



IMPACT REPORT



WELCOME LETTER

At Arfai Ceramics, we understand business as a shared responsibility — towards people, communities and the environment — and it is from this awareness that we strive to create economic value in a responsible and lasting way.

I deeply believe that companies play an active role in building a more inclusive, fair and regenerative economy. At Arfai Ceramics, we see business as a shared responsibility — with the people who work with us, the communities where we operate and the environment that sustains us. It is from this awareness that we seek to create economic value in a responsible and sustainable way.

This Impact Report reflects our commitment to ethical, transparent and long-term oriented management. As an organization, we have been strengthening good governance practices, integrating responsibility, accountability and conscious decision-making at the core of our strategy. The beginning of the B Corp certification process formalizes this path and reflects our ambition to measure, manage and continuously improve our impact.

People are at the heart of Arfai. We value fair, safe and respectful working conditions that support well-being, fostering a culture of closeness, development and trust. We believe that engaged and supported teams are essential to the strength of the business and to the quality of the impact we generate.

As an industrial company with an international presence, we also recognize our role within the community and across the

wider value chain. We aim to act responsibly alongside our partners, suppliers and clients, contributing to more balanced, ethical and transparent relationships, as well as to the strengthening of the territory where we operate. Respect for the environment is a guiding principle of our activity. We continuously work to reduce impacts, optimize resources and integrate more sustainable practices into our production processes, aware that environmental preservation is inseparable from the future viability of our business.

This report does not represent a final destination, but rather a clear commitment to continuous improvement. We believe that positive impact is built with rigor, humility and collaboration, and that only through measurement, learning and accountability can we evolve in a consistent and credible way.

CARLA MOREIRA
Co-Founder & CEO
Arfai Ceramics Lda.





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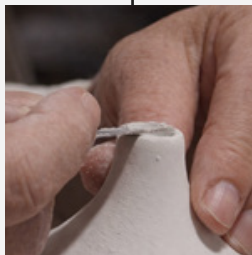
B Corp P.31



30 years of experience and know-how in the ceramics industry

Located in Alcobaça, on the west coast of Portugal, Arfai has been operating in ceramic manufacturing for 30 years, supplying international brands around the world.

Start of activity, as traders.



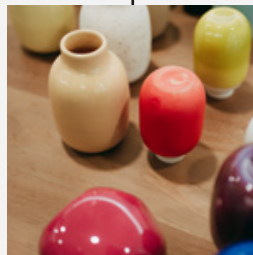
1992



Start of activity, as manufactures.

1995

A fresh focus on design and innovation set off a new period at Arfai.



2002



Acquisition of industrial machinery allows for more efficient and taster production.

2008

Carla Moreira becomes the sole Manager of Arfai.



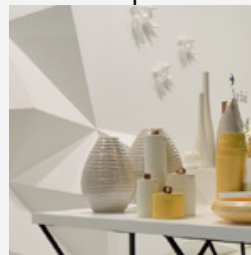
2010



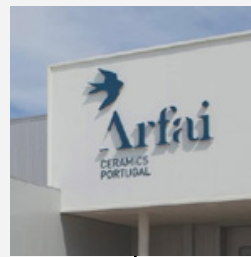
Arfai celebrates its 20th birthday and treats itself to new marketing strategies and a stylish rebranding.

2015

25 years exhibitin at AMBIENTE FAIR.



2017



Conclusion of a 4 years investment Plan that aimed at the structural factory modernization.

2018

Installation of solar panels.



2019



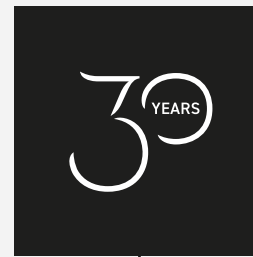
Arfai turns 25 years old, and sides with clean energy for the future.

2020

Arfai creates Ecofai and keeps investing in clean energy for a sustainable future.



2023



Arfai celebrates its 30th anniversary and begins the BCorp certification process.

2025





4 120 000 €

Annual Turnover

96 %

Export Rate EU, USA, UAE

500 000 pieces

Annual Production Capacity





60-90^{days}

Leading Times

92

Direct Employees

Design, 3D, R&D, Production Planning,
Quality Control, HR, Marketing

Technical and Qualified HR



10 000 ^{M²}

Dimensions Industrial unit, warehouse, showroom, offices

6 kilns, 2 press machines,
2 rollers, 2 glazing semiauto machines,
1 glazing robot

Machinery

Locally and nationally

Raw Material Sourcing

Every year, we develop a collection of decorative ceramics that offers innovative designs and one-of-a kind decorations.

VERSATILE AND WIDE

Designed to entice multiple tastes (multicultural, multi-seasonal, multifunctional);

TRENDY

Resulting from an accurate interpretation of the main international trends;

PRIVATE LABEL

'Private label' is one of the most important aspects of Arfai's services, when it comes to producing exclusive projects or customizing our standard collection.

We work with ambitious home accessories and interior design brands from all over the world.





Arfai Around the World

Around **96%** of the company's production is exported to some of the most renowned brands and shops in the world. A commercial dynamic that is attentive to our partner's strategic interests.





OUR BUSINESS

COMMITMENT
HUMAN VALUE
RESPECT

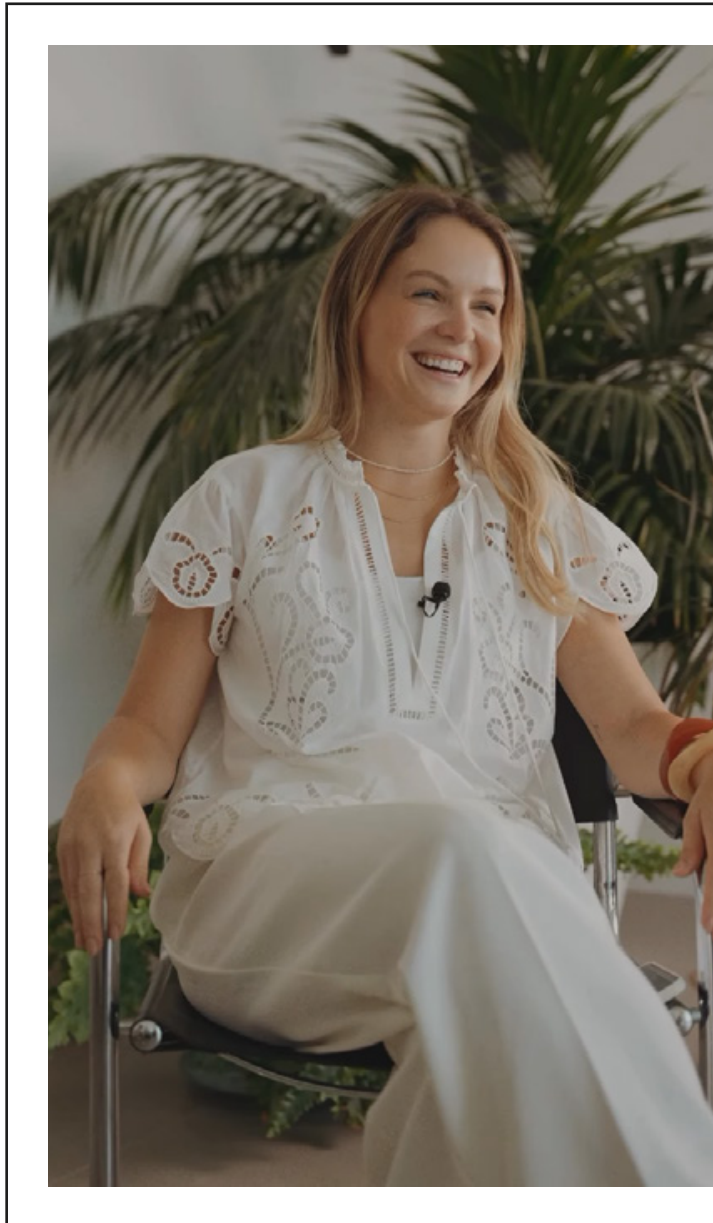
Mission and Values

To produce high-quality decorative ceramic pieces inspired by the art and tradition of ceramics.

To achieve sustained and sustainable growth that allows the development of our commercial activity alongside the maintenance and continuous improvement of our internal policies on ethics, social responsibility and environmental responsibility.

We are committed to minimizing environmental impact in order to become a greener factory, together with our employees, clients and the community.





SORAYA WOUTERS

“My mother always showed me that a person’s value is not in their gender, but in the way they act, the way they treat people, the way they treat the team. She was, without a doubt, and still is, a great influence.”

Read Soraya full interview [here](#)



ELSA HENRIQUES

“(…) Look, that’s from my factory. Mine? Well, it’s not mine… but it feels like it is, because it’s part of me.”

Read Elsa full interview [here](#)



RAQUEL DUARTE

“(…) There’s place to speak, to learn, and to grow.”

Read Raquel full interview [here](#)

MARISA ARAÚJO

“(…) The Party Commitee. (…) It’s something you won’t find anywhere else”

Read Marisa full interview [here](#)



RAFAELA MOREIRA

“(…) innovation, perceptiveness and persistence (…) that makes Arfai genuinely unique, but she emphasizes that it’s the team spirit that drives everyone to go even better”

Read Rafaela full interview [here](#)



CECÍLIA BERNARDES

“Take hold of this, don’t let ceramics die (...). It’s a beautiful thing. Because it’s magical (...), we work with our hands.”

Read Cecília full interview [here](#)



The company's approach to its employees and the community is based on well-established practices and policies that have been consistently implemented over time and are an integral part of its organizational culture. Over the next 24 months, the goal is not to introduce new principles, but rather to strengthen, deepen and continuously improve these existing practices, ensuring their effectiveness, relevance and alignment with the company's long-term vision.



Our people are our most important asset

We are a company that deeply values people, because we believe they are the driving force behind our success and our evolution. We recognize that the engagement, well-being and continuous development of our employees make a real difference in both our results and the culture we build every day.

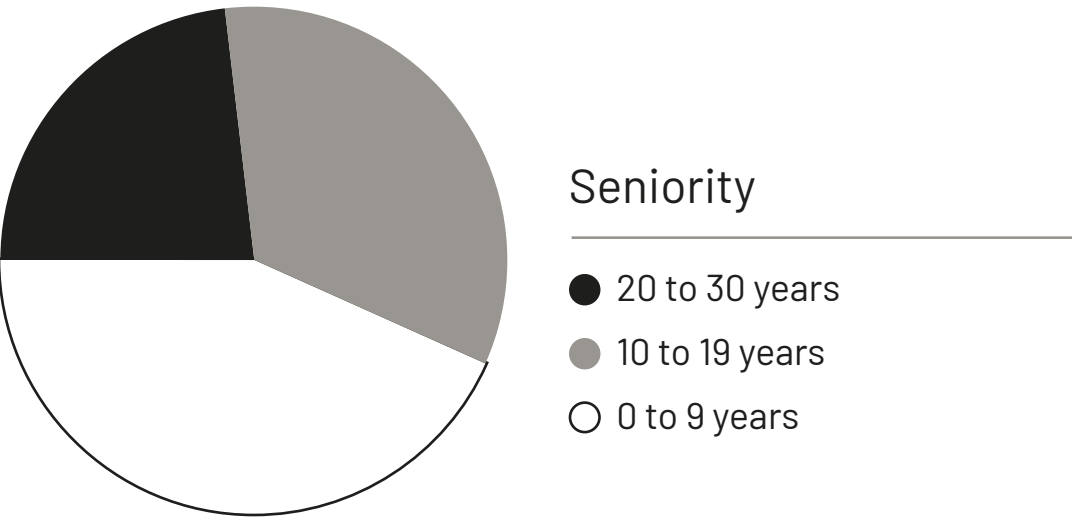
For this reason, we promote equal pay between genders, and we are committed to promoting consistent initiatives throughout the year – not just at isolated moments – ensuring a more motivating, human and sustainable working environment.

83 % Woman

435 Training hours

12 % Turnover

67 % Workers feel happy at work





Benefits and Well-Being

Arfai strives to create a close, welcoming and motivating environment, valuing moments of sharing and recognition throughout each person’s professional journey. To this end, the company develops a range of initiatives that reinforce well-being, team spirit and a sense of belonging within the organization. Below we share some of our events and elements of our benefits plan:



➤ Annual Christmas dinner, including a gift basket and/or symbolic present



➤ Gift for newborns, celebrating important moments in employees’ family lives



➤ Carnival celebration



➤ Retirement recognition, with a symbolic gift for those who complete their professional journey at Arfai



➤ Social activities throughout the year, including dinners, outings and team-building activities



➤ International Women’s Day celebration, with a small gathering and symbolic gift



➤ Special conditions for purchasing products at the factory store



➤ Weekly yoga class, promoting physical and mental well-being



➤ Partnerships with external partners offering advantageous conditions, including: Pharmacies, Hotels, Gyms, Optical stores





Visit from young entrepreneurs from Leiria



Presentation of the book “Honrar e Valorizar” (“Honour and Value”)



Visit from seniors from Santa Casa da Misericórdia de Benedita



Visit from children from the ATL program of Santa Casa da Misericórdia de Aljubarrota

Community

With regard to the community, the company has a long-standing history of supporting local associations that assist people with disabilities, as well as humanitarian causes of significant social relevance. These partnerships and initiatives will be maintained and strengthened as part of our continuous improvement strategy, consolidating the company’s active and consistent role in the social development of the region. At the same time, the company will continue to apply and improve its internal policies to support employees in situations of need, based on principles of solidarity, fairness and social responsibility.



Over 20 years of partnership with the Special Education, Rehabilitation and Integration Centre of Alcobaça

Through this continuous improvement approach, the company seeks to consolidate, formalize and strengthen people-centered practices, generating lasting and measurable value for employees, the community and society as a whole.

Circularity

We believe that circularity is an essential pillar for a fairer and more regenerative economic model. We strive to design products and processes that extend the lifecycle of materials, reduce waste and promote reuse and recycling.

In this context, we highlight our **ECOFAI** body, which reflects our commitment to more sustainable and responsible solutions, generating positive value for society and the planet.

As part of our circularity strategy, **100% of the water used in the factory is treated in our own wastewater treatment plant**, ensuring full control of the effluents generated. Of this total, **60% of the treated water is reused in the production process**, contributing to the reduction of potable water consumption and to a more efficient use of water resources.



CIRCULARITY

ECOFAI

New Ecological Raw Material

Watch the ECOFAI video [here](#)



ECOFAI

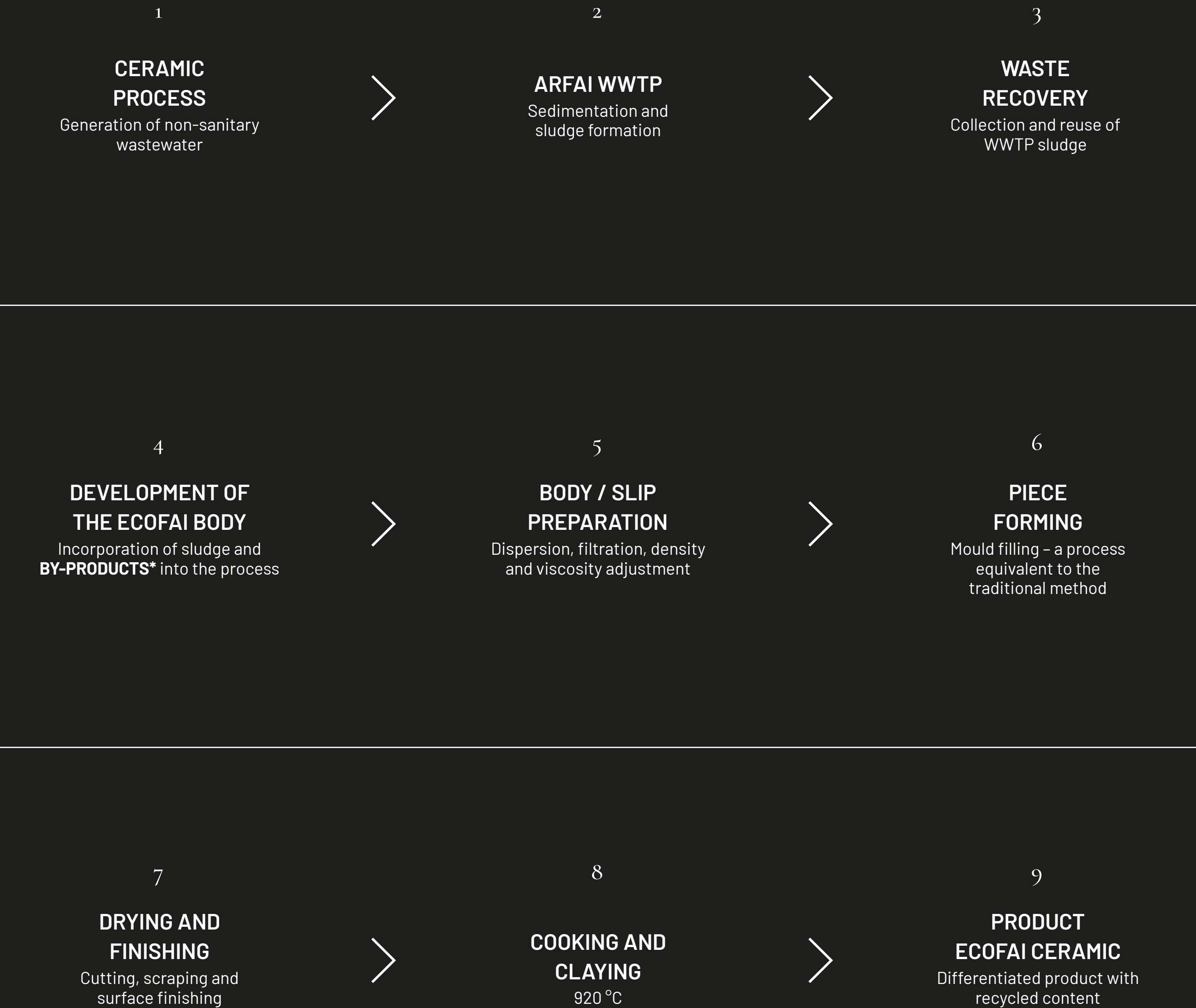
Process



PROCESS BY-PRODUCTS*

Sludge collected from the wastewater treatment plant (WWTP), mainly originating from the washing of equipment/tools and from different work areas;
Dust from the dust collection systems of all processes that involve dust generation, namely:
Finishing of pieces, which involves scraping pieces in the green or leather-hard stage, potentially releasing clay body particles;

Cleaning the clay, which also involves scraping the clay pieces, which may lead to the release of cooked clay dust;
Glazing, where the spraying of raw glaze onto bisque-fired pieces may generate glaze particles;
Other residues / by-products resulting from normal operations and the cleaning of glazing booths.





Impacts Generated



**WASTE
REDUCTION**

recovery and reuse
of sludge from the
WWTP within the
production process



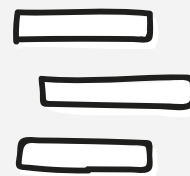
**RESOURCE
EFFICIENCY**

reduction in the
consumption of virgin
raw materials



**CLOSING
THE LOOP**

reintegration of
internal waste into
ceramic production



**PROCESS
CONTROL**

an internal, traceable
and consistent solution



**REGENERATIVE
MODEL**

creation of
environmental value
without compromising
product quality



Supply Chain

PRINCÍPIOS ORIENTADORES

- Proximidade
- Responsabilidade social
- Consciência ambiental

ORIGIN OF RAW MATERIALS

- **65%** sourced locally, within the company’s direct area of influence
- **35%** supplied elsewhere in Portugal
- **100%** national sourcing

ECONOMIC IMPACT

- Creation and maintenance of local employment
- Economic stability in the region
- Strengthening of long-term partnerships
- Fairer distribution of the value generated

ENVIRONMENTAL IMPACT

- Reduction of transport distances
- Lower logistics-related emissions
- More efficient and controllable supply chains
- Greater proximity to monitor responsible practices

SOCIAL AND CULTURAL IMPACT

- Preservation of local ceramic heritage
- Recognition of traditional knowledge and technical skills
- Strengthening of territorial identity
- Continuity of material and intangible heritage

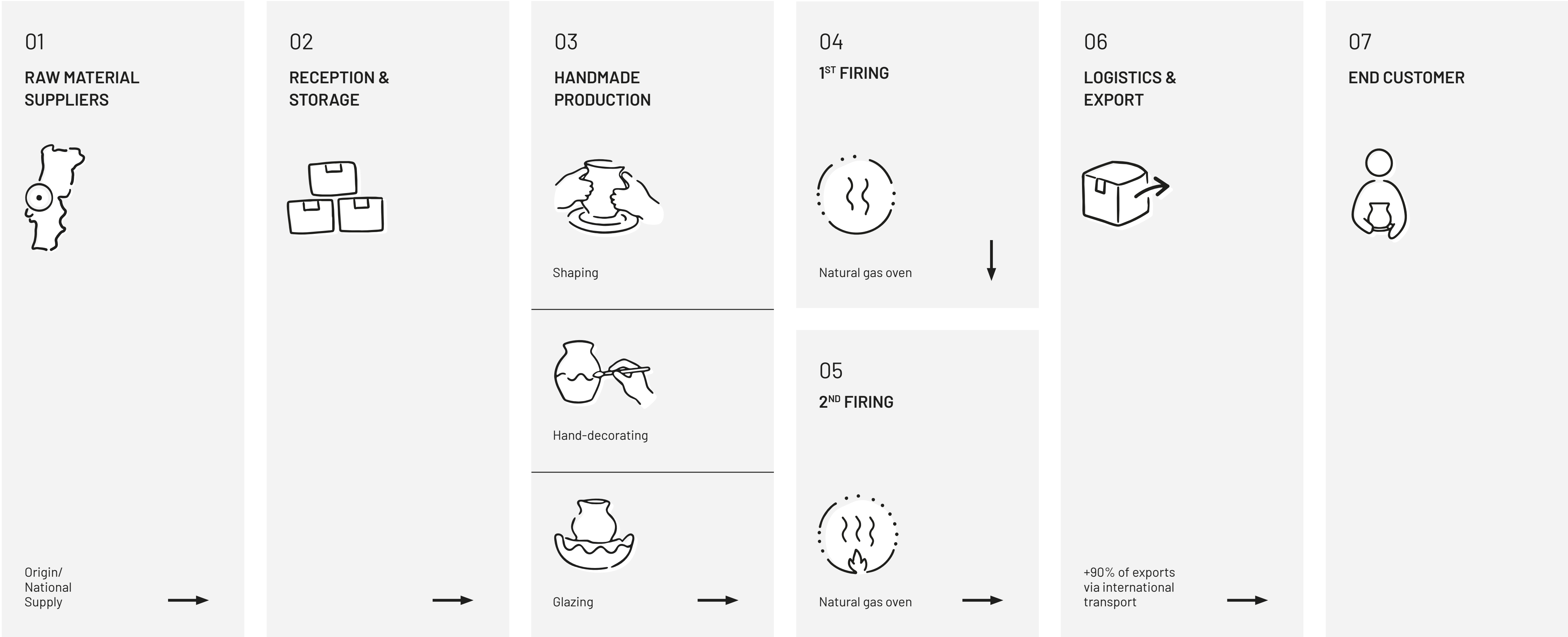
COMMUNITY IMPACT

- Strengthening the sense of pride and belonging
- Promotion of the region and Portuguese ceramics in international markets

COMMITMENT

- A sustainable and balanced supply chain
- Integration of economic, social and environmental impacts
- Alignment with the values and principles of B Corp certification

Supply Chain

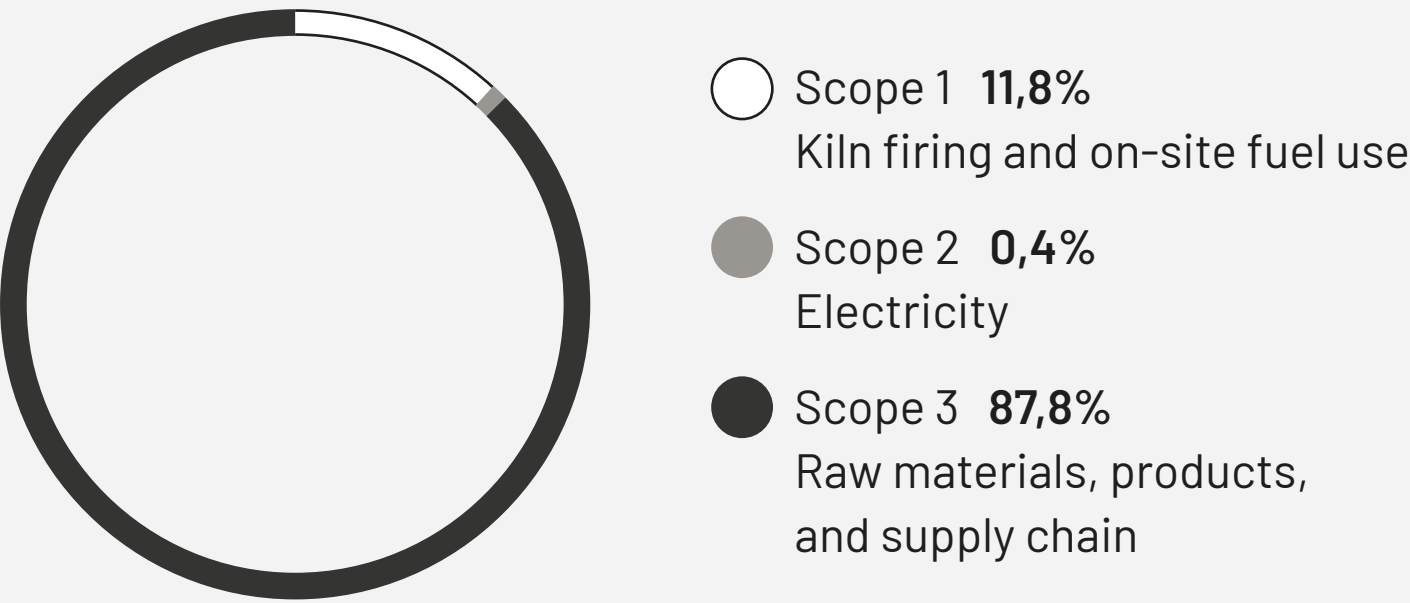


Our Carbon Footprint

Ceramics is shaped by heat, material, and process. From firing kilns to sourcing raw materials, impact is part of how each piece is made. In 2024, we measured our footprint for the first time.

TOTAL
4,711 tCO₂e

WHERE OUR EMISSIONS SIT



Our electricity impact is low. We operate on renewable energy, generate power through solar, and continue improving how our kilns are fired to use energy more efficiently. This means most of our footprint sits in the materials and products we create.

LOOKING CLOSER AT MATERIALS

Scope 3 reflects the reality of ceramics and the impact is largely embedded in what we make. For this first year, we used **spend-based** data to estimate these emissions. This allows us to build a full picture using purchasing data, but it relies on averages rather than supplier-specific information. As we move forward, we'll work more closely with suppliers to understand the real impact of our materials. As this data improves, our footprint will become more accurate - and likely lower.

WHAT THIS MEANS

We've focused on improving how we produce. The next step is rethinking what we produce with - working across our supply chain to reduce impact at the source.

Environmental Impact



TOTAL WASTE GENERATED

126 tonnes

of which 10 tonnes were reused in our production process.

113 tonnes

of ceramic waste (shards and moulds) were redirected to cement plants for use as raw material in cement co-processing.



KILN ENERGY CONSUMPTION

2751,54 MWh

in 2023

2703,89 MWh

in 2024, showing a reduction due to the acquisition of a more efficient kiln.



PACKAGING IMPACT

31,024 tonnes



WATER CONSUMPTION

1776 m³

approximately 60% of this consumption consists of reused water from our wastewater treatment plant (WWTP).



REDUCED WASTE AND INCREASED PRODUCTION OUTPUT



MATERIAL FOOTPRINT

4,062 tonnes



ANNUAL ELECTRICITY CONSUMPTION

270,82 MWh

of which 40.72% was generated by photovoltaic panels.



B CORP

B Corp certification process scheduled for 2026.



PLASTICS

Elimination of single-use plastics by 2026, all plastic adhesive tape will be replaced with paper-based tape.



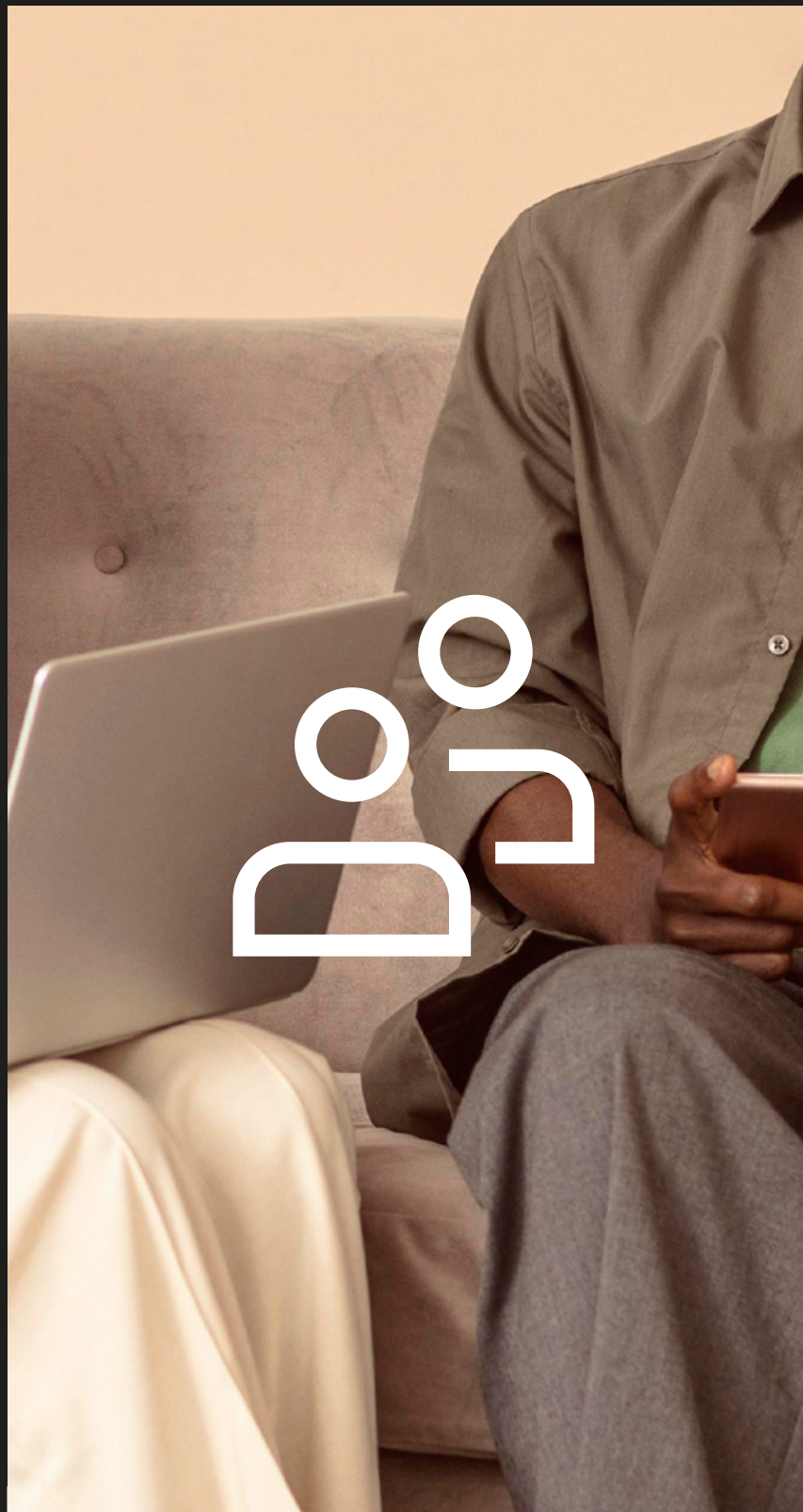
NEW BUILD

Architectural planning phase for new facilities (2027), followed by construction phase (2028/2029).



FSC CERTIFICATION

FSC certification for all packaging targeted by 2027.



PEOPLE

Arfai maintains a strong commitment to creating dignified, safe and well-being-promoting working conditions. Within this continuous improvement approach, several workspaces, outdoor areas and social, rest and leisure spaces will be developed and expanded in 2027.



Client Testimonials



UND AS



“ We first established contact with Arfai in November 2020 after conducting an online search for manufacturers. This was during the height of the COVID-19 pandemic, a period when identifying and engaging with manufacturers was particularly challenging due to travel restrictions and the cancellation of trade fairs. Following the initial digital contact, we successfully developed a collection that was produced and delivered in October 2021, less than a year after our first interaction. Since then, our collaboration has continued to grow, with three production cycles per year. Working with the Arfai team has been a genuine pleasure. They are consistently positive, professional, and committed to delivering high-quality products and service. Their flexibility has

been especially important to UND and has been a key factor in the success of The Legacy collection we produce together. Connecting with Arfai when we did was truly fortunate. We are grateful for their confidence in us and their willingness to enter into a collaborative partnership at an early stage. This collaboration played a significant role in the growth we experienced in 2021 and 2022 and has been instrumental in shaping UND into the brand it is today. We look forward to continuing our collaboration with Arfai.

Kind regards
CHARLOTTE LARSEN
Managing director
UND AS ”



Client Testimonials



Bergs Potter



“ Throughout our partnership, Arfai has demonstrated an exceptionally high level of responsibility and structure, particularly during the product development phase. Development processes are clearly defined, well managed, and followed rigorously. Arfai consistently takes ownership of each step in the process and proactively ensures that potential issues are identified early. This level of accountability significantly reduces risk and creates a smooth and reliable development flow. In terms of product quality, our experience has been consistently excellent. When challenges have occurred during production, Arfai has communicated them transparently and immediately, allowing joint solutions to be agreed before products reached our warehouse. As a result, quality claims have been minimal.

Delivery performance and lead times have been reliable and clearly communicated, with agreed quantities and timelines consistently respected. The collaboration with the Arfai team is marked by openness, professionalism, and mutual respect. Communication is proactive and solution-oriented, with clear ownership and accountability across the organization. The team demonstrates a strong understanding of both technical and commercial requirements, which supports efficient and long-term collaboration. Arfai also brings strong material knowledge, technical expertise, and craftsmanship into the collaboration. Their ability to provide informed feedback and constructive pushback strengthens product outcomes and supports continuous improvement. This makes Arfai not only a supplier, but an active and knowledgeable development partner.

Overall, Arfai demonstrates a strong balance between quality excellence and collaborative working practices. Communication is open, honest, and proactive, and Arfai is considered a trusted long-term partner, both operationally and strategically.

Best regards,
CHRISTIAN RICHARD ANDERSEN
Chief Product Officer
Bergs Potter ”

Client Testimonials



Motel a Miio



“ Arfai has been a key and reliable supplier for the production of our bases and decorative items for nearly ten years. Throughout the entire period of cooperation, Arfai has consistently delivered products of very high quality that fully meet our requirements. Particularly noteworthy is the highly trust-based and cooperative partnership. Agreements are reliably fulfilled, delivery schedules are consistently met, and Arfai demonstrates flexibility and a solution-oriented approach even when short-term requirements or adjustments arise. Communication is transparent, prompt, and professional, which significantly facilitates day-to-day collaboration. Furthermore, Arfai actively supports our growth by developing capacities in parallel with our needs and constructively supporting new products and continuous improvements. The combination of

quality, reliability, flexibility, and strong partnership makes Arfai a strategically important and highly valued partner. Overall, we are extremely satisfied with Arfai and consider the supplier to be a long-term contributor to our successful development.

PHILIPP CASTIEN
Motel a Miio ”

Why we are doing B Corp?



At Arfai Ceramics Lda., we believe that business success is truly sustainable only when it is built in a responsible, conscious and long-term way. Our ambition to achieve B Corp certification arises from a deep reflection on the role we want to play as an industrial company, as an employer, as a business partner and as an active contributor to society.

For us, business sustainability is a long-term commitment. It is not only about ensuring the company's economic viability, but also about guaranteeing that its growth is consistent with ethical, responsible and balanced practices capable of enduring over time, market changes and future generations. B Corp certification provides a robust and demanding framework that helps us structure, measure and continuously improve this commitment.

Throughout our history, Arfai has been guided by clear values: respect for people, responsibility towards the community, appreciation of industrial craftsmanship and a commitment to quality and integrity. We want these values not to depend on individual leadership or economic cycles, but to be permanently embedded in the company's culture, governance and processes. B Corp certification offers an international benchmark that protects and formalizes these principles over time. We also believe that a relevant company must remain in a continuous process of learning and improvement. Joining the B Corp community means accepting high standards, undergoing rigorous external evaluation and committing to constant progress in environmental, social and governance areas. We see this process not as an end, but as a tool for growth, critical reflection and responsible innovation.

As a company with a strong international presence, Arfai recognizes the importance of aligning its actions with credible and respected

global standards. B Corp certification is widely recognized in the markets where we operate and represents a clear signal of seriousness, transparency and commitment for both clients and other stakeholders. For us, this international recognition reinforces the trust built over the years and positively differentiates our performance in an increasingly demanding global context.

Finally, we wish to belong to a community of companies that share a common vision: using business as a force for good. The B Corp community represents an ecosystem of sharing, inspiration and collective responsibility, in which we believe we can actively contribute while learning from others and placing our industrial and human experience at the service of a broader positive impact. For these reasons, Arfai Ceramics Lda. aspires to join the B Corp community: to ensure the sustainability of its business, preserve the values that define it, promote responsible continuous improvement and clearly demonstrate its commitment to a fairer, more conscious and enduring business model.



Materiality Assessment 2025



- Environment
- People
- Governance

- KEY ISSUES IDENTIFIED
- Trust
 - Brand Values
 - Reliability
 - Product Quality
 - Culture
 - Energy Use

Highlights KPI's 2024

QUALITY

	30 years in the market
2024	Turnover 2024 best year ever
	Product quality rating above 67% by our clients
	Technical competence and availability rated above 90%
	Less than 1% complaints relative to total sales

RELIABILITY

68 %	of our clients maintain ongoing collaboration with us
50 %	of our clients purchase throughout the entire year
27 %	new clients in 2024
78 %	are highly satisfied with our performance and trust our technical expertise, quality and availability
67 %	of our clients would recommend us to others

BRAND VALUES & TEAM CULTURE

• Arfai's Managing Director is a woman • 85% of employees are women • More than 90% of employees feel happy at Arfai • Arfai's values are internalized by most employees – our goal is 100% • Arfai remains committed to being an excellent place to work • Social activities with employees have a very positive impact • The company aims to increase benefits for all employees • Continuous support for initiatives that benefit the local community • Ongoing commitment to sustainability
TRUST
• Long-standing local suppliers – generating mutual and lasting trust • Approximately 77% have been suppliers for more than 10 years and feel valued through the commercial relationship • 100% of our suppliers would recommend Arfai as a client

ENERGY AND SUSTAINABILITY

	Arfai remains committed to moderating energy consumption wherever possible
	Acquisition of new, more energy-efficient equipment (kilns, LED lighting)
	With the installation of solar panels in 2019 and 2023 , 460 tons of CO2 emissions were avoided
	167.06 MWh of renewable energy produced
	22.8% reduction in CO2 emissions from electricity and gas consumption
	100% of waste recycled
	1. Circular economy – creation of Ecopaste 2. Ceramic body that reuses 100% of waste 3. Reducing energy consumption and CO2 emissions



All About Commitment

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