



FIRECLAY
TILE

Impact Report 2021

A Letter from Eric Edelson

CEO, Fireclay Tile

Fireclay Tile was founded in 1986, and in 2014 we relaunched our brand to be fully vertically integrated and to transform the tile industry, demonstrating that businesses can do well while also doing good. Today, our 250+ teammates and our “GANAS” drive are more focused than ever on delivering this promise.

As we look back on 2021, we are so proud of what we accomplished and the impact we made. We continued to keep our team safe, we made and shipped a record 1.3M square feet of tile, launched our new Block Shop Handpainted Collection with 5% of sales committed to Allies in Arts, improved teammate benefits and pay, opened a new showroom in Berkeley, and created our Fireclay Gives Donor Advised Fund. In addition, we created our first opportunity for our Teammate owners to realize value from their stock ownership, while investing substantially in our Aromas Factory and HQ as we continued creating the most Teammate friendly tile factory in the world. We upgraded our digital experience with an improved checkout,

added numerous features to our internal scheduling and technology support systems, and took our training and development to new levels to ensure our team had the support it needs with Teammate-wide DE&I training. We did all of this while operating with Honesty and practicing our Five Core Values.

As a legal Benefit Corporation, we track and report our public benefit annually, and for the second year we are taking it to a new level in terms of transparency and data. While being a B Corp remains very rare for any company, as there are less than 5,000 globally, we believe these rigorous, universal guidelines help us examine where we are today—and to envision where we want to be in the future so we can continue to create positive impact at an ever-increasing scale. This report is a celebration of our teammates' incredible GANAS and dedication, and is a continued call for accountability from you, our incredible community.



A photograph of a bathroom interior. The walls are covered in white subway tiles. On the left, there is a window with a dark wood frame. In the foreground, a bathtub is visible. On the right wall, there is a showerhead and a faucet. A small shelf with some items is mounted on the wall above the tub. The text "Our Mission" is overlaid in the center.

Our Mission

Do good by crafting products intentionally,
transparently and collaboratively.
We are the makers who support the dreamers.



Who We Are

Fireclay Tile is a 250+ person tile manufacturer and retailer located in Northern California with Teammates in 14 U.S. states. We make more than 95% of what we sell, and 95% of where we sell is in the United States. Because we are fully vertically integrated, we have direct visibility into the manufacturing and distribution of our products and their true social and environmental footprint, giving us huge advantages against almost any other tile brand and most other design brands. Our goal in this report is to share where we are and where we hope to go. Because, well, we are never really there, are we?

Our Values

Honesty

We are dedicated to making things the right way. How? By investing in our local economies, paying our people fairly and using business as a force for good. We support a culture of transparency in all areas of manufacturing as well as business. It's how we keep ourselves honest, and why our customers choose us.

Measure Twice, Cut Once

Taking the extra step to ensure we've made the right measurement or communicated the right message ensures that we take care of our customers and each other. We must constantly work towards being our strongest team by never making assumptions, speaking up when things go wrong, and holding ourselves and each other accountable to excellence.

Kindness

We can only do right by our clients, our community, and our planet if we lead with kindness. When we support one another in times of change and lift each other up when the going gets rough, we're reminded of the things in life that matter most. It's the glue that makes us a team, and our company is all the stronger for it.

Tread Lightly on our Earth

We only have one earth, so we treat it that way. This means a ruthless examination of our materials and how we manufacture. We buy used, we repurpose, we take care of what we have, and we use recycled materials whenever possible. It's not easy, but it's a challenge that makes us all the more creative, innovative, and self-reliant.

GANAS

Spanish for "desire," Ganas is the force that propels us forward. With an artisan's expertise and a revolutionary's drive, we're here to change the world one tile at a time. Fueled by our need for continuous improvement and boundless learning, every team member sweats the small stuff so we can achieve big dreams. Call us obsessive. We call it passion.

Benefit Corporation & Stakeholder Philosophy

As a legal Benefit Corporation and [Certified B Corp](#), we consider our clients, teammates, community, environment, and our partners in every decision that we make. But don't just take our word for it, know that we certify ourselves against 3rd party standards and publicly share our impact in each of these areas. Our stakeholder-centric ethos is one of the reasons we're excited and proud to come to work each day.

Our Stakeholders:

Our Clients

Our Teammates

Our Environment

Our Community

Our Partners

As a Certified B Corp, we do a number of things, including:

Publish an annual Benefit Report, which our 2021 Impact Report exemplifies and previous versions of which you can find on our website.

We have a five-person Board of Directors, including two independent directors. Our Board is 25% female. Our CEO is accountable to the Board, who is responsible to all of our Stakeholders.

Recertify as a B Corp at least every 3 years. Our **impact** is publicly displayed for all to see and ensures that we hold ourselves accountable to the highest social responsibility standards in the world.

Our B Corp mandate is part of job descriptions and is included in our Articles of Incorporation - our legal mandate is to benefit all stakeholders, not just shareholders.

A full list of our Leadership Team, Board of Directors, and other Fireclay Teammates can always be found on our website under Our Team.

Certified



Corporation

A photograph of two women in a workshop or library setting. The woman on the left, with brown hair and wearing a yellow plaid shirt, is leaning over a table, looking at a smartphone. She has a ring on her finger. The woman on the right, with blonde hair in a bun and wearing a grey sweater, is also leaning over the table, looking at the same smartphone. On the table are several white rectangular tiles, some of which are being held or moved by the women. In the background, there are wooden shelves filled with books or boxes. The overall atmosphere is collaborative and focused.

Our Clients

We treat customers the way they'd like to be treated—with warmth, helpfulness, empathy, and incredible service.

Vertical Integration & Client Success

Fireclay was founded in 1986, but it took us almost 30 years to figure out our business model. In 2014, believing that the tile buying process for clients was broken, we relaunched our business to be 100% vertically integrated, connecting clients more closely with the makers. Having operated in the traditional manufacturer→distributor→retailer world for too long, we saw the numerous challenges of this model, and more importantly, saw an opportunity for clients to form a connection with the manufacturer in a way that was not being done. And we believed we could do this at scale.

Eight years later, we are more confident than ever in our decision to go direct, working with architects, designers, brands, contractors, installers, and the homeowners themselves. Our 80+ Net Promoter Score certainly validates this, as does our 11x increase in revenue during this time period. But more than anything, by controlling the entire client experience, we've been able to delight clients in a way that no other tile brand has been able to before.



Maintaining Lead Times, Pricing, and Expectations

The Covid pandemic shook up supply chains globally while increasing demand for home goods pushed manufacturers to make more products than ever. Challenges finding labor, managing price increases, and handling transportation volatility all posed challenges as our backlog filled. Our lead times at one point reached our highest ever at 12-14 weeks, but despite this we were able to communicate effectively, deliver orders timely, and maintain our prices throughout the year.



New Offerings, Including Block Shop x Fireclay Tile and Norman Brick

In partnership with Block Shop Textiles, we launched our Block Shop x Fireclay Tile Handpainted collection, with 5% of proceeds going to Allies in Arts, a 501c3 nonprofit. We also launched all of our Brick colors on a new Norman size.

Berkeley, California Showroom

Connecting with our clients in person is always exciting, and in 2021 we opened our 2nd Showroom in Berkeley, CA on 4th Street, right next to many other great names in Home. This 925 square foot space was designed in partnership with [Arcsine](#) and built out by [Sweitzer GC](#). We are thinking hard about opening more physical locations to showcase our products and meet our clients in person.



New Online Checkout Experience

In November we launched a new online web checkout experience. This further enhanced our digital experience, helping to ensure the most successful client experience in specialty tile.

A photograph of two women, Fireclay Tile teammates, standing in front of a stone wall. The woman on the left is wearing a dark blue zip-up jacket with a red Fireclay Tile patch on the sleeve and glasses. She is holding a square tile with a white floral pattern. The woman on the right is also wearing a dark blue zip-up jacket and is holding a square tile with a blue geometric pattern. Both women are smiling and looking at each other.

Our Teammates

We start at a fundamental level by creating a work environment in which teammates can think big, have fun, achieve personal growth, and engage with the community.

Our Fireclay teammates are everything to us and our number one priority. Since we relaunched our business in 2014 from a wholesale manufacturer to a vertically integrated tile brand, we've grown from 100 to over 213 teammates at YE 2021, and as of the publishing date of this report in April 2022 we have over 250 teammates.

GANAS Culture

Engagement is a key goal for our team, and we measure this often throughout the year to ensure Fireclay teammates are motivated, feel supported, and believe they can thrive here. In January 2022, our Engagement Survey showed we scored a 56 eNPS, up from 38 during the Summer 2021. We focus on both big and small wins, including building a great culture, providing awesome Fireclay swag and uniforms, team lunches and celebrations, Weekly Huddles open to all teammates where performance is shared, and Quarterly All Hands for the entire organization.



An aerial photograph of the Aromas, CA Factory & Headquarters. The image shows several large industrial buildings with grey roofs, a large parking lot filled with cars, and various pieces of industrial equipment. The facility is surrounded by agricultural fields, some of which are covered in dark mulch or soil. In the foreground, there are large, curved structures that appear to be part of a water treatment or irrigation system.

Aromas, CA Factory & Headquarters

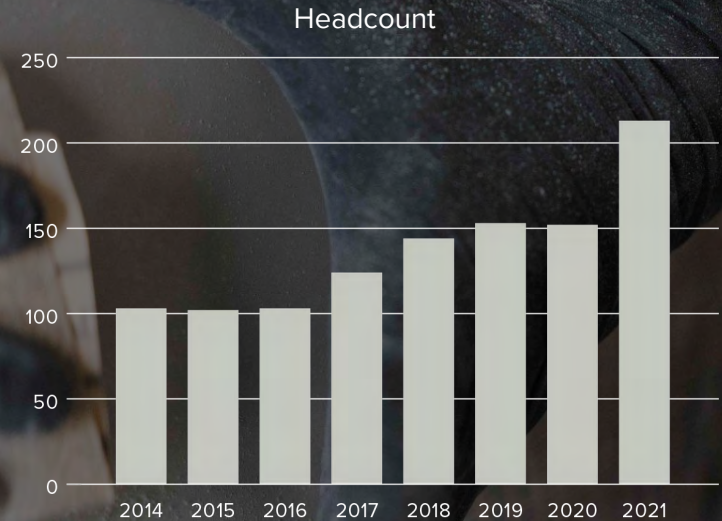
In 2019 we made the commitment to stay in California and in our home of Aromas. While California is a challenging place to do business (CEOs rank it the worst state to do business due to high costs and regulatory challenges), we love the people, energy, and inspiration, and we're committed to keeping our primary factory and HQ here.

In 2020 we kicked off a massive 40,000 SF expansion to our Factory which includes two new 20,000 SF buildings plus additional land. This investment will allow us to increase capacity by 4x, and we have a second phase planned for 2022/2023 that will complete the expansion with another 41,000 SF building to also house a new HQ for our office Teammates.

Building Our Team

We depend on our teammates, and because we make, market and sell almost everything carrying the Fireclay name, ensuring we have a healthy, diverse, and engaged team is essential. While the majority of our team is located in California, we have teammates across fourteen states and have both a vibrant in-office community as well as a distributed team that we work hard to support.

Our team is also wonderfully diverse, and we are focused on making sure that our team accurately represents the areas in which we operate, that all teammates receive fair and equal treatment and are included in everything we do. Training becomes a key part of this, and for an organization of our small size, we have a full-time teammate 100% focused on the training and development of our entire organization—that's how important training is at Fireclay.



Diversity at Fireclay Tile

Ethnic Diversity

	Not Specified	Multiracial - 2+	Asian	Black	Hispanic	White
Fireclay Tile	14.4%	4.7%	2.3%	1.2%	52.9%	24.5%
San Benito County	8.2%	2.3%	2.8%	0.7%	59.2%	27.2%
California	-	3%	15%	6%	39%	37%
United States	-	3.7%	5.6%	12/2%	18.5%	60.1%

Gender Diversity

As of April 2022

Female	Male
51%	49%

Age Diversity

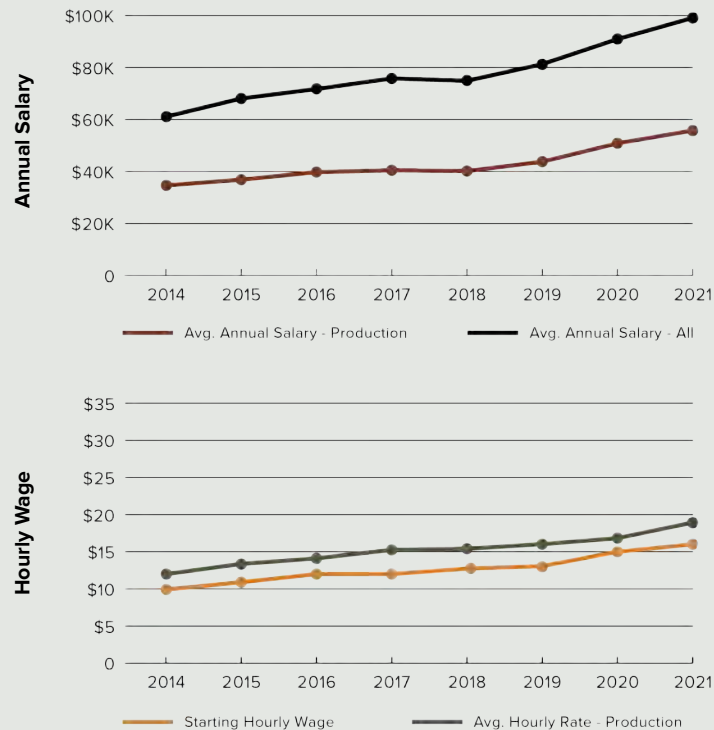
As of April 2022

18-24	25-34	35-44	45-54	55-64	65+
12.5%	34.2%	28.8%	14%	9.7%	0.8%

Pay Equity & Fair Living Wage

We believe the most undervalued part of any DE&I program is Equity—ensuring our teammates have opportunity for financial success is essential. We look at pay closely and conduct an annual gender pay equity analysis that we share with our Board of Directors to ensure fairness across gender and role. In 2021 we increased our Starting Wage to \$16/hr (up from \$15/hr) (and in February 2022 we increased it again to \$17/hr) and we introduced a new company-wide bi-annual Compensation Review cycle, the first of which we completed in December 2021. This will ensure that each and every Teammate has their compensation reviewed at least annually. As headcount has grown at Fireclay, so too has the financial opportunity for our team.

Additionally, since 2014 we've had a company wide bonus plan for our teammates to share in the financial success of our business. In the past several years it has been very successful for our team. In 2021, more than 15% of our Adjusted EBITDA was paid out in a Bonus to all Teammates. In December 2021, we also rolled out a Total Compensation Statement that showed each Teammate their history of earnings, including Income, Bonus & Commission. In addition, it showed them for the first time the potential value of their Stock Ownership.



Data is not inclusive of Bonus, Commission or Overtime, which has historically been high at Fireclay. Thus, this chart significantly underestimates true earnings.



Teammate Ownership

In 2020 we announced that Fireclay is now Certified Employee Owned. Since 2013, through the Fireclay Tile Employee Stock Option Plan, all teammates receive opportunities for ownership in Fireclay starting on Day 1 of employment. Going into 2020, more than 14% of Fireclay was owned by our teammates. In 2020, through a Founder Buyout, we announced the creation of an additional 23% option pool. In October 2021, through a Tender Offer, existing shareholders including Teammates who had exercised their options had an opportunity to sell shares to a new financial partner. For those who were first granted options in 2013, it represented a 70x return on their investment. Today, 30% of Fireclay Tile is reserved for Employee Ownership.

In the spirit of transparency and open communication, we also share all financials with our team and communicate openly and often about the state of the business, our goals and performance through both monthly email updates in both English and Spanish and All Hands meetings.

Fireclay Benefits

Great benefits are essential to our Teammates' success, and in 2020 we unveiled publicly our full benefit offering at www.fireclaybenefits.com, something we modeled after Paypal. Benefits are equitable throughout the entire organization, and a few key benefits that we offer include:

15 Days PTO

Non-exempt employees receive a minimum of 15 days PTO (13 PTO + Birthday + Volunteer Day) in addition to 7 paid Holidays. In 2022, we moved all Exempt Teammates to an Unlimited PTO Policy due to the evolving nature of our business and the significant number of distributed exempt Teammates.

Health & Wellness Benefits

All teammates receive access to medical insurance (we now cover ~90% of teammate premiums and 60% of dependent premiums), life and short/long term disability insurance, a subsidized HSA account and access to FSA, domestic partner / same-sex marriage spousal benefits, up to \$2K annual education reimbursement, and significantly subsidized (75%) vision and dental coverage.

Maternity & Paternity

We offer 12 weeks paid maternity and 4 weeks paid paternity leave, and the first month of diapers and wipes for the baby/babies is on us. In addition we offer Milk Stork so that traveling moms can ensure access to breast milk for their little ones.

4% 401(k) Match

Full-time regular employees are eligible to participate in our company-matched 401K program at 4% of pay.

No Interest Loan Program

Since 2014 we have helped provide over \$250,000 in No Interest Loans, saving our team tens of thousands of dollars in interest payments.

Fireclay Tile Teammate Relief Fund

Emergencies happen, and in 2020 we unveiled our first emergency relief program so that in the case of emergencies, teammates could access up to \$2,500 in relief funds with no tax consequences.

Safety

As a manufacturer, the safety of our team is always our first priority. We've taken many steps to ensure a more safe work environment, and a more safe, higher-quality tile for our clients. Fireclay Tile has a rigorous safety program in place including a full-time Environmental, Health and Safety Specialist since 2019. We have protocols for eye, respiratory, and auditory protection, along with PPE for all team members at all times. In 2020 we introduced a new Safety Boot program to ensure proper foot protection for all team members. We also use Lessonly for safety and environmental training, ensuring that all team members have the proper background and understanding of how to make sure they and our workplace are safe. In addition, when workplace injuries happen, we have excellent alternate work opportunities for our teammates.

Our current Expansion efforts in our Aromas Factory will lead to an even more improved work environment for our Teammates as they continue to manufacture the world's most beautiful tile.





Lessonly

GURU

Training

In 2019 we promoted one of our longtime teammates into the fulltime Learning & Development Specialist role, and in 2020 we introduced Lessonly as our Learning Management System. We also created a new GANAS group for focused training for our managers and supervisors. A more robust onboarding process—we call it Tile U—has also helped ensure new teammates are better equipped to have success faster at Fireclay than ever. And lastly, in 2020 we introduced Guru, a knowledge base for our Sales, Marketing and Support teams to ensure that teammates had access to information faster than ever.

In 2021 we invested over 3,000 hours in Training and Development. On average this is roughly 20 hours per Teammate, or 2.5 days per year dedicated to Training.



Our Environment

We started making tile because we believed there was a better way. Since Fireclay's founding, we've been hard at work finding the most sustainable ways to manufacture our products and run our business. We are Made for Good!

100% Carbon Neutral & Climate Neutral Certified

As a company that makes and ships a physical product, we can't ignore our carbon footprint. We are Certified Climate Neutral and have been measuring and offsetting carbon from various parts of our business since 2014. In 2019 we took the step to offset all Scope 1, 2 and 3 emissions, and we maintained this commitment in 2021 by offsetting over 7,805 metric tonnes of carbon. We measure our footprint as best as we possibly can each year, and use that data to plan for improvements and optimization of a lower carbon footprint. We then purchase carbon credits to best offset all harm done through the remaining emissions. We purchase through partners such as CarbonFund who are working to restore nature to fight climate change. Because we manufacture 95% of what we sell and we ship it directly to our clients, we have significant visibility into our emissions. For our 2021 emissions we used industry standard estimates through Climate Neutral's Brand Emissions Calculator (BEE). In addition, for our shipping we leveraged the GLEC Framework.



To put it simply, any tile sampled or purchased from Fireclay Tile has had 100% of its carbon emissions offset. In practicality, we are the first and only 100% Carbon Free Tile on the market! The entire production, raw materials, transportation and shipping, as well as business operations' carbon impact, has been offset.

100% Renewable Energy

We procure 100% Renewable Energy for both our Aromas, CA production facility and San Francisco, CA showroom provided by [Monterey Bay Community Power](#) and [CleanPowerSF](#). While we pay a slight premium for this electricity, we believe it is the absolute right thing to do, especially given how accessible it is for us. A majority of this renewable power is generated from Hydropower. We are currently working with Mynt Systems to retrofit our Aromas, CA factory and HQ with on-site solar, which we aim to have completed in 2022.



Closed Loop Water Recycling

We recycle all water used by our factory operations. We do this by collecting all of our waste water, filtering it, and using it in our clay mix as well as for wash downs throughout our factory. We have a new filter press system that we aim to install in 2022 that will make this effort even more effective.

Energy Efficiency Projects

Over the past several years, with improved scheduling and utilization of kilns and other efficiency projects, we've massively improved our therms and kWh per SF, meaning we are using far less carbon than before. These efficiency gains are significant, and we believe with continued focus on quality, especially in our Handpainted and Tile production, we can drive this number down further. We also have procured new machinery, including a more efficient Handpainted kiln to help lead to further reductions.

	2016	2017	2018	2019	2020	2021	5 Year Efficiency
Total SF Produced	562,352	559,814	729,161	843,871	951,700	1,310,910	
Gas - Therms	548,166	640,666	643,615	402,956	292,581	403,803	
Therms/SF	0.97	1.14	0.88	0.48	0.31	0.31	68% Decrease Gas per SF
Electricity - kWh	956,163	959,254	1,016,346	992,396	916,977	1,200,052	
kWh/SF	1.70	1.71	1.39	1.18	0.97	0.95	44% Decrease Electricity per SF

**SF is Square Foot of tile*

Of the 3BN square feet of tile consumed in the U.S. annually, more than 70% of it is made abroad. By keeping our production local to North America, we are ensuring that there are fewer emissions from ocean freight. Also, because we only make what is ordered, or keep very low inventory levels of Quick Ship we can quickly replenish, we are making very efficiently without risking waste by forecasting what someone may want a year or three from now. In 2022 and beyond we will work to bring more of our production to the U.S.



Aromas, CA: We own our Aromas factory which is on 7 acres and has 40,000 SF of manufacturing and office facilities. By year end 2023 this will total over 105,000 SF across 7 acres.



San Francisco, CA: We lease 9,000 SF of showroom and office space.
Berkeley, CA: We lease 925 SF of showroom space



New York, NY: We lease 500 SF of office space.



Remote: More than 80 of our team members are remote across California and 13 other States

Consolidated Facilities

In 2021 we completed the first of three new factory buildings which allowed us to consolidate our Samples and Logistics teams back to our Aromas location.

This will reduce redundant activities and our environmental impact.





Zero Waste Target

In 2019 we set a target for our Aromas, CA factory to be certified as a Zero Waste by 2021. While we failed to achieve this in 2021, we continue to focus on waste reduction and have maintained a 90%+ diversion rate throughout the year.

To limit the waste we create in our owned and operated facilities, we have recycling and composting collection at all facilities where it is possible, have phased out the majority of single-use plastics from our purchasing practices and are working to fully remove shrink wrap from our shipments by 2024. We train our employees on Zero-Waste initiatives, digitize most of our accounting, payroll, and people processes, installed waste stations and proper signage so teammates properly sort trash, recycling and compost, recycle all of our scrap

tile—some of it even back into our tile—and ensure that all marketing collateral is recyclable, while working to increase modularization of many of our shipping and sampling systems.

Over the past two years we've taken a very active approach to measuring our waste. We successfully diverted 94.03% of our waste, reduced our trash volume by 78% and at our factory we went from 3 on-site trash dumpsters removed weekly to 1. Today, we measure diversion weekly, and we are currently diverting over 90% of our waste to recycle or compost alternatives. In 2020 we also started a large scale plastic recycling initiative for single use plastic wrap. We now cart van loads of plastic away every week to a local recycler.

Zero Waste Target (continued)

This past year, we partnered with two new companies to support our tile scrap recycling. One partner receives our material, crushes it, sorts it, and de-magnifies it so that we can use it as a grog in our clay body. For excess material, we partnered with a local recycling company to divert our tile scraps from landfill that otherwise do not go back into our tile.

In our own production, we collect and recycle all of our glaze overspray back into our clay body, as well as the waste water from our manufacturing process. We are looking into alternate uses for both materials and additional ways to clean and recycle. We've purchased another cardboard shredder to reuse all incoming cardboard from deliveries as packing fill for our outbound shipments.

In doing so we removed the use of packing peanuts. In 2020, we moved to pallets made from partially recycled wood.

Our Partner Code of Conduct encourages our partners to help support our Zero Waste initiatives, and whenever we purchase materials, we are always looking for the recycled items, especially for office supplies like paper and pens.

3rd-Party Annual Environmental Audit

We hold ourselves to the highest standards and engage an independent California State qualified 3rd party Environmental Auditor to conduct annual inspections at our Aromas facility. In 2020, our inspection was very successful, which followed a similarly successful audit in 2019. This is beneficial for our teammates on-site, and also to be sure we operate in compliance within the state.

With the significant factory expansion happening in 2021, we opted to pass on a voluntary 3rd-party Annual Environmental Audit, especially given the lack of meaningful change to our operation and the positive inspections the two previous years. We aim to pick this back up in 2022.



Safe Materials

To support our environmental initiatives, we have been working harder to remove any and all hazardous materials from our glazes. In 2020, we set out to accomplish a massive glaze reformulation project to both better standardize our glazes for higher quality and superior reproducibility. Fireclay was one of the first to remove all leaded glazes from our offering in the early 1990s. Fireclay continues to use fritted and encapsulated glazes to ensure the safety of our employees and environment.

In 2021 Fireclay quadrupled its innovation department to ensure quality improvements while seeking out the highest quality materials. This investment has led to better materials, a safer process, less waste, and ultimately the finest quality tile.

Responsible Materials & Smarter Procedures



Sourcing Materials for Good

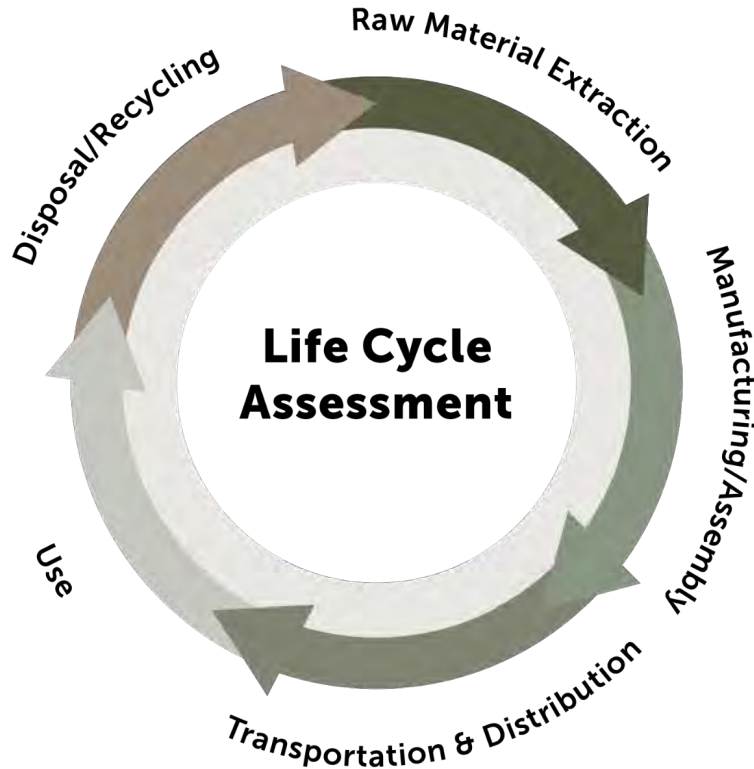
We are actively seeking to source materials locally to reduce transit. For the materials that we are unable to source locally, we are seeking delivery through rail instead of truckload. This provides a large reduction in our carbon footprint.

In 2021 we have actively instituted quality controls for our materials to ensure Fireclay does not receive unnecessary waste from vendors. This ensures we receive the highest quality materials and reduces our waste streams.



Smarter Procedures for Good

Along with Fireclay's recycled materials, the innovation team has begun developing procedures for glaze manufacturing that will reduce our glaze waste, and ensure we are making only what we need. Fireclay continues to use recycled glaze materials and granite fines to produce our clay body.



Life Cycle Assessment

In 2020, we completed the first Environmental Product Declaration (EPD) and followed it with a life cycle assessment (LCA) optimization plan of our tile in partnership with WAP Sustainability. We are working with WAP to think about ways to improve our environmental footprint, and we will continue to stay focused on publishing LCAs as we grow. The EPD was useful to better help us understand our current state so that we could make improvement plans more transparently.

We have big aspirations for the future, especially on the material side of our business. We hope to find more locally sourced clay materials, while making progress on removing as many potentially harmful chemicals from our glaze materials as possible.



Our Community

We are nothing without our local Aromas, California community, as well as the Design community. We've always been an organization passionate about the environment, and we've worked hard to reduce the harm we've caused locally and globally.

As we think about community, we want to be both giving with our most valuable currency—time—as well as with money and our time. Since 2014 we've been able to provide more than \$1.4M in both cash and in kind contributions to our Community. In 2021 we expanded our efforts with new programs while enhancing existing ones.

Architects Foundation

In February 2021, we partnered with the [Architects Foundation](#) to sponsor a [Diversity Advancement Scholarship](#) specifically for Black women pursuing architecture.

This scholarship was dedicated to the memory of Desiree Cooper, AIA, a DC-area architect who tragically passed in 2015.

Together with our community and industry partners, we doubled our initial fundraising goal and raised over \$50,000 (enough to fund two scholarships).

This effort was also named *Best in Diversity, Equity, & Inclusion - Partnership or Collaboration, Silver Medal Class* at the inaugural [Anthem Awards](#). Brought to you by The Webby Awards, the Anthem Awards honor the purpose & mission-driven work of people, companies, and organizations worldwide.

We are grateful for our 2021 industry sponsors including Semihandmade, Elemental Green, CTA Architects, Sand and Stars Design, Nicole Hollis, Tournesol, Santa Cruz County Bank, Solspace, Perkins and Will, ZGF, and Emily Farnham as well as 173 individual supporters.

One scholarship recipient was Taylor Pinkney who is now attending the University of Houston. [You can read Taylor's essay here.](#)

Support Black Women in Architecture

DESIREE V. COOPER MEMORIAL SCHOLARSHIP

#ARCHITECTSFFOUNDATION

#FIRECLAYTILE

National Parks Conservation Association

In 2018, we also launched a partnership with the National Parks Conservation Association (NPCA) to donate 1% of our revenue of Glazed Thin Brick for protection and restoration projects.

The National Parks Conservation Association is the only independent, nonpartisan membership organization devoted exclusively to advocacy on behalf of the National Parks System. Its mission is "to protect and enhance America's National Park System for present and future generations."

In 2021 we continued this effort, and to date we've helped provide over \$73,000 to the NPCA for their important work protecting our parks.

These funds helped NPCA achieve victories for climate change, wildlife, and Indigenous communities including restoring permanent protection of Bears Ears and Grand Staircase-Escalante National Monuments, permanently protecting the Delaware River Basin from fracking, defeating the proposed Pebble Mine in Alaska's Bristol Bay and securing over \$1.7B in funding for the National Parks System.



Allies in Arts

We launched the [Block Shop x Fireclay Tile Handpainted Collection](#) as a collaboration between two California Makers inspired by the creative spirits of women artists who helped pave the way for today's modern visual culture. In honor of those women artists who led the way through the 20th century to make this collaboration possible, we're donating 5% of all sales of this collection to [Allies in Arts](#) to support the next generation of courageous creatives.

Allies in Arts is a 501(c)(3) nonprofit organization based in Los Angeles whose mission is to support artists who are womxn, BIPOC, and LGBTQQIA2S+ — all of whom are underrepresented individuals in creative industries.

Part of their work in 2021 included curating the Queer Black Futures Collection, a weekly online exhibit created to uplift and celebrate queer Black artists who haven't yet been exhibited in major museums.

AiA also partnered with Santa Monica Pride to curate an Art Walk for Pride 2021.





Pledge 1% & Fireclay Gives Donor Advised Fund

Since 2015 we've been part of Pledge 1% and have committed 1% of Equity and 1% of Product to nonprofits. Through our production donation program, [Fireclay Gives](#), we donated more than 3,400 SF of tile in 2021. Recipients included Detroit Prep Charter, SF-Marin Food Bank, Aromas City Park, and Tommy's Place.

In 2021, via our Pledge 1% Equity donation, we were able to realize our initial commitment through a new fundraising during which more than \$600,000 of stock was redeemed to support nonprofit organizations. Of this, \$300,000 went into a new Fireclay Gives Donor Advised Fund managed through Fidelity. We will use this money for many of our financial contributions over the next several years. We also doubled down on our Pledge 1% and together with our investors have committed another 1% of Equity to nonprofit initiatives.

Volunteering & Charitable Matching

Since 2018 we have provided one Volunteer Day Off for each teammate to have a paid volunteer day to support their local community. In 2021 we volunteered over 400 hours. Part of this time went to various local organizations including The Aromas School, our local elementary school that we have “adopted” to support since 2018. We provide them with volunteer hours as well as financial support, which last year totaled \$5,000.

In 2021 we also continued our \$250 charitable match for all teammates. Organizations that our team has supported and with which we have provided matching resources include:

Architects Foundations

Autism Speaks

Feeding America

Green Dot Public Schools

Heart of Dinner

Imagine Water Works

Spirit of Morgan Hill

St. Jude Research Hospital

Stop AAPI Hate

Membership & Advocacy

Fireclay Tile is proud to support a number of important local and national organizations focused on climate and education. Fireclay is also committed to industry collaboration and partnership with key trade groups as well as other manufacturers to share and learn from each other. Below is a list of organizations that we support:





Our Partners

We ask that all Partners, i.e. vendors, acknowledge and sign a copy of our [Partner Code of Conduct](#). While we do not currently audit each of our partners, we talk to them often and have visited almost all of them at least once.

In 2021 we continued our effort to get to know our partners better by asking them more questions about their businesses, their products, and their commitment to environmental and stakeholder philosophies.

Certifications

Certifications can be misleading, but when used correctly can help ensure teammates and clients that a company is serious about its people, our environment, and our communities. In the past several years Fireclay has pursued far more certifications than ever before to demonstrate our commitment to being the most sustainable and socially responsible tile company. Some of the certifications we care most deeply about include:



Certifications Explained

Certified B Corp

B Lab is an organization empowering companies to unite in an effort to balance purpose with profit. These companies strive to value the people that work for them, the environment, and the community they live in. We became a Certified B-corp in 2014 and in 2020 improved our score to 115.4, ranking us in the top 10% of B-corps worldwide. This is a 26% improvement from our previous 91.5, and a 45% increase over the minimum score, 80. We made our largest improvements in the Environment, Community, and Workers categories.

Climate Neutral Certified

Climate Neutral is a trusted nonprofit that has certified the climate actions of more than 330 brands. Using its Brand Emissions Estimator (“BEE”), brands can clearly map out their Scope 1, 2 and 3 carbon impact and take actions to offset their carbon use, as well as set reduction targets for upcoming years. Fireclay has been Certified Climate Neutral since 2019, and 2021 marked our 3rd consecutive year. We did this by reducing the amount of carbon we emit per square foot of tile we produce through efficiency gains and reduction efforts, and we have more planned for 2022 including more efficient Handpainted kilns as well as a new solar array at our factory.

EPD / Life Cycle Assessment-LCA

With the help of an independent 3rd party - WAP Sustainability - we completed a Life Cycle Assessment (LCA) of our Tile in 2020. The LCA is a data sheet that lets us know the environmental impact, or global warming impacts of our product as it pertains to carbon emissions. The team gathered data from sourcing material, manufacturing material, and shipping material to come up with the final calculations. The overall findings are explained in a report called an EPD - Environmental Product Declaration. These reports have pointed us to the main areas of use - 1. Sourcing clay and granite, 2. Electricity used in the facility and thermal energy to fire the tiles in kilns, 3. Transporting heavy materials by air freight. This EPD falls in line with our commitment to transparency and improvement. The process will also help us secure projects from clients who have the same values.

Certifications Explained (continued)

Health Product Declaration (HPD)

HPDs are the environmental equivalent of a nutrition label. This lists the materials that make up your product.

LEED Certification

The LEED certification is one of the most commonly used certifications in our industry. We currently contribute LEED points to a project due to our recycled content, proximity of projects located in California, and the low emitting materials. We have recently gained an additional 1.5 points by putting together our EPD and will gain another .5 points when we submit our optimization plan.

Prop 65 (CA)

Fireclay Tile takes the proper steps to ensure clients are notified which product(s) have required warning labels due to exposure levels, as well as the associated chemical(s) requiring the appropriate warning label.

Our Goals for 2022

Complete Solar Installation

We will be installing a 634 kW solar array and 534 kWh energy storage system at our Aromas factory. This should handle 100% of our current electrical load

Install New Handpainted Kiln

A new, modern, custom designed Handpainted kiln should help reduce our energy use by 10% on a per SF basis

Continue Review \$/Hr and Benefits

We will continue to focus on a strong starting wage and improved benefits for the health and wellness of our Teammates

Ensure Teammate Safety

Teammate safety is our top priority and we'll strive to reduce reportable injuries by 15% and enroll in OSHA's Voluntary Protection Programs.

Achieve Zero Waste

By reducing garbage waste by 15% we will be in a position to enroll for Zero Waste certification

Raise Quality to Reduce Waste

Following our Measure Twice, Cut Once value, we will increase 1st quality yield to 95%, reducing overall waste

Find Product Development Efficiencies

Simplification of product development will reduce number of materials needed for manufacturing

Move into New Facility

Be fully operational with machinery in place in new layout.



Thank You