

Eco **A**rt
manufactured by recycling

Sustainability Report
2020

1. INTRODUCTORY NOTE

ALMAS DESIGN is an industrial ceramics manufacturing company which has adopted a leading position on environmental issues within the community it operates. As a result, it strives to continue:

- to experience sustained and sustainable economic growth
- to adopt policies and processes which ensure its activities protect the environment
- to promote innovation
- to develop our Corporate Social Responsibility policy in order to minimise the environmental impact of the company's activity.

Ethical principles, social responsibility and good environmental practices are integral to the way ALMAS DESIGN is managed and its economic, financial and strategic decision-making processes. We actively involve our stakeholders and our stated values are key to our distinctiveness and competitiveness as a company.



2. MESSAGE FROM THE PRESIDENT

ALMAS DESIGN was established in 1908. Since the beginning and from generation to generation, the company has adapted in multiple ways. Early on, our focus was to enter foreign markets, and in a sustained and sustainable way we currently have a presence in more than 38 countries, due to several international partners. ALMAS DESIGN is the only company in Portugal specialising in producing designer pots with high tech equipment, which enables the largest manufacturing capacity in Portugal.

As the largest national export producer, we are known worldwide in the plant pot market.

At ALMAS DESIGN sustainability and innovation are intrinsic pillars to the culture and strategy of our company. It is logical to integrate technology and nature, promoting a sustainable relationship between both.

The theme of sustainability is so intrinsic to ALMAS DESIGN's business strategy that our new line of products, EcoArt, results from recycled materials inspired by nature, a process called generative design.



Commander Ricardo Abrantes
President / Chairman of the Board of Directors

3. INOVATION



Innovation is a central area of ALMAS DESIGN. We have been developing technological innovation projects to ensure not only the continuous improvement of our processes and the sustainability of resources, but also the differentiation of our products.

All these investments are based on the company's sustainability.

In recent years we have invested heavily in innovation and energy efficiency, with large investments in both energy efficient and high-tech equipment.

All projects were based on:

- Use of recycled materials:
 - Paste – approximately 39% of our ceramic paste incorporates recycled materials;
 - Cardboard – all our packaging consists of around 65% recycled cardboard.
- All waste produced from the following is recovered: paper and cardboard packaging, plastic packaging, disused plaster moulds and ceramic shards.
- Reducing energy intensity - by 2022 ALMAS DESIGN commits to reducing its energy intensity in accordance with the PRCE;
- Recovery of all water consumed. The water used in production circulates in closed circuit, being 100% recovered and reused in the production system;
- The powder coating kilns have a 100% efficiency and do not generate any losses.

We are working hard to reduce our carbon footprint and contribute to a better and sustainable future.

4. GENERATIVE DESIGN

ALMAS DESIGN's latest product line is the result of a digital process; generative design. We create our pots through a digital system in which algorithms create new shapes for ceramic pieces.

Generative design is an approach which transposes natural forms to ceramics. The shape of the pots are the results of an algorithm inspired by the complexity of nature, and organic and aesthetic aspects of various natural elements are integrated into each pot. This also allows organic textures inspired by Mother Nature to be part of each pot.

5. THE YEAR 2020 IN NUMBERS

ALMAS DESIGN's 2020 numbers are an example of the effort and dedication to a more sustainable business, society and world:

- Number of employees: 90
- Average age of employees: 43 years old
- Percentage of goods exported: 98%
- Raw materials acquired in Portugal: 99.5%
- Percentage of recovered waste: 100%
- Materials consumed from renewable sources (average):47%
- Gaseous effluents: All gaseous pollutants were below the legal limits. All the gaseous effluents presented values of mass flow lower than the respective minimum mass flow defined in Ordinance n.º 80/2006
- Change in carbon intensity (scope 1 and 2) between 2011 and 2018: -1.5%

6. VISION

ALMAS DESIGN wishes to be recognised in the market for its ability to develop plant pots with excellent standards of design and to follow the latest colour trends.

7. MISSION



ALMAS DESIGN is guided by customer satisfaction, clear respect for the environment, the health and safety of its employees, and operates in harmony with its immediate community.

We focus on:

- Satisfying clients' needs;
- Developing excellently designed products which follow colour trends;
- Supplying packaging solutions that respect the environment;
- Being efficient and socially responsible.

8. OUR VALUES

Our values are:

- Integrity;
- A spirit of cooperation;
- Respect;
- Honesty;
- Trust;
- Excellent quality products;
- Social responsibility

9. ENVIRONMENT

Our main goal is to reduce the environmental impact of what we do.

As an industrial company operating in an urban area, we are committed to contributing to a more sustainable future.

The efficient management of energy, water resources and solid waste are the guiding principles of our environmental policy, which extends to all service providers operating in our supply chain.

Water - we use a closed loop so all water needed for production is recovered.

Waste - all the waste produced is 100% recyclable.

It is our responsibility to manage the overall consumption of materials and the waste produced in a sustainable way. ALMAS DESIGN collects and forwards selected waste to the appropriate destination, prioritising its reuse.

In 2020 we generated and recovered the following waste:

- Plastic: 0,58 T
- Paper and cardboard: 4.8 T
- Disused plaster moulds: 311.98 T
- Shard waste: 273.500 T
- Scrap: 3.14 T

- All gaseous effluent emissions are measured regularly and comply with legal regulations.

- 100% Recovered waste

The natural properties of ceramics; clay/cauline and gypsum, enable ALMAS DESIGN to adhere to circular economy principles and waste recovery. The materials are used in other industries in different applications, and in the same way, ALMAS DESIGN also incorporates materials from other industries in its production process.

Circular Economy

To ensure that 100% of all waste generated is reused, we value the raw material in our ceramic paste. At ALMAS DESIGN our motto is 'nothing is lost, everything is transformed'



and various rooms in our company, including our showroom are based on the principles of eco design; often finished with ceramic waste and showcasing our values aesthetically.

Green Products

Our customers trust our commitment to provide the best and most sustainable pots. In recent years, we have continuously invested in improving the quality of ceramic pots and must emphasise our work to minimise the environmental impact of each piece. ALMAS DESIGN positions itself as the best choice for customers who want to minimise their carbon footprint.

10. ENERGY POLICY

ALMAS DESIGN's activity is audited by an Energy Rationalization Plan (PRCE).

After the diagnostic audit, the plan was developed further and approved by ADENE. The plan lays out a period of 8 years to reduce the energy intensity of natural gas and electricity.

This plan, approved by the national authorities, foresees an energy intensity reduction of 6.5% by 2024:

Table - Values of energy efficiency indicators used

Indicator	Reference number - 2016	Goal of reduction	Goal - 2024
Energetic Intensity (IE)	0,6566	- 0,0394	0,6172
Specific Consume (CE)	0,3346	□0,0201	□0,3146
Carbonic Intensity (IC)	2,5394	0,1524	2,3871



In the last few years ALMAS DESIGN has invested in improving the energy efficiency of compressed air production, transport and consumption. An exhaustive analysis of the compressed air system was carried out, and the results focused on fighting leaks, implementing technological measures associated with equipment, accessories and maintenance. As a result, it was possible to reduce both the leaks and the cost of compressed air use. Our main goal is to reduce our carbon footprint.

11. ALMAS DESIGN OVER THE WORLD

Maintaining its roots as a family business with professional management, ALMAS DESIGN is now present in several continents through its operations.

ALMAS DESIGN exports 98% of everything it produces. It is present in more than 38 countries, with the following countries the main destination markets for exports: European Union, USA, Canada, United Arab Emirates, Israel, Palestine, Russia and Norway.

12. BUSINESS MODEL

Today ALMAS DESIGN is a global company. Globalisation as we know it, is irreversible and constantly challenges our capacity to innovate. Technological development along with sustainability has been at the top of our agenda.

The implemented business model is based on good management practices and makes use of circular economy principles as a way to minimise any waste created.

13. QUALITY

ALMAS DESIGN S.A. is aware of its responsibilities and is committed to ensure the best working conditions, continuously and efficiently.

ALMAS DESIGN commits to the following in its Quality Policy:

- To continuously evaluate and satisfy the needs and expectations of customers and other stakeholders;
- To invest in continuous improvement to meet the needs of customers and search for new solutions, complying with the applicable legal regulatory and normative requirements;
- Conceive of and produce designer pots;
- Develop actions of social responsibility with all stakeholders ALMAS DESIGN works with;
- Improve and maintain adequate working conditions, thus preventing risks for its employees and other interested parties;
- Continuously improve how we use raw materials, energy and other natural resources.

In order to implement and maintain the current Quality Policy, ALMAS DESIGN is committed to:

- Following the legislation and regulations applicable to its activity and complying with the other requirements subscribed by the company;
- Promoting appropriate training and awareness actions for all the company's employees, ensuring that they are not only professionally prepared, but also aware of their individual and collective responsibilities;
- Annually monitoring and reviewing the Environmental and Safety system and the adequacy of the policy that supports it, to continuously improve its effectiveness as well as customer satisfaction, shareholders, company employees and the surrounding community;
- Plan its tactics and providing the necessary resources to achieve the goals set by the company;
- Disseminating its activity among interested social groups, entities and the general public.

14. EMPLOYEES

ALMAS DESIGN's commitment to our employees:

- We reject sexual, religious, social and ethnic discrimination;
- We value transparency, objectivity and initiative;
- We value our employees
- We fight sexual and labour abuse as well as support recovery from alcoholism;
- We create better working conditions.

We have conducted several professional training sessions annually. Recently these have covered areas from hygiene and safety, to continuous development, social responsibility and gender equality, and involved 97% of employees

In order to improve working conditions, the following tests are regularly carried out by accredited laboratories:

- Lighting in the workplace;
- Occupational noise;
- Environmental noise;
- Thermal comfort;
- Vibrations;
- Dust;
- Ergonomic work stations.

In order to improve working conditions at ALMAS DESIGN we value our employees' work-life balance. Despite the need for technical and shift work in the company, ALMAS DESIGN values the following good practices:

- Inclusive language;
- Conducting training on the theme of equality;
- Records of recruitment processes by sex gender;
- Displaying workers' rights and duties in a visible place;
- Existence and distribution of the employee handbook;
- Existence of a code of ethics;



- Equal pay policy as well as the attribution of benefits;
- Annual training plan that respects the principle of equality between men and women;
- Compliance with the minimum number of hours of certified training provided by law;
- Existence of a policy on child labour.

We value gender equality: the rate of female participation in company employment is 58.5%.

15. HYGIENE AND SAFETY AT WORK

ALMAS DESIGN's commitment to Hygiene and Safety at work is to:

- Promote the continuous improvement of working conditions;
- Promote the reduction of the number of work accidents;
- Promote cleanliness, organisation, hygiene and safety;
- Carry out training on environmental issues and safety at work;
- Adopt safe behaviours and detect unsafe behaviours;
- Measures to prevent accidents at work.

Number of accidents at work:

- 2019 – 15, of which were critical: 0
- 2020 – 7, of which were critical: 0

There is a significant reduction in the number of accidents from 2019 to 2020 as a result of the accident reduction/prevention policy implemented.

16. COMMUNITY

Our work on social responsibility is the result of a combination of ALMAS DESIGN's concerns. We are a responsible industrial company and include our surrounding



community in our decisions. We always respect human rights, the environment, the ethical principles of our decisions and valuing our employees.

In recent years, we have contributed in several ways to the community:

- Employing people with disabilities;
- Making donations to charitable institutions;
- Making donations to fire departments;
- Supporting several social and sporting initiatives

17. ETHICS

The company's code of ethics brings together a set of rules and guidelines that guide the professional behaviour of all employees. It is regularly revised to be updated in line with the company's challenges and commitments.

The code covers the following areas:

- Customer relations;
- Employees;
- Suppliers;
- Competitors;
- Hygiene, safety and health at work;
- Environment
- Relations with the State;
- Community, banks and unions;
- Conflict of interest;
- Human Rights;
- Discipline.

18. HUMAN RIGHTS



ALMAS DESIGN is committed to and respects human rights: dignity, non-discrimination, equal rights, security and well-being, education, personal and professional development, freedom of association.

In line with this principle, ALMAS DESIGN continues not only to develop and promote human dignity, but also to manage and motivate its employees around the fundamental values of human rights

It adopts leadership practices based on merit and free from discriminatory judgements.

19. SUPPLIERS

ALMAS DESIGN strives to apply the commitments of ethics and economic, environmental and social responsibility, as mentioned above throughout its business plan. Furthermore, it is fundamental that our supply chain of raw materials also respects these principles, and we consider it a rule to share the values of sustainability.

As far as raw materials are concerned, 99% of supplies are made in Portugal and we prioritise suppliers who share the values of sustainability at environmental, labour and social levels.

Supplies of packaging materials are 100% Portuguese and made of 65% recycled materials.

20. TRANSPORT

Transporting products along the value chain has a significant impact on business, both economically and environmentally, and this is also an area we prioritise in ensuring it is managed sustainably.

AEO Statute

This statute is provided in European Union law. The economic operator considered to be reliable in the context of its customs operations, enjoys benefits throughout the EU.

In this certification we involve the following intermediaries:

- Forwarder
- Warehouse or logistics operator
- Agent or customs representative (dispatcher)
- Carrier
- Importer
- Others when applicable, such as:
 - ☞ Port operators
 - ☞ Stevedores

21. COVID 19

As a response to the COVID-19 pandemic, ALMAS DESIGN created and implemented the following contingency plan to stop the spread of the virus within the company:

- Restricted access to the production area;
- Restricted access to the administrative area;
- Cleaning of surfaces and general cleaning;
- Use of EPIS and provision of masks, visors and sanitiser;
- Providing information about COVID-19;
- Placement of signs;
- Adoption of social distancing behaviours;

Market diversification:

As a result of the unscheduled shutdown that COVID 19 imposed on our clients and, consequently, on ALMAS DESIGN, the management immediately reorganised the company's strategy towards market and client diversification. This strategic reorientation minimised the impact of the crisis on the company's operations.

To maintain relationships with our clients, suppliers and partners, videoconferencing was used as a communication tool, significantly reducing the number of trips made to meetings. ALMAS DESIGN implemented a videoconference room, configured for individual or collective meetings. The implemented videoconferencing solution allows for



easy, effective and quality communication and interaction with various partners. This initiative also contributes to the minimisation of emissions associated with air, train and car transportation, which would otherwise be necessary.

22. RESULTS

The impact of ALMAS DESIGN's activity is positive. Besides exporting 98% of all products – which affects the country's trade and payments balance positively, it has a multiplier effect because the products are "made in Portugal" and incorporate 99% of national raw materials.

The company creates around 90 jobs locally and has a positive impact on the local environment. The waste produced is 100% recyclable and reused, integrating in its production an important component of recycled waste, in perfect harmony with the principles of circular economy. ALMAS DESIGN produces and puts on the market an ECOLOGICALLY SUSTAINABLE PRODUCT.

ALMAS DESIGN strives to continuously improve our processes and quality of products by using advanced technological solutions and investing in solutions that contribute to the reduction of CO2 emissions.