

**SUSTAINABILITY
REPORT
2023**

A PROJECT BY
IRIS CERAMICA GROUP



SUSTAINABILITY REPORT
2023

Iris Ceramica Group's sixth Sustainability Report confirms the Group's commitment to continue integrating sustainability into its business, starting with the reporting of the results achieved in the key areas for the company. Inspired by the most common international non-financial reporting standards, this document was produced not only to anticipate future sustainability reporting requirements but also to allow all our stakeholders to assess our efforts and the results achieved in key environmental, economic and social areas for the Group.

Knowledge partner
The European House-Ambrosetti

LETTER FROM THE CEO

Respect for the environment and constant innovation: for more than 60 years we have been committed to improving processes in the ceramics industry, a globally recognised Italian excellence and the heart of our history. Iris Ceramica Group's sixth Sustainability Report describes the actions, initiatives and strategies implemented in a context in which, today more than ever, climate change is an emergency.

In 2023 – the hottest year on record – coordinated efforts intensified to fight climate change, with the European Union continuing on its path to become the first *carbon neutral* continent by 2050. 2023 was also a year in which the ceramics world recorded a general downturn due to the geopolitical tensions in the Middle East and the consequent increase in material prices and procurement costs.

In this complex and uncertain context, we have fine-tuned our research into sustainable energy solutions, because our responsibility lies first and foremost in our direct impacts. We are therefore proud to announce that, in July 2023, an agreement was signed with Edison Next to develop the world's first ceramics factory to use green hydrogen to produce 4D technical ceramic slabs – the fourth dimension coming precisely from sustainability. A concrete, innovative and trail-blazing project for decarbonising a particularly energy-consuming sector: the **H2 Factory**® in Castellarano.

The Group has always believed that **Economy=Ecology**, and in 2023 we continued to strengthen our virtuous practices, obtaining major international certifications, including the **Product Carbon Footprint (PCF)**, which demonstrates the effectiveness of the sustainable practices in place at the production sites in Italy and Germany.

We also consolidated our commitment to protecting the environment at trade fairs and exhibitions: for these, we developed the **Planet Friendly Booth**, the first fully circular booth at Cersaie 2023. Using the innovative **Attract**™ system, which makes ceramic slabs magnetic for dry

laying, we demonstrated that ceramics can become an ambassador for a new business model, in which reuse is a concrete practice following the principle of circularity.

We aim to improve quality of life, and this is why our commitment to human capital and gender equality continues: in 2023 we obtained **UNI Pdr 125/2022 Gender Equality certification for GranitiFiandre SpA, the Iris Ceramica Group subsidiary**. This significant step led us to adopt a Group Company Policy for Gender Equality, Diversity and Inclusion and establish a Gender Equality Steering Committee.

More than ever before, our **sustainability** is also **social**. Designed to bring out the best in the communities in which we work, we consistently and constantly strive to create value for the whole community. In 2023, our Foundation donated €384,000 and actively participated in community initiatives such as the Sustainable Development Festival in Modena and the Anna Taddei Female Architecture Prize, which promotes gender equality in contemporary architecture.

Furthermore, we are proud of the results achieved through our choices, conduct and virtuous actions which have contributed to **people's well-being**. This covers several fields of action: from our support to health protection organisations, including LILT (Lega Italiana per la Lotta contro i Tumori) and ANT (Associazione Nazionale Tumori), to the promotion of inclusion through workshops running in partnership with ANFFAS (Associazione Nazionale Famiglie di persone con disabilità intellettive e/o relazionali) as part of the *Quarto Fuoco* project.

These are just some of the strategic areas that guided Iris Ceramica Group's actions in 2023. I invite you to read our Report to discover all the concrete initiatives that go into our sustainability commitment. We aim to drive both environmental and social change, maintaining a lasting, positive impact and promoting the natural nobility of ceramics, making a difference and multiplying the value created in the long term.

Federica Minozzi
CEO Iris Ceramica Group

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IRIS CERAMICA
GROUP: THE ART
OF ELEGANCE
SINCE 1961

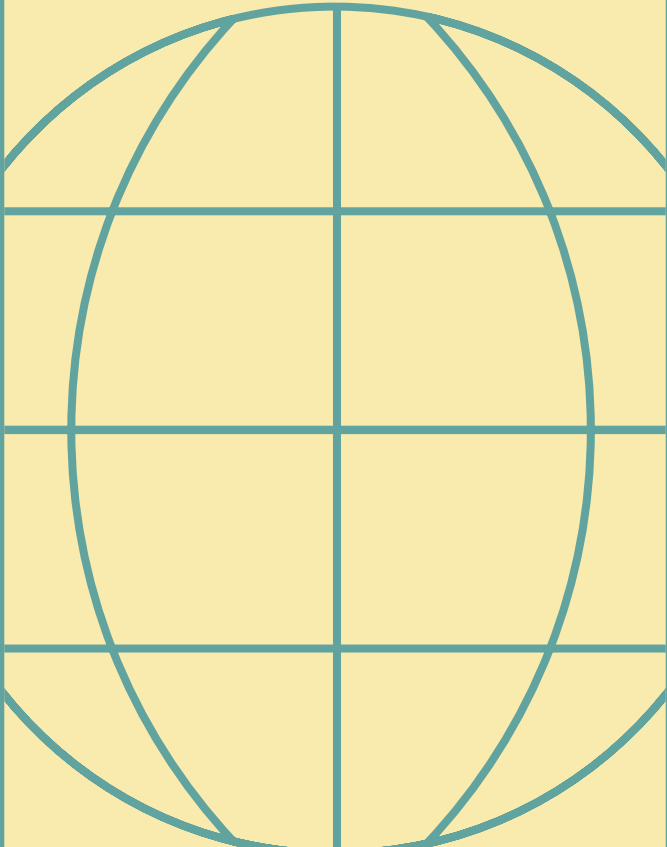
Part of the Emilia ceramics district – one of the main Italian industrial manufacturing areas – **Iris Ceramica Group is represented by Brands working on the market in over 100 countries worldwide. For over 60 years, it has been a world leader in the development of innovative solutions and high-end natural ceramic surfaces** for architecture, design and furnishing projects. **The production focuses on the development of technical ceramic materials**, the result of continuous technological and aesthetic research, as well as the passion and innovative spirit of Romano Minozzi, Founder and Chairman of Iris Ceramica Group with his daughter Federica Minozzi, CEO of the Group.

Iris Ceramica Group’s industrial system and production units are mostly located in Italy, in the ceramic district between the **provinces of Modena and Reggio Emilia**. In addition to these, we have two industrial sites abroad, in **Vetschau, Germany**, and **Crossville, Tennessee, USA**: based in the most strategic and commercial countries for the Group, these sites have exclusive production lines and cutting-edge technologies.

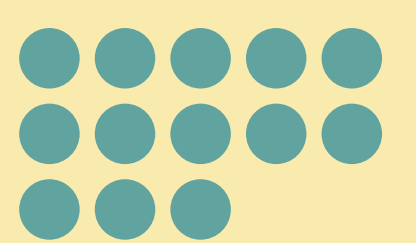


YEARS OF HISTORY

EXPORT COUNTRIES



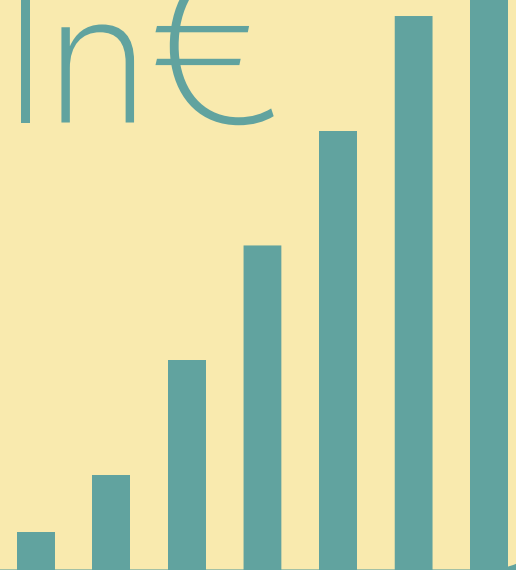
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THE GROUP'S BRANDS

13

>430 mln€



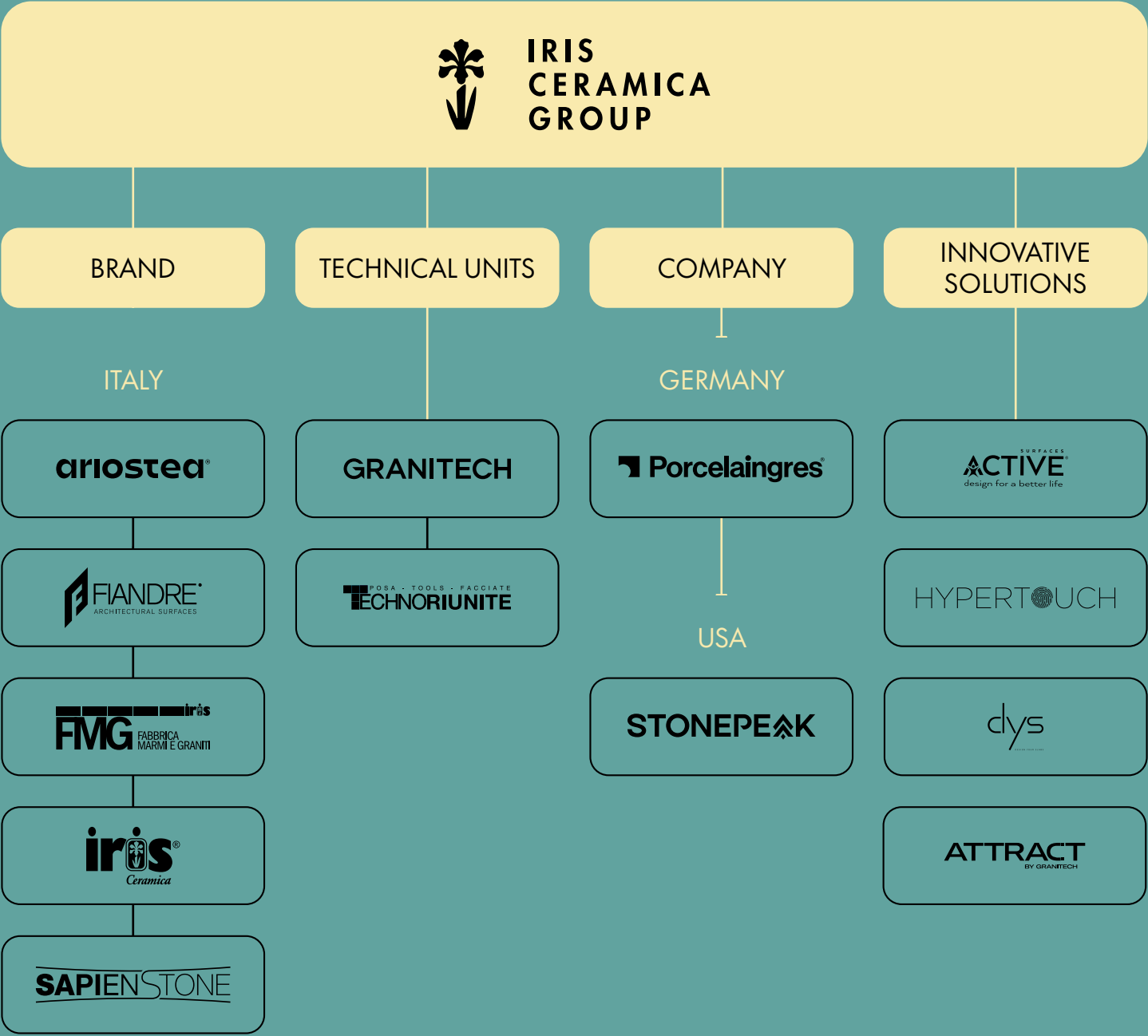
TURNOVER 2023

A SINGLE GROUP AT THE CENTRE OF MANY BRANDS



Being part of Iris Ceramica Group means having a common approach to the market, growing together and being enriched by new inspirations and opportunities. Along with this strong cohesion, the Group's **Brands** are able to work autonomously, driven by quality and constant innovation and aiming to enhance their own wealth of resources and talents. Over time, each company has perfected its expertise and developed new and highly

specialised applications. **Iris Ceramica Group includes the key brands** Ariostea, Fiandre, FMG Fabbrica Marmi e Graniti, Iris Ceramica, Porcelaingres, SapienStone, Stonepeak Ceramics as well as brands with a high potential for innovation: Active Surfaces®, Hypertouch®, Design Your Slabs (DYS) and Attract™. The Group also includes Granitech and Technoriunite, technical divisions specialised in surface installation and laying.



BRAND
Italy: Ariostea, Fiandre, FMG Fabbrica Marmi e Graniti, Iris Ceramica, SapienStone

TECHNICAL UNITS
Granitech, Technoriunite

COMPANY
Germany: Porcelaingres
United States of America (USA): Stonepeak Ceramics

INNOVATIVE SOLUTIONS
Active Surfaces®, Hypertouch®, Design Your Slabs (DYS), Attract™

Vision: the future in our today's choices

We are committed to a future where sustainability and environmental respect serve as the foundation for harmonious coexistence. Iris Ceramica Group has always worked to spread a culture of beauty, with continuous investments in pioneering technologies, aiming to make the production process increasingly efficient and ethical. Our work in fact aims to improve the interaction between humans and the environment they live in by re-engineering ceramics, one of the world's most noble and high-performing materials.

Mission: striving for perfection, a constant commitment

Our cornerstones and constant inspirations guide us every day in the creation of innovative, technologically high-performing and aesthetically precious materials which **express our values: Innovation, Sustainability, Excellence in Quality.**

Values: business spirit

Excellence = Leadership: Being market leaders with excellent materials is an incentive for developing surfaces that increasingly represent the needs and values shared by our community of Stakeholders.

Quality = Beauty: We want a world in which we breathe beauty, where culture and consciousness are the guardians of improvement, and where our ceramics reflect the intentions and efforts of a thought that is never contrived, always authentic.

Research = Development: Constant research to assure better results, increase skills and knowledge, through constant dialogue with different generations to find answers for a better future.

Innovation = Technology: Always a part of our DNA, along with attention to detail and pioneering production and logistic technologies, is a daily commitment to the future that drives us to create high-end natural surfaces with unique finishes and groundbreaking technical

properties. This is demonstrated by significant investments in Research and Development, technologies such as Design Your Slabs (DYS), 4D Ceramics and innovative surfaces including Active Surfaces® and solutions like Hypertouch® and Attract™, as well as certifications and patents with international scientific value.

Culture = Sustainability: An authoritative leadership can only be based on a strong sense of responsibility, aiming to disseminate an innovative, ecological thought that looks to environmental and social sustainability. Enhancing human resources, investing in training and fostering joint design are the Group's focus.

Economy = Ecology: The equation "Economy = Ecology" coined by the Chairman and Founder Romano Minozzi in the early 1960s still underlines the Group's pioneering nature today, confirming that there is no growth without respect for the environment, and that every choice or action can only be undertaken considering environmental, social and corporate governance (ESG) criteria.

ECONOMIC AND FINANCIAL RESULTS

[GRI 201-1]

In 2023, Iris Ceramica Group recorded **revenues of EUR 430 million**, with profit for the financial year of over EUR 110 million.

GRI 2-6 | Economic and financial data (thousands of €)

	2023	2022	2021
Net consolidated revenues	430,048	556,894	483,303
Equity	1,624,540	1,523,982	1,384,763
Profit for the financial year	110,280	122,516	107,715
Operating result	7,841	66,958	41,618

The table showing the distribution of the economic value generated analyses the distribution of the value created in terms of costs, highlighting the flow of resources to the stakeholders who have contributed to its production in various ways. Of the more than EUR 543 million generated in total, approximately EUR 479 million were distributed (over 88%).

GRI 201-1 | Direct economic value generated and distributed (thousands of €)

	2023	2022	2021
Direct economic value generated	543,777	664,844	550,834
Economic value distributed	479,573	553,434	460,756
Operating costs	351,635	420,210	336,573
Value distributed to employees	104,807	107,167	102,741
Value distributed to capital suppliers	14,114	10,759	4,592
Value distributed to the P.A.	8,789	14,873	16,309
Value distributed to the community (Donations and sponsorships)	228	425	541
Economic value retained	64,204	111,410	90,078

1961

Iris Ceramica was born in Fiorano Modenese, in the heart of the Italian ceramics production district.

1970

Economy=Ecology. A concept that the Founder expressed as early as the 1960s, at a time when attention to ecological issues was still far away. Romano Minozzi had this equation hanging in his factories, the manifesto of an entrepreneurial vision that reminded and continues to remind everyone how respecting nature is an essential requirement.



1972

Iris Ceramica launched the first public initiative to raise awareness on environmental issues: the revolutionary project "Pollution – For a new aesthetics of pollution" curated by Gianni Sassi saw Piazza Santo Stefano in Bologna as the stage for installations and performances by twenty-four artists and two musicians.



1973

The first issue of the non-conventional magazine "HUMUS" appeared, a four-monthly magazine on culture, current affairs and innovation published and distributed by Fondazione Iris Ceramica Group and curated by the agency Al.Sa owned by Gianni Sassi and Sergio Albergoni.



1975

With the Gold Medal of Merit for Culture and Art awarded by the President of the Italian Republic, Iris Ceramica materials were the first to enter the MIC, the International Museum of Ceramics in Faenza.



MORE THAN 60 YEARS OF HISTORY

2003

The Group continued to expand, opening the Stonepeak Ceramics branch in Crossville (Tennessee).

STONEPEAK

2008

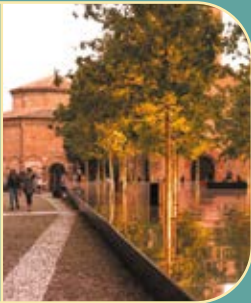
The MA.DE collection was the first ceramics selected by ADI for the XXI edition of the Golden Compass award.



2018

46 years after Pollution, the Group returned to the streets in Bologna with the installation "Pollution RefleAction", created by SOS-School of Sustainability, to relaunch the fight against global pollution.

At the XVI Architecture Biennale, the Group was one of the stars, as well as the technical sponsor, of the Italian Pavilion "Arcipelago Italia" curated by Mario Cucinella Architects.



2009

Production began for Active Surfaces®, pioneering eco-active ceramic surfaces that improve well-being and safety in any space.

2019

The Group implemented an innovative project that has minimised atmospheric emissions of Volatile organic compounds (VOCs). A plant with a "regenerative thermal oxidizer" at the production site in Castellarano, that specifically processes the kiln outlet fumes at temperatures around 900°C, ensuring ultra-high efficiency in terms of reducing the volatile organic molecules

still present in the fumes, and the related odours.

The Iris Ceramica Group Historical Museum was inaugurated and the Fondazione Iris Ceramica Group established, the official testimonial of the Group's responsibility towards the environment and the community.



1987

Iris Ceramica purchased Castellarano Fiandre.



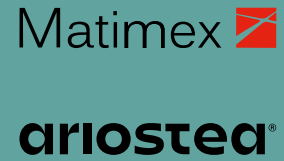
1989

The brand GranitiFiandre made its debut, with the magazine Materia being published for the first time, bearing witness to the incessant commitment to spreading architectural knowledge and culture.



1992/93

Iris Ceramica purchased Matimex and Ariostea.



2002

The Porcelaingres production site was inaugurated in Vetschau (Brandenburg).



2001

The digital magazine Floornature.com went on-line, becoming a point of reference for international architecture.

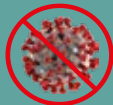


1961

2023

2020

Tests began on Active Surfaces® materials against SARS-CoV-2, demonstrating an extraordinary effectiveness in eliminating the virus.



2021

At the XVII Architecture Biennale, Iris Ceramica Group was the Main Sponsor of the Italian Pavilion "Resilient Communities" curated by the architect Alessandro Melis. At the end of the year, the project for the world's first ceramics factory powered by green hydrogen was presented.



2023

The Group was one of the first in Italy to obtain Gender Equality Certification, according to the reference standard UNI/PdR 125:2022.

Attract™, the innovative and sustainable dry magnetic laying system for the ceramic slabs of the Group's brands, guaranteed by Granitech, was launched. Experimentation, well-being and sustainability are the principles embedded in the revolutionary patented solution that considers design in full respect of people and the environment.

At Cersaie 2023, Iris Ceramica Group and Henoto, the international company specialised in trade fair installations, developed a Planet-Friendly booth model. All the materials used to build the booth were recovered and re-used at the end of the trade fair, with a fully circular approach to conscious design in line with the Group's ESG values.



Federica Minozzi viene premiata ai "CEOforLIFE" Awards a Roma per la categoria "Health and Wellbeing" grazie all'innovativa tecnologia delle superfici eco-attive Active Surfaces®.

The book "Per un Manifesto della nuova ceramica" by Irene Biolchini, published by Mousse Publishing with the support of Iris Ceramica Group, was launched. The Group supports this project that promotes the artists and craftsmen who, with great passion and enthusiasm, rewrite the history of ceramics every day.

Iris Ceramica Group and Edison Next announced the signature of an agreement for the development of the H2 Factory®: the production site in Castellarano (RE) that will use green hydrogen produced by a pioneering system developed specifically for the Group.

2022

After exactly 50 years following "Pollution - For a new aesthetics of pollution", the materials used by the Group in its production processes obtained Cradle to Cradle Certified® Silver certification issued by "The Cradle to Cradle Products Innovation Institute".

Iris Ceramica Group is a supporting partner for the research conducted by the MIT Technology Review - the publishing company of the famous US Massachusetts Institute of Technology - to determine the state of the art of the world's Green Economy.

For its subsidiary GranitiFiandre S.p.A., the Group obtained the "High ESG performance assessment from Cerved Rating Agency, the Italian agency that assesses business performance in the Environmental, Social and Governance fields.



SOLID AND INTEGRATED GOVERNANCE

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GRI 2-13] [GRI 2-16] [GRI 2-18] [GRI 2-23] [GRI 2-24] [GRI 2-26]

Iris Ceramica Group S.p.A is the Financial Holding of a family-run Group that has been working since 1961.

The Group has adopted a multi-level, transparent governance. All functions measure their own performance against pre-agreed indicators and dialogue with each other to harmonise the achievement of business objectives.

The Board of Directors (BoD) oversees the Group's ordinary and extraordinary business management, playing a key role in the strategic business guidance and in the coordination of the organisational structure. The members of the BoD are appointed by the General Meeting.

The Group's BoD is responsible for **approving the organisational strategies and developing a management policy, also in relation to sustainability topics, and for managing any criticalities**. In this sense, the CEO reviews and approves the materiality analysis, analysing the significance of environmental, economic and social impacts arising from the performance of the business activities, and the Sustainability Report.

The BoD delegates the responsibility for the management of its ESG impacts to the Group CEO, while the ESG strategy, and any related updates, are discussed during periodic meetings; an internal and external communication plan is also adopted to share the Group's efforts and results achieved.

In order to guarantee compliance with current laws, transparency and responsible behaviour, the subsidiaries GranitiFiandre S.p.A. and Technoriunite S.r.l. have adopted an organisation, management and control model (in accordance with Italian Legislative Decree - D.Lgs. 231 of 2001).

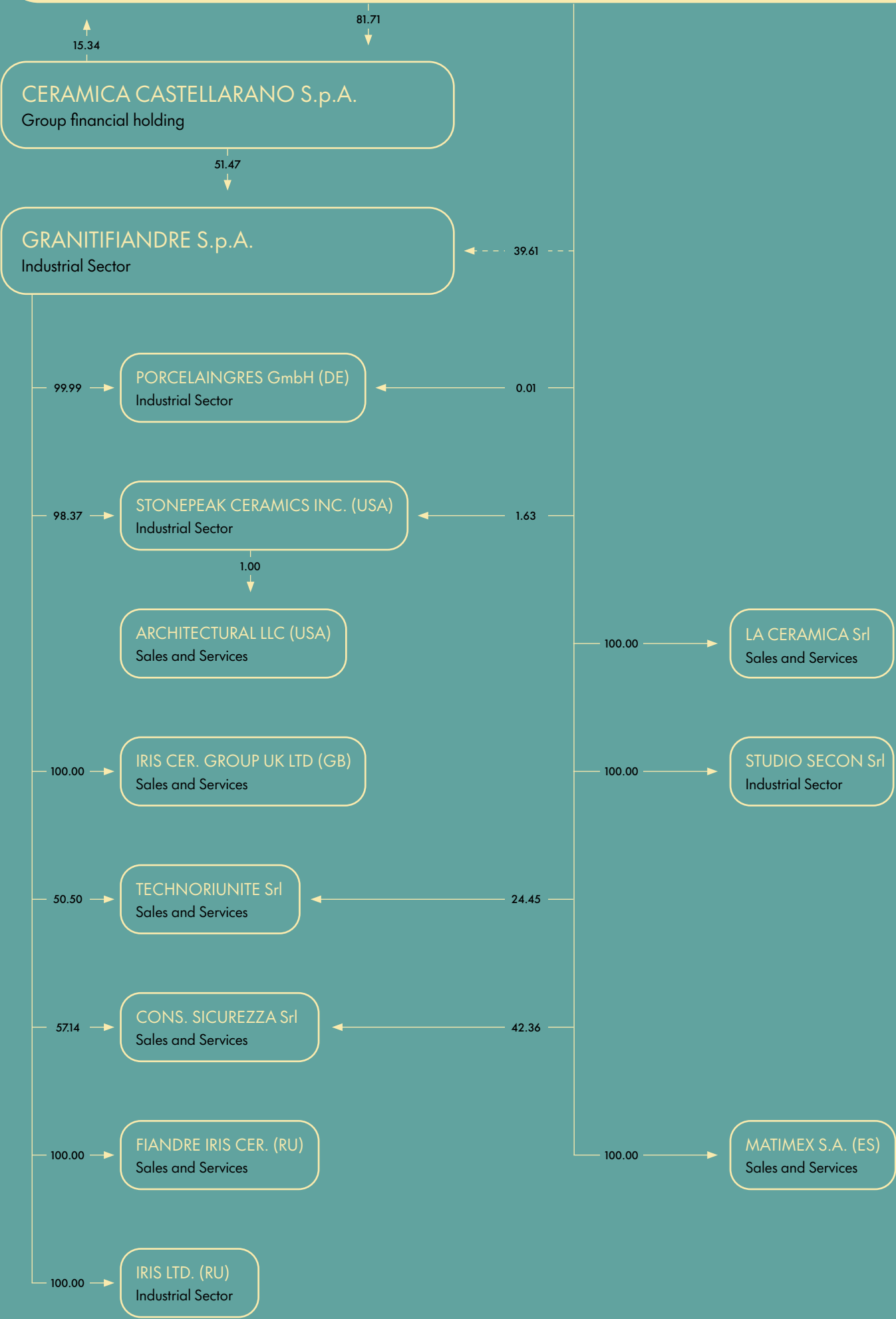
As part of its 231 Model, which also applies to companies that have not adopted the model, the Group has adopted a **Code of Ethics**, to be interpreted as a "**charter of fundamental rights and duties**", based on the values of integrity, responsibility, transparency and confidentiality and aiming to establish rules of conduct for the Group's various internal and external stakeholders. The Code of Ethics, approved by the

BoD, represents a commitment of responsibility towards the Group and all the persons with whom the Group Companies work and interact, including customers, suppliers and the community. The values laid down in the Code are shared with all recipients, also online. Any breaches of the Code of Ethics and the principles and values of the Group in the companies that have adopted the Organisational Model pursuant to Legislative Decree 231/2001 can be reported to the **Supervisory Body** using a specific **whistleblowing procedure**, i.e., an anonymous platform that protects the confidentiality of the whistleblower's identity and the reported information. In 2023, the GranitiFiandre whistleblowing procedure was extended with a **dual reporting channel**, both named and anonymous, addressed to the Supervisory Body, in the event of offences or non-compliance with Legislative Decree 231, or, if necessary, to the Gender Equality Steering Committee. At the German subsidiary Porcelaingres, the whistleblowing system was strengthened by hiring a person from outside the organisation, in charge of receiving any anonymous or named reports raised by employees, in line with German legislation. In the event of reported breaches of the Code of Ethics or the 231 MOG, the Group takes all the necessary steps to manage the breach and prevent its recurrence. **The Company's certification system ensures continuous monitoring** and helps to identify specific solutions to critical concerns. **In 2023 no non-conformities occurred** and no environmental or social sanctions were received.

In addition to the Code of Ethics and the **GranitiFiandre Anti-Corruption Code**, adopted with the aim of providing a systematic framework of organisational and regulatory tools for anti-corruption purposes, the Group also has a **Supplier Code of Conduct, which aims to outline the Company's expectations towards the supply chain**. The Code applies to all the Iris Ceramica Group companies and aims to guarantee that suppliers pursue **standards of excellence** in all areas of their own activities, adopt ethical and responsible conduct in all operations, promote a responsible working environment and respect the environment.

IRIS CERAMICA GROUP S.p.A.

Parent Company



Risk management in the Group

Risk management requires the assessment of the probability that an adverse event occurs, along with an estimation of its severity, in order to prevent it or manage it effectively.

For this purpose, **Iris Ceramica Group implements risk management processes to perform detailed analyses on the risks and benefits of its ceramic surfaces**, not only during the design phase but whenever there are

significant changes to the materials, the service or the processes governing them. The feedback from customers using the materials or service is integrated into the risk management procedure, which is part of the development of the quality management system. In this way, **risk management becomes a continuous, systematic process to guarantee the safety and quality of the surfaces and services supplied.**

Also in 2023, the Group recorded no significant cases of non-compliance with laws and regulations.

GRI 2-9 | Governance structure and composition.

Board of Directors	Role	Gender
Romano Minozzi	Chairman and Managing Director	Male
Federica Minozzi	Vice-Chairman and Managing Director	Female
Sergio Stefano Mascaretti	Managing Director	Male
Mauro Tabellini	Managing Director	Male

Board of Auditors	Role	Gender
Gian Carlo Guidi	Chairman	Male
Dario Maggioni	Statutory auditor	Male
Rosa Carla Parisi	Statutory auditor	Female
Roberto Leoni	Deputy auditor	Male
Massimo Fioroni	Deputy auditor	Male

Note
1. The data relates to the Group BoD.



Romano Minozzi
Chairman and
Managing Director



Federica Minozzi
Vice-Chairman and
Managing Director

GRI 405-1 | Diversity of governance bodies¹

a. Governance bodies (n)	2023			2022			2021		
			Total			Total			Total
< 30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
30 – 50	0%	25%	25%	0%	25%	25%	0%	25%	25%
> 50	75%	0%	75%	75%	0%	75%	75%	0%	75%
Total	75%	25%	100%	75%	25%	100%	75%	25%	100%

Gender Equality Certification

Iris Ceramica Group is proud to be one of the first Italian companies to **obtain Gender Equality Certification in accordance with UNI/PdR 125/2022 practices**, for its subsidiary **GranitiFiandre**.

The certification defines the guidelines for creating a working environment with equal opportunities, fostering a fairer gender distribution and the joint contribution of both sexes to promoting inclusion in the organisation, in addition to developing a sense of belonging. The system requires that the effectiveness of the actions undertaken must be measured using six indicators: **culture and strategy, governance, HR processes, opportunities for growth and inclusion of women in the company, equal gender pay, protection of parenthood and the work-life balance**. On the basis of this undertaking, a **Group Corporate Policy for Gender Equality, Diversity and Inclusion** was defined and is accessible to all internal

and external stakeholders.

The definition of the Policy required the appointment of a **Gender Equality Steering Committee**, consisting of key figures from the organisation, appointed to monitor and regularly promote gender equality policies in the company. All staff have the possibility to contact the committee to obtain clarifications and report any gender equality issues.

Through this initiative, the Group aims to strengthen the approach that has already been widely adopted in the organisation, assuring equality and equal treatment, inclusion, equity and enhancement of all forms of diversity, also in view of the significant number of women employees at all levels, also recording progressive improvements in the last three years.

CEO Italian Awards 2023

The CEO of Iris Ceramica Group, Federica Minozzi, won the Design Category at the CEO Italian Awards 2023 by Forbes Italia. This award celebrates Italy's top managers who have stood out for their skills, professionalism and courage in leading their companies. The selection focused on managers who are not only able to make their businesses globally competitive but who also **contribute to improving quality of life in the communities** they work in. The 2023 edition, "The

CEO's Imperative", offered an interpretation of the challenges set by the global context for CEOs through three analytical perspectives: **Purpose, Profit, Planet**. Federica Minozzi was awarded the prize for Iris Ceramica Group's ability to design innovative **design solutions, with a far-sighted vision that enhances craft traditions while ensuring a constant focus on environmental sustainability**.



Federica Minozzi wins the award in the Design category at the Forbes Italia CEO Italian Awards 2023



Fondazione Iris Ceramic Group - Quarto Fuoco Project

The funds for philanthropic actions disbursed by Fondazione Iris Ceramica. Group

€	2023	2022	2021
Total funds disbursed	384,000	382,000	337,000

THE COMMITMENT OF FONDAZIONE IRIS CERAMICA GROUP

Founded in 2019, **Fondazione Iris Ceramica Group** is a **private, non-profit organisation** that expresses a **business culture looking at integrated sustainability**, bearing witness to the family history based on social responsibility and innovation. Through its projects, the Foundation confirms the engagement of the industrial group in making a tangible contribution to achieving the **sustainable development goals set out in the UN Agenda 2030**.

The Foundation promotes a model of **sustainable development**, enhancing **human capital and sharing knowledge**. Starting from initiatives in the local community, it works with national and international associations to disseminate collective awareness. It promotes projects and activities that foster exchange and progress in different fields, including the environment and solidarity, art and culture.

Quarto Fuoco

2022 saw the launch of "**QUARTO FUOCO**", the **innovative, stimulating project run by Fondazione Iris Ceramica Group** that won the prestigious Corporate Heritage Awards in the "Narrazione per il Sociale" ("Social Narration") category. The project takes its name from the last step in firing (historically known as 'terzo fuoco' or 'third firing') to which artistic ceramics were subjected to create particularly precious decorations. **The initiative is run in partnership with Anffas Sassuolo** – the national Association of Families of persons with intellectual and/or relational disabilities – aiming to foster interaction and enhance the autonomy of people with disabilities through the art of ceramic decoration. In 2023, the project extended its boundaries by offering other organisations and associations working in Italy to support disability and fight youth discrimination and hardship the possibility to take part in workshops to learn the art of ceramic production, keeping the local ceramic decoration traditions alive.

The Sustainability Maze

In May 2023, the Foundation took part in the fifth edition of the **Sustainable Development Festival in Modena**: the ASviS event includes a series of conferences aiming to raise awareness among and mobilise local people, the young generations, businesses, associations and institutions on economic, social and environmental sustainability issues. The Foundation also worked on the "**Sustainability Maze**" initiative, organised by the RSI (Corporate Social Responsibility) association. Arranging 288 plants in the main square in Modena, the initiative helped to create an educational pathway enriched with panels illustrating the sustainable development goals set out in the 2030 Agenda. In the city's cul-de-sacs, visitors came across representations of environmental issues, with the ultimate goal of "finding a way out together". During the Festival, the Foundation told of its own **contribution to SDG 8: "Decent work and economic growth"**, highlighting the Group's commitment to promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Projects promoted by the Foundation in 2023



We stand for Planet

Fondazione Iris Ceramica Group considers personal well-being and environmental sustainability as the **values on which to base its commitment** to building a better, more sustainable and inclusive future. From this standpoint, it facilitates the study and development of models for living in harmony with nature.

In 2023, the Foundation confirmed its support to a number of initiatives in the environmental field, including:

- **SeaShepherd:** the Foundation supported this organisation that **fight illegal fishing** and the destruction of the natural marine habitat. In particular, in 2023 it supported Operation Ghostnet, a campaign running in the Tyrrhenian Sea to identify and remove large fishing equipment that is lost or abandoned in the water, damaging the marine ecosystem through the so-called “ghost net” phenomenon.
- **Apicoltura Urbana:** the Foundation adopted 9 beehives hosted in the Group's green areas, a concrete action for protecting biodiversity and species at risk of extinction. The **270,000 bees** are checked periodically to assure their state of health until the honey harvest. The initiative also includes the possibility to organise guided tours for employees and their families, with lectures on the importance of these pollinating insects.
- **Fondo per l'Ambiente Italiano (FAI):** the Foundation supported this organisation, which works to protect and enhance the Italian landscape and historical and artistic heritage, fostering knowledge and respect.



We stand for People

Fondazione Iris Ceramica Group **defends the beauty of the human and cultural heritage to create common value** and improve the life of everyone, redesigning environments, spaces and ways of relating and recognising culture as a driving force of the economy, **through the search for and enhancement of new talents**. It also supports **projects for local health services**, helping administrations and civil communities to purchase innovative equipment to further research and innovation.

A number of initiatives continue to be promoted and supported in 2023, including:

- **Santa Maria Nuova Hospital, Reggio Emilia:** the Foundation took part in a fundraising event to donate a latest-generation **ECG machine** to the Thoracic Surgery Ward.
- **Fondazione ANT** and **LILT** (Lega Italiana per la Lotta contro i Tumori): together with the medical volunteers of these associations, the Foundation organised oncological and cardiovascular prevention campaigns for the Group's employees.
- The **International Art Prize for ceramics**, established by the Foundation itself, which aims to enhance deserving works focusing on art and culture and conserving “**ceramic know-how**”. The winners of the 2023 edition were Eloisa Gobbo, awarded the Over-25 Prize for her work *Geometrical Isometric Pattern In Yellow, Red And Blue, Moresque Style With Dashed Stripes And Spheres*, thanks to her **skill in integrating the most recent technological Artificial Intelligence solutions in her artistic practices**; and Daniele Donadio, winner of the Under-25 Prize with *Clouds*, an installation “combining the most intrinsic features of matter and a poetic tribute to the film director Akira Kurosawa”. The winners were selected by the panel on the basis of criteria of originality, sustainability and technical innovation, in line with the constant interest of the Foundation and the Group in new technologies and historical traditions. The **Ennesimo Academy** educational project that aims to provide fair, inclusive and quality education, offering local middle school students the opportunity to learn and gain new experiences. The Foundation is the Main Sponsor of the initiative in which students are introduced to **new audio-video narration techniques** to give artistic form to their ideas and enhance the

expressiveness and creativity of each one. The teachers at the Academy work with the aim of **helping the students to become aware citizens** who understand the dynamics underlying communication mechanisms, from the most classical to the most modern.

- The **Anna Taddei Female Architecture Prize**, established by the Architects' Association of Modena in memory of the Modena-born architect of the same name and won in 2023 by Elena Trevisan with the Mirta tapestry project. The aim is to continue the activities started by Anna Taddei in the field of gender equality, devoting a prize to **women who work in the contemporary architecture world**. The prize pays tribute to the best projects and professional paths of Italian women architects, at the same time promoting the recognition of their role in society.
- The 'Anna Taddei Architettura al Femminile' Prize, established by the Architects' Association of Modena in memory of the eponymous Modena-based architect and awarded in 2023 to Elena Trevisan for the tapestry project Mirta. The prize aims to continue the work begun by Anna Taddei in the field of gender equality, by devoting a prize to women working in the contemporary architecture world, paying tribute to the best professional projects and achievements of Italian women architects and at the same time fostering the recognition of their role in society.
- **Fondazione Pangea Onlus**: the Fondazione Iris Ceramica Group supported the Piccoli Ospiti project, aiming to set up and manage a protective facility for mothers who are victims of violence and their children.



We stand for Participation

The Foundation interprets its mission with particular reference to the local communities in the Italian ceramics district **through its own social commitments, in partnership with a number of bodies, people and organisations**. The support to virtuous associations guaranteeing the rights and a future for the weaker segments of society and the promotion of the **right to education** are the tools used to combat inequality, guaranteeing a different future.

The Foundation believes in enhancing the traditions and excellences of this area, with particular reference to **ceramic know-how** and, for this reason, has invested in the implementation of a decorations workshop for **young disabled people** with a view to promoting inclusion, craft traditions and art works, offering each person the opportunity to express their potential to the full.

The support to some selected organisations working particularly on national projects has been confirmed, including: **Action Aid** with the WEGO2 campaign, **Save the Children** with the support to humanitarian aid for the earthquake in Turkey and Syria, **Banco Alimentare Emilia-Romagna** with the donation of a transpallet for handling goods in the warehouse.

During the year, Fondazione Iris Ceramica Group also worked to support the CEFA project "**Miele, Pesca e Nutrizione**" ("Honey, Fishing and Nutrition") that aims to help strengthen food security of the most vulnerable groups of some districts of Kenya and Mozambique.



Fondazione Iris Ceramica Group
"Quarto Fuoco" project

Winner of the Corporate Heritage
Awards 2022
Social narration category

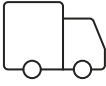
02

MATERIALITY
ANALYSIS

[GRI 2-6] [GRI 2-29] [GRI 3-1] [GRI 3-2]

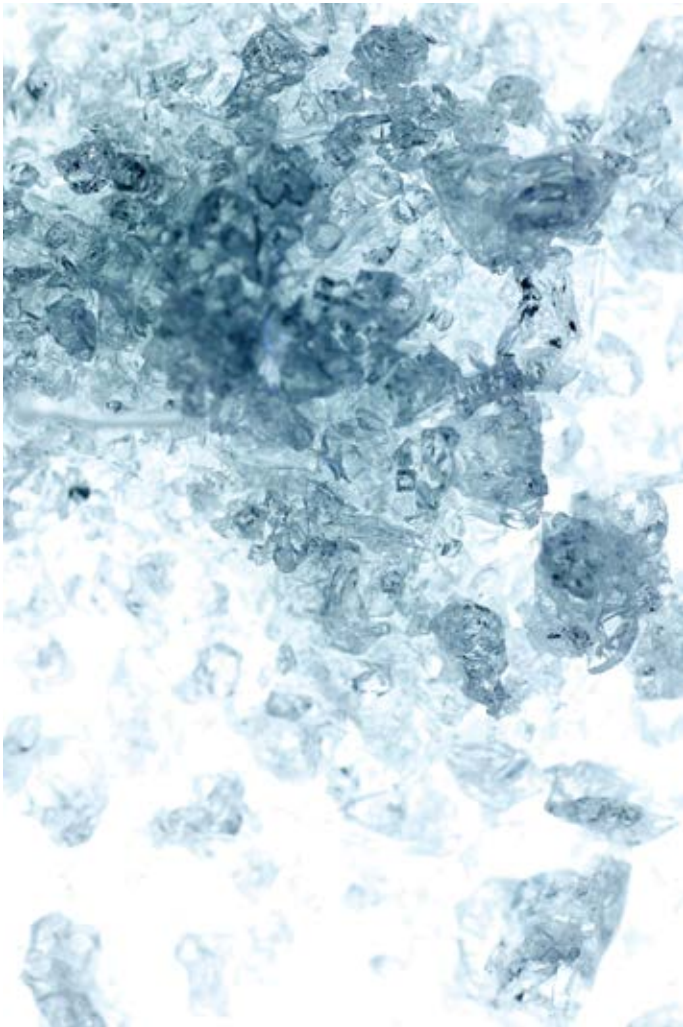
Reporting on sustainability according to the most common reporting standards means **transparently providing stakeholders** not only with **general information**, useful for understanding the key features of the business, but also **specific information on the company's most significant aspects**. In line with the GRI Standards, in 2023 Iris Ceramica Group performed an in-depth analysis of the **most significant economic, environmental and social topics, focusing on the impacts linked to the various business activities and relations throughout its value chain**.

The process of defining material topics included an initial context analysis of the global, national and local trends. Starting from here, the impacts linked to the sector and the Group's activities throughout the value chain were mapped. The impacts were assessed according to their scope, perimeter, irremediable nature and probability of occurrence, and were then prioritised according to their significance score. The result was tested through dialogue with **5 expert stakeholders (Key Opinion Leaders)** — chosen according to the mapping in order to determine the most suitable figures for Iris Ceramica Group — and with the involvement of over **20 of the company's young people**. The final phase involved the definition of a materiality threshold through a specific meeting with the company management and its subsequent validation.

Iris Ceramica Group's value chain		
	Raw materials	Extraction of minerals including clays, feldspars, quartz, kaolin.
	Procurement	Purchase of raw materials and other components for ceramic production.
	Production	Production of ceramic surfaces through the phases of design, storage and mixing of raw materials, grinding and atomisation, pressing and drying, surface applications and digital printing, firing, polishing and quality control.
	Packaging and distribution	Products packaged and distributed to the end sales points.
	Trade	Transfer of packaged products to customers
	Installation	Installation of the finished products in buildings.
	End-of-life	Disposal of any waste by the customer

KEY TOPICS FOR IRIS CERAMICA GROUP

Through the materiality analysis, Iris Ceramica Group identified 10 material topics to focus its efforts and resources on, starting from a longer list of 17 potentially relevant topics.



GRI 3-2 | List of material topics

		Iris Ceramica Group's value chain						
Topics								
1	Product and service innovation							
2	Procurement of raw materials							
3	Climate change: consumption and emissions							
4	Circular economy: re-use, packaging, waste							
5	Sustainability in the supply chain							
6	Impacts of logistics							
7	Quality system							
8	Lifelong learning and professional growth							
9	Well-being, health and safety							
10	Attracting and retaining talents							
MATERIALITY THRESHOLD								
11	Water consumption and discharge							
12	Diversity, inclusion and equal opportunities							
13	Promotion of Italian excellence							
14	Rootedness in the local community and support to local communities							
15	Transparent communication and marketing							
16	Listening and customer satisfaction							
17	Privacy and data security							

03

CERAMICS
PUT TO THE
ECOLOGICAL
TRANSITION
TEST

ACCELERATION TO SUSTAINABILITY

The year 2023 was the hottest on record, underlining the heightened global efforts to combat climate change. The earth's average temperature records exceeded the pre-industrial value (1850-1900) by 1.4°C, underlining the inadequacy of the measures put in place thus far². **During the twenty-eighth Climate Change Conference (COP28) held in Dubai, the United Nations formalised its commitment to assure a real transition, abandoning fossil fuels**³.

The European Union continues to strive to become the first carbon neutral continent by 2050, as approved in March 2022 with the Green Deal, integrated by the intermediate goal **Fit for 55**, which **aims to reduce emissions by 55% by 2030** (compared to 1990 values)⁴. In this scenario, 2023 was a crucial year as the Member States began the implementation of the measures

necessary to achieve the 2030 goal⁵.

The role of driving the change needed to achieve the Green Deal goals was assigned to the finance world, from which the EU requests a commitment to diverting capital to investments with a positive impact. Various instruments indispensable for the sustainable transition of the whole European economic system require the direct involvement of businesses. Among these, EU Taxonomy⁶, the first system for defining sustainable activities using *science-based criteria*, the **Corporate Sustainability Reporting Directive (CSRD)**⁷, which by 2028 will require over 50,000 companies to report on their environmental and social performance and the **Corporate Sustainability Due Diligence Directive (CSDDD)**⁸, which defines the due diligence requirements throughout the value chain.

Note

- 2. Copernicus, *Global Climate Highlights*, 2023
- 3. UNFCCC, *The UAE Consensus*, 2023
- 4. European Commission, *European Green Deal*, 2020
- 5. European Commission, *Commission welcomes completion of key 'Fit for 55' legislation, putting EU on track to exceed 2030 targets*, press release 9 October 2023
- 6. European Commission, *Regulation 2020/852/EU*
- 7. European Commission, *Directive 2022/2464/EU*
- 8. European Commission, *Directive 2019/1937/EU*



CHALLENGES AND OPPORTUNITIES FOR THE CERAMIC SECTOR

During 2023, businesses tackled many economic and commercial challenges, culminating in the slowdown of the post-pandemic recovery, with growth in the Eurozone stalling at 0.5% (compared to 3.3% in 2022)⁹. **Geopolitical tensions** affecting crucial areas for global trade also compounded the economic situation. The conflict between Israel and Palestine in October led to an **increase in natural gas prices in Europe** – significantly reducing the supply of gas to North African countries, which typically export to Europe and Italy – and destabilised the Middle East even beyond the combat zones. The **recent incidents in the Bab-Al Mandeb Strait**, a crucial southern access to the Red Sea and where **12% of global trade transits**, **reduced the number of containers coming from the Middle East and Asia by 70%**. The attacks on ships forced commercial transport companies to cancel shipments, and the only alternative route is to circumnavigate the whole African continent, at very high costs¹⁰.

In this scenario of increasing uncertainties and instability, **the global ceramic sector contracted by 3.9% in 2023**. **Europe** is the area that **reduced its import** of ceramic products the most, -19.3%, while **the Middle East and Gulf countries increased** (respectively by 10.6% and 4.1%). A similar situation is found for **exports**, which **fell in Europe and increased especially in Asian countries**. With a growth rate of 33.5%, India has recorded the most significant boom in ceramic exports, exceeding China and becoming the top global exporter. The reasons for this growth can be found in the rapid expansion of the Indian construction market, followed by the increase in population and the technological progress in the industrial field¹¹.

In 2023, despite the continuing war in Ukraine, the sector continued to look for innovative solutions for overcoming the **procurement crisis related to clay materials**

from Donbas (falling 37% on 2022). This has led to the search for alternative import sources for this raw material, promoting the adoption of more sustainable and efficient strategies. As the alternatives are more expensive and produce high emissions due to the long journeys by land and sea, the industry is facing the opportunity to explore new technologies and more ecological routes to reduce the sector's environmental impacts¹².

Furthermore, the **hard-to-abate** ceramic sector is facing the challenge of increasing the efficiency of its production processes, which require significant amounts of **methane gas** for firing, representing **an extremely important item of the production costs of ceramic surfaces**. In this context, manufacturers are being forced to **invest in innovative energy solutions and energy efficiency technologies**, which not only reduce long-term operating costs but also strengthen the sector's commitment to sustainability and the reduction of its environmental impacts.

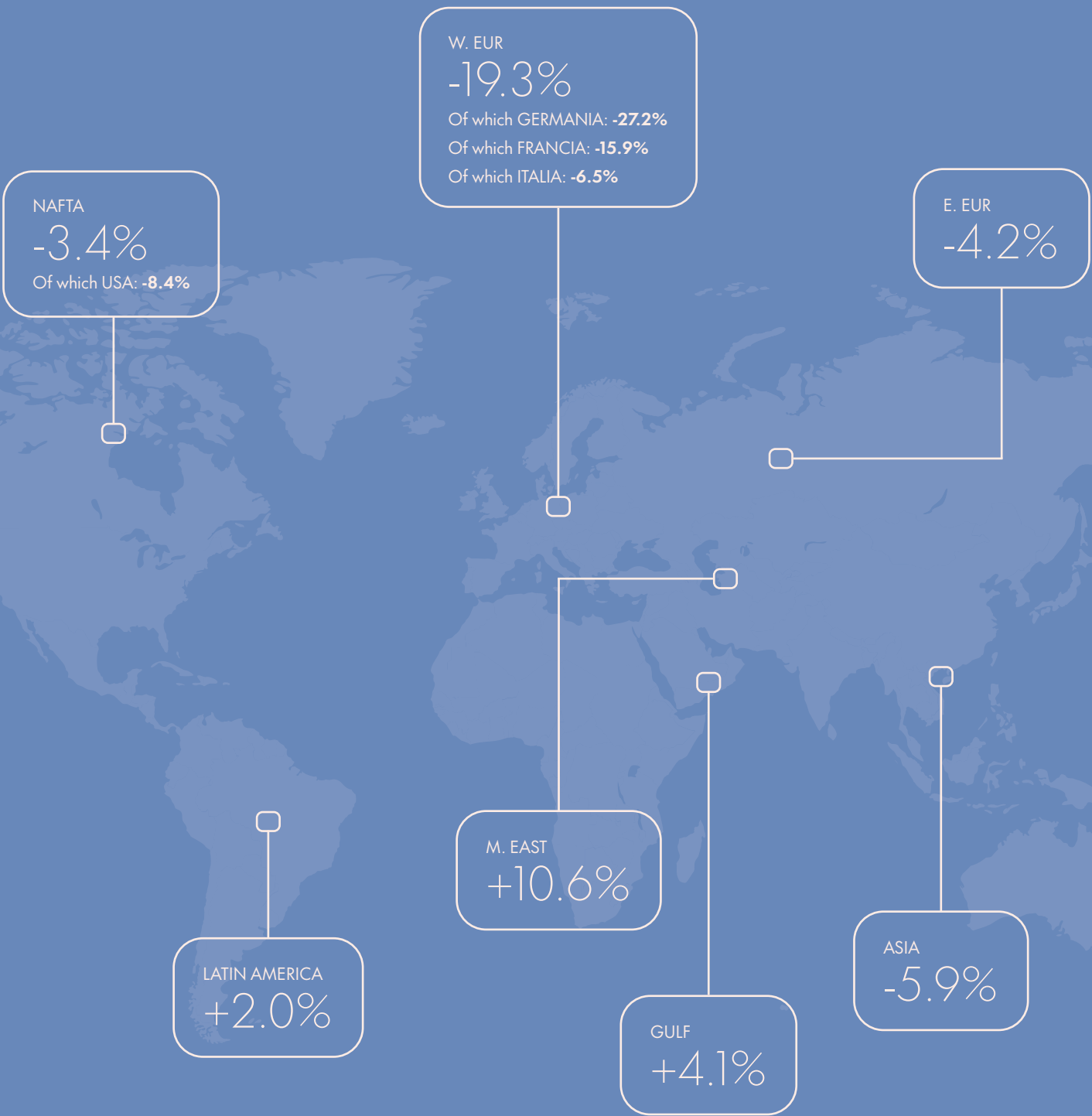
The most important risks and opportunities for the ceramics industry are therefore linked to the use of energy and materials. **A first step towards energy efficiency and the reduction of impacts concerns precisely the replacement of methane with fuels with lower emissions**. One example is **green hydrogen**, i.e. **hydrogen isolated using electrolysis powered by renewable energy sources**, and therefore produced with no CO₂ emissions. Interest for this "clean" fuel is growing: since 2020, the **European Union** has been **running various support initiatives** to make the production of clean hydrogen economically viable, aiming to make it feasible to replace methane with this by 2050¹³. **Greater efficiency in the use of resources can on the other hand be obtained by applying the principles of the circular economy**, re-introducing waste into the production process.

Note

⁹. Eurostat, 2022
¹⁰. Il Sole 24 Ore, 2023
¹¹. Prometeia e Confindustria Ceramica, Osservatorio previsionale per l'industria ceramica, 2023
¹². Chamber of Deputies, 2024
¹³. European Parliament, EU Strategy on Hydrogen, COM/2020/301

WORLD CERAMIC IMPORT MARKETS

Var% 2023/2022



WORLD: -3.9%
-112 mln m²
Tot. 2795 mln m²
(-1.4% on 2019)

500
mln m²

04

ANTICIPATING
THE FUTURE

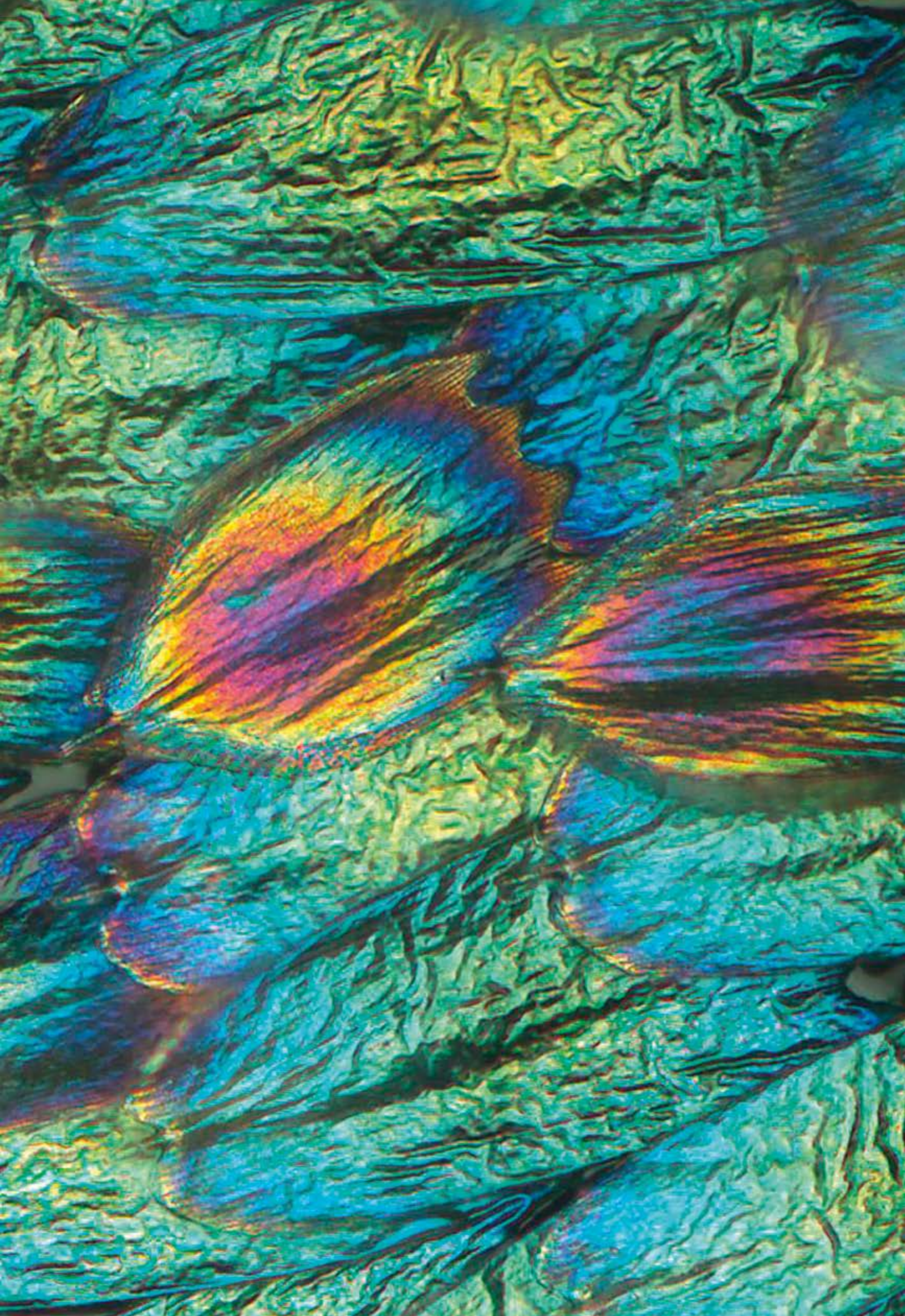
MATERIAL AND SERVICE INNOVATION



Innovation in the ceramic sector is essential for competitiveness, environmental sustainability and economic growth. Innovating helps to develop new ceramic surfaces and improve existing ones, bringing added value, offering new business opportunities and ensuring a strong positioning on the market.

Iris Ceramica Group has always invested in innovation, a distinctive value linked to sustainability, both in terms of environmental protection and the efficient use of resources. Underlying this process of continuous innovation is a significant **research and development activity, supported by international certifications and European patents** guaranteeing the pioneering features of the produced surfaces. **The result of this commitment lies in unique quality,** beauty and sustainability throughout the life cycle, the guiding threads of all the companies within the Group.

The challenges [GRI 3-3]							
Evolution of materials and products through new production technologies							
Minimising the environmental footprint of processes and materials through research and innovation							
Negative impact on productivity and costs due to low process digitalisation							
Sharing of know-how and competences with technical partners to develop innovative solutions							
Lack of technological innovations offered on the market applicable to the ceramic sector							



Active Surfaces®

eco-active ceramics

Eco-active Active Surfaces® by Iris Ceramica Group are the **patented, 100% Italian** response for supplying the market with materials with superior characteristics for greater effectiveness in the field of personal well-being.

The innovative **Active Surfaces®** technology turns ceramic slabs into an eco-active material with **four superior properties: antibacterial and antiviral, anti-pollution, anti-odour and self-cleaning**, certified to ISO standards. Furthermore, the effectiveness of these surfaces has also been tested on **SARS-CoV-2**, the virus responsible for **Covid-19**, 94% of which is eliminated in just 4 hours of exposure to natural and artificial light).

The four superior properties:

- **Antibacterial and antiviral (ISO 21702 – ISO 18061)**
- **Anti-pollution (ISO 22197-1)**
- **Anti-odour**
- **Easy-to-Clean (ISO 27448)**

These materials, produced in **minimum VOC (volatile organic compounds) emissions** plants, use **40%** recycled materials and are fully **recyclable**. Finally, the effectiveness of these four actions never ends, and continues throughout the life cycle of the ceramic slabs, making them a significant **investment for the future**.

Active Surfaces® are a concrete example of the foresighted vision of **Iris Ceramica Group**, which has been producing surfaces and unique applications for over 60 years, always with an eye on the future, aiming to explore new horizons and lead the way in the ceramics world.

Since 2009, Active Surfaces® have been combining design, science and creativity to bring to life surfaces marked not only by innovation, sustainability and beauty, but which also embody a very profound value: **to serve humans while fully respecting nature and the environment**.

Active Surfaces® and the CEOforLIFE prize in the Health and Wellbeing category

The innovative technology characterising the eco-active Active Surfaces® was nominated in the "Health and Wellbeing" category at the "CEOforLIFE" Awards in Rome. On that occasion, Federica Minozzi was awarded the **prize to CEOs who have set standards of excellence**.



Hypertouch®

capacitive surface

With the **Hypertouch® capacitive surface**, Iris Ceramica Group blends excellent quality with technological innovation, enhancing the functions of design beyond the imagination. **Equipped with a concealed technology, by lightly touching the Hypertouch® surface, an integrated system of home-automation sensors is activated, to switch lighting and audio-video systems on and off, control doors and windows and set the room temperature.** Hypertouch® exalts the design and

continuity of the material, eliminating unsightly cover plates and external switches. Designed and patented by Iris Ceramica Group, Hypertouch® technology can **be applied to all the ceramic surfaces of the various Brands in the Group** up to 12 mm thick.

With Hypertouch®, Iris Ceramica Group confirms its **propensity for innovation** with a solution that enhances the ceramic surface, bringing it into the smart home.

Planet Friendly Booth

The innovations not only concern production materials: at the 40th edition of the International Exhibition of Ceramic for architecture and Bathroom furnishings (Cersaie 2023), Iris Ceramica Group presented the first **Planet-Friendly Booth, a completely circular and sustainable exhibition space.** The booth, made with **100% re-usable materials**, embodies the Group's commitment to sustainability and bears witness to this towards customers, suppliers and partners at the trade fair. In the hall, the central theme presented at Cersaie 2023 by the Group, "The art of being a Group", translated into "The art of being Attractive". This pay-off refers to

the beauty of the technical ceramic slabs on show and at the same time refers to the **Attract™ system, for dry laying ceramic surfaces using magnets.** This innovative solution, developed by the Business Unit Granitech, allows the slabs to be removed and replaced without the need for demolition, assuring **unlimited use.** The booth was also designed in partnership with Henoto, leader in trade fair spaces, which designed the booth to ensure the optimum use of the materials and simplify transport and logistics, minimising environmental impacts.

ICG Gallery

In 2023, **the restyled ICG Gallery was inaugurated in London.** The space reflects the Group's values and commitments by redefining the exhibition space. The key topics guiding the experience in the Gallery are innovation, technology and sustainability. Right from the outside, visitors are invited to dialogue with the **interactive windows**, reflected in a virtual rain shower that recalls the element of water. The journey continues in the showroom, covering three floors devoted to the discovery of ceramic surfaces through **avant-garde installations**

combining augmented reality with tactile and sensory experiences and an innovative narration of the materials that also transmits the Group's vision of a better present and future. Environmental sustainability topics found in the ICG Gallery experience are the Group's commitment to decarbonising production through the use of **green hydrogen**, to **circularity**, demonstrated by the Attract™ technology, and the eco-active Active Surfaces®, which help to improve the interaction between humans and the environment.



The Architects Series

The Architects Series is the format curated by The Plan offering close-up meetings with some of the world’s most famous architecture firms. For a day, The Plan team goes behind the scenes of the greatest international firms to tell the life, work and aspirations of the architects building the history of cities. To name but a few, in 2023 the series showed a video-documentary and lecture held by **Yvonne Farrell**, founder of **Grafton Architects**. The webinar was streamed live from the Iris Ceramica Group Showroom in Milan during the Fuorisalone. The guest talked about the firm – a benchmark in contemporary architecture thanks to its ability to create innovative and functional spaces that elegantly blend into the surrounding context – and its approach to design, fostering **learning, socialisation and environmental sustainability**.

In October a lecture was held by **Fabrizio Barozzi and Alberto Veiga** on the prestigious architecture firm founded in 2004 in Barcelona, whose design approach focuses on **cooperation and diversity**, streamed live from the ICG Gallery in Barcelona. In November, **Sergei Tchoban** talked about the history of his firm Tchoban Voss Architekten GmbH, where modern means of communication and a high level of professionalism allow the firm to tackle the changes of our time with curiosity, adapting to **emerging trends** through **lifelong learning** and **new technologies**. Participation in these initiatives is pending approval by the AIA CES-USA and RIBA CPD-UK for the recognition of its learning units and by the CNACPP for the accreditation of 2 CFPs, Professional Learning Credits (Italy only) for the architects present.



Iris Ceramica Group together with MIT

Demonstrating the **commitment to research and innovation** that has allowed the Group to become a sustainability leader in the manufacturing sector, **Iris Ceramica Group renewed its partnership with the MIT Technology Review for The Green Future Index 2023**. This study, now in its third edition, ranks 76 countries and territories on the basis of their progresses and commitments to a green future. The index measures the degree by which the economies of the analysed countries are investing in renewable energy, innovation and

environmental policies. Italy is in 17th place in the index ranking, improving on 2022, thanks to the increase in the number of initiatives supporting CO₂ emissions reductions and the energy transition.

MIT Technology Review is one of the most prestigious international technology and innovation journals. It was founded in 1899 by the Massachusetts Institute of Technology (Boston), and today is one of the world's most important research centres.



Design Your Slabs (DYS)

Design Your Slabs is Iris Ceramica Group's innovative technology that **offers the possibility to customise ceramic surfaces with any image or illustration.** With Design Your Slabs there are no limits to the imagination and the most creative ideas take shape, right down to the finest detail, to produce unique ceramic surfaces. The surface becomes a blank canvas on which technology and creativity are combined according to the designer's flair, bringing life to authentic **ceramic art works.**

4D Ceramics

Iris Ceramica Group's research into technological innovation has taken another step forward in the re-engineering of ceramics, taking the material to a higher and totally unique level of development.

Full-body materials were further perfected, bringing life to 4D Ceramics, in which the fourth dimension embodies the Group's values: **Sustainability, Innovation and Excellent Quality.** The Iris Ceramica Group innovations not only affect the materials but also the

production sites. In the US site in 2023, **Stonepeak Ceramics** launched a series of strategic investments to increase production. The programme includes the complete **modernisation of the production site in Tennessee,** through the implementation of advanced production technologies, new polishing lines and cutting-edge digital printers for the production of large, superior quality slabs, with an extended range of colours and optimised polished finishes.



QUALITY SYSTEM

Certifications for ceramic materials guarantee product safety and quality through the full conformity to current safety standards, the absence of toxic substances and respect for the environment. The choice of high-quality raw materials is an essential part of the production of strong, functional surfaces that meet the needs of customers and the market, while the **use of pioneering materials helps create increasingly high-performing and environmentally sustainable solutions.**

The challenges [GRI 3-3]							
Use of pioneering and more sustainable materials through research, innovation and experimentation							
Quality certifications obtained for the products sold							
Increased product attractiveness due to a longer life cycle and guarantees of quality							



Certifications

To accurately and effectively respond to market demands, Iris Ceramica Group has always paid close attention to adopting systems and procedures to obtain certifications, to guarantee **the highest material quality standards and continuous design innovation**. Today, the Group has the following **product and system certifications**, aiming to measure business performance and the individual impacts the production processes may have, demonstrating the Group’s commitment to constant quality with an eye on the environment.

System Certifications

ISO 14001



Environmental management system. Certification since 2000, defining a systematic framework for the integration of practices to protect the **environment**, aiming to meet the legislative conformity obligations and tackle and assess risks and opportunities.

ISO 45001



Occupational health and safety management system. Defines the minimum standards of good practice for worker protection worldwide; it sets out to identify in advance the whole range of risks and hazards that can occur in the workplace.

ISO 50001



Energy management system. An international standard that, through the implementation of an energy management system, helps to continuously improve energy performance, reducing greenhouse gas emissions as well as the related energy costs.

ISO 9001



Company quality system. The certification, which is valid internationally, concerns the whole company organisation, from research and development to production, from distribution to customer service.

UNI/PdR 125:2022 GENDER EQUALITY CERTIFICATION



Gender Equality Certification, based on UNI/PdR 125:2022 practices, certifies the compliance with guidelines focusing on the creation of a work environment that guarantees equal opportunities for all genders. The certification guarantees the commitment to a balanced presence and joint contribution of genders, actively promoting inclusion and strengthening the sense of belonging to the organisation.

ECO-MANAGEMENT AND AUDIT SCHEME (EMAS)



The EU Eco-Management and Audit Scheme (EMAS) is a voluntary certification developed by the European Commission for businesses and other organisations, aiming to assess, report on and improve their environmental performance. Among other things, it includes the drafting of an **Environmental Declaration** that must be validated following an audit by an accredited third-party body.

DECLARE LABEL



Declare Label® is a labelling system managed through an online platform that allows manufacturers to disclose details of the materials used in their products, offering everyone access to even complex technical information, including the composition, places of final assembly, end-of-life options and conformity to Living Building Challenge®(LBC) requirements).

Declare® makes available to designers a free database that identifies construction materials conforming to the **main green building standards**, including Core Green Building, LBC, LEED and WELL certifications, helping them to make more informed and aware decisions.

Since 2023, Iris Ceramica Group materials are covered by the Declare Label® for construction materials, according to the "Red List Free" classification, confirming they contain no chemical substances found in the LBC "Red List".

CARBON FOOTPRINT DI PRODOTTO (CFP)



Product Carbon Footprint is a method used to quantify all the direct and indirect Green House Gas (GHG) emissions associated with the whole product life cycle. The assessment is based on the international Life Cycle Assessment (LCA) standard and adopts a "cradle to grave" approach. This means that it considers the emissions generated in every phase of the product life cycle, including the extraction and processing of raw materials, production, transport, use and end-of-life.

From this year, Iris Ceramica Group materials from the production sites in Italy and Germany have obtained PCF (Product Carbon Footprint) validation, in line with the international standard ISO 14067, from Bureau Veritas Italia S.p.A. For greater transparency, these results are presented divided by production site and product thickness.

In 2023 the procedure was also started to calculate and report on GHG emissions for Stonepeak Ceramics, in accordance with the international standard ISO 14064-1 – The Organisation's Carbon Footprint. The analysis is expected to be completed by the end of 2024.

LEED & BREEAM (ENVIRONMENTAL PROTOCOLS)



Leadership in Energy and Environmental Design is a voluntary system developed by the **US Green Building Council (USGBC)**, recognised internationally, for the classification and certification of green buildings.

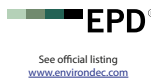
Building Research Establishment Environmental Assessment Method (BREEAM) is a European reference standard for the best practices in the design, construction and management of sustainable buildings. Iris Ceramica Group materials have been LEED and BREEAM certified since 2008, even though they fully met such standards much earlier, being designed and manufactured with very high percentages of recycled material (>40% in total weight).

GREENGUARD E GREENGUARD GOLD



GreenGuard guarantees that the materials intended for indoor use have practically zero volatile organic compound (VOC) emissions. **GreenGuard Gold**, recognised and accepted by green building programmes worldwide, certifies the total absence of risks even in places where particularly sensitive people such as children or the elderly spend time.

ENVIRONMENTAL PRODUCT DECLARATION (EPD®)



The **EPD** is a **voluntary international certification scheme**, based on the analysis of the product life cycle in accordance with standard EN 15804¹⁴.

Iris Ceramica Group has conducted a **Life Cycle Assessment (LCA)**¹⁵ using the "from cradle to grave" format, publishing the results in its specific Environmental Product Declaration (EPD) for products belonging exclusively to the company, which provided precise data on the environmental performance of its materials.

In 2023 works were completed to update the EPD declarations, which in 2024 will be definitively included in the scope of certification of the German site.

At the same time, studies are progressing for the implementation of the **FDES (Fiche Déclaration Environnementale et Sanitaire)**, concerning building products for the French market, which describes the environmental and health performances of construction materials. The conclusion of this analysis and the consequent validation are expected by the end of 2024.

NFS/ANSI 51 - 2014 FOOD EQUIPMENT MATERIALS



See official listing (www.nsf.org) to identify which models are NSF Certified

Certification **obtained in 2021** mainly for SapienStone products and applied to most of the large slabs of all the Brands. The NSF was developed for commercial spaces such as bars, restaurants, hotel kitchens and canteens, **where ceramic slabs are now used**, as well as counter-tops for the consumption of food and beverages, **also in "Food Zones"**, such as work tops and bar counters. This certification offers a further guarantee of quality and safety for consumers.

Note

- ¹⁴ The standard sets out framework rules by product category (PCR) for drafting type III environmental declarations for each type of product and service for the construction industry. Emilia-Romagna Region CDS Local health authorities City of Bologna and Ravenna (2019), Ceramics sector: risk profile and prevention measures.
- ¹⁵ This analysis also validates the **MEC conformity (Minimum Environmental Criteria)** on the basis of test methods provided for in Decision 2009/607/EC of 9 July 2009 or other equivalent test methods established by the Competent Authority in the respective environmental authorisations – Water use and consumption, air emissions, water emissions and waste recovery.

Cradle to Cradle

Iris Ceramica Group materials have obtained **Cradle to Cradle Certified® Silver certification** issued by “**The Cradle to Cradle Products Innovation Institute**”, which promotes the production of innovative materials and products that work towards the circular economy.

Cradle to Cradle Certified® is one of the most ambitious global standards for the design and production of safe, circular and responsible products.

The assessment is based on five categories of sustainability performance:

- *Material Health*: ensuring materials are safe for humans and the environment;
- *Product Circularity*: enabling a circular economy through regenerative products and process design;
- *Clean Air and Climate Protection*: promoting renewable energy and reducing harmful emissions;
- *Water and Soil Stewardship*: safeguarding water and soils;
- *Social Fairness*: respecting human rights and contributing to a fair and equitable society.

The certification covers not only aspects linked to the product life cycle but also the respect for human rights by the company and the supply chain. Also for this reason, it is considered one of the most innovative, articulated and interesting environmental labels.

This prestigious recognition obtained by **Iris Ceramica Group**, relating to its **Italian-made large ceramic formats**, is yet another confirmation of the **innovation** that has always marked the group and yet another milestone in its constant path towards an increasingly **sustainable** future.







The challenges [GRI 3-3]							
Financial fixed assets on inventories							
Poor mobility and damage to products during transportation caused by weak infrastructures							
Difficulty in collecting finished products to form complete load							
Emissions linked to transportation, delays and empty trips by the transporter							
Organisation of distribution to reduce internal handling and towards the customer							

IMPACTS OF LOGISTICS

The ceramics sector is one of the **world's largest exporters of manufactured goods**. Logistics therefore plays a key role as, in addition to affecting production, **stock management and the distribution of finished products, it has a significant impact on CO₂ emissions in the supply chain**.

Iris Ceramica Group products are delivered ex-works, with transportation organised by the customers. Consequently, to reduce the environmental impacts linked to shipping, the Group undertakes to optimise its **internal logistics as far as possible**. In 2023, Iris Ceramica Group reorganised its shipping warehouses in the US Crossville site, using a **latest-generation Warehouse Management System (WMS)**. The software supports the **operational management and control arrangements of physical flows** transiting in the warehouse, including acceptance, data entry of incoming goods and related checks, order preparation and shipment to customers and suppliers (including internal transfers between the Group's warehouses). The project aimed to optimise order preparation and management processes, reduce shipping errors and ensure that the overview of the situation concerning the material in each warehouse is updated in real time. From 2024, the new WMS system has led to **paperless management, increased customer service levels and greater reliability of order processing times**.

At the same time, works continued in 2023 to optimise logistics flows between the Italian sites, with the **creation of a single Group logistics hub**, for conventional materials, at the site in **Fiorano Modenese**. All the warehouses in Castellarano, including GranitiFiandre, Ariostea and Porcelaingres, are joined in the new logistics hub, which **not only will improve warehouse operations but will also increase the level of customer service, reducing the number of collection points**. As of 2024, all the shipments from Sassuolo will also be transferred to the site in Fiorano Modenese. This logistics optimisation project assures a reduction in fuel consumption required to deliver the conventional materials of all Iris Ceramica Group's commercial brands, with consequent positive effects on greenhouse gas emissions and on the reduction of the amount of waste generated during the preparation and shipment of orders.

At GranitiFiandre, **a production planning and scheduling software** is being implemented to optimise the logistics processes. In close collaboration with the IT department, the interfaces and test environments are currently being developed; these are fundamental for ensuring precise simulations and setting up the critical parameters in the MRP (Material Requirements Planning) system. The software helps to reduce waste and improve energy efficiency, optimising the scheduling and procurement of stocks, with the ultimate aim of ensuring uniform planning methods in all the GranitiFiandre sites.

Demand Planning

In 2022, Iris Ceramica Group began a process to **improve data collection and processing** to obtain more precise and accurate information on material transportation. In order to increase the efficiency of production and internal processes, the Group had launched and activated **a Demand Planning Web App, linked to the management software (MRP), based on an artificial intelligence engine**, with three self-adaptive algorithms that, according to the order of item entry, frequency and seasonality, helps to ensure a more reliable forecast of potential orders. The app is

therefore used to integrate the results of the forecasting algorithms with the company's management data (e.g. stocks, orders) and **speed up production planning activities, monitoring the warehouse data in real time**. Currently the app is running in the Italian sites, and is under implementation in the USA factory, but the aim is to also extend its use to Germany. At the same time, the Group perfected its existing MRP, **implementing a factory scheduler** used to check the state of progress and frequency of the batches, ensuring a clear overview of production and increasing process efficiency.

05

RESPECTING
THE
ENVIRONMENT

CLIMATE CHANGE: CONSUMPTION AND EMISSIONS



The ceramic production process requires **high energy consumption to heat the kilns** and **fire the ceramic material**, making energy from renewable sources an essential tool for reducing environmental impacts.

With the ambitious target of contributing to the achievement of the European goal of carbon neutrality by 2050, the Group works on continuous research and investments to **reduce the impact generated by its processes on the environment**, aiming to use pioneering technologies and ensure energy and production efficiency. In addition **to emissions into the atmosphere**, the Group strives constantly to improve its performance in terms of **energy, water and gas consumption and waste production**.

The challenges [GRI 3-3]							
Costs for emission reduction technologies							
Climate-altering emissions generated by firing							
Sourcing and self-production of energy from renewable sources to reduce emissions and dependence on fossil fuels, currently with high costs							
High energy consumption and indirect emissions							
Sanctions for pollution from gaseous emissions, dust, fluorine and lead compounds							
Installation of co-generation plants to prevent heat dispersion and limit consumption							
Pollutant emissions generated by firing							



Energy

Ceramic production, like the use of increasingly sophisticated production techniques and highly specialised machinery, consumes a huge amount of energy. Most of the consumption is attributable to the **kilns for the production of porcelain stoneware**, which use significant amounts of methane gas, and the **machinery that uses electrical power**.

In this context, aiming to reduce consumption and increase production process efficiency, **Iris Ceramica Group invests annually in manufacturing to innovate its plants**, aiming not only to ensure high-performing products but also to reduce environmental impacts. In **2023 Iris Ceramica Group used 2,560,532 GJ of energy**. From 2021 to 2023, due to the combined effect of significant investments in innovation and the contraction, especially in the last year, of production volumes, the Group recorded a reduction in energy consumption of **-26%**.

GRI 302-1 | Energy consumption within the organisation¹⁶

	2023	2022	2021	Var (2021-23)
	GJ	GJ	GJ	%
a. Total fuel consumption within the organisation from non-renewable sources	insignificant	insignificant	insignificant	-
b. Total fuel consumption within the organisation from renewable sources	insignificant	insignificant	insignificant	-
c. Total energy purchased	2,560,532	3,007,397	3,462,987	-26%
I Electricity	532,382	620,539	684,336	-22%
II Energy for heating	2,028,151	2,386,858	2,778,650	-27%
III Energy for cooling	Insignificant, included in point I	Insignificant, included in point I	Insignificant, included in point I	-
IV Steam consumption	0	0	0	-
d. total energy sold	0	0	0	-
e. total energy consumption within the organisation	2,560,532	3,007,397	3,462,987	-26%

Average amount
of green energy
consumed by
GranitiFiandre in
2023

69.1%

Note
^{16.} Data for 2022 were updated following an internal audit. The consumption sources refer to f. Fiscal meters and g. System of Units equivalences, Primary Energy Consumption of the carrier and SNAM conversion factor.

Already in 2022, Iris Ceramica Group introduced **significant energy saving measures** at the site in Sassuolo. In particular, **modifications were made to the systems used for sieving slip**, a liquid mixture of clay and water used in ceramics production. These modifications **increased the density of the slip, consequently reducing energy consumption in the atomiser**, the machine used to transform the mixture into powder. With the new sieves installed in December 2022, **the methane gas consumption for the atomiser in question fell by 9.3%** in 2023.

Furthermore, in 2022 processes were put in place to **measure and assess the energy efficiency of the production processes and individual machines** (specifically the kilns in the site in Sassuolo), in order to replace those with lower energy performance. In December 2023, the measurements led to the replacement of an atomiser at the Sassuolo site. The new atomiser will be installed in 2024, offering an **estimated reduction in consumption of 6.6%**, through more efficient specific thermal consumption in terms of kcal/kg of evaporated water.

In parallel, in the German Porcelaingres site **the offices and showroom were refurbished**, with a completely **new HVAC system**. On equal hours of work, the new plant is expected to offer **around 15% energy savings for each hour of operation**. As the new plant can be programmed, the **hours of operation will be reduced by 20-25% compared to the previous one**.

In spite of the reduction in production volumes, thanks to the continuous commitment to efficiency processes in the area of consumption, in **2023 the Group's energy intensity was 0.151 GJ/m²** of ceramic material produced, +10% on 2021.

Finally, GranitiFiandre S.p.A. from 2015 and Porcelaingres from 2013 have been certified **ISO 50001** for their **Energy Management System, therefore**, thanks to a careful energy management policy, it has been possible to define many energy-saving projects carried out in the production field.

GRI 302-3 | Energy intensity¹⁷

GJ/m² of ceramic material produced	2023	2022	2021	Var% (2021-23)
Electric Energy Joule (EEJ) (GJ/m² of ceramic material produced)	0.031	0.028	0.027	15%
Gas Natural Joule (GNJ) (GJ/m² of ceramic material produced)	0.120	0.109	0.110	9%
Energy intensity (GJ/m² of ceramic material produced)	0.151	0.137	0.139	10%

In line with the commitment to promote transition initiatives to renewable energy sources, **Iris Ceramica Group is a partner of RENAEL - Rete Nazionale delle Agenzie Energetiche Locali**. In October 2023, the Group took part in the event **“Green Horizon”**: a major opportunity to meet, debate and share experiences and challenges, proposing solutions for the ecological transition and sustainability. The two-day event tackled the key topics of the past year, linked to national energy issues, as well as the future prospects and opportunities for the sector.

Note
¹⁷ Energy intensity, one of the parameters defining the energy performance of an organisation, defines energy consumption in the context of an organisation-specific metric which, in the case of Iris Ceramica Group, was calculated on electricity and natural gas.

H2 Factory®: the green hydrogen factory at the Castellarano site – State of the Art 2023

In 2023, Iris Ceramica Group opened its doors to a more sustainable future, signing an agreement for the development of H2 Factory®, the new production plant in Castellarano (province of Reggio Emilia) which will use green hydrogen – obtained from renewable energy – produced in a bespoke, pioneering system, for the production of 4D Ceramic natural surfaces.

The project is the first concrete and innovative green hydrogen initiative in the international ceramics industry and paves the way for the decarbonisation of a particularly “Hard to Abate” sector, where this change is decisive for achieving the energy transition objectives of the country and of a strategic area for this industrial sector.

The partnership between Iris Ceramica Group and Edison Next marks the start of the second phase of an ambitious project. The first step towards decarbonisation has been completed, with Iris Ceramica Group working in the 2021 and 2022 on the feasibility study and implementation of the H2 Factory® developed using the highest design standards, suitable for hosting the green hydrogen production plant. The use of this energy source in the production process in fact requires special

measures, not only in plant terms - the kiln engineered to be powered with a blend of hydrogen and natural gas - but also in terms of strategic construction works, including rainwater collection tanks, the photovoltaic plant on the roof of the factory and specific hydrogen production and storage areas. The company has also prepared all the infrastructure for the distribution of hydrogen throughout the factory.

For the H2 Factory®, Edison Next will develop a **plant for the production of green hydrogen using electrolysis, powered by renewable energy**. The electrolyser will use rainwater withdrawn from collection tanks, thus fostering virtuous water management, consistently with the principles of the **circular economy**. The project also involves the installation. The hydrogen will be used particularly to power the kiln, using a mix of up to 50% of natural gas and green hydrogen respectively, while a kiln running on 100% hydrogen is being studied. This blend of green hydrogen and natural gas will immediately lead to a reduction in CO2 emissions and, in the long term, will pave the way for the exclusive use of renewable energy for zero-emissions production, as the **plant is designed to run on 100% hydrogen**.





Pollution and climate-altering emissions

In ceramic processing, **the main sources of pollutant emissions relate to particulate matter, volatile organic compounds (VOCs) and nitrogen oxide which**, if emitted into the atmosphere, can cause serious damage to workers’ health and to equipment. For this reason, to prevent the accumulation of harmful substances and maintain healthy environments, **the dust generated by the processes is suctioned and conveyed through fabric filters**, which filter the air and withhold almost all the dust contents. The small amount that passes through the filters is periodically monitored to ensure the efficiency of the filter.

In 2023, total emissions of particulate matter, volatile organic substances and nitrogen oxide at Group level¹⁸ amounted to 378,308 kg.

GRI 305-6 | Emissions of ozone-depleting substances (ODS)

kg/year	2023	2022	2021	Var% (2021-23)
Particulate matter	232,743.88	243,447.63	244,244.75	-5%
Volatile organic compounds (VOCs)	35,864.46	35,147.74	37,905.66	-5%
Nitrogen oxide	109,700.16	113,358.05	118,822.60	-8%
Total	378,308.49	391,953.42	400,973.01	-6%

As concerns climate-altering emissions, in 2023, **direct (Scope 1)** emissions from the direct use of fuels **amounted to 115,081 tonnes of CO₂**, down -27% on 2021. At the same time, **indirect (Scope 2) (Market Based) emissions** linked to the sourcing of electricity purchased from external suppliers **in 2023 amounted to 40,295 tonnes of CO₂**. Despite the increase in Scope 2 Market Based emissions, due to the worsening of the energy mix of suppliers due to current geopolitical tensions, the Group stands out for its positive performance. Indeed, the emissions are lower than the average of the suppliers in the three countries in which the sites are located, as shown by the comparison with Scope 2 Location Based emissions.

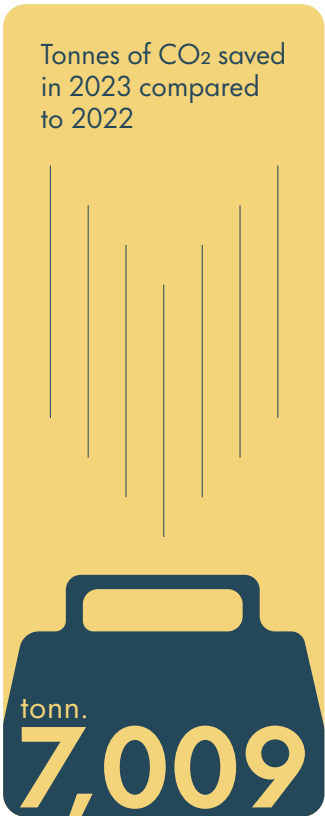
GRI 305-1 | Direct GHG emissions (Scope 1)

GRI 305-2 | Energy indirect (Scope 2) GHG emissions (Scope 2)¹⁹

Total emissions (ton CO ₂) ²⁰	2023	2022	2021	Var% (2021-23)
Scope 1	115,081	134,823	157,802	-27%
Scope 2 - Market Based	40,295	27,562	23,467	72%
Scope 2 - Location Based	47,600	53,901	57,594	-17%
Total emissions (Scope 1 + Scope 2 Market Based)	155,376	162,385	181,269	-14%
Total emissions (Scope 1 + Scope 2 Location Based)	162,681	188,724	215,396	-24%

GRI 305-4 | GHG emissions intensity²¹

Kg CO ₂ /m ² of ceramic material produced	2023	2022	2021	Var% (2021-23)
Direct - Scope 1	7.26	6.31	6.34	15%
Indirect - Scope 2 Market Based	2.68	1.42	1.08	148%
Emissions intensity	9.94	7.73	7.42	34%



Note

18. Italy, Germany and the USA.

19. Data for 2022 were updated following an internal audit.

20. Sources of emission factors:

Scope 1 Process gas: Ministry of the Environment and Energy Security 2021, 2022, GHG Protocol 2017.

Scope 2 Market Based: ENEL 2022 and Alperia 2021, 2020, invoices from electricity suppliers, EPA 2022, 2021, 2020

Scope 2 Location Based: Ispra 2023, invoices from electricity suppliers, EPA 2022, 2021, 2020.

21. Calculated on m² of finished material. The type of GHG emissions included in the emission report are direct (scope 1) and indirect (scope 2). The gas included in the calculation is CO₂.

Water

Water is an essential element in the ceramic sector, as it is used in all phases of production, from pressing to drying (the phase in which the water evaporates, allowing the ceramics to gain greater mechanical strength), from decoration to firing, the process in which the water evaporation turns raw clay into ceramics.

Most of the water is consumed by the Group during the raw material wet grinding process, the surface polishing of porcelain stoneware slabs and plant washing. **In 2023, the Iris Ceramica Group production sites in Italy, Germany and the USA consumed around 325 ML of water, approximately 92 ML less than the previous year.**

GRI 303-5 | Water consumption

ML	2023	2022	2021	Var% (2021-23)
a. Total water consumption ²²	325.09	417.08	474.73	-32%
b. Total water consumption in areas with water stress	0	0	0	0%
c. Consumption of water in storage	0.53	0.53	0.53	0%

Note
²² Refers to the various geographical areas of Iris Ceramica Group.



The water required for production purposes **is withdrawn from wells (groundwater) and from a specific mains water supply**, consisting of non-potable water withdrawn from surface water and treated by the water provider to make it suitable for industrial use. Thanks to the attention paid by Iris Ceramica Group to recovering and reusing water in a circular process, **after accurate purification, the water is used again, mixed into the mixtures during grinding.**

In 2023, the total withdrawal of fresh water at Group level²³ was 390 ML., approximately 117 ML less than in 2022.

GRI 303-3 | Water withdrawal²⁴

ML	2023	2022	2021	Var % (2021-23)
a/c. Total water withdrawal and by source (fresh water)	390.12	507.50	573.75	-32%
Surface waters	0.00	0.00	0.00	0%
Groundwaters	165.14	174.70	232.25	-29%
Sea water	0.00	0.00	0.00	0%
Water produced	0.00	0.00	0.00	0%
Third-party water resources*	224.98	332.80	341.50	-34%
b. Water withdrawal in areas with water stress and by source	0,00	0,00	0,00	0%

Note

^{23.} Data relating to Italy, Germany and America.

^{24.} Withdrawal for civil uses and discharge into public drains are not considered. Water from third parties was not considered in calculating the indicator.

The Group is committed to reducing the amount of pollutants in the waste water, adopting more sustainable production techniques and using less polluting raw materials. In the production sites where slabs do not undergo surface machining, **Iris Ceramica Group has no industrial water discharges**, while in those where polishing and smoothing take place, part of the water is treated before being discharged into surface waters.

Generally, for the production sites in the Sassuolo district, all water discharges and concessions are not only monitored but have been authorised by the Emilia-Romagna Region.

In 2023, Iris Ceramica Group's fresh water discharges amounted to 11.90 ML (32 ML less than in 2022), with no hazardous substances.

GRI 303-4 | Water discharge²⁵

ML	2023		2022		2021	
a/b/c. Water discharge by destination and type	All areas*	Areas with water stress	All areas*	Areas with water stress	All areas*	Areas with water stress
Total water discharge	65.03	0.00	97.45	0.00	98.49	0.00

*All areas are fresh water

Note
^{25.} Data for 2022 were updated following an internal audit.

CIRCULAR ECONOMY: RE-USE, PACKAGING AND WASTE



Adopting circular economy practices and reusing materials in the production process can help to significantly reduce the environmental impact of the ceramics industry, **encouraging not only innovation and the creation of more sustainable ceramic surfaces** but also **reducing costs**. Recycling materials no longer intended for use in fact reduces the amount of waste inside and outside the company, as well as the need to mine new raw materials.

The challenges [GRI 3-3]							
Internal re-use of residues generated during the production process							
Absence of checks on product end-of-life							
Recovery of packagings and packaging materials							
Waste generation and costs/sanctions for end-of-life disposal							
Investments and production processes for the production of recyclable or safely disposable products							

In its production sites, Iris Ceramica Group uses specific material recovery procedures to minimise the amount of waste generated by its activities. The largest quantities of waste in the Group **relate to raw and fired materials, processing waste**, which are delivered to organisations authorised to perform recovery and disposal activities in compliance with the laws in force, while the lowest quantities derive from the use of wooden, plastic and paper packaging. All waste disposal companies, brokers and transporters **are regularly registered with the White List (established by Italian Law no. 190 of 06/11/2012),**

established by each Prefecture with the aim of increasing the effectiveness of anti-mafia checks in relation to business activities. **In 2023 a total of 43,837 tonnes of waste were produced (60% of which intended for disposal),** around 14,000 tonnes less than in 2021. For waste management, the creation of incoming and outgoing records and the registration of forms, the Group uses a specific software, which is a **solution for the integrated management of all waste production and management activities, as required by Italian Legislative Decree 152 of 3 April 2006 as amended.**

GRI 306-3 | Waste generated²⁶

	2023					2022					2021				
Composizione dei rifiuti	Waste generated	Waste diverted from disposal		Waste directed to disposal		Waste generated	Waste diverted from disposal		Waste directed to disposal		Waste generated	Waste diverted from disposal		Waste directed to disposal	
	ton	ton	%	ton	%	ton	ton	%	ton	%	ton	ton	%	ton	%
Non Hazardous	43,606	17,731	40%	25,875	59%	47,174	17,814	37%	29,360	61%	58,486	22,872	39%	35,613	61%
Hazardous	231	10	~ 0%	221	1%	1,029	750	2%	279	1%	324	0	0%	324	1%
Overall waste	43,837	17,741	40%	26,097	60%	48,204	18,564	39%	29,640	61%	58,809	22,872	39%	35,937	61%

GRI 306-4 | Waste diverted from disposal²⁷

	2023		2022		2021	
	†	%	†	%	†	%
Total waste diverted from disposal	17,740.79	100%	18,563.97	100%	22,872.19	100%
Of which hazardous	9,85	~0%	750	4%	0	0%
Of which non-hazardous	17,730.94	100%	17,813.97	96%	22,872.19	100%
Preparation for reuse on site	10,407.43	59%	7,452	40%	2,551.48	11%
Other recovery operations	7,323.51	41%	10,361.22	56%	10,988.16	48%

GRI 306-5 | Waste directed to disposal²⁸

	2023		2022		2021	
	†	%	†	%	†	%
Total waste directed to disposal	26,096.69	100%	29,639.42	100%	35,937.14	100%
Of which hazardous	221.39	1%	278.94	1%	323.72	1%
Incineration (with energy recovery)	60.16	0%	100.04	0%	109.6	0%
Landfilling	133.77	1%	12.45	0%	11.12	0%
Other disposal operations	27.46	~0%	166.46	1%	203	1%
Of which non-hazardous	25,875.30	99%	29,360.47	99%	35,613.42	99%
Incineration (with energy recovery)	113.04	~0%	395.9	1%	423.74	1%
Landfilling	3,457.37	13%	4,466.02	15%	3,867.61	11%
Other disposal operations	22,304.89	85%	24,498.55	83%	31,322.47	87%

Note

^{26.} Data for 2022 were updated following an internal audit.

^{27.} Data for 2022 and 2021 were updated following an internal audit.

^{28.} Data for 2021 and 2022 were updated following an internal audit.

Turning waste into a resource

Minimising waste and enhancing resources to the full is a strategic lever for Iris Ceramica Group, which uses specific recovery procedures to reuse its raw and fired material waste coming especially from the Group’s production sites qualified to perform these activities.

In particular, raw and fired ceramic waste can be used to produce new ceramic materials, **reducing the use of virgin raw materials** and the **environmental impacts of production**. Furthermore, reusing these waste products allows the Group to obtain a series of economic benefits, due to the reduction in the costs of waste disposal and the optimisation of energy performance throughout the production process.

In 2023, at the production site in Sassuolo, **out of approximately 3,020 tonnes of fired production waste** (20% waste less than in 2022), **the company recovered 100% from the factory**.

In particular, crushed ceramic material (fired waste) is delivered to an external supplier, who grinds it to make it usable again.

In addition to reusing its own ground waste, the company purchases part of its ground material from the same supplier. As concerns raw production waste, **100% of the approximately 27,000 tonnes of incoming waste**, both in the production site and from customers, **was recovered**.

	2023		2022		2021	
	ton	% recovery	ton	% recovery	ton	% recovery
Fired production waste	3,019.70	100%	3,795.20	100%	19,762.60	87%
Raw production waste	27,058.01	100%	22,626.20	100%	31,370.20	100%

Management of packaging waste

In relation to **waste management**, **Interseroh**, a leading company in the integrated environmental services field, has been managing the Group’s europallets used to transport materials abroad for years, particularly to Germany, to ensure the correct disposal of wooden packaging with a view to the circular economy.

As concerns plastic materials, **GranitiFiandre uses flexible polyethylene packaging falling under the “PARI” management system** (plan for the autonomous management of packaging waste) recognised by the Ministry of the Environment. These packagings are produced using up to **90% recycled plastic**, deriving

from the regeneration processes of Aliplast, which collects flexible LDPE (polyethylene) packaging waste and recycles it in a virtuous packaging-waste-new packaging circuit.

Again, with a view to waste reduction and circularity, GranitiFiandre offers its customers the possibility to **return wooden packagings**. If these packagings are returned in a condition that allows them to be reused, the customer is **re-credited the costs incurred**.

Wooden, plastic, paper and cardboard packaging purchased but not used internally or returned to customer are all sent for recycling.

	2023		2022		2021	
	Not used (kg)	Recovery	Not used (kg)	Recovery	Not used (kg)	Recovery
Paper/cardboard	197,030	100%	250,800	100%	307,630	100%
Plastic	57,870	100%	93,930	100%	101,410	100%
Wood	499,510	100%	768,730	100%	851,460	100%

Number of wooden packagings	2023	2022	2021
Invoiced to customers	46,036	59,113	66,234
Returned from customers	7,786	7,757	8,949
Re-credited to customers	7,798	7,688	8,831
% Returns / Invoiced	16.91%	13.10%	13.50%
% Accredited / Returns	100.00%	99.10%	98.70%

Porcelaingres: a circular production site

Exploiting its geographical location, Porcelaingres, the German company in the Iris Ceramica Group, with its production site inaugurated in 2003 in Vetschau (Brandenburg), it is committed to using mainly local raw materials: **around 60-80% of the mixture used, including kaolin, clay and sand, is "0 mileage"**. As **feldspar** is the only limited resource in the area, it is also obtained from recycled glass, such as that found in windows and old cathode-tube televisions. **Porcelaingres recycles 100% of the fired waste it produces, powders and raw waste, as well as all the waters and sludges produced during squaring**. The recovered waters and sludges are conveyed to the grinding department and reused in darker mixtures.

Porcelaingres also put into operation a **plant that recovers the rain water falling in the area around the factory**. The water is withdrawn and conveyed to two

storage and sedimentation reservoirs and is then reused in the production cycle. A pumping system was set up in the reservoirs to feed water into the factory in the place of well water. In 2023, most of the consumption did not use underground water from the mains or from wells, **but only water withdrawn from the rain water collection system**. Currently, drinking water is used only for the production of glazes, representing around 50% of the total water consumption. With the installation of a filter already purchased by the company, the use of drinking water is expected to be limited only to civil needs.

The table below gives the water consumption for the past three years for the Porcelaingres site. The plant had already begun operation in the fourth quarter of 2022, and since then has led to a **significant reduction in potable water consumption** (9,917 m³ against an average of around 15,000 m³ in previous quarters).

Drinking water	2023	2022	2021
Consumption (m³)	22,552	52,993	62,672
Variation in consumption (%)	-57%	-15%	-

Stonepeak's production innovation

In 2023, Stonepeak Ceramics, the US company of Iris Ceramica Group with headquarters in Crossville (Tennessee), continued to **replace the wet squaring lines²⁹ with dry ones**, bringing a series of benefits in terms of the protection of water resources (as they drastically reduce water consumption), as well as

the lower production of industrial waste, squaring sludges, as **the dry processing waste can be reused in the mixture**. In 2023, this innovation avoided **the production of production wastes** as all the material removed during dry squaring can be reused.

Note
²⁹ Squaring lines are used in the ceramic sector to create precise cuts on the ceramic material, in order to obtain pieces of uniform size.



Porcelainingres – Sede



Stonepeak – Sede

06

CREATING
VALUE
TOGETHER

PROCUREMENT OF RAW MATERIALS



The ceramic sector uses various raw materials in the production phase, including clays, feldspars and sands. The majority of these are of mineral origin and are mined all over the world. In order to reduce the use of virgin raw materials and promote circular economy practices, a company working in the ceramics industry must **invest in process research and development in order to reuse solid ceramic waste**. This waste can be recovered and used as an alternative raw material to cover manufacturing needs, aiming to **reduce the environmental impacts of production and reduce purchasing costs**.

The quality of the final product is **closely linked to the raw materials used for its production**. These are obtained directly **from extraction in nature** (sand, clay, feldspar) or from chemical industries (colouring agents, glazes and additives) and have a significant environmental impact in all phases of use.

Easily found in the area between Modena and Reggio Emilia in the past, the raw material used in the production processes are now imported from other regions in Italy or from abroad. The clays from Germany and France are transported mainly by rail, while Turkish feldspar and Sardinian sand are transported by ship to the ports of

Livorno and Ravenna. Raw materials from other Italian regions, including Piedmont, Calabria and Tuscany, are delivered by road³⁰.

At Iris Ceramica Group, purchasing is managed by the **Central Purchasing Department**, located in Castellarano (Reggio Emilia), which is in charge of identifying suppliers and negotiating the most important supplies at Group level (Italy, Germany, USA), guaranteeing an effective and accurate control. Iris Ceramica Group, certified to UNI EN ISO 9001, **uses materials subjected to physical and chemical controls in all process phases**. The internal operational interface for raw materials are the **technicians in charge of the chemical laboratories**, who test the materials and carry out regular checks during production. For the remaining types of purchases, the internal interface is represented by the **factory managers and department or warehouse manager**.

The Group also has an **Energy Manager**, who is involved in negotiations and the management of energy supplies; for Germany and the USA, the managers of the foreign sites, in contact with the Italian Energy manager, intervene directly, in agreement with the Group management.

The challenges [GRI 3-3]							
Reuse of solid waste to cover the raw material needs for the manufacturing process							
Redistribution of purchases due to the need for diversification of supplies							
Additional costs due to the discontinuity of sourcing linked to geopolitical tensions							
Increase in raw material prices							

Note
^{30.} Confindustria Ceramica, Raw Materials.

SUSTAINABILITY IN THE SUPPLY CHAIN



The sustainability of all players in the supply chain in which a company works is a fundamental aspect for guaranteeing responsible production that respects the environment in all phases of the value chain. This implies **the adoption of sustainability criteria in the choice of suppliers**, the compliance with environmental and social regulations and the **promotion of ethical and safe working conditions**.

The challenges [GRI 3-3]							
Increased reputational risk in the choice of controversial suppliers							
Suppliers' failure to comply with sustainable practices and related impacts on the sustainability of the products supplied							
Sanctions relating to episodes of social and environmental non-compliance in the supply chain							



Iris Ceramica Group targets mainly suppliers with high material recycling levels.

In line with its sustainability commitment, **Iris Ceramica Group prefers to work with local suppliers for the purchases required for its production sites**, in order to reduce the transport distance and minimise the related greenhouse gas emissions. Furthermore, it closely monitors the conformity of its suppliers to the main sustainability standards it has established, in order to guarantee reduced environmental impacts and respect for workers’ rights. In this field, Iris Ceramica Group aims to promote the local economy, supporting the economic development of the communities near its production sites.

Iris Ceramica Group’s suppliers are identified and assessed by the Purchasing Department (in Castellarano) in accordance with the Quality Control function, **in line with the criteria listed in ISO-9001 certification**. All suppliers are given access to the Group’s Code of Ethics and Supplier Code of Conduct.

At the suggestion of the **Iris Ceramica Group Supervisory Body, all suppliers and companies not included in the White list have been eliminated**. The effective inclusion in the White list, established by Italian Law no. 190 of 06/11/2012,

certifies that companies are free of mafia infiltrations and allows them to speed up the issue of decisions relating to the request for anti-mafia information and communications in public procurement contracts.

In the supplier identification and qualification process, **Iris Ceramica Group pays attention mainly to suppliers with high levels of material recycling**, therefore to the possibility of using secondary raw materials deriving from the recycling and recovery of the main ones, the use of packaging material made partly from recycled materials, activities undertaken by the suppliers in terms of efficient energy use, as well as the adoption of advanced procedures to protect the safety of their personnel involved in operational activities.

In 2023, the Group began collaborations with 822 new suppliers from Italy, Germany and the USA. In particular, €8,404,255 were spent on new local suppliers³¹, of which €3,487,402 destined for Italy, €769,869 for Germany and €4,146,984 for the USA.

Expenses for new suppliers (thousands)

	2023	2022	2021
Number of new suppliers	822	766	735
Expenses for new suppliers	10,686.13€	16,416.83 €	14,223.84 €
New significant	17	16	19
Expenses for new significant suppliers	6,230.26 €	11,831.56 €	10,672.10 €
Expenses for new local suppliers	8,404.25 €	8,586.05 €	10,349.70 €

Note
^{31.} Suppliers from the same country as the reference production site.

Expenses for suppliers

Suppliers	2023		2022		2021	
no. of suppliers	4,190		4,202		4,178	
of which significant*	500		556		514	
no. of qualified suppliers	199		224		229	
Categories	thousands €	%	thousands €	%	thousands €	%
Finished products	1,718 €	1%	1,810 €	0%	1,873 €	1%
Raw materials	58,338 €	18%	87,542 €	20%	69,279 €	20%
Materials and spare parts	36,183 €	11%	57,036 €	13%	51,079 €	15%
Energy	45,285 €	14%	108,700 €	24%	59,385 €	17%
Maintenance	19,004 €	6%	21,809 €	5%	17,384 €	5%
Rentals and hires	6,461 €	2%	7,168 €	2%	6,529 €	2%
Transport	31,238 €	10%	43,142 €	10%	35,039 €	10%
Services	30,793 €	10%	31,923 €	7%	31,208 €	9%
Commissions	11,554 €	4%	14,234 €	3%	13,630 €	4%
Business expenses	27,129 €	9%	24,548 €	5%	21,044 €	6%
Other	48,643 €	15%	49,574 €	11%	43,302 €	12%
TOTAL	316,347 €	100%	447,487 €	100%	349,752 €	100%
*Significant suppliers = suppliers with turnover >€100,000/annum and agents with turnover >€50,000/annum						
**Number of qualified suppliers = suppliers in the list used for ISO 9001 certification						
Does not include energy suppliers even where these are large structured suppliers with internal certifications.						

Sustainable Procurement

In late 2023, Iris Ceramica Group strengthened its commitment to ethics and corporate sustainability by implementing the **ISO Guideline 20400 on sustainable procurement**. These efforts aim to obtain an external check to measure the level of sustainability of its supply chain. The initiative places particular attention on key suppliers, with an analysis based on specific questionnaires aiming to define their sustainability practices. This assessment

covers both environmental and social aspects, including compliance with human rights, the absence of child and forced labour, working conditions and remuneration policies, in conformity with corporate social responsibility standards. Today, Iris Ceramica Group is in the initial phases of this process, aiming to carefully outline the steps needed to improve sustainability throughout the supply chain.

07

OUR PEOPLE

IRIS CERAMICA GROUP'S PEOPLE



In 2023, Iris Ceramica Group was able to count on **1276 competent, qualified persons**, working in the production sites and offices in Italy, Germany and the USA. **95%** of the Group's employees are hired with **permanent contracts**, and **97% are full-time**. 100% of the eligible employees are covered by collective labour agreements (CCNL).

GRI 405-1 | Diversity of employees (n)³²

b. Employees by category	2023			2022			2021		
			Tot.			Tot.			Tot.
Executives	34	11	45	37	12	49	41	9	50
Middle managers	138	38	176	148	45	193	137	56	193
White collar	220	184	404	222	200	422	241	203	444
Blue collar	529	122	651	523	124	647	549	144	693
Total	921	355	1,276	930	381	1,311	968	412	1,380

b. Employees by age	2023			2022			2021		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Executives	0	17	28	0	17	28	0	20	28
Middle managers	8	108	68	12	124	57	13	127	52
White collar	45	210	149	53	222	147	40	252	152
Blue collar	90	294	259	93	295	263	100	309	287
Total	143	629	504	158	658	495	153	708	519



Note
^{32.} Data for 2021 and 2022 were updated following an internal audit.

GRI 2-7 | Employees by gender and region³³

a. Employees by gender and region	2023			2022			2021		
			Tot.			Tot.			Tot.
Italy	485	200	685	513	204	717	537	217	754
Germany	178	42	220	179	44	223	186	47	233
USA	258	113	371	238	133	371	245	148	393
Group Total	921	355	1,276	930	381	1,311	968	412	1,380

b. Employees by contract, gender and region (no.)	2023											
	Italy			Germany			USA			Group		
			Tot.			Tot.			Tot.			Tot.
Permanent	485	195	680	178	42	220	211	107	318	874	344	1,218
Fixed-term	0	5	5	0	0	0	47	6	53	47	11	58
Total	485	200	685	178	42	220	258	113	371	921	355	1,276
Full-time	480	181	661	177	33	210	258	113	371	915	327	1,242
Part-time	5	19	24	1	9	10	0	0	0	6	28	34
Total	485	200	685	178	42	220	258	113	371	921	355	1,276
b. Employees by contract, gender and region (no.)	2022											
	Italy			Germany			USA			Group		
			Tot.			Tot.			Tot.			Tot.
Permanent	507	204	711	179	44	223	208	125	333	894	373	1,267
Fixed-term	6	0	6	0	0	0	30	8	28	36	8	44
Total	513	204	717	179	44	223	238	133	371	930	381	1,311
Full-time	506	183	689	178	36	214	238	133	371	922	352	1,274
Part-time	7	21	28	1	8	9	0	0	0	8	29	37
Total	513	204	717	179	44	223	238	133	371	930	381	1,311
b. Employees by contract, gender and region (no.)	2021											
	Italy			Germany			USA			Group		
			Tot.			Tot.			Tot.			Tot.
Permanent	534	216	750	186	47	233	235	144	379	955	407	1,362
Fixed-term	3	1	4	0	0	0	10	4	14	13	5	18
Total	537	217	754	186	47	233	245	148	393	968	412	1,380
Full-time	529	194	723	185	36	221	245	148	393	959	378	1,337
Part-time	8	23	31	1	11	12	0	0	0	9	34	43
Total	537	217	754	186	47	233	245	148	393	968	412	1,380

Note

33. Data for 2021 and 2022 were updated following an internal audit.

WELL-BEING, HEALTH AND SAFETY



Guaranteeing the well-being, health and safety of its workers is necessary to ensure a positive and safe working environment for everyone, especially in the ceramics sector where people are more exposed to substances including dusts, as well as the risks linked to the processing of ceramic materials. This requires the **adoption of preventive and control measures** and the delivery of appropriate occupational safety training to prevent accidents, along with corporate welfare systems for the employees.

Iris Ceramica Group pays close attention to health and safety of its people, **considered as one of the main resources for its development**. With this in mind, the Group’s commitment focuses not only on industrial and production aspects, but also on **choices and behaviour aiming to contribute to personal well-being and safety**.

GRI 3-3

The challenges							
Attention to personal well-being with consequent employer branding, attractiveness and credibility on the market							
Delivery of health and safety training programmes to disseminate responsible work practices							
Low level of motivation and engagement due to a lack of welfare programmes and work-life balance							
Costs and reputational impacts linked to work-related injuries and accidents.							



Welfare plans

Also through a wide network of **local partnerships**, Iris Ceramica Group is committed to promoting the progress and development of its employees through **the implementation of corporate welfare programmes**, consistently with its sustainability undertaking.

In 2023, in Italy the company ran a programme of preventive medical examinations, in partnership with

ANT (Associazione Nazionale Tumori) and LILT (Lega Italiana per la Lotta contro i Tumori), to organise screenings for the prevention of various diseases, including diabetes, cardiovascular diseases, melanoma, thyroid conditions and breast and testicular cancer, for the Group's employees. Through the programme, a total of **1,094 specialist medical examinations were performed**.

The Art of Being a Family

In 2023, Iris Ceramica Group placed **a strong focus on the engagement and well-being of its employees**, organising recreational events with the active participation of staff from different corporate functions. The employees' families were also invited to take part in this convivial event. These initiatives are designed to promote an **inclusive and constructive working environment**, where **team work and the sense of belonging** can be consolidated through shared experiences. The Group aims to offer its people a corporate climate that facilitates interaction, cooperation and general well-being.



In line with statutory provisions, Iris Ceramica Group guarantees the right to **parental leave** for its employees. In the reporting period, **29 women and 46 men took this benefit**, with a **100%^{34%}** return rate following the leave.

GRI 401-3 | Parental leave

Parental leave	2023			2022			2021		
			Totale			Totale			Totale
a. Employees who had the right to parental leave	46	29	75	32	25	57	31	21	52
b. Employees taking leave	46	29	75	32	25	57	31	21	52
c. Employees returning to work after leave	46	29	75	32	25	57	31	21	52
d. Employees returning to work after leave who are still employees in the 12 months following their return	45	28	73	32	25	57	31	21	52
e. Return rate	100%			100%			100%		
e. Retention rate	97%			100%			100%		

Note
^{34.} Group-level data.

Personal health and safety

[GRI 403-1, 403-2, 403-3]

The Group’s aim is to reconcile the development of its own activities with the prevention of health and safety risks to its workers.

To achieve this goal, the Management defines the principles and guidelines of the organisation in terms of occupational health and safety, which are formalised in the document “**Group Corporate Policy for Worker Health and Safety, the Environment, Quality and Energy**”, while the Management Representative is in charge of designing and defining the **OHS Management System** (occupational health and safety) consistently with the Policy and ensuring that the rules are applied to all activities and maintained active. The corporate policy is periodically reviewed to ensure its relevance.

Through the adoption of its Occupational Health and Safety (OHS) Management System, Iris Ceramica Group works to continuously improve its performance in this field. The improvement process includes, in a specific document, the **identification and assessment of all potential risks linked to its processes, operational activities and the hazardous substances used**, which may cause damage to all workers and potentially exposed persons.

In addition, the improvement process includes the identification of legal requirements and applicable laws, the **implementation of monitoring, audit and inspection activities** and the creation of appropriate internal and external communication channels. Iris Ceramica Group disseminates the general principles of its **OHS (Occupational health and safety) Management System**

through a series of activities, including the dissemination of the company policy, the definition of objectives and programmes, staff training, the activation of communication channels, process controls, preparation for emergencies, surveillance and assessment of activities, the analysis of accidents and the conduction of audits.

In 2023, in its Italian and foreign branches, Iris Ceramica Group recorded 44 work-related injuries (7 more than in 2022), out of a total of 2,069,758 hours worked. The main types of work-related injuries were blunt-force trauma and/or stab wounds.

To guarantee appropriate, preventive worker health monitoring, Iris Ceramica Group promotes its occupational medicine service and defines the methods of managing relations between the occupational physician and the company staff.

In relation to the management of accidents and injuries, Iris Ceramica Group has identified an internal procedure in order to:

- identify, assess and record any accidents or near misses with consequences on people, property and the environment;
- define the methods and responsibilities for managing accidents, near-misses and injuries;
- define any improvement actions to be undertaken in order to reduce the probability of occurrence or severity of the consequences of accidents, near-misses and injuries.

GRI 403-9 | Work-related injuries

(n)	2023	2022	2021
Recordable injuries	44	37	51
Injury rate³⁵	4.25	3.37	4.35
of which deaths	0	0	0
Death rate	0	0	0
of which with serious consequences	0	0	0
Severity index	0	0	0
Main types of work-related injuries	Blunt-force trauma/stab wounds	Blunt-force trauma/stab wounds	Blunt-force trauma/stab wounds
Hours worked (n)	2,069,758	2,198,323	2,342,434

Note
³⁵ Out of 200,000 hours worked.



LIFELONG LEARNING AND PROFESSIONAL GROWTH



GRI 404-1 | Average hours of training per year per employee³⁶

	2023			2022			2021		
			Tot.			Tot.			Tot.
Executives	62.4	105.6	73.0	4.5	7.5	5.3	6.7	11.9	7.6
Middle managers	14.7	22.8	16.4	5.2	8.1	5.9	7.1	8.5	7.5
White collar	6.0	6.9	6.4	16.3	10.2	13.4	15.6	15.8	15.7
Blue collar	9.5	14.3	10.4	4.0	2.8	3.8	1.5	3.2	1.8
Total	11.4	14.2	12.2	7.1	7.4	7.2	6.0	10.3	7.3

Note
³⁶ Data for 2021 and 2022 were updated following an internal audit.

In a constantly evolving sector like the ceramics industry, where innovation, technology and quality are key elements for maintaining competitive performance on the market, **professional, managerial and technical training is a fundamental lever for the enhancement of human resources.**

In this framework, guaranteeing career growth, **upskilling** and **reskilling**, help workers to **adapt to market changes**

and **improve their skills**, with a view to **new career opportunities**. Leveraging the value of people, and adapting to a continuously evolving market, Iris Ceramica Group guarantees **training**, in both technical matters and soft skills, designed to meet the specific needs of its people.

At Group level, in 2023, an average of 12 hours of training was delivered to employees.

The challenges [GRI 3-3]							
Possibility for growth and economic benefits through career paths in other international settings (internal mobility)							
Rigid internal vertical mobility							
Difficulty in making internal mobility to remote sites attractive							
Increased skills through upskilling and reskilling programmes							
Threat to employability and conventional skills of employees due to the continuous evolution of the labour market							

Group training in Italy

In 2023, for the Italian sites, over **30 training courses** were delivered for a total of **6,635 hours**, mainly on topics relating to **languages, marketing and human resources**.

In the language field, courses aimed to provide staff with the skills required to understand **English and French**, due to Iris Ceramica Group's international outlook. **451 hours of language training were delivered**.

As regards the **marketing** courses, the training set out to improve the sales, creative and digital skills in the company. In 2023, **171 hours of training** were delivered on these topics.

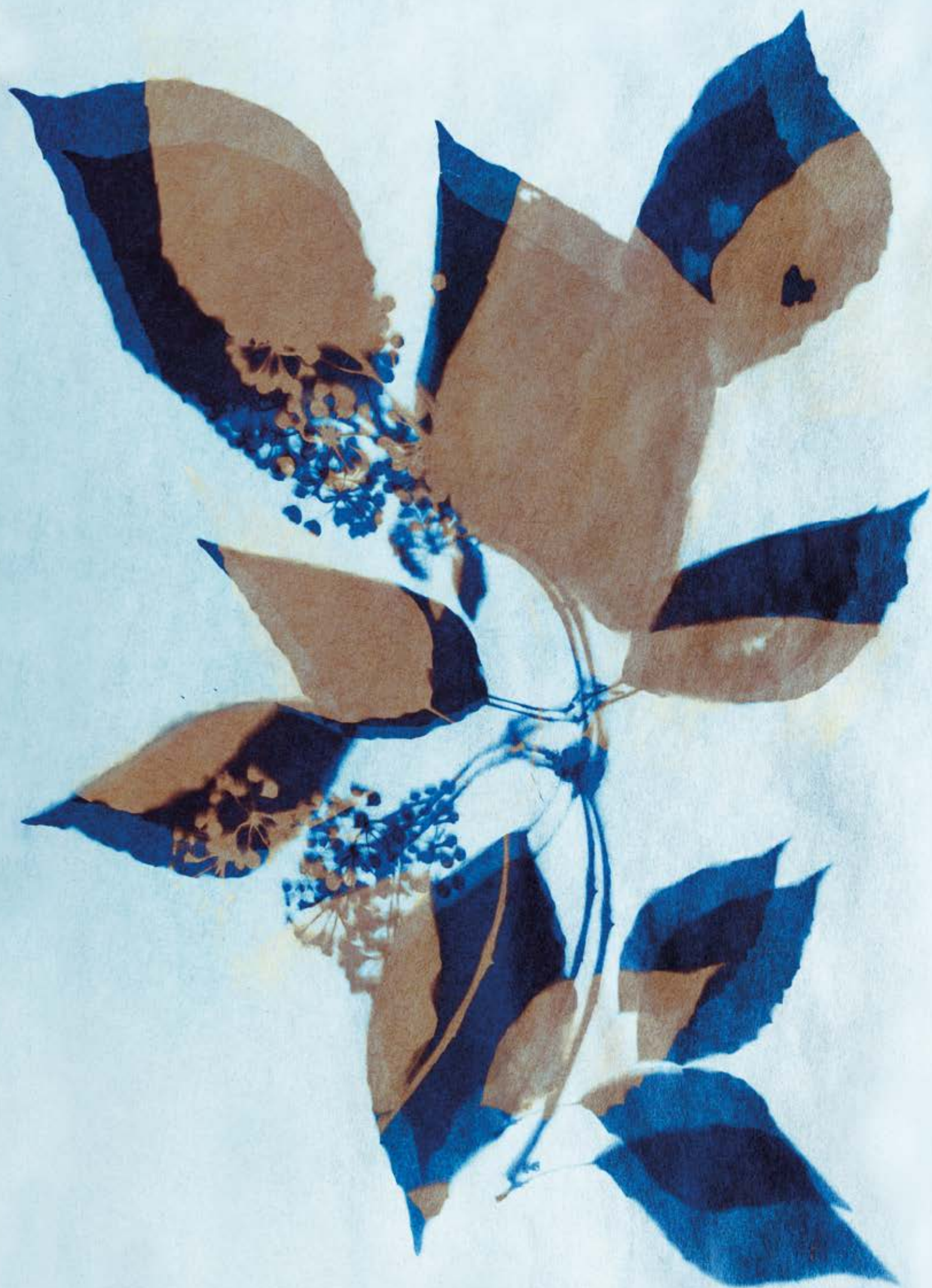
Finally, the **technical and professional** area includes training aiming to acquire and update technical skills. In 2023, a course was delivered on **ceramic drying and firing**, focusing on the performance of these activities aiming to assure the uniform implementation of the procedures.

At the same time, **in 2023 refresher courses were organised on ESG skills**, including "The ESG world and the new scenarios", "Sustainability Managers and Practitioners", a short master on International Sustainability Standards and the Gender Equality course, for a total of 60.5 hours.

ACTIVE HERO educational project

For the school year 2023/24, Fondazione Iris Ceramica Group's teaching activities reconfirmed the "**ACTIVE HERO**" project in the 1st, 2nd and 3rd years of the primary schools in Castellarano, Fiorano Modenese and Sassuolo. This project, divided into four educational workshops, based on four key topics – **movement, a healthy diet, outdoor activities and laughing** – was developed through **active, participatory educational methods**, with moments of creativity and play focusing on physical, psychological and relational well-being.





ATTRACTING AND RETAINING TALENTS

The ceramic sector requires a **vast range of specialist skills**, including chemistry, material engineering, design, production and marketing. To be successful, it is essential for companies in the sector to attract and retain highly qualified talents in each of these fields, in order to **ensure the company's competitive performance, innovation and manage the costs associated with employee training and development in the best way.**

Cooperation with schools and universities

Iris Ceramica Group deems it fundamental to support the education world, particularly university education and higher academic training. The partnership between training and production is a key element for the solidity of the Group and for the development of new projects encouraging growth and investment in a different future. **The Group has partnerships and projects with major universities and higher education schools, including the State University of Milan, Politecnico di Milano, IED, IUSVE, YAC Academy and SOS - School of Sustainability by MCA Architects** founded by Mario Cucinella.

In 2023, 27 young people did internships at Iris Ceramica Group and, thanks to this experience, 10 of them were then hired by the company.

At the same time, during the year Iris Ceramica Group took part in a **dual apprenticeship project, which led to the recruitment of 3 apprentices in the company.** This project aims to encourage inclusion in the job market of high school graduates, offering them the possibility to apply their knowledge practically and find employment.

Aiming to inform its business and attract new talents, the Group took part in the **Career Day** organised at the A. Volta School in **partnership with Randstad.** Two members of the HR team engaged young people by explaining their work experience in the ceramic sector. The day was a profitable opportunity for networking, holding short interviews and promoting the Iris Ceramica Group corporate identity.

The Obiettivo Lavoro initiative

As part of its commitment to innovation in education, the **"Obiettivo Lavoro"** project was a new feature in 2023. Run in partnership with Short on Work – Fondazione Marco Biagi, the project runs in continuity with the "Me, Myself & Work" initiative awarded by the Italian Ministries of Education and Culture. Running **workshops in the schools in and around Modena**, the initiative aims to guide students towards a mature and aware reflection on entering the labour market, exploiting the communicative and formative power of audio-visual representations. Through the partnership with the Voice Off Association in Modena and with the support of local businesses, students had the chance to acquire soft skills that are fundamental not only for producing a high-impact

VideoCV, but also for becoming more aware of their own skills and professional aspirations. The initiative involved the **Formigini School (Sassuolo)**, aiming to create a connection with the local ceramic industries to enhance the students' skills in a framework of digitalisation and innovation in the reference sector.

In 2023, Iris Ceramica Group recorded **131 new hires and 187 terminations**, recording a turnover rate of 15%.

The challenges [GRI 3-3]							
No specialised industrial profiles on the labour market							
Appropriate, competitive salaries offered to attract and retain talents							
Limited attractiveness for new talents due to a lack of dialogue between the company and young people							
Definition of engagement programmes and sharing of the corporate vision to create a sense of belonging							
Threat to the employability and traditional skills of employees due to continuous developments in the labour market							

GRI 401-1 | New employee hires and employee turnover³⁷

a. New hires	2023		2022		2021	
Age						
< 30	25	25	36	26	37	18
30 - 50	39	16	55	17	40	26
> 50	19	7	17	4	13	6
Italy	18	18	39	13	16	14
Germany	1	2	10	2	17	10
USA	64	28	59	32	57	26
Total	83	48	108	47	90	50
Total new hires	131		155		140	
Total employees	1,276		1,311		1,380	
New hire rate	10%		12%		10%	
b. Terminations	2023		2022		2021	
Age						
< 30	23	10	64	43	34	12
30 - 50	49	27	74	59	92	20
> 50	54	24	79	38	57	21
Italy	46	22	62	26	52	19
Germany	18	5	23	7	38	3
USA	62	34	132	107	93	31
Total	126	61	217	140	183	53
Total terminations	187		357		236	
Total employees	1,276		1,311		1,380	
Termination rate	15%		27%		17%	

Note

³⁷ Data for 2021 and 2022 were updated following an internal audit.

08

METHODOLOGICAL
NOTE

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CONTENTS INDEX

METHODOLOGICAL NOTE

[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-5] [GRI 2-29]

The Sustainability Report is the tool used by Iris Ceramica Group to pursue its constant commitment to disclosing information on its sustainability path to stakeholders. The reporting period considered is the financial year 2023, running from 1 January to 31 December and, where available, a comparison with the data relating to the previous three-year period is given.

The sustainability reporting perimeter coincides with that of the consolidated financial statements and includes: Iris Ceramica Group S.p.A, Ceramica Castellarano S.p.A, GranitiFiandre S.p.A, Stonepeak Ceramics INC., Porcelaingres GmbH, Architectural LLC, La Ceramica Srl, Studio Secon Srl, Iris Ceramica Group UK Ltd, Technoriunite Srl, Consorzio Sicurezza Srl, Fiandre Iris Ceramica, Iris Ltd, Matimex S.A.

The Report was drafted with reference to the GRI standards (2021 edition). In the text, alongside the contents corresponding to the GRI requirements, the ID codes are given in square brackets [GRI] and the evidence of the contents has not been verified by an external auditing firm.

Focusing on the topics on which Iris Ceramica Group generates or suffers most impacts in economic, social and environmental terms, the reporting model revolves around **10 material topics, identified in 2022 and reconfirmed in 2023 through a materiality analysis involving the top company management, 5 experts**

identified by Iris Ceramica Group, with proven skills in the topics covered, from among the main categories of stakeholders with whom the Group works on a daily basis, and **22 young people** from different company departments. For each topic, the impacts, adopted management methods and results of the actions undertaken to manage the topic are assessed and reported.

The impacts were analysed from a double materiality perspective – considering both the impacts generated by Iris Ceramica Group’s activities on the external context (impact materiality) and the impacts suffered (financial materiality) – and assessed on the basis of scope, perimeter, irremediability and probability criteria. The results of the analysis were discussed with expert stakeholders to understand their point of view and systematically include them with those of the company.

The data collection, processing and control process involved the cooperation of all Group functions, each with reference to their own areas of responsibility, and was coordinated by the Corporate Sustainability Management function.

The document was not subjected to external assurance.

For more information and details, please contact: sustainability@icgmail.com.

GRI CONTENTS INDEX

Statement of use	Iris Ceramica Group reported on the information given in this GRI contents index for the 1/1/2023 – 31/12/2023 with reference to the GRI Standards
GRI 1 used	GRI 1 – Foundation – version 2021

General Disclosures

GRI standard	Disclosure	Location/description
General Disclosure		
GRI 2: General Disclosures – version 2021	2-1 Organisational details	§ Iris Ceramica Group: the art of elegance since 1961
	2-2 Entities included in the organisation's sustainability reporting	§ Methodological Note
	2-3 Reporting period, frequency and contact point	§ Methodological Note
	2-4 Restatements of information	Any restatements of information provided in previous reporting periods are given in the document in notes to the paragraphs § Climate change: consumption and emissions § Circular economy: re-use, packaging and waste § Our people
	2-5 External assurance	§ Methodological Note
	2-6 Activities, value chain and other business relationships	§ Iris Ceramica Group: the art of elegance since 1961 § Materiality Analysis; the iris Ceramica Group value chain.
	2-7 Employees	§ Our people
	2-8 Workers who are not employees	§ Our people
	2-9 Governance structure and composition	§ Solid and integrated governance
	2-10 Nomination and selection of the highest governance body	§ Solid and integrated governance
	2-11 Chair of the highest governance body	§ Solid and integrated governance
	2-12 Role of the highest governance body in overseeing the management of impacts	§ Solid and integrated governance
	2-13 Delegation of responsibility for managing impacts	§ Solid and integrated governance
	2-14 Role of the highest governance body in sustainability reporting	§ Solid and integrated governance
	2-15 Conflicts of interest	§ Solid and integrated governance § Risk management in the Group
	2-16 Communication of critical concerns	§ Solid and integrated governance
	2-22 Statement on sustainable development strategy	§ Letter from the CEO
	2-23 Policy commitments	§ Solid and integrated governance
	2-24 Embedding policy commitments	§ Risk management in the Group
	2-25 Processes to remediate negative impacts	§ Solid and integrated governance
	2-26 Mechanisms for seeking advice and raising concerns	§ Solid and integrated governance
	2-27 Compliance with laws and regulations	§ Solid and integrated governance
	2-28 Membership associations	The Group is not currently a member of any association
	2-29 Approach to stakeholder engagement	§ Materiality analysis
	2-30 Collective bargaining agreements	§ Iris Ceramica Group's people

Specific disclosure

GRI standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Materiality analysis
	3-2 List of material topics	§ Key topics for Iris Ceramica Group
	3-3 Management of material topics	§ Materiality analysis
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	§ Economic and financial results
Material topics		
Procurement of raw materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Procurement of raw materials
Climate change: consumption and emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Respecting the environment
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	§ Energy
	302-3 Energy intensity	§ Energy
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	§ Pollution and climate-altering emissions
	305-2 Energy indirect (Scope 2) GHG emissions	§ Pollution and climate-altering emissions
	305-4 GHG emissions intensity	§ Pollution and climate-altering emissions
	305-6 Emissions of ozone-depleting substances (ODS)	§ Pollution and climate-altering emissions
GRI 303: Water and Water Discharge 2018	303-2 Management of water discharge-related impacts	§ Water
	303-3 Water withdrawal	§ Water
	303-4 Water discharge	§ Water
	303-5 Water consumption	§ Water

Circular economy: re-use, packaging and waste

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Circular economy: re-use, packaging and waste
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	§ Circular economy: re-use, packaging and waste
	306-3 Waste generated	§ Circular economy: re-use, packaging and waste
	306-4 Waste diverted from disposal	§ Circular economy: re-use, packaging and waste
	306-5 Waste directed to disposal	§ Circular economy: re-use, packaging and waste

Well-being, health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Our people; Well-being, health and safety
GRI 401: Employment 2016	401-3 Parental leave	§ Welfare plans
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	§ Personal health and safety
	403-2 Hazard identification, risk assessment and incident investigation	§ Personal health and safety
	GRI 403-3 Occupational health services	§ Personal health and safety
	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	§ Personal health and safety
	403-9 Work-related injuries	§ Personal health and safety
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	§ Our people

Lifelong learning and professional growth

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Lifelong learning and professional growth
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee (Italy)	§ Lifelong learning and professional growth

Attracting and retaining talents

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Attracting and retaining talents
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	§ Attracting and retaining talents

Product and service innovation

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Anticipating the future; Product and service innovation
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Quality system

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Quality system
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Impacts of logistics

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Impacts of logistics
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Sustainability in the supply chain

GRI 3: Material Topics 2021	3-3 Management of material topics	§ Sustainability in the supply chain
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