

SUMMARY OF THE

**2018**

SUSTAINABILITY  
REPORT



# LETTER TO THE STAKEHOLDERS



2.5 billion euros turnover, 10,277 employees and 83 operating subsidiaries all over the world. These are the figures with which Mapei closed another positive year, a reflection of the

latest among the countless achievements reached during this long path of growth, which started back in 1937.

And after more than 80 years of doing business, Mapei Group proved once again in 2018 that it is still able to keep up with the times and that, over the years, it has not lost its ability to embrace changes in the market and to intercept and anticipate the clients' needs, by providing cutting-edge and high quality solutions.

The key to this constant success and continuous growth is the integrity and perseverance that have always been our Group's distinguishing features. In fact, in all these years, we have remained true to ourselves and to our values: commitment, professionalism, passion, transparency and competitiveness have guided Mapei step by step, reaffirming year by year the Company's reputation and leading role at international level.

The fluctuating trend of the building industry has led to us having to reshape our way of "doing business", with Internationalisation, Specialisation and Research and Development being joined by a new, fundamental cornerstone, Sustainability, which represents an essential driver behind the continuous growth of a company and a fundamental requirement for the efficiency of any production and commercial system.

This is why, driven by the will to be an example of a proactive approach and leader in our sector, we pay more and more attention to the sustainability of our products. Fully aware of being able to provide a substantial contribution, as a Group we have a duty to put ourselves on the frontline for this challenge: to create a

more sustainable building industry. This implies investing more and more resources in the creation of innovative products, which can help increase the sustainability of those buildings they will be applied in, thereby minimising their impact on the local environmental and safeguarding the health of those who live in them.

This commitment in the field of product sustainability does not deflect our attention away from all the other environmental and social initiatives Mapei is involved in and for decades the Group has shown initiative and enthusiasm, by meeting all its stakeholders' interests.

Our main priorities remain the creation of a work environment that is safe, friendly and comfortable for all our employees, monitoring the impact of our production processes on the environment and the control of raw materials, that is, both the development of solutions that reduce consumption of virgin materials and, where possible, choosing only to use recycled substances in the actual process.

A fixed point is also the attention the Group pays towards the outside and to all those who interact with Mapei. We dedicate a well-organised system of assistance, support and training to our clients and co-workers, while we actively organise events, funding and donations for the community, be it in the sports, cultural, solidarity or educational field. I believe it is crucial to remember that seeking to create a sustainable business cannot be limited to a single activity, area or time. It has to be a growing and intensifying approach over the years, which evolves to meet all stakeholders' ever-changing needs. So, being committed to sustainability means innovating, facing challenges, being curious and willing; all the qualities and characteristics our Group was founded on. And it is in this respect, being fully aware that "Any undisclosed results were never reached in the first place", we proudly present our third Sustainability Report.

**Giorgio Squinzi**



## OUR THIRD SUSTAINABILITY REPORT

Sustainability has always been the distinguishing feature of Mapei's commercial and production system. This is why, this year, Mapei is publishing its third Sustainability Report, aimed at sharing its environmental, social and economic performances and also the constant commitment dedicated to further improvements.

In continuity with the previous year, the 2018 Sustainability Report includes data and information for the parent company Mapei S.p.A., as well as for its Italian subsidiaries. The report describes measures implemented to supervise, analyse and reduce environmental and social impact related to the Group's activities, such as production process and product distribution on the market.

The report is made up of an introductory section and four chapters, each one dedicated to one of Mapei's keys to success: research and development, production system and supply chain management, investment on people and attention to the community.

PERSONS  
QUALITY  
RESPONSIBILITY  
SPECIALISATION  
TRADITION  
PROXIMITY  
EXCELLENCE  
INTERNATIONALISATION  
DURABILITY  
INNOVATION  
TECHNOLOGY  
EFFICIENCY  
TRANSPARENCY  
FAMILY



# SUSTAINABILITY FIGURES


All figures refer to the entire Mapei Italy framework\*

**820.9** 


MILLION EUROS  
VALUE DISTRIBUTED  
TO STAKEHOLDERS  
IN 2018

**10%** 


OF TURNOVER IN 2018  
CAME FROM PRODUCTS  
WITH FORMULATIONS  
LESS THAN THREE  
YEARS OLD

**35.7** 

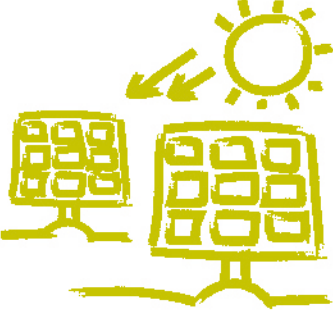
MILLION  
EUROS  
SPENT ON  
R&D  
IN 2018

ABOUT  **4,400**  
HOURS OF  
TECHNICAL  
TRAINING


AND ABOUT  
**54,000**  
PARTICIPANTS  
IN 2018



  
**108**  
NEW  
PRODUCTS  
INTRODUCED  
ON THE  
MARKET IN 2018

 **2,726**  
TONNES OF  
CO<sub>2</sub> PREVENTED IN  
2018 (BY GENERATING  
OUR OWN ENERGY  
FROM PHOTOVOLTAIC  
CELLS AND  
HIGH-YIELD  
COGENERATION  
PLANTS)

TOTAL AMOUNT OF CO<sub>2</sub>  
DURING THE LIFE CYCLE  
OF KERAFLEX MAXI  
S1 ZERO ADHESIVE IN  
2018 FULLY OFFSET BY  
PURCHASING CREDITS  
FOR A REFORESTATION  
PROJECT COVERING  
AN AREA  
OF MORE THAN **21,000 hectares**





  
**81%**  
OF PURCHASED  
GOODS (IN WEIGHT)  
FROM ITALIAN  
SUPPLIERS IN 2018

 **2,197**  
EMPLOYEES IN 2018  
(+8% COMPARED  
TO 31/12/2016)

**3.6%** →  
EMPLOYEE  
RESIGNATIONS IN 2018

↓ **6.9%**  
NEW EMPLOYEES  
IN 2018

 **94%**  
OF EMPLOYEES  
WITH A PERMANENT  
WORK CONTRACT

 **27%**  
LOWER WORK-  
RELATED INJURY  
RATE FOR THE  
THREE-YEAR PERIOD  
2016-2018

APPROX. **42,200** HOURS  
OF TRAINING FOR EMPLOYEES  
(19 HOURS PER CAPITA)

APPROX. **32** MILLION EUROS  
AS CONTRIBUTION TO SPORTING,  
CULTURAL AND SOCIAL INITIATIVES



INTRODUCTION OF THE TRADE-UNION  
AGREEMENT ON  
**Solidarity Leave**  
(BASED ON 2014 FRENCH "LOI MATHYS")

AND CREATION OF AN  
**Ethical  
Hours Deposit**



\* Figures do not include U.S. Sassuolo Calcio S.r.l., Mapei Stadium S.r.l. and Fili & Forme S.r.l. (see page 2).

The full version of the 2018 Sustainability Report is available on our website [mapei.it](http://mapei.it)

# Roadmap of the 2018 sustainability report

The 2018 Sustainability Report, drafted according to **GRI (Global Reporting Initiative) Sustainability Reporting Standards**, highlights the main environmental, social and economic aspects that characterise the Company, recalling undertaken initiatives and results obtained in the respective year.

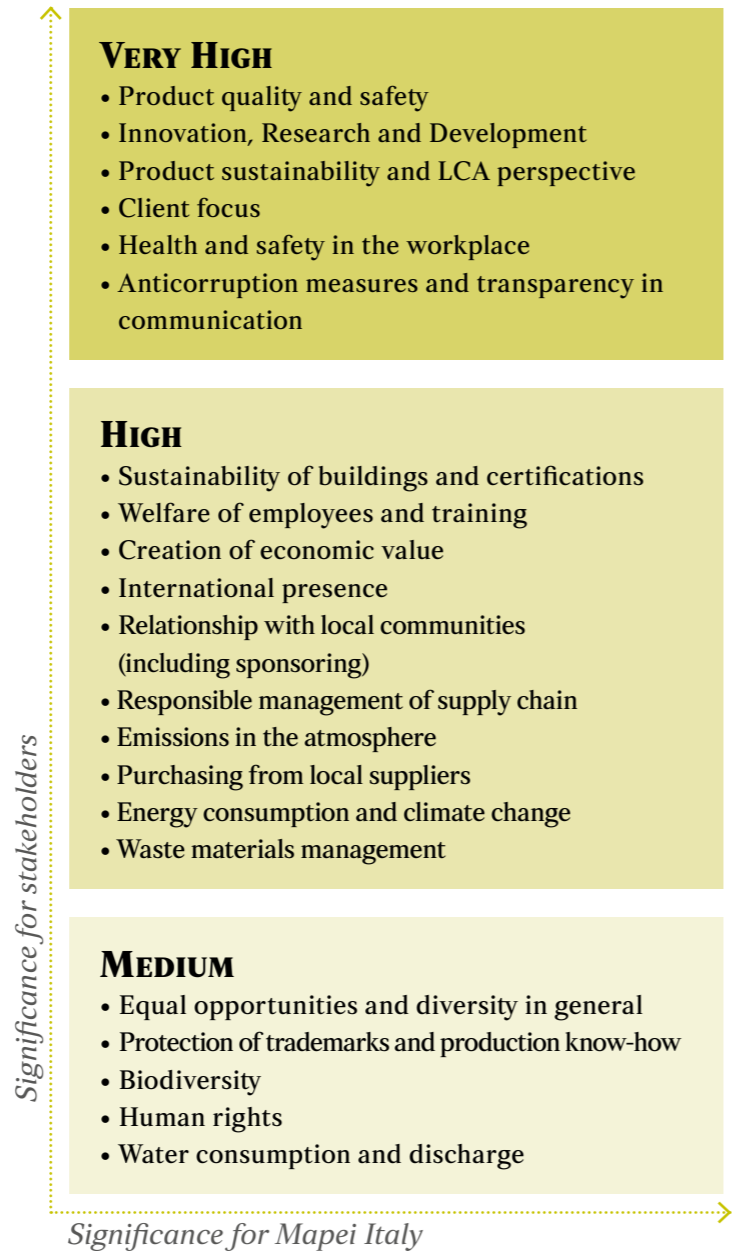
As for the previous year, this 2018 Sustainability Report refers to Mapei S.p.A. (from now on also addressed as "parent company") and the Italian subsidiaries Adesital S.p.A., CerCol S.p.A., Mosaico+ S.r.l., Polyglass S.p.A., Vaga S.r.l and Vinavil S.p.A.

Inside the document, reference is made to this framework under the heading "Mapei Italy". Fili & Forme S.r.l. is instead not included in the present report, since it was acquired by Mapei in April 2018.

Lastly, according to the pro forma financial report and in continuity with the past years, subsidiaries U.S. Sassuolo Calcio Srl and Mapei Stadium Srl are neither included.

The route taken by Mapei in drafting this report involved a work group including top Management representatives, who followed each step of the document's drafting and preparation. Moreover, many company functions took an active part in the project, giving their contribution regarding their area of expertise. As far as identification and priority to Mapei stakeholders are concerned, the information reported in past sustainability reports was validated; materiality analysis was instead updated through a process implying Mapei's work group direct involvement.

## Mapei 2018 materiality analysis (refers to Mapei Italy framework)



The constantly growing awareness towards sustainability brought Mapei to share and promote four among the SDGs Sustainable Development Goals defined by the United Nations, according to the Group's priorities and material issues identified.





## 1 THINK, CONSTRUCT, IMPROVE: THE SECRET OF OVER 80 YEARS OF SUCCESS

*Family values woven into those of the company, courage, intuition, research, innovation and new ideas, are our legacy.*

Giorgio Squinzi

### The Italian heart of a global company

The nerve centre of Mapei Group's presence on the international scene is in Italy.

It is here that we have six subsidiaries which, over the years, have formed a tight network with the parent company, Mapei S.p.A., and have become part of the great Mapei family: Adesital S.p.A., CerCol S.p.A., Mosaico+ S.r.l., Polyglass S.p.A., Vaga S.r.l. and Vinavil S.p.A.

As of the 31<sup>st</sup> of December 2018, these six companies and Mapei S.p.A. combined had a total of 2,197 employees, the largest part of which work for the parent company (67% of the total workforce in Italy).

#### Italian trademarks of Mapei Group



ADESIVI - SIGILLANTI - PRODOTTI CHIMICI PER L'EDILIZIA



#### Mapei Group in 2018

**83** OPERATING SUBSIDIARIES, INCLUDING THE PARENT COMPANY, IN 56 DIFFERENT COUNTRIES

**31** MAIN RESEARCH CENTRES IN 20 COUNTRIES

**79** PRODUCTION SITES IN ALL 5 CONTINENTS, IN 35 DIFFERENT COUNTRIES

**2.5** BILLION EUROS CONSOLIDATED TURNOVER AS OF THE 31<sup>ST</sup> DECEMBER 2018

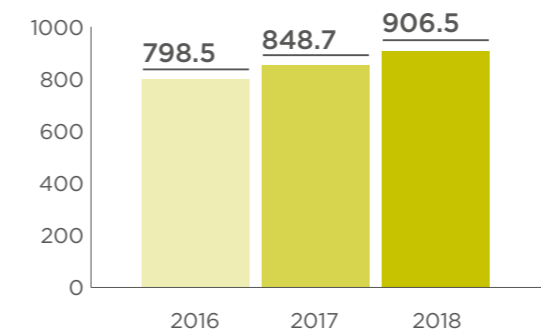
**10,277** EMPLOYEES

### Generation of value for stakeholders

The value generated by Mapei Italy and its distribution amongst the stakeholders was calculated according to GRI Standards on the basis of the values used for the Group's consolidated financial statements.

Over the three-year period 2016-2018, the level of economic value generated had a positive growth trend of 14%.

#### Generated economic value (million €)<sup>1</sup>

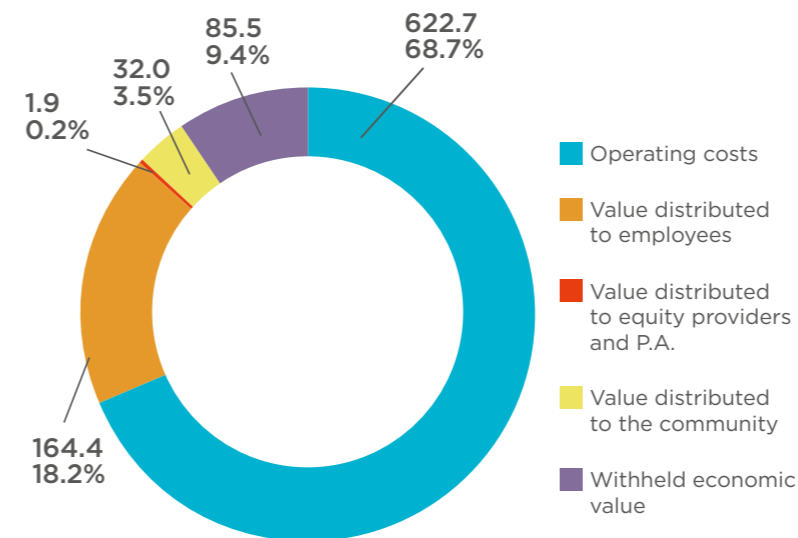


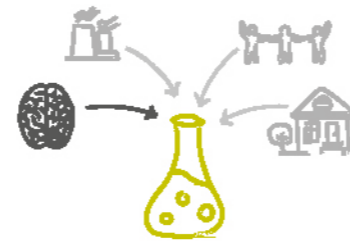
<sup>1</sup>The figures for 2016 and 2017 were recalculated with respect to the previous Sustainability Report, thanks to a new reporting tool that enabled the company to carry out a more detailed analysis focused on the specific framework of the Report highlighted in this document.

As illustrated in the graph below, of the 906.5 million Euros of economic value generated in 2018, 820.9 million Euros (91% of the total) were shared amongst the main stakeholders as follows:

- operating costs were 622.7 million Euros, around 70% of which was for raw materials;
- wages and salaries for employees accounted for 164.4 million Euros, an increase of 6% on the previous year;
- equity providers, shareholders and Public Administration received 1.9 million Euros;
- consistently with the past year, donations, association membership fees and sponsorships for local communities amounted to around 32 million Euros.

#### Distribution of economic value generated in 2018 (million € and percentage)





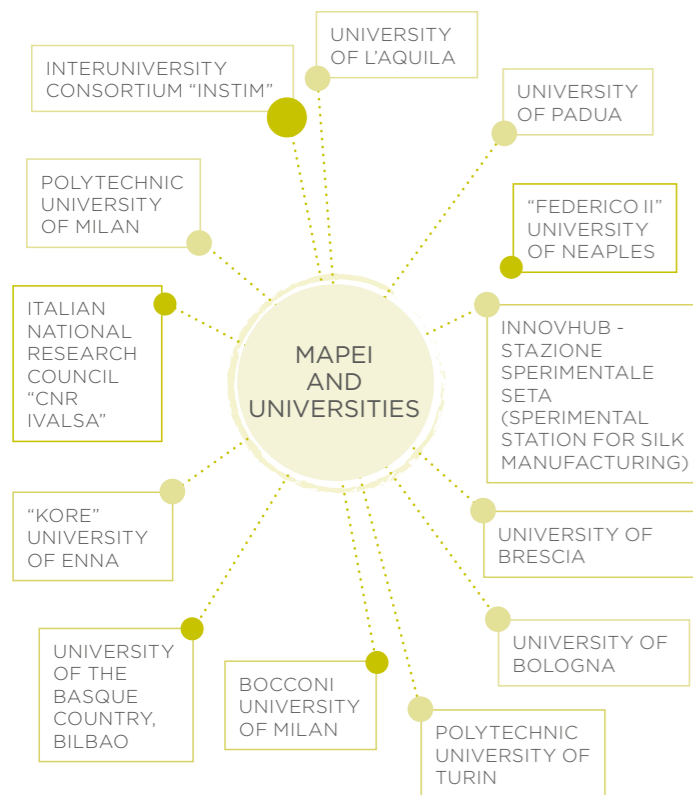
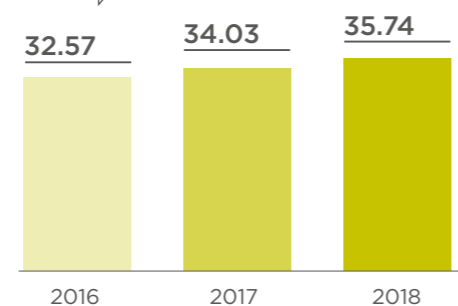
## RESEARCH AND DEVELOPMENT INTO INNOVATIVE, SUSTAINABLE SOLUTIONS: CONSTANT INVESTMENT ALONGSIDE OUR CLIENTS

### Mapei Research Centres and collaborations with Universities

**Research and Development** activity (from hereon also called R&D) has always represented the driving force behind Mapei Group's growth. Thanks to R&D, innovative and sustainable technical solutions are created and the various needs of the building market are not only satisfied, but sometimes even anticipated.

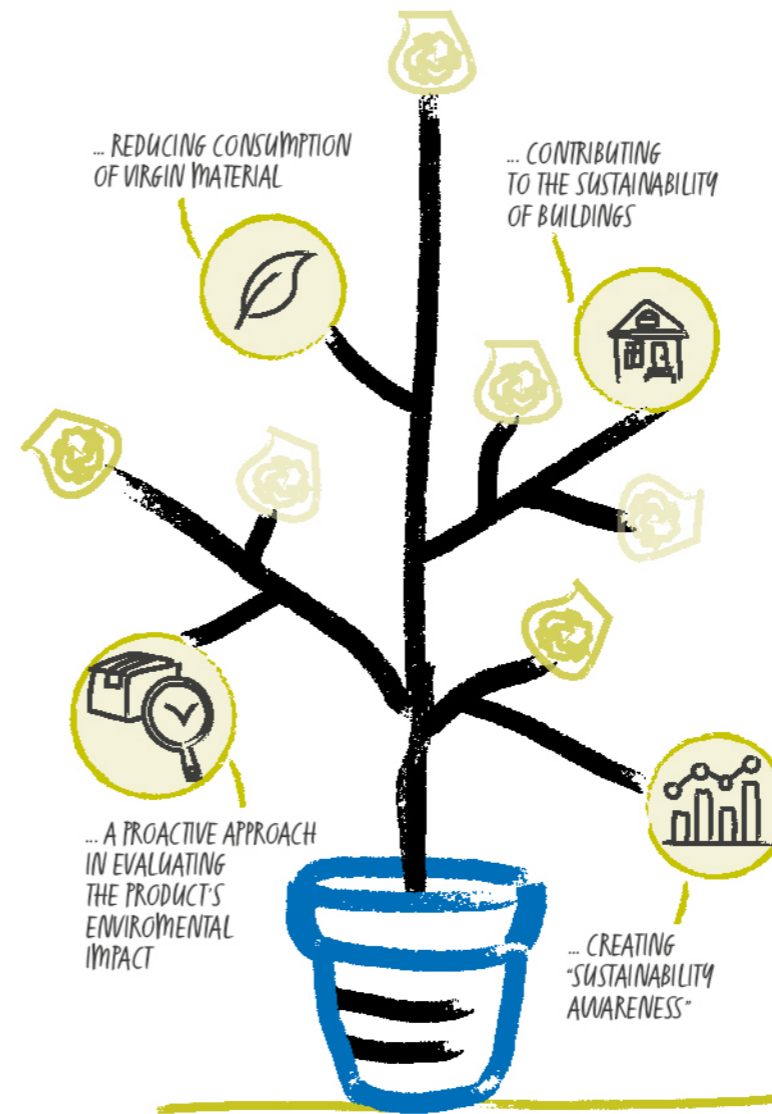
In order to keep improving its knowledge and feed the creativity and innovation of its research work, Mapei Group firmly believes that a close and durable relationship with the Scientific Community over the years, through coordinated teamwork, is the main requirement in order to generate mutual benefits. In particular, the financial contribution provided by the Group to the Scientific Community reached a **total of around 308,000 Euros** in 2018.

Costs for Research and Development (million €)



### Enabling sustainability through...

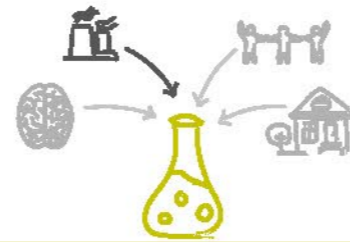
The Group's commitment to R&S has been growing, year by year, evolving and improving while always staying true to its main goal: seeking for excellence.



The creation of high quality and innovative products that could meet and even anticipate the market's needs has always been the main goal pursued by Mapei, obtainable through wide **experience** and **know-how**.

The research groups are always focused on creating a wide and various portfolio, featuring efficient and durable products. Along with efficiency and durability, sustainability is also a main requirement, expressed by Mapei through:

- particular attention and investment of resources in identifying and **evaluating** the different types of **impact caused by the company's products**;
- an active contribution in reducing environmental impact caused by the products' life cycle, with special attention to raw materials and to both a recovery of waste and a **reduction in the consumption of virgin material**;
- solutions to **reduce** the **environmental impact of buildings** and improve safety and comfort for their inhabitants, as well as for workers involved in their construction and restoration;
- a technical training aimed at giving an adequate level of knowledge of the Group's solutions, thus **improving sustainability awareness** and technical skills in the building industry.

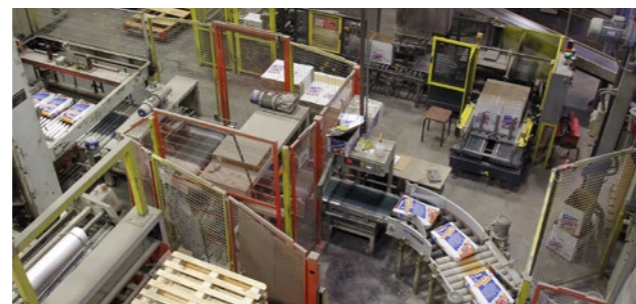


## SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN AND MONITORING OF ENVIRONMENTAL IMPACTS IN THE PRODUCTION PROCESS

### Mapei's production activities in Italy

The parent company's standard technological-production cycle, which is also shared by its two subsidiaries in the Sassuolo area (Adesital and Cercol), can be resumed in three macro-phases: adding just the right quantity of raw materials, mixing of the components and packaging of the finished product. The other subsidiaries instead, follow specific processes according to the type of product they manufacture: excavation work carried out by Vaga, the production of waterproofing systems by Polyglass and the production of polymers for industry by Vinavil<sup>2</sup>. Thanks to the particular production systems of each subsidiary, this process is further enhanced and completed with the aim of constantly integrating the entire sector on a national level.

<sup>2</sup> Mosaico+ subsidiary was not included among productive companies of the Group, since it performs mosaic assembly, manufacturing and selling, by acquiring raw materials or semifinished products produced externally.



### Management and quality control systems

From the production point of view, Mapei's activity management is mainly divided in two steps:

- adopting responsible management criteria to monitor its impact on the environment and safeguard the health and safety of its employees and the surrounding area.
- ensuring the efficiency of manufacturing processes by carrying out timely, constant quality control on its products.

To reach both of these goals, Mapei Group has always been promoting the implementation of **managing systems**, as operating tools, and **quality control** carried out by laboratories in all production sites.

## Sustainable management of the supply chain

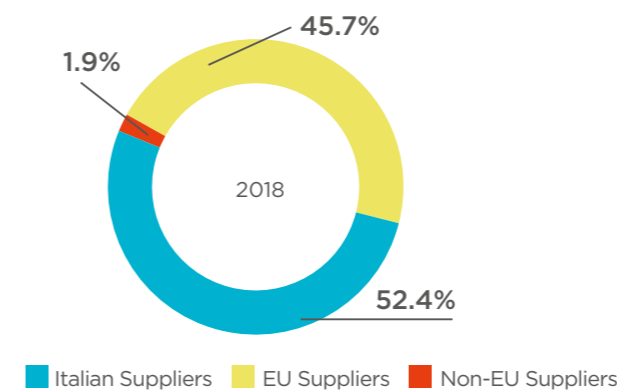
Mapei S.p.A. and its Italian subsidiaries mainly purchase **materials**<sup>3</sup> (72% in terms of value) for their production processes that are provided by Italian suppliers.

As a matter of fact, Italian suppliers cover about

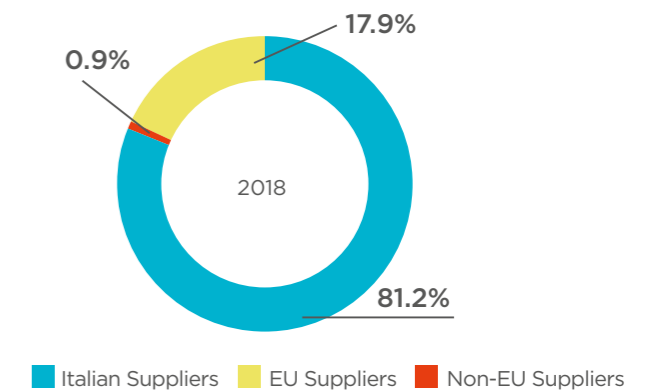
52% of the purchased material's value and about 81% in terms of weight of said materials.

<sup>3</sup> Materials include: raw materials, packaging material and final products for sale.

Suppliers distribution according to purchased value (RM, PKG and FPS)

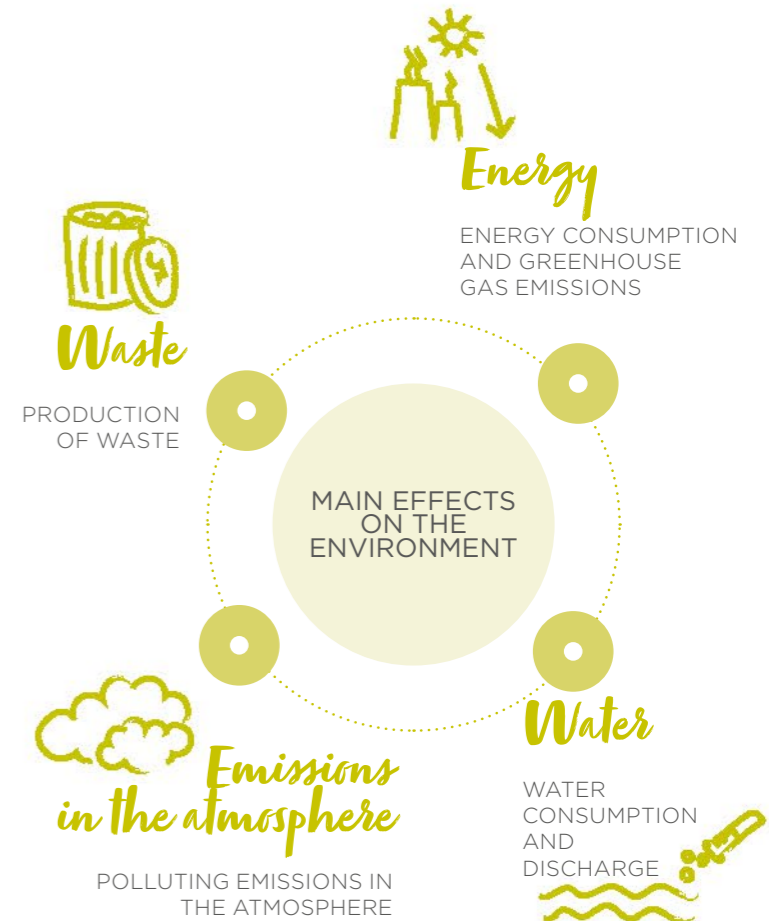


Suppliers distribution according to purchased material in weight (RM, PKG and FPS)



## Management of environmental impacts during production process

A chemical company like Mapei inevitably generates a series of environmental impacts through its production processes, such as consumption of natural raw materials, water and energy resources, production of waste, as well as the production of waste water and polluting emissions into the atmosphere. For this reason, the Sustainability Report is a precious opportunity for the Group to make its stakeholders aware of its commitment to environmental protection: thanks to the gathering and periodical analysis of environmental data, carried out both by the parent company and the Italian subsidiaries, Mapei is able to evaluate its impact and take measures to reduce it at all levels.





## THE MAPEI TEAM: TALENT, EXPERIENCE AND GROUP SPIRIT

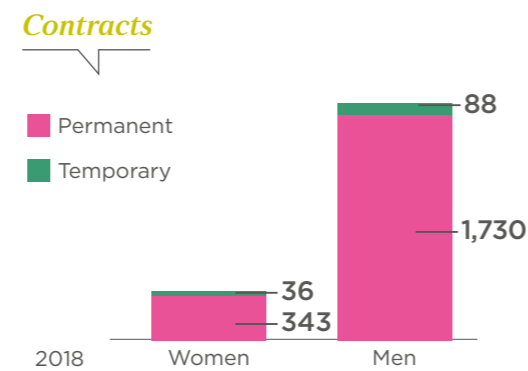
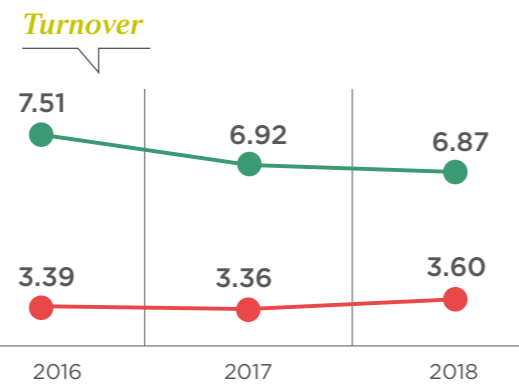
*It is the people from the great Mapei "family" and their professionalism, commitment and creativity that have made the Group's success possible*

A historical company like Mapei is also based on certainties, opportunities and perspectives it can deliver to those applying for a job; this is why permanent contracts are the most common solution offered by Mapei to its employees.

## Appreciation and professional development of employees

Mapei firmly believes in its employees' constant growth, both on a personal and professional level. In 2018 about 42,206 hours of training were globally supplied, about 20% more than 2017, year in which training hours amounted at 35,079.

AVERAGE TRAINING TIME PER CAPITA (HOURS)	2016	2017	2018
<b>GLOBAL</b>			
Average training time pro capita	17.84	16.62	19.21
<b>AVERAGE TRAINING TIME PRO CAPITA</b>			
Training time pro capita - Woman	26.51	23.30	21.60
Training time pro capita - Men	16.24	15.31	18.71
<b>ACCORDING TO PROFESSIONAL CATEGORY</b>			
Training time pro capita - Managers	22.41	19.26	23.93
Training time pro capita - Supervisors	33.71	33.45	33.85
Training time pro capita - Office workers	23.62	20.98	22.09
Training time pro capita - Workers	6.91	6.70	11.08



## Constant care and attention to the well-being of employees

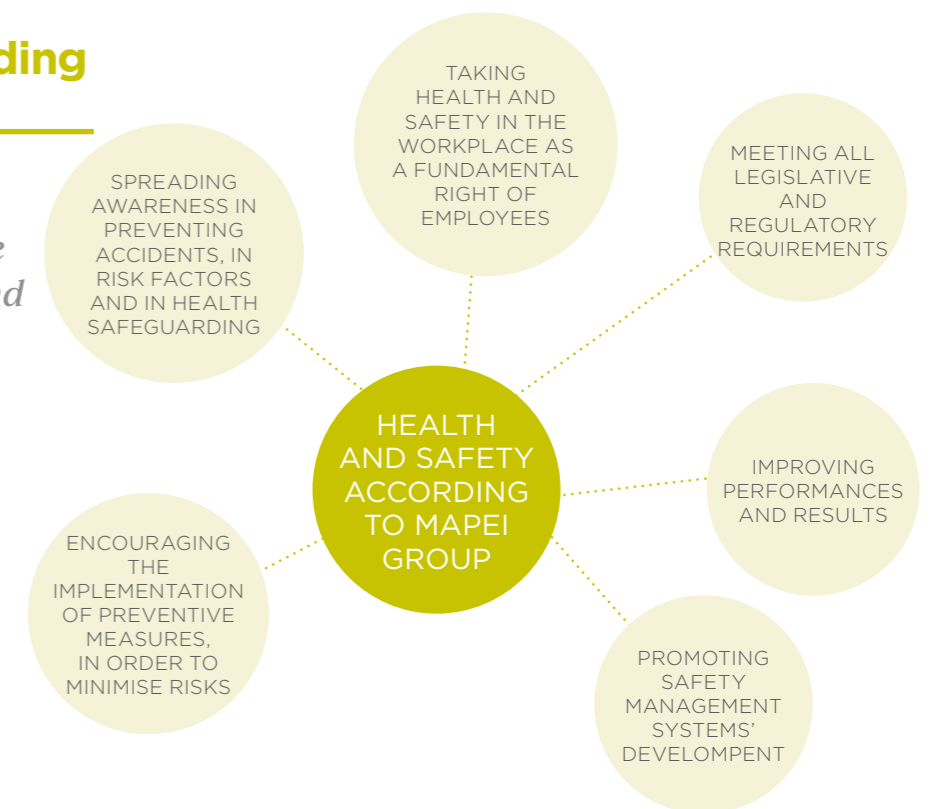
The Group has enacted a well-structured company welfare system, which also includes a Flexible Benefits platform as well as licenses for medical exams, supplementary health insurance, Italian language courses for foreign employees and 1 extra day leave for university exams, in addition to the amount provided by law. Very important news for 2018 was the introduction of the Trade-union agreement on "solidarity leave".



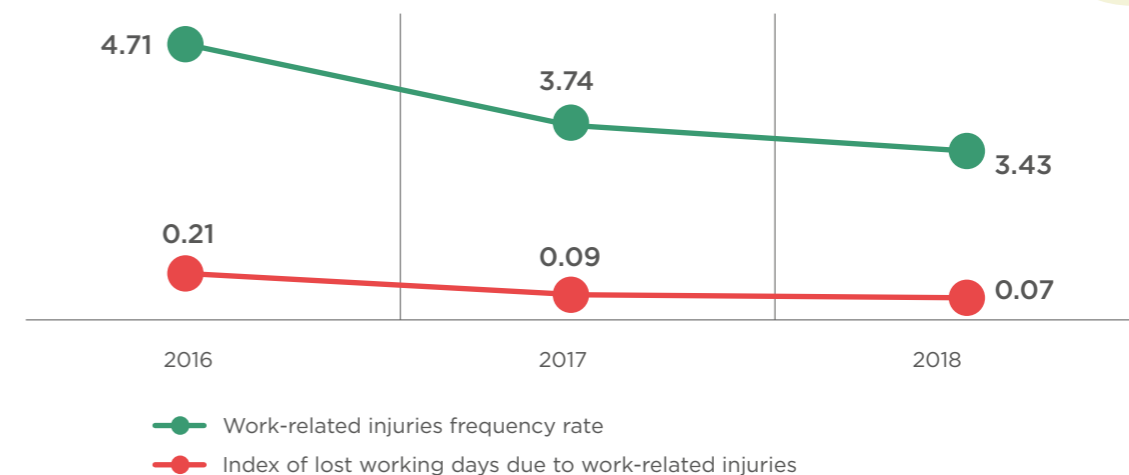
Through this initiative, employees are free to donate part of their holiday leave to colleagues with children in need of constant care due to serious illnesses. For this reason, an "Ethical Hours Deposit" was created. This account of extra hours can be enriched both by the Company and all the employees.

## Corporate culture aimed at safeguarding the workforce

*Guaranteeing the right conditions to achieve the highest level of health and safety for our employees and co-workers is a firm commitment of Mapei, which is backed up by tangible results.*



## Work-related injuries index









This summary of the 2018 Sustainability Report was printed on apple paper, a variety of paper obtained from waste material from industrial apple processing.

Apple paper contains up to 30% of recycled fibers and allows saving of up to 15% of the cellulose coming from trees.

By using this organic product and 100% green (hydroelectric) energy, greenhouse gases emissions were reduced by 20% compared to traditional paper.

To neutralise the inevitable emissions it produces, the paper factory chose to fund a 6,200 hectare reforestation project in Kibale National Park, Uganda.

The most eco-friendly inks on the market were selected for this project; products such as UV LED inks, which are compostable and feature the lowest smell and transfer impact possible.

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