

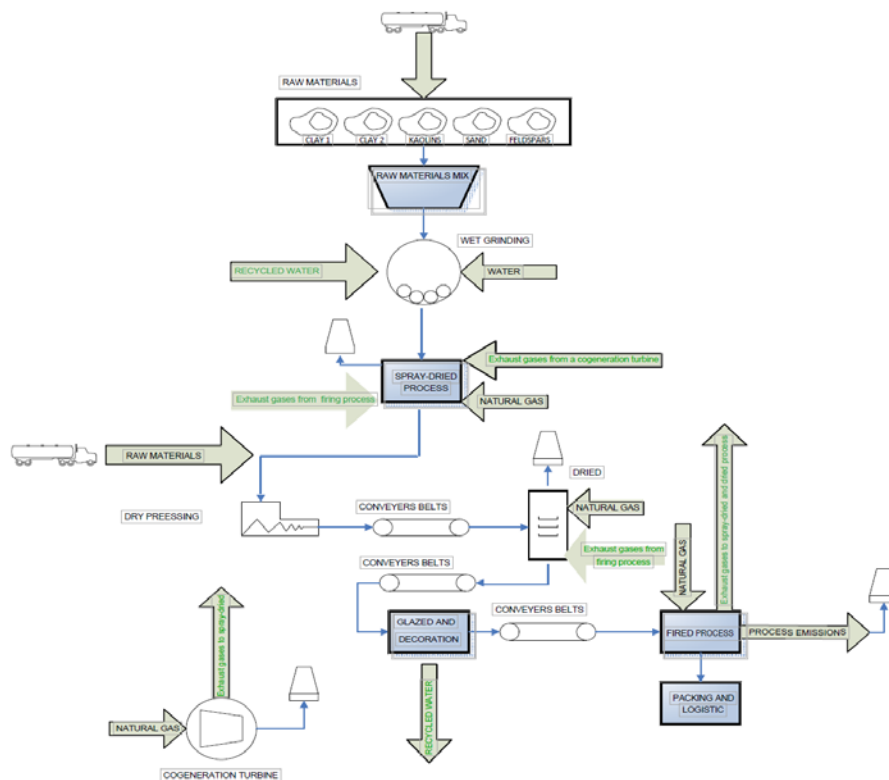
At KERATILE we are engaged in the manufacture and commercialization of paving and ceramic coverings. As a responsible and continuously evolving organization, we are aware of the need to adopt in new technological processes, new product ranges and services, in order to respect and protect the environment. For this reason we declare our commitment with the environment, carrying out guidelines focused on the fulfillment of our objective.

We have a Department of Quality, Environment and Prevention Management, and its function is to control and coordinate all the measures that must be taken to guarantee that all the environmental actions related to our activity comply to the organization.

- Our company has a Quality Management system in conformity with ISO 9001: 2015 Standard.
- Our integrated policy expresses and defines our ethical commitment to offer individual products and services, all without forgetting our commitment with the Environment, offering the best from an environmental, economic and social standpoint.

The actions implemented by our organization are aimed at reducing our impact on the environment as much as possible.

MANUFACTURING PROCESS



Measures adopted, amongst others, include:

ENERGY SAVING

One of our strengths is the reduction to the maximum of consumption of resources and energy, making use of fuel and raw materials that produce the least possible impact on the environment.

Measures Taken:

- Implementation of LED technology as a lighting system throughout the organization.
- The installation of high efficiency burners in the firing process.
- Use of natural gas as fuel during the manufacturing process, being the safest option in terms of atmospheric emissions.
- Implementation of a Cogeneration system is considered an energy pillar whose activity is a source of sustainability. This cogeneration plant, in addition to producing energy, produces heat that is subsequently used in our atomization plant.

It should be added that not only do we take advantage of the heat source of the turbine, we also take advantage of the heat generated by the kilns during the firing stage, for other processes such as the drying of the pieces, so that we reduce energy consumption in different processes within our productive system.

After having made investments and implemented measures, **we have achieved a reduction of 32% in primary energy consumed.**

WATER

In our productive process, water consumption predominates because it is of primary necessity. For this reason, we are involved in responsible and efficient water use.

KERATILE has applied different systems of purification and utilization, so that our purpose of achieving **zero discharges** is a reality.

The water and sludge resulting from the production process are reintroduced into our system, **with 100% wastewater reused** in the atomization and grinding section.

ATMOSPHERIC EMISSIONS

As previously mentioned, the minimization of energy consumption provides us with other benefits such as the reduction of CO2 emissions associated with the firing process, which supports the commitment by KERATILE under the Kyoto Protocol.

The management of atmospheric emissions requires us to carry out periodic measurements to control emission levels and thus comply with current legislation and thanks to this action, KERATILE ensures the conservation and protection of the environment.

Other aspects to be highlighted are the filtration systems which retain the particles from suction and environmental dust currents formed in the production process. We also have a continuous measurement system that transmits the emission data in real time. This device is connected to a computer system that, in the case of the marked measurements being exceeded, warns of the existing risks and so action can be taken immediately.

KERATILE is supplied with raw materials from mines near our facilities, so that we minimize the emission of particles into the air during the management and transportation of these goods.

In the same way, our facilities are 100% paved in their entirety, so contributing to **reduce the emission of dust to the environment** by the displacement of raw materials.

INTERNAL AIR EMISSIONS

Ceramic tiles in the firing cycle of the manufacturing process undergo a heat treatment that ranges between 1000°C and 1200°C, therefore any organic compounds in the composition are volatilized, offering a **finished product free of any emission of volatile organic compounds (VOCs) perceptible in the phase of use.**

All this is accompanied by a continuous improvement in our technologies, a fact that allows us to be at the forefront of new decorative processes, and at the same time **reduce the consumption of raw materials thanks to digital inkjet printing.**

WASTE

At KERATILE we are pleased to state that the waste generated in the production of our ceramic tiles is reincorporated into the process in its entirety, through proper and correct recycling management.

The minimum percentage of recycling, according to internal data, we do is:

- Crude rejection (5%)
- Water and sludge (49%)
- Atomized dust powder (2.5%)

On the other hand, the remaining waste that cannot be reused is managed within the legislative framework by authorized managers, mostly by recovery and recycling treatment, under the control of the respective department.

PACKING AND PACKAGING

Our packing and packaging used for the conservation and conditioning of our products being put on the market, are studied and analyzed exhaustively by the relevant department. Action is taken to reduce and minimize the quantity placed on the market, so in this way we collaborate adequately in continuous improvement regarding environmental impact.

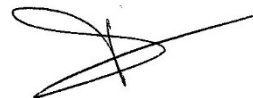
100% recyclable cardboard is used for the packaging of our products.

All these actions are reflected not only in our own management system, but by actively collaborating with administrative entities through **ECOEMBES Spain and the Business Plans for Prevention and Minimization of Packaging.**

Conclusion

Our environmental objective is to collaborate in the development of buildings based on a criteria of sustainability and efficiency. That is why our products conform to this certification, being committed to *Social Welfare and Quality of Life.*

We are working continuously to improve and contribute to the awareness of an optimal environmental commitment for all, ensuring the improvement of the planet is a fact associated with *Sustainable Development.*



Signed
Mr. David Rosell Mingarro
Quality, Environment and PRL Manager
January 17, 2018