Commitment to innovation

Innovation at Cosentino Group

Cosentino Group’s strong and continuous commitment to innovation has enabled us to differentiate our product portfolio and consolidate our position as leaders in the sector. We offer a range of products and services that contribute to well-being and social progress in an efficient, sustainable and safe way.

Innovation forms part of our corporate culture and our corporate goal. It is an integral part of our work and an essential tool for competitiveness. We focus on our clients, ensuring sustainability and adding value to our current and future products and services.

The whole Cosentino Group is involved in creating value through this tool. Innovation is the order of the day for everyone in Cosentino Group, to imagine and anticipate future needs. At Cosentino, innovation in our products and services is a strategic function to ensure our future growth and is reflected in our corporate goal “to inspire people through innovative and sustainable spaces”.

We consider continuous investment in R&D&I to be an essential lever for sustainable development. In 2019, we invested 18.6 million Euros in R&D&I, in R&D&I projects and related assets. Cosentino Research and Development is a company belonging to the Group where most of our R&D&I activity takes place. It boasts a multidisciplinary research and development team.

It also actively implements a policy of collaboration with prominent external consultants and institutions belonging to the field of design, engineering and technology.

€18.6 million
Investment in R&D in 2019 for R&D&I projects and related assets
**Innovation (€)**

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<thead>
<tr>
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<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in R&amp;D&amp;I  projects</td>
<td>8,984,665</td>
<td>10,825,575</td>
<td>14,435,338.96</td>
<td>12,670,330.95</td>
</tr>
<tr>
<td>Investment in R&amp;D&amp;I-related assets</td>
<td>6,864,907</td>
<td>11,734,753</td>
<td>10,849,610.60</td>
<td>6,010,452</td>
</tr>
<tr>
<td>Total investment in R&amp;D&amp;I</td>
<td>15,849,572</td>
<td>22,560,328</td>
<td>25,284,949.56</td>
<td>18,680,782.95</td>
</tr>
</tbody>
</table>

* Investment by Cosentino S.A. and Cosentino R&D partnerships.

We have an Integral Management System and our own centre in Almería. We have also established a number of collaboration agreements and alliances with third parties to promote innovation and development.

The sale of new products remains Cosentino’s main lever for generating sales, with particular intensity in the new lines of Silestone® and Dekton® colours.

In 2019, construction began on the new R&D centre, which will bring together the various laboratories currently dispersed across our plants on the Almeria site. This will open in 2020. The group also underwent an organisational restructure to ensure that lines of research are better aligned with company strategy.
Main developments and launches in 2019

**Dekton® by Cosentino**

**Dekton® Chromica: Baltic and Feroe**

Dekton®, Cosentino’s innovative ultra-compact surface for the world of architecture and design, sets itself apart once again in the sector with the launch of the new Chromica colour range. The series is initially formed of the cutting-edge colours Baltic and Feroe. These monochrome shades, both featuring a dark base hue and matte finish, were designed by the renowned architect and designer, Daniel Germani, to meet cutting-edge decorative trends.

The result of this recent collaboration between Germani and the Cosentino Product and R&D team is two simply stunning and unique colours. The intense character afforded by the Baltic blue and Feroe green tones are perfect for elegant, sophisticated and balanced projects that exude personality. Taking inspiration from the colours seen in nature’s wildest and most remote places, Baltic and Feroe are synonymous with force and determination. The launch of these colours enriches and expands the current Dekton® colour palette.

Added to the extraordinary aesthetics of Chromica is the unbeatable quality afforded by a unique surface such as Dekton® by Cosentino. Created using raw materials taken from porcelain, glass and quartz, the Dekton® ultra-compact surface boasts superior resistance to UV rays, scratches, stains and sudden changes in temperature. Its durability and low maintenance guarantee a long useful life regardless of its application. Thanks to its high mechanical properties, Dekton® is perfect for the most daring cuts in designs that are exposed to demanding situations, such as wind loads, irregular loads and various perforations. All of this makes it the perfect product for a wide range of uses, such as flooring, façades, cladding, worktops and stairways. Dekton® is available in large-format slabs and in various thicknesses, opening up a large range of creative possibilities for architects and designers for commercial and residential projects alike.

Baltic and Feroe
“Chromica is an exploration in colour. In researching new hues that could be used with both organic and technical materials, the answer was in front of me all along... dark shades of blue and green. These two analogous colours go well with each other but also combine with a lot of different colours in the colour wheel. The difficult part was to find hues that will be both timeless and modern, that will play well both in traditional as in contemporary spaces and that could be used both in indoor as outdoor spaces. The process was very intuitive and working with the Cosentino R&D department made it a breeze.”

Daniel Germani
Architect and Designer
Dekton® Liquid
Cosentino introduces Liquid, a collection of colours designed by PATTERNITY for Dekton® by Cosentino, a cutting-edge ultra-compact large format surface. This collection, which will be launched in March 2020, is the result of a collaboration between Cosentino’s design team and PATTERNITY, the London design studio that specialises in the creation of motifs and patterns. It offers the client three innovative colours that will be shown for the first time in December as part of Design Miami. The Collectors Lounge space of Design Miami will house an installation, whose highly conceptual design will serve as a showcase for this chromatic conception of Dekton®.

With Liquid, Cosentino presents three new colours: Liquid Sky, Liquid Shell and Liquid Embers. This collection embodies the force of a liquid element, giving us the opportunity to incorporate its whirlwinds, torrents and flows into the spaces we inhabit every day.

Sky Shell Embers
As a result of those tireless efforts, the revolutionary Slim thickness, measuring just 4 mm, is presented for the first time in four spectacular colours with the polished finish of the ultra-compact Dekton® surface. The colours Natura18 (XGloss Natural series), Halo (XGloss Solid series), Arga and Bergen (XGloss Stonika series) offer sophistication and a unique shine. The sublime I+D carried out by Cosentino professionals has made it possible to create a technologically advanced and unique surface on the market, as there is no other option that combines such thinness with such an extraordinary and spectacular mirror-like shine.

This launch is part of Cosentino’s international roll-out of a further 10 products in the Slim chromatic palette, with the most sophisticated, texturised and structure-rich tones of Dekton® to enrich the home’s most important spaces. In addition to the polished finishes, there are matte finishes in six colours: Aura15, Edora and Bromo from the Natural collection, and Trilium, Laos and Lunar from the Industrial series. With this development, Dekton® Slim has a 19-reference colour palette.

The Slim thickness heralds a revolution in the architecture and design panorama, offering an innovative surface that combines the extraordinary technical and mechanical properties that characterise Dekton®, with a much finer thickness (4 mm) and a much lighter weight (10kg/m²). It is also easier to handle and install.

Combining its hardness, high resistance to scratches and stains, low water absorption and production in large format slabs with an expanded and exquisite colour range, Dekton® Slim establishes itself as the perfect option for those applications requiring high performance at the same time as lightweight materials. These include, for example, furniture coverings, door coverings or large panelling, among others, whether for new construction or restoration projects.
**Dekton® Grip+**

Dekton® Grip+ is an anti-slip treatment for areas that legally require greater grip, ensuring minimum non-slip qualities.

Dekton® Grip+ technology modifies the surface of the material in a controlled way while ensuring it remains soft to the touch and easy to maintain and clean.

Unlike most other non-slip treatments on the market, the GRIP+ treatment is applied before our firing process, so it anchors to the body and forms part of the product.

COLOURS: Vera, Kreta, Soke, Keon, Orix, Laos, Trilium, Kira, Strato, Danae, Nilium, Lunar, Sirocco, Nayla, Aura 15, Makai. These belong to two different groups, depending on their application at the installation site.

**Dekton® ID**

Dekton® introduces a revolutionary customisation service to bring innovation and product development closer to its customers.

With all the benefits, formats and finishes offered by our Dekton® material, we’re able to achieve a whole range of colours and textures, such as high-purity solids, marbled materials, fresh and natural touches, and bolder colour ranges, all thanks to the manufacturing technology used.

What does Dekton® ID by Cosentino guarantee for us?

- The same performance and resistance to UV radiation.
- A wide range of possible colours.
- Adaptation to client requests.
- Available in small quantities.
“Working with Dekton ID has been a truly rewarding experience. As an industry professional, having that opportunity to work side-by-side with the company’s innovation and customisation department, involving our clients 100% in the development and choice of the customised material, and seeing how an idea becomes a reality that exceeds expectations, it encourages you and makes you feel like a “consultant of dreams”. Right from the start, you realise that can turn your clients’ vision into reality with virtually no limits. This adds value to our brand that sets it apart from the rest, allowing us to offer the perfect solution for all sorts of projects and ambitions. I recommend that all our sales networks promote and work with this brand. Between us all, we can bring both beauty and efficiency to everything around us.”

Jesús Carreño
Area Manager CC Vancouver

Customized Grays: different shades of grey created exclusively for the ToHa building, designed by Ron Arad and Avner Yashar
Silestone® by Cosentino

**Wakka shower tray by Silestone®**

Silestone® by Cosentino has developed Wakka, a new shower tray in a single piece.

This is whole new concept in shower trays, designed to be incorporated into the floor (mounted). This ensures a sense of flow and harmony of all elements of the ensemble. With the superior quality and advantages that Silestone® offers, it is an eye-catching shower tray with a premium, technologically-advanced look to suit all uses.

Just like the rest of the collection, the Wakka model guarantees correct water drainage with just 3 cm of thickness, also including “guides” to facilitate its correct installation. Available in all Silestone® colours, with the opportunity to customise the sandblasted surface (bubbles, transversal strips or scattered lines), it meets the most demanding anti-slip standards (class C) and features complementary pieces such as covers or valves.
Eternal Noir and Silken Pearl

Silestone® by Cosentino, the world leader in quartz surfaces for architecture and design, launches two new additions to the best-selling “Eternal” colour collection. The Eternal Series was created in 2017 to revive the classic aesthetic of marble, an ancient natural stone and a symbol of the Cosentino company heritage.

Eternal Noir and Silken Pearl are the names given to the two new versions of Silestone® Eternal, which have been created in response to major decoration trends towards marbled textures. The timeless natural beauty of this stone has made it a huge interior design hit, seen everywhere at the world’s most prestigious architecture, decoration and design shows.

Eternal Noir provides an asymmetrical design inspired by the pure elegance of natural stone. Its black finish emanates distinction and simplicity and the intense, dramatic veining, highlighted by an interplay of white and orange tones, appeals to a whole spectrum of aesthetic tastes. Eternal Noir is a colour that captivates and inspires interior design choices based on dark colours.

Silken Pearl takes its inspiration from a creamy stone whose smooth, refined base is complemented by delicate white veining. A notably natural and calm look. This colour option provides architects and designers with a wide range of aesthetic combinations. Silken Pearl is synonymous with reliability.

In keeping with the philosophy of the entire collection, the veining plays an essential role. The random nature of the veining pattern lends distinction, elegance and a sense of continuity and completeness.

The inherent exclusivity of the natural stone is intensified in this series by Silestone®, whose natural finishes are not only beautiful, but they also come with the advanced technical properties that only a surface such as Silestone® can guarantee. Eternal Noir and Silken Pearl, as well as the colours in the Eternal series, Eternal Marfil, Desert Silver, Charcoal Soapstone, Eternal Marquina and Eternal Serena.
Eternal Noir Silestone® Eternal

Silken Pearl Silestone® Eternal
**Sensa by Cosentino®**

**Nilo**  
Nilo is Sensa’s star launch, an exotic dark grey Brazilian quartzite with blurred veining, creating a sensation of movement that is perfect for any environment. Each piece is like a unique canvas that transports us to the river Nile’s mythical waters.

**White Macaubas**  
Brazilian quartzite with a light background, marked by fine linear grey veins. White Macaubas, with a Polished texture, is able to create clear, homogeneous spaces with a distinctive and elegant touch.

**Taj Mahal**  
Brazilian quartzite with a soft ivory-coloured background and a warm brown veining, lends any space a sophisticated and harmonious style.
Our lines of action

The challenge provided by our innovation strategy is to develop products that reflect the preferences of markets and consumers in the 110+ countries where we operate, and to anticipate their needs and expectations. The continual improvement in the features of these products and their applications while maintaining an efficient, sustainable production and distribution system are the key areas of our work in this context.

One of our greatest challenges is to promote ancillary businesses and, in our Cluster, to develop and incorporate new technology that enables us to create new products aimed at ever more demanding consumers and uses. In essence, innovation that requires an increasingly global perspective of the product and the processes associated with it.

Our main lines of innovation for both Silestone® and Dekton® are the following:

<table>
<thead>
<tr>
<th>Product innovation:</th>
<th>Process innovation:</th>
<th>Business model and service innovation:</th>
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<tbody>
<tr>
<td>Colours, textures, effects and finishes adapted to international market trends.</td>
<td>More efficient, safe and sustainable raw materials.</td>
<td>Product sales and their use calls for an exhaustive study of our business strategy. Business model and service innovation is an increasingly essential requirement for the correct sale of the products we sell.</td>
</tr>
<tr>
<td>New formats and applications.</td>
<td>Elimination of dependence on raw material suppliers and accreditation of suppliers of key raw materials.</td>
<td>New installation and maintenance tools.</td>
</tr>
<tr>
<td>Continuous improvement to the specialist applications of our surfaces: higher</td>
<td>New technologies that allow for the creation of new decorative effects on surfaces.</td>
<td>New sales and logistics systems.</td>
</tr>
<tr>
<td>resistance, better shine, slip coefficient, conductivity, protection, easy cleaning</td>
<td>New protective and recyclable film implemented as an environmental impact solution.</td>
<td></td>
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<tr>
<td>etc.</td>
<td>New developments to improve production efficiency and better process control.</td>
<td></td>
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<tr>
<td>User interaction.</td>
<td>New technologies ensuring continuous improvement in design, the properties of our materials and their quality control.</td>
<td></td>
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<tr>
<td>Customised complementary products.</td>
<td>New tailored production models.</td>
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<tr>
<td>High-performance products with a collection of top quality colours and design (i.e.</td>
<td>Upgrading of waste and by-products.</td>
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<td>Stonika).</td>
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Co-creative innovation

As a new feature within our innovation methodology, co-creative Innovation was formalised in 2019 as a multidisciplinary innovation technique.

This comprises a team of professionals with different specialities (designers, researchers, engineers, product managers, innovation specialists, raw material technicians, technology specialists, etc.), all working together to achieve innovative and manufacturable designs with the best performance and design features on the market.

This team’s work includes prospecting, selection of stakeholders and proposals for collaborative product and project design. Ideas become prototypes that, after their evaluation cycles at a laboratory and pilot plant level, pave the way for new products to be scaled industrially. A multidisciplinary and agile approach to launching products that meet and surpass our clients’ expectations as quickly as possible.

This new team works on a weekly basis on the most innovative concepts and materials to match current and future trends, thus offering a wide range of options and opportunities.

“The Co-creation team is able to generate new concepts thanks to the collaboration of the excellent group that has been created. We believe that cooperation right from the start of the research process will provide a realistic vision of technical and industrial feasibility and markets, reducing development times as well as optimising resources and resulting in trend-setting innovative designs.”

Maria Jesús Ayuso
Co-creation Team Leader
Alliances for innovation

One of the key factors in Cosentino’s innovation model is forging successful research and innovation alliances with partners from different sectors, following the multidisciplinary approach that our products demand.

These strategic alliances are formed on a national and international level and belong to the stone and materials sectors, as well as ancillary and complimentary industries in the fields of machinery, chemicals, plastics, nanotechnology and energy, etc. Their progress becomes a key factor in the elaboration of surfaces with increasingly demanding features.

Our R&D&I department works continuously along with multidisciplinary teams including professionals from partner companies, technological centres, research institutes and public and private organisations involved in R&D&I.

Key to our open innovation model are a win-win collaborative focus in a confidential environment and a shared vision of the goal. Sharing risk and results with our partners makes us increasingly demanding of ourselves and our partners. We carefully safeguard intellectual property and confidentiality in collaborations. In 2019, we launched DISCOVER, our new format for prospecting with research groups. Through visits and prior knowledge of our products, exchange sessions are held between our researchers and external teams who are seeking solutions for pre-defined technological challenges.

Furthermore, with the aim of continuing to boost innovation in Cosentino, we signed 36 new collaboration agreements with universities, research centres and partner companies.

Furthermore, Cosentino Group belongs to the Technological Corporation of Andalusia (CTA), established in 2005 to encourage more R&D&I alliances between universities, companies and the public sector.

To support our Research, Development and Innovation activities, we have received support from various public funding bodies such as the Centre for the Development of Industrial Technology (CDTI), the Ministry of Finance, and the Institute for Energy Diversification and Saving (IDAE).

Principle collaboration agreements with universities and research centres

- Ceramics Technology Institute (ITC)
- Instituto Tecnología de los Materiales (ITM [Material Technology Institute])
- Navarra Industrial Association (AIN)
- Chemical Technology Institute (ITQ [Instituto Tecnología Química])
- Instituto de la Ciencia de los Materiales (ICMM)
- Centre for Advanced Scientific Research (CSIC) - Arid Zones Station
- Catalanian Institute of Energy Research (IREC)
- Universidades de Almería, Alicante, Málaga and Valencia.
Digitalisation and automation

At Cosentino, we are keen to accept the challenge of adapting to new technology and take advantage of the opportunities that it provides. Two strategic plans of SHAPE, our corporate transformation project, are leading us in this direction:

Digital transformation

Cosentino has a very clear goal of turning the company into an organisation that is fully connected with digital ecosystems. We are implementing a comprehensive digital transformation project aiming to digitise the organisation at every level in order to become more competitive as a company.

To this end, we are progressing with the digital transformation of every process and are helping our employees to acquire the digital skills required for future updates of work tools.

Highlighted digitalisation projects in 2019:

- **Strategic Sourcing**
  Aimed at optimising the purchasing management department. This project is based on the introduction of the SAP Ariba technology.

- **“Safety By Routines, Leading by Example”**
  It is a leadership programme that aims to integrate health and safety through a series of routines tracked by software and an app (Gensuite®) that allows users to timetable, report and monitor preventative activities.

Efficiency

Our 2016-2020 Investment Plan foresees an investment of 460 million Euros to advance in this direction and increase our industrial capacity through automation and investment in technological capacity, generating productive efficiencies to satisfy market requirements.