



2021

ANNUAL REPORT

ROCA GROUP

The effort and involvement of the 24,492 professionals comprising Roca Group have allowed us to close out the year 2021 with the best turnover figures in the company's history, despite the restrictions and limitations stemming from the health crisis. Once again, our entire team has shown an outstanding ability to react and adapt to an unprecedented situation and a complex social and financial environment.

The cover and main images of this annual report are a tribute to our workforce's commitment and ongoing endeavor to strive towards excellence. The professionals who make up Roca Group at each step of the value chain ensure that the group will remain a global benchmark for the bathroom sector.

2021

ANNUAL REPORT

ROCA GROUP

2021

ANNUAL REPORT

INTRODUCTION	4
2021 IN SUMMARY	6
ROCA GROUP AROUND THE WORLD	8
MOVING TOWARD THE FUTURE	10
GROWTH	14
OPERATIONAL EXCELLENCE	20
INNOVATION	26
DIGITAL TRANSFORMATION	34
SUSTAINABILITY	38
PEOPLE	46
WE ARE WATER FOUNDATION	50
FINANCIAL REPORTS	56
KEY FIGURES	58
CONSOLIDATED PROFIT-AND-LOSS ACCOUNT	61
CONSOLIDATED BALANCE SHEET	62

INTRODUCTION

The year 2021 saw the start of the new post-Covid normality and the development of a new geopolitical reality. In this context, the global economy showed signs of recovery, despite persistent uncertainty, with global GDP growth of 6.1% and encouraging data in our main markets, for instance in Spain (5.1%), the eurozone (5.3%) and countries such as India and China, both over 8%.

This improvement in the economic climate plus our steadfast pursuit of excellence in all our operations have led to exceptionally positive results this year, with turnover achieving a historic peak in terms of invoicing (€2,053M), EBITDA (€401M) and net profits (€179M).

These excellent results have allowed us to concentrate our efforts on continuing to consolidate Roca Group's corporate project, remaining faithful to the entrepreneurial spirit of a family business and characterized by a long-term strategy based on growth.

We have resumed our acquisitions policy to improve our position in expanding businesses and sectors, including competence centers to improve the group's know-how in categories such as bathroom furniture and installation systems. In parallel, we have added new production units to increase our ability to supply developing regions with more efficient and sustainable local services. To continue focusing our operations on the bathroom sector and to accelerate growth in this

area, we also closed the sale of our ceramic tile division.

On balance, we can be very satisfied to have accomplished the main goals we had set out for 2021: to safeguard the health and safety of our employees in a situation still impacted by several waves of Covid, to recover pre-pandemic activity levels, and to begin growing our operations once again.

Our objectives were reached and built on our strategic pillars, which we continue to reaffirm year after year with new lines of activity and forward-thinking initiatives:

- To position the principle of sustainability at the heart of all Roca Group activities, we have made considerable effort to establish goals, organize teams, design processes and mobilize resources. For instance, we committed to reaching carbon neutrality in direct emissions by 2045 as set forth in the Science Based Targets initiative (SBTi) of the United Nations.
- To continue to enhance the group's growth and operational excellence, we implemented the Roca Group Business System, a methodology based on the Kaizen model that, along with the development of competence centers, is the foundation on which to build a more efficient, flexible and adaptive enterprise.
- To encourage cross-cutting innovation and digital transformation, we created a corporate investment fund, Roca Group Corporate Ventures, with 25 million

euros to be used to foster hybrid entrepreneurship in collaboration with emerging companies.

In conclusion, 2021 was a year full of challenges and opportunities to continue making progress in our purpose to generate positive economic, social and environmental impact. We share this purpose with Roca Group's 24,492 employees, and the Board of Directors would like to express its appreciation to each and every one. Their dedication and commitment have revealed the key to the group's success over its 100+ years of history: an extraordinary team.



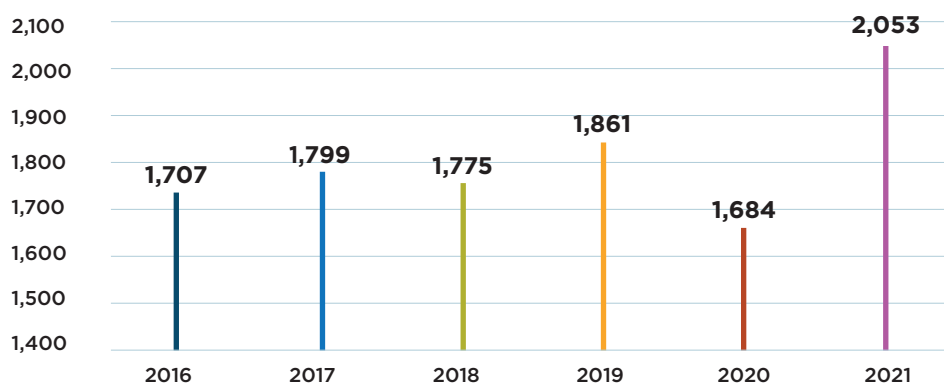
SANTIAGO DE GOMAR ROCA

CHAIRMAN



TURNOVER

in millions of euros





2021 IN SUMMARY

In 2021, Roca Group achieved the best turnover figures in its history, topping 2,000 million euros for the first time, an increase of over 20% compared with 2020, in a context still reeling from the impact of the coronavirus pandemic.

Ongoing efforts have focused on the optimization and excellence of all processes, yielding an EBITDA of 401 million euros and net profits of 179 million euros. Total investments in tangible and intangible fixed assets were 124 million, with the year including several acquisitions to consolidate our specialization in the bathroom space sector.

	2018	2019	2020	2021
EBITDA	243	253	306	401
NET PROFIT	95	69	60	179
CURRENT INVESTMENTS	145	154	106	124

in millions of euros

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

ROCA GROUP AROUND THE WORLD



84
production
plants



170
countries



24,492
employees

AMERICA



Roca Group's geographical presence is well-balanced, with the group found in both mature markets and emerging economies. This balance lowers the risks arising due to economic uncertainty and enhances business opportunities.

EMEA

Western Europe,
Middle East
and Africa

NCEE

Northern, Central and Eastern Europe

APAC

Asia-Pacific





1

MOVING TOWARD THE FUTURE

Long-term strategy for sustainable growth and development

The group's corporate project, in keeping with the enterprising spirit of a family business, is characterized by a long-term strategy based on growth. This project ensures sustainable development, obtaining the profitability needed to remain an independent company capable of forward-thinking continuous investments.

The group's mission and vision establish a model of creating shared value, built on six strategic pillars, to generate a positive impact at three levels: economic, social and environmental.



Six strategic pillars



GROWTH

The development of solutions that add value and improve people's lives, an analysis of the competitive environment and our long-term vision are the best ways to ensure long-standing viability and sustainable growth.



OPERATIONAL EXCELLENCE

Implementation of the Kaizen methodology throughout the Roca Group Business System, the development of Competence Centers and the extensive use of best practices are the foundation employed to construct a more flexible, productive and adaptive enterprise.



INNOVATION

R&D + Innovation work involves the entire company across the board and is also promoted through cooperative initiatives such as the Roca Group Ventures fund, which seeks to create a hybrid entrepreneurial model together with emerging companies.



DIGITAL TRANSFORMATION

From procurement and production to marketing and service, digitalization and technological integration make it possible to establish, standardize and streamline processes, optimize the value chain and generate new business models.



SUSTAINABILITY

The ambition to leave future generations with a better society and planet puts sustainability at the center of all of group activities. The company's roadmap is aligned with the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs) of the 2030 Agenda.



PEOPLE

The heartbeat of the company is its clients, and going above and beyond their expectations through service is the main goal of the group's staff. The Talent Management Department and the Roca Group Corporate University ensure that all employees continue to grow and develop professionally.

To achieve a three-fold impact

The corporate commitment to sustainability seeks to create positive impact in three main areas: people, planet and prosperity.

PEOPLE

Roca Group is present in multiple countries and cultures, and its purpose is to improve the lives of people both inside and outside the organization, leading it to promote initiatives to foster talent and to improve the client's experience, as well as to develop aid projects for disadvantaged communities around the world.

PLANET

A commitment to sustainable development, along with pressure on the planet's natural resources and the challenge of climate change, drive the group to continue working day by day to lessen the impact of its operations on the environment. Likewise, it continues to innovate in the development of sustainable technologies and products, which promote water and energy conservation worldwide.

PROSPERITY

Participating in society and in people's lives implies a long-term commitment to building wealth. Since its inception as a family business, Roca Group has sought to create jobs and generate profits for positive impact on both worker compensation and on improvements in the organizational processes of the company as a whole.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

As an organization adhered to the **UN Global Compact**, sustainability is an essential part of Roca Group's commitment, as it works in alignment with the Sustainable Development Goals (SDGs). The group's Sustainability Plan lists the SDGs directly impacted by the organization's activity.

DIRECTLY IMPACTED SDGs







GROWTH

In an environment that is highly complex due to external factors and industry-transforming trends, Roca Group strives to anticipate business opportunities and to focus its resources on operations that provide actual value to its clients and users.

In this context, leading companies in the product categories with high growth potential have been added in 2021, resulting in progress toward further specialization in the bathroom business. The policy of continual investment in production technology has provided the capacity needed to meet the demands of the various markets, while always achieving the group's high standards for quality and sustainability.

DIRECT IMPACT



INDIRECT IMPACT





Acquisitions to consolidate new categories and regions

Roca Group has continued to intensify its acquisitions policy in 2021, based on a strategy that prioritizes the purchase of best-in-class companies with considerable know-how and technological capacity for optimal integration into the organizational structure. Thus, the aim is to enhance the group's position as a global specialist in the sector, in addition to strengthening its presence in expanding areas.

This philosophy has guided the group in finalizing the following acquisitions: **Royo** (Spain), European leader in the manufacturing of bathroom furniture (acquisition of 75% of the company); **factory in Ceará** (Brazil), with a sanitaryware plant of high strategic value; and **Sanit** (Germany), specializing in the production of built-in tanks and installation systems.

Royo and Sanit operations incorporate new capacities and competencies in two growing product categories for the bathroom space. In addition, the acquisition of the Ceará factory improves the group's ability to meet higher demand levels in northeast Brazil and in Central and North America.

ROYO

Category: furniture

Workforce: 795 people

Production plants: 3 (1 in Spain and 2 in Poland)

Capacity: 1 M units/year



FACTORY IN CEARÁ

Category: sanitaryware

Workforce: 227 people

Production plants: 1 (Brazil)

Capacity: 1.4 M pieces/year



SANIT

Category: installation systems

Workforce: 390 people

Production plants: 3 (Germany)





Business focus on the bathroom space

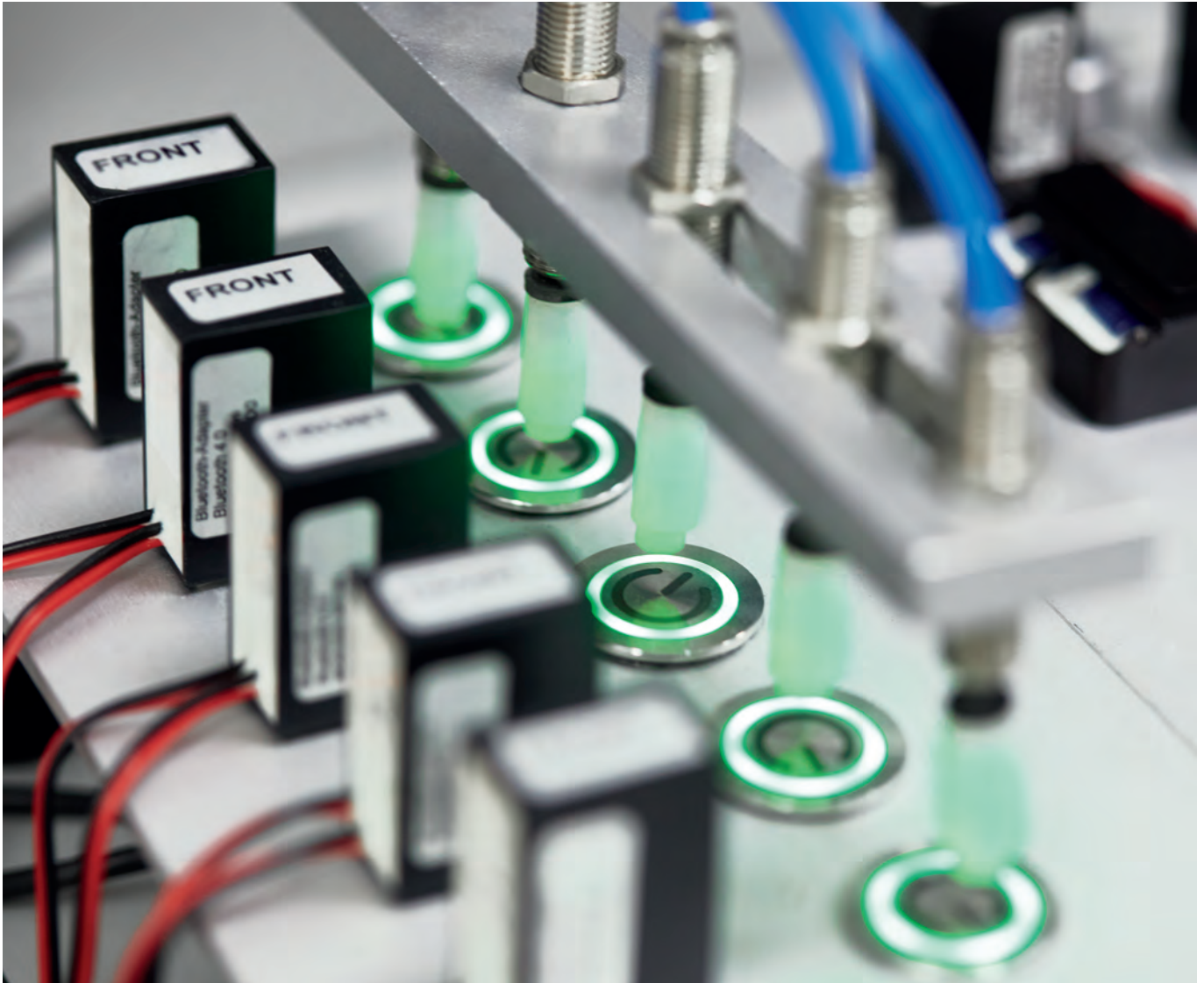
In 2021, the group also closed the sale of the ceramic tiles division to the Mexican company Lamosa, one of the world's foremost manufacturers in the sector. This divestiture allows Roca Group to concentrate its activity on the bathroom business, consistent with the acquisitions carried out in 2021. The group's ceramic tile activity began in 1980 and was gradually diversified to include a catalog of surface coverings for all kinds of spaces. In recent years, this division had boosted its position in the highly competitive and fragmented industry of ceramic tiles. The divestiture transferred two production plants in Brazil (Campo Largo and São Mateus do Sul) and one in Spain (Belcaire, Castellón).



Expanded offering of Laufen faucets

In order to bolster its position as a supplier of full bathrooms, Laufen included the faucet offering distributed by the group to date under the **Arwa**, **Similor Kugler** and **Sanimatic** brands. This change only affected the marketing brand and did not involve any changes to the product and accessory ranges or to the names of the collections.





Continuous improvement in production technology

The group devotes a significant percentage of its yearly investments to refurbishing its manufacturing technology to improve capacity, ensure worker safety and develop more sustainable production systems. The main innovations of 2021 include the installation of robots for the dry polishing process for sanitaryware at the Gliwice (Poland) plant and the installation of a PVD (physical vapor deposition) particle reactor for faucet production at the Laufen (Switzerland) plant, the fourth group plant to be equipped with this technology.





OPERATIONAL EXCELLENCE

An organization with nearly 24,500 workers, 84 production plants and presence in more than 170 markets requires a management model that allows effective integration of resources and capacities. The identification of synergies, the exchange of know-how and flexible reactions to shifts in marketplace trends are key to achieving operational excellence.

In 2021, the development of Competence Centers, the implementation of the Roca Group Business System as a cross-cutting methodology and advances in supply chain digitalization for greater efficiency in the logistical processes continue to drive a more agile and productive organization.

DIRECT IMPACT



INDIRECT IMPACT



Commercial brand management

Roca Group owns more than 30 brands that meet a wide variety of client needs in each market, channel and category. Each brand has its own personality, adding differential value in its competitive environment while conveying the group's core values, such as quality and trust. The group's brand architecture is divided into three levels:

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

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

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

Roca LAUFEN

zoom JIKA Sanitana **gala** **Incepa** GRAVENA
capea **SANTALIA** **EYING** CERAMOSA **logasa**
Parryware **santek** **INKER** *Johnson Peddler* *Giessdorf* **santeri**
Celite **ECONAX** **FAYANS** *JohnsonSuisse* *marbletrend*
Bathroom Solutions

AQUART **AKBATOH** **COSMIC** **POMD'OR** **METALFLU**
POOLSPA **Royo** **ELITA** **SANIT** **NSK**

New Competence Centers

In 2021, new Competence Centers for furniture and for installation systems began operations in the Royo facilities in Valencia (Spain) and the Sanit facilities in Eisenberg (Germany), respectively. These units are designed as development hubs with specialized know-how and technologies and coordinate all of the group's activities in the various product categories.



Coordinated supply chain management

One of Roca Group's most valuable cross-cutting projects is digitalization of the main supply chain processes, with the ultimate goal of providing unified management of all logistical operations around the world. This new organization impacts various areas of the structure and is key for planning production and logistics activities to ensure utmost efficiency and achieve sustainability objectives, mainly reduction of the carbon footprint.

Planning of transportation routes

Due to advances made in supply chain digitalization, 2021 saw the implementation of the Transport Management System (TMS), a model for automatic route planning to assign the most suitable mode of transport and logistics supplier for each operation in terms of service, costs and environmental impact. For example, in the case of maritime or road transport, the system analyzes optimal cubic volume utilization and routes.



Roca Group Business System: adaptation of Kaizen for continuous improvement in processes

In 2019, the group began to apply the Kaizen methodology for continuous improvement, geared toward consolidating a work culture based on value creation for clients (internal and external) by maximizing process efficiency. The year 2021 saw the design and start-up of implementation of the Roca Group Business System, a proprietary management model that adapts this methodology to the specific needs of the group. Consequently, Kaizen principles and techniques are implemented in all key processes, regardless of size or complexity. Some examples of success in applying this model in 2021 are the packaging optimization project, the analysis of quality control processes (audits, validation of new developments, etc.) and the comprehensive new product launch process, successfully used for the new Ona collection from Roca.



Service orientation

The gradual implementation of a service-oriented business model has led the group to continue pursuing improvements in planning demand levels, reducing slow-moving inventory and optimizing working capital. Adequate information management and standardization of On-Time-In-Full service indicators allow greater efficiency in planning which products should be manufactured, purchased and distributed in each market. Improving cooperation with suppliers has been a focal point, building a model to create shared and sustainable value. Initiatives such as the Suppliers Portal are designed to harmonize processes throughout the value chain. The same philosophy has guided a global management strategy for the purchase of energy sources, based on sustainability criteria, ensuring efficient supply for all operations.



Global quality management

With head offices in Gavà (Spain), the Corporate Department for Quality Management works to ensure homogeneous quality in all products, services and processes developed by Roca Group. Its efforts are particularly complex in an organization with global presence and a broad diversity of products. The model involves developing resources aimed at the ongoing exchange of know-how between the 50+ quality managers of the group. In order to take on global challenges related to quality, in 2021 the group has

undertaken initiatives such as the Corporate Quality Support platform and has held various Global Quality Meetings.

Other priority projects for the year in the department have been the development of a structured product quality assurance system, common to the various plants associated with the Competence Center for furniture, and the development of highly technified centers for electronic product validation and packaging.





INNOVATION

Innovation is a key factor in the growth of companies in any sector. In the bathroom space, innovation is considered to be the ability to respond to market trends, in aspects as varied as acceleration of the digital transformation, the development of new building technologies, the appearance of new materials and the need to address new user requirements in design, functionality and sustainability.

Roca Group views innovation as a philosophy of cross-cutting work that involves all company professionals in any work process. In addition, it is working on the development of a hybrid entrepreneurial model together with emerging companies.

DIRECT IMPACT



INDIRECT IMPACT





Roca Group Ventures, investment in start-ups to accelerate innovation in the industry

The commitment to a culture of company-wide innovation that combines high-level internal and external know-how has led to the creation of Roca Group Ventures, a corporate venture fund aimed at investing in emerging companies and entrepreneurial projects linked to the bathroom space anywhere in the world. This hybrid entrepreneurial model combines the capacities of a company as large and experienced as Roca Group with the innovation, technology, flexibility and talent of start-ups.

The fund contains 25 million euros and is expected to invest in capital shares of 15 to 20 start-ups in the next five years.

Roca Group Ventures prioritizes start-ups focused on environmentally-friendly practices to speed up innovation in the industry

The four main areas of interest in the development of innovation projects are:



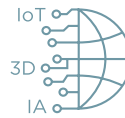
Wellness and smart bathrooms

Use of artificial intelligence (AI) and connectivity to improve usability and create wellness spaces



New businesses and materials

Identification of disruptive solutions with high growth potential



Operational excellence in industrial processes

Implementation of technologies such as AI, 3D printing, Internet of Things (IoT) and blockchain

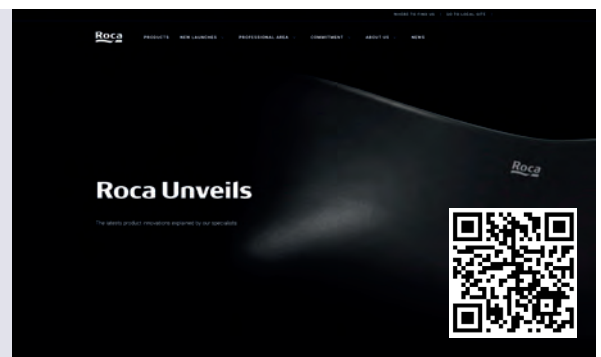


Energy efficiency and rational water use

Products and services to help build connected and sustainable homes

Roca Unveils... the latest innovations explained by specialists

The Roca website has premiered a series of informational videos in which specialist experts of the brand provide details on the latest developments in smart toilets, smart showers, ceramics, faucets and shower trays, in addition to touchless solutions.



Today's innovations for tomorrow's challenges

Roca Group continually develops innovative solutions to anticipate needs in the construction and use of the bathroom space.

MODULAR ARCHITECTURE

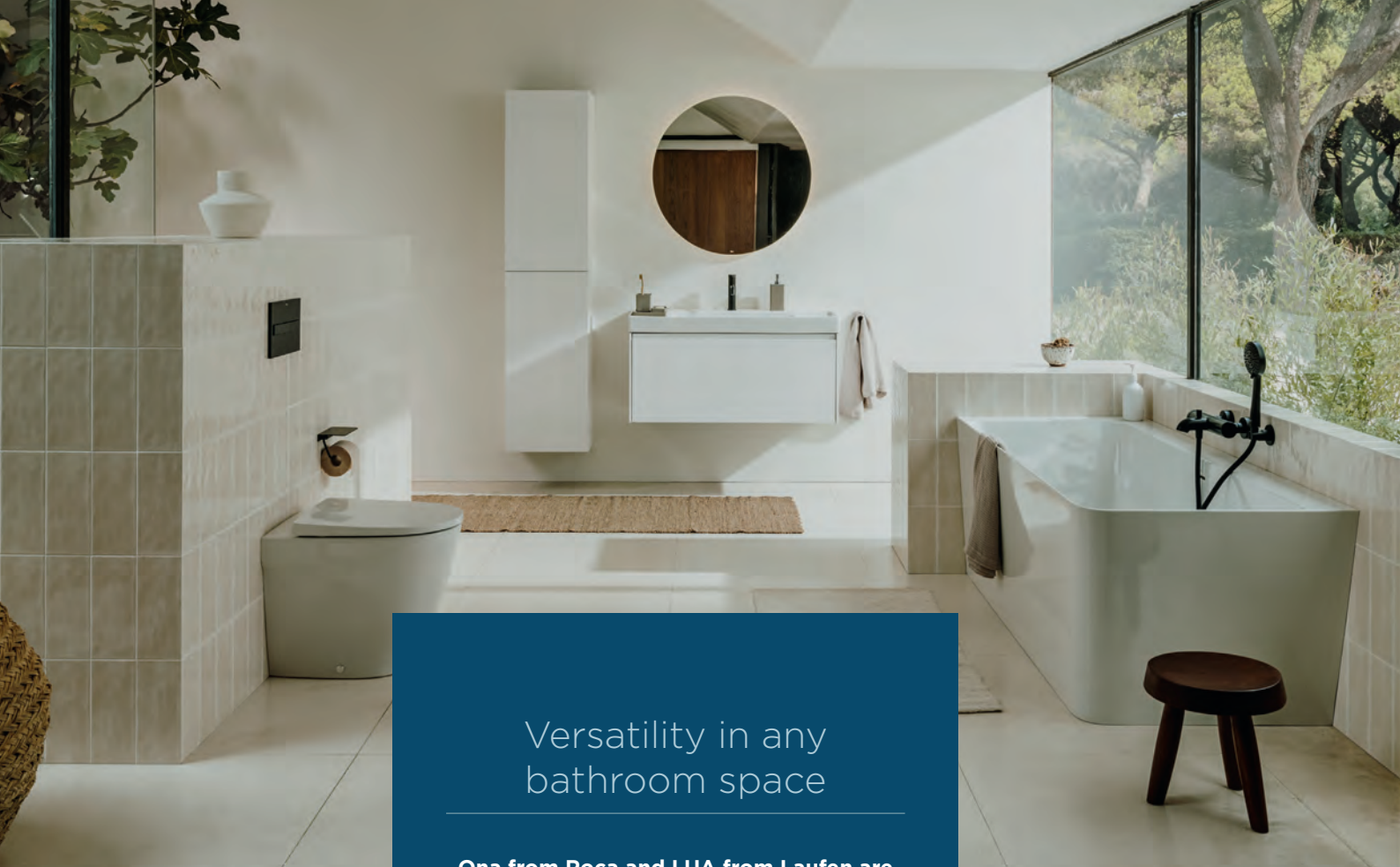
The group works with companies in the construction industry and open-innovation consortiums to develop solutions for bathroom spaces through modular architecture. The ROOM2030 project is developing an easy-to-install, comfortable and sustainable room for new types of residences and hotels. ROOM2030 offers In-Wash® In-Tank® toilets from Roca, Cratos shower trays and an operational system based on IoT and artificial intelligence.



VORTEX, HYGIENE AND ACOUSTIC COMFORT

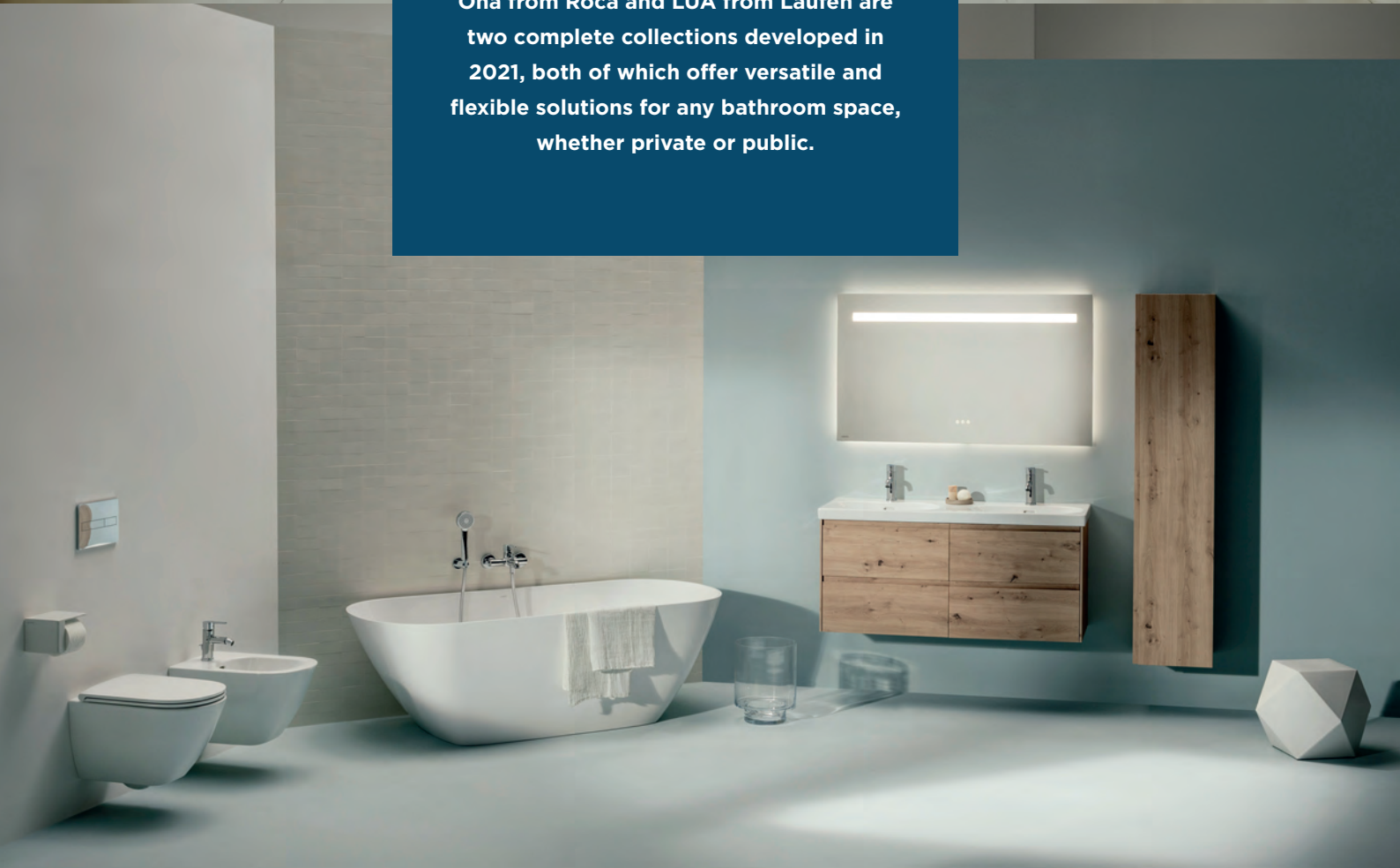
New flush system, in which water runs over the inner wall of the toilet, creating a vortex effect. This configuration means the process is extremely quiet and the water cleans the toilet interior more efficiently. Available in 2021 in the In-Wash® In-Tank® smart toilet from Roca and the Moderna S toilet from Laufen.





Versatility in any bathroom space

**Ona from Roca and LUA from Laufen are
two complete collections developed in
2021, both of which offer versatile and
flexible solutions for any bathroom space,
whether private or public.**



Ona, natural simplicity

The natural setting and lifestyle of the Mediterranean are the main inspiration for the Ona collection, characterized by organic shapes, pure lines and warm colors. It has specific solutions to fully equip the bathroom space (washbasins, furniture, faucets, accessories, bathtubs, toilets and bidets) with the latest innovations in design, comfort, hygiene and sustainability.

The creative process has combined two distinctive elements of the brand: the “made in Barcelona” design and the collaborative effort undertaken with internationally renowned professionals. The collection was developed entirely under the coordination of the Roca Design Center, with the participation of teams from the Noa Design Studio and from Benedito Design.



LUA, harmony and elegance in every detail

The designer Toan Nguyen developed the LUA collection, noted for its balanced forms and its combination of straight lines and oval shapes, giving it a timeless quality that combines naturally with any decorative style.

LUA offers a broad selection of washbasins, rimless toilets and bidets available in various colors and that combine perfectly with the LANI faucet and furniture lines, developed by the same designer. The collection is supplemented with various ergonomic bathtub models, developed with the composite material Marbond, which has an anti-slip surface.





The Roca brand, essence of Mediterranean design

In 2021, Roca organized several events in which it underscored the relevance of Mediterranean design and the Barcelona brand, which characterize its product style:

Expo 2020 Dubai: Roca organized the “Mediterranean Design: A Strategic Value for a Global Brand” meeting and was a sponsor of the Spanish Pavilion, equipping its 17 bathroom spaces. It also held a special edition of the Roca One Day Design Challenge design competition.

Global presentation of Ona: for the first time ever, a new Roca collection was presented simultaneously worldwide. More specifically, Ona was presented in an event live-streamed from Barcelona’s Joan Miró Foundation, a space dedicated to one of the city’s most quintessential artists.



Inauguration of the Laufen space Milano

Laufen has broadened its network of premium showrooms with the inauguration of the Laufen space Milano, a 125 m² space redesigned to host a product showroom, audiovisual facilities and various activities related to architecture and design. For the opening, it hosted the “Am I open-minded?” exhibition, created by Matteo Fiorini and Studio LYS.



International awards

The products and activities of the group's brands are recognized each year by the world's most prestigious awards.



reddot design award

**HORIZON GEOMETRIC
WASHBASIN FROM ROCA**
Designed by João Armentano

**HORIZON SKYLINE
WASHBASIN FROM ROCA**
Designed by João Armentano



**HORIZON SKYLINE
WASHBASIN FROM ROCA**
Designed by João Armentano

ROCA TYPOGRAPHY
Designed by Pepe Gimeno



Design
Prize
Switzerland

SAVE! TOILET FROM LAUFEN
Designed by EOOS and Eawag



Slim, a new Celite collection for Brazil

In 2021, Celite, a popular group brand in Brazil, launched the new Slim collection, blending several innovations developed by Roca Group. Products of particular interest are rimless toilets, which eliminate inner angles to ease cleaning, and the Titanium® technology, allowing very fine porcelain bathrooms to be manufactured without compromising on strength and durability.





ELECTRONIC PLATES

800-101-1011

MODE DASH

ELECTRONIC

944

DASH

800-101-1011





DIGITAL TRANSFORMATION

In 2021, Roca Group has continued to move forward with digitalizing all of the organization’s key processes, for the purpose of automating and standardizing work dynamics, driving the development of industry 4.0 and deploying solutions in line with the digital evolution of the customer journey.

To do this, it has continued to strengthen its technological platform, gradually integrating new functionalities and monitoring new indicators to improve the efficiency of all operations worldwide. This platform’s advanced cybersecurity protocols are subject to ongoing reviews and updates.

DIRECT IMPACT



INDIRECT IMPACT





Creation of the IoT Lab to develop connected products

In 2021, the Roca Design Center in Gavà (Spain) created a laboratory to develop and test Internet of Things (IoT) solutions. The group has its own cloud infrastructure to collect and manage the entire volume of information generated by connected products. The commitment to a single platform for the Roca and Laufen brands provides a highly secure environment for the development of applications with personal information, both for private users and managers of public bathroom spaces.

The new IoT Lab has adaptable structures to test all kinds of devices, based on proprietary development software to simultaneously monitor various cycles of use or programs.



Laufen Virtual Space, immersive digital experience

This platform showcases the products from the Kartell · Laufen collection to visitors in a completely interactive manner, blending art and technology. The space is divided into four collage scenarios with stories inspired in nature and allows the visitor to access detailed information on the products.



New channels to interact with stakeholders

The development of digital platforms provides new channels of communication with suppliers and clients to streamline processes and ensure faster, more effective responses:

Suppliers portal: 100% digital management of supply, contract and purchasing processes on a single platform, offering an overview of the supply chain to anticipate incidents.

After-sales department: use of new technological tools to monitor and manage incidents, creating an optimal system for reporting and enhancing communication channels, thus providing a single management model to be implemented for after-sales services worldwide.

Spare parts sales: new marketing model for spare parts through online platforms, including technical support for distributors and installers to simplify the search, acquisition and installation of spare parts.



Parryware app to carry out subdistribution in India

Parryware, Roca Group's local brand in India, has continued to develop its subdistributor loyalty program by digitalizing all processes in a single app. The simplification and gamification of the various steps have accelerated subdistribution network growth and penetration as well as authorized distributor engagement in the process.





SUSTAINABILITY

Roca Group seeks to improve society and contribute to environmental conservation through a value creation model that can reinvest profits for the purpose of developing high-quality job positions and ensuring environmental care.

During 2021, the Sustainability Department has grown in terms of the number of staff members and responsibilities, thus continuing to define and build the group’s global strategy in this field, validate the lines of work and lay out the specific projects to be undertaken.

DIRECT IMPACT

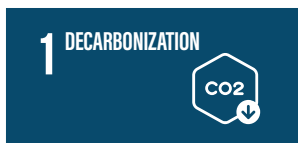


INDIRECT IMPACT



Eight workstreams for sustainability

Roca Group's priority initiatives for sustainability are divided into eight workstreams, defined by the Sustainability Committee and approved by the group's Executive Committee, which is fully committed to these objectives.



1 DECARBONIZATION

Reduce and optimize energy consumption and CO₂ emissions

Improve the mix of energy consumption, increasing renewable energy sources and offsetting essential emissions



2 SUSTAINABLE MATERIALS AND CIRCULAR ECONOMY

Reduce and optimize water consumption

Minimize waste generation and optimize its treatment

Eliminate single-use plastics in packaging



3 SUSTAINABLE PRODUCTS

Integrate ecodesign principles in product development

Develop solutions that foster circularity



4 PERSONAL DEVELOPMENT

Promote the training, qualification and talent development of employees

Continued provision of the best health and safety conditions



5 COMMITMENT TO SOCIETY

Increase the impact of We Are Water Foundation projects and initiatives

Develop collaborative networks with other entities and institutions



6 SUSTAINABLE SUPPLY CHAIN

Involve suppliers in the group's sustainability strategy, sharing and aligning objectives



7 SUSTAINABLE LOGISTICS

Optimize the efficiency of cargo spaces in transport

Minimize shipments through route optimization



8 PROMOTION AND COMMUNICATION OF SUSTAINABILITY

Inform and involve all employees in the sustainability strategy

Communicate on progress of the group's initiatives and improve reporting systems and parameters

Objective for 2045: carbon neutrality

In 2021, the Corporate Department of Sustainability promoted the development of a plan to reach carbon neutrality in the group's direct emissions by 2045. This commitment is aligned with the Science Based Targets initiative (SBTi) of the United Nations and establishes an intermediate reduction goal of 46% by 2030.

The plan was designed in collaboration with the group's 84 plants and a multidisciplinary team that, along with the Schneider Electric consultancy, defined specific actions to achieve the objectives, in view of growth forecasts for the business.

To achieve this objective, the group focuses its efforts on six initiatives:

- 1.** Install the digital equipment necessary to measure power consumption levels in industrial facilities
- 2.** Optimize energy usage in production processes
- 3.** Maximize the use of clean energy sources by self-consumption based on photovoltaic systems, purchases of green electric power and the use of more sustainable alternatives for thermal processes
- 4.** Offset essential emissions by guarantees of origin or other compensation mechanisms
- 5.** Use fleets of sustainable vehicles and offset business travel emissions
- 6.** Involve suppliers to minimize scope 3 emissions

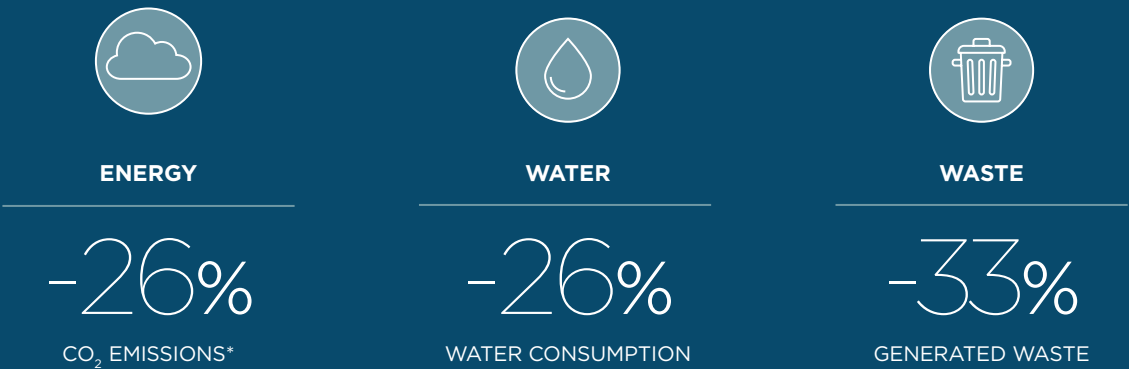




Improvements in environmental indicators

The activities developed by Roca Group in recent years to attain efficient energy use, water consumption and waste disposal have yielded substantial reductions in the main environmental indicators compared with 2018, the last year that the group’s production activity was not significantly influenced by external factors.

Reduction of main environmental indicators



** Emissions derived from total scope 1 and 2 energy use.*

Analysis of the water cycle to reduce water consumption

Efforts have also been made in 2021 to make progress in defining a plan to minimize water consumption in production processes and to enhance its circular use. In particular, an audit process has been implemented to analyze the entire water cycle at group plants, in collaboration with Veolia Water Technologies.

During 2022, pilot tests will be carried out at the sanitaryware plants in Settat (Morocco) and Burgos (Spain), as well as the faucet plants in Eskisehir (Turkey) and Cantanhede (Portugal). These facilities are representative of Roca Group's main businesses and are located in areas with limited water resources.



Production of FSC®-certified furnishings

During 2021, Roca Group obtained FSC® (Forest Stewardship Council) chain-of-custody certification. This certification ensures that the wood used to manufacture the bathroom furniture is sourced from timber forests managed in a sustainable and responsible manner.



The mark of
responsible forestry





Cross-cutting integration of sustainability

The sustainability criteria laid out in the eight workstreams defined by the Sustainability Committee are integrated by taking a cross-cutting approach with the various group activities to strengthen its commitment and raise awareness among stakeholders.

JUMPTHEGAP® ADAPTS TO THE CHALLENGES OF THE 2030 AGENDA

The jumpthegap® contest has redefined its participation rules and conditions to redirect its focus towards the development of innovative products that meet sustainability criteria, in its four new categories: “Wellbeing and Health”, “Neutral Design”, “Water and Energy”, and “Crisis and Emergency”. In 2021, the winner of the Best of the Best prize was the Ikigai project by Laia Millan Català: a smart mirror to help people with dementia.



ROCA GALLERIES, SPACES FOR DEBATES ON SUSTAINABILITY

The various Roca Galleries sites around the world organize debates and round table discussions on sustainable architecture and design. In 2021, Roca Barcelona Gallery was selected as the site for the BNEW Sustainability of the Barcelona New Economy Week program. The space has hosted over 20 round table discussions on topics such as renewable energies, climate change and waste management, among others.



RESEARCH ON SANITARY SPACES IN SCHOOLS

Laufen has developed a project in cooperation with the New Design University St. Pölten (Austria), inviting university students to reflect on the importance of sanitary spaces in the school environment. The proposals submitted focus on inclusion and design and were exhibited as a conceptual sample at the Laufen space Wien under the title “NULL NULL New Sanitary Spaces for Schools”.



FUNDING LINKED TO SUSTAINABILITY CRITERIA

The commitment to sustainability extends to the group’s funding operations. In 2021, Roca Group renewed its syndicated loan of 350 million euros prior to maturity and linked it to ESG criteria. In particular, the funding line is subject to two sustainability indicators (reduction of carbon emissions and yearly water use) and a commitment to yearly donations to the We Are Water Foundation.





Grifería Ona de baño-ducha en cromado
Ona bath-shower mixer in chrome

Grifería Ona de ducha en cromado
Ona shower mixer in chrome



PEOPLE

The efforts and involvement of the nearly 24,500 employees in Roca Group have been pivotal to achieving historic results in 2021. The group is fully aware of the value of its team and endeavors to develop a safe and high-quality work environment, encouraging the professional development of its workforce through training programs.

Likewise, it has focused on developing long-term trusted relationships with all professionals in the value stream (suppliers, distributors, clients, users, etc.). Additionally, new digital platforms have been developed in 2021 to maintain and enhance communication with these groups in the current environment.

DIRECT IMPACT



INDIRECT IMPACT





New formats and know-how at Roca Group Corporate University

Restrictions on in-person activity and the emergence of new training needs led the Roca Group Corporate University (RGCU) to continue to incorporate new formats and know-how in 2021. To effectively respond to new needs, an Online Training Plan has been developed, based on a survey of group managers and meetings with the Executive Committee.

The purpose of the training model is to achieve a work environment of utmost quality and efficiency that meets the team's development needs.

The plan includes enhanced use of the virtual platform and the inclusion of new content for all business areas, with the Production and Sales Departments having priority in the initial phase. The corporate content developed in 2021 included training in the new Roca Group Business System model. Along with the development of virtual training, it is also working to update blended learning programs, which combine online learning at each student's own pace through guided virtual sessions with an instructor and face-to-face classes.

ROCA GROUP Corporate University

1,306

Programs

197,034

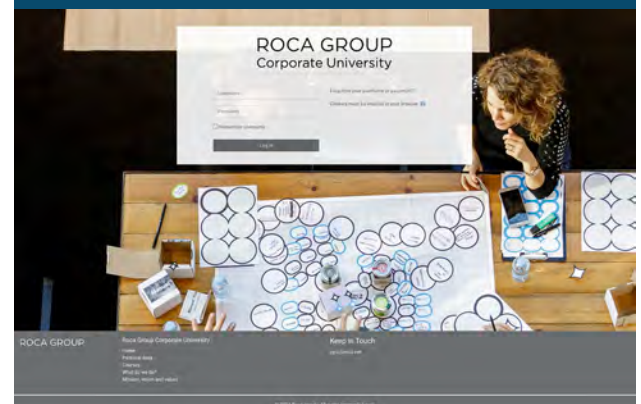
Training hours

17,405

Participants

9

Level of satisfaction (out of 10)



Great Place to Work certificate for Roca Group in India

The group's subsidiary in India obtained the Great Place to Work certificate, which acknowledges the high quality of the work environment based on an analysis of the corporate culture and evaluations from the subsidiary's employees

The analysis and assessment were undertaken in 2021, confirming a high degree of satisfaction of the model in all five dimensions defined by Great Place

to Work to identify exceptional corporate cultures: credibility, respect, fairness, pride and camaraderie.

Great Place to Work is an internationally renowned independent association that specializes in analyzing and recognizing high-quality work environments.





2

WE ARE WATER FOUNDATION

Promotion of the vital importance
of hygiene and access to water in a
time of crisis

The We Are Water Foundation was started in 2010 as an initiative by Roca Group, established as a non-profit organization for the purpose of improving access to water and sanitation around the world. To achieve this, the Foundation develops and supports aid projects that ensure this access through infrastructure and training. It also creates initiatives to raise awareness about responsible use of water resources.

In the past two years, the Covid-19 pandemic has highlighted the importance of access to water and hygiene for personal health. The Foundation has redoubled its efforts during this period through projects focused on developing adequate handwashing facilities.

unicef

Cooperation projects

COMMITTED TO HYGIENE

Aid for displaced individuals and work on infrastructures that help improve hygiene in underprivileged areas around the world have been at the center of the Foundation's efforts in 2021. All with the aim of improving quality of life among communities and contributing to the prevention of coronavirus and other diseases.



COOPERATION PROJECTS (2011-2021)

80

PROJECTS

29

COUNTRIES

2,250,000

BENEFICIARIES

INTERNATIONAL COOPERATION

The We Are Water Foundation works closely with highly prestigious international nongovernmental organizations that have an in-depth understanding of the needs of each community. World Vision, Unicef and Acción contra el Hambre collaborated on projects undertaken in 2021.

World Vision



unicef



The international cooperation projects carried out throughout the year have focused on four areas of action: **border regions, rural communities, schools and health facilities**.



BORDER REGIONS

Installation of handwashing infrastructure and hygiene kits, and cooperation with Covid awareness programs in border regions in Mexico, Mali and Brazil, which have received millions of migrants and refugees.



RURAL COMMUNITIES

Construction of latrines and access points to water in sensitive areas of Madagascar and Indonesia. In addition, awareness campaigns have been carried out to eradicate practices such as open-air defecation and lack of handwashing.



SCHOOLS

Review and installation of sanitation systems, distribution of hygiene kits (special attention to the specific needs of girls) and coronavirus prevention campaigns in Morocco and Nicaragua.



HEALTH FACILITIES

Construction of new latrines and distribution of hygiene kits and coronavirus prevention material (masks, soap and hand sanitizer, among other items) at healthcare facilities and hospitals in India and Burkina Faso.

Awareness activities

“LET’S MAKE A DEAL” PROGRAM

The gradual return to in-person activity has allowed the Foundation to resume its training and awareness activities. Among them, the **“Let’s make a deal”** program seeks to engage various industries and professional groups in adequate management of water resources.

In 2021, an activity was undertaken with the Diamond Resorts hotel chain: the development of the **#TheGlobeTrotterBottle** travel photography contest, aiming to raise awareness on the need to reduce the use of single-use plastic containers.



“AQUANAUTS”: SHARING KNOW-HOW FOR A BETTER WORLD

The **“Aquanauts. Defenders of Water”** program includes all training activities developed by the We Are Water Foundation in the school environment. Pedagogical workshops, discussions and meetings were held under this umbrella, offered by the Foundation at no charge to schools to help raise awareness among students about responsible water use and environmental friendliness.

The workshops carried out in 2021 touched on topics such as the causes and potential solutions for ecological disasters, changes in hygiene habits, the water purification process and the analysis of waste found in beaches.



SOLUTIONS TO A GLOBAL CHALLENGE

Another long-term initiative that was restarted in 2021 was **“Smart Water”**, a series of meetings to consider the importance of water management in fields such as urbanism, tourism and trade. **“Smart (collective) Creativity, a shared vision from the Caribbean, the Mediterranean and the Persian Gulf”** was the title of three meetings to debate a cross-cutting vision of water in tourist projects and their relationship with the “blue economy” (recycling of plastic from the bottom of seas and oceans). The meetings were held in the City of Mexico, Cartagena (Spain) and Dubai.



Urgent support to Ukraine

The emergency situation in Ukraine caused by the conflict that began in February 2022 prompted the We Are Water Foundation to set up a channel to collect financial donations from company employees and other interested people. Roca Group has contributed an additional million euros to the donations received. These funds have been directed towards Unicef and World Vision projects to help refugees and victims of the conflict.





ROCA GROUP

	2021	2020
	2,052,702	1,683,517
	(805,467)	(547,812)
	7,854	(436,665)
	14	(132,359)
	926	21,520
	1,333	(465,612)
	1,479	122,589
	552	(27,618)
	(519)	(1,062)
	-	-
	30,408	93,909
	52,206	(35,785)
	178,202	58,124
	178,749	60,167
	(547)	(2,043)

in thousands of €

The consolidated financial statements for the period ending 31 December 2021 and 2020 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS).

The consolidated financial statements for the period ending 31 December 2021 and 2020 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS).

3

FINANCIAL
REPORTSRecovery of growth through
optimization and excellence
in processes

The group was able to regain the upward growth trend it had before the pandemic, thanks to the implementation of a business approach aimed at achieving excellence in all processes and instituting a policy of cost oversight and containment for overhead, production and logistical expenditures.

KEY FIGURES

The global economy closed out 2021 with an estimated GDP growth of 6.1%, after the 3.1% contraction experienced in 2020 due to coronavirus spread worldwide. Despite the growth seen in all regions, the year has been characterized by uncertainty, with disparities between supply and demand, disruptions in the supply chain, scarcity of components and price pressures.

TURNOVER

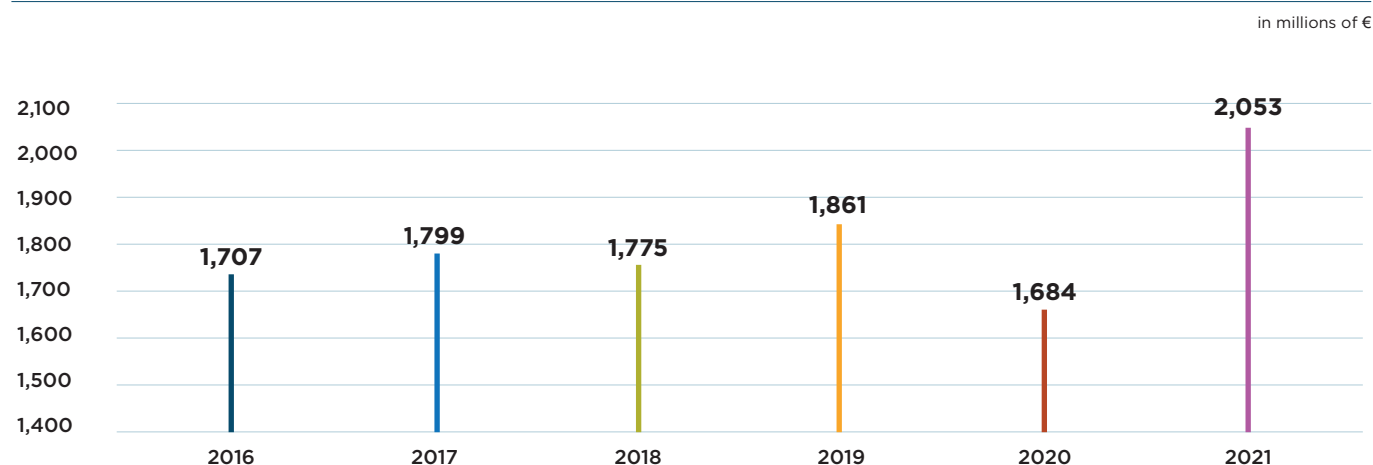
In 2021 Roca Group's net turnover was 2,053 million euros, an increase of 21.9% over 2020 and a negative impact of 3.2% from currency exchange losses.

Sales in Spain, the group's main market, grew over 20% compared with sales in 2020. It was thus

possible to regain the trend of sustained growth seen since 2014 and that was only truncated by the extraordinary impact of lockdowns in 2020.

In terms of the company's other main markets, significant increases have been seen in Brazil and India, despite the adverse effects of local currency devaluation. Efforts in China have been impacted by the country's restrictions on credit policies, hindering access to funding for some major real estate development groups and local distributors.

BUSINESS TURNOVER



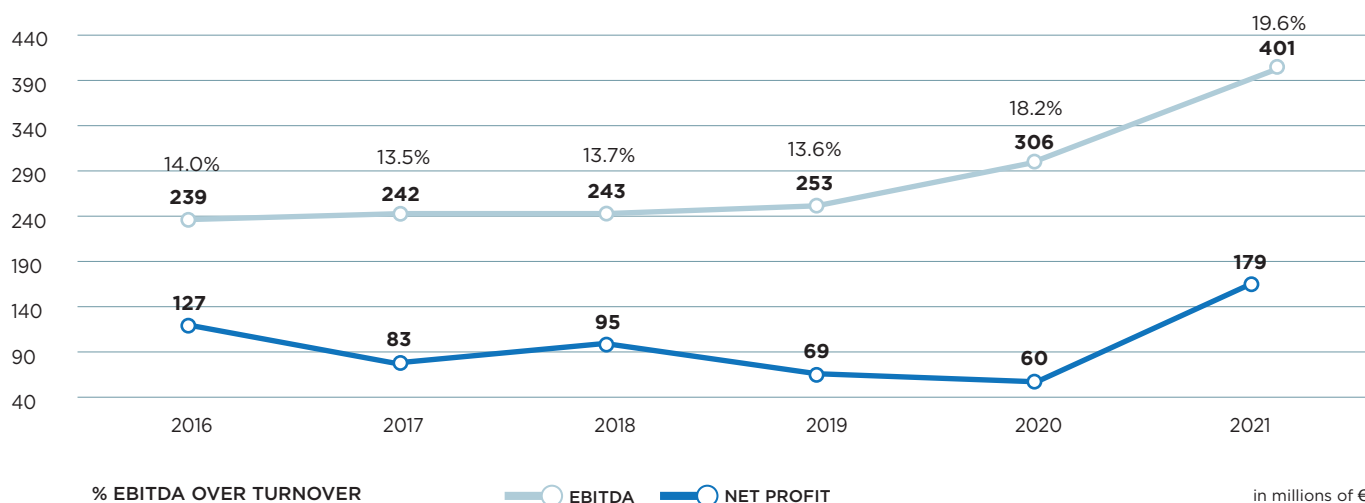
RESULTS

Consolidated EBITDA, which reflects earnings before financial results, corporate taxes, depreciation and amortization was 401 million euros, accounting for 19.6% of business turnover.

The net consolidated result for the year attributed to the group reflects a profit of 179 million euros. Additionally, the operating result was 245 million euros, compared with 123 million euros in 2020. This has allowed the group to recover the growth trend seen prior to the pandemic through a policy designed to reduce and contain production costs (particularly in markets where significant growth in volume held steady), ongoing control of logistical

costs, strict oversight of structural expenses and, in particular, the implementation of a business approach characterized by flexibility and the pursuit of excellence in all processes.

This recovery was achieved despite conducting business in an inflationary environment due to the rise in raw material prices and due to supply and demand imbalances, which especially affected the second half of 2021.



INVESTMENTS

The total amount of investments during 2019 in tangible assets and intangible fixed assets was 124 million euros, compared with 106 million euros in 2020. Considerable ordinary investments have been made to ensure adequate development of production plants.

Extraordinary investments included acquisition on 1 March 2021 of 74.9% of the shares in the Royo bathroom furniture business, located in Spain and Poland, as well as the acquisition on 30 July 2021 of 100% of shares in Sanitärtechnik Eisenberg GmbH, a German firm.

FINANCIAL STRUCTURE

The net worth has risen to 1,552 million euros, a reflection on the group's financial soundness, which bases its growth on self-funding through the reinvestment of profits. Net financial debt has dropped 77 million euros, thanks to stronger cash flow due to increased profitability and containment of circulating capital. In 2021, unused credit lines totaled 301 million euros.

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

	2016	2017	2018	2019	2020	2021
TOTAL NET EQUITY	1,353	1,276	1,305	1,402	1,289	1,552
CURRENT INVESTMENTS	145	116	145	154	106	124
NET FINANCIAL POSITION	(322)	(323)	(378)	(365)	(194)	(117)

in millions of €

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

CONSOLIDATED PROFIT-AND-LOSS ACCOUNT FOR THE FINANCIAL YEAR

INCOME (EXPENSES)	2021	2020
NET SALES	2,052,702	1,683,517
Purchase of materials, trade goods and services	(805,467)	(547,812)
Personnel costs	(507,854)	(436,665)
Depreciation	(138,374)	(132,359)
Work carried out by the Group for noncurrent assets	21,926	21,520
Other operating expenses and income	(377,455)	(465,612)
OPERATING RESULT	245,479	122,589
FINANCIAL RESULTS	(14,552)	(27,618)
Result from companies consolidated by equity method	(519)	(1,062)
Profit due to loss of significant influence	-	-
CONSOLIDATED RESULT BEFORE TAXES	230,408	93,909
Income tax expenses	(52,206)	(35,785)
CONSOLIDATED RESULT FOR THE YEAR	178,202	58,124
Net profit attributable to the parent company	178,749	60,167
Net profit attributable to noncontrolling interests	(547)	(2,043)

in thousands of €

The consolidated annual accounts for the years ending 31 December 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS).

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS	2021	2020
NONCURRENT ASSETS		
Goodwill	304,698	224,272
Other intangible assets	226,589	130,662
Right of use of assets	85,863	57,084
Property, plant and equipment	758,656	744,206
Property investment	10,127	12,036
Investments in associates	29,378	8,682
Noncurrent financial assets	6,397	7,788
Other noncurrent assets	4,697	20,167
Deferred income tax assets	95,843	112,753
TOTAL NONCURRENT ASSETS	1,522,246	1,317,650
CURRENT ASSETS		
Noncurrent assets held for sale	0	1,389
Inventories	463,899	356,165
Trade accounts receivable and other debtors	319,812	325,930
Other current financial assets	50,501	49,130
Income tax prepayments	17,397	2,481
Other current assets	43,053	41,886
Cash and cash equivalents	148,769	90,213
TOTAL CURRENT ASSETS	1,043,431	867,194
TOTAL ASSETS	2,565,677	2,184,844

in thousands of €

LIABILITIES	2021	2020
TOTAL EQUITY		
Share capital	152,624	152,624
Share premium	409,564	409,564
Reserves	1,053,829	1,022,973
Net profit attributable to the parent company	178,749	60,167
Prepaid dividend	(25,899)	(22,800)
Foreign currency translation differences	(237,238)	(341,529)
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	1,531,628	1,280,999
Noncontrolling interests	19,926	7,595
TOTAL EQUITY	1,551,554	1,288,594
NONCURRENT LIABILITIES		
Capital grants	2,751	2,400
Provisions	25,010	21,595
Noncurrent bank financial liabilities	294,771	262,842
Other noncurrent financial liabilities	96,483	56,820
Deferred tax liabilities	56,394	27,804
TOTAL NONCURRENT LIABILITIES	475,408	371,461
CURRENT LIABILITIES		
Provisions	17,104	18,277
Current bank financial liabilities	15,037	62,288
Other current financial liabilities	37,162	33,838
Trade accounts payable and other creditors	411,947	369,293
Income tax payable	18,924	11,992
Other current liabilities	38,542	29,101
TOTAL CURRENT LIABILITIES	538,715	524,789
TOTAL LIABILITIES AND EQUITY	2,565,677	2,184,844

in thousands of €

JUNE 2022

Avda. Diagonal 513, 08029 Barcelona

In 2021, the Group prepared the fourth edition of its Nonfinancial Information Disclosure (NID), for the purpose of complying with the provisions of the Commerce Code, Law 11/2018 of 28 December 2018, and other legal regulations, and for the purpose of reporting on issues related to environmental protection, social responsibility, treatment of employees, human rights, anti-corruption and bribery, as well as in relation to society and those relevant for the company in the execution of its business activities.



Ecological and chlorine-free paper

ROCA GROUP