

LEVANTINA GROUP

Non-financial
information statement
Executive summary // 2021



LEVANTINA

THE NATURAL STONE COMPANY

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THE NATURAL STONE COMPANY

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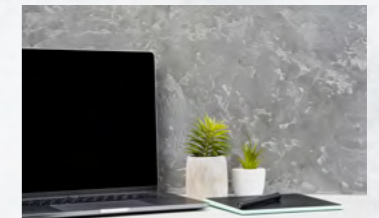
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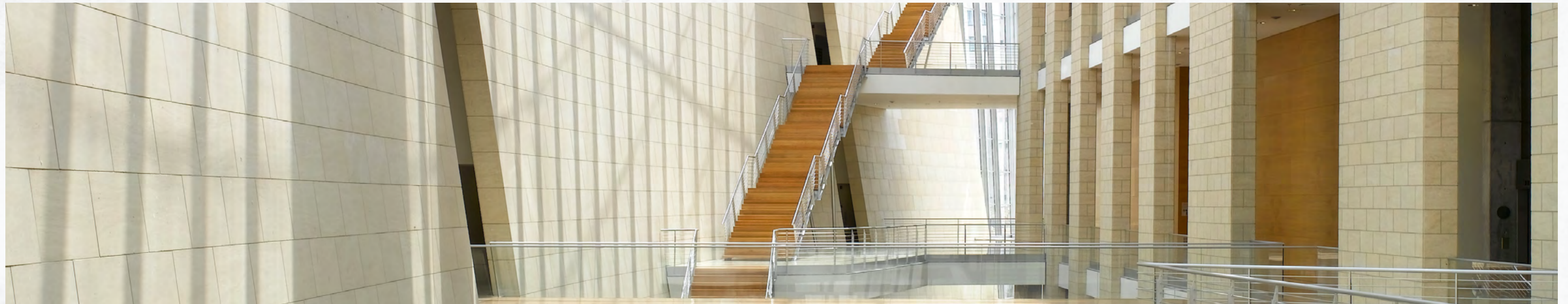
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About this report



Institutional message
Juan Dionis Trenor

2021 was a key year for recovery and momentum after the worldwide Covid-19 crisis. At Grupo Levantina, we implemented a contingency plan at all our worksites to protect our employees from the risks of contagion and the propagation of the virus. This extraordinary situation also influenced the prioritising of the group's most important affairs.

Our workforce is a strategic pillar for creating value: we promote diversity and equality in access to employment, and in professional training and internal promotion, contributing to labour market entry. We want to make Grupo Levantina

an attractive place to work by ensuring and fostering job stability and quality employment. In addition, the safety and health of everyone is a priority on which we base our commitment to ensuring a safe environment.

We have also continued to reduce our environmental impact by consuming resources responsibly and promoting and moving towards a circular economy. At Grupo Levantina, we carry out a variety of initiatives and actions that contribute to the circularity of our processes and activities. A clear example of this is restoring quarries using inert stone waste.

Because of our activity and its interaction with ecosystems, and the commitment of our workforce, Grupo Levantina has numerous collaborations with public and private entities to preserve the environment in which our activity takes place. In this way, up to 2021, we had restored and replanted more than 40 Ha in the areas mined. During this financial year, we restored more than one Ha and planted 1,564 specimens of different tree species.

Lastly, this document is an exercise in transparency and communication to all our stakeholders. In it, we provide the information they need to understand our situation and our evolution, by offering an accurate image of our performance this year.

CEO Levantina Group



01

Levantina Group

Levantina Group.

Profesionales de naturaleza
y diseño innovador

Levantina Group 2021

Notable data



Business International presence

- ☑ Spain
 - ☑ Brazil
 - ☑ United States
 - ☑ United Kingdom
 - ☑ India
-
- ☑ 8 wholly-owned quarries
 - ☑ 6 factories
 - ☑ 19 branches

Top exclusive brands

- CREMA MARFIL COTO®
- MARRON EMPERADOR®
- NATURAMIA®
- TECHLAM®
- PAVEX®

Environment

- ☑ Recirculation of almost **100%** of the water consumed by our production processes
- ☑ Certified renewable electricity in factories and quarries
- ☑ Environmental product certification
- ☑ **Circular economy project:** inert waste to restore degraded natural areas
- ☑ +47 Haof mined areas restored

People

952
employees
+80% in Spain

+95%
permanent
contracts

+ 6.000
hours of
training

66
training
actions

Grupo Levantina, an international company originating in Spain, is a world leader in the natural stone and Techlam sintered stone sector and provides leadership in sustainability, innovation and technology. Our corporate headquarters are in Novelda, in the province of Alicante, and we also have a subsidiary in O Porriño, in the province of Pontevedra, in addition to 11 branch offices in this country and 8 international offices in the United Kingdom, Brazil, India and the United States. We also have a factory in Brazil.

08

WHOLLY OWNED QUARRIES

Excellent responsiveness

06

FACTORIES

Competitiveness and innovation

19

BRANCH OFFICES

Accessibility

100

EXPORTS TO MORE THAN 100 COUNTRIES

International presence



Values

- Integrity
- Yield
- Success
- Motivation
- Flexibility



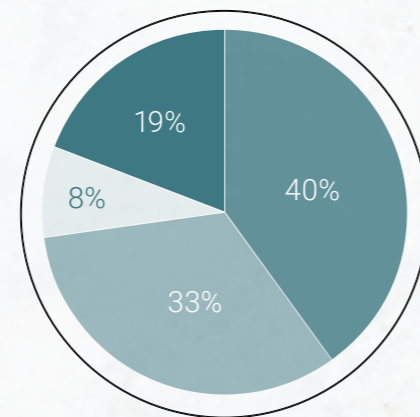
Our main activities

include exploiting, acquiring and leasing quarries; extracting, cutting, working and polishing ornamental stone; and, lastly, marketing and selling these products. The main products that we extract, produce and market are: Marble, granite, limestone, sandstone, travertine marble and sintered stone (Techlam®) in the form of blocks, slabs, tiles, cladding and custom cuts for construction projects.



81.934 m3
ornamental
rock from
our own
quarries

2021 production
by material
type (m2)



Marble
40%

Granite
33%

Limestone, sandstone
8%

Techlam
19%

Products

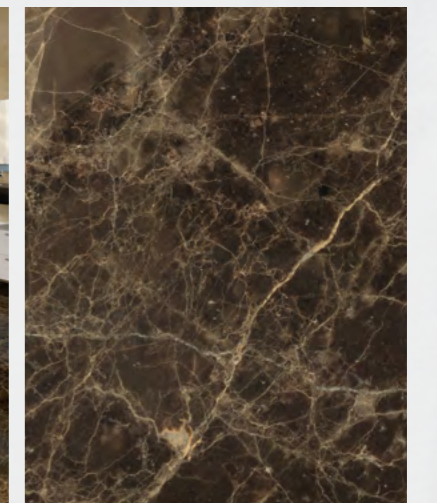
Mármol Crema Marfil Coto ®



Crema Marfil Coto® is the cream marble most appreciated around the world for its refined hues and discreet natural veining.

Marrón Emperador

A heavy-duty, extraordinarily strong natural stone, Marrón Emperador offers an elegance known to be unique, with undoubted predominance.



NATURAMIA®



Naturamia® Collection counter tops are designed by capricious nature, making them unique and unrepeatable.

PAVEX

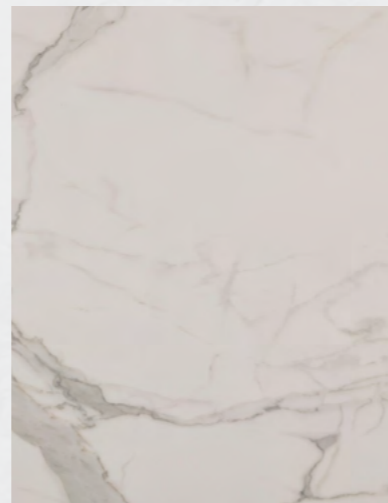
Pavimentos exteriores



Pavex®, outdoor paving and additional items in natural stone that add nobility and value to urban actions as the public of today seeks to live in a city with natural elements.

TECHLAM®

The new porcelain solution that, with its large format and minimum thickness, is revolutionising the decoration and architecture sector.





In 2021, Spain, the United States and Europe were our main markets, with more than 77% of total sales.

More than
€134 million
total sales
in 2021

34,9%

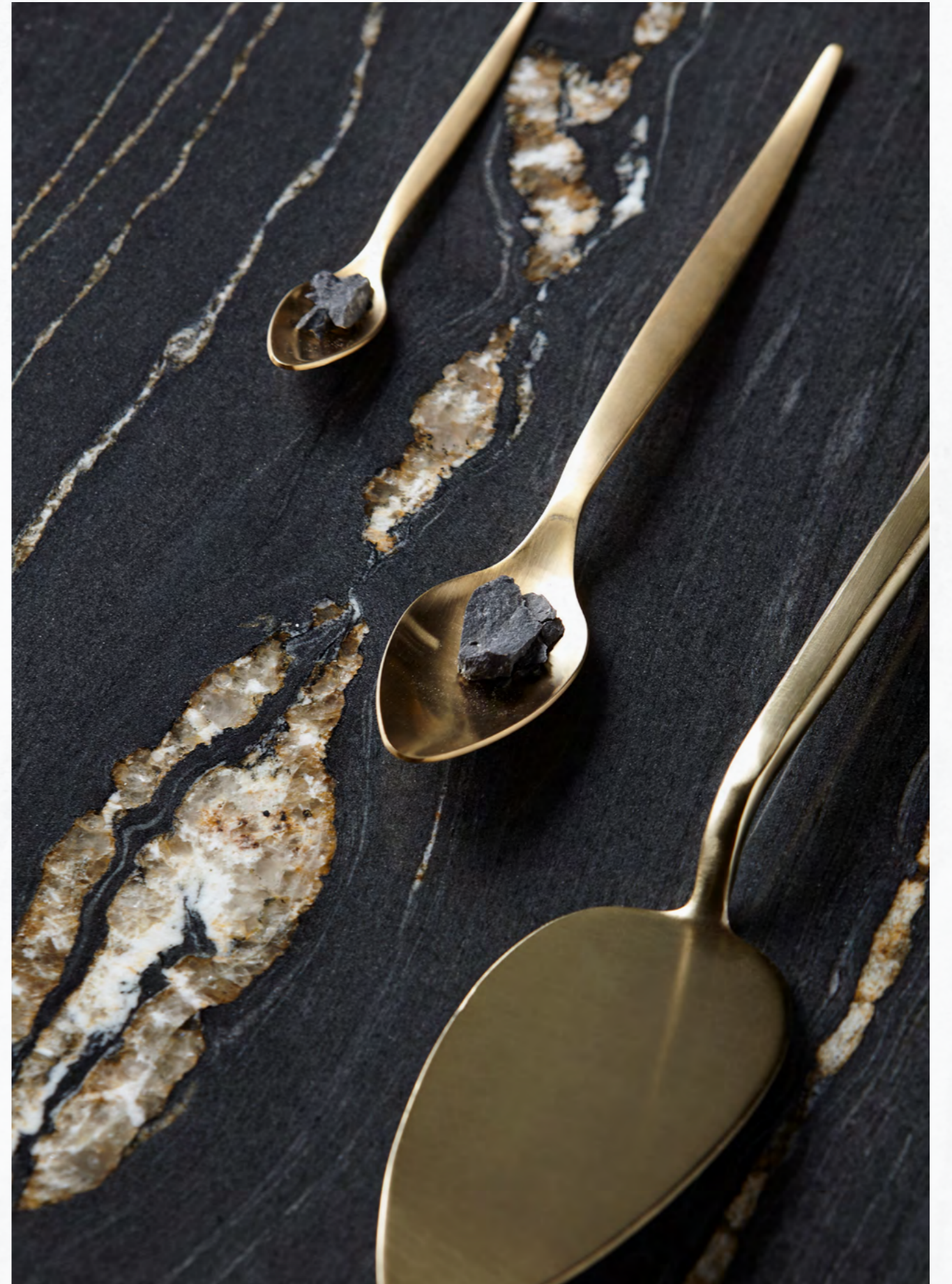
SPAIN

29,7%

UNITED STATES

12,8%

EUROPE



Objetives and strategies

Our strategic objectives are designed to make us into a global benchmark for the stone sector:

- To give products their true value.
- To commit to producing high-quality, sustainable materials, by linking quality with the brand.
- To offer customers a basket with a wide range of products and a great ability to respond with all the services required.

To achieve these objectives, we have planned a series of specific targets:

- Improving the company's profitability.
- Using our own quarries efficiently, by managing this natural resource sustainably and responsibly.
- Increasing sales and the sales margin.

Our Corporate Policies

At Levantina, we have made sustainability a part of our **Code of Conduct** and we have a variety of policies and internal procedures to minimise negative impacts and handle the financial, social and environmental management of our value chain.

- Quality and Environmental Policies
- Health and Safety Policy
- Human Resources Policy

We also have internal procedures and guidelines drawn up by the management to ensure that the organization operates smoothly.

Main risks identified

As we are aware of the importance of risk management, at Grupo Levantina we direct our efforts to identifying, measuring, analysing and monitoring the different risks facing the organisation, and establishing tracking and control mechanisms over time. The Board of Directors plays an essential role in the group by identifying the significant risks and supervising their management.

Major risks to the company

Risks with a high impact and medium/high probability of occurring

- Development of the company's mineral resources, taking into account their useful life.
- Impact of the global economic situation on the income statement.
- The global financial situation.
- Need for technological adaptation, especially the machinery in the factories.



02

**Committed
to the
environment**



Our Environmental Policy forms the basis for the essential pillars of sustainable development and corporate ethics. Our environmental commitments lead to greater respect for biodiversity and the sustainable use of natural resources by all areas of our organisation, including our products, scheduling operations and defending our strategies.



Commitments

To promote continuing improvement in quality management and the environment.

To set quality and environmental objectives and regularly check our compliance with them.

To strengthen our commitment to environmental protection and the prevention of pollution.

In 2021, ISO 14001 was implemented for Levantina Techlam® and a Sustainability Committee created that is responsible for proposing, approving, coordinating and tracking sustainability actions.

To ensure compliance with the legislative, regulatory and legal requirements applicable to our products and activities.

To set quality and environmental objectives and regularly check our compliance with them.

More than

€ 5,4 million

provision fund balance to guarantee against environmental risks

We have continued to be pioneers in our sector after gaining an Environmental Product Declaration (EPD) for our Techlam® products and natural stone materials, demonstrating our interest in identifying and reducing the environmental impacts of our products, and the transparency of our customer information.

We hold the following environmental certificates for our products:

- **Global EPD:** environmental product declaration.
- **Greenguard certifications:** ensuring low emissions from construction products for indoor environments.
- **A+ indoor air emissions:** materials that emit harmful substance levels well below the limits in the applicable regulations.

All mining operations managed by Levantina in this country implement a series of preventive measures to minimise possible atmospheric pollution, both from noise and dust.



Transformation to a circular economy

Circular Economy Pact¹. Actions promoted as part of our commitment

01

Progressively reducing the use of non-renewable natural resources.

02

Driving an analysis of the product life-cycle and including ecodesign criteria.

03

Contributing to the effective application of the waste hierarchy principle.

04

Promoting steps that increase innovation and overall product efficiency.

05

Fostering innovative methods of consumable consumption and service digitalisation.

06

Promoting a responsible consumption model, based on the transparency of information.

07

Facilitating the creation of proper channels for information exchange and coordination by encouraging synergies.

08

Publicising the importance of moving towards a circular economy.

09

Encouraging the use of common, transparent and accessible indicators.

10

Promoting the inclusion of social and environmental impact indicators.

Raw materials

We apply the circular economy principle to our Techlam® range of products by recovering a clay fraction during the production process, which is returned to the supplier. The clay recovered is used in the grinding process, being introduced as a raw material.

43% of the clay supplied is recycled clay

Benefits from the recovery of the clay:

- Reduces the impacts of extraction and processing.
- Prevents the creation of non-recoverable waste.
- Contributes to the demand for products with recycled content.
- Promotes the circular economy.

Waste

With our waste management manual, we ensure that the waste generated because of our activities is properly removed and deposited since most of that waste (99.88%) is non-hazardous and inert.

As a circular economy measure, part of the non-hazardous waste (sterile) is used to fill mining cavities for subsequent re-planting and restoration of the quarry.

At the Monte Coto quarry and in Cerro de Cuevo, we collaborate with an aggregate plant that uses the waste as a raw material for its production process.



¹ Signatories of the Circular Economy Pact since 2017.

Addressing climate change

Steering the growth of the organisation so that it is in harmony with the environment, managing actions to bring about sustainable development, meeting the current regulations, respecting voluntary agreements, developing communication strategies and innovating in environmental management are some of our priorities.



In 2021, we developed various action lines to address climate change:


Calculating our carbon footprint

Calculation of the carbon footprint of our largest production site (Novelda, Alicante) for scopes 1 and 2.

Performing a life-cycle analysis of our products

We analysed the life cycle of the production process of our natural stone and Techlam® materials by obtaining the Environmental Product Declaration (EDP): Natural stone (Kg CO2 eq).

Natural Stone (Kg CO2 eq)

| | A1 | A2 | A3 | A1-A3 |
|-------------------------------------------------------------------------------------|----------|----------|----------|----------|
|  | 2,05E+01 | 5,91E+00 | 5,29E+01 | 7,93E+01 |

Techlam® (Kg CO2 eq)

| | A1-A3 |
|-------------------------------------------------------------------------------------|-------|
|  | 9,0 |

Efficient use of energy

1. We reduced electricity consumption by replacing the lighting at Novelda with LEDs.
2. Almost 100% of the electricity purchased and consumed by our factories and quarries comes from renewable energy sources with a guarantee of origin certificate².
3. In 2022, we plan to install self-consumption photovoltaic plants on the roofs of some of our factories in Spain.

Responsible use of water

Almost 100% of water used in the production process is treated using decanters and pressure filters that constantly recycle the treated water. We are working to reach zero discharge.

² LDPE has 0.38% CO2 emissions because of imported electricity.

Protecting biodiversity

Restoration of degraded areas by recycling suitable inert waste from discarded worked and processed natural stone.



We recycled the discarded natural stone by sending it to restore 167,000 m2 of an area degraded by the existence of old, abandoned clay mines still to be restored that were not the result of Levantina's activities.

To do this, the discarded natural stone, declared to be a Suitable Inert Waste (in accordance with Generalitat Valenciana Decree 200/2004), was used to restore the geomorphology of these areas and return them to their original topography. This project created wealth in the area since it required the creation of a new company, with which we are cooperating in its development, and it created new jobs.

As the topography of these areas is recovered, the restoration of the plant cover takes place using native species so as to restore the biodiversity of the place.

The environmental benefits of this project are an improvement in the ecosystem and biodiversity, the elimination of the visual impact, the reduction/elimination of erosive processes, defragmentation of the land to boost connectivity, an increase in the natural capital and the removal of CO2 emissions, among others. In turn, it strengthens the ability to adapt to climate change.

In this area, we have implemented environmental awareness raising activities and cooperated with universities, especially the Universidad Miguel Hernández in Elche, on tracking the evolution of the project using its student internship programme.



[Link video ▲](#)

We have therefore acted as change agents, promoting the circular economy, since we have closed the circle by restoring degraded areas and shown an example of how the circular economy can respond to the needs of companies and our stakeholders.



This project took second place in the Spanish section of the European Business Awards for the Environment (EBAE).



[Juan Dionis at EBAE awards ▲](#)



Acciones in 2021



Monitoring restoration

Setting up pheromone traps for processionary moths

“Marble & Biodiversity” project

Treatment of processionary moths with *Bacillus thuringiensis*

Monitoring populations of *Alondra Ricotí*



03

**Committed
to people**



Our workforce is a strategic point for creating value sustainably. With our Human Resources Policy, we therefore set the guidelines that govern labour relations and act as a reference for defining specific objectives for people management.



Our commitments

Diversity and equality

To respect diversity by promoting non-discrimination for any personal, physical or social circumstance and providing equal opportunities in each and every one of the Group's processes while adapting jobs for and offering accessibility to people with functional diversity.

An attractive place to work

To provide an attractive place to work that guarantees and promotes the professional development of the workforce, and its safety and well-being.

Access for young talent

To promote the entry of young people into the world of work by offering internships, scholarships and other working arrangements.

Remuneration system

To set up a fair remuneration system that makes possible to attract and retain the best professionals, and bring their personal goals into line with those of the company.

Training and development

To offer the entire workforce the opportunity to make the most of their skills and professional competencies, by promoting internal promotion, training and talent development.

Safety and health

To guarantee a safe and healthy working environment, by organising prevention mechanisms and encouraging a culture of healthy habits.

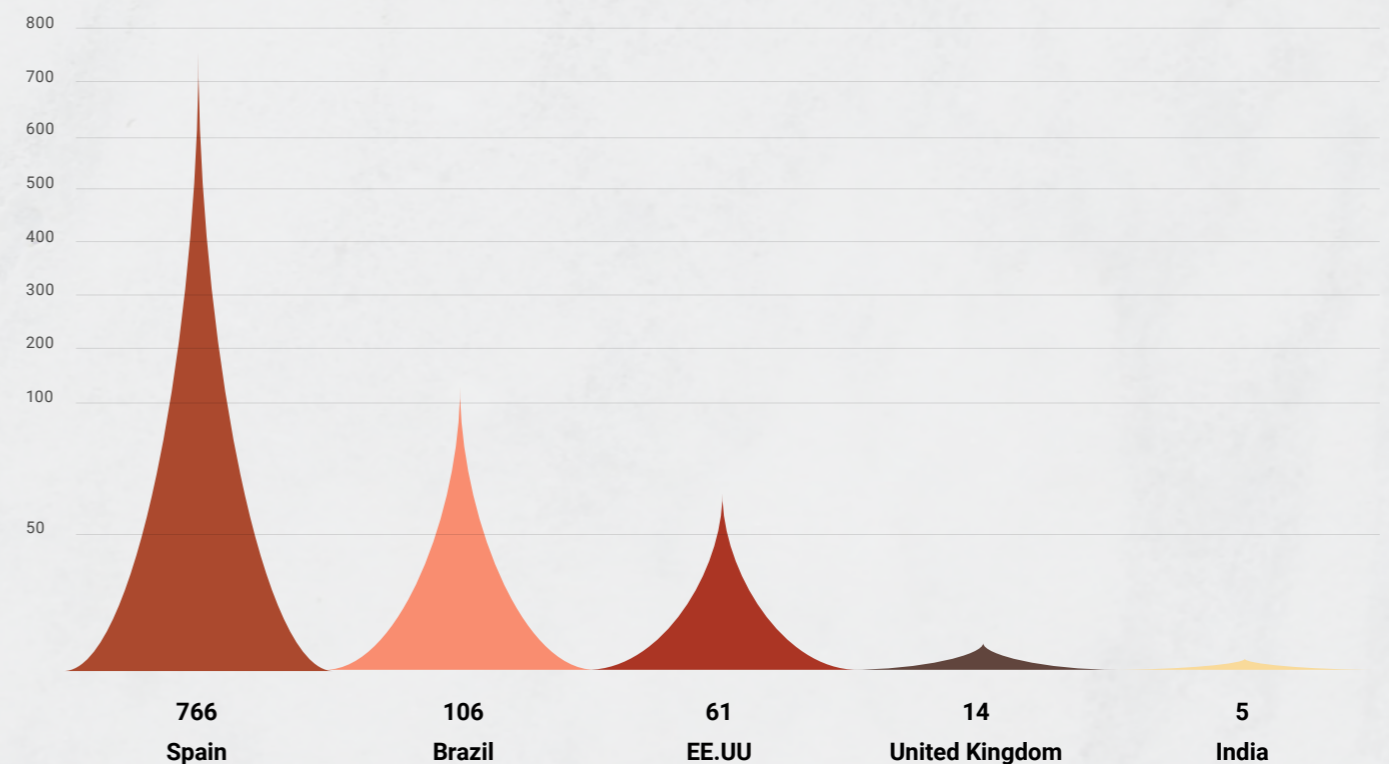
More than

950 professionals

make up the Grupo Levantina workforce



Human team by country:



Quality employment

At Grupo Levantina we take care of our human resources with measures that provide quality employment and an egalitarian and inclusive environment.

We contribute to the job stability of the workforce.

More than 95% of contracts are permanent

We work to make the working and personal lives of our workforce compatible.

Flexible schedules for office staff

Continuous rotating shifts for the factory and quarry workforce

Possibility of teleworking for positions that permit it

Reduced working day to care for a child or family member

Parental leave for 100% of the workforce

We provide private medical insurance that can include family members in the first degree.

Negotiation of special discounts with providers of healthcare, training, aesthetics, sports, travel, leisure and entertainment.



Training

At Grupo Levantina we firmly believe in internal promotion, training and developing the talent of all those who make up the company. We have therefore implemented a variety of programmes to improve skills and knowledge in all the company's functional areas as part of our Annual Training Plan.

In Spain, we offered 66 training actions totalling more than 6,700 hours, 13% more than in 2020.

66
training actions

+ 6.000
hours of training

17,55
hours of training per person

Safety and health in the workplace

To be a leading company in our sector means also being a leader in safety and health standards, so we have made a commitment to our workers, contractors, communities and customers that we will provide a safe working environment, making this principle one of the company's basic values.

Our Safety and Health Policy states that people are one of our strategic values, so that ensuring their safety, health and well-being is a priority for us.



Promoting prevention and action

We implemented a coronavirus prevention and action procedure that contains specific procedures for each position so as to minimise the risk involved in the activity.

Diligence in risk management

We keep a record of work-related accidents and set goals for reducing them. We also give monthly talks to the workers summarising the most noteworthy accidents and the preventive measures adopted to minimise the risk.

We have Safety and Health Committees consisting of Prevention Delegates at worksites with more than 50 people, and at those with less than 50 there are Prevention Delegates chosen by the workers.

A safe and healthy company

We promote healthy habits among our employees at all levels, including sports, healthy lifestyles and diet, reinforcing a culture of prevention both at work and in personal life.

We have a:

- Joint Prevention Service
- Joint Medical Service
- Risk assessment system
- Health and safety incident tracking and assessment system as part of the Prevention Plan.



04

**Committed to
corporate
responsibility**



Our commitment to corporate social responsibility goes beyond our own organisation: we have adopted and promote ethical, transparent management throughout the entire value chain.



Code of conduct

Our Code of Conduct sets out the values that must guide the behaviour of the entire organisation, to strengthen a corporate culture accepted and respected by all. This culture is also intended to offer guidelines and define the minimum standards that the Group expects of relations between employees and with all those who have some kind of link to the organisation.

The Code of Conduct sets out the ethical principles and values that guide our behaviour.

- | | | |
|----------------------------------------------------------|----------------------------------------------------|-----------------------------------------------|
| 01 Ethical action in accordance with the law | 06 Effective equality and professional development | 11 Environment and protection of the land |
| 02 Obligations of those who have contributors under them | 07 Information, confidentiality and knowledge | 12 Use and protection of assets |
| 03 Health and safety | 08 Negotiations with customers | 13 Anti-bribery and corruption measures |
| 04 Respect for people | 09 Conflicts of interest | 14 Integrity of information and documentation |
| 05 Gifts and hospitality | 10 Business opportunities | |

Combating corruption and bribery

The Crime Prevention and Response Manual defines the procedures to be applied in the event of violations of this type listed in the Code of Conduct and acts as a tool for the Group to set up a structured monitoring system.

We have an ethical mailbox available to the entire workforce through which they can channel their suggestions and reports regarding acts that are illegal or contravene the Code of Conduct.

Human rights

The Code of Conduct establishes guidelines for action, specifically making reference to compliance with Human Rights; prohibiting forced labour and child labour; ensuring effective equality and non-discrimination; integrity of information and documentation; environmental protection and measures to combat bribery and corruption.

·We communicate to and publicise the contents of the Code of Conduct among all employees.

·The entire workforce must accept and undertake to comply with the values, principles and rules set out in the Ethical Code.

·The Code of Conduct serves as a reference for relations with shareholders, suppliers, customers, society, etc.



05

**Committed
to society**

Our group is firmly committed

to improving the societies in which our activities take place:

Providing professional development to young people

Collaborating with groups with special needs.

Collaborating with innovation and entrepreneurship programmes

Awarding prizes to promote innovation and the creation of companies.

Strengthening knowledge of the natural stone industry

Hosting visits by students to the facilities (factories and quarries).

Raising environmental awareness

Implementing reforestation activities.

Holding circular economy and recycling workshops.

Contributing to community local development

We promote employment among young people through internships, which offer them their first opportunity to work and to acquire not only knowledge but also skills and competencies.

7

Interns in Spain

75%

More than in 2020

We promote and encourage the hiring of staff in the geographical regions in which our activities take place.

75%

Local management

We maintain a value creation strategy in the regions in which we operate, contributing to the development of the community and benefiting it by favouring the contracting of local suppliers.

€20

Million to local suppliers

54%

More than in 2020

We also belong to a variety of industry and employers' associations to promote competitiveness, innovation and social and economic growth:



Working with our suppliers

Our values and the commitments to ethics and social responsibility contained in our Code of Conduct, in addition to approval procedures, allow us to have a responsible supply chain that fits our group values.

We have included the compliance agreements in our Code of Conduct in business agreements and since 2018 CSR (Corporate Social Responsibility) criteria are also included in the approval requirements for new suppliers, and for reviewing those already existing.

78

New suppliers in 2021

1.264

Active suppliers



Objetivos de Desarrollo Sostenible

We are aware that the SDGs provide a new viewpoint that makes it possible to translate overall needs and ambitions into solutions, as it is a viable model for long-term growth and the development of more solid strategies. We are therefore focusing our efforts on the SDGs whose impact, influence and potential for change are most important for our organisation.



Promoting a culture of prevention // Updating the measures contained in the coronavirus action protocol // Encouraging healthy habits and an active life



Employee training and development // Promoting the professional development of employees // Contributing to job stability with permanent contracts // Attract and retaining employees with an egalitarian remuneration system



Contributing to the application of the waste hierarchy principle // Having a more sustainable fleet of vehicles // Providing electric vehicle charging points



Changing from conventional lighting to LEDs // Purchasing power from 100% renewable sources with a certificate of origin // Installing self-consumption photovoltaic panels planned for 2020



Restoring more than 47 Ha of mind areas // Restoring 1.2274 Ha and planting 1,564 specimens at the Nerpio and Lorca quarries. // Restoring the plant cover of a 21,000 m2 area in the province of Alicante.



06

**About this
report**








This report contains information for stakeholders and a summary of the Grupo Levantina Non-Financial Information Statement drawn up in accordance with the requirements of Law 11/2018, of 28 December, on Non-Financial Information and Diversity, available at the following link.



To present the information, the GRI (Global Reporting Initiative) indicators for creating sustainability reports and the United Nations Sustainable Development Goals (Agenda 2030) were used as a reference.

Grupo Levantina considers the following topics to be a priority.

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Environmental</p> <p>Waste management Biodiversity</p> |  <p>Social</p> <p>Safety and health of the workplace Efficient use of resources</p> |  <p>Economic</p> <p>Economic performance Ethics and good governance</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



LEVANTINA

THE NATURAL STONE COMPANY