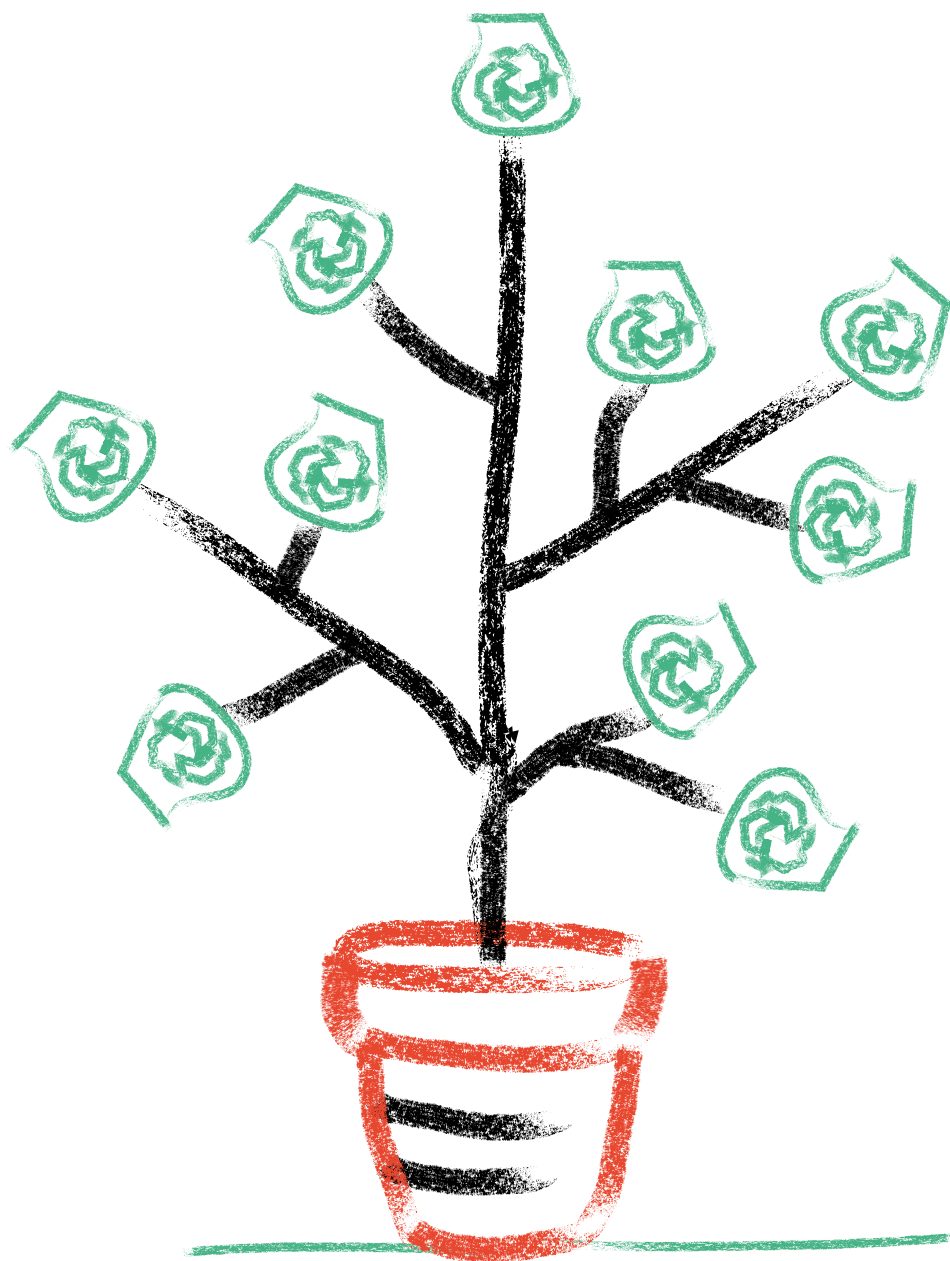


SUMMARY OF THE

2017

SUSTAINABILITY
REPORT



LETTER TO THE STAKEHOLDERS



2017 was another year rich with gratifying moments to be added to our long history of successes lasting more than 80 years. 80, just like the number of candles that all of us from the Mapei family blew out during the

anniversary celebrations held throughout Italy. Each and every one of those candles represented the commitment, professionalism and creativity of all those people who, over the years, have played such an important role in making the Group one of the leading companies in the development and production of chemical products for the building industry all around the world and to reach a turnover of around 2.4 billion Euros at the end of the year.

Internationalisation, Research and Development and Specialisation in the building sector represent the pillars of our growth strategy and it is thanks to them that we can continue to look forward and respond in full to our clients' new, and at times yet unspoken requirements, and the needs of our employees and, wherever possible, of the communities and territories in which we operate.

For us, being close to our clients, employees and the community in general means constantly investing into the creation of quality, durable products that are as sustainable as possible.

This is why for years we have been dedicating resources and time into the research and development of innovative products and systems with the aim of minimising their impact on the environment during their entire life cycle, safeguarding the health and safety of people, workers and, first and foremost, of final users, and ensuring a high level of living comfort inside the buildings in which they are used. A great deal of attention goes into products that enable sustainability, that is, all those solutions we create that are mainly intended to improve health and safety and reduce the impact that buildings have on the environment, thereby promoting the theme of sustainability throughout the whole of the building industry.

For Mapei, being sustainable also means investing in people and encouraging the talent, proactivity and team spirit that distinguish the almost 9,500 direct employees of the Group, as well as being spurred on by a strong sense of social responsibility to put the company's professional knowhow at the service of the community.

In fact, as a Group, we love being in the front line and taking an active role in the life of the communities around us by sponsoring sporting, cultural and charity events and initiatives.

In this context, the intention of the journey we undertook last year, and that we are continuing to follow with the publication of the 2017 Sustainability Report, is to give all of you the opportunity to have a clear and complete picture of who we are, the initiatives we have undertaken and the results we have achieved in the field of economic, social and environmental sustainability by highlighting the key moments from 2017 and the particular characteristics of our Italian subsidiaries.

And it is precisely the inclusion of our Italian subsidiaries within the framework of the Report that represents the most significant change: Adesital, Cercol, Mosaico+, Polyglass, Vaga and Vinavil are all on board with the parent company in acknowledging the importance of honest, transparent dialogue with all their stakeholders and consider sustainability to be one of the core principles of the way they do business.

Nowadays, all major companies are heading in the exact same direction; integrating sustainability into their core business, driven by a legislative framework and market forces that are becoming increasingly sensitive to this particular theme. Over the years Mapei, which has always been an example of a proactive approach, has dedicated an increasing level of attention to Sustainability and has gradually combined it with the concepts of Internationalisation, Research and Development and Specialisation, the three traditional pillars of its corporate strategy.

Giorgio Squinzi

A handwritten signature of Giorgio Squinzi in black ink.



SUSTAINABILITY FIGURES

All figures refer to the entire Mapei Italy* framework

769.3 

MILLION EUROS
DISTRIBUTED TO
STAKEHOLDERS IN 2017

11% 

OF TURNOVER IN 2017
CAME FROM PRODUCTS
WITH FORMULATIONS
LESS THAN THREE
YEARS OLD

APPROX.

34

MILLION
EUROS
SPENT ON
R&D IN 2017



MORE
THAN

3,300

HOURS OF
TECHNICAL
TRAINING



FOR AROUND

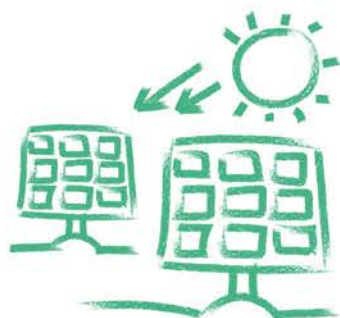
45,500

PARTICIPANTS
IN 2017



95

NEW
PRODUCTS
INTRODUCED
ON THE
MARKET IN 2017



2,577

TONNES OF CO₂
PREVENTED IN 2017
(BY GENERATING
OUR OWN ENERGY
FROM PHOTOVOLTAIC
CELLS AND
HIGH-YIELD
COGENERATION
PLANTS)

* Figures do not include U.S. Sassuolo Calcio S.r.l., Mapei Stadium S.r.l and Progetto Mosaico+ (see page 2).

AMOUNT OF CO₂ DURING THE LIFE CYCLE OF KERAFLEX MAXI S1 ZERO ADHESIVE IN 2017 FULLY OFFSET BY PURCHASING CREDITS FOR A REFORESTATION PROJECT COVERING AN AREA OF



21,291 hectares



83%

OF PURCHASED GOODS (IN WEIGHT) FROM ITALIAN SUPPLIERS



2,111

EMPLOYEES IN 2017
(+11% COMPARED WITH 31/12/2014)

3.4% →

EMPLOYEE RESIGNATIONS IN 2017



6.9%

NEW EMPLOYEES IN 2017



94%

OF EMPLOYEES WITH A PERMANENT WORK CONTRACT IN 2017



45%

LOWER WORK-RELATED INJURY RATE FOR THE THREE-YEAR PERIOD 2015-2017

APPROX. **35,000** HOURS OF TRAINING FOR EMPLOYEES (17 HOURS PER CAPITA)

32

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





OUR SECOND SUSTAINABILITY REPORT

Mapei has always put the concept of sustainability at the very heart of its production and commercial systems. This is why, this year too, it has chosen to continue the important journey begun in 2017: to release figures about the Group's activities in the field of sustainability in order to give a truthful and transparent picture of the Group, of its values and of its environmental, social and economic performance. The result is this new Sustainability Report which, unlike last year's, aims at highlighting all the innovative features for

2017 and representing not only Mapei S.p.A

(from hereon also known as the "parent company"),
but also all the Group's Italian subsidiaries.

In order to guarantee a sense of continuity, the same structure as the previous one has been maintained, with four sections dedicated to the fundamental ingredients of Mapei's winning recipe for success: research and development, an efficient production system, investment in employees and attention to the community.

PERSONS

QUALITY

RESPONSIBILITY

SPECIALISATION

TRADITION

PROXIMITY

EXCELLENCE

INTERNATIONALISATION

DURABILITY

INNOVATION

TECHNOLOGY

EFFICIENCY

TRANSPARENCY

FAMILY



Roadmap of the 2017 sustainability report

The 2017 Sustainability Report highlights the main environmental, social and economic aspects that characterise the Company and has been drafted according to **GRI (Global Reporting Initiative) Sustainability Reporting Standards**.

The route taken by Mapei in drafting this Report featured the involvement of a dedicated work group, which includes representatives of top management, to follow each step of the activities carried out in order to prepare and draft the document. Moreover, representatives from many other company functions were also involved in the project and took an active part in supplying input regarding their area of expertise.

While the first Sustainability Report drafted last year to determine and prioritise the Mapei stakeholders has been validated, when drafting this year's Report, the analysis of the material issues for the Company (materiality analysis) has been reviewed.

Unlike the previous one, the 2017 Sustainability Report is not only about the parent company, Mapei S.p.A.; it also covers the subsidiary companies 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".

Unlike the parent company and the other subsidiaries mentioned above, Vinavil S.p.A. features individual and specific peculiarities affecting the technological and manufacturing field, the process-related impact and the products' employment sectors, as well as the target markets to which said products are assigned.

For this reason, for the year 2017, a dedicated annex to this Report has been drafted, covering the various activities carried out by Vinavil S.p.A in Italy. Please refer to said annex for more in-depth information.

Mapei 2017 materiality analysis (refers to Mapei Italy framework)

VERY HIGH

- Product quality and safety
- Innovation and Research and Development
- Client focus
- Product sustainability and LCA perspective
- Health and safety in the workplace
- Anticorruption measures and transparency

HIGH

- Sustainability of buildings and certifications
- Welfare of employees and training
- Carbon footprint and climate change
- Creation of economic value
- International presence
- Relationship with local communities (including sponsorships)
- Responsible management of supply chain
- Emissions in the atmosphere
- Purchasing from local suppliers

MEDIUM

- Waste materials management
- Equal opportunities and diversity in general
- Energy consumption and efficiency
- Protection of trademarks and production know-how
- Biodiversity
- Human rights
- Water consumption and discharge

Significance for stakeholders

Significance for Mapei Italy

Mapei stakeholders

Employees

- Code of Ethics
- Constant dialogue
- Performance evaluation process
- Internal newsletters, corporate magazine "Realtà Mapei", website and social network
- Sporting and cultural events sponsored by the Company
- Training courses



Suppliers

- Code of Ethics
- Dialogue through periodical technical updates and refresher meetings
- Qualification process



Community

- Support for organisations and participation in cultural, sporting and charity events/projects
- Realtà Mapei, website, social networks and newsletters
- Interaction with local residents and their representative bodies
- Company newsletters
- Press releases



Clients and end Users

- Code of Ethics
- Pre and post-sales technical support (including site surveys) and mobile laboratories
- Seminars and training courses
- Trade fairs, conventions and sporting and cultural events
- Realtà Mapei, website, social networks and newsletters
- Technical documentation for products, user manuals, design guides and dedicated softwares



Research and Development partners

- Code of Ethics
- Collaboration with the scientific community, training institutes and University research Centres
- Trade fairs, conventions and special events
- Realtà Mapei, website, social network and newsletters
- Scientific congresses



Competitors

- Participation in work groups within the framework of trade associations



Overseas branches and subsidiaries

- Constant dialogue at all levels and with all company functions
- Training courses
- Group Code of Ethics
- Realtà Mapei, website, social networks and newsletters



Legislators, Public Administration and Inspection and control bodies

- Institutional documentation and conferences within the framework of AIA (Autorizzazione Integrata Ambientale / Integrated Environmental Authorisations)
- Code of Ethics





Italian Brands of Mapei Group



1

THINK, CONSTRUCT, IMPROVE: THE SECRET BEHIND 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 31st of December 2017, these six companies and Mapei S.p.A. combined had a total of 2,111 employees, the largest part of which work for the parent company (67% of the total workforce in Italy).

Mapei Group in 2017

81

SUBSIDIARIES, INCLUDING THE PARENT COMPANY, IN 54 DIFFERENT COUNTRIES

BILLION EUROS CONSOLIDATED TURNOVER AS OF THE 31ST OF DECEMBER 2017

2.4

MAIN RESEARCH CENTRES IN 17 COUNTRIES

29

9,516

EMPLOYEES

77

MANUFACTURING FACILITIES IN 34 DIFFERENT COUNTRIES IN ALL 5 CONTINENTS

BILLION EUROS INVESTED IN MANUFACTURING FACILITIES SINCE 1937

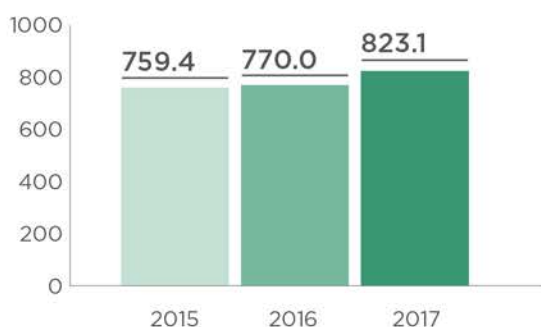
1.5

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 2015-2017, the level of economic value generated had a positive growth trend of 8.4%.

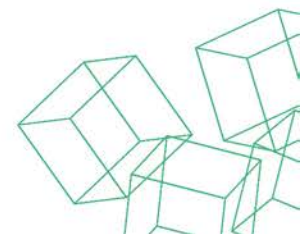
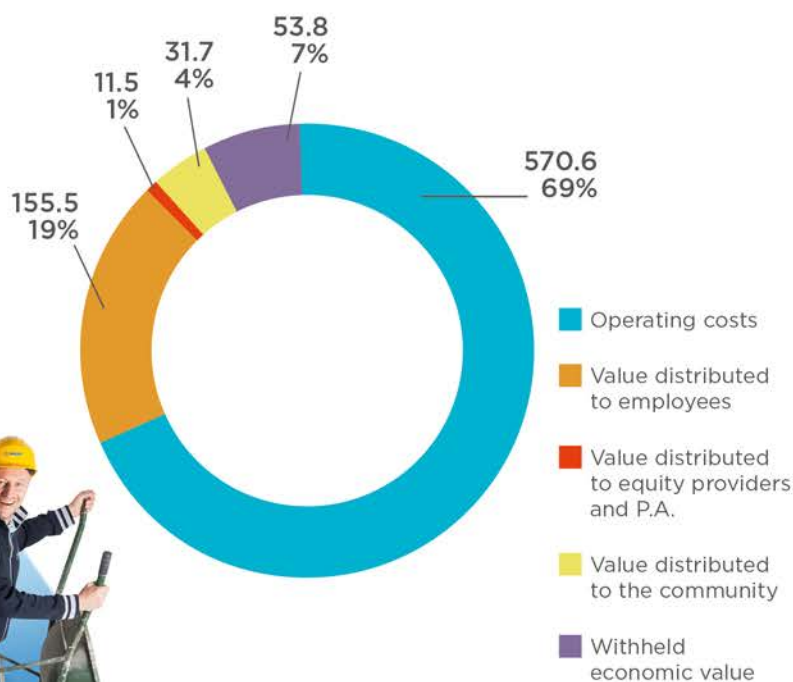
Economic value generated (million €)

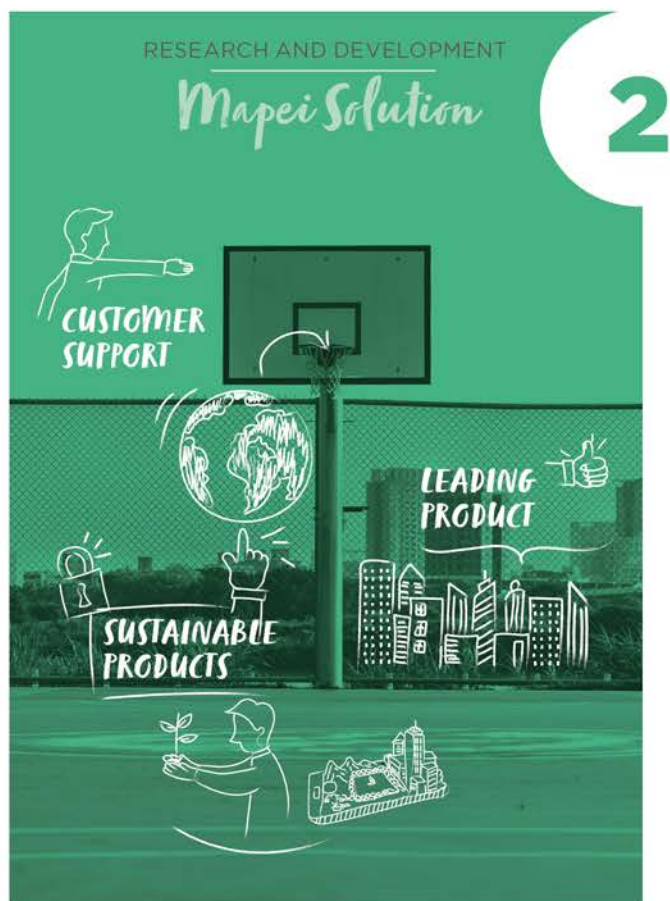


As illustrated in the graph below, of the 823.1 million Euros of economic value generated in 2017, 53.8 million Euros were withheld by the Group and 769.3 million Euros were shared amongst the main stakeholders as follows:

- operating costs were 570.6 million Euros, around 70% of which was for raw materials;
- wages and salaries for employees accounted for 155.5 million Euros, an increase of 6.6% on the previous year;
- equity providers, shareholders and Public Administration received 11.5 million Euros;
- donations, association membership fees and sponsorships for local communities amounted to around 31.7 million Euros (+3.9% on 2016).

Distribution of economic value generated in 2017 (million € and percentage)



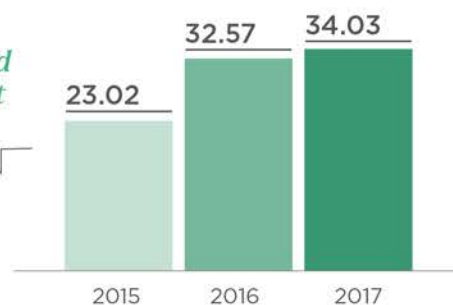


RESEARCH & DEVELOPMENT INTO INNOVATIVE, SUSTAINABLE SOLUTIONS: CONSTANT INVESTMENT ALONGSIDE OUR CLIENTS

Forward-thinking, the ability to anticipate problems and experience in offering cutting-edge solutions: this is what Mapei Research is all about

The amount of money invested into R&D¹ by Mapei Italy for the three-year reference period was in constant growth, reaching **34 million Euros** in 2017.

Costs for Research and Development (million €)



A Company:

- is successful if it grows on the global market
- in order to grow, it needs to be competitive
- in order to be competitive, it needs to invest in R&D
- in order to invest effectively in R&D, it must be open to the scientific community

Giorgio Squinzi

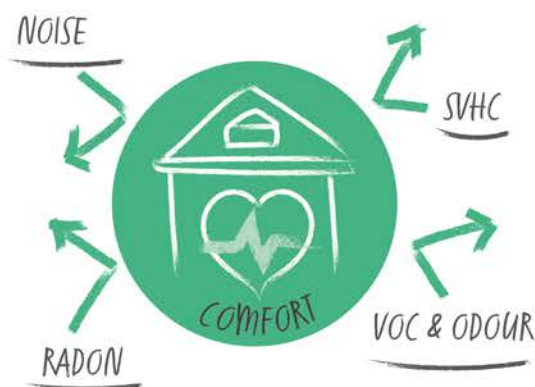
450 raw materials were qualified for the Group in 2017 along with 4,000 new or modified formulations and **95 products were launched on the market by the Group's Italian subsidiaries**, for a total of 250 new products in the three-year period 2015-2017: results that clearly demonstrate the intense and dynamic Research and Development activity aimed at constantly broadening and innovating the Company's portfolio of products available for users.

¹ The amount spent covers the cost of all R&S personnel, external consultants, depreciation costs of laboratory equipment and the cost of materials used in the laboratories.

Product sustainability according to Mapei

R&D work enables Mapei to create sustainable products, safe both for installers and final users, developed to reduce the environmental impact and promote sustainability in the chemical and building industry

Safe products to protect people's health and living comfort



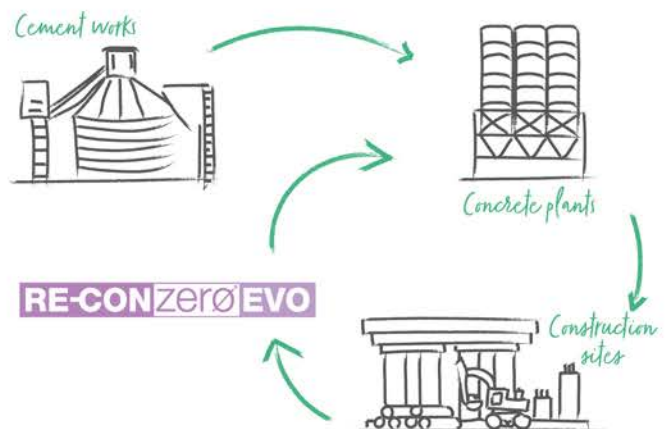
Products with low environmental impact

Thanks to the Company's approach to Environmental Sustainability, in 2016 Mapei was certified by **Certiquality** for its issuing and internal verification process of **EPDs** (Environmental Product Declaration), which are drafted according to international standards (e.g. ISO 14025, EN 15804).



Products to enable sustainability

Enabling sustainability in the building world also means contributing through one's own solutions to reduce consumption of virgin raw materials and reduce production of waste, such as during site-based construction operations. A perfect example of this concept is RE-CON ZERO EVO.

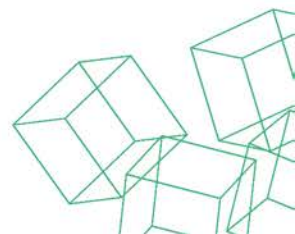


Alongside the client to achieve the best results

For Mapei, satisfying the needs of clients means much more than simply guaranteeing that products are both functional and of high quality. It also means sharing the Company's know-how and technical expertise through targeted **training courses** and **highly qualified technical support** readily available and on-hand for its clients, also by basing its

engineers directly on site or through its mobile laboratories travelling across Italy.

In 2017, Mapei's commitment to technical training resulted in the Company providing a total of 3,349 hours of training all around the country, with 45,555 participants involved.





QUALITY AND MONITORING OF ENVIRONMENTAL IMPACTS FOR A MORE RESPONSIBLE MANAGEMENT OF PRODUCTION PROCESSES

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 mix of raw materials, mixing and/or reaction of the components and packaging of the finished product. Thanks to the particular production systems of each of its subsidiaries, this process is further enhanced and completed with the aim of **constantly integrating the entire sector** by taking into consideration the confines of Italy: excavation work carried out by Vaga, the production of waterproofing systems by Polyglass and the production of polymers for industry by Vinavil.



Heterogeneous technological and production cycles sharing a unique strategy: the Mapei strategy

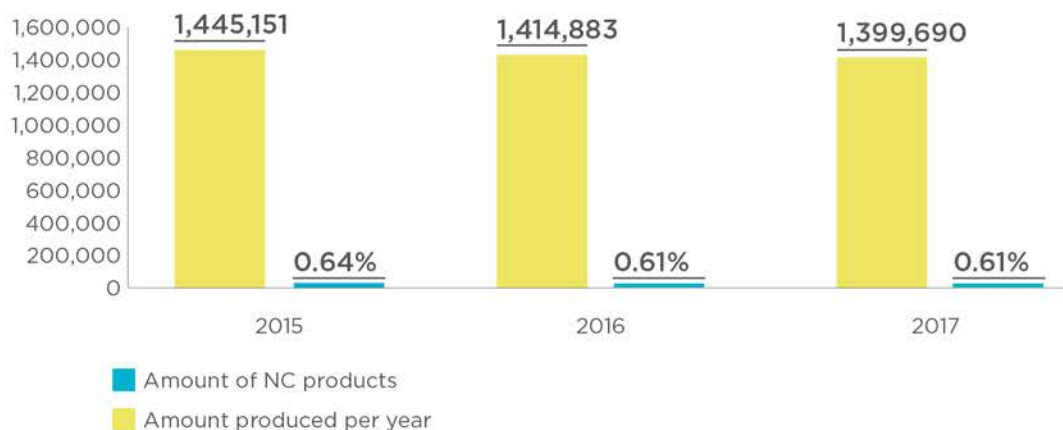
Management and quality control systems

For Mapei, guaranteeing sustainable production means, on the one hand, ensuring the efficiency of manufacturing processes by carrying out timely, constant quality control on its products, and on the other hand, adopting responsible management criteria to monitor its impact on the environment and safeguard the health and safety of its employees and the surrounding area.

Constant quality control and implementation of management systems: common denominators of a diversified production environment

During the three-year reference period, **non-compliant products reported by the Group's Italian facilities were maintained at a level of well below 1% of the total production.**

Non-compliant products (tonnes) / total Production (tonnes)



Sustainable management of the supply chain

Purchasing from local suppliers, qualification processes taking into consideration both HSE and sustainability and logistics management are some of the key elements to guarantee an effective, sustainable supply chain and extend Mapei's responsibility beyond the boundaries of the Company

Main impacts on the environment

Minimising the Company's impact on the environment: a challenge that Mapei wants to win by constantly improving the efficiency of its production system

**662
TONNES
OF CO₂
PREVENTED**
IN 2017 THANKS
TO OUR OWN
PHOTOVOLTAIC
PLANTS

Preparing this Sustainability Report provided the chance to collect and monitor data regarding the environment for the whole of Italy and encouraged an analysis of data and in-depth research aimed at reducing the main effects on the environment over the upcoming years. The general trend of an increase in consumption and emissions are connected, first and foremost, to a **variation in the production mix**. While the logic and flexibility applied to production may be the cornerstones of the Group's success, Mapei is nonetheless committed to improving the environmental performance of its production processes (as well as of its own products). This commitment will be translated into feasibility studies and, in the not too distant future, into concrete actions aimed at limiting the impact processes have on the environment.



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

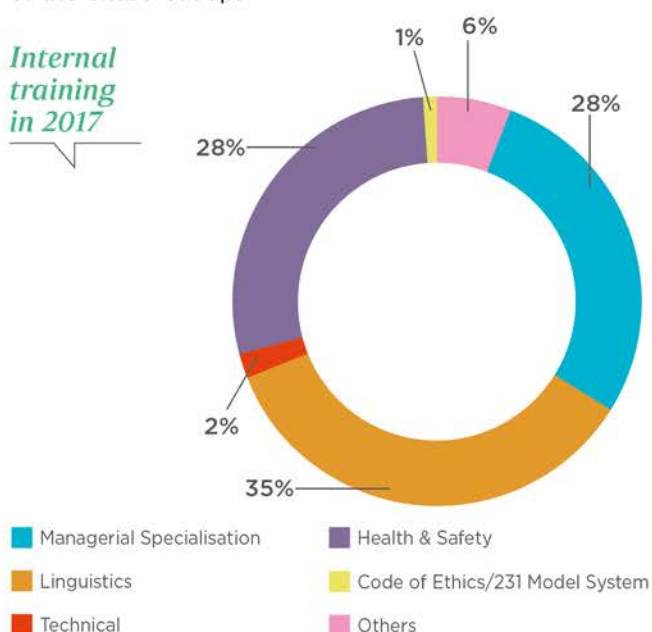
Appreciation and professional development of employees

The constantly growing workforce is the response to Mapei's need to address an Italian building market that is slowly recovering and, at the same time, to become stronger and expand even more at an international level. Encouraging the professional and personal development of our employees is an essential element of the philosophy of the entire Group.

Mapei Italy employees



Internal training in 2017



Constant care and attention to the well-being of employees

Enacting a well-structured company welfare system is a way of contributing to the development of a high level of employee satisfaction.



OUR INITIATIVES AIMED AT EMPLOYEES

THE AIM OF THE INITIATIVES UNDERTAKEN BY MAPEI FOR ITS EMPLOYEES IS TO CREATE A FAMILY-ORIENTED WORK ENVIRONMENT, PROVIDE THE CHANCE TO TAKE PART IN VALID PROFESSIONAL TRAINING COURSES AND PROVIDE A FRAMEWORK FOR SHARED CORPORATE VALUES

Corporate culture aimed at safeguarding the workforce

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

Work-related injuries index



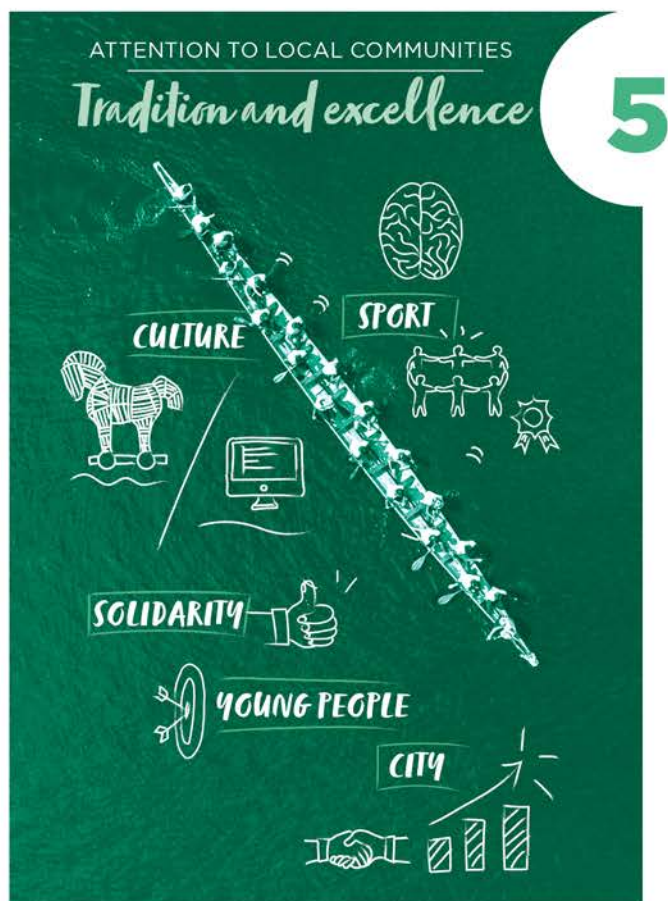
Work-related injuries and good company practices

At Adesital and Mosaico+, no work-related injuries were reported for the three-year period 2015-2017. 2017 was a particularly positive year, since Cercol, Vaga and Vinavil did not record any work-related injuries that led to an absence from work of more than three days. As of 31/12/2017, Adesital had registered a total of 1,257 days without work-related injuries.

The **main activities** undertaken by the Company in the three-year period 2015-2017 to improve health and safety in the workplace included:

- **Ad hoc interventions to reduce risks.**
- **Review of Risk Assessment documents.**
- **Certification** of Cercol and Adesital Health and Safety Management Systems in close collaboration with Corporate HSE.
- **Training and awareness campaigns for employees.**

—●— Work-related injuries frequency rate
—●— Index of lost working days due to work-related injuries



ACTIVE PARTICIPATION IN THE LIFE OF LOCAL COMMUNITIES FOR THE SHEER PLEASURE OF GROWING TOGETHER

Tradition and excellence, a passion for sport and the desire to be stand out, the love for culture and caring for others are the key elements of the initiatives enacted by Mapei to keep their ties with local communities strong and alive



Sport: fair play, enthusiasm and constant work to achieve every goal

*"Never stop pedalling" (G. Squinzi)
if you want to better yourself and
overcome life's daily challenges
without feeling as if you have made it*

The Squinzi family's passion for sport and their sharing of the values of sport with a capital "S", such as **effort, constant work, honesty and enthusiasm**, have all played a role in making Mapei an integral and active part of the world sporting scene, first with **cycling** and then in many other disciplines, always aiming to promote and support talent.

The 2000's marked the start of a considerable investment that is still making the name "Mapei" so familiar today: the **Sassuolo Calcio** soccer team. Another team acting as a standard bearer for the philosophy of the Group, based on **fair play** and teamwork, **respect for the rules** and the **desire to**

work hard. Close attention and encouragement of the new generations and a strong commitment to the **ladies' sector** have had considerable social impact.

Mapei Group's contribution to the world of sport is not limited to the parent company. In fact, there are numerous professional and amateur sports clubs and teams that the Italian subsidiaries have chosen to support, each one driven by a strong sense of social responsibility and active participation in the life of local communities.



Culture: the importance of keeping a timeless heritage of excellence alive

Apart from the **La Scala Theatre** in Milan, the **Santa Cecilia Academy** and the **Nohma Theatre**, Mapei also supports the **Milan Triennale** exhibition.



LA TRIENNALE DI MILANO

Mapei's involvement in the world of culture, as with the world of sport, is enhanced by sponsoring local institutions and initiatives through the Group's locally-based subsidiaries, and is characterised by a strong sense of social responsibility and by taking an active part in initiatives implemented in those communities.

Young generation: the experience of Mapei working alongside schools

Mapei has always been a firm believer in training youngsters and the importance of synergic cooperation between schools, the world of work and local communities, and has implemented a School-Work experience project to offer students from schools and institutions that have joined the scheme the opportunity to **get a better understanding of the chemicals sector and the Group**.

Solidarity: sharing in order to help those most in need

Mapei know-how and products, to be closer to local communities and have their best interests at heart

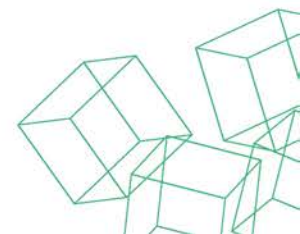
Mapei supports numerous solidarity projects and initiatives by providing the company's technology and the advice of its laboratory technicians and site engineers. A typical example is the contribution from Mapei in favour of the **Francesca Rava NPH Italia Onlus** foundation for the reconstruction of several school buildings in the area hit by the earthquake. Another project with a particularly high social impact is the **centre of excellence in paediatric surgery** by the Renzo Piano design studio for the Emergency organisation in Entebbe, Uganda, for the progressive development of a quality healthcare system in Africa. To this end, the Mapei Research and Development laboratory has been dedicating its efforts for more than three years in specific research work to develop the most suitable and innovative system.



MAPEI SCHOOL-WORK EXPERIENCE PROJECTS INITIATED IN 2017

MAPEI DIVISIONS INVOLVED	TECHNICAL AND PROFESSIONAL INSTITUTES
Mapei - Milan (research and development)	ITIS Molinari - Chemistry Diploma
Mapei - Mediglia (plant)	Istituto CESARIS - Chemistry Diploma
Vinavil - Villadossola (plant)	ITIS Galletti - Chemistry Diploma
Vinavil - Ravenna (plant)	ITIS Nullo Baldini - Chemistry Diploma
Adesital - Modena (plant)	ITIS Fermi - Chemistry Diploma
Cercol - Sassuolo (plant)	ITIS Volta - Chemistry, materials and biotechnology
Polyglass - Ponte di Piave (Treviso) (plant)	Istituto Sansovino - Economics and Technology

For a number of years Mapei has been a member of the **Sodalitas Foundation**, the reference organisation in Italy for Sustainability and Corporate Social Responsibility, which counts more than 100 leading Italian companies amongst its membership.





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