

2020 SUSTAINABILITY REPORT





*This sustainability report is
dedicated to all those individuals
who have been, and remain today, a
part of the Group.*

Romano Minozzi, Chairman





FOREWORD

INTRODUCTION

In the following pages, Iris Ceramica Group presents its second Sustainability Report, designed to communicate transparently with its stakeholders, ensuring that they are aware of the company's overall situation, describing the results achieved and outlining the main objectives that the Group has set for itself for the near future, in view of constant dialog, improvement and cooperation. For Iris Ceramica Group, publishing the Sustainability Report also has considerable strategic value, since this document sets out all aspects of social responsibility and the approach to sustainability policies. This report has been prepared in accordance with the Global Reporting Initiative guidelines, and specifically the latest version currently in use, known as the "GRI Standards". The Global Reporting Initiative establishes two levels of reporting relating to the number and type of indicators included in a report: Core (the base level) and Comprehensive (the advanced level). The goal for this year was to reach the Core level. Some data are not reported due to the Group's complex structure, consisting of numerous companies spread throughout the world subject to extremely diverse legislative requirements. The process of obtaining the information required by the Standard was therefore adapted to the various companies and the laws of the countries in which they are based. In any event, the reporting scope extends to all Group companies and the data obtained include financial years 2017, 2018 and 2019. The principles of accuracy, balance, clarity, comparability, reliability and timeliness prescribed by the GRI Standards have been observed in preparing

this Sustainability Report.

- **Accuracy:** by including the indicators required by the Standard in as detailed a manner as possible;
- **Balance:** by emphasizing both the positive and negative aspects, and thus areas of the organization with room for improvement;
- **Clarity:** by ensuring that the data are easy for all stakeholders to use;
- **Comparability:** by presenting the greatest possible amount of data on a three-year scale (2017, 2018 and 2019);
- **Reliability:** by encompassing all company functions in data collection and subjecting them to a thorough review by the BoD;
- **Timeliness:** Due to the global health emergency caused by COVID-19, it was not possible to keep the pledge made last year to present the sustainability report by May 2020, to coincide with the release of the consolidated financial statements.

In addition, the financial statements contain a discussion of the development objectives promoted by the UN in its 2030 Agenda, which the Group has pledged to pursue.



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This is my motto: constant progress. If God had intended that man should go backward, He would have given him eyes in the back of his head. We always look towards the aurora, the bud, the birth.

Victor Hugo

In 2020, the preparation of Iris Ceramica Group's Sustainability Report comes at a time in which there is a constantly increasing need to reformulate the areas and methods of how we intervene in the way we live and produce, thus enhancing the meaning and scope of all investments in responsibility.

The state of emergency that by now has touched us all is redefining the balance and rules of Western culture, and thus requires a thorough analysis and a serious reconsideration of the parameters that inform the values and lifestyles of individuals and companies: there is an emerging need for an expanded conscience that each person and business is called on to honor in staging a revolution that can wait no longer. Resilient, innovative thinking will be the only ally on which to rely for the future, since nature has resources all its own to express its impatience and rebel against a shared existence with humankind that has now become unsustainable. In order to respond to this urgent change of scenario, it is vital that we set in motion a cultural transformation that, in view of the times, may enjoy the increased momentum and efficacy that only an awareness of fighting for one's survival can convey. In recent years, we have already experienced a severe financial crisis that swept through countries and companies the world over, yet the inquiry made on that occasion into the vulnerability of economic systems has shown its limits through a recovery that has been partial and inadequate, since it was based on the effects, and not the true causes, of the problem, which instead demand a definitive inversion of perspective. In this setting, the word "sustainability" has become one of the most used – and abused – in the language. While I am aware that there is still much to do, I am also proud of the work done and the results achieved by the Group in the three years from 2017 to 2019 examined here, in pursuit of sustainable thinking that supports all our actions, plans and efforts for the future, in accordance with the commitment and values that have always inspired our history. During this period, the Group has gained considerable market share at the global level and achieved significant sales volumes with new openings in various countries, results that become

synonymous with a renewed commitment that, alongside increased revenues and competitive organization, requires investments in order to be an increasingly clear example of responsibility and a cultural model. In addition to confirmation of our solid global leadership, the foundation of this success, we are indeed particularly proud of several recent milestones that reward the efforts informed by a code of ethics that we believe to be essential and that has enabled our zero-impact production declaration. Zero emissions is a goal that Iris Ceramica Group set for itself in keeping with the UN's 2030 Agenda, in advance of the established timetable, in order to reconcile production and wellbeing in the communities that live near our production facilities – the first of all companies in the ceramic sector to secure this recognition. The Group's history will bear a lasting impression of 2019 as the year in which the most ambitious milestones were reached, crowned by the establishment of the Iris Ceramica Group History Museum and Foundation.

The Iris Ceramica Group History Museum bears witness to the company's heritage and nearly 60 years of Italian history, memorializing the focus on innovation and sustainability that has been a part of every entrepreneurial effort and intuition from 1961 to the present. The Iris Ceramica Group Foundation will provide guidance and inspiration for the approach to production to be adopted in order to inform the brand's ethical decisions for the future: an institution designed to promote architectural and design culture and sustainability as tools with social utility, in addition to supporting the highest values of solidarity that shape civil society. These are important steps in pursuit of something more than the development of society, that is to say, progress: the two terms are only apparently synonymous because – as Pier Paolo Pasolini used to say – the first is based on the economy and the second on the wellbeing of individuals. A dichotomy that in actuality urges and demands reconciliation, since true progress is only conceivable once the economic foundations for implementing it have been laid. The answer, once more, is an assumption of responsibility in the form of a cultural model capable of spreading value and proposing a new horizon to look to and a different way of building value.

Federica Minozzi
Group CEO



THE MAIN STAKEHOLDERS OF IRIS CERAMICA GROUP

Quality is the common denominator to everything that the Group's companies make. Although the term is often used lightly, for us it has always been an absolute value. Quality means focusing on aesthetics and striving for technologically high-performing products that ensure a low environmental impact throughout their life cycles. To us, quality is a way of approaching our day-to-day work: it is our answer to the stakeholders with whom we interact. Our customers differ from each other but are all equally demanding: our goal, which is shared and supported by the collaboration of all our brands, is to provide the right answers for each of them... In the form of ground-breaking solutions that make us stand out, and are sustainable and aesthetically appealing: in other words, high-quality solutions.

Architects, designers, engineers, general contractors and experts on the built environment are not just spokespeople and ambassadors for the technical and aesthetic advantages of our advanced technologies and our collections of materials. They are key players in our creative process. With them and thanks to them, we are designing a better tomorrow, and a more sustainable, beautiful, hospitable and human-centric way of living. We are open to inspiration from our partners and the professionals with whom we work, joining forces

to anticipate future trends, consumption patterns and needs. By working together in synergy, we gain first-hand insights into their boldest technical solutions and most daring ideas, to help us achieve our most important goal: to create efficient, contemporary and sustainable urban spaces.

In the following pages, the reader may gain an understanding of how each stakeholder is involved in view of the constant dialog that the Group has decided to make one of its main missions, by working on and implementing projects focusing on economic, social and environmental sustainability.

To improve our relationships with our various stakeholders, we decided to organize a multistakeholder engagement event during which to share and give a weight to the various relevant issues identified by ICG. This activity, which lies at the heart of the materiality analysis, is fundamental to the method underpinning the Sustainability Report. Stakeholder engagement is an opportunity for sharing and participation that extends beyond the one-to-one relationship between ICG and each stakeholder. It is an opportunity for the various stakeholders to make suggestions and comments to the organization regarding its medium- and long-term strategic planning.

The results of this dialog are outlined in the methodological note.

* Architects, designers, engineers, manufacturers, installers and end consumers

** Universities, secondary schools and professional associations

“The two most important things in any company do not appear in its balance sheet: its reputation and its people.”

Henry Ford



AN ETHICAL AGENT: RESPONSIBILITY PIONEER

Today every successful company needs to prove that it deserves what it has built to an increasingly aware and informed community. Some brilliantly performing companies chase after values and inspirations, whereas others have made them into the foundation of their identities and are born responsible because responsibility is at the heart of their creative process, with intuitions destined to develop and interweave with social transformations, now more than ever before in terms of dialog and sharing with the entire community. Iris Ceramica Group is the largest Italian industrial group in the production of high-quality technical ceramic and porcelain tiles. Founded in 1961, Iris Ceramica, the Group's first company, is inspired by ethical thinking based on the equation $\text{economy} = \text{ecology}$ as its manifesto. It is a mold, a mark forever impressed into the evolution of the company, which regards consistency as the foundation for the milestones it has achieved, considers innovation and technology its most valuable allies, and views beauty and sustainability as its horizons.

The desire to draft this Sustainability Report is thus a natural, spontaneous consequence, a way of sharing how much has been achieved in this area in nearly 60 years: not just transparent, timely reporting, but a living testament to the efforts dedicated to social and environmental improvement, to the ability to shape the very notion of quality and sustainable growth.

The Group's social reputation is a heritage built constantly over time thanks to everyone who has worked on consolidating it and to dialog with the community, understood in its broadest sense of humankind, united by values and objectives that extend beyond the limited confines of individual

identity or membership in specific groups. A community that expresses expectations and desires for quality, beauty and value that must be interpreted by the company, including in terms of civic sensibility to be applied to the processes of growth and development to increase the common good.

From this perspective, economic and competitive results also take on new meaning, leading the expectations of individuals and groups to coincide with the general interest: the Company becomes an ethical agent that responds to social needs with a constant commitment that extends to all areas and aspects of its organization.

In order to better steer its commitment to increasingly enlightened production and responsibility that captures the deepest-rooted needs of contemporary life, in late 2019 Iris Ceramica Group completed the process of establishing its Foundation. The Iris Ceramica Group Foundation has thus become a means of guiding future choices and an inspiration for the companies and individuals of which it is an expression, through the promotion of sustainable architecture and design, the development of joint activities with external partners to spread shared values, the promotion of cultural models for the evolution of the collective consciousness and solidarity initiatives for the growth and wellbeing of the entire community.

An investment in responsibility that within the path walked by the Group is also emphasized by the inauguration of its History Museum, a testament to vision and identity to be shared with the Group's people, local communities, all stakeholders and global society.





A FAMILY-RUN COMPANY WITH AN INTERNATIONAL CALLING

The vision, determination and intuition of Romano Minozzi, Iris Ceramica Group's Founder and Chairman, together with the passion and innovative spirit of his daughter, Federica, its Chief Executive Officer, laid the foundations for the success of a global business model in ceramic manufacturing, in which the value of family continues to play a crucial role as a guarantee of solidity and uniformity of intent for all the Group's companies and brands. A single identity with many facets, created by combining distinct brands that share a common vision of sustainable growth, capable of engaging in dialog with the outside world and interacting with an increasingly broad public, with a valuable impact on the market and community.

Production is focused on collections of technical ceramic and porcelain stoneware materials, the result of constant technological and aesthetic research: ceramics take center stage, with a variety of surfaces and solutions created, designed and implemented directly at our facilities and workshops, where every new idea is protected by international patents.

Iris Ceramica Group proposes creative ideas, new technologies and unprecedented solutions, leveraging the human and professional development of each member of its team as part of a constant exchange with the expanded family of the design world, which includes authoritative architects and designers who built and develop solutions and products of excellence.

Our global vision and expansion into new business areas are oriented towards research to create intrinsic value and anticipate expectations. Technological research is combined with sustainability, from the standpoint of both

environmental protection and rational use of resources: a mission that has always influenced company decisions, even before environmental issues took on their current importance.

Iris Ceramica Group includes historical brands such as Iris Ceramica, Fiandre, FMG Fabbrica Marmi e Graniti and Ariostea, which over time have come to be complemented by brands with considerable potential for innovation such as Eiffelgres, Porcelaingres, Stonepeak and Sapienstone.

Each brand operates independently, making the most of its wealth of resources and talent, in keeping with the shared guidelines for seeking out quality without compromise and constant technological progress. The Group has a presence in more than 100 countries worldwide and its products are used in contracting, wellness, hospitality and residential applications, as well as in large public building projects.

Iris Ceramica Group's industrial manufacturing system is integrated into the heart of the Emilian ceramics district, one of the main manufacturing hubs of the Italian economy, with seven production areas in the provinces of Modena and Reggio Emilia, with the former home to the Sassuolo and Fiorano Modenese plants and the latter to the Viano and Castellarano facilities.

Two large production complexes in strategic countries – Vetschau in Brandenburg, Germany and Crossville in Tennessee, USA – host the Group's most recent industrial hubs, with exclusive production lines in their regions and cutting-edge energy-saving technology.

International sales offices are located in various US cities, as well as in Spain, France, Germany, Mexico, the United Kingdom and major cities in Russia.



Crossville

Vetschau

Viano and Castellarano

Modena

Sassuolo

Fiorano Modenese

OUR FORMULA: AN EQUATION OF VALUES

We believe in a future in which sustainability and respect for others are the foundations of stable coexistence. Our zero-impact production lines are a far greater credit to us than our ability to spread a culture of beauty, reaffirming our approach to manufacturing, in which protecting the environment in which we live is a top priority. We strive each day to create a world in which humankind's economy and habitat work together to create a new level of wellbeing.

The challenge that we face is to convey to the world our vision of augmented beauty, which is embodied in the value of a superior product: its aesthetic quality must be evaluated on the basis of a series of parameters that transcend what can be perceived with sight or touch.

To us, spreading a culture of beauty means imbuing every product we make and solution we propose with the research and commitment that we bring each day to giving nature and mankind back the things we have enjoyed, from raw materials to talent, discoveries, balance and feedback. In the original paradigm of advanced humanism – which in our cases is described by the equation ecology = economy – we see close parallels that breathe life into the principles that inspire everything that we make and do:

EXCELLENCE = LEADERSHIP

Relationships and stakeholders: a hotbed of creativity. Being an acknowledged authority carries increased responsibility: being a market leader with excellent products encourages the development of offerings that are increasingly a projection of shared needs and values within a network of mutual inspiration.

QUALITY = BEAUTY

Form and substance of an unmistakable style. We want a more beautiful world where culture and conscience are

harbingers of progress and the surface of things reflects the intentions and efforts of a way of thinking that is never artificial and always genuine. Precision, elegance and harmony are the criteria that shape how we spend our time.

RESEARCH = DEVELOPMENT

Investing in growth: a common heritage. We remain inquisitive and continue to study the world in pursuit of the best outcomes, honing our expertise and knowledge and collaborating with young people in search of answers that are more respectful of their – and our – future, showcasing and making their intuitions a reality.

INNOVATION = TECHNOLOGY

Active 2.0: intuition becomes reality. We are investing in the future, with encouraging results: quality, technology, research and sustainability are perfectly integrated into a magical, self-cleaning antibacterial surface that absorbs pollution from the surrounding environment and purifies the air.

CULTURE = SUSTAINABILITY

Human resources for growth in an increasingly global future. Leadership and a strong sense of responsibility for spreading innovative, environmentally friendly thinking: we help our people realize their potential by investing in training and promoting shared planning. We aim to be a cultural model inspired by a concept of augmented beauty.

ECONOMY = ECOLOGY

A mission confirmed by reaching the milestone of zero emissions. We create value in a manner respectful of health and individual wellbeing through a sustainable production system. In 2019, in advance of the UN's 2030 goals, the Group achieved zero emissions, reaching a goal to which it had dedicated its history and which marks a new beginning for meeting the next series of challenges.

HIGHLIGHTS

2019

THE IRIS CERAMICA GROUP MUSEUM

When Romano Minozzi first embarked on his entrepreneurial adventure in the Sixties with his first company, Iris Ceramica, it immediately became clear that the drive to innovate would go on to characterize his entire professional life.

The Group's History Museum, inaugurated in May 2019, tells this story, and thus the story of the birth of an entire industry, a reflection of the excellence that over time has become a pillar of Italian craftsmanship, propelling the Modena-based business district into the role of interior decoration design hub and world ceramic manufacturing capital.

At the Fiorano Modenese facility, through the constantly updated permanent exhibition of iconic collections, tiles that embody cutting-edge technology, special production runs, catalogs and publications displayed in a chronological itinerary that extends over nearly six decades, visitors can familiarize themselves with the development of Italian ceramics, not only from the standpoint of the product, but also of the revolutionary communications ability that enabled and drove global leadership of the industry.

It is the story of contemporary society told through symbols, a novel perspective that weaves together the history of a business and its flourishing development with the transformation of Italy's image and customs, from the economic boom of the early Sixties to the present day.

A museum that is destined to evolve and grow with time, because all the Group's companies remain committed to seeking innovative technical and aesthetic solutions, the excellence of which is showcased within these spaces.

The History Museum is associated with the Museimpresa system, the Italian Association of Business Museums and Archives promoted by

by the business associations Assolombarda and Confindustria, and in this capacity it will also be promoting events dedicated to the exchange and spread of entrepreneurial culture and the values shared by leaders in different sectors of industry. The Museum is dedicated to all those who are and have been a part of Iris Ceramica Group, contributing to the development and success of its products.

FOUNDATION

At Cersaie 2019, during the ICG Global Corporate Conference 2019, Federica Minozzi, the Group's CEO, presented the Iris Ceramica Group Foundation, a private non-profit organization that stems from the Group's assumption of responsibility towards the environment and society to promote a model of sustainable culture, architecture, art and design in view of social utility and support for the highest values of solidarity, the lifeblood of civil society.

Protecting the environment has always been a key element of the Group's identity, a horizon that orients the production and research of the companies that have given rise to the Foundation, the essential basis for their history and success in the world.

A primary goal enshrined in its charter is the commitment to act as a pro-active partner to stakeholder communities, working, in Italy and at the international level, with local authorities, foundations and other authoritative stakeholders to grow together in pursuit of an ethical model based on responsibility for businesses and individuals and to offer an open forum for cultural debate on common themes and values.

To achieve these goals, the Foundation promotes activities and projects designed to facilitate exchange and progress in culture, academe and



solidarity initiatives in order to contribute to the evolution of a civil conscience and social growth, beginning with specific welfare programs for the company community, personal development initiatives dedicated to the local communities in which our production facilities are located and efforts to spur reflection and encourage sustainable thinking at the level of the international community, supporting the efforts to build the future.

Right away, in the first few weeks after it was created, the Foundation breathed new life into the process of identifying the tools most suited to ensuring the personal and professional wellbeing of the families that contribute each day to the Group's success, in order to improve their quality of life and lifestyles with scholarships and study vacations, contributions towards tuition and prizes for access to educational programs consonant with the Group's commitment.

In pursuit of the extension to the entire relevant stakeholder community of the concepts of sustainability and resilience, the Foundation ensures its support for various virtuous associations that focus on young people, inclusion and support for the life experiences of the less fortunate, the environment and health.

These include: ActionAid for the protection of women's rights and the struggle against all forms of violence against human rights, driven by the conviction that education, knowledge and training are the tools for combating abuse and social exclusion and affirming rights, freedoms and autonomy; Sea Shepherd with Operation Siso, a campaign in the Mediterranean to protect the delicate ecosystem of the Eolian Islands archipelago from unregulated illegal fishing; and Save the Children with Punti Luce, local communities created to offer young people from peripheral neighborhoods in large Italian metro areas a place to meet, study, play sports and shed light on their needs and talents.

The Iris Ceramica Group Foundation will play an increasingly strategic role in the Group's expansion

decisions as an inspiration that will inform upcoming challenges, driven by the conviction that leadership and consent in its market of reference must correspond to enhanced feedback and increasing harmony with enlightened humanism.

FLAGSHIP STORES

In 2019 the Iris Ceramica Group continued to achieve its goals and open new stores, inaugurating two showrooms, one in London and the other in New York, dedicated to its total look and best-seller collections.

In the United Kingdom, the Group chose the Clerkenwell creative district, and in particular an elegant industrially inspired building on Old Street to redesign its display space in collaboration with the Florence-based architecture and design firm Area-17.

Three floors and a total floor space of approximately 600 square meters that for the first time bring together the products offered by the brands Ariostea, FMG Fabbrica Marmi e Graniti, Fiandre Architectural Surfaces, Iris Ceramica, SapienStone and Porcelaingres.

Not a mere display space but a meeting place in which to interact, draw inspiration and fuel one's creativity, where the Group's collections enliven fluid contracting and residential ambiances, suited for transformation into co-working areas, conferences rooms and event lounges.

Common Ground is the name of the project, presented during the inauguration of the showroom, created by Henriette Thompson, who involved a group of designers in creating a personal moodboard linked to London's collective creative imagination to brainstorm on the issues of sustainability, innovation and aesthetics – fundamental values shared by the Group and the development of the City community.

In the United States, the opening of a showroom in Chicago was followed by a location in New York, confirming the company's strategy of establishing the Group as a major player in the US market.

The open-space loft of around 400 square meters in the New York design district, located near the NY Design Center, in the neighborhood that is home to the most important Italian architecture and design brands, it is a hub open to the public and designers, architects and engineers who can find inspiration for their interior design and contracting projects there. From building facades to interior and exterior coverings to high-end kitchens and furnishings, the focus is on the finest textures offered by Fiandre Architectural Surfaces, FMG Fabbrica Marmi e Graniti, Iris Ceramica, SapienStone and Ariostea.

ZERO EMISSIONS

Being mindful of the importance of responsible, sustainable production has always been a priority for us, from the outset. The places we live in and which are home to our production facilities are precious resources, to be respected and looked after, to enhance the quality of life of the people who live there now and in the future. Every day we strive to reach ambitious new milestones that combine ethics and research, innovation and technology. This is why we have been proud zero-impact manufacturers since 2019 through our unique, exclusive cutting-edge facilities that have allowed us to eliminate atmospheric emissions of volatile organic substances.

Zero emissions is a mission that the Iris Ceramica Group has pursued in order to reconcile its production with the wellbeing of citizens who live near its production facilities and to create a habitat on a human scale. Although all our companies' kilns were already in full compliance with the legal limits, zero emissions came about as a challenge that President Romano Minozzi issued to his closest collaborators to go beyond what is required by current laws: volatile organic compounds (VOCs) must not be present in chimney exhaust from the plant in Castellarano (RE), the main production area for large format ceramic tiles.

Based on consolidated technological research in the field of exhaust treatment, three combustor

systems with regenerative heat recovery were implemented for kiln exhaust, eliminating the volatile organic compounds and aldehydes and thereby guaranteeing air quality for workers and citizens living in the business district.

FAMILY DAY

Iris Ceramica Group welcomed the families of its employees and contractors to its first Family Day. A day of celebrations, joy and sharing to explore the worlds of the Group's companies, without forgetting solidarity. In addition to the many play activities for children and young adults, the day also offered a venue for cultural and social associations such as ANT, LILT and ANWI, which told their stories and shared their commitments. The History Museum also played a key role, offering guided visits.

The day was enriched by culinary offerings prepared by La Lanterna di Diogene, recently included among the ten finalists in the Basque Culinary World Prize 2019, which each year recognizes the work done by ethical chefs and socially oriented culinary projects. This social cooperative was formed to pursue the dream of creating an activity in which individuals with serious health problems (Down's Syndrome, psychosis and infant cerebral palsy) can participate, designed to produce with the satisfaction of working in a close-knit team.

COMMUNICATING IN ORDER TO SHARE VALUE

Our communication is based on an integrated, multichannel strategy designed to spread the Group's values and commitment to innovation and sustainability and to promote the technical choices and philosophy that set apart Iris Ceramica Group's products.

While the digital experience is an essential part of who we are, still today we regard digital and analog as different experiences that both remain indispensable. Giving up the point of contact offered by physical showrooms would mean doing without part of the experience that a brand is able



to offer. Right now it is impossible to draw a precise line between the two worlds.

Iris Ceramica Group is a complex international organization based on eight main brands and a broad system of display spaces open to the four corners of the world that are also promoted via dedicated websites, social channels (Facebook, Instagram, YouTube and LinkedIn), online and offline advertising and networking and PR activity.

A rich, complex communication system that boasts over one hundred online assets, foremost among them the **online magazine Floornature.com**, created in 2001, when Web giants such as YouTube and Wikipedia had yet to see the light. Floornature.com immediately established itself as a webzine for keeping up with topics relating to architecture, urban planning and design, translated into five languages with over 100,000 monthly visitors. The back office features a full-fledged editorial staff of professional journalists and architects and a technical team that also supports Group companies with management of their digital assets.

International planning supports the brand's communication by designing integrated online and offline communications campaigns in major Italian

and international industry publications. Strong emphasis is placed on social networks, prominent showcases for product collections and the brand's identity, promoted through dedicated video and photography productions, suited to showing off the wide range and innovative solutions offered.

The use of digital technology in support of commercial communication influenced the strategic change in showrooms around the world, turning them into fully realized training and information centers for contractors and designers. In fact, in collaboration with internationally renowned design firms, talks, workshops and expositions regarding topical issues of interest have been organized. Not just mere display showrooms, in other words, but places for meeting, discussion and sharing.

The constant presence at the world's most important industry conventions such as Salone del Mobile and Cersaie in Italy, Coverings in the United States and Mosbuild in Russia are fundamental strategic communication opportunities for the Group. They are ideal settings for networking and dialog with the relevant stakeholders.



OUR HISTORY

The Iris Ceramica Group dates back to 1961, a time of especially robust development for Italian industry and hence also for Modena and Reggio Emilia. These were the years of the Italian economic miracle and urban construction boom characterized by the creation of entire new residential neighborhoods to house the workers who were moving to the ceramics district that was then beginning to gain momentum. In just a few years, the district became a major industrial phenomenon, creating a boom of small and medium companies.

Half-way through the decade, 40% of all ceramics produced in the European Economic Community were made in this area. In the Seventies, Romano Minozzi's companies underwent their first phase of rapid development, which was then consolidated with the aim of overcoming the Italian market's limits by seeking out new opportunities through exportation, which in 1980 already accounted for 50% of production. The adverse scenario then faced by Italian industry, and by the construction sector in particular, required that the most forward-looking business leaders devote new efforts and intuitions to propelling companies to success in a radically changing market. Technological innovation

of production lines played a crucial role during this period: by implementing electronics and automation, they enabled production costs to be contained and companies to consolidate in the run-up to the advent of single firing.

The Group's international growth resumed in the Nineties, when its specialist technical business units were created and acquisitions were undertaken to strengthen the Group's presence in the various market segments. The Group continued to demonstrate an ability to grasp and keep pace with the spirit of the times, turning adversity into opportunity, in a constant effort to strengthen its international leadership.

Innovation and quality have remained fundamental pillars, and our research laboratories continue to turn ideas and intuitions into unprecedented, cutting-edge products, such as the large-format technical ceramic tiles with surface areas of over 4.5 square meters and a thickness of just 6 millimeters that Iris Ceramica Group was the first to make into a material suited to various uses and applications.

2019
The Iris Ceramica Group Foundation is created.
The Iris Ceramica Group announces zero-emission production.
Iris Ceramica Group flagship stores open in New York and London.

2018
The Iris Ceramica Group History Museum is inaugurated in Fiorano Modenese.
2018 Pollution Project – Refle-Action at Cersaie 2018 (Piazza Santo Stefano, Bologna).
The Iris Ceramica Group is technical partner to the Italy Pavilion at the 16th Venice Biennale of Architecture.
Stonepeak Ceramics is the first manufacturer of large formats in the US.

2017
OFICINA TECNICA, Matimex's new gallery and showroom, opens in Madrid.

2016
Sapienstone is created.

2015
FAB Fiandre Architectural Bureau opens in Milan and Berlin.
SUPERSURFACESPACE (now SpazioIRIS MOSCOW) opens in Moscow.

2014
FAB Fiandre Architectural Bureau opens in Castellarano.

2011
Large-format tiles created.

2010
GranitiFiandre provides flooring to the Italy Pavilion at the 2010 Shanghai Expo.

2009
ACTIVE CLEAN AIR & ANTIBACTERIAL CERAMIC™ is created.

2008
Iris Ceramica's MA.DE and BRILLIANT collections are the first ceramics to be nominated at the Compasso d'Oro competition (21st edition).

2007
The display gallery SPAZIOFMG PER L'ARCHITETTURA opens in the Tortona area of Milan.
Iconic collections:

- Legni High-Tech (Ariostea)
- Luminar and Geodiamond (Fiandre)

2003
Stonepeak facility is inaugurated in Crossville (Tennessee).

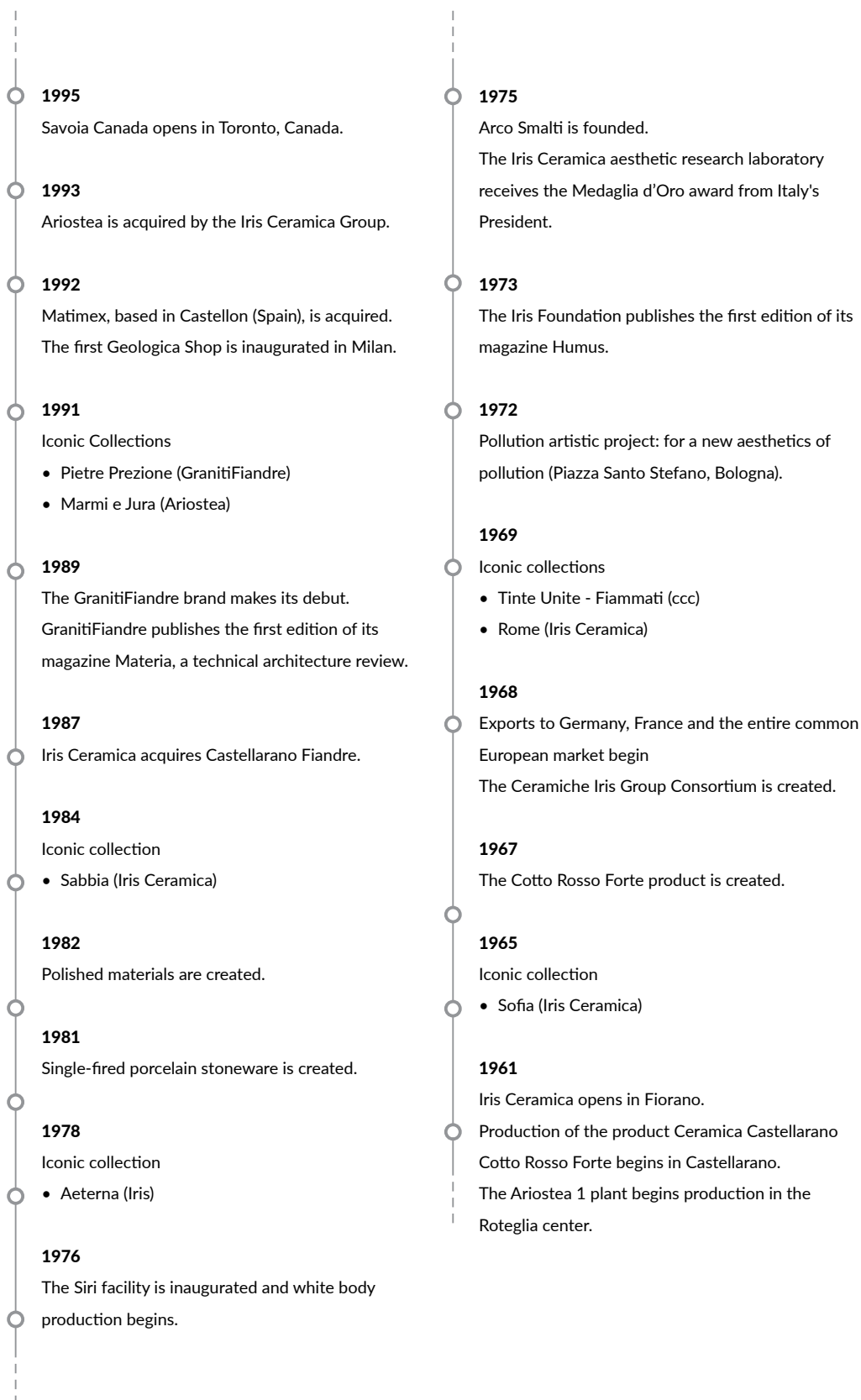
2002
Porcelaingres facility is inaugurated in Vetschau (Brandenburg).

2001
New Eiffelgres facility is inaugurated in Viano, in the Apennines.
International online architecture magazine Floornature.com is inaugurated.
Iris Ceramica Group acquires Hydrodesign.

2000
Granitech division created in support of architectural projects and vertical structures.

1998
FMG Fabbrica Marmi e Graniti is created.
Technomix facility is inaugurated.





THE GROUP'S SIZE

After five years of exponential growth, which culminated in 2017 with an increase in the district's revenues of 7%, in 2018 – due to political tensions on the international market and the halt of infrastructure work in Italy – the entire Italian economy recorded a decline in exports of approximately 3%, whereas the decline in domestic consumption was slightly lower. The decline continued in 2019, following the levying of tariffs

between the US and China, sanctions against Russia and Iran and the EU crisis triggered by Brexit.

Extraordinary events that weighed on the global system and inevitably influenced the company's growth prospects in the following years, without prejudice to the general consideration that periods of rapid expansion are necessarily followed by periods of consolidation of the results achieved.

	2017	2018	2019	Unit of measure
Total transactions (Sales)	24,183,321	22,188,080	20,893,299	Sq. m.
Materials produced	25,415,242	23,326,059	21,027,107	MQ

	2017	2018	2019	Unit of measure
Net sales in countries that account for 5% or more of total revenues				
USA	186,841,448	173,270,002	163,918,479	€
ITALY	48,119,871	43,176,859	42,697,616	€
GERMANY	58,083,804	54,258,658	56,010,842	€

	2017	2018	2019	Unit of measure
Consolidated net revenues	509,208,000	483,334,000	480,681,000	€
Total capitalization (debt and equity)	1,441,068,000	1,550,024,000	1,718,795,000	€



DETERMINATION AND DISTRIBUTION OF VALUE ADDED

A company's value added is the wealth it generates and may be calculated as the difference between gross production and the consumption of goods and services. Analyzing the distribution of value added is a lens through which to assess the Company's commitment to social responsibility. The figures used have been drawn directly from the consolidated financial statements, prepared in accordance with Italian GAAP and certified by the

governance structure. The wealth produced and distributed consists not only of the profit for the year, but also items that in the financial statements are classified as costs, whereas in this case, like profit, they represent the value that the company generated through its economic activity. The breakdown of Iris Ceramica Group's value added reflects the function of overall governance and guidance of the Group's activity.

DIRECTLY GENERATED ECONOMIC VALUE (THOUSANDS OF EURO)				
	2017	2018	2019	NOTES
a) Revenues	532,335	556,508	554,214	Net sales plus revenues from financial investments and the sale of assets
ECONOMIC VALUE DISTRIBUTED				
b) Operating costs	351,925	331,614	313,915	Payments to suppliers, non-strategic investments, royalties and payment subsidies
c) Salaries and benefits	109,453	105,572	110,858	Monetary outlays for employees (current payments and not future commitments)
d) Payments to capital suppliers	4,207	4,526	4,413	All payments to the organization's investors
e) Taxes and duties	21,605	33,304	25,770	Gross taxes and duties
f) Investments in the community	348	31	205	Voluntary contributions and investments of funds in the community (including donations)
ECONOMIC VALUE RETAINED				
(difference between economic value generated and economic value distributed)	44,817	81,461	99,053	Investments, equity releases, etc.



REP. OF SOUTH AFRICA

LATVIA

TAIWAN

SWEDEN

AUSTRIA

CROATIA

CZECH REPUBLIC

SERBIA AND MONTENEGRO

PORTUGAL

MOROCCO

UNITED KINGDOM (UK)

SEYCHELLES

TUNISIA

JORDAN

SAUDI ARABIA

ALGERIA

IVORY COAST

LUXEMBOURG

UKRAINE

DENMARK

CHINA

AZERBAIJAN

MACEDONIA

UAE

HUNGARY

HONG KONG

FRENCH POLYNESIA

SLOVENIA

ETHIOPIA

HOLLAND

AUSTRALIA

BRAZIL

BELARUS

REP. OF SAN MARINO

AUSTRIA

BELGIUM

USA

SOUTH KOREA

INDIA

LEBANON

ISRAEL

LITHUANIA

CYPRUS

ROMANIA

SWITZERLAND

RUSSIAN FEDERATION

SERBIA

QATAR

GREECE

IRELAND

UNITED ARAB EMIRATES

MONTENEGRO

JAPAN

POLAND

ESTONIA

OMAN

FRANCE

LIECHTENSTEIN

SPAIN

MONACO

MEXICO

CAMEROON

PERU

CROATIA

KUWAIT

SINGAPORE

MALDIVES

NEW ZEALAND

BOSNIA-HERZEGOVINA

GREECE

CONGO

BULGARIA

MALTA

IRAN

ITALY

GERMANY

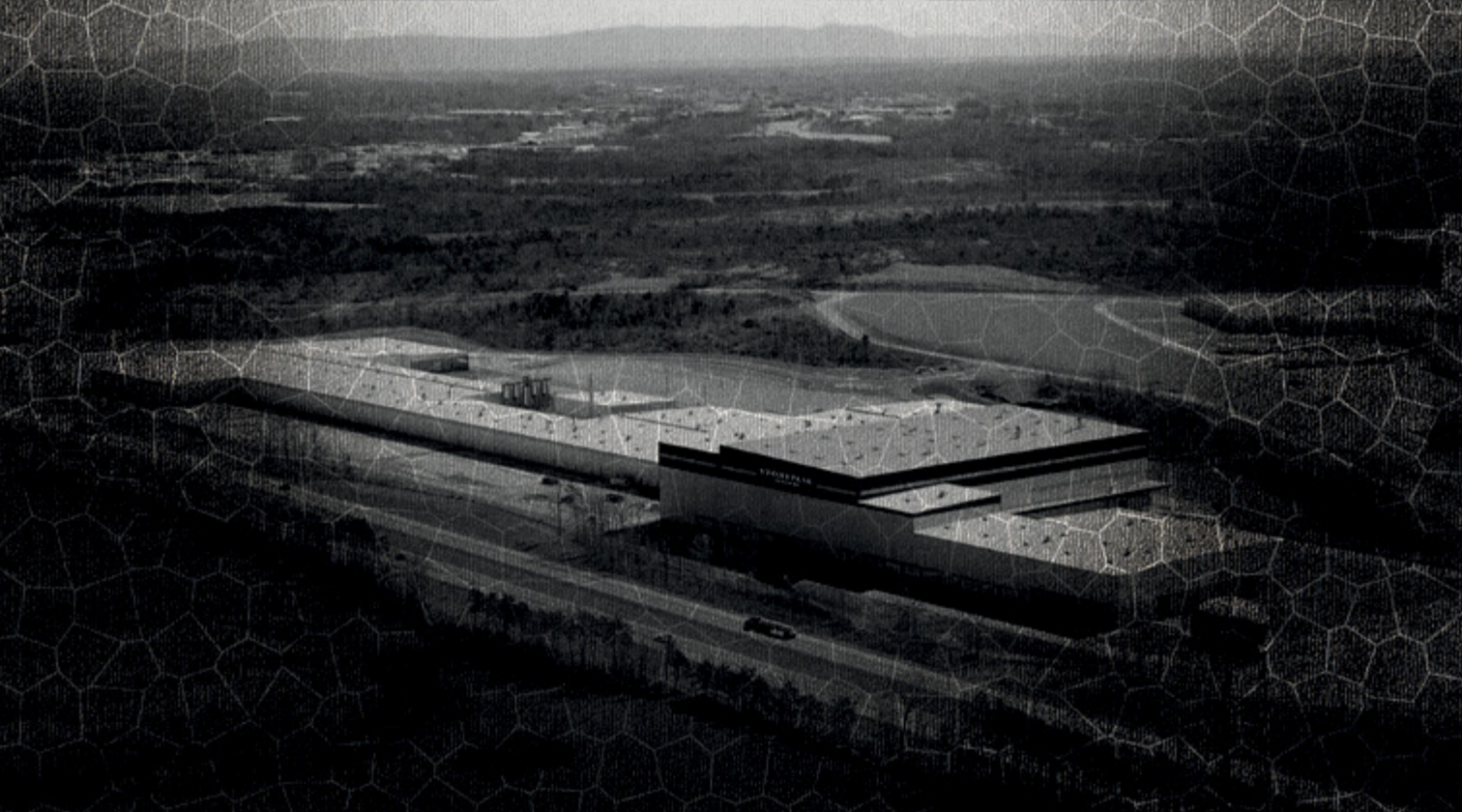
GEORGIA

TURKEY

SLOVAKIA

CANADA





THE ORGANIZATION

A COMPLEX STRUCTURE SUPPORTING AN INTERNATIONAL BUSINESS

Iris Ceramica Group's success is based on its highly dynamic organization, driven by the vision of its founder and chairman, Romano Minozzi, and the boldness of its new creations. Iris Ceramica Group is a world-leading creative developer, manufacturer and distributor of upmarket ceramic tiles for use as wall coverings and floors and as interior and exterior decorative elements in residential, public and commercial settings.

The Group regards its talents as integral to its identity of bringing fine Italian craftsmanship to the world.

With an extensive distribution network and nine production facilities spread throughout Europe and the United States, prestigious flagship stores open in international design capitals from New York to London, from Milan to Berlin, and from Moscow to Madrid, Iris Ceramica Group has a presence in over 100 countries worldwide, offering a wide range of solutions for architecture and interior design, from contracting to wellness, from hospitality to large

public construction projects.

More than 1,500 people contribute actively each day to the success of the Group, which boasts nine main brands and a comprehensive system of internal business units, designed to ensure a high standard of quality, together with effective, complete assistance.

Each day the Group's brands pursue new features, ensuring that their products remain unique in a highly competitive market.

It owes its success to the perfect balance between prestigious brands with a long history such as Iris Ceramica, Fiandre Architectural Surfaces, FMG Fabbrica Marmi e Graniti and Ariostea and young, innovative, high-potential brands such as Active Surfaces, Porcelaingres, Stonepeak Ceramics, Sapienstone and Eiffelgres, which target the high end of the market, offering next-generation ceramic surfaces that seamlessly blend design and technology.



THE GROUP'S STRUCTURE

Iris Ceramica Group S.p.A. is a world-leading creative developer, manufacturer and distributor of upmarket ceramic tiles for use as wall coverings and floors and as decorative elements in residential, commercial and industrial settings.

The Group exports Italian excellence to the world through its broad-based distribution network and

nine production facilities located in Europe and the USA: Iris Ceramica Group's materials are sold in over one hundred countries worldwide and offer an ample selection of architecture and interior design solutions.

As of December 31, 2019, Iris Ceramica Group S.p.A. was structured as follows:

Production companies:

GRANITIFIANDRE S.P.A.

based in Castellarano (Reggio nell'Emilia), Italy;

STONEPEAK CERAMICS INC.

based in Crossville (Tennessee), USA;

PORCELAINGRES GMBH.

based in Vetschau (Brandenburg), Germany;

IRIS CERAMICA LLC.

based in Moscow, Russia, recently established to develop a project involving future local production activity.

Trading and service companies:

IRIS CERAMICA GROUP UK LTD.

founded in 2019, based in London (UK);

ARCHITECTURAL IMPORTS LLC.

based in Miami (USA);

FIANDRE IRIS CERAMICA OOO.

based in Moscow (Russia);

LA CERAMICA S.R.L.

based in Bologna, Italy.

MATIMEX S.A.:

based in Castellón (Spain).

ARCAREL INTERNATIONAL S.A.S.

based in Jouars-Pontchartrain (France).

Service companies:



TECHNORIUNITE S.R.L.

based in Castellarano (Reggio Emilia), Italy, it installs flooring and wall coverings, with a particular focus on large building projects;

CONSORZIO SICUREZZA S.R.L.

based in Sassuolo (Modena), it operates in the field of industrial security;

STUDIO SECON S.R.L.

based in Modena, it provides tax and administrative support services.

Holding companies:

Finanziaria Ceramica Castellarano S.p.A.

based in Modena.

Real-estate companies:

NORWICH S.R.O.

The company is based in the Czech Republic.

Iris Ceramica Group Foundation

registered in the register of legal persons on September 16, 2019, at the initiative of one of the two founding shareholders, Romano and Federica Minozzi, as a tangible sign of the responsibility borne by a great industrial group towards the environment in the local community and society. The donors and founding shareholders, in addition to Romano and Federica Minozzi, are the two companies Iris Ceramica Group and Granitifiandre.

In 2019, following a reorganization of the Group's structure, the following companies were absorbed or liquidated:

IMMOBILIARE SANTA ROSA S.A.S.

based in Modena, absorbed into Granitifiandre spa

MEDITERRANEA LLC.

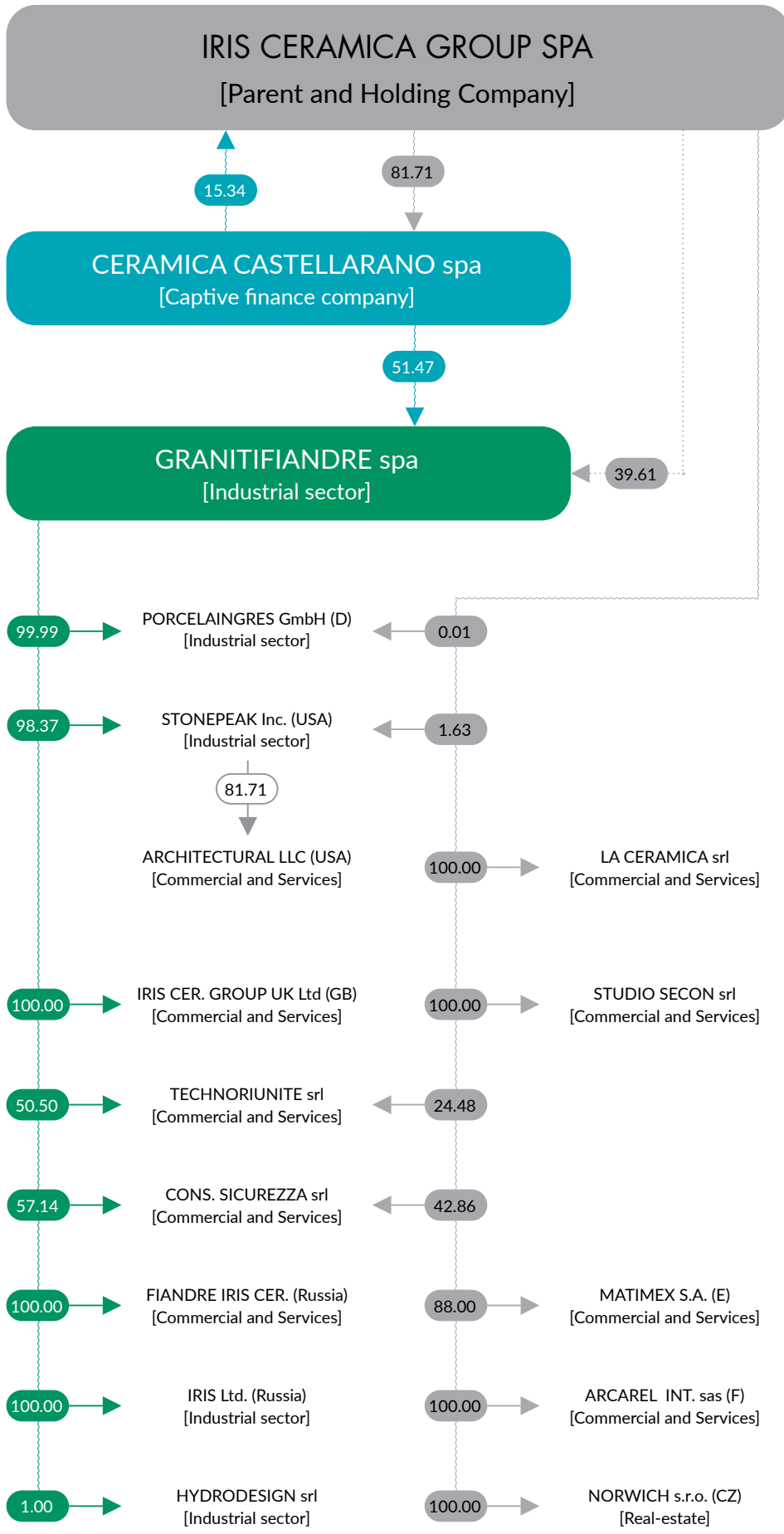
based in Miami (USA), absorbed into Architectural Import llc.

SAPIENSTONE INC.

based in Chicago (USA), absorbed into Stonepeak Ceramics inc.

IRIS CERAMICA FRANCE S.A.S.

based in Cannes (France), liquidated.



BRANDS ONE GROUP, MANY SUCCESS STORIES

Synergy, unity, cooperation.

The presence of brands with different connotations and targets, such as those that make up Iris Ceramica Group, is the not only the result of a strategic decision at the managerial and organizational level, it is also a way of viewing the company: a full, integrated range that enriches the sector. For all of us, membership of this great family, in full respect of the individual character and identity of each company, means growing

together, reaping more opportunities and offering a global service to consumers, built on top quality and a comprehensive range. Being a Group means taking a shared approach to the market, exploiting technologies, strategic assets and production methods, sharing initiatives and resources to be more than just a collection of manufacturing companies: an effective, advantageous response for our customers.



Fiandre is a pioneer of the art of creating cutting-edge ceramics. Humankind and its wellbeing are central to the company's endeavors, as it strives to develop solutions capable of improving quality of life.



FMG Fabbrica Marmi e Graniti, distributes natural stone produced at its factory using cutting-edge "full-body" production technologies to create collections inspired by the homes of Italian noble families.



Ariosteas has cultivated its own internal expertise, making it one of the most innovative companies in its sector: the technologies adopted are conceived and built within the company accordingly to a tailor-made on-demand approach.



Eiffelgres is an innovative company, not only in terms of the quality of its products, but also, and above all, of its commitment, also guaranteed by its certifications, achieved within the framework of sustainable economic growth and protection of the environment. Founded in 2001, it stands with designers who emphasize these values.



Since 1961 Iris Ceramica has cultivated a unique style based on the boldness and imagination of its collections, animated by an inexhaustible source of innovative glazed ceramic and porcelain stoneware solutions for floors and walls.



Under our fresh new Sapienstone brand we make porcelain stoneware kitchen counter tops with a strong focus on product aesthetics and functionality.



Porcelaingres produces exceptional ceramics at one of the modest modern production facilities in Europe, where technology and environmental sustainability co-exist in perfect harmony. Italian Style made in Germany.



Since 2005 Stonepeak has been constantly reinventing the characteristics of its ceramics, which today are available for a wide range of uses, from large projects to interior design, while staying faithful to the Italian style that makes it unique in the North American market.

INTEGRATED EXPERTISE FOR CONSCIENTIOUS DESIGN

Our aim is to achieve excellence at every stage of our production, and that's why we harness the strategic advantage of sharing key assets and common values. Iris Ceramica Group serves the entire modern construction industry: in addition to manufacturing companies, the Group includes companies dedicated specifically to the technical aspects of installing and laying materials, capable

of offering professional support and advice to engineers, planners, designers and installers, even in the most ambitious projects. Innovation, experimentation and development are the key principles that guide our research in a cross-disciplinary manner, enabling us to achieve tangible results which consolidate our position of leadership in the sector.

GRANITECH



The company Technoriunite and the technical division Granitech offer custom-tailored support and solutions to the most demanding professionals in installing ceramic products, accompanying them from the design to realization of flooring, coverings and facades, extending to worksite management and support.

The many years of experience in the sector and ability to meet all the most varied needs make the Group's technical division an ideal partner for engineers, designers, architects and builders, ensuring quality and efficiency where the aesthetic component and performance of the work become essential to satisfying the needs of the most

demanding clients.

The services offered by Technoriunite and Granitech also include support for professionals directly engaged in using and laying ceramic products by supplying the finest technical tools and advanced professional training courses, regarding above all the management and use of large ceramic formats in countless applications.

An ironclad guarantee when it comes to expertise, reliability, innovative spirit and the quality of the materials and technologies used, which translates into very high-level service for players in the construction and contemporary architecture sectors.



ATTRACTING, ENGAGING AND PERSUADING

The new many applications of the new technologies enable a digital democratic spirit that has profoundly changed the public's commercial expectations and demands. Users complement the traditional in-store experience with thorough advance online research into products using sector portals, magazines and blogs.

The great ease with which customers can obtain information, verify performances and make comparisons offers an excellent opportunity for direct access to the market, which thus becomes much more competitive and demanding, and spaces for showing and promoting products must necessarily integrate their services into this

environment.

Our showrooms have changed to support digital innovation, evolving to become a complementary channel in support of both online and offline promotion - spaces for service and experience, points of contact where mission, vision and corporate identity are aligned with the Group's strategies.

Our flagship stores have been transformed from strictly commercial places, into spaces where the brand conveys company values and qualities, cultivates relationships with its stakeholders and creates opportunities for meetings and training.



LONDON



BERLIN



SPAZIOIRIS
RUSSIA

SPAZIOFMGPERL'ARCHITETTURA

GOVERNANCE

Board of Directors

The company's current Board of Directors consists of four members:



Romano Minozzi
Chairman and
co-Chief Executive
Officer



Federica Minozzi
Deputy Chairman and
co-Chief Executive
Officer



Sergio Stefano Mascaretti
co-Chief Executive
Officer



Mauro Tabellini
co-Chief Executive
Officer

The board of directors will remain in office until the approval of the 2019 financial statements.

Board of Statutory Auditors

It currently consists of five members:



Gian Carlo Guidi
Chairman



Dario Maggioni
Regular Auditor



Rosa Carla Parisi Statutory
Auditor



Roberto Leoni
Alternate Auditor



Luca Melandri
Alternate Auditor

Statutory Auditor

Deloitte & Touche spa

The Statutory Auditor has been entrusted with the statutory audit of the accounts for 2019-2021.

Iris Ceramica Group's separate and consolidated financial statements are subject to auditing by Deloitte & Touche S.p.A.

The Supervisory Body of Granitifiandre is composed of three members, appointed on April 30, 2019, who will remain in office until December 31, 2021. Each year the Supervisory Body reports to the Board of Directors on its activity, intended to

prevent the commission of the offenses set out in Legislative Decree No. 231/2001 (and subsequent additions and amendments), verifying the adequacy of the Organization, Management and Control Model and the Code of Ethics adopted by the Company, in addition to verifying compliance with its provisions.



ETHICS AND INTEGRITY

Achieving economic success while staying true to its ethical values and respecting individuals, the community and the environment: a socially responsible company does not reject the maximization of profits, the reduction of production costs and expansion on the global market, which it views as integral parts of its approach to doing business; yet, at the same time, it succeeds in achieving its aims while also striving for the common good, viewed as the wellbeing of the community in which the company operates and of people generally.

We believe in a company that devotes a portion of its profits to initiatives capable of improving human life: the environment, health and the recovery of our architectural and cultural heritage. Workers' conditions may be improved by emphasizing their contributions and engaging them as active participants in the production process, in addition to reinvesting profits in wellbeing and training of workers and the other members of the communities in which they live. The company cannot serve merely as a means of turning a

profit for its shareholders. Rather, all stakeholders must be able to achieve their goals and enrich themselves through it. Iris Ceramica Group regards sustainability reporting as a way of reiterating the mutual interdependence between civil society and business.

Accordingly, in 2020 we organized a first stakeholder engagement event in which to engage in dialog with all those who interact with ICG in various capacities, offering an opportunity for reflection from which to obtain suggestions for how to continue to develop our medium- and long-term strategy.

We believe that behaving ethically towards stakeholders drives improved company performance, whereas a high level of stakeholder satisfaction also allows the company to achieve competitive advantages and thus to increase its profits. We engage in ethically correct behavior because it is essential to the Company's goals and because we believe that is the right thing to do from a moral perspective. We believe that the world has equal need of truth, ethics and beauty.

STRATEGY AND CONSERVATIVE APPROACH

Meeting the needs of today's consumers is considerably more challenging than it used to be. Consumers' purchasing decisions are being steered by greater awareness, knowledge and interest in innovation, sustainability and cost. These factors, combined with the demand for an ever-higher level of product personalization, are leading us to focus increasingly on creating cutting-edge, original products. Adopting this approach proves fundamental to achieving and consolidating a competitive advantage over our competitors – an essential condition for survival. An organization that focuses on quality must be aware of and apply the principles of risk management and the problems that may emerge within the production and distribution system and to foresee any problems that might arise from improper use of its products. Managing risks means estimating the likelihood that a problem will occur and seeking to predict the severity of that problem in order to identify a solution to it in advance and manage it as effectively as possible. Implementing a risk management process also helps us conduct thorough analyses of a product's risks and benefits. Our risk management is not limited to the new article design phase: the management process involves updated analyses each time that there are significant changes to products, services, the system or the processes by which they are governed. Feedback from customers who have used a product or received a service is also a part of our risk management process in its own right. The procedure calls for integration of the principles

of risk management and the development of the quality management system.

Marketing, Sales and R&D and production work together, forming a relationship with considerable potential. This scenario is supported by an innovative approach towards digitalization of the production process founded on constant interaction, the sharing of information and the precise structuring of the work flow to ensure that it is as efficient as possible: innovative technologies and a strategic approach allow the entire process to be managed intelligently and efficiently. Stakeholders enjoy selective, yet rapid, access to various key information relating to the process, such as the progress of activities, costs incurred and closing forecasts. These conditions are capable of creating an environment of cohesive development, even the processes involve different departments. The benefits of managing the process in this way are:

1. Standardization, i.e. mapping the process to reduce room for chance outcomes, while ensuring that all best practices are followed and turning workflow itself into a company asset.
2. Acceleration of time-to-market: a factor that today, in an evolved, highly competitive scenario, represents the main benefit sought. Accelerating new product development improves competitive margins, optimizes productivity and makes it possible to manage costs and risks.



3. Digitalization, by enabling information-tracking and the analysis of processes, frequencies and completion times, makes it possible to identify sophisticated patterns, which can be translated into KPIs (key performance indicators) useful in optimizing the process and, above all, making sound business decisions. The wide range and high volume of data made available by managing this process

represent an opportunity for the analysis and study of ongoing processes.

4. Automation. This is a choice that often yields real, tangible benefits: fewer errors, decreased user activity and, as a consequence, less resistance to change among those involved.

PHASES OF THE PROCESS

SUB-PHASES

Product planning

Identification of opportunities
Resource allocation and estimation of timescales
Definition of goals

Concept development

Identification of consumer needs
Definition of initial product specifications
Concept creation
Concept testing
Definition of final product specifications

Design

Definition of product architecture
Preliminary design
Final product definition
Definition of the production process

Prototyping

Planning and creation of prototypes
Testing, assessment and correction of prototypes
Start of production



WHAT WE DO

Our story begins a long time ago, and like all great Italian success stories it is a story of dreamers who believed in a vision and those who interpreted and made it a reality. Today Iris Ceramica Group is one of the foremost Italian industrial groups specialized in producing top-end technical ceramics and porcelain stoneware. With our products, which are far more than just coverings, we aim to immerse our customers in a textured world, made up of unique feelings and sensations. Iris Ceramica Group's products stand out for their quality of finish, original style, attention to detail and technological innovation. Since 1961 its founder, Romano Minozzi, has been sharing his dedication

to the search for aesthetic perfection with a Group that has constantly expanded and consolidated over time.

The collaboration between the companies and brands that make up the Group, as they constantly strive for innovation, generates high-performance designer products that underpin the success of a constantly developing company: innovation, know-how, breadth of range, team spirit, depth of resources and specific strategies propel Iris Ceramica Group towards the apex of the industry at a global level every day.



TECHNOLOGY. DESIGN. BEAUTY.

A daily shot of beauty from the purity of matter. We take innovative ideas and turn them into lifestyles that embrace style, sustainability and the highest standards of quality. And as a Group, we have the strength to achieve the highest levels of creativity and excellence in the production of ceramic coverings tailored to the needs of architecture and contemporary design.

The purity of primordial nature and the appeal of the culture of typically Italian beauty are some of our biggest sources of inspiration. Every day we open our minds and let the needs and desires

of our stakeholders become new material to be shaped into exclusive, functional, high-performance coverings. Distinctive design, unique finishes, original decorations and vibrant colors: every aspect of our products is a blend of inventiveness and creativity, a fusion of thought and talent. We design distinctive aesthetic solutions that express the constant technical evolution that has always made the Group a field-leader and given it a high profile on the world stage.

ACTIVE SURFACES™

We all want to inhabit the spaces where we spend our daily lives safely and freely, without sacrificing design. The materials we choose for architectural and interior decoration projects must therefore guarantee maximum well-being and protection of our health in a simple and lasting way. Its ACTIVE surfaces are a 100% Italian solution that in addition to offering high aesthetic quality meet the need for wellbeing and safety.

ACTIVE SURFACES is the only photocatalytic, antibacterial, antiviral and anti-pollution ceramic tile that is ISO certified and patented at the international level, successfully present on markets the world over for ten years. ACTIVE SURFACES products are high-quality ceramic tiles for floors and walls, both indoors and outdoors, to decorate areas and fixtures for personal care and used to prepare and consume food, such as kitchen tops, tables, counters and preparation surfaces.

SELF-CLEANING ACTION

Thanks to the photocatalytic properties of ACTIVE SURFACES, dirt adheres less to the tile surfaces, making them easier to clean. Quick and easy cleaning, with a consequent reduction in the use of expensive and aggressive detergents, often toxic to humans and harmful to the environment. The super hydrophilic properties of ACTIVE SURFACES allow you to clean surfaces simply with water and mild detergents. On external façades, for example, the action of the rain on panels is sufficient to keep them clean, considerably reducing the need for maintenance.

ANTI-POLLUTION ACTION

ACTIVE SURFACES is able to convert volatile molecules of hazardous pollutants such as nitrogen oxides (NOx) and volatile organic compounds (VOCs) into harmless substances, with huge

benefits for people's well-being, both outdoors and indoors. ACTIVE photocatalytic ceramic tiles are able to permanently and continuously eliminate polluting molecules present in the air with the simple action of light.

ACTIVE SURFACES is the only ceramic tile in the world that works with any kind of illumination – even new energy-efficient LED bulbs.

ANTIBACTERIAL AND ANTIVIRAL ACTIVITY

ACTIVE surfaces have been certified as capable of eliminating 99.99% of bacteria using a photocatalytic-induced oxydation process, ranging from the most common bacteria, such as *Escherichia Coli*, to the most dangerous and antibiotic-resistant strains such as MRSA *Staphylococcus Aureus*. Recent ISO certifications also show the antiviral activity of ACTIVE SURFACES: tests performed on two particularly insidious and contagious viral strains, the H1N1 influenza virus and Enterovirus 71, indicate over 99% efficacy against the viruses.

Titanium dioxide combined with silver enhances the antibacterial and antiviral performances offered by ACTIVE SURFACES, allowing them to function not only with natural light, but also

LED bulbs, in low-light conditions and even in the dark. In addition, the ACTIVE product has also been certified for its anti-mold and anti-fungal properties.

ANTI-ODOR EFFECT

ACTIVE surfaces are able to degrade the main molecules responsible for bad odors, which are thus eliminated, making environments more pleasant. In fact, the photocatalytic process results in the degradation of the odor-generating organic molecules that come into contact with ACTIVE surfaces, keeping the environment comfortable and free of bothersome sensory pollution.



LARGE CERAMIC TILES

A cutting-edge architectural solution: surfaces become large format (up to 3m x 1.5m) and expand the application range of ceramic coverings.

Freedom of interpretation of the material and new design scenarios in terms of colors, textures and designs.

DESIGN YOUR SLABS

In response to the constantly increasing need for personalization and the demand for unique products, we have launched DESIGN YOUR SLABS, a new very high definition imprinting system that exploits the full potential of next-generation digital technologies and enables on-demand customization of ceramic materials. Optical effects, pop art, geometric patterns, inclusion of precious metals such as gold, silver or platinum: any graphical and artistic idea can be reproduced in maximum

definition on surfaces of all sizes, creating unique materials, inspired by the client's imagination. An unprecedented technology that changes the way spaces are decorated, enabling new possibilities in interior design and the architecture of large contemporary spaces, ensuring that optimal results from an aesthetic and technical standpoint may always be achieved.

DIESEL LIVING WITH IRIS CERAMICA

In 2016 the combined passion for fashion and design forged a partnership between two organizations, which presented themselves to the international market under the brand Diesel Living with Iris Ceramica.

The collaboration between Diesel Living, the furnishing division of the home brand Otb, and Iris Ceramica, created a number of eclectic solutions for homes, contracting and retail. Original, outside-the-box, surfaces, in some cases drawing their inspiration from cement, and in others from glass, metal and canvas. Urban and natural solutions thus blend to form exotic, space-themed ambiances, enabling unprecedented home decoration possibilities.

In 2019 the journey of the new icon of Italian interior design continued with eclectic new interpretations in the area of floor and wall coverings. It was thus the chromatic suggestions offered by Latin pueblos that inspired the new Cement Mexican, where the solidity of cement is combined with the colors of the soil, the ocean, the sun and tropical vegetation. Shades of Blind use movement as the foundation for geometrical compositions that reinterpret the effect of pleated aluminum curtains. In particular, great success was achieved, first at the Salone del Mobile in Milan and then in Shanghai, where the latest new offerings satisfied the tastes of a demanding young public that loves its unmistakable contemporary style.

DESIGN AND DEVELOPMENT OF VENTILATED WALLS

A fusion of ingenuity and architectural application has given rise to ventilated outdoor coverings. The essence of beauty is combined with high technical performance to achieve a unique result that offers considerable heat and energy savings: structural wellbeing for walls, protected against external aggression and exposure to the elements, for perfect thermal and acoustic insulation.

INNOVATION AND SUSTAINABLE DEVELOPMENT

Almost 10% of our annual turnover is re-invested in research and development since we are certain nothing is more important than looking to the future with confidence. Innovation is not just a goal, but is central to our corporate strategy.

The deep meaning of innovation with a ceramic product is taking the raw material and inventing a new future for it every time, through a constant commitment to research, new technologies and social responsibility. The product that we offer is an idea, a design, a system of values that embraces the company's actions within society, focusing on the interests of our customers and improving their quality of life as our top priorities.

Responsibility is more than skin deep, stemming from the nature of our approach to manufacturing, oriented towards sustainable production and protecting the environment in which we live. Every

product we make is crafted with artistic ingenuity and creativity, a combination of talent and thought in service of nature's beauty. Because beauty is sustainable strength.

Innovating in pursuit of sustainability leads us always to seek new combinations of raw materials with original styles and innovative features in which technology also plays a role. Our products feature unique designs that combine quality, aesthetics, cutting-edge technology and masterful craftsmanship with a limited environmental impact throughout their life cycles.

Emblematic of this challenge is ACTIVE SURFACES, a revolutionary eco-active material designed to reduce atmospheric pollution and ensure healthier living environments.



COPERNICO40 PRIZE AT THE 2017 AWARDS OF QUOTIDIANO IMMOBILIARE



During the conference "Italy to be Built" organized by Il Quotidiano Immobiliare, a major online periodical for the Italian real-estate sector, the 2017 Awards were bestowed on the Innovation Campus in Peschiera Borromeo (Milan). On this occasion, Federica Minozzi was awarded the Copernico40 Prize, which supports cooperation at the international level between companies in the Italian real-estate sector to promote manufacturing in all phases of its life cycle. The Group, and in particular its Fiandre brand, received this award for its proactive commitment to the architectural design process and for being a leading exponent of Italian industry capable of contributing innovative, cutting-edge technology to the real-estate sector.

This important award recognizes and rewards the considerable investment made by the Group and the constant challenges overcome by a company that believes in progress and that views innovation as the only winning strategy in an increasingly saturated and competitive market.

A CREATIVE, INSPIRED NETWORK

One of our main goals is to enhance the beauty of Italian know-how and support the creativity of artists, designers and architects, to leave a tangible mark on the worldwide cultural landscape. From our earliest origins, we have linked the concepts of art and sustainability, so that the messages we send out to an ever larger audience, also serve the purpose of awakening consciences.

By engaging all our stakeholders – people and organizations from various backgrounds – we have built a creative network of relationships, inspired by trust, respect and common values. Social capital that is the basis for our reputation, that we wish to protect and develop, ensuring integrity, propriety and transparency in managing all company activities.

Listening to the needs, expectations and goals of our stakeholders provides us with the innovative force that we need to create new processes and take tangible steps to satisfy the network and generate value for the entire industry.

Thanks to this active, participatory strategy, the

economic value that we generate is redistributed in our daily activities to create a solid, cohesive community.

We have created many-faceted, complex installations, produced internally renowned artistic performances, hosted photography, design and architecture shows, sponsored artistic and cultural events of the highest caliber, such as the 16th Venice Biennale of Architecture, where we were technical sponsor of the Italian Pavilion, designed by architect Mario Cucinella, with the Archipelago Italy project, and we did all this for a reason: to reflect and encourage others to reflect on our impact on the planet, on the positive or negative influence of our actions. One of the ways we invest in the future is through educational partnerships.

We work with Italian and international universities and training institutes: these are a hotbed of creativity, with which we share our innovative spirit and from which we draw talent and insights that help us design habitats where people come first.



COLLABORATIONS WITH UNIVERSITIES AND DIALOG

We collaborate with the most distinguished voices in architecture to bring the Group's name to the world.

We are committed to active dialog with building professionals – our privileged interlocutors. With a watchful eye to innovation in architecture and contemporary design, we draw inspiration from home design professionals, from engineers and contractors, to design a sustainable, efficient approach to contemporary living.

We are proud promoters of projects in support of academe as a vital setting for growth and dialog, and in particular higher education in universities and national and international places of learning.

The designers of tomorrow are a crucible of creativity to be harnessed to identify innovative solutions to rethink the spaces of the future.

The fruitful collaboration between training and production is fundamental to the Group's solidity and makes it possible to achieve new projects that stimulate thought and investment in a different future.

We have undertaken a number of collaborative projects and partnerships with the most prestigious universities and institutes of higher learning such as the IUAV of Venice, Milan Polytechnic, the European Design Institute, the Nuova Accademia del Design and the Salesian University Institute of Venice (IUSVE), YAC Young Architects Competition and SOS - School of Sustainability of MCA Architects founded Mario Cucinella.

We promote international contests that explore the relationship between humankind, architecture and nature to encourage young professionals to adopt responsible construction technologies that safeguard our present and tomorrow.

WITH STAKEHOLDERS/ INFLUENCERS

MATERIATTIVA



1984

SOS

multi-camerali artistici

MC A



GATHERINGS AND EVENTS

Within a global strategy that aims to consolidate the Group's position as a key player in architectural excellence, we aim to adopt targeted planning of trade fairs and events to meet with the public of interest, expand our network of relationships at the national, European and international level and create opportunities for the maximum spread of our values.

Dialog with a consolidated network and the development of new contacts allow us to stay constantly up to date regarding the market and capture its needs in order to turn them into constant growth opportunities. In view of this goal, we participate in the most important industry events, such as the Salone del Mobile in Milan, Cersaie in Bologna, Coverings in the USA, Batimat in Moscow, the Surface Design Show in London, LivingKitchen in Cologne, the Shanghai Furniture

Show and various European editions of Architect@work. In our showrooms, which are increasingly widespread at the international level, each year we organize numerous events at which architects, planners and interior designers meet with the public of enthusiasts, schools and universities to explore large-scale architectural projects and new interior design trends, exchange ideas and fuel their creativity and knowledge.

To spread our vision focused on environmental sustainability, we created installations, produced artistic performances, hosted photography, design and architecture shows and supported internationally renowned artistic and cultural events such as the Venice Biennale of Architecture, Pollution 2018 and The Architects Series. We seek to amplify our messages to reflect our impact on the planet.

LOCATION/AREA OF INTEREST

2019 FAIRS	TOTAL	ITALY	EUROPE	USA	REST OF WORLD
Events attended	60	5	24	29	2

2019 EVENTS	TOTAL	ITALY	INTERNATIONAL	USA	REST OF WORLD
Sponsorship of cultural and professional events	17	11	6		
Organization of seminars and workshops	413	13	32	363	5
Organization of architecture and design competitions	2	1	1		

2019 COMMUNICATIONS BUDGET	TOTAL
Fairs	€ 5,701,734
Meetings and events	€ 1,762,909
Showrooms	€ 9,024,865
TOTAL 2019 Budget	€ 16,489,508

GROUP INVESTMENTS FOR STAKEHOLDERS	TOTAL
2017	€ 9,867,000.00
2018	€ 11,302,885.00
2019	€ 16,013,519.00

CERTIFICATIONS

In recent years there has been a constant increase in designers demanding environmentally sustainable construction protocols for their projects. In addition, public works tenders have now all adopted minimum environmental criteria (CAM) regulations, which determine the choice of suppliers on the basis of their reliability and efficiency from the standpoint of environmental protection parameters. Accordingly, architects and designers are also shifting their focus to the

search for building materials and technologies with a low environmental impact. These changes in the construction industry follow on the highly significant strategic decisions already adopted by the Group through products awarded an impressive series of important system and product certifications based on international sustainability protocols, as listed below.

SYSTEM CERTIFICATIONS



ISO 50001 certification. Energy Management Systems: an international standard that through the implementation of an energy management system allows for ongoing improvement of energy performance, thereby permitting a reduction of

greenhouse gas emissions and the related energy costs.



ISO 9001 certification. Company Quality System. This internationally recognized certification extends to management of the entire company

Organization, from research and development to production, distribution and customer support.



ISO 14001 certification. Environmental Management System, which certifies the validity of the measures adopted by the company to safeguard the internal and external environment. Through this certification, we confirm our commitment

to complying with environmental laws and to managing, conserving and, where possible, reducing the use of natural resources.



The Community **Eco-Management and Audit Scheme (EMAS)** is a tool that businesses and organizations may adopt voluntarily. Our company decided to adopt EMAS to pursue and highlight constant improvement of its environmental performance,

made available to the public through the environmental declaration.



ISO 45001 certification. This international standard regards the assessment and prevention of risks through a worker safety and health management system that enables continuous improvement, while

also complying with legal requirements.



PRODUCT CERTIFICATIONS



View certified
our products on
<https://spot.ul.com/>

GREENGUARD certification: it ensures that products intended for use in interior environments are free of harmful volatile substance emissions, thereby contributing to the creation of more healthful environments. GREENGUARD Gold Certification is based on safety factors that take account of sensitive individuals (such as children and the elderly) and ensures that a product is acceptable for use in environments such as

schools and healthcare facilities. This certification is widely recognized and accepted by sustainable construction programs and building regulations worldwide. In the United States, it is referred to by the building assessment systems CHPS (The Collaborative for High Performance Schools) and LEED (Leadership in Energy and Environmental Design).



See official listing
www.environdec.co

EPD (Environmental Product Declaration): a type III environmental declaration, rendered on a voluntary basis, based on an analysis of product life cycle (according to the ("cradle-to-gate" approach) in accordance with the EN 15804 standard. This declaration has been prepared in reference to the

guidelines for the UNI EN ISO 14040 standards and the specific PCRs (product category rules) for the relevant product category.

This document describes environmental impacts relating to the production of a specific quantity of products in the various phases, from extraction of the raw materials to freight and production proper.



LEED Certification: already spread to and active in over 40 countries, LEED (Leadership in Energy and Environmental Design) certification assesses and certifies the environmental, social and economic sustainability of buildings from a comprehensive perspective. According to the LEED classification criteria, construction materials with a high degree of

environmental sustainability contribute to obtaining credits, raising the building's score. All tiles included in this protocol contain over 40% recycled materials, in accordance with the ISO 14021 standard, thereby ensuring the highest scores according to the LEED system.



See Official Listing
(www.nsf.org)
To identify which
models are
NSF Certified

Certification pursuant to NSF/ANSI 51 – 2014 – Food Equipment Materials: it was developed mainly for commercial applications, and thus also **cafes, restaurants, hotel kitchens, cafeterias, etc.** Ceramic tiles are used in areas potentially exposed

to food sprays or particles (such as backsplashes, walls and tables where customers consume food or drink).

This certification ensures the highest standards of quality and safety for consumers.



放射性水平A类
See official listing

CCC certification: We have implemented CCC – China Compulsory Certification – for our exports to China for the application and use of the CCC mark. This certification involves verification

by an accredited third-party authority of the conformity requirements laid down in regulation CCCGB6566-2010, as updated, regarding health and safety generally.

SUPPLY CHAIN

A VIRTUOUS SUPPLY CHAIN

1. Process and product sustainability

Iris Ceramica Group's production facilities have a total production capacity of approximately 30 million square meters of ceramic surfaces a year. The Group is committed to the sustainability of its products and production processes and focuses closely on the environmental issue, with a particular emphasis on the supply chain, which the group monitors constantly. Within procurement processes, cost-effectiveness is assessed alongside aspects relating to supplier environmental and social sustainability, and local suppliers are preferred, where by "local" we mean Italian suppliers for Italy, German suppliers for Germany and US suppliers for the USA. Suppliers are assessed by the Purchasing Office in agreement with the Quality Control function, according to the criteria imposed by the ISO-9001 certification.

2. The logistics chain in the ceramics sector

Raw materials play a fundamental role in the creation of our products and are sourced by extracting them directly from nature (sands, clays and feldspars) or chemical industries (colorants, glazes and additives); they have a considerable environmental impact in all stages of their use. The quality of the end product depends in large part on the quality of the raw materials used. In order to comply with ISO 9001 certification criteria, the materials used are subject to physical and chemical testing in all phases of the process. The topic of mobility is also of great importance throughout the supply chain and it is treated as a focal point because transportation takes place primarily by road and sea.

3. Our supply chain

At Iris Ceramica Group the organization of

procurement involves a central Purchasing Office based in Castellarano (Reggio Emilia, Italy) responsible for identifying suppliers and conducting negotiations for the most important goods and services at the Group level (Italy, Germany and the USA) and several internal operating points of contact that permit thorough monitoring. Purchases for normal factory operations for the German and US production units are carried out locally, except for raw materials, which are always centrally negotiated. The technical supervisors of the chemical laboratories are the internal operating points of contact for raw materials who test the materials and perform regular production controls.

The points of contact for plant systems are the technical plant system managers, whereas the internal contact personnel for other production-related purchasing are the plant managers and department or warehouse managers. Outsourced processing of special ceramics units is managed by specifically engaged personnel.

The Energy Manager takes part in negotiations and management of supply for the procurement of energy, an extremely important aspect of the ceramics industry's financial performance. In Germany and the USA, the managers of the international facilities participate directly, liaising with the Italian Energy Manager, in concert with the Group's management.

The raw materials item is related to consumables for processing ceramic tiles (abrasives) and packaging materials (wood, paper, cardboard, plastic and more). The company primarily does business with suppliers that offer a high level of recycling of their materials. When selecting suppliers, particular care is devoted to the possible use of secondary raw materials, i.e. those obtained by recycling primary raw materials (internally or externally), the





use of packaging materials also partially made from recycled materials, suppliers' initiatives relating to efficient energy use, the adoption of best practices for ensuring the safety of those involved in the process and respect for the environment.

The internal operating contact personnel for marketing type expenses are the heads of marketing of the affected sales divisions. Marketing expenses extend to a very large variety of arrangements: from marketing tools to set-up for fairs, the costs of organizing meetings and expositions in showrooms, with all the related services. The Group makes use of various types of third-party services, such as contract labor, particularly for tasks involving logistics, services and processing of finished products.

Leases and rentals relate primarily to machinery for the internal movement of materials and internal

vehicles. Long-term leases provide a certain degree of flexibility and allow for constant access to equipment always offered the latest comfort, safety and consumption.

4. Supplier questionnaire

Since the supply chain is one of the fundamental elements of our production process and hence our sustainability, Iris Ceramica Group has decided to launch a process of identifying and analyzing its supply chain from the standpoint of sustainability for a twofold purpose. First of all, to understand the level of reporting implemented by suppliers, because only a supply chain truly oriented towards sustainability allows all participants to be fully sustainable. The second goal is to have a clear notion of the supplier's level of knowledge of the sustainability activities promoted by ICG. This initial



analysis will make it possible to develop a process of greater knowledge and mutual encouragement in sustainability reporting practices.

More than 50 suppliers participated in a ten-question questionnaire focusing on the topic of mutual knowledge in sustainability reporting terms. The first figure that comes to light is that nearly one-half of suppliers have already implemented some form of sustainability reporting: environmental certifications, a sustainability report or other social certifications. In addition, half of those who answered that they had not implemented ESG reporting systems indicated that they intended to do so in the coming months. In addition, 60% of interviewees stated that they had a code of ethics or conduct that is updated every two or three years on average: a positive sign from a CSR standpoint. Turning to communication, it may be seen that only 30% of those monitored stated that they regularly informed stakeholders of the results achieved in sustainability terms: as for the communications tools used to circulate their results, more than one-half indicated websites and social media as their main vehicles.

The questionnaire also sought to verify suppliers' knowledge of ICG's reporting and sustainability activities. It was found that 40% of suppliers were aware of ICG's Sustainability Report and 30% were also familiar with the individual projects promoted by the company, with the best known being: Zero Emissions, Active, Pollution 2018, the Hybrid Room at Baggiovara Hospital and synergies with the humanitarian organizations Action Aid and Save the Children.

Particularly flattering were the views expressed of ICG with regard to the possible improvements that the organization ought to undertake to increase its sustainability: almost all interviewees emphasized the high level of sustainability that they perceived to exist in ICG's day-to-day activity.

This initial inquiry is a springboard towards increasingly greater involvement of stakeholders and the spread of activities and results achieved by ICG: a commitment that the company will continue to pursue in the coming months with ever increasing conviction.

2017

Categories	ITALY (€)	GERMANY (€)	USA (\$)
Finished products	665,891	-	6,897,806
Raw materials	39,100,811	7,786,942	13,922,078
Materials and parts	25,513,023	3,561,498	10,774,114
Energy	31,652,702	6,249,471	5,165,033
Maintenance	12,939,961	3,043,017	5,551,335
Leases and rentals	2,209,555	428,158	3,196,729
Freight	10,375,859	1,938,776	25,502,359
Services	18,613,488	1,146,434	13,991,386
Commissions	8,764,943	767,317	8,009,069
Marketing costs	20,912,573	1,713,168	5,813,567
Other	33,877,689	2,372,719	11,197,228
TOTAL	204,626,496	29,007,499	110,020,705

No. suppliers	3,234	933	1,019
of which, significant*	319	54	185
% sales	86%	73%	91%

2018

Categories	ITALY (€)	GERMANY (€)	USA (\$)
Finished products	428,461	-	1,605,395
Raw materials	41,827,623	8,057,829	12,377,541
Materials and parts	24,376,557	3,902,700	11,312,103
Energy	30,235,904	6,971,028	5,477,977
Maintenance	14,006,260	3,335,926	5,802,642
Leases and rentals	2,164,674	440,699	3,666,712
Freight	10,043,867	2,025,134	28,744,870
Services	18,421,755	1,224,842	14,570,004
Commissions	8,356,909	726,840	6,721,797
Marketing costs	19,792,222	2,023,406	6,825,293
Other	22,955,632	5,331,823	12,734,151
TOTAL	192,609,862	34,040,227	109,838,486

No. suppliers	3,193	953	1,066
of which, significant*	300	65	184
% sales	84%	77%	90%
no. approved suppliers**	96	25	55
Approved supplier sales	€ 59,193,875	€ 4,045,855	€ 25,181,099
% sales	31%	12%	23%



2019

Categories	ITALY (€)	GERMANY (€)	USA (\$)
Finished products	317,643	-	1,829,920
Raw materials	44,460,645	6,248,064	10,414,563
Materials and parts	27,557,576	3,150,316	9,654,150
Energy	24,531,635	6,237,428	4,679,933
Maintenance	15,358,605	2,812,278	4,407,882
Leases and rentals	2,406,185	484,450	4,218,118
Freight	9,862,082	1,790,428	23,355,791
Services	17,821,421	1,420,424	14,603,691
Commissions	8,831,344	721,206	5,029,505
Marketing costs	21,425,073	1,695,567	7,322,951
Other	20,786,440	5,696,141	9,164,722
TOTAL	193,358,649	30,256,302	94,681,226

No. suppliers	3,109	867	1,066
of which, significant*	309	53	166
% sales	85%	78%	87%
no. approved suppliers**	100	30	47
Approved supplier sales	€ 69,426,608	€ 6,245,026	€ 18,209,205
% sales	36%	21%	19%

*Significant suppliers = suppliers with sales > € 100,000 a year and agents with sales >€50,000 per year

Number of approved suppliers** = suppliers included in the list that we use for ISO 9001.

These figures do not include energy suppliers, even where including large, structured and internally certified suppliers.

SPENDING ON NEW SUPPLIERS ACQUIRED IN REPORTING YEAR

2017	ITALY	GERMANY	USA
No. new suppliers	630	194	200
Total spending on new suppliers	€ 7,378,300	€ 2,267,680	\$ 10,584,711
% of total purchases	4%	8%	10%
New suppliers, of which significant *	16	5	14
for sales of	€ 3,757,548	€ 1,219,973	\$ 8,757,462
% of new supplier sales	51%	54%	83%
Spending on new local suppliers	€ 5,296,306	€ 523,514	\$ 9,827,546

* spending of more than € 10,000 for year

2018	ITALY	GERMANY	USA
No. new suppliers	565	181	198
Total spending on new suppliers	€ 6,833,920	€ 1,226,916	\$ 5,136,920
% of total purchases	4%	4%	5%
New suppliers, of which significant *	10	4	13
for sales of	€ 4,249,689	€ 648,089	\$ 3,994,964
% of new supplier sales	62%	53%	78%
Spending on new local suppliers	€ 5,572,805	€ 616,725	\$ 3,575,222

* spending of more than € 10,000 for year

2019	ITALY	GERMANY	USA
No. new suppliers	572	163	241
Total spending on new suppliers	€ 8,803,273	€ 1,392,047	\$ 3,108,739
% of total purchases	5%	5%	3%
New suppliers, of which significant *	13	2	6
for sales of	€ 5,276,188	€ 1,016,800	\$ 1,669,022
% of new supplier sales	60%	73%	54%
Spending on new local suppliers	€ 6,919,022	€ 277,378	\$ 2,616,184

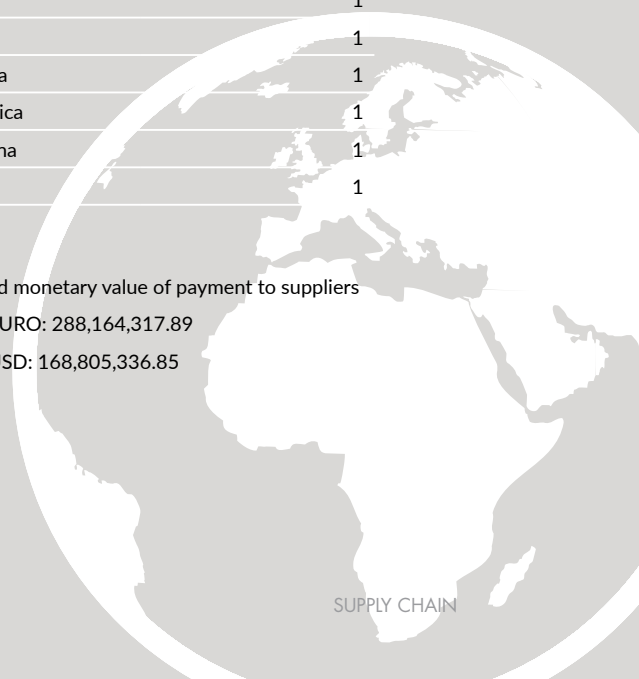
* spending of more than € 10,000 for year



SUPPLIERS BY GEOGRAPHICAL LOCATION

Country	number		
Italy	2830	Peru	3
USA	1037	Rep. of San Marino	3
Germany	633	Singapore	3
France	238	Slovakia	3
Switzerland	51	Australia	2
Austria	40	Brazil	2
United Kingdom (UK)	36	Cameroon	2
Poland	35	Georgia	2
Spain	27	Malta	2
Czech Republic	18	Qatar	2
Holland	16	Rep. of South Africa	2
UAE	16	Serbia	2
Belgium	15	Seychelles	2
Hong Kong	15	Taiwan	2
China	12	Tunisia	2
Croatia	11	Bahrain	2
Russian Federation	11	Reunion	2
Ukraine	11	Saudi Arabia	1
Mexico	10	Azerbaijan	1
Hungary	10	Belarus	1
Canada	8	Ivory Coast	1
Cyprus	8	Jordan	1
Romania	8	Maldives	1
Turkey	8	Monaco	1
Bulgaria	7	Montenegro	1
Ireland	7	New Zealand	1
Israel	7	Oman	1
India	6	French Polynesia	1
Slovenia	6	Portugal	1
Estonia	5	Nigeria	1
Japan	5	Togo	1
Greece	5	Iceland	1
Luxembourg	5	Libya	1
Sweden	5	Malaysia	1
Kuwait	4	Costa Rica	1
Latvia	4	Argentina	1
Lebanon	4	Macao	1
Norway	4		
Finland	4		
Denmark	3		
Lithuania	3		
Morocco	3		

Estimated monetary value of payment to suppliers
total in EURO: 288,164,317.89
total in USD: 168,805,336.85



THE ENVIRONMENT

IMPROVEMENT OF PROCESSES AND CUTTING-EDGE TECHNOLOGY

Taking the equation economy=ecology as our starting point, we have constantly traveled along the path of responsibility in pursuit of an economy that serves humankind, leading us to reach an important milestone: zero-impact production.

The zero-emissions challenge should be viewed within the framework of a constant attempt to minimize the environmental impact that our production processes have on the local community, society and the environment, through constant improvement of efficiency and cutting-edge technology, with the ambitious goal of identifying a sustainable development model inspired by the principles of the circular economy.

The Group's spheres of action in this area relate not only to atmospheric emissions, but also to the consumption of electricity, natural gas, water and waste production.

When it comes to the environmental sustainability of materials, it is essential to emphasize that the Group uses raw materials that are not at risk of being exhausted and adopts extraction plans for the recovery of quarries, choosing closed-circuit production systems, reusing scrap in the production cycle and producing eco-active materials that can truly improve the quality of life.

The Group requires that its production units choose supplies and goods used in production by privileging relationships with partners who share the same attention to the environment.

In the coming years, we are committed to constantly increasing our use of green energy

derived from renewable sources as we seek environmentally friendly production and contribute actively to protecting and preserving the environment in our communities.

The Group is finalizing an agreement with the provider Alperia, one of Italy's foremost producers of renewable energy, generated by its hydroelectric plants in the Alto Adige region.

The Group's production units have been applying energy savings solutions for years. For example, a photovoltaic system capable of generating 10MW is operational in Vetschau. The Group's Spanish company, Matimex, has installed a photovoltaic system that meets the needs of the new Spanish location with its 40kW generation capacity. In addition, all workstations are equipped with LED lighting to ensure that energy is used rationally, safely and sustainably.

The Group's policy includes an important measure that involves the habits of its personnel and company life. At its Italian facilities a project has already been launched to reduce the use of disposable plastic and ecological containers have been installed for waste sorting with elegant packaging dedicated to paper and plastic, intended to raise awareness among personnel of good daily actions to save the planet. To motivate all personnel to achieve this goal, the Group's CEO has left a message raising awareness of this issue in all offices.



CALCULATION OF THE REDUCTION OF PLASTIC CONSUMPTION ACHIEVED AT THE FIANDRE AND ARIOSTEA SITES

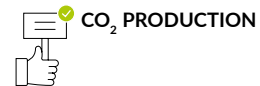
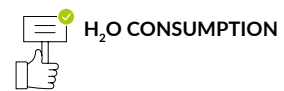
	4.1 g/each	Tot. g
Plastic cups	155,931	639,317
	1 g/each	Tot. g
Plastic scoops	155,931	155,931
	12.4 g/each	Tot. g
Plastic bottles	53,013	657,361
TOTAL		1,452,629

Plastic cups were replaced, already last year, with paper cups.

Plastic scoops have been replaced by biodegradable scoops.

As part of its pursuit of social responsibility and engagement regarding environmental protection issues, through its US subsidiary Stonepeak Ceramics, Iris Ceramica Group supports The Nature Conservancy, a non-profit organization

that for more than 60 years has dedicated itself to global environmental conservation of the natural environment, with a particular focus on protecting the waters of the oceans on which the planet's life depends.



ENERGY

The ceramic production process inevitably requires considerable energy consumption, since all machinery is powered by electricity and the kilns for firing porcelain stoneware likewise consume considerable amounts of methane gas; it is for these very reasons that all our investments in manufacturing are oriented towards reducing consumption to the fullest possible extent. The costs that we thus incur each year for constant innovation of our plants serve the twofold purpose of ensuring that we produce increasingly high-performing and aesthetically attractive products,

without neglecting the due attention to decreasing energy consumption in view of reducing the consequent environmental impact.

The preparation of the Sustainability Report is an opportunity to monitor and aggregate environmental data relating to the Group, thereby facilitating a process of analysis and inquiry also useful to planning activities to continue to reduce environmental impact further.

The main indicators are listed below: energy, in view of a reduction of the consequent environmental impact;

ENERGY CONSUMPTION

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)

	2017	2018	2019
Electrical power	748,947	733,084	696,390
Process gas	3,010,826	2,982,617	2,859,712
TOTAL	3,759,773	3,715,701	3,556,102

ENERGY INTENSITY RATIO

(GJ/m²)

	2017	2018	2019
Electrical power in joules (EEJ)	0.025	0.027	0.027
Natural gas in joules (NGJ)	0.105	0.111	0.113
TOTAL energy in joules (TEJ) = EEG + NGJ	0.131	0.138	0.140

* The types of energy included in the energy intensity ratio are electricity and natural gas. Other consumption either is not significant or has not been concluded in the calculations. Energy is consumed within the organization to produce finished products.

POLLUTANT EMISSIONS INTO THE ATMOSPHERE



In order to keep working environments healthy, the powder generated by processing is aspirated and passed through fabric bag filters that filter the air, trapping almost all powder content. The limited quantity that passes through the filters is monitored periodically to ensure that filter efficiency is

maintained. The firing of the material in furnaces also gives rise to additional pollutants, including SOV and NOx.

The following table presents the emission factors for these pollutants.

EMISSION FACTOR

	(g/m ³)		
	2017	2018	2019
Particulate matter	8.17	12.14	13.57
VOCs	1.95	2.16	1.78
Nitrogen oxide	3.85	3.98	4.10

DIRECT SCOPE 1 GHG EMISSIONS

	CO ₂		
	2017	2018	2019
Combustion	167,391	165,983	159,105
Process	2,888	2,708	4,279
TOTAL	170,279	168,691	163,384

INDIRECT EMISSIONS – SCOPE 2

		2017	2018	2019
Location based (LB)	CO ₂ (t)	1,749	1,664	1,664
	g CO ₂ /kWh	1,204	1,147	1,147
	t	76,347	71,134	67,233
		2017	2018	2019
Market based (MB)	CO ₂ (t)	1,624	1,207	1,200
	g CO ₂ /kWh	1,082	800	793
	t	79,828	66,681	62,658

Emissions due to the combustion of natural gas and process sources due to coal in mixes have been used in the calculations.

Combustion has been calculated on the basis of the 2016 Italian national standard parameters table UNFCCC (revised calculation for the EU ETS declaration). Natural gas consumption x the emission factor were taken as a reference.

For the process, we present the revised calculation for the EU ETS declaration for fired mixes, calculated on the percentage of coal mixes per ton of fired mixes.

The emissions consolidation approach was based on 100% operational control.

EMISSIONS INTENSITY

	kgCO ₂ /m ²		
	2017	2018	2019
Direct – scope 1	5.92	6.24	6.41
Ind. – scope 2 MB	2.88	2.56	2.60
TOTAL	8.8	8.8	9.01

The calculation was performed on square meter of finished material. The GHG emission types included in the emissions ratio are direct (scope 1) and indirect (scope 2). The gas included in the calculation is CO₂.

WASTE

The amount of waste generated by production activity is minimized by adopting specific recovery procedures. Waste is transferred to organizations authorized to engage in waste recovery or disposal activity in accordance with applicable legislation. Most such waste relates to the processing of unfired and fired materials and is recovered, above all at Group plants authorized to do so. Smaller amounts relate to the use of wood, plastic and paper packaging, which is sorted for collection.

Finally, other waste is produced by routine and non-routine maintenance (ferrous materials, oils and fats, electrical and electronic waste, demolition waste, etc.), including some of these of a special nature. In the following table, the amount of waste generated by the Group is divided into hazardous (H) and non-hazardous (NH) and broken down by type of disposal (recovery, dump and separate collection of paper, plastic and wood).



	2017		2018		2019	
	H (Kg/m ²)	NH (Kg/m ²)	H (Kg/m ²)	NH (Kg/m ²)	H (Kg/m ²)	NH (Kg/m ²)
Sorted collection	0	0.059	0	0.075	0	0.066
Recovery	0.002	2.190	0.003	2.594	0.003	2.493
Disposal	0.013	0.357	0.015	0.332	0.013	0.173
of which, in dumps	0	0.345	0	0.319	0.001	0.161

The virtuous choice of GranitiFiandre Spa to use Aliplast packaging

GranitiFiandre has chosen to use flexible polyethylene packaging subject to the autonomous management system PARI (Plan for Autonomous Management of Packaging Waste) promoted by the manufacturer Aliplast (www.aliplastspa.com) and recognized by Italy's Ministry of the Environment. These packages are produced using up to 90% recycled plastic derived from regeneration processes. According to the LCA (Life Cycle Assessment) analysis conducted by this same manufacturer, in 2019 GranitiFiandre purchased a total of 170,832 tons of Aliplast LDPE packaging, with a CO2 equivalent savings of 300,664 tons (1.76 kg of CO2 per kg of Aliplast film, compared to analogous production using virgin polymers).

identifying mark, also offers the end users opportunities to contact the manufacturer directly to organize collection and disposal.

GranitiFiandre itself entrusted disposal of flexible LDPE packaging waste at its facilities to the Aliplast group, which in 2019 collected and recycled 121,510 tons of packaging waste. The CO2 savings achieved by using recycled polymers rather than producing virgin polymers amounts to 2.03 kg of CO2 per kg of Aliplast LDPE granules, for an emissions savings of 244,635 tons.

The use of PARI packaging, which bears a special



Membership in the Interseroh consortium

In pursuit of a circular economy and proper disposal of packaging waste, with particular regard to the pallets on which our products are transported in Germany, for years we have been a member of the Interseroh consortium, an organization that designs intelligent, integrated solutions for improving company sustainability performance for the benefit of the environment, the economy and society as a whole. Europallet management is a virtuous


process that we have implemented in one of the most important links of our supply chain: the supply of our finished products, with direct benefits for our distributors, who when they return the pallets to the consortium – in addition to knowing that they are taking virtuous action in support of true sustainability – improve their company performance through a choice that also has the reduction of disposal costs as a further benefit.

WATER

The use of water is indispensable to the process of wet-grinding of raw materials, for surface polish finishing of porcelain stoneware tiles and for washing out equipment. The water required for the production process is drawn from wells (aquifers) and from a dedicated aqueduct (non-potable water drawn from a surface water course treated by the water service provider to render it suitable for industrial use). The Group carefully pursues circular water recovery: after being thoroughly purified, water is reused, until it is blended into mixes during

the grinding phase.

At facilities where tile surface finishing is not performed, there is no industrial water discharge, whereas in places where such work is performed some of the water is first treated in purification systems and then discharged into surface water courses. The following table shows the amount of water withdrawn and discharged for production purposes and the amount of solid waste included in such discharges.



	Water withdrawn (l/m ²)	Water discharged (l/m ²)	Solid material discharged (g/m ²)
2017	26.3	3.5	0.04
2018	26.9	4.3	0.12
2019	30.5	5.2	0.08



OUR PEOPLE

HUMAN RESOURCES: DRIVING INNOVATION

A company's success depends on its reputation, i.e. people's perception of its products and brands, which is a consequence of its history, communication and public relations activity. People are what drive the Group's innovation: they are what we should be focusing on and investing in, thus generating economic and social value.

Iris Ceramica Group's human resource management policies have historically been focused on strengthening the bond with its personnel through collective and individual remuneration policies that place it at the highest levels of attractiveness in the ceramics district, and on making the most of the talented individuals who find an opportunity for growth in the process of technological and organizational renewal.

Relations with labor unions have always been shaped by openness to dialog, transparency and constructive criticism, in addition to respect for roles and particular aims. The experience and limited turnover that characterize Iris Ceramica Group's personnel are the direct consequence of

the perception of a workplace that is favorable to meeting the needs of its associates of an environment of continuity, a focus on the future, the recognizability of its values and the possibility of developing autonomy and professionalism. For Iris Ceramica Group, respect for the fundamental rights of humankind forms the bedrock of the Group's values, its way of operating and doing business and its relations with its personnel, suppliers and other stakeholders. All Group companies adopt measures, in some cases also of a formal nature, to combat discriminatory practices and exploitation of forced labor. The supply chain of Stonepeak Ceramics is almost entirely based in the USA or Canada – countries where attention to safety and human rights issues is ensured by severe local legislation. The many companies operating in Europe use European suppliers that, in addition to complying with stringent European Union legislation, are subject to regular inspections.



2017				
	TOTAL EMPLOYEES DIRECT	M	F	TEMPORARY WORKERS, CONTRACTORS, AND AGENCY WORKERS
GranitiFiandre spa	908	654	254	42
Studio Secon srl	1	0	1	10
Technoriunite srl	8	5	3	0
Consorzio Sicurezza srl	18	18	0	4
Stonepeak Ceramics ltd	279	186	93	65
Porcelaingres gmbh	222	186	36	10
GROUP TOTAL	1436	1049	387	131

2018				
	TOTAL DIRECT EMPLOYEES	M	F	TEMPORARY WORKERS, CONTRACTORS, AND AGENCY WORKERS
GranitiFiandre spa	879	623	256	65
Studio Secon srl	1	0	1	0
Technoriunite srl	8	5	3	0
Consorzio Sicurezza srl	17	17	0	4
Stonepeak Ceramics ltd	344	251	93	87
Porcelaingres gmbh	228	190	38	21
GROUP TOTAL	1477	1086	391	177

2019				
	TOTAL DIRECT EMPLOYEES	M	F	TEMPORARY WORKERS, CONTRACTORS, AND AGENCY WORKERS
GranitiFiandre spa	828	599	229	0
Studio Secon srl	1	0	1	0
Technoriunite srl	7	4	3	0
Consorzio Sicurezza srl	22	19	3	0
Stonepeak Ceramics ltd	498	338	160	12
Porcelaingres gmbh	222	190	32	10
GROUP TOTAL	1578	1150	428	22

2017

	GranitiFiandre Spa				Porcelaingres		Stonepeak		Consorzio Sicurezza		Technoriunite		Studio Secon	
New hires														
	Italy		On secondment		Germany		USA		Italy		Italy		Italy	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
<30	2	11			2	1	55	150					1	1
from 30 to 50 years of age	2	13	2	1	2					2				
>50		1		1						1				
Decommissioned														
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
<30	1	3					28	81						
from 30 to 50 years of age	1	8		1		1				2				
>50		15				1								1

M = male; F = female

Leave	GranitiFiandre		Porcelaingres		Stonepeak	
	Male	Female	Male	Female	Male	Female
Total employees entitled to parental leave	654	254	23	19	184	93
Employees who have taken parental leave	5	6	2	2	3	3
Employees who have returned to work after parental leave	2	4	2	2	3	3
Employees who have returned to work after parental leave and were still employed twelve months after the period of leave	4	5	2	2	3	3
Rate of return to work of employees who have taken parental leave	80%	83%	100%	100%	100%	100%

2018

	GranitiFiandre Spa				Porcelaingres		Stonepeak		Consorzio Sicurezza		Technoriunite		Studio Secon	
New hires														
	Italy		On secondment		Germany		USA		Italy		Italy		Italy	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
<30	4	8					78	170						
from 30 to 50 years of age	4	10	1	1		2								
>50	1	1			1					1				
Decommissioned														
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
<30	1	4					32	137						1
from 30 to 50 years of age	4	12		1		3				2				
>50	8	32												

M = male; F = female

Leave	GranitiFiandre		Porcelaingres		Stonepeak	
	Male	Female	Male	Female	Male	Female
Total employees entitled to parental leave	623	256	29	26	234	110
Employees who have taken parental leave	12	6	2	2	5	1
Employees who have returned to work after parental leave	11	6	2	2	5	1
Employees who have returned to work after parental leave and were still employed twelve months after the period of leave	11	6	2	2	5	1
Rate of return to work of employees who have taken parental leave	92%	100%	100%	100%	100%	100%



2019

	GranitiFiandre Spa		Porcelaingres		Stonepeak		Consorzio Sicurezza		Technoriunite		Studio Secon		Iris Uk	
New hires														
	Italy		On second-ment		Germany		USA		Italy		Italy		Italy	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
<30	9	21		1	1	1	32	17	3		1			1
from 30 to 50 years of age	5	34	1	1	1		11	30						
>50	0	7					4	9						
Decommisioned														
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
<30	1	2				2	16	39						
from 30 to 50 years of age	4	8	1	1		1	17	42						
>50	9	36					3	11						

M = male; F = female

Leave	GranitiFiandre		Porcelaingres		Stonepeak		Consorzio Sicurezza	
	Male	Female	Male	Female	Male	Female	Male	Female
Total employees entitled to parental leave	622	236	27	25	388	160	1	
Employees who have taken parental leave	11	2	1	1	11	5		
Employees who have returned to work after parental leave	9	2	1	1	11	5		
Employees who have returned to work after parental leave and still on the payroll after twelve months from the leave period	9	2	4	4	11	5		
Rate of return to work of employees who have taken parental leave	82%	100%	100%	100%	100%	100%		



THE CENTER FOR THE DEVELOPMENT OF HUMAN CAPITAL

Human capital is the form of income that is most valuable to the Group's growth and success.

Investing in people, talent and knowledge is the key to tackling present and future challenges together with a community that shares the same values and goals.

Market scenarios require the Group to commit to commercial and technological challenges that necessitate constant refreshment of skills and management of internal human resource training consistent with the Group's business objectives and strategic vision to create a consolidated body of expertise and experience. Within this framework, professional, managerial and technical training will have an increasingly fundamental role to play in realizing individuals' full potential, in order to ensure that their skills always keep pace with the scenarios imposed on us by international markets and that product quality continues to improve.

The training provided by the various Group

companies differs depending on the specific activities performed by the target populations.

The main courses currently fall into the following categories:

- quality: training initiatives designed to equip personnel with the skills they need to achieve, maintain and improve the quality standards set at the Group level;
- health and safety: training initiatives designed to optimize the workplace safety management system and in particular to ensure that all necessary measures are taken to protect the health and safety of all workers, whatever the role they perform within the company;
- technical and professional: this includes training initiatives designed to provide and refresh technical, professional and/or general cultural skills.

HOURS OF TRAINING

	2017	2018	2019
GROUP TOTAL	hours of training	hours of training	hours of training
Managers	322	335	1024
Other roles	5,673	6,703	7513
Total	5,995	7,038	8,537



NEGOTIATION & EMPOWERMENT

by Arik Strulovitz, Scientific Director of the International School of Negotiation and part of a team of negotiators specialized in crisis, high risk and emergency negotiations.

The course is designed to provide a valuable opportunity to learn the principles, techniques and methodologies for the professional management of negotiations at all levels and under any circumstance.

LET'S RELAX TOGETHER

by Annalisa Ricchetti, life coach and naturopath.

The course is designed to increase the emotional and communicational awareness of the Group's customer service team. Proper breathing to perform activities well and improve stress-related issues, balance and voice modulation to communicate effectively and convey positive emotions: these are all essential tools to achieve energy and well-being on a personal level and maintain good relationships.

PEOPLE MANAGEMENT

by Samantha Gamberini, consultant and trainer.

Aimed at factory managers, process managers and shift managers of the Iris Ceramica Group, the course aims to provide them with the tools they need to develop collaboration with their teams. Knowing that individuals are the decisive factor for the success of a company, it is essential to assess how they behave and to gain insight into the operation, dynamics and defining aspects of the work team.

SKILL MAP

Preparation of the employee skill map requires the completion of questionnaires on the professional skills and work aptitudes with regard to the period of service with the company. Account is also taken of training received with previous employees, degrees obtained and any certification to perform specific duties issued by training organizations. This

map is periodically updated and permits immediate identification of the current and potentially necessary positions in a broad Group scenario.

INDIVIDUAL WELFARE AND DEVELOPMENT

Iris Ceramica Group pursues the progress and advancement of its community of employees and their families through company welfare activities in line with its sustainability strategy and long-term goals.

We help people realize their potential through a generative welfare paradigm that makes it possible to train active, responsible personnel and establish a collaborative relationship of mutual aid. We establish an alliance with our associates that enhances their sense of loyalty towards the Group and increases their level of productivity as we improve constantly as a Group, as professionals and as individuals. At once a challenge and an opportunity, above all from the company's strategic perspective, in terms of innovation and creation of value both within its organization and

in the community in which it operates, with that consequences cascade down to society as a whole.

The Academy's training courses are designed to provide a personal professional growth tool for our people and create a consolidated body of expertise and experience.

The Academy kicked off the first sessions dedicated to leadership skills for production managers, factory managers and R&D laboratory directors, in addition to negotiation, empowerment and emotional intelligence skills for the Group's customer service personnel.

Family Day is an event with strong social value and an opportunity for sharing and socialization amongst our personnel, their families and companies.

HEALTH AND SAFETY

THE COVID-19 HEALTH EMERGENCY

On March 11, 2020 the World Health Organization declared a global pandemic due to the spread of a dangerous coronavirus designated Covid-19. The Group immediately took note of the severity of the situation and activated the anti-contagion security protocol prescribed by the various governments of the countries in which its production, administrative and commercial sites are located, focusing on protection of individual health as its priority. All employees were then provided essential personal protective equipment and production and shipping lines were arranged so that the minimum distance between workers of at least one meter could be observed. In addition, all entrances to plants and offices were equipped with heat scanners to measure body temperature as required by the Presidential Decree of March 11

and subsequent decrees and the safety protocol signed by the government in agreement with entrepreneurs and unions. Since the production lines of the Group's facilities already were not labor-intensive under normal operating conditions, there was no need to stop production, given that individual employees enjoy very ample spaces and the nature of production activity does not require teamwork.

At offices, beginning on March 9 employees were allowed to choose whether to work remotely or take paid vacation time for family and personal needs. Since it was able to guarantee that it could protect health, in Italy the Group applied for and was granted, by the prefectures of Modena and Reggio Emilia, in agreement with company and provincial union representatives, permission to continue production and shipping activity, also in



view of the extensive existing order backlog, which included material to be used in the construction of health facilities for the Covid-19 emergency. In Germany the production facility was not forced to observe any sort of closure since the different situation in Brandenburg and the consequence directives from the local and central Germany authorities, who did not impose a general

lockdown.

Finally, in the US, where the rules were established by the individual counties, the Crossville facility did not have a forced closure due to the local health situation, which was not cause for concern, and the resulting instructions given by the County and the State of Tennessee.

The Group has identified the improvement of its performance in terms of health and safety in the workplace as an essential requirement within the framework of its company policies and to compete on the market. To ensure that the business develops in keeping with the goal of preventing risks to workplace health and safety, the management

has decided to prepare and continue to develop a Workplace Health and Safety Management System compliant with the requirements of the OHSAS 18001:2007 standard.

Within this framework

a) the management defines the organization's workplace health and safety principles and guidelines, formalizing them in the document "Group Company Worker Health and Safety, Environment, Quality and Energy Policy";

b) the management's representative is tasked with designing and defining a Workplace Health and Safety Management System consistent with the requirements of the BS OHSAS 18001:2007 standard and for ensuring that the rules are applied and kept in force;

c) function heads are responsible for verifying that their areas operate in accordance with the contents of the Manual and the relevant procedures;

d) the company health and safety policy is periodically revised to ensure that it is always relevant and appropriate to the nature and scope of the risks to workers' health and safety in the workplace;

e) The Workplace Health and Safety Management System Manual and the related procedures are consulted to ensure that the management system is functioning properly and are an expression of workplace health and safety policy as defined by the management. The Manual applies to all activities carried out by the Group, including the site planning and supervision process.

The various company organizations therefore drafted a series of documents describing the specific activities that influenced the company's performance in this area. The adoption of a Management System commits the Group to constant improvement of its performance in this area through:

- the identification of all dangers relating to processes, operational and organizational activities and hazardous substances and preparations used;
- the definition of its own workplace health and safety policy and goals and milestones consistent with this policy;
- the creation of plans for achieving these goals and the identification of the most appropriate methods of managing such plans;
- the assessment of the risks associated with such dangers for all workers and potentially exposed persons (contract workers, third-party employees and occasional visitors);
- the identification of the legal prescriptions and regulations applicable to the company;
- the implementation of adequate monitoring, verification and inspection activities;
- the periodic review and ongoing improvement of the system;
- the preparation of appropriate internal and external channels of communication.

The Group's goal is to spread the general principles of the functioning of the Workplace Health and Safety Management System through:

- the circulation of the Policy to all levels of the Organization and the affected individuals;
- the definition of goals and milestones documented in programs indicating the means and resources required to achieve them;
- the definition of the responsibilities and the structure of the Management System;
- training and outreach for all personnel, particularly those with duties that may bear on workplace health and safety;
- activation of adequate internal and external communications channels;
- operational oversight of processes and activities associated with worker health and safety risks;
- the preparation for and response to emergencies, through the definition of procedures for preventing and mitigating the impact of potential accidents and emergency situations;
- the supervision and systematic measurement of the main characteristics of the activities and operations that may have an impact on worker health and safety, recording information that can be used to monitor the course of operational and performance oversight;
- the periodic assessment of compliance with applicable laws and regulations;
- the analysis of possible accidents and near accidents to prevent the causes of such accidents;
- the performance of audits to ensure that it is applied.

OCCUPATIONAL HEALTH SERVICES

The Group promotes medical service in the workplace and defines the relationship between the company physician and company personnel in

a way that ensures appropriate medical supervision of workers for preventative purposes.



IDENTIFICATION OF DANGERS AND ASSESSMENT OF RISKS

There is a document within the Organization that lays out the procedure, criteria and methods for identifying dangers and assessing and monitoring workplace safety and health risks in accordance with applicable legislation. This procedure applies to all sectors of Company activity, and in general to all workplaces where Company employees render service.

Identification and designation of the individuals involved in workplace health and safety management:

The document lays out the criteria and methods for identifying and appointing individuals occupying positions of responsibility for workplace safety and hygiene and the ensuing notification of the persons

in question of the responsibilities attributed to them in accordance with applicable legislation.

Management of accidents and injuries

Iris Ceramica Group has designed a procedure that is intended:

- to identify, assess and record potential and actual accident events with consequences affecting individuals, property and the environment;
- to define methods and responsibilities for managing accidents, near accidents and injuries;
- to define any improvements to be undertaken in order to reduce the probability of occurrence or severity of the consequences of accidents, near accidents and injuries.

WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION REGARDING ENVIRONMENTAL SAFETY, HEALTH AND MANAGEMENT

In specific documents, the Group describes the methods of receiving, recording and responding to observations both internally and externally to the company regarding its environmental, energy and workplace health and safety management, and for circulating to the affected individuals the relevant information regarding environmental impact and energy efficiency, together with information regarding the dangers and risks to health and safety posed by its activities, facilities and plants. This documentation is also intended to define the methods of participation and consultation of workers and their representatives with regard to

matters relating to workplace health and safety and energy conservation issues. Communication with workers takes place in accordance with the prescriptions of the following documents:

UNI EN ISO 9001 par. 7.4 "Communication"

UNI EN ISO 14001 par. 7.4 "Communication".

BS OHSAS 18001 par. 4.4.3 "Communication, participation and consultation".

UNI EN ISO 50001- par. 4.5.3 "Communication".



MANY LOCATIONS, ONE COMMUNITY

The assumption of social responsibility is an investment that can contribute to the enterprise's competitiveness and development. In today's globalized society, the challenge lies not merely in the ability to produce quality goods and services at competitive prices. Rather, intangible assets such as reputation and social and environmental commitment have become increasingly important due to their capacity to add value because of their wealth of content and ability to reinforce the Group's character.

Iris Ceramica Group has chosen to support its growth strategy with a strong, unwavering commitment to creating value for all of society. This choice stems from the deep-seated conviction that all companies have an important role to

play in society and cannot shirk the duty – and pleasure – of contributing to its development and success. Each year, this profoundly intimate relationship translates into support for projects and activities that the Group regards as important and strategic through grants, which in 2019 totaled approximately 457,771.7 euro.

For such a complex Group, the relevant community, and thus the various internal and external stakeholders, are necessarily varied: the commitment must be to focus on the values of the local community, supporting its cultural and social activities, but also on the promotion of training events for stakeholders and active support for solidarity actions to protect the weakest groups.



THE COMMUNITY

Investing in a community breathes life into the local economy, swelling its pride and strengthening its traditions. Iris Ceramica Group has always focused on supporting the promotion of its local area and

the wellbeing of local communities through a way of doing business with a focus on people and improving their quality of life.

"COMMUNITY AMBASSADOR"



In 2018 Iris Ceramica Group was awarded the prestigious title of "Community Ambassador" for the Emilia Romagna region as part of the project "100 Mete d'Italia", which recognizes companies

with a virtuous effect on Italy and the community. A prestigious title reserved for companies representative of each region of Italy, set apart by their active contributions to encouraging the development and cohesion of the community by developing an original, authentic view of the future, without losing touch with the roots of their local areas.

Federica Minozzi's appointment as "Community Ambassador" confirms the goals promoted by the Italian holding company, which has been exporting the fine products that the region and the rest of the country has to offer to the world for more than 50 years. The award is gratifying recognition for a history of sound business, a quality product range and responsible, sustainable production capable of creating value for the company and community.

SPONSOR OF "CERTAMEN CAROLINUM FRANCESCA MELETTI"

To highlight and support the deepening ties between culture and business, Iris Ceramica Group participated in the sponsorship of the 22nd edition of Certamen Carolinum Francesca Meletti, a Greek and Latin translation contest promoted by the classical secondary school Muratori San Carlo of Modena, in which over 300 secondary school students from Modena, Vignola, Mirandola, Bologna and Parma participated. The initiative received support from the Municipality and Province of Modena, the AICC

(Italian Classical Culture Association), Modena delegation, and the Modena Committee of the Dante Alighieri Society and seeks to encourage the study of classical languages and culture in contemporary society, promote experiences of excellence among students from schools in different regions in view of a positive challenge in the spirit of healthy competition and enhance awareness of identity through an active cultural role at a high level within Europe.



GLORIA IN EXCELSIS NATIVITY SCENE

In 2019 we continued to lend our support to the association Modenamoremio, committed to developing Modena's city center, already characterized by a significant artistic and cultural heritage, by turning it into a place of gathering and exchange of life experiences, also made possible

by a calendar with a wealth of events put on by the association each year. During this event, we support the set-up of the papier mache nativity scene entitled Gloria in Excelsis at the Chiesa del Voto on via Emilia Centro in Modena.



FERMI SCHOOL - TURIN

The idea of new Italian school began in Turin with the project "Turin Teaches" by the Agnelli Foundation and Compagni di San Paolo. Thanks to an unprecedented public-private partnership, two public middle schools were renovated and inaugurated in academic year 2019-2020. Iris

Ceramica Group collaborated in completing the BDR Bureau project for the Enrico Fermi School, supplying 2,000 square meters of ceramic tiles treated with Active Surfaces photocatalytic antibacterial technology.

THE THEATER IS IN FASHION

In 2019, Iris Ceramica Group supported "The Theater is in Fashion", a show that celebrates art, crafts and local community, set up in the magnificent halls of the Collegio San Carlo

Foundation in Modena, dedicated to the refined sartorial creations of the master craftsmen of Luciano Pavarotti Municipal Theater of Modena and the sets created for numerous Italian theaters.

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Fair Values
di CBM Italia Onlus

I migliori brand di moda, design e beauty
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venerdì, 29 novembre

ore 18,00 apertura boutique
 ore 19,00 Show cooking dello chef stellato Davide Oldani
 CASA LAGO - via S. Tomaso, 6 Milano

RSVP
 La invitiamo a confermare la sua presenza
 entro lunedì 11 novembre a azienda@cbmitalia.org.
 Per partecipare allo show cooking la donazione minima
 consigliata è di € 40,00

special thanks to

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 DO

**FAIR VALUES - THE CHRISTMAS BOUTIQUE
 OF CMB ITALIA ONLUS**

Great success was achieved by the Fair Values Christmas Edition initiative, promoted by CBM Italia Onlus during the 2019 Christmas holidays, with the participation of numerous design, fashion, art and beauty companies. Iris Ceramica Group donated various furnishings for a charity sale the proceeds of which supported the campaign "Let's Stop Blindness: Together It's Possible."



HEALTH

The Group has supported, and continues to support, many health initiatives of excellence, out of an awareness that the sector requires considerable investments for cutting-edge spaces,

research and training for healthcare personnel, but also for those who design the facilities and technical equipment.

LEVEL-TWO MASTER'S DEGREE PROGRAM IN PLANNING, PROGRAMMING AND DESIGN OF HOSPITAL AND SOCIAL HEALTHCARE SYSTEMS

In 2017-2019 the Group funded the level-two master's degree program in Planning, Programming and Design of Hospital and Social Healthcare Systems offered by Politecnico di Milano.

The program is designed to complete the education of those who within healthcare facilities or in their professional lives face hygiene-related

problems tied to the planning, implementation and management of hospital facilities. Accordingly, it is therefore intended for those responsible in various capacities for part or all of the construction process, from designing the project to closing the worksite, determining requirements for use and during use and conversion and restructuring projects.

ANWI ITALIA

Iris Ceramica Group sponsored several scholarships for study at the Department of Neuroscience, Biomedicine and Movement of the Faculty of Medicine of the University of Verona, in the

refresher training and specialization course for instructors of the Nordic Walking Italy Association (ANWI).

HYBRID ROOM AT BAGGIOVARA CIVIL HOSPITAL

The business and medical communities work together to hand down a better future to society. In 2018 Iris Ceramica Group became involved in providing decisive support for the construction of the Hybrid Room at Baggiovara Civil Hospital (Modena).

This ambitious project involved building a cutting-edge operating theater equipped with next-generation radiology systems, including a

high-power digital angio suite. A noble goal that looks to the future and a new concept of wellbeing by improving healthcare, prevention and medical treatment in the catchment area of the province of Modena and beyond.

The ability to perform surgical procedures with real-time support from highly efficient diagnostic devices revolutionizes the care system by making it possible to act immediately, precisely and safely.



INNOVATION

Innovation is key to the Group's identity, bearing witness to the creation of production solutions and a touchstone for the organization's processes. The Group promotes projects in support of knowledge transfer, particularly at the advanced university and academic level, which functions as both a crucible and the glue that holds the very fabric of society together. The field in which Iris Ceramica Group is most active is that of design and creativity, where

"design" refers to a discipline that contributes to the creation of project culture and "creativity" also means the ability to innovate in company processes.

CO-CREATION

In October 2018 Iris Ceramica Group played a leading role in a meeting held at IUSVE (the Salesian University Institute of Venice) in Verona entitled "Co-creation" and intended for the architecture and interior design departments of Italian universities. The discussion began with an undergraduate

thesis entitled "Interior Design Institutes Ranking", looking at academic interior design programs in Italy with the intention of spurring dialog between educational institutions and the business community in order to drive increasingly profitable collaboration.



ICONIC AWARDS 2019 FOR MAGNETO

Innovative Architecture, promoted by the German Design Council, is the first independent international competition dedicated to architecture and design that examines the interaction between various disciplines tied to the design world. Fiandre's Magneto collection was recognized in two categories, receiving the "Winner" award in the "INNOVATIVE ARCHITECTURE" category and the "Selection" award in the "INNOVATIVE MATERIAL" category. Two awards that are proof of not only the aesthetic value of this collection with its seductive hybrid cement-metal effect, but also of the extraordinary technical performances and adaptability that make Magneto a surface that can be used in all types of architectural projects.



CKA GOLD AWARD AT CICPE, CHINA FOR UNI PEPPER MAXIMUM

During CICPE 2019 - China International Ceramic & Bathroom Products Exhibition, which draws the main players in the bathroom furnishings and interior ceramic finishing sector, a contest known as the Gold Award was held, resulting in the award to the Uni.Pepper surface of the China Ceramic King Award (CKA) in the category "large ceramic slabs".

THE AD GREAT BATHS DESIGN AWARD FOR AZUL MACAUBAS

In the United States, the Azul Macaubas surface was named the winner of the 2019 edition of the

AD Great Baths Design Awards contest.

ARCHITECTURAL DIGEST - GREAT DESIGN AWARDS

The annual celebration of the "AD Great Design Awards" identifies and elects the best design products from among 150 articles scrupulously analyzed and selected during the year. For the 2019 edition, AD's editors scoured the world in search of

the most stunning new design creations, and after listening to the advice of various sector experts they decided to award Fiandre's Azul Macaubas product.

ARCHITECT'S NEWSPAPER - BEST OF PRODUCTS AWARDS

After a long, profound reflection, the jury selected by Architect's Newspaper named the winners from among the over 500 candidates in the edition, an all-time participation record, in 18 award categories, including construction materials,

furnishings, finishings, kitchens, bathrooms and more. Fiandre received the "Best of Products Award - Editors' Picks" for its Soft Onyx products in the category "Finishings and Interior Surfaces".

NYCXDESIGN AWARDS - AWARD IN THE SHOWROOM PROJECT CATEGORY

The winners of the award were announced by Interior Design Magazine and ICFF during the fourth edition of NYCXDESIGN Awards held during NYCXDESIGN, the global design showcase held in New York. The award celebrates top talent in the

main fields of design such as architecture, interior design, furnishings and lighting. The group's New York showroom received the "Best Showroom" award.



TRAINING

Iris Ceramica Group believes that present and future wealth lies in human capital. This is why we devote great efforts to promoting and supporting training in all its forms, providing the community with access to the most advanced technologies,

consolidated relationships with market leaders and the most interesting research.

NON-SUPERFICIAL SURFACES: HOW EXTERIORS ARE DESIGNED IN CONTEMPORARY CITIES

The Naples showroom hosted “Non-Superficial Surfaces: How Exteriors are Designed in Contemporary Cities”, an exploration of the main technical solutions adopted in the most recent

projects carried out by the Dutch firm MVRDV and illustration of the design characteristics of the vertical surfaces created by our Granitech division.

ENVIRONMENT AND SUSTAINABILITY, FROM QUARRY TO FACTORY

Environment and Sustainability, from Quarry to Factory is the event hosted by the Ariostea showroom in Carrara, which allowed professionals

to visit the famous marble quarries and learn more about the company’s commitment to developing sustainability ceramic solutions.

EIGHTH EDITION OF THE NEXT LANDMARK 2019 CONTEST ENTITLED “POLLUTION 2019: ARCHITECTURE FOR A SUSTAINABLE FUTURE”.

In 2019 Floornature – the architecture and design portal published by Iris Ceramica Group – promoted the eighth edition of the international contest

dedicated to architects and designers, this year under the title “Pollution 2019: Architecture for a Sustainable Future”.

LECTURE BY JAN KNIKKER

In late 2019, a class of students at YACademy participated in the lecture by Jan Knikker, partner and Business Development Manager of the Dutch

firm MVRDV, hosted in the renovated premises of Ariostea’s institutional showroom

**SAVE THE CHILDREN
LIGHTING THE FUTURE**

In a world that is seeing a dramatic increase in inequality, the pursuit of solidarity can be viewed as an advanced form of redistribution of resources to the weakest.

Where there is conflict, poverty and other distressing situations, it is the children who are

most affected by the adverse consequences. This is why Iris Ceramica Group decided to support, through its Foundation, the "Lighting the Future" project organized by Save the Children Italy, to support education and combat poverty.

The goal of this initiative is to restore abandoned



public spaces – particularly common in the most disadvantaged areas of our cities – to children. In such areas, Save the Children creates "Punti Luce", new spaces dedicated to families and children, who benefit from support for their studies, art and music workshops, access to new technologies and educational, pediatric and legal advice.



CULTURE

Today's companies have a real responsibility to spread culture through constant innovation; an advanced form of business patronage in support of the search for and development of new talent that provides measurable returns in terms of social prestige and mortal growth. Culture is one of the

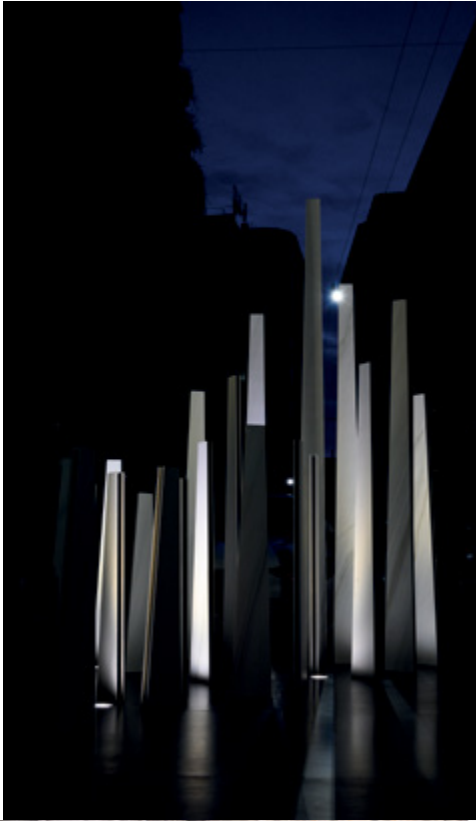
founding values of the mission pursued by Iris Ceramica Group, which has embraced its various aspects and supports it with deep dedication.



TECHNICAL SPONSOR OF THE ITALIAN PAVILION AT THE BIENNALE DI VENEZIA

In 2018 Iris Ceramica Group partnered in setting up the Italy Pavilion designed by Mario Cucinella at the 16th International Venice Biennale of Architecture. Archipelago Italy, Projects for the future of the country's interior territories, was the title given to the Italy Pavilion, devoted to the urban space that runs down Italy's backbone, and, more specifically, five specific areas of intervention that become tangible symbols of the revitalization of communities within the country. The ultimate goal is to devise a possible future approach that ensures dialog between architecture and landscape, reflecting on the role of discipline in the process of urban redevelopment. At the Biennale, special attention has always been devoted to reflections that transversally embrace various issues of a social, ethical and environmental nature, proposing unprecedented scenarios that explore the foundations of design. It was in this intrinsic spirit

of the Venetian event and the reflection suggested that Iris Ceramica Group decided to support the initiative, recognizing the common intentions shared by the company and Mr. Cucinella's architectural research. Iris Ceramica Group, which has always made a priority and a focus of the production of vital works of culture, has embraced the Archipelago Italia project, convinced of the fundamental role played by architects in contributing to improving human life and giving rise to new forms of sustainable development.



**MATERIATTIVA
@ MILAN DESIGN WEEK 2019**

After its success in Bologna in 2018 with the project "Pollution - RefleAction", Iris Ceramica Group is continuing to collaborate with SOS - School of Sustainability and the firm Mario Cucinella Architects, investigating new sustainable scenarios for protecting the environment. Milan Design Week 2019 served as the backdrop to a fruitful partnership through the installation of MaterAttiva: an evocative multi-sensory experience in a space that gives rise to a new pact between man and nature.



THE ARCHITECTS SERIES

SpazioFMG per l'Architettura is the showroom gallery of the brands FMG Fabbrica Marmi e Graniti and Iris Ceramica.

Inaugurated in Milan's Tortona neighborhood in 2007, it is now an authoritative point of contact between architecture and the city. In 2018 SpazioFMG per l'Architettura got a makeover, revamping its cultural offerings as part of a long-term project overseen by the magazine The Plan.

The Architects Series - as the new format is called - uses specially created videos, filmed

exclusively in the headquarters of the participating firms, to showcase the design methods adopted by numerous architects at the forefront of their profession in Italy and internationally.

In 2019 lectures were given at spazioFMG by designers collaborating with some of the most interesting firms on the international scene, such as GCA Architects, 3XN Architects, Behnisch Architekten, Shop Architects and Weiss/Manfredi. At Milan Design Week 2019 a temporary showroom in Brera hosted the lecture of the firm BIG - Bjarke Ingels Group.



ARCHITECTURE PHOTOGRAPHY

Organized with the Order of Architects of Forlì-Cesena, an opportunity for dialog and debate regarding an issue of great interest to the participants: architecture photography. The

discussion was led by Paolo Schianchi, image theorist, Angelo Maggi, photography historian, and Michele Nastasi, photographer and researcher in the field of architecture and its representation.

EUROPEAN DESIGN INSTITUTE

On February 20, 2019, students in the specialization course in Interior Design at the European Design Institute (IED) of Florence, under the guidance of their teacher architect Francesco

Scanu, spent a day in the field, visiting Iris Ceramica's headquarters, where they prepared for research into interior design and ceramics.

CITY, COUNTRY, RIVER
PHOTOGRAPHS AND FILMS BY HGESCH

During the Berlin Art Week 2019, FAB Architectural Bureau Berlin had the pleasure of presenting the work of the photographer Hgesch in the exhibit "City, Country, River". The large-format images give an idea of Hgesch's personal perspective on our

global metropolises and the buildings integrated into the surrounding landscape. Nature too thus plays a leading role. @ Berlin Art Week 2019 (FAB Showroom Berlin)



POLLUTION 2018 - REFLECTION

In 2018, during the 36th edition of Cersaie, Iris Ceramica Group presented the project POLLUTION 2018 - RefleAction in Piazza Santo Stefano in Bologna. This temporary installation, created in collaboration between the Group, Studio MC Architects and SOS School of Sustainability,

was integrated into the urban space to call for a virtuous new equilibrium between humankind and nature. Pollution 2018 - RefleAction is the most recent stage of the company's journey towards environmental sustainability beginning 50 years ago, bearing witness to the constant



commitment devoted by the Group to research, new technologies and social responsibility. It was in 1972, at the height of the economic boom, that the company began to promote its environmental message by holding an event without parallel for its time in Piazza Santo Stefano: "Pollution: Towards an Aesthetic of Pollution". On that occasion, ten thousand tiles depicting a lump of soil – each signed and numbered by the Iris Ceramica brand – covered the entire square, acting as a backdrop to the installations and performances of 26 artists committed to the issue. In that same square, 46 years later, Iris Ceramica Group returned to this message, reworking it and turning an act of accusation into thought and action. Forty young oak trees rise from the heart of Bologna's historical

center, standing on artificial soil formed by a large reflective blade with defined geometry, designed to turn the customary relationship between the urban and the natural on its head. A material that thus becomes nature, turning into the surface of a narrative journey: the installation's flooring features ACTIVE technology, pointing the way towards reflection on major environmental issues.

SPORT

Sport is a metaphor for life: we encounter obstacles that help us improve; we become aware of our limits and we learn to go beyond them. Sport teaches us to take care of ourselves and respect our teammates and opponents; it is an essential part of our lives; it is the beauty of certain gestures, the effort to make increasingly refined movements; it is striving for classical forms of equilibrium, geometry

and symmetry. These are qualities that architecture seeks to transmit to the urban settings designed to host sporting events. Developing the community, cultivating talent and seeking refined, elegant forms have always been among the goals pursued in our efforts – hence our support for and close ties to the athletic community.



MODENA VOLLEY

Iris Ceramica Group was official sponsor of the Modena Volley sport club, which competes in the Serie A men's volleyball league, for the 2017, 2018 and 2019 seasons, when it excelled at the national level, in addition to standing out as a model of ethics and value in terms of organization and training. An aptitude for teamwork, a positive attitude towards the future and basic ethics are what drew the Group to this club, with which we share ideals. This important partnership confirms the company's desire to consolidate its presence in

Italy by investing in young people and seeking out and developing talent.

On February 6, 2019 the Iris Ceramica showroom hosted an event involving the Modena Volley team to discuss the importance of teamwork, with the participation of Iris Ceramica Group's CEO, Federica Minozzi, Andrea Sartoretti, the team's athletic director, Julio Velasco, Modena Volley's coach, team captain Ivan Zaytsev and players Micah Christenson and Maxwell Holt. The event was moderated by Gianpaolo Maini.



OTHER LOCAL INITIATIVES

2017

Fashion Research Italy Foundation: scholarships in support of architecture

2017

FAI, Italy Environment Fund

2017

CRI, local committee: purchase of stretchers

2017

Green Hub Association: event cycle "Let Us Plan the Seed for the Architecture of the Future"

2017

Le Fonti Award

2017

Publisher Riccardo Dell'Anna, volume on one hundred Italian projects

2017

Golf-Playing Architects Association

2017

Palazzo Magnani Foundation: European photography

2017

Nuova Accademia Design Contest

2017

Next Landmark International Contest

2018

Polimi: master's degree in Planning, Programming and Design of Hospital and Socio-Healthcare Systems

2018

Certamen Carolinum "Francesca Meletti": a Greek and Latin translation competition for classical and scientific secondary schools promoted by the secondary school Muratori-San Carlo of Modena

2018

UNIVERONA Department of Neurological and Movement Sciences:
master's degree in National Nordic Walking Technique

2018

FAI, Italy Environment Fund

2018

CRI, local committee: purchase of vehicle for disabled individuals

2018

LILT: support for oncology research

2018

Nuova Accademia Design Contest

MATERIALITY MATRIX

METHOD AND MATERIALITY MATRIX

The GRI Standard identifies the materiality analysis as the starting point for preparing a sustainability report. It takes the form of a graph on which the topics that have been identified as relevant for the Group and its main stakeholders are plotted.

This year, ICG's sustainability reporting process has been enriched by the addition of stakeholder engagement, a meeting with the representatives of the various stakeholders to discuss the important issues that make up the materiality matrix, a fundamental part of the reporting process implemented according to the core version of the GRI method.

The materiality matrix is not a simple graph; it is the heart of the GRI method, the place where stakeholders' wishes cross paths with the people who lead the organization. It is the most important part of the reporting process because it is the opportunity for everyone who cares about the organization gets together to establish future strategies and actions in view of a process of ongoing improvement.

In this regard, it shows that the company does not belong to anyone in particular, but to everyone, because it is an active participant in the civil

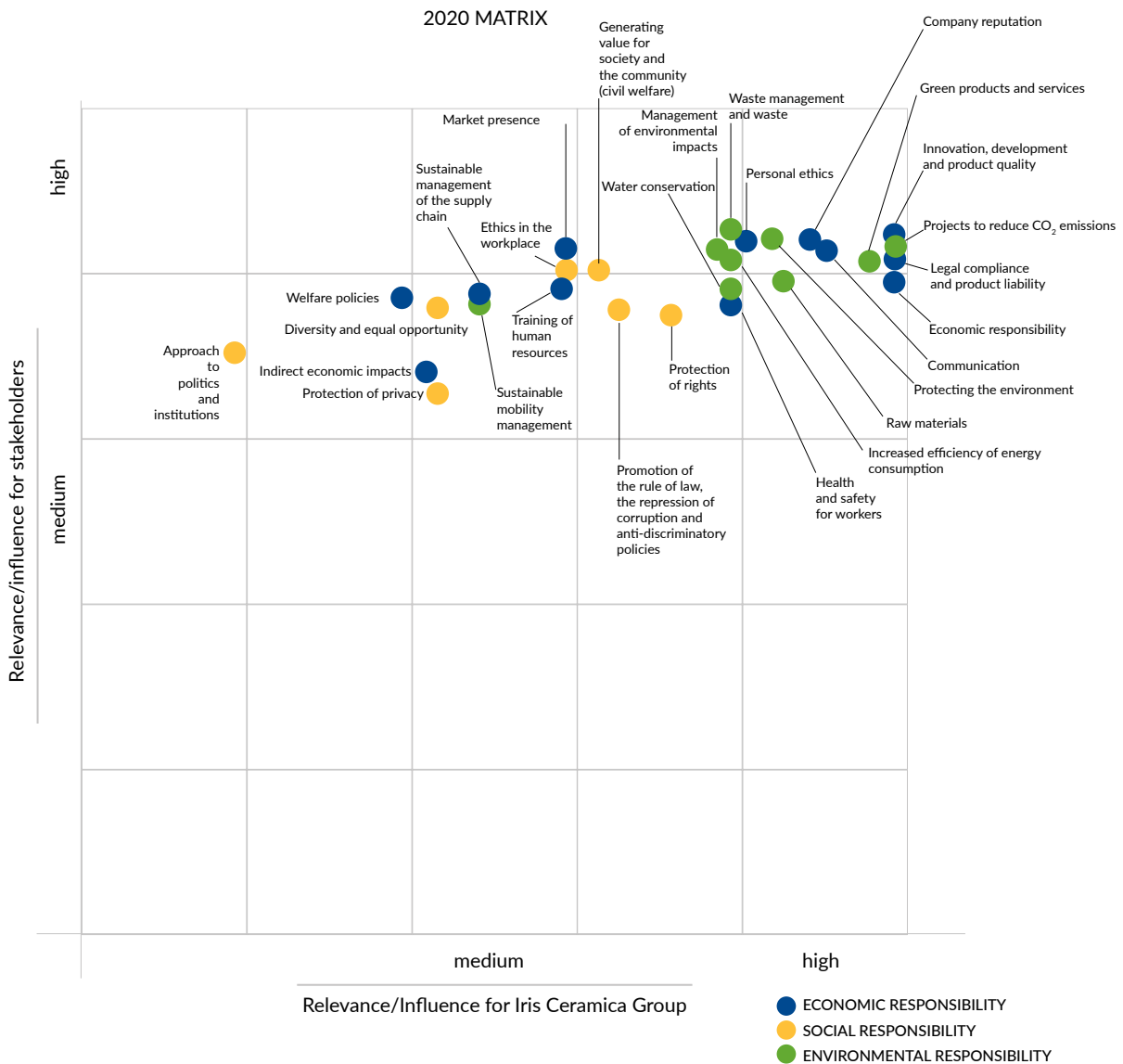
economy.

The company's destiny is important to all stakeholders, and not only due to the direct economic effects that it generates, but also to the positive or negative consequences that the organization may have on the environment and society in which it is active.

During this focus group, the participants expressed their views and gave weights to each topic; this made it possible to arrive at a better definition of the materiality matrix by comparing these data with those gathered internally by the company. The result can be seen in the materiality matrix graph, in which the x axis shows the relevance score given by ICG and the y axis the average score obtained during stakeholder engagement.

Considerations, ideas, proposals and suggestions for improvement were also gathered for ICG's strategy, which can now draw on and leverage this wealth of information in the coming months. The focus group was generally appreciated, as was the method proposed for organizing the meeting: the discussion generated considerable food for thought and suggestions for improvement.





Looking at the 2020 matrix, one can see the aspects on which the views of ICG and its stakeholders are most balanced and that have been found to be strategic for both are the topics of company reputation, communication, environmental protection, innovation, development and product quality and other environmental aspects. These topics are aligned with the 45° bisector, and this means that they have been found to be important for both parties, and thus that there is strong agreement and good work can continue to be done on these issues. However, there are some topics in the upper left quadrant, meaning that these aspects are particularly dear to stakeholders, and will thus need to be taken into even greater consideration in

ICG's upcoming strategic actions: welfare policies, diversity and equal opportunity, indirect economic impacts, protection of privacy, sustainable mobility management and the supply chain. Other topics are now nearly aligned: work ethics, training of human resources and market presence.

On the whole, the materiality matrix provides a very positive snapshot of the relationship between ICG and its stakeholders, as also confirmed during stakeholder engagement, which met received feedback and very strong interest from participants, who expressed an interest in other meetings of this kind, possibly regarding other topics relating to the ongoing improvement of the organization.

Economic performance:

- | | |
|---|-----------------------|
| • Economic responsibility | Internal and external |
| • Innovation, development and product quality | Internal and external |
| • Indirect economic impacts | External |
| • Market presence | External |
| • Sustainable supply chain management | Internal and external |

Environmental performance:

- | | |
|--|-----------------------|
| • Increased efficiency of energy consumption | Internal and external |
| • Management of direct and indirect environmental impacts on communities | External |
| • CO ₂ emission reduction projects | External |
| • Waste management | Internal and external |
| • Environmentally sustainable products and services | Internal and external |
| • Sustainable mobility management | Internal and external |
| • Raw materials | Internal and external |
| • Water conservation | Internal and external |

Social performance:

- | | |
|---|-----------------------|
| • Optimization of human resources through adequate training | Internal |
| • Worker welfare, health and safety policies | Internal |
| • Diversity and equal opportunity | Internal |
| • Labor ethics | internal and external |
| • Creation of value for the local area and community (civic welfare) | External |
| • Promotion of the rule of law, the repression of corruption and anti-discriminatory policies | Internal and external |

anti-discriminatory policies

- | | |
|--|-----------------------|
| • Protection of rights | Internal |
| • Protection of privacy | Internal |
| • Approach to politics and institutions | External |
| • Communications | Internal and external |
| • Legal compliance and product liability | Internal and external |

Governance

- | | |
|----------------------|-----------------------|
| • Personal ethics | Internal and external |
| • Company reputation | Internal and external |

THE FUTURE: A VISION TO BE BUILT IN THE PRESENT

This edition of the Sustainability Report has allowed us to provide a systematic account of the philosophy that we have been putting into practice for years, promoting and adopting sustainable innovation as a fundamental part of our company strategy and culture. Yet this is not enough: we wish

to set new milestones for ourselves, to improve our contribution to increasing the economic, environmental and social capital of the communities in which we work and beyond, leading us to set various goals that we intend to pursue in the 2020-2022 period.

GOVERNANCE

REPORTING

Continuing the sustainability reporting process in view of constant improvement, exploring in particular the relationship with major stakeholders.

CODE OF ETHICS

Launching a process of revision and circulation to employees and contract workers of the current Code of Ethics adopted by an Iris Ceramica Group company so that it may be extended to all Group members.

ENVIRONMENT

EMISSIONS

Continuing the commitment to the progressive reduction of atmospheric CO² emissions in view of zero emissions, already achieved in the elimination of volatile organic compounds (VOCs), while seeking solutions to mitigate our impact on the environment.

RENEWABLE ENERGY

Investing in energy generated using renewable sources to protect the environment and health of the population through an increasingly responsible production model, including through the choice of green suppliers.

CIRCULAR ECONOMY

Continuing the sustainable development process, inspired by the principles of the circular economy and the UN's SDGs, in order to develop new solutions based on product design, service innovation and reorganization of the system according to a circular approach.

SOCIAL

FOUNDATION

Investing constantly in the Foundation's activities in architectural and design culture and promotion of the values of solidarity through cultural, educational, recreational and social interest activities.

STAKEHOLDER ENGAGEMENT

Continuing the process of debate and dialog with stakeholders in view of greater sharing and knowledge of ICG's various activities and commitments.

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419-1	Non-compliance with laws and regulations in the social and economic area	There were no cases of non-compliance

SUSTAINABILITY REPORT OF IRIS CERAMICA GROUP

Technical consulting and methodology of **mediamo.net**

Editorial consulting **Laboratorio delle Idee**

For information regarding the report, please contact **fondazione@irisceramicagroup.com**.





