training material by the National Kitchen+Bath Association (NKBA) in the United States and the Interior Design Continuous Education Council (IDCEC) in Canada.
- **Global Kitchen “*The kitchen, the heart of the home*” won two internationally recognised prizes:** a Bronze in the Stevie Awards 2019 in the Communications Research category, and a Gold in the Galaxy Awards 2019 in the category of Design - Bound Publications: Corporate/Custom - B2B Customer Magazine.



Global Kitchen in Madrid presentation



Workshops and talks on how ensure food safety



The signing of the agreement between Cosentino and the Centre for Mediterranean Diet



TV programme "Bake Off"



Other partnerships in 2019

National

Cosentino at Madrid Fusión 2019.

The most important international Gastronomy competition in the world. The collaboration has been going on for 12 years.

Cosentino at Espacio Cocina

SICI 2019 - Valencia.

Prestigious Furniture and Equipment show for the Kitchen.

Dekton® in the TV programme

"Bake Off"

"Bake Off" named the best amateur pastry chef in our country.

Mediterranean Diet.

The Centre for Mediterranean Diet and Healthy Lifestyle (Aula de la Dieta Mediterránea y Vida Saludable) belongs to the RAMAO Foundation, and the Cosentino Group has signed a collaboration agreement for the 1st International Congress of the Mediterranean Diet.

International

Mercado Little Spain.

(New York, United States). Launch of "Mercado Little Spain " in the West Side of Manhattan, the ambitious project led by José Andrés, in collaboration with Adriá brothers. As one of Spain's most global companies with products decorating all kinds of kitchens and projects on every continent Cosentino Group couldn't miss being part of this historic event. As a key partner, Cosentino Group has collaborated by providing cladding and decoration for the market's spaces.

The World's 50 Best Restaurants

2019 (Singapore): The Dekton® surface was present at this event as the official supplier of worktops and sponsor of the various culinary masterclasses.

Cité Internationale de la

Gastronomie (Lyon, France): The *Cité Internationale de la Gastronomie* opened its doors in the heart of the Quatre Rang dome in the Grand Hôtel-Dieu in Lyon. It presented a lively and active kitchen furnished with Dekton®.

Team France Bocuse d'Or (France):

Cosentino sponsored a team in the 11th edition of this cookery competition.

Community



Dekton® sponsors a masterclass in the 50 Best Restaurants 2019



Mercado "Little Spain" in New York



Our commitment to art and culture

The potential for the arts to share knowledge with society is clear. Like culture, it has the power to impart values and broaden perspectives. To this end, our commitment begins with supporting artists from Almería and Andalusia.

Ibáñez Cosentino Art Foundation

Non-profit cultural institution. The Ibáñez Cosentino Art Foundation is responsible for overseeing the management and public access of the Ibáñez Museum in Olula del Río (Almería), and all the cultural facilities around the Museum that have been built thanks to the collaboration between Cosentino, the Olula del Río Town Council and the Provincial Council of Almería. Today, thanks to this effort, together with the Ibáñez Museum, we have the Pérez Siquier Centre, a space

dedicated to the photographer from Almería, and winner of the National Photography Prize 2003, Carlos Pérez Siquier. There is also our modern room for temporary exhibitions and the huge sculpture of *"The Woman from Almanzora"*, a piece in white Macael marble by the master of contemporary realism, Antonio López.

Since 2012 the Ibáñez Cosentino Art Foundation has been a presence in the Autonomous City of Melilla, with the Ibáñez Museum of Melilla, under the authority of the Melilla Council of Culture and Festivities.



FUNDACIÓN DE ARTE
IBAÑEZ COSENTINO



View of the City of Culture

Community

In 2015, at the request of Almería City Council, the Foundation took on the challenge of shaping the discourse and collection of the Museum of Art in Almería, and leading the artistic direction of the Museum's two spaces: the Doña Pakyta Museum of Art and Espacio 2.

Within their partnerships with organisations and businesses such as the Obra Social de Caja Granada, the Provincial Council of Almería, the Institute of Almerian Studies, the Community of Municipalities of the Valley of Almanzora, the Ministry of Culture of the Autonomous City of Melilla, the City Council of Almería, the town council of Úbeda (Jaén), the Royal Economic Society of Friends of the Country and the University of Jaén, the

Ibáñez Cosentino Art Foundation has strengthened its presence in Almerian and Andalusian culture over the years through three basic lines of action:

- The production of temporary exhibitions, both for our location in Olula del Río and for spaces in Almería, Huércal Overa, Roquetas del Mar, Melilla, Jaén, Úbeda, Córdoba and Murcia. Some exhibitions have allowed us to showcase Almerian artists, such as Carlos Pérez Siquier, Ginés Parra, Federico Castellón, Pepe Bernal, Capuleto, Pituco, Rafael Gadea and Andrés García Ibáñez himself, as well as internationally-known artists, such as Golucho, Tàpies and the masters of German expressionism.
- The continuity of a quality editorial policy, always linked to our temporary exhibitions and the permanent collection of the Ibáñez Museum, which grows daily in size and importance with works by artists such as Goya, Benlliure, Sorolla, the Madrazos, López Mezquita, Zuloaga, Benjamín Palencia and Antonio López, and to its commitment to recovering Almería's artistic heritage and supporting contemporary Realism.
- A clear commitment to offering realist artists a space to meet and train, through the courses in Realism and Imagination that Antonio López and Andrés García Ibáñez have given every year since 2012 at the Ibáñez Museum.



View of the main facade of the Ibáñez Museum



Other partnerships

Silestone®, sponsor of the Feroz Cinema and TV Awards 2019.

Silestone®, sponsor of Mercedes Benz Fashion Week Madrid 2019.

Silestone® and Dekton® in the jewellery collection "Vals".

The Spanish designer Ulises Mérida designed the "Vals" jewellery collection with pieces of Dekton® and Silestone® for his 19-20 collection of Autumn/Winter fashion.

"The challenge of the woman in the 21st century" on "International Women's Day".

Evetson Group and Cosentino City Madrid organised this meeting with talks by women with remarkable career paths in the world of construction, architecture and design.

Cosentino, sponsor of the 68th Festival of Music in Granada.

Collaboration with the publication of 4 books by Almerian authors.

Partnership with the Festival concert "Our Land", with the interpretation of the "Symphonic Poem Quarry of the Stars" (Almería).

Partnership with the 4th Cantón Checa Drawing and Painting Competition.

The Francisco López Cuadrado Almerian Andalusian Cultural Centre, in Hospitalet de Llobregat, celebrated the 4th Cantón Checa Drawing and Painting competition for high school students from Almería.

Collaboration with the Project "An hour from Almería".

This project is based on travelling through different towns in the various provinces to showcase the resources, monuments, environment, etc...

Collaboration with the publication "Marble" from the collection of Guides by the Institute of Almerian Studies (IEA).

Collaboration with the 8th Almerian Astronomical Days.

Sponsorship of the Almerian Festival of Cinema (FICAL).

Partnership with local festivals

in towns near Cosentino's head office: Cantoria, Fines, Albox, Chercos, Macael, Partalóa, Laroya, Albánchez, Olula del Río and Lijar.



Festival Concert "*Our Land*" (Almeria)



Paco León with Cosentino at the 2019 Feroz Awards (Bilbao)



"It is vital for brands such as Silestone® to support culture because that is the true meaning of patriotism. We're grateful for your support and couldn't do without the example you set."



María Guerra
President of the Association of Cinematographic
Journalists of Spain (AICE)



"Vals" jewellery designed by Ulises Mérida with Dekton® and Silestone®

Community involvement

We are involved in improving the living conditions of the communities where we have a presence. Because of this, we actively participate in social projects in the area. Our support for the community is developed both through the donation of materials or monetary contributions, and by the involvement of our employees in corporate volunteering projects.

In 2019, the Cosentino Group made donations worth €1 million to projects and social initiatives in Spain, the United States and Brazil.

Donations and Partnerships in Spain

We partner with social organisations that seek to contribute to improving the quality of life of the most disadvantaged, focusing on entities whose purpose is the sustainable development of the people of Almería and Andalusia.

In 2019, we made the following donations and collaborations:

Eduarda Justo Foundation: its mission is to drive leadership and educational, social and business development in Spain, with particular emphasis on the province of Almería.

Los Carriles de Macael Foundation is dedicated to improving the quality of life of people with learning disabilities of any type and severity.

The A Toda Vela Association promotes full citizenship roles with and for people with learning disabilities.

The Almería Altea Autism Association gives support and specific services to people with this type of disorder and their families.

The restoration of the San Cristóbal Hill monument with the Artcupa Foundation.

The “Invisible Emigrants” exhibition, delivered by the US-Spain Council Foundation .

The summer course on social entrepreneurship towards sustainable communities, organised by the University of Almería.

Partnership with the **“Centre for Mediterranean Diet and Healthy Lifestyle”** project by the Ramao Foundation.

Donations (€)

939,697
Spain

6,525
Brazil

233,764
USA

1,179,986
Total



Community



Modern Interiors Show House Houston

Seres Foundation: promotes the commitment of companies to improve society with responsible actions to strengthen CSR and generate value for society.

Collaboration in the **sixth edition of the rare diseases race** for the association of parents of students at San Juan Bautista de la Salle Virgen del Mar de Almería.

Partnership in the **seventh "Jaime Jiménez"** charity race for the Spanish Cancer Association held in Cantoria (Almería).

Charity campaign to collect toys and school supplies organised by the Book Bank Association of Tíjola (Almería) for the NGO Acoes Honduras and support with shipping five containers of these materials for disadvantaged children.

Campaign to collect toys and food for the **Red Cross, Cáritas, Foodbank and Accem.**



Donations and Partnerships in the United States

Cosentino North America and its employees contribute to the development of the community through the Cosentino Cares programme.

Home for our Troops.

We have a partnership agreement with this organisation, which builds and donates homes for military veterans with a serious disability.

St Jude Dream Home.

A fundraising initiative for the St Jude Children's Research Hospital. This offers one lucky person the chance to win a beautiful house in various places around the country, and all money raised goes directly to St Jude's.

High Point Showhouse.

Funds raised from this event went towards the Junior League of High Point, North Carolina.

Modern Interiors Show House Houston.

The money raised from tickets sold for the "*Modern Interiors Show House Houston*", for which Cosentino donated materials, went towards the Dwell with Dignity Foundation, whose mission is to help families escape from poverty and homelessness through design.

Modern Style Show House Atlanta

At the "*Modern Style*" event, funds were raised for the Atlanta Humane Society, a body whose mission is to improve the well-being of animals in the southeast of the United States.

Hamptons Designers Show House.

Event organised for Stony Brook Southampton Hospital.

Donations and Partnerships in Brazil

In Brazil, we continue our contribution to the Ponte Institute's project to support children without resources, which aims to provide quality education to teenagers from low-income families.



Home for our Troops initiative

Our commitment to sport

At the Cosentino Group, we support sport to facilitate access to practising sports and promote a healthy lifestyle.

Dekton® reinforced its links with the elite of the tennis world, by sponsoring the Miami Open 2019, and the Mutua Madrid Open 2019.

Sierra Nevada.

Cosentino and Cetursa, which manages the Sierra Nevada ski and mountain resort, have signed a partnership agreement giving Cosentino the title of Official and Exclusive Sponsor from the building and/or design surfaces sector in the Sierra Nevada. Dekton® covers different places in the popular ski resort.

Sponsorship of the Peneque Pro boat in the Copa del Rey Regatta.

Sponsors of the Trakya Bicycle Club of Tekirdağ (near Istanbul). They compete in international and local races in different categories.

Sponsorship of local or provincial sports (Almeria):

- Partnership with the popular Tíjola race.
- Partnership with Clemente Simón Martínez for the 2019 Motor racing Championships.
- Partnership with the Marble Racing Team for the Subida Mármol 2019 (Motor racing).
- Shirt sponsor for the Almerian Golf League, Marina Golf Mojácar team.
- Partnership with sporting club El Pedal del Mármol (cycling).
- Partnership with Sergio Garre Soriano for the Mountain Bike Rally Championships of Spain.
- Sponsorship of Mojácar Bike CCD for the 8th Sierra Cabrera Xtreme 2019.
- Collaboration with the sporting club Villa de Fines (football).
- Collaboration with the sporting club Cantoria (football).
- Collaboration with the sporting club Football Marble Region.
- Collaboration with the sporting club Villa de Albox (football).
- Collaboration with the Ajedrez Vicente Bonil club.



Mutua Madrid Open 2019

"It's a fantastic company that sells the best product on the market, and this tournament always strives for the best. Innovation and technology are shared by the tournament and Cosentino alike."



Feliciano López
Director, Mutua Madrid Open

Community



Novak Djokovic at the Mutua Open Madrid 2019



Dekton® sponsors the *Peneque Pro* in the Copa del Rey Regatta



Feliciano López and the Cosentino team at Cosentino Miami



Conversation with the community

Beyond the support, sponsorship and partnerships with different social entities, at Cosentino we have a constant dialogue with the people within our environment and our doors are always open for all those people that want to get to know us.

In 2019, the Cosentino Visitor Centre served 3,675 people. The largest group was from kitchen and bathroom stores (1,003), followed by fabricators (809) and students (625). Visitors have been mainly from Spain (1,243) although we have also received visitors from other countries such as the United States (434), France (238), the United Kingdom (224), Belgium (209), among many others.

3,675 visitors
to the Cosentino headquarters
in Almería, Spain

About this report

We present this document with the intention of communicating to our stakeholders our performance and contribution to the areas in which we have a presence, but especially in the province of Almería (Spain) and for the world of architecture and design, gastronomy, art and culture, where our activity generates greater impact. In addition, this document complies with Law 11/2018 of 28 December, on non-financial information and diversity. The activities included in this document refer to our activity during 2019.

This report follows the one published in June 2018 and strengthens our commitment to report annually on our performance in non-financial matters. There has not been any significant change that has necessitated a re-writing of the information.

We drafted this document following the recommendations of the Global Reporting Initiative (GRI) Guide in its comprehensive format, as well as the principles of the United Nations Global Compact.

During 2019 the company carried out an analysis of trends and innovations for the materiality study carried out in 2017 and updated in 2018. As a result of this analysis, we found that the materiality process and its result would remain valid for 2019.

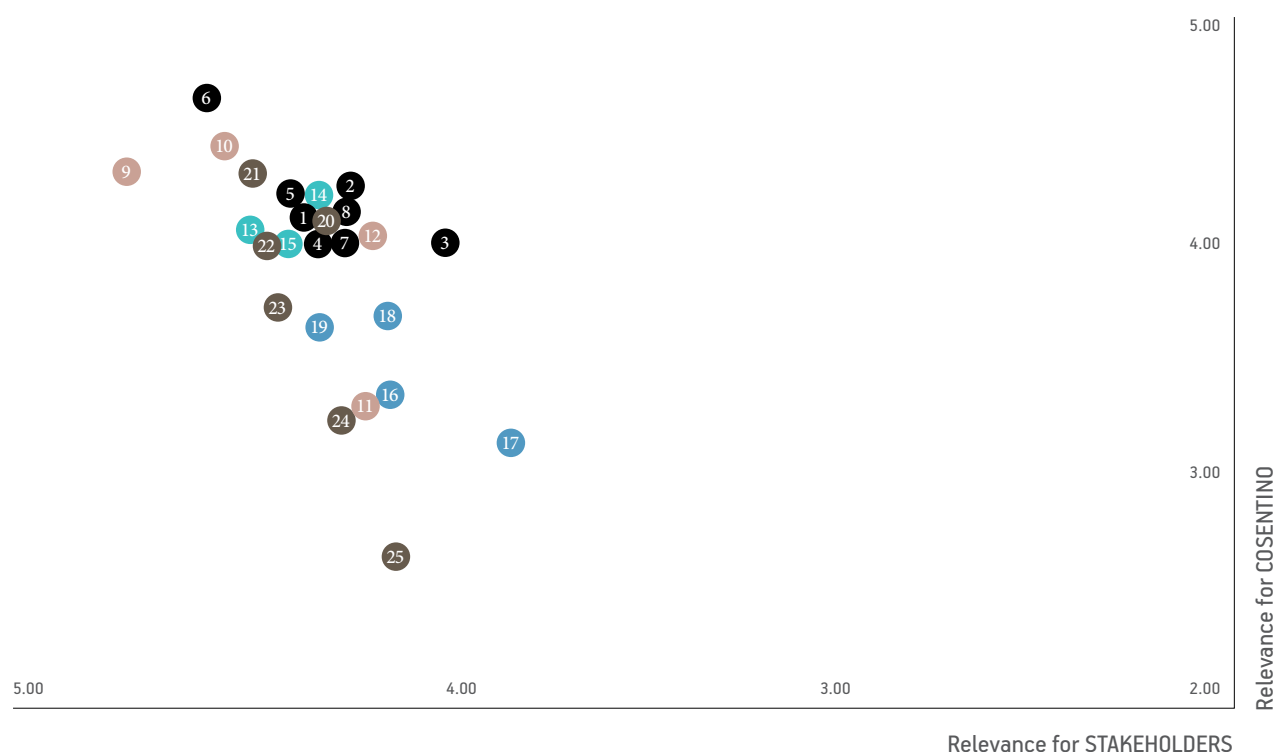
The materiality analysis was started in December 2017. For the external analysis, we conducted an online questionnaire. More than 1,600 people from around the world took part in the study, including customers, employees, kitchen and bathroom stores, architects and designers, suppliers, public institutions, media and third sector bodies. The internal analysis was based on a documentary study, an expert Corporate Social Responsibility panel, and benchmarking against leading Spanish companies in terms of sustainability. In 2018, we updated this exercise based on a trend review, internal consultations with the CSR Committee and a focus group with individuals responsible for providing information for the report. In total, we analysed 25 aspects that have undergone internal and external analysis to establish both their relevance in our strategy and the importance they have for the people who work with us day to day.

We have divided the material aspects resulting from this analysis into five key areas:

- Strategy.
- Products and Services.
- Employees.
- Social Responsibility.
- Environmental Responsibility.

The resulting materiality matrix is shown below. This year, in the interest of improving the report and aligning it with best practices, the Group has chosen issues with high degree of materiality that also feature in the GRI index. The high materiality issues considered are those scoring over 4 for their relevance to Cosentino as well as its stakeholders.

We have divided the material aspects resulting from this analysis into five key areas



Cosentino's Strategy

- 1. Sustainable economic-financial performance
- 2. Commitment to job creation and local development
- 3. International expansion
- 4. Responsible supply chain
- 5. Dialogue with stakeholders (employees, suppliers, customers, others)
- 6. Health and safety (products, employees and value chain)
- 7. Transparency
- 8. Ethics and anti-corruption

Products and Services

- 9. Quality and innovation in products and services
- 10. Innovation in products, services and business opportunities
- 11. Information and labelling
- 12. Circular economy: ecodesign and recovery of waste

Cosentino employees

- 13. Human capital: attraction and retention of talent
- 14. Equality and diversity of employees
- 15. Social benefits, conciliation and quality of life

Social Responsibility

- 16. Contribution to and promotion of sustainable architecture
- 17. Social Action: Commitment to culture and sport
- 18. Social Action: Commitment to education and young talent
- 19. Human Rights

Environmental Responsibility

- 20. Climate change and renewable energy
- 21. Control environmental impact and environmental protection
- 22. Efficient and rational use of resources: water, energy and raw materials
- 23. Waste management and promotion of recycling
- 24. Facilities must be sustainable
- 25. Promotion of sustainable transport

Companies included in the report

This document refers to the following companies that make up the Cosentino Group:

- Cosentino S.A.
- Cerro el Rocil, S.L.
- Cosentino Research and Development
- Soluciones Ambientales Coma SL
- Cosentino The Netherlands, B.V.
- Cosentino Deutschland
- Cosentino U.K. LTD
- Cosentino Italia S.R.L.
- Cosentino Portugal Unipersonal, LTDA
- Cosentino Scandinavia
- Cosentino Belgium, SRL
- Stone Services of France, SARL
- Cosentino Swiss, AG
- Latina Vitória, LTDA
- Cosentino Austria GmbH
- Cosentino Ireland Limited
- Cosentino Norway
- Cosentino South East Asia
- Cosentino Turkey Yapi
- Cosentino Israel, LTD
- Superficies de Piedra Innovadoras S.R.L.C.V
- Cosentino Milano SRL
- Cosentino Australia PTY Limited
- Cosentino Japan
- Cosentino Finland Oy
- Cosentino Denmark ApS
- Cosentino New Zealand, LTD
- Cosentino Poland spółka
- Cosentino South Africa PTY LTD
- Cosentino Malaysia SDN. BHD
- Cosentino RUS LLC.
- Cosentino Dominican Republic
- Cosentino Green Energy
- C G C North America, Inc
- Stone Systems of South Fl
- Stone Systems of Orlando (*)
- Stone Systems of Raleigh
- Stone Suppliers Mexico
- Cosentino Canada INC
- Stone Suppliers Inc
- Stone Systems of Arizona
- Stone Systems of CT
- Carrera Stone Systems of Chicago, LLC
- Stone Systems of Houston
- Stone Systems and Service
- Stone Systems of New England
- Stone Made Products
- Stone Systems of Atlanta
- Stone Systems of N Jersey
- Stone Systems of Colorado (*)
- Stone Systems of New Mexico
- Cosentino Puerto Rico, LLC
- EHS Stone, LLC
- Silestone de Belo Horizonte LTDA (*)
- Silestone de Santiago de Chile, LTDA (*)
- Cosentino do Brasil, Ltda (*)
- Latina del Valle de Mexico, S.A. de CV (*)
- Silestone Porto Alegre, Ltda (*)

(*) Inactive companies

More information

If you wish to receive further information or ask any questions about the content of this report, please contact:

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Ctra. A334 Baza-Huércal Overa km 59 04850 Cantoria (Almería).

External audit

The provisions of Spanish Law 11/2018 on Non-Financial Information and Diversity included in this document have been verified by KPMG in the Consolidated Non-Financial Statement of Information that corresponds to the year ending 31 December 2019 by Cosentino Group, which can be found at <https://www.cosentino.com/en-gb/>

GRI Index

General Information

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
ORGANISATION PROFILE				
102-1	Organisation name	Chapter 1. Welcome to Cosentino		
102-2	Activities, brands, products and services	Chapter 1. Welcome to Cosentino – What we do		
102-3	Location of headquarters	A-334, Exit 60, 04850 Cantoria, Almería		
102-4	Location of operations	Chapter 1. Welcome to Cosentino – Where to find us		
102-5	Property and legal structure	Chapter 1. Welcome to Cosentino – Who we are – Cosentino Group S.L.		
102-6	Markets served	Chapter 1. Welcome to Cosentino – Where to find us		
102-7	Size of the organisation	Chapter 1. Welcome to Cosentino – Business evolution and results Chapter 3. People		
102-8	Information about employees and other workers	Chapter 3. People – Main HR indicators		Principle 6
102-9	Supply chain	Chapter 2. Activity – Commitment to our suppliers		
102-10	Significant changes to the organisation and its supply chain	Chapter 1. Welcome to Cosentino – 2019 Milestones and figures		
102-11	Precautionary principle or approach	Chapter 4. Planet – Environmental sustainability in the value chain		Principles 7 and 8
102-12	External initiatives	Chapter 2. Activity – Associations and other initiatives		
102-13	Membership of associations	Chapter 2. Activity – Associations and other initiatives		
STRATEGY				
102-14	Declaration by senior decision-makers	Chapter 2. Activity – Commitment to good governance and transparency		
102-15	Main impacts, risks and opportunities	Chapter 1. Welcome to Cosentino – Management and control of risks		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and rules of conduct	Chapter 2. Activity – Ethics, conduct and regulatory compliance		Principle 10

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
102-17	Mechanisms for assessment and ethical concerns	Chapter 2. Activity – Ethics, conduct and regulatory compliance		Principle 10
GOVERNANCE				
102-18	Governance structure	Chapter 2. Activity – Commitment to good governance and transparency		
102-19	Delegation of authority	Chapter 2. Activity – Commitment to good governance and transparency		
102-20	Executive-level responsibility on economic, environmental and social matters	Chapter 2. Activity – Commitment to good governance and transparency		Principles 7 and 8
102-21	Consulting stakeholders on economic, environmental and social matters	About this report		Principles 7 and 8
102-22	Structure of the Board and its committees	Chapter 2. Activity – Commitment to good governance and transparency		
102-23	President of the Board	Chapter 2. Activity – Commitment to good governance and transparency		
102-24	Nomination and selection of the Board	Chapter 2. Activity – Commitment to good governance and transparency		
102-25	Conflict of interest	Chapter 2. Activity – Commitment to good governance and transparency: Ethics, conduct and regulatory compliance		
102-26	Role of the Board in selecting objectives, values and strategy	Chapter 2. Activity – Commitment to good governance and transparency		
102-27	Collective knowledge of the Board	Chapter 2. Activity – Commitment to good governance and transparency		
102-28	Performance evaluation of the Board	Chapter 2. Activity – Commitment to good governance and transparency		
102-29	Identification and management of economic, environmental and social impacts	Chapter 2. Activity – Commitment to good governance and transparency		Principles 7 and 8
102-30	Efficacy of risk management processes	Chapter 2. Activity – Commitment to good governance and transparency		
102-31	Assessment of economic, environmental and social matters	Chapter 2. Activity – Commitment to good governance and transparency		Principles 7 and 8
102-32	Role of the Board in drawing up sustainability reports	Chapter 2. Activity – Commitment to good governance and transparency		Principles 7 and 8
102-33	Communication of critical concerns	Chapter 2. Activity – Commitment to good governance and transparency: Ethics, conduct and regulatory compliance		
102-35	Remuneration policies	Chapter 2. Activity – Commitment to good governance and transparency Chapter 3. – Compensation		Principle 10

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
102-36	Process to determine remuneration	Chapter 2. Activity – Commitment to good governance and transparency		
102-37	Involvement of stakeholders in remuneration	Chapter 2. Activity – Commitment to good governance and transparency Chapter 3. – Compensation		
102-38	Ratio of total annual compensation of the highest paid person in each country with significant operations to the annual compensation of all employees	Chapter 2. Activity – Commitment to good governance and transparency	The company does not report the total annual compensation of the highest paid person in each country.	
102-39	Ratio of percentage increase of total annual compensation	Chapter 2. Activity – Commitment to good governance and transparency	The company does not report the ratio of percentage increase of total annual compensation.	
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholders	Chapter 1. Welcome to Cosentino – Our Vision – Proximity to our customers and partners		
102-41	Collective bargaining agreements	Chapter 3. People – Quality employment – Employees signed up to collective agreements		Principle 3
102-42	Identification and selection of stakeholders	Chapter 1. Welcome to Cosentino – Our Vision – Proximity to our customers and partners		
102-43	Approach to stakeholder engagement	Chapter 1. Welcome to Cosentino – Our Vision – Proximity to our customers and partners		
102-44	Key issues and concerns mentioned	About this report		
PRACTICES FOR WRITING REPORTS				
102-45	Bodies included in the consolidated financial statements	About this report		
102-46	Definition of report contents and subject coverage	About this report		
102-47	List of material issues	About this report		
102-48	Re-writing of the information	About this report		
102-49	Changes to the preparation of reports	About this report		
102-50	Reporting period	About this report		
102-51	Date of last report	About this report		
102-52	Report writing cycle	About this report		

Material Issues

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
102-53	Point of contact for questions about the report	About this report		
102-54	Declaration and preparation of the report in accordance with GRI Standards	About this report		
102-55	Index of GRI contents	Attachments		
102-56	External audit	About this report		
HEALTH AND SAFETY (PRODUCTS, EMPLOYEES AND VALUE CHAIN) GRI 103: MANAGEMENT FOCUS				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 3. People – Health and safety		
103-2	Management focus and its components	Chapter 3. People – Health and safety		
103-3	Assessment of management focus	Chapter 3. People – Health and safety		
GRI 403: Occupational Health and Safety 102-20				
403-1	Management system for occupational health and safety	Chapter 3. People – Health and safety		
403-2	Identification of hazards, risk assessment and incident investigation	Chapter 3. People – Health and safety		
403-3	Occupational health services	Chapter 3. People – Health and safety		
403-4	Employee engagement, enquiries and communication about occupational health and safety	Chapter 3. People – Health and safety		
403-5	Occupational health and safety training for employees	Chapter 3. People – Health and safety		
403-6	Encouraging healthy employees	Chapter 3. People – Health and safety		
403-7	Prevention and mitigation of the impacts on the health and safety of employees directly associated with business relationships	Chapter 3. People – Health and safety		
403-8	Coverage of the management system of occupational health and safety	Chapter 3. People – Health and safety		
403-9	Workplace injuries	Chapter 3. People – Health and safety – Principle accident rates		
403-10	Occupational illnesses	Chapter 3. People – Health and safety – Principle accident rates		

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
GRI 416: Customer health and safety				
416-1	Assessment of the impacts on health and safety of the products or service categories	Chapter 2. Activity – Commitment to our customers – Health and safety of our customers		
416-2	Cases of non-compliance relating to impacts on health and safety from the products or service categories	Chapter 2. Activity – Commitment to our customers – Health and safety of our customers	The company does not report on non-compliance relating to impacts on health and safety. It is committed to reporting this in the future.	
INNOVATION IN PRODUCTS AND SERVICES				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 2. Activity – Commitment to innovation		
103-2	Management focus and its components	Chapter 2. Activity – Commitment to innovation		
103-3	Assessment of management focus	Chapter 2. Activity – Commitment to innovation		
CONTROL OF ENVIRONMENTAL IMPACTS AND PROTECTION				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
103-2	Management focus and its components	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
103-3	Assessment of management focus	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
GRI 307: Environmental compliance				
307-1	Non-compliance with environmental laws and regulations	During 2019, there were no fines or monetary sanctions for non-compliance with environmental laws or regulations.		Principles 7, 8 and 9
QUALITY OF PRODUCTS AND SERVICES				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 2. Activity – Commitment to our customers – Quality and service excellence		
103-2	Management focus and its components	Chapter 2. Activity – Commitment to our customers – Quality and service excellence		
103-3	Assessment of management focus	Chapter 2. Activity – Commitment to our customers – Quality and service excellence		

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
DIALOGUE WITH STAKEHOLDERS				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 1. Welcome to Cosentino – Our vision – Proximity to our customers and partners		
103-2	Management focus and its components	Chapter 1. Welcome to Cosentino – Our vision – Proximity to our customers and partners		
103-3	Assessment of management focus	Chapter 1. Welcome to Cosentino – Our vision – Proximity to our customers and partners		
EQUALITY AND DIVERSITY				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 3. People – Equal opportunities		Principle 6
103-2	Management focus and its components	Chapter 3. People – Equal opportunities		Principle 6
103-3	Assessment of management focus	Chapter 3. People – Equal opportunities		Principle 6
GRI 405: Diversity and equal opportunities				
405-1	Diversity in governing bodies and employees	Chapter 3. People – Main HR indicators and Equal opportunities		Principle 6
405-2	Salary ratio based on the remuneration of women compared to men	Chapter 3. People – Equal opportunities		Principle 6
103-3	Assessment of management focus	Chapter 3. People – Equal opportunities		Principle
COMMITMENT TO LOCAL EMPLOYMENT AND DEVELOPMENT				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 5. Commitment to the community – Our commitment to local employment		
103-2	Management focus and its components	Chapter 5. Commitment to the community – Our commitment to local employment		
103-3	Assessment of management focus	Chapter 5. Commitment to the community – Our commitment to local employment		
GRI 401: Employment				
401-1	New employment contracts and staff rotation	Chapter 3. People – Commitment to people		
401-2	Benefits for full-time employees that part-time or temporary employees are not eligible for	As far as possible, the company is committed to offering the same benefits according to the roles and specifics of each employee		
401-3	Parental leave	Chapter 3. People – Quality employment – Conciliation		

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
ECONOMIC-FINANCIAL PERFORMANCE				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 1. Welcome to Cosentino – Figures and milestones – Where we are going Chapter 2. Activity – Fiscal transparency		
103-2	Management focus and its components	Chapter 1. Welcome to Cosentino – Figures and milestones – Where we are going Chapter 2. Activity – Fiscal transparency		
103-3	Assessment of management focus	Chapter 1. Welcome to Cosentino – Figures and milestones – Where we are going Chapter 2. Activity – Fiscal transparency		
GRI 201: Economic performance				
201-1	Direct economic value generated and distributed		The company does not report a breakdown of the economic value generated and distributed. It is committed to reporting this in the future.	
201-2	Financial implications and other risks and opportunities associated with climate change	Chapter 4. Planet – climate action		
201-3	Obligations of the defined benefit plan and other retirement plans	Beyond observing the legal obligations of each country, Cosentino assesses market practices to implement a compensation package in line with employees' expectations		
201-4	Financial assistance received from the government	Chapter 2. Activity – Public subsidies received		
CLIMATE CHANGE AND RENEWABLE ENERGY				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
103-2	Management focus and its components	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
103-3	Assessment of management focus	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
GRI 302: Energy				
302-1	Energy consumption within the organisation	Chapter 4. Planet – Commitment to the Environment – Climate Action		Principles 7, 8 and 9
302-2	Energy consumption outside the organisation		The company does not report on energy consumption outside the organisation. It is committed to reporting this in the future.	Principles 7, 8 and 9

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
302-3	Energy intensity	Chapter 4. Planet – Commitment to the Environment – Climate Action		Principles 7, 8 and 9
302-4	Reduction of energy consumption	Chapter 4. Planet – Commitment to the Environment – Climate Action		Principles 7, 8 and 9
302-5	Reduction of energy requirements of products and services	Chapter 4. Planet – Commitment to the Environment – Climate Action		Principles 7, 8 and 9
GRI 305: Emissions				
305-1	Direct emissions of GHG (scope 1)	Chapter 4. Planet – Commitment to the environment – Air Quality Control		Principles 7, 8 and 9
305-2	Indirect emissions of GHG for generating energy (scope 2)	Chapter 4. Planet – Commitment to the environment – Air Quality Control		Principles 7, 8 and 9
305-3	Other indirect emissions of GHG (scope 3)	Chapter 4. Planet – Commitment to the environment – Air Quality Control		Principles 7, 8 and 9
305-4	Intensity of GHG emissions	Chapter 4. Planet – Commitment to the environment – Air Quality Control		Principles 7, 8 and 9
305-5	Reduction of GHG emissions	Chapter 4. Planet – Commitment to the environment – Air Quality Control		Principles 7, 8 and 9
305-6	Emissions of Ozone Depleting Substances (ODS)	Chapter 4. Planet – Commitment to the environment – Air Quality Control	The company commits to assessing the need and, where applicable, reporting emissions that deplete the Ozone layer in future financial years.	Principles 7, 8 and 9
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	Chapter 4. Planet – Commitment to the environment – Air Quality Control		Principles 7, 8 and 9
CIRCULAR ECONOMY				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 4. Planet – Commitment to the Environment – Environmental sustainability in the value chain		Principles 7, 8 and 9
103-2	Management focus and its components	Chapter 4. Planet – Commitment to the Environment – Environmental sustainability in the value chain		Principles 7, 8 and 9
103-3	Assessment of management focus	Chapter 4. Planet – Commitment to the Environment – Environmental sustainability in the value chain		Principles 7, 8 and 9
GRI 306: Waste and effluents				
306-1	Discharge of water according to its quality and purpose	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7 and 8
306-2	Waste by type and method of disposal	Chapter 4. Planet – Commitment to the Environment – Environmental sustainability in the value chain – Circularity of waste		Principles 7, 8 and 9

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
306-3	Significant spillages	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7 and 8
306-4	Transport of hazardous waste	Chapter 4. Planet – Commitment to the Environment – Environmental sustainability in the value chain – Circularity of waste		Principles 7, 8 and 9
306-5	Bodies of water affected by water discharge and/or run-off	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7 and 8
RESPONSIBLE SUPPLY CHAIN				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 2. Activity – Commitment to our suppliers		Principles 7 and 8
103-2	Management focus and its components	Chapter 2. Activity – Commitment to our suppliers		Principles 7 and 8
103-3	Assessment of management focus	Chapter 2. Activity – Commitment to our suppliers		Principles 7 and 8
GRI 308: Environmental assessment of suppliers				
308-1	New suppliers who have passed assessment and selection screening according to environmental criteria	Chapter 2. Activity – Commitment to our suppliers	We do not report on the number of new suppliers who have passed screening since they are registered with the Supplier Portal and included in the SAP Ariba procurement platform.	Principles 7 and 8
308-2	Negative environmental impacts on the supply chain and measures	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
GRI 414: Social assessment of suppliers				
414-1	Content 414-1 New suppliers who have passed selection screening according to social criteria	Chapter 2. Activity – Commitment to our suppliers	We do not report on the number of new suppliers who have passed screening since they are registered with the Supplier Portal and included in the SAP Ariba procurement platform.	
414-2	Content 414-2 Negative social impacts on the supply chain and measures taken	Chapter 2. Activity – Commitment to our suppliers		

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
EFFICIENT AND APPROPRIATE USE OF RESOURCES				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
103-2	Management focus and its components	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
103-3	Assessment of management focus	Chapter 4. Planet – Commitment to the environment		Principles 7, 8 and 9
GRI 301: Materials				
301-1	Materials used by weight or volume	-	The company does not report on the weight or volume of materials used. It is committed to reporting this in the future.	Principles 7, 8 and 9
301-2	Recyclable materials	Chapter 4. Planet – Commitment to the environment – Environmental sustainability in the value chain – Environmental R&D		Principles 7, 8 and 9
301-3	Recycled products and packaging materials	Chapter 4. Planet – Commitment to the environment – Environmental sustainability in the value chain – Environmental R&D		Principles 7, 8 and 9
GRI 303: Water and effluent				
303-1	Interaction with water as a shared resource	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7, 8 and 9
303-2	Management of impacts associated with water discharges	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7, 8 and 9
303-3	Water extraction	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7, 8 and 9
303-4	Water discharge	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7, 8 and 9
303-5	Water consumption	Chapter 4. Planet – Commitment to the environment – Natural capital – Water footprint		Principles 7, 8 and 9
SOCIAL BENEFITS, RECONCILIATION AND QUALITY OF LIFE				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 3. People – Quality employment		
103-2	Management focus and its components	Chapter 3. People – Quality employment		
103-3	Assessment of management focus	Chapter 3. People – Quality employment		

Reporting guidance criteria (GRI)	Contents	Location in this report	Omissions	Global Compact Principles
INTERNATIONAL EXPANSION				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 2. Action – Business evolution and results		
103-2	Management focus and its components	Chapter 1. Welcome to Cosentino – Figures and Milestones Chapter 2. Action – Business evolution and results		
103-3	Assessment of management focus	Chapter 1. Welcome to Cosentino – Figures and Milestones Chapter 2. Action – Business evolution and results		
GRI 404: Teaching and training				
404-1	Average hours of training per year per employee	Chapter 3. People – Talent development and management		
404-2	Programmes to improve employees' skills and programmes to help with transition	Chapter 3. People – Talent development and management		
404-3	Percentage of employees who receive periodic assessments of performance and professional development	Chapter 3. People – Talent development and management		
TRANSPARENCY				
GRI 103: Management focus				
103-1	Explanation of material issue and its coverage	Chapter 2. Activity – Commitment to good governance and transparency		
103-2	Management focus and its components	Chapter 2. Activity – Commitment to good governance and transparency		
103-3	Assessment of management focus	Chapter 2. Activity – Commitment to good governance and transparency		

CSR

Corporate Social Responsibility



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