

SUSTAINABILITY
REPORT

A PROJECT BY
IRIS CERAMICA GROUP



SUSTAINABILITY REPORT 2022

Letter from the CEO

For over sixty years, our history has been that of ceramics, one of the famous Italian excellences worldwide. A history of values deep-rooted in our respect for the environment, and of great challenges. In a global market suffering from significant increases in production costs, interruptions in the supply chain, inflation and shortages of raw materials, our greatest challenge is to review business models and lifestyles to ensure greater environmental and social sustainability. A change in pace that can no longer be left to the future generations. Iris Ceramica Group's fifth Sustainability Report illustrates how **we are working to create a new business model** and how we have managed to remain focused and active in supporting our stakeholders despite the global economic climate, with **a commitment that has never slowed**.

Ecopreneurs for over 60 years, our way of doing business supports ecology. Through our virtuous practices, during 2022 we obtained additional international certifications, including **Cradle to Cradle Certified® Silver**, issued for our Italian-made surfaces by "The Cradle to Cradle Products Innovation Institute", the **Sustainability Rating Silver** from EcoVadis — one of the most important international eco-sustainability rating platforms — and **Food Contact** certifications issued by the BELAC Institute for our Active Surfaces®.

In over half a century, we have never stopped seeking innovative solutions for energy savings and environmental protection, making measurable progress towards our goals based on compliance with ESG — Environmental, Social & Governance — criteria and on our sustainable soul, represented by the concept Shaping the Future. In a listening, transparent climate, we dialogue on a daily basis with all the stakeholders in the supply chain, to ensure tangible business practices based on sustainability that not only inspire change but also implement real, concrete actions. **As certified by Cerved Rating Agency's "High" ESG performance assessment obtained by Graniti Fiandre S.p.A.**

We implement sustainable innovation, with an ambitious programme concerning the whole production and distribution chain and which, in 2022, also involved the activation of a major rainwater reuse system in our branch in Germany. **We are completing the development of the new factory designed to be powered by green hydrogen**, with the building, positioning

and testing of the new plant and paving the way, in the long term, for the exclusive use of renewable energy production for zero-emissions production well ahead of 2030.

While we continue to work for a society ensuring harmony between humans and the environment, I am proud to recall that in 2022 **Iris Ceramica Group was a supporting partner for research conducted by MIT Technology Review** — the publishing company of the renowned US university Massachusetts Institute of Technology — for determining the state of the art of the world's green economy. We were the only European company to be part of **The Green Future Index**. 2022 was also a year of further efforts to focus on our human capital, the driver of innovation and a precious resource for our success. Almost 4,000 hours of training were delivered in our Italian sites, underlining the professional growth in which we have always invested.

To identify the main sustainability topics to include in this document, we updated our materiality analysis with the involvement of young people from our Group and sector experts. Our efforts also include our continuous commitment to the local community — with total donations of €382,000 made by our Foundation — and to equal opportunities, as demonstrated by the study **"Italy's Best Employers for Women 2022"**, which showed how Iris Ceramica Group is the top Italian company of the sector that women are happiest to work in. But many other awards have made us proud this year: from the **High Honour for Budgetary Performance** to the **Corporate Heritage Awards** prize for support to the "Quarto Fuoco" project run by the national Association of Families of persons with intellectual and/or relational disabilities, from the honourable mention at the **Best of Products Awards** by The Architect's Newspaper for the Luce Collection to the prestigious Wallpaper award for the **Most Intelligent Domestic Device** obtained by Hypertouch, to the **Innovation Prize** and the nomination to **Digital Star 2022/23** according to the study carried out by the Istituto Tedesco Qualità e Finanza (ITQF).

We invite you to read our Sustainability Report, to share the results of a value path based on **three fundamental pillars — Planet, People, Participation** — which we hope will continue to have a lasting impact. Because we work with dedication and passion, spreading the beauty of the best natural material humans have been able to use over the centuries: ceramics.

Federica Minozzi
CEO Iris Ceramica Group

Iris Ceramica Group's fifth Sustainability Report bears witness to the constant commitment to continuing the growth which began over sixty years ago.

The document is drafted in compliance with the main non-financial reporting standards and aims to enhance the voluntary initiatives already undertaken by the Group in the sustainability field, anticipating future European requirements and allowing all stakeholders to assess the commitments and results achieved by Iris Ceramica Group, investigating the challenges and opportunities of today and tomorrow.

Transparent communication and method are the two key words on which the Report is based. Thanks also to the contribution of the Group's young people and some sector experts, a common vocabulary has been built concerning the environmental, social and governance topics, identifying the impacts that count the most. All this is based on the profound belief that sustainability represents a strategic lever for the constant search for innovation and the highest levels of excellence that the Group strives for.

Knowledge partner
The European House-Ambrosetti

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**Iris Ceramica Group:
the Art of Elegance since 1961**

61 — OUR HISTORY

14 — THE GROUP'S BRANDS

>100 — THE COUNTRIES WHERE
THE GROUP EXPORTS

556.9 mln € — TURNOVER IN 2022

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

Iris Ceramica Group's industrial and production system is marked by the presence of several production units, concentrated in Italy in the industrial district in Sassuolo, between the provinces of Modena and Reggio Emilia. In addition to these, the Group has two industrial poles abroad, in the most important countries in strategic and commercial terms, with exclusive production lines equipped with pioneering technologies: one in Vetschau, Germany, and one in Crossville, Tennessee, in the USA.

A single Group at the centre of many Brands

In compliance with the special features and value of each business unit, belonging to the Group means having a common approach to the market, growing together and being enriched by new stimuli and opportunities. Along with this strong cohesion, the Group’s **14 Brands** are able to work autonomously, driven by quality and constant innovation and aiming to enhance their own wealth of resources and talents. Over time, each company has perfected its know-how, developing new, high-quality and highly specialised applications. **Iris Ceramica Group includes some major brands** — Ariostea,

Fiandre, FMG, Iris Ceramica, Porcelaingres, SapienStone, Seventyonepercent, Stonepeak — as well as other Brands with a high potential for innovation and application, such as Active Surfaces®, Hypertouch and DYS. In addition to the business units and brands devoted to applications, the Group also includes Granitech and Technoriunite, divisions working in particularly technical fields specialised in surface installation and laying. Finally, Floornature, Architecture & Surface, an international architecture and design web portal covering all the most important news in the architecture world, is also part of the Group.

The Business Units



Brands of innovative solutions

		
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THE BUSINESS UNITS
Italy: Ariostea, Fiandre Architectural Surfaces, Floornature.com, FMG Fabbrica Marmi e Graniti, Granitech, Iris Ceramica, SapienStone, Seventyonepercent, Technoriunite
Germany: Porcelaingres
USA: Stonepeak Ceramics

BRANDS OF INNOVATIVE SOLUTIONS
Active Surfaces®, Hypertouch, Design Your Slabs (DYS)



Vision, mission and values

Vision: the future in our choices today

We believe in a future in which sustainability and respect for others underlie mutual cohabitation. Our production lines not only help us to affirm our ability to spread a culture of beauty, but also underline the nature of our manufacturing, which has set the priority of safeguarding the environment we live in. Our work aims to optimise the interaction between humans and the environment they live in through ceramics, one of the world’s most noble and high-performing materials.

Mission: striving for perfection: a constant commitment

Experimentation and creativity, precision and talent.

Our cornerstones, our constant inspirations that guide us every day in the creation of innovative, technologically high-performing and aesthetically precious products.

Our aim is the satisfaction of our customers, it is to be able to design a world of incredibly beautiful and comfortable sustainable living for them.

Values: business spirit

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

Quality = Beauty: We want a more beautiful world, where culture and consciousness are the guardians of progress, and where the surface of things reflects the intentions and efforts of a thought that is never contrived, always authentic. Precision, elegance, harmony: these are the criteria within which we live our time.

Research = Development: Constant research to achieve better results, increasing our skills and knowledge, cooperating with young people to identify responses that are more respectful of our future and which exalt and materialise intuitions.

Innovation = Technology: Always a part of our DNA, along with attention to detail and pioneering production and logistic technologies, every day our focus on the future guides us in the production of ceramic surfaces with unique finishes and revolutionary technical properties. This is demonstrated by significant investments in Research and Development, technologies such as Design Your Slabs (DYS), 4D Ceramics and innovative surfaces including Active Surfaces® and Hypertouch, as well as certifications and patents with international scientific value.

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

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

Economic and financial results

[GRI 201-1]

Iris Ceramica Group closed 2022 with **EUR 556.9 million in revenues**, up **15 % on 2021**, with profit for the year of over EUR 122 million.

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

	2022	2021	2020
Total income	556,894	483,303	415,885
Equity	1,523,982	1,384,763	1,261,506
Profit for the financial year	122,516	107,715	47,964
Operating result	66,958	41,618	43,361

The table showing the distribution of the economic value generated analyses the distribution of the value created in terms of costs, highlighting the flow of resources to the stakeholders who have contributed to its production in various ways. **Of the over € 664 million total value generated, around € 553 million, or 83% were distributed.**

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

	2022	2021	2020
Economic value generated	664,844	550,834	478,799
Distributed economic value	553,434	460,756	422,786
Operating costs	420,210	336,573	285,916
Value distributed to employees	107,167	102,741	104,644
Value distributed to capital suppliers	10,759	4,592	22,878
Value distributed to the P.A.	14,873	16,309	9,038
Value distributed to the community (Donations and sponsorships)	425	541	310
Withheld economic value	111,410	90,078	56,013

A company with more than 60 years of history

1961	Iris Ceramica was born in Fiorano Modenese, in the heart of the Italian ceramics production district.	
1970	Economy=Ecology. A concept that the Founder expressed as early as the 1960s, at a time when attention to ecological issues was still far away. Romano Minozzi had this equation affixed to the walls of his factories, the manifesto of an entrepreneurial vision that reminded and continues to remind everyone how respecting nature is an indispensable point of reference.	
1972	Iris Ceramica launched the first public initiative to raise awareness on environmental issues: the revolutionary project "Pollution – For a new aesthetics of pollution" curated by Gianni Sassi saw Piazza Santo Stefano in Bologna as the stage for installations and performances by twenty-four artists and two musicians.	
1973	The first issue of the non-conventional magazine "HUMUS" appeared, a four-monthly magazine on culture, current affairs and innovation published and distributed by Fondazione Iris and curated by the agency Al.Sa di Gianni Sassi e Sergio Albergoni.	
1975	With the Gold Medal of Merit for Culture and Art awarded by the President of the Italian Republic, Iris Ceramica materials were the first to enter the MIC, the International Museum of Ceramics in Faenza.	
1987	Iris Ceramica purchases Castellarano Fiandre.	
1989	The brand GranitiFiandre made its début, with the magazine Materia being published for the first time, bearing witness to the incessant commitment to spreading architectural knowledge and culture.	
1992/93	Iris Ceramica purchased Matimex and Ariostea.	
2001	The digital magazine Floornature.com went on-line, destined to become a point of reference for international architecture and design.	
2002	The Porcelaingres production site was inaugurated in Vetschau (Brandenburg).	
2003	The Group continued to expand, opening the Stonepeak branch in Crossville (Tennessee).	
2008	The MA.DE collection was the first ceramics selected by ADI for the XXI edition of the Golden Compass award.	
2009	Production began for Active Surfaces®, pioneering eco-active ceramic surfaces that improve well-being and safety in any space.	
2018	46 years after Pollution, the Group returned to the streets in Bologna with the installation "Pollution RefleAction", created by SOS-School of Sustainability, to relaunch the fight against global pollution. At the XVI Architecture Biennale, the Group was one of the stars, as well as the technical sponsor, of the Italian Pavilion "Arcipelago Italia" curated by Mario Cucinella Architects.	
2019	With the Zero Emissions project, the Group's volatile organic compound (VOC) emissions were practically eliminated at its large slab production sites in Italy. The Iris Ceramica Group Historical Museum was inaugurated and the Fondazione Iris Ceramica Group established, the official testimonial of the Group's responsibility towards the environment and the community.	
2020	Tests began on Active Surfaces® materials against SARS-CoV-2, demonstrating an extraordinary effectiveness in eliminating the virus.	
2021	At the XVII Architecture Biennale, Iris Ceramica Group was the Main Sponsor of the Italian Pavilion "Resilient Communities" curated by the architect Alessandro Melis. At the end of the year, the project for the world's first hydrogen-powered ceramics factory was launched. And so the journey towards decarbonisation began.	
2022	After exactly 50 years following "Pollution - For a new aesthetics of pollution", the materials used by the Group in its production processes obtained Cradle to Cradle Certified® Silver certification issued by "The Cradle to Cradle Products Innovation Institute". Iris Ceramica Group is a supporting partner for the research conducted by the MIT Technology Review — the publishing company of the famous US Massachusetts Institute of Technology — to determine the state of the art of the world's green economy. For its subsidiary Graniti Fiandre S.p.A., the Group obtained the "High ESG performance assessment from Cerved Rating Agency, the Italian agency that assesses business performance in the Environmental, Social and Governance fields.	

Solid and integrated governance

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

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

The Group has adopted a multi-level, transparent governance. All the functions measure their own performance on the basis of indicators agreed in advance, and dialogue with each other to harmoniously achieve the set business objectives.

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

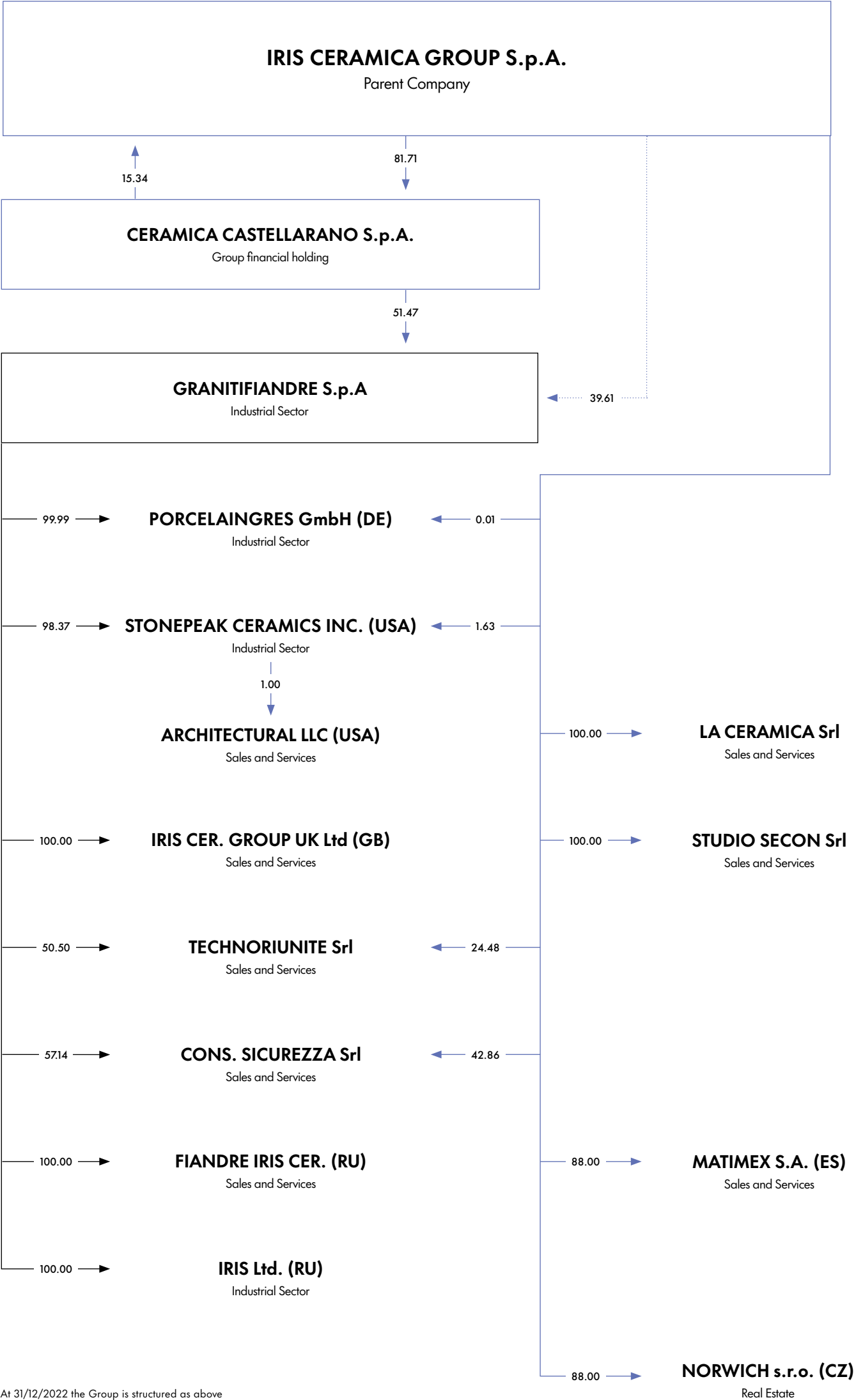
In order to guarantee compliance with the laws in force, business transparency and responsible behaviour, the company has adopted an **Organisation, Management and Control Model** (pursuant to Italian Legislative Decree - D.lgs. 231 of 2001).

As part of its 231 Model, the Group has adopted a **Code of Ethics**, to be interpreted as a “**charter of fundamental rights and duties**”, based on the values of integrity, responsibility, transparency and confidentiality and aiming to establish rules of conduct for the Group’s various internal and external stakeholders. The Code of Ethics, approved by the BoD, represents a commitment of responsibility towards the Group and all the persons with whom the Company works and interacts, including its customers, suppliers and the community. The values laid down in the Code are shared with all recipients,

also online. Any breaches of the Code of Ethics and the Company’s principles and values can be reported to the **Supervisory Body** using a specific **whistleblowing procedure**, i.e., an anonymous platform that protects the confidentiality of the whistleblower’s identity and the reported information.

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

In 2022, **the Group also began works to comply with UNI Pdr 125/2022**, the guidelines for the gender equality management system which requires the implementation of specific KPIs (Key Performance Indicator) relating to the Gender Equality policies applied in organisations. In this context, **GranitiFiandre obtained the maximum score of three stars in the Legality Rating**, a summary indicator that assesses compliance with legality standards by companies that have applied for it. The Rating, which lasts for two years from issue, was awarded by the ‘Autorità Garante della Concorrenza e del Mercato’ (AGCM) in January 2022 following the submission of the application by the Group in 2021.





Romano Minozzi
Chairman
Managing Director









Federica Minozzi
Vice-Chairman
CEO

GRI 2-9 | Governance structure and composition

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

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

GRI 405-1 | Diversity of governance bodies¹

a. Governance bodies (n)	2022			2021			2020		
			Total			Total			Total
< 30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
30 - 50	0%	25%	25%	0%	25%	25%	0%	25%	25%
> 50	75%	0%	75%	75%	0%	75%	75%	0%	75%
Total	75%	25%	100%	75%	25%	100%	75%	25%	100%

Notes
¹ The data relates to the Group BoD

Risk management in the Group

Risk management requires the assessment of the probability that an adverse event occurs, along with an estimation of its severity, in order to prevent it or manage it effectively. For this purpose, **Iris Ceramica Group implements risk management processes to perform detailed analyses on the risks and benefits of its products**, not only during the design phase but whenever there are significant changes to the product,

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

GRI 2-27 | Compliance with laws and regulations

Significant cases of non-compliance with laws and regulations	2022		2021		2020	
	n.	Fines (€)	n.	Fines (€)	n.	Fines (€)
Cases in which fines have had to be paid	0	0.00€	0	0.00€	0	0.00€
Cases in which non-financial sanctions were applied	0	n.a.	0	n.a.	0	n.a.
Total	0	0	0	0	0	0



Fondazione Iris Ceramica Group — Quarto Fuoco

The commitment of Fondazione Iris Ceramica Group

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

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

QUARTO FUOCO: an inclusive ceramic decoration project

2022 marked the launch of the first project developed entirely by Fondazione Iris Ceramica Group: **“QUARTO FUOCO”, for which the Foundation won the prestigious Prize at the Corporate Heritage Awards in the “Narrazione per il Sociale” (“Social Narration”) category**. The project takes its name from the last step in firing (historically known as ‘terzo fuoco’ or ‘third firing’) to which artistic ceramics were subjected to create particularly precious decorations. **The project was run in partnership with ANFFAS Sassuolo** (the national Association of Families of persons with intellectual and/or relational disabilities), which for several years has been running ceramics projects in local primary schools in order to **keep the local traditions alive**, hosting students in its premises where, working with young people with disabilities, they are introduced to the ceramic art. The synergy between ANFFAS and the Foundation, which began last September, has been further strengthened and today involves **around 35 young people and adults with disabilities**. The Foundation made available the raw materials and technical staff to support the association’s work, transmitting the ancient art of ceramic processing.

The funds for philanthropic actions disbursed by Fondazione Iris Ceramica Group

€	2022	2021	2020
Total funds disbursed	382,000	337,000	356,000

Other projects promoted by the Foundation in 2022



We stand for Planet

Fondazione Iris Ceramica Group sees personal well-being and environmental sustainability as the **values on which to base its commitment** to building a **possible, safe and inclusive future**. With this in mind, it promotes the study and develop innovation of models that allow us to live in harmony with nature, and also supports **interventions in the health field**, supporting administrations and the civil community through the purchase of innovative equipment for research and innovation.

In 2022, the Foundation confirmed its support to a number of initiatives in the health and environmental fields, including:

- **SeaShepherd**, the organisation that sets out to **fight illegal fishing** and the destruction of the natural sea habitat. With the contribution of Iris Ceramica Group, the costs were borne for training the crew and purchasing equipment for the vessel Conrad, which patrols the seas off the Eastern coast of Sicily.
- Campaigns in favour of the local communities, including: the supply of a **computed tomography scanner to Sassuolo Hospital**, for the non-invasive assessment of coronary arteries and the aorta, and the organisation of **preventive check-ups** for employees with volunteer doctors from the **Fondazione ANT**.
- The development of an **urban bee-keeping project**, hosting 9 hives in the green areas of its companies, a concrete action for protecting biodiversity and species at risk of extinction. The **270,000 bees adopted by Iris Ceramica Group** will be checked periodically to assure their state of health until the honey harvest. Guided tours will be organised for employees and their families, with lectures on the importance of these pollinating insects.



We stand for People

Fondazione Iris Ceramica Group **defends the beauty of the human and cultural heritage to create common value** and improve the life of everyone, redesigning environments, spaces and ways of relating and recognising culture as a driving force of the economy, **through the search for and enhancement of new talents**.

A number of initiatives were promoted and supported in 2022, including:

- The **International Art Prize for ceramics**, which aims to enhance deserving works focusing on art and culture and conserving “**ceramic know-how**”. The winners were selected by the panel on the basis of criteria of originality, sustainability and technical innovation, in line with the constant interest of the Foundation and the Group in new technologies and historical traditions.
- The “Post Carbon Architecture” project, **led by SOS – School of Sustainability**, sets out to study urban bio-regeneration projects based on climate data and future scenarios, starting from the ceramic district to become a best practice also in other districts.

During the year, the Foundation was also **Main Sponsor of Ennesimo Academy**, the educational project aiming to provide fair, inclusive and high-quality education, offering students from the middle schools in the ceramic district the opportunity to learn and gain new experiences. The students are introduced to **new audio-video narration techniques** to give artistic form for their ideas and enhancing the expressiveness and creativity of each one. The teachers at the Academy work with the aim of **helping the students to become aware citizens** who understand the dynamics underlying communication mechanisms, from the most classical to the most modern.



We stand for Participation

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

The Foundation believes in enhancing local traditions and excellences, with particular reference to **ceramic know-how and**, for this reason, has invested in a decoration workshop for **young people with disabilities**.

The support to some selected organisations working particularly on national projects, has also been confirmed, including: **Action Aid**, with its project YouthforLove, **Save the Children** with its project Emergenza UCRAINA, **Banco Alimentare Emilia-Romagna**, which distributes foodstuffs to charity organisations in the region.



Fondazione Iris Ceramica Group — “Quarto Fuoco” project
Winner of the Corporate Heritage Awards 2022
Social narration category

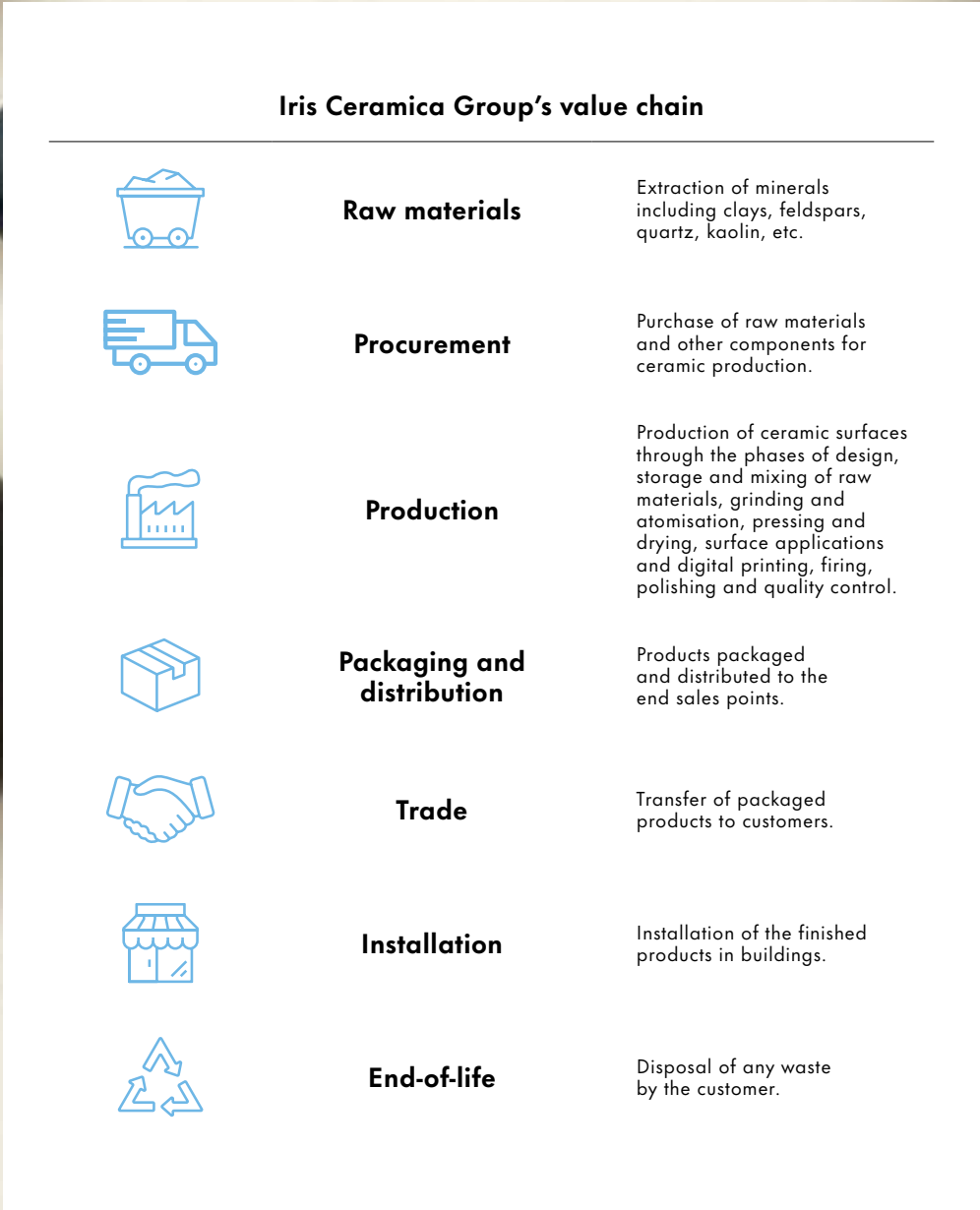
Materiality Analysis

The background is a solid medium blue. It features several large, light blue, organic, cloud-like shapes that overlap each other. A darker blue, abstract shape resembling a stylized bird or a drop is positioned in the center-right area, overlapping the lighter shapes.

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

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

The analysis conducted led to the identification of material topics through a materiality analysis. The process allowed the company to assess its key impact through dialogue with a **group of expert stakeholders, chosen following the mapping of the most suitable figures for Iris Ceramica Group, and with the management**, with whom a meeting was organised to assess the proposed impacts and define the materiality threshold.



The 5 steps of the materiality analysis

The materiality analysis was divided into 5 phases:

1. **Analysis of the context of the trends in the sector in which the Group works**, at global, national and local level, through bibliographical sources and sector articles.
2. **Mapping of the impacts linked to the sector and the activities of Iris Ceramica Group along the whole value chain**, in terms of dual materiality, i.e., including both the impacts generated and those suffered.
3. **Technical evaluation of the mapped impacts** to measure their significance on the basis of their scope, perimeter, irremediability and probability of occurring, subsequently prioritizing the most significant impacts.
4. **Discussion and verification by a group of 5 expert stakeholders (Key Opinion Leaders) selected** according to their knowledge of the sector and the company (Suppliers, Customers, Academics). The Key Opinion Leader were interviewed to identify the environmental, economic and social topics on which Iris Ceramica Group should focus its attention and commitment to sustainability.
5. **Definition of the materiality threshold** through a process of dialogue with the Top Management and subsequent validation of the results by the Management.

The 5 Key Opinion Leaders engaged

- **Fabrizio Corradini:** Accountant, Studio Corradini. Former chairman of Hermes Investimenti and Modena Capitale Banking Participations, chairman of the Board of Auditors of GranitiFiandre and Benfer Schomburg. He has also been a statutory auditor for major companies in the area.
- **Hermann August Weizenegger:** Industrial Designer. Since 2004, a professor of Industrial Design at the University of Applied Science in Potsdam, Germany. In addition to the topic of narration, he also investigated to matter of revolutionary and sustainable mass production.
- **John Tros:** Senior Vice President Operations (Procurement & Supply Chain). With an international background in business management, development and transformation and IT, procurement and business continuity in different sectors, he has held management roles in large banks and consulting firms.
- **Massimo Imparato:** Chair, School International Committee. Architecture graduate and sustainability expert, he trained with Giancarlo De Carlo and worked with him at ILA&UD. Founder of StudioBau, he was artistic director of companies in the furnishing sector. He has taught at universities in Europe, the Middle East and China, where he runs the Department of Industrial Design at Xi'an Jaotong – Liverpool University. Through his UAE Modern project, he has curated conferences and installations for the Dubai Design Week. His academic and professional research focuses on the transition to the circular economy.
- **Mattia Montorsi:** Senior Area Manager at System Ceramics, a leading international company in the development of production processes for the ceramics industry. Founded in 1970, the company is a production site with a high technological content and a strong scientific lean, growing and consolidating its position over the years.

Involvement of the Group's young people

To have a privileged, innovative viewpoint, **the Company involved over 20 of its young people in the materiality analysis**, from different functions, during a special round table. The meeting was a precious opportunity to understand the different points of view of the new generation in the company, bringing new experiences and skills to determine the impact of the material topics and define the list of priorities on which to focus the company's strategies and reporting activities.

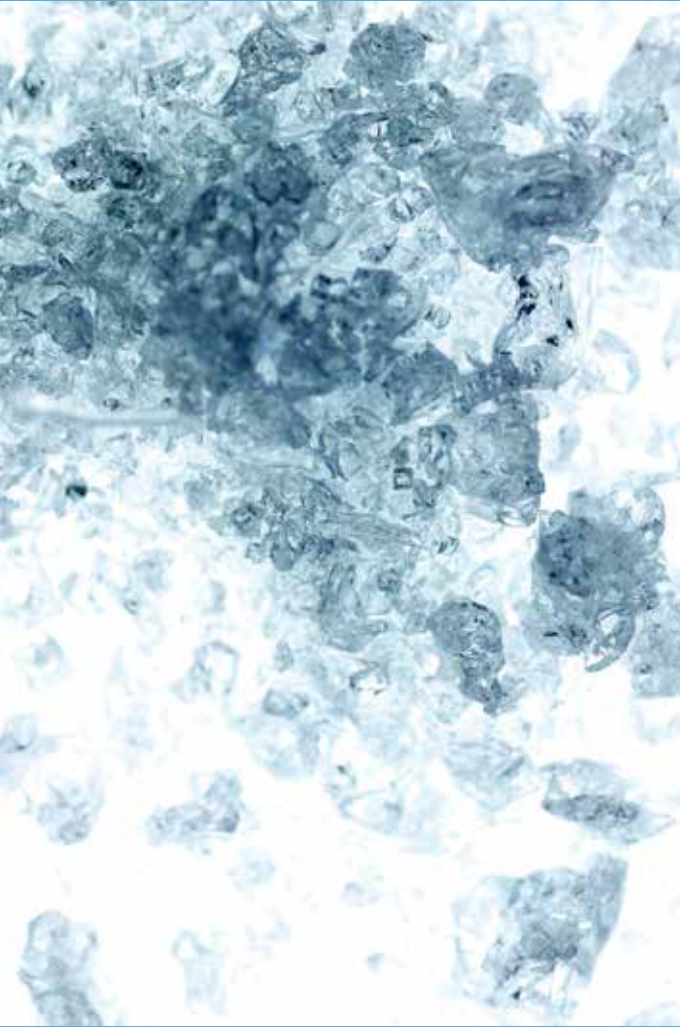
The 20 young people involved:

- Alessandro Pifferi
- Alessandro Salardi
- Alessia Guerra
- Barbara Bulf
- Beatrice Gemmi
- Cecilia Mucci
- Federica Carollo
- Gabriele Ruggi
- Giorgia Grossi
- Giulia Corradini
- Giulia Marchi
- Ilaria Venturelli
- Luca Picciati
- Maria Vittoria Bonaccini
- Massimiliano Righi
- Matilde Pagani
- Matteo Dragonetti
- Riccardo Franchini
- Rosalia Splendore
- Tatiana Benassi
- Veronica Giovanardi
- Vittoria Mainini










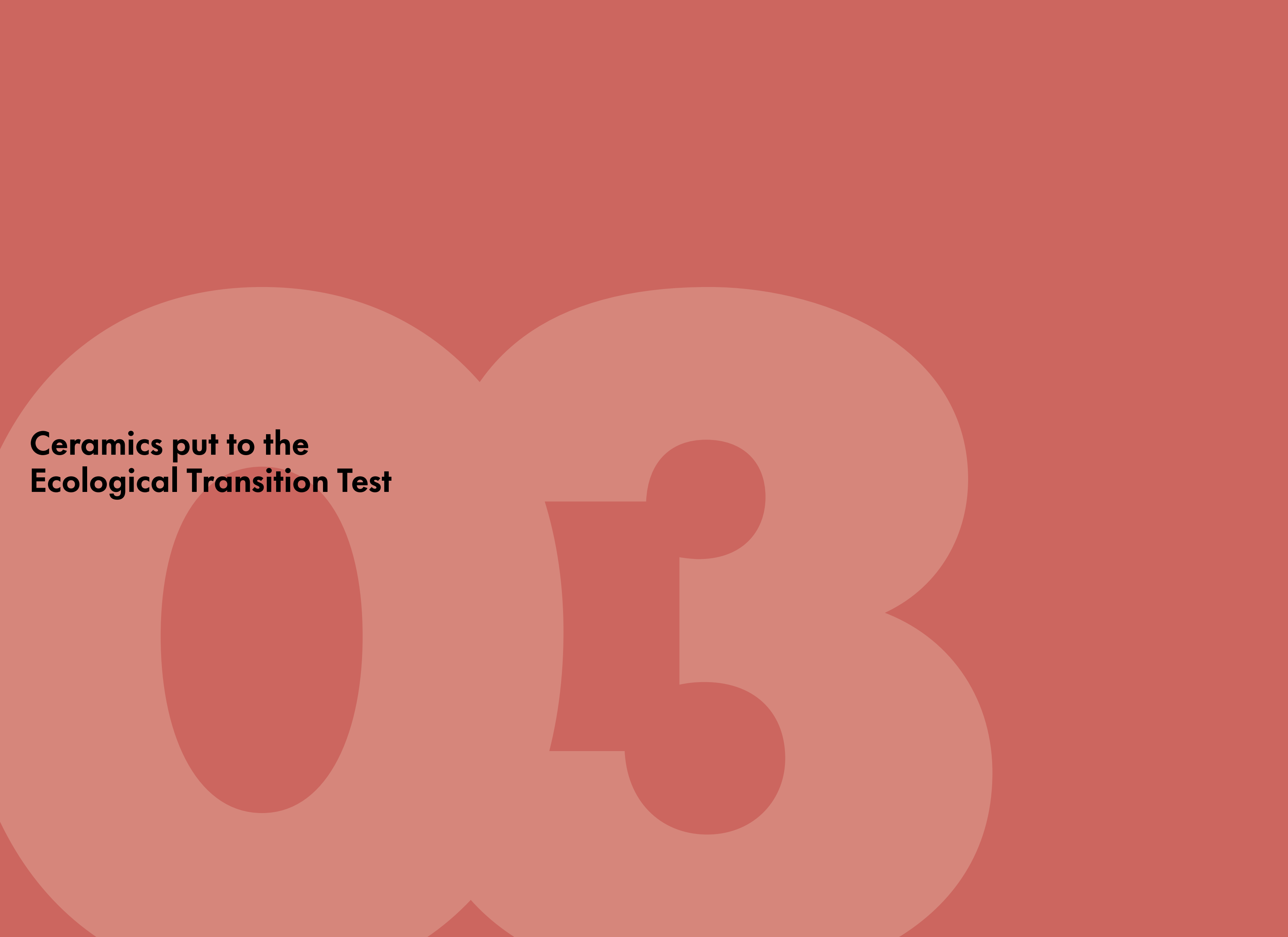
Key topics for Iris Ceramica Group

In this way, Iris Ceramica Group identified 10 material topics to focus its efforts and resources on, starting from a longer list of 17 potentially relevant topics.



GRI 3-2 | List of material topics

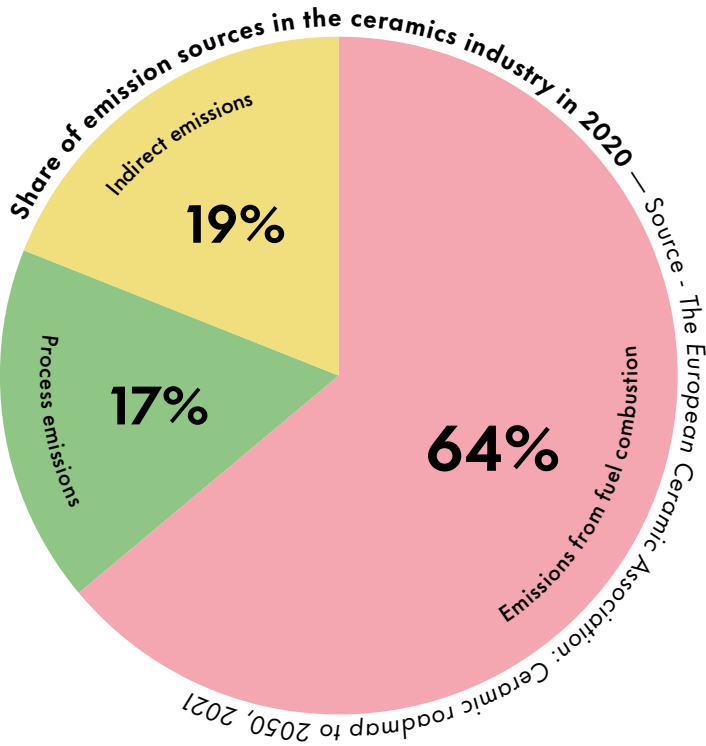
		Iris Ceramica Group's value chain						
Topics								
1	Product and service innovation							
2	Procurement of raw materials							
3	Climate change: consumption and emissions							
4	Circular economy: reuse, packaging and waste							
5	Sustainability in the supply chain							
6	Impacts of logistics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

The background is a solid dark red color. It features several overlapping circles in a lighter shade of red. A large, stylized lowercase letter 'i' is positioned in the center-right area, also in the lighter red shade. The dot of the 'i' is a solid dark red circle.

Ceramics put to the Ecological Transition Test

Ceramics production is one of the fields of **excellence in Italian industry**: with different industrial districts² it is a sector that, thanks to its **ability to renew itself**, over the years has maintained a global position of leadership. **The world production** of ceramic surfaces reached **18,339 million m²** in 2021 (+7.2% on 2020), the **European** portion of which totalled 2,124 million m² (+18% on 2020, representing 11.6% of world production³. According to the preliminary figures produced by Prometeia, in Italy, **in 2022, around 458 million m² of ceramic slabs were sold** (+0.7% on 2021 and +13% on 2019), of which **364 million m² abroad** (+0.2%) and over **93 million m² on the domestic market** (+2.6%)⁴. It is expected that between **2022 and 2030**, the **global ceramics market will record a compound annual growth rate (CAGR) of 7.1%**, thanks to the development of the concept of home furnishing, strengthening the demand for covering models and their use in living spaces. Technical ceramic surfaces **led the market**, representing around 54% of revenues in 2021⁵.

The recent **conflict in Ukraine** and the **related energy crisis** have had a **significant impact on the ceramics industry**. The drastic increase in the costs of natural gas for industrial processes and the interruption in the supplies of raw materials, including kaolin and clays from Ukraine⁶ have generated a profound crisis in



Notes

- 2. Sassuolo and Scandiano, Imola and Faenza.
- 3. Centro Studi Acimac/MECS (2021), Global production and consumption of ceramic tiles.
- 4. Prometeia (2021), "Osservatorio Previsionale per l'industria mondiale delle piastrelle in ceramica".

the sector. The energy crisis is part of a more complex context, in which the European Union has set the objective of **halving climate-altering emissions by 2030 and achieving net zero emissions by 2050** to try to combat the negative consequences of climate change. Among the tools identified to achieve climate neutrality by 2050, the **energy efficiency of industrial sectors and the circular economy represent the fundamental pillars**. In this context, the ceramics industry, a sector with high energy intensity and responsible for around 9% of emissions in the EU, is facing a challenge and an opportunity to play a **key role in the transition to a low carbon-emissions economy**⁷.

According to the most recent data issued by Confindustria Ceramica, the Italian ceramic surfaces and refractory materials sector recorded **annual electricity needs of 1,800 gigawatt-hours, concentrated 80% in the Sassuolo district**⁸, while total emissions in the European ceramics industry amounts to **19 million tonnes of CO₂ per year** (equal to around 1% of total European industrial emissions covered by the ETS emissions trading system)⁹, divided into three main categories: fuel combustion for drying processes and heating, process emissions generated by the mineralogical transformation of clay and indirect emissions, mainly from the production of electricity.

- 5. Allied Market Research (2021), "Ceramic Tile Market Forecast Analysis 2030".
- 6. Imformed (2022) Industrial mineral supply disruption: Ukraine crisis.
- 7. European Parliament (2019) Greenhouse gas emissions in the EU by country and sector: Infographics. The data refers to the whole industrial sector.

In terms of consumed energy, the Italian ceramic sector obtains around 50% of its electricity needs from renewable sources and co-generation. Furthermore, since the 2000s, the new production technologies and the adoption of a pioneering purification plant have allowed the Italian ceramics industry to reduce its pollutant emissions into the atmosphere by over 90%. Italy has doubled the European performance, where the sector **has reduced its total emissions by around 33% since 1990 and by over 45% since the emissions and production peak of the 2000s**, mainly by optimising processes, making production more efficient and replacing the fuels used¹⁰.

For decades, the ceramics industry has been working towards **the environmental and social sustainability of its products and processes**, improving industrial technologies and introducing sustainability practices both inside and outside the businesses. In the field of health and safety, the two greatest risks the sector has been facing for years are **lead intoxication and dust inhalation**.

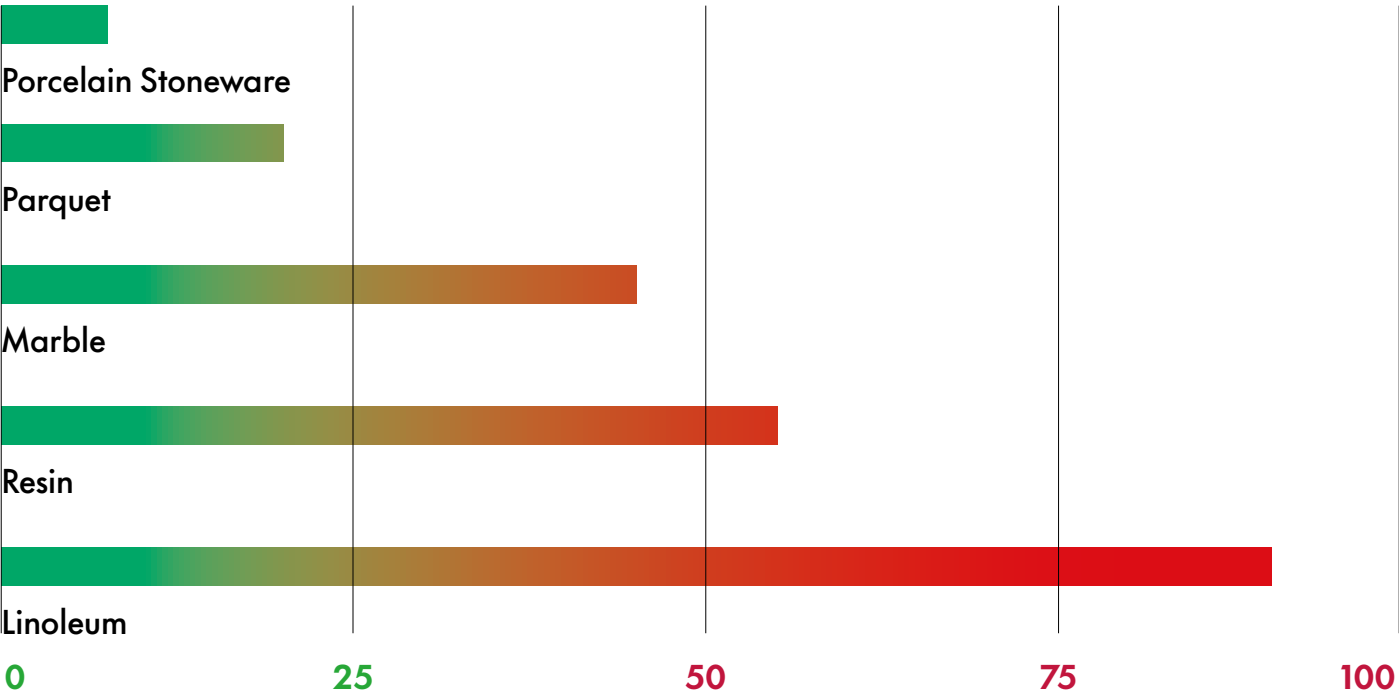
Technological development processes affecting the ceramics industry since the 1970s have led to a profound structural change in most companies. The risk profile has improved greatly: the main differences can be seen

in the **reduction of airborne pollution (lead, dust)** thanks to effective suction systems, and in the **reduction of the intensity of physical work**, through the massive automation of machinery and systems¹¹. Also for noise, another risk factor, acoustic improvement works have reduced the propagation of noise caused by existing installations as well as source noise.

Again in Italy, the sector has reached the full capacity of waste and waste water recycling, thus meeting much of the raw material needs and **limiting the use of virgin natural resources**. **According to sector data, the average reuse of production waste is 112%, covering 8.3% of the raw material needs for the manufacturing process**¹². Furthermore, **porcelain stoneware has a lower average negative environmental impact than other materials such as marble, resin, linoleum, carpet and parquet**, confirmed by the Life Cycle Assessment (LCA) carried out by the University of Modena and Reggio Emilia, which compared the emissions and alterations caused by the production, use and end-of-life of some types of flooring¹³.

Ceramics are therefore a strong and versatile material which, able to adapt to new needs and respond to the challenges of the ecological transition, are confirmed as a great ally for building a more sustainable and innovative future.

Environmental impact of floorings
(Ceramica.info 2022)



- 8. Confindustria Ceramica.
- 9. The European Ceramic Association (2021), "Ceramic Roadmap to 2050".
- 10. The European Ceramic Association (2021), "Ceramic Roadmap to 2050".

- 11. Emilia-Romagna Region, Health boards from the cities of Bologna and Ravenna (2019), Ceramics sector: risk profile and prevention works.
- 12. Centro Ceramico Bologna report, (2021).
- 13. Ceramica.info (2022), UNIMORE LCA analysis of floorings.

The background features a solid medium green color. Overlaid on this are several light green geometric shapes: a large circle on the left, a large rectangle on the right, and a smaller circle in the center-left. A dark green triangle is positioned within the light green rectangle. The text "Anticipating the Future" is written in a bold, black, sans-serif font, positioned to the left of the central circle.








Anticipating the Future

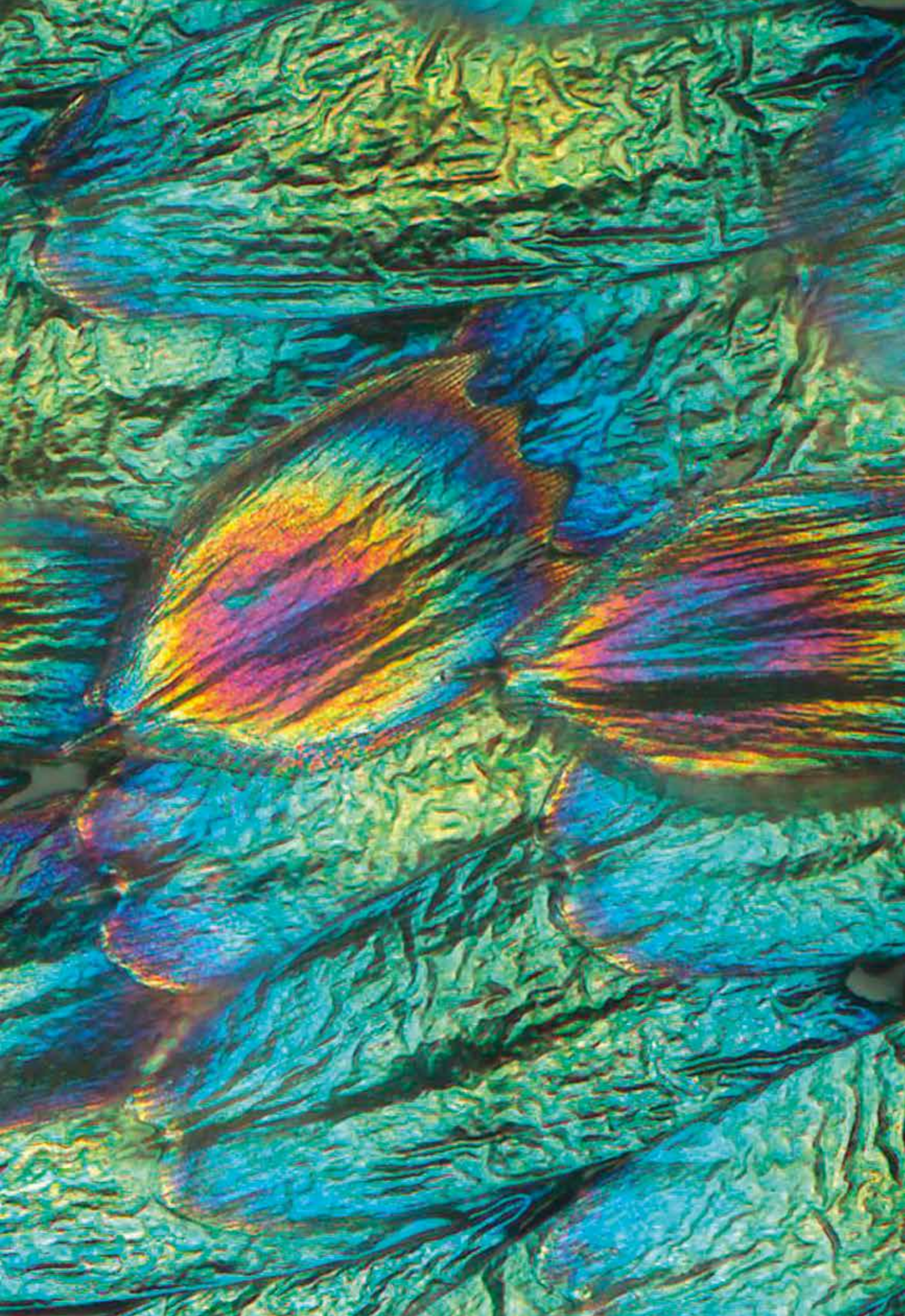
Product and service innovation



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

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

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



Active Surfaces® eco-active ceramics

Eco-active Active Surfaces® by Iris Ceramica Group are the **patented, 100% Italian** response to the need for personal safety and well-being.

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

The four superior properties:

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

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

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

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

Hypertouch capacitive surfaces

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

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

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

Design Your Slabs (DYS)

Design Your Slabs is Iris Ceramica Group’s innovative technology that **offers the possibility to customise ceramic surfaces with any image or illustration**. With Design Your Slabs there are no limits to the imagination and the most creative ideas take shape, right down to

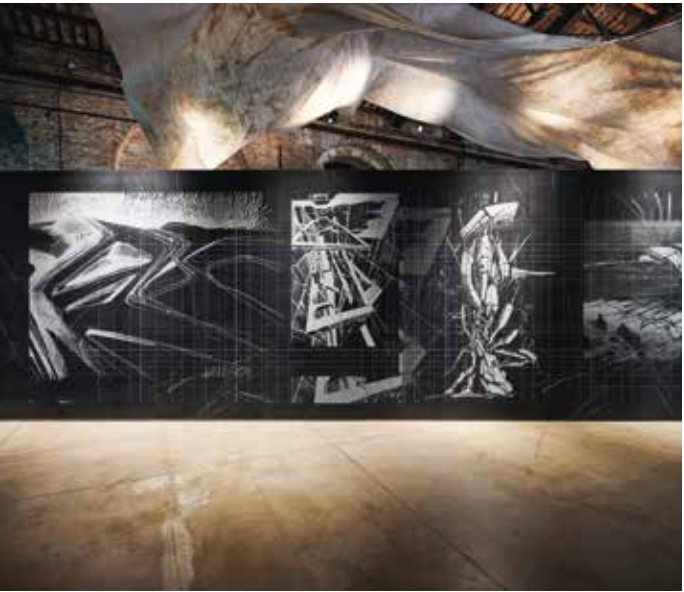
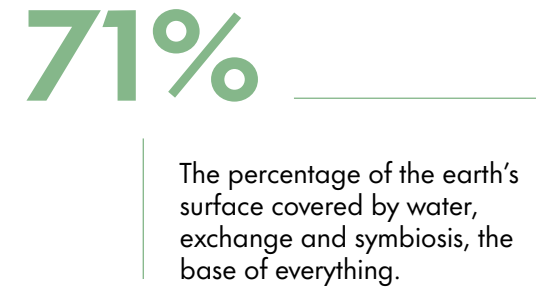
the finest detail, to produce unique ceramic surfaces. The surface becomes a blank canvas on which technology and creativity are combined according to the designer’s flair, bringing life to authentic **ceramic art works**.

Seventyonepercent project

During the 60th edition of the Salone del Mobile in Milan, Iris Ceramica Group officially launched **Seventyonepercent**, a project set up in 2020 for the wellness&bathroom sector.

The project, the name of which refers to the percentage of the earth’s surface covered by water (71%), is the results of

research and development and is a symbol of the vision that blends sensitivity to environmental topics with material research and selection. **Union, sharing, balance, harmony and sustainability:** this is the philosophy of Seventyonepercent, a brand made with **nationally produced craft products** sourced from **certified NSF (National Sanitation Foundation) suppliers**.



NKBA "Innovative Showroom Awards"

In 2022, the Iris Ceramica Group showroom in New York won the **NKBA Innovative Showroom Awards** in the medium, multi-location and multi-Brand category. National Kitchen & Bath Association (NKBA) is the US kitchen and bathroom association, which provide the instruments, research and certifications and organises events for sector professionals. The **Innovative Showroom Awards** celebrate the excellences of the showroom and the ability to create original and unique experiences for their clients.

The **Iris Ceramica Group Showroom** is an open-space loft furnished in a range of styles, from traditional to modern, located in Manhattan in the beating heart of the emerging design district **of New York**. The Group's showrooms are renowned as innovative spaces offering inspiration and dialogue with the world community of architects and designers.



Digital Star Technological company



Iris Ceramica Group was named among the **300 Digital Star 2022/23** according to the study conducted by **Istituito Tedesco Qualità e Finanza (ITQF)**. The research selected the most innovative Italian technological and digital companies, and was published by Repubblica – Affari & Finanza, media partner of the project.

In its third edition, the research was conducted using the innovative *social listening* method, which is used to analyse the online reputation of companies on over **40 technology, innovation and digitalisation topics**. With **438 million Italian web sources analysed**, the study surveyed 1.5 million citations which were then divided and classified by tone (positive, negative or neutral) and relevance, then ranking them with the largest database of all the studies on business digitalisation in Italy.

Iris Ceramica Group with MIT



Demonstrating the **commitment to research and innovation** that has allowed the Group to become a sustainability leader in the manufacturing sector, in **2022 Iris Ceramica Group signed a partnership with the MIT Technology Review** for **The Green Future Index 2022**. This study, now in its second edition, ranks 76 countries and territories on the basis of their progresses and commitments to a green future. The index measures the degree by which the economies of the analysed countries are investing in renewable energy, innovation and environmental policies.

MIT Technology Review is one of the most prestigious international technology and innovation journals. It was founded in 1899 by the Massachusetts Institute of Technology (Boston), and today is one of the world's most important research centres. For the Group, this partnership is a fundamental initiative that sets out to communicate the importance of product and process sustainability.

4D Ceramics








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

Full-body materials were further perfected, bringing life to 4D Ceramics, in which the fourth dimension embodies the Group's values: **Sustainability, Innovation and Excellent Quality**.







Quality system






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

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



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

Product certifications		Description
LEED and BREEAM (environmental protocols)		<p>Leadership in Energy and Environmental Design is a voluntary system developed by the US Green Building Council (USGBC), recognised internationally, for the classification and certification of green buildings.</p> <p>Building Research Establishment Environmental Assessment Method (BREEAM) is a European reference standard for the best practices in the design, construction and management of sustainable buildings.</p> <p>Iris Ceramica Group materials have been LEED and BREEAM certified since 2008, even though they fully met such standards much earlier, being designed and manufactured with very high percentages of recycled material (>40% weight).</p>
Greenguard and Greenguard Gold		<p>GreenGuard guarantee that the materials intended for indoor use have practically zero volatile organic compound (VOC) emissions. GreenGuard Gold, recognised and accepted by green building programmes worldwide, certifies the total absence of risks even in places where particularly sensitive people such as children or the elderly spend time.</p>
Environmental Product Declaration (EPD®)		<p>The EPD is a voluntary international certification scheme, based on the analysis of the product life cycle in accordance with standard EN 15804¹⁴. Iris Ceramica Group has conducted a Life Cycle Assessment (LCA¹⁵) using the “from cradle to grave” format, publishing the results in its specific Environmental Product Declaration (EPD) for products belonging exclusively to the company, which provided precise data on the environmental performance of its materials. In 2022, the EPD was updated, allowing us to include within the scope of the certification also the German site, and the study was launched to determine the Product Carbon FootPrint (in accordance with standard ISO 14067) linked to the whole life cycle of Iris Ceramica Group materials, including both the Italian and German sites. Parallel to the Product Carbon Footprint, a study will also be conducted for the implementation of the FDES (Fiche Déclaration Environnementale et Sanitaire), concerning building products for the French market, which describes the environmental and health performances of construction materials.</p>
NSF/ANSI 51 – 2014 Food Equipment Materials	 See official listing (www.nsf.org) to identify which models are NSF Certified	<p>Certification obtained in 2021 mainly for SapienStone products and applied to most of the large slabs of all the Brands. The NSF was developed for commercial spaces such as bars, restaurants, hotel kitchens and canteens, where ceramic slabs are now used, as well as counter-tops for the consumption of food and beverages, also in “Food Zones”, such as work tops and bar counters. This certification offers a further guarantee of quality and safety for consumers.</p>

System certifications		Description
Eco-Management and Audit Scheme (EMAS)		<p>The EU Eco-Management and Audit Scheme (EMAS) is a voluntary certification developed by the European Commission for businesses and other organisations, aiming to assess, report on and improve their environmental performance. Among other things, it includes the drafting of an Environmental Declaration that must be validated following an audit by an accredited third-party body.</p>
ISO 45001		<p>Occupational health and safety management systems. Defines the minimum standards of good practice for worker protection worldwide; it sets out to identify in advance the whole range of risks and hazards that can occur in the work place.</p>
ISO 14001		<p>Environmental management system. Certification since 2000, defining a systematic framework for the integration of practices to protect the environment, aiming to meet the legislative conformity obligations and tackle and assess risks and opportunities.</p>
ISO 50001		<p>Energy Management System: international standard that, through the implementation of an energy management system, helps to continuously improve energy performance, reducing greenhouse gas emissions as well as the related energy costs.</p>
ISO 9001		<p>Company quality system. The certification, which is valid internationally, concerns the whole company organisation, from research and development to production, from distribution to customer service.</p>

Notes

14. The standard sets out framework rules by product category (PCR) for drafting type III environmental declarations for each type of product and service for the construction industry.

15. This analysis also validates the **MEC conformity (Minimum Environmental Criteria)** on the basis of test methods provided for in Decision 2009/607/EC of 9 July 2009 or other equivalent test methods established by the Competent Authority in the respective environmental authorisations – Water use and consumption, air emissions, water emissions and waste recovery.

Cradle to Cradle, Ecovadis, ESG Assessment

In 2022, the certification procedure, which began in late 2020, was completed, allowing **Iris Ceramica Group to obtain Silver-level Cradle to Cradle certification**¹⁶. Issued by **The Cradle to Cradle Products Innovation Institute**, which promotes the manufacturing of innovative materials and products that work towards the circular economy, Cradle to Cradle Certified® is the most advanced, data-driven global standard for the design and manufacture of **safe, circular and responsible products**, for a healthy, fair and sustainable future.

The institute’s assessment is based on **five categories of sustainability performance**:

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

This certification standard commits to assessments not only on the life cycle of their materials (raw materials used, energy consumption and water management), **but also respect for human rights**, by the company and its supply chain.

Further demonstrating the Group’s will to work towards an increasingly sustainable business, in 2022 **Iris Ceramica Group obtained the Silver Sustainability Rating issued by EcoVadis**, one of the most important international sustainability rating platforms, which assigns a score based on globally recognised environmental and social standards.

This assessment verifies company performance in relation to 4 macro-fields: environment, labour and human rights, ethics, sustainable purchases. Furthermore, **in late 2022 Iris Ceramica Group obtained the “High ESG performance assessment for its subsidiary GranitiFiandre S.p.A. from Cerved Rating Agency**, the Italian agency that analyses business performance in the Environmental, Social and Governance fields.

In every ESG — Environmental, Social and Governance — reference area, GranitiFiandre S.p.A. achieved a higher score than the average performance in the sector, placing it in the highest band reached by the companies assessed in the ceramics sector. An extremely virtuous result for the Group, once more bearing witness to its constant, concrete commitment to ESG principles, for a better future.



Notes

¹⁶. Each product is assigned a different **level** (Base, Bronze, Silver, Gold and Platinum) for each category according to the achieved quality level: the higher the category, the greater the product’s sustainability.



Impacts of logistics

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








Iris Ceramica Group products are delivered ex-works, with transportation organised by the customers. Consequently, to reduce the environmental impacts linked to shipping, the Group undertakes to **optimise its internal logistics as far as possible**. In 2022, Iris Ceramica Group reorganised its shipping warehouses using a **latest-generation Warehouse Management System (WMS)**. This software supports the **operational management and control arrangements of physical flows** transiting in the warehouse, including acceptance, data entry of incoming goods and related checks, order preparation and shipment to customers and suppliers (including internal transfers between the Group’s warehouses). The project aimed to optimise order preparation and management processes, reduce shipping errors and ensure that the overview of the situation concerning the material in each warehouse is updated in real time. The WMS system has led to **paperless management, increased customer service levels** and greater reliability of order **processing times**.

Parallel to the software innovation, to optimise logistics flows between the Italian sites, in 2022 the **creation of a single Group logistics hub**, for conventional materials, was completed on the site in **Fiorano Modenese**. All the warehouses in Castellarano, including GranitiFiandre, Ariostea and Porcelaingres, are joined in the new logistics

hub, which **not only will improve warehouse operations but will also increase the level of customer service, reducing the number of collection points**. This internal logistics optimisation project will lead to a reduction in fuel consumption required to deliver the conventional materials of all Iris Ceramica Group’s commercial brands, with consequent positive effects on greenhouse gas emissions. At the same time, it will guarantee the reduction in the amount of waste generated during the order preparation and shipping process.

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

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

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

The background is a solid medium green. It features several overlapping shapes: a large light green circle on the left, a large light green number '5' on the right, and a smaller dark green circle in the lower center. The text 'Respecting the Environment' is positioned on the left side, overlapping the light green circle.








Respecting the Environment

Climate change: consumption and emissions



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

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

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



Energy

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

In this context, aiming to reduce consumption and increase production process efficiency, **Iris Ceramica Group invests annually in manufacturing to innovate its plants**, aiming not only to ensure high-performing products but also to reduce environmental impacts. In **2022 Iris Ceramica Group used 3,007,141 Gj of energy**. From 2020 to 2022, the Group recorded a **-4% reduction** in energy consumption.

GRI 302-1 | Energy consumption within the organization

	2022	2021	2020	Var (2020-22)
	GJ	GJ	GJ	%
a. Total fuel consumption within the organisation from non-renewable sources	negligible	negligible	negligible	-
b. Total fuel consumption within the organisation from renewable sources	negligible	negligible	negligible	-
c. Total energy purchased	3,007,141	3,462,987	3,134,453	-4%
I Electricity	620,539	684,336	632,911	-2%
II Energy for heating	2,386,602	2,778,650	2,501,542	-5%
III Energy for cooling	negligible, included in point I	negligible, included in point I	negligible, included in point I	-
IV Steam consumption	0	0	0	-
d. Total energy sold	0	0	0	-
e. total energy consumption within the organisation	3,007,141	3,462,987	3,134,453	-4%

67%

The average amount of green energy consumed by GranitiFiandre in 2022

The photovoltaic field in the Castellarano site

Supporting its commitment and constant attention to environmental sustainability, in **2022 Iris Ceramica Group equipped the production site in Castellarano (RE) with a photovoltaic field** to self-produce green energy, with the ultimate goal of becoming **the world’s first ceramics factory powered by green hydrogen**.

A photovoltaic plant (with 2.5 MW power output) has been installed on the roof of the factory in Castellarano, combined with an electrolyser and a storage system for the renewable green hydrogen produced on site. The solution using a blend of green hydrogen and natural gas will immediately lead to a reduction in CO₂ emissions and, in the long term, will pave the way for the exclusive use of renewable energy for zero-emissions production, as the **plant is also designed to run on 100% hydrogen**. Electrical energy for the sites in Castellarano is certified 100% renewable by a GO (Guarantee of Origin) certificate.

In 2022, Iris Ceramica Group took significant energy saving measures at the site in Sassuolo. In particular, **modifications were made to the systems used for sieving slip**, a liquid mixture of clay and water used in ceramics production. These modifications **increased the density of the slip, consequently reducing energy consumption in the atomiser**, the machine used to transform the mixture into powder. Furthermore, processes were put in place to **measure and assess the energy efficiency of the production processes and individual machines** (specifically the kilns in the site in Sassuolo), in order to replace those with lower energy performance.

Through its constant commitment to increasing efficiency in consumption, in **2022 the Group’s energy intensity was 0.137 GJ/m² of ceramic material produced**, -4% down on 2020.

Finally, GranitiFiandre S.p.A. has been certified **ISO 50001:2018** since 2015 for its **Energy Management System, therefore**, thanks to a careful energy management policy, it has been possible to define many energy-saving projects carried out in the production field.

GRI 302-3 | Energy intensity¹⁷

GJ/m² of ceramic material produced	2022	2021	2020	Var% (2020-22)
Electric Energy Joule (EEJ) (GJ/m² of ceramic material produced)	0.028	0.027	0.028	-0%
Gas Natural Joule (GNJ) (GJ/m² of ceramic material produced)	0.109	0.110	0.114	-4%
Energy intensity (GJ/m² of ceramic material produced)	0.137	0.139	0.142	-4%

Notes

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

Pollution and climate-altering emissions

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

In 2022, total emissions of particulate matter, volatile organic substances and nitrogen oxide at Group level¹⁸ amounted to 115,597 kg, equivalent to 19.80 g per m² of slabs produced.

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

kg/year	2022	2021	2020	Var% (2020-22)
Particulate matter	243,447.63	244,244.75	229,483.49	6%
Volatile organic compounds (VOCs)	35,147.74	37,905.66	36,721.47	-4%
Nitrogen oxide	113,358.05	118,822.60	99,608.05	14%
Total	391,953.42	400,973.01	365,813.01	16%

g/m²	2022	2021	2020	Var% (2020-22)
Particulate matter	12.30	11.32	11.74	+5%
Volatile organic compounds (VOCs)	1.78	1.76	1.88	-5%
Nitrogen oxide	5.73	5.51	5.10	+12%
Total	19.80	18.58	18.71	12%

As concerns climate-altering emissions, in 2022, **direct emissions (Scope 1)** from the direct use of fuels were **equal to 134,808 tonnes of CO₂**, down -5% on 2020. At the same time, **indirect emissions (Scope 2)** (Market Based) linked to the sourcing of electricity purchased from external suppliers **in 2022 amounted to 27,562 tonnes of CO₂**.

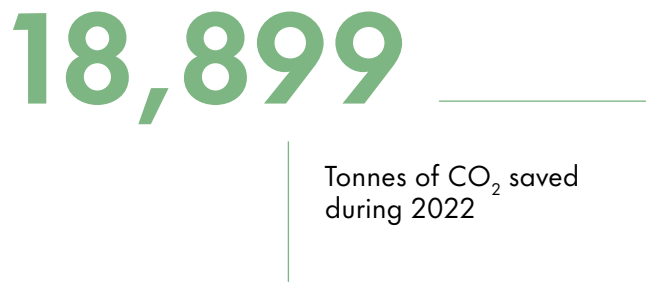
GRI 305-1 | Direct (Scope 1) GHG emissions¹⁹

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

Total emissions (ton CO ₂) ²⁰	2022	2021	2020	Var% (2020-22)
Scope 1	134,808	157,802	141,706	-5%
Scope 2 - Market Based	27,562	23,467	22,951	20%
Scope 2 - Location Based	53,901	57,594	55,476	-3%
Total emissions (Scope 1 + Scope 2 + Market Based)	162,370	181,269	164,657	-1%
Total emissions (Scope 1 + Scope 2 + Location Based)	188,709	215,396	197,182	-4%

GRI 305-4 | GHG emissions intensity²¹

Kg CO ₂ /m² of ceramic material produced	2022	2021	2020	Var% (2020-22)
Direct - Scope 1	6.31	6.34	6.48	-3%
Indirect - Scope 2 Market Based	1.42	1.08	1.19	19%
Emissions intensity	7.73	7.42	7.67	1%



Notes

^{18.} Italy, Germany and the USA.
^{19.} Sources of emission factors are given in the GRI contents index.
^{20.} Sources of emission factors:
Scope 1 Process gas: Ministry of the Environment and Energy Security 2020, 2021, GHG Protocol 2017.
Scope 2 Market Based: Alperia 2021, 2020, 2019, invoices from electricity suppliers, EPA 2021, 2020, 2019.
Scope 2 Location Based: Ispra 2023, 2020, invoices from electricity suppliers, EPA 2021, 2020, 2019.
^{21.} Calculated on m² of finished material. The type of GHG emissions included in the emission report are direct (scope 1) and indirect (scope 2). The gas included in the calculation is CO₂.

Water

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

Most of the water is consumed by the Group during the raw material wet grinding process, the surface polishing of porcelain stoneware slabs and plant washing. **In 2022, the Iris Ceramica Group production sites in Italy, Germany and the USA consumed around 417 ML of water, approximately 56 ML less than the previous year.**

GRI 303-5 | Water consumption

ML	2022	2021	2020	Var% (2020-22)
a. Total water consumption ²²	417.08	474.73	413.29	0.92%
b. Total water consumption in areas with water stress	0	0	0	0%
c. Consumption of water in storage	0.53	0.53	0.53	0%

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



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

In 2022, the total withdrawal of fresh water at Group level²³ was 507 ML, approximately 66 ML less than in 2021.

GRI 303-3 | Water withdrawal²⁴

ML	2022	2021	2020	Var% (2020-22)
a/c Total water withdrawal and by source (fresh water)	507.50	573.75	508.21	-0.14%
Surface waters	0.00	0.00	0.00	0%
Groundwaters	174.70	232.25	206.61	-15%
Sea water	0.00	0.00	0.00	0%
Water produced	0.00	0.00	0.00	0%
Third-party water resources*	332.80	341.50	301.60	10%
*Municipal water services and waste water treatment plants, public or private services and other organisations involved in the supply, transport, treatment, disposal and use of water and water discharges.				
b. Water withdrawal in areas with water stress and by source	0.00	0.00	0.00	0%

The Group is committed to reducing the amount of pollutants in the waste water, adopting more sustainable production techniques and using less polluting raw materials. In the production sites where slabs do not undergo surface machining, **Iris Ceramica Group has no industrial water discharges**, while in those where polishing and smoothing take place, part of the water is treated in advance and in then discharged into surface waters. Generally, for the production sites in the Sassuolo district, all water discharges and concessions are not only monitored but have been authorised by the Emilia-Romagna Region.

In 2022, Iris Ceramica Group’s fresh water discharges amounted to 89.89 ML (8.50 ML less than in 2021), with no hazardous substances.

GRI 303-4 | Water discharge

ML	2022		2021		2020	
a./b/c. Water discharge by destination and type	All areas*	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Total water discharge	89.89	0.00	98.49	0.00	94.39	0.00

*All areas are fresh water

Green Star 2022



According to the **Green Star 2022 ranking of the Istituto Tedesco Qualità Finanza (ITQF) and its media partner Repubblica - Affari e Finanza**, Iris Ceramica Group was recognised as one of the Italian companies with the best sustainability performance. This major research work, now in its second edition, is based on a sample of 2,000 companies, analysing 30 aspects including ecological, economic and social sustainability, innovation and technology. The ranking is based on four categories of indicators, identifying the companies that are most committed to minimising the impact of their activities on the environment and on society.

The presence of **Iris Ceramica Group** among the **Green Stars** bears witness to its commitment **to putting the principles of sustainable innovation into practice**, and this value has always distinguished its identity.

Notes

23. Data relating to Italy, Germany and America.

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

Circular economy: reuse, packaging and waste



Adopting circular economy practices and reusing materials in the production process can help to significantly reduce the environmental impact of the ceramics industry, **encouraging not only innovation and the creation of**

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

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

more sustainable products but also **reducing costs**. Recycling materials no longer intended for use in fact reduces the amount of waste inside and outside the company, as well as the need to mine new raw materials.

established by each Prefecture with the aim of increasing the effectiveness of anti-mafia checks in relation to business activities. **In 2022 a total of 48,204 tonnes of waste were produced (61% of which intended for disposal)**, around 1000 tonnes less than in 2020. For waste management, the creation of incoming and outgoing records and the registration of forms, the Group uses a specific software, which is a **solution for the integrated management of all waste production and management activities, as required by Italian Legislative Decree 152 of 03 April 2006, as amended.**

GRI 306-3 | Waste generated

Composition of waste	2022						2021						2020					
	Waste generated	Waste diverted from disposal		Waste directed to disposal			Waste generated	Waste diverted from disposal		Waste directed to disposal			Waste generated	Waste diverted from disposal		Waste directed to disposal		
	ton	ton	%	ton	%		ton	ton	%	ton	%		ton	ton	%	ton	%	
Non Hazardous	47,174	17,814	37%	29,354	61%		58,486	22,872	39%	35,613	61%		48,882	15,164	31%	33,718	69%	
Hazardous	1,029	750	4%	279	1%		324	0	0%	324	1%		273	0	0%	273	1%	
Overall waste	48,204	18,564	39%	29,633	61%		58,809	22,872	39%	35,973	61%		49,155	15,164	31%	33,991	69%	

GRI 306-4 | Waste diverted from disposal

	2022		2021		2020	
	†	%	†	%	†	%
Total waste not directed to disposal	18.56	100%	22.87	100%	15.16	100%
Of which hazardous	0.75	4%	0	0%	0	0%
Of which non-hazardous	17.81	96%	22.87	100%	15.16	100%
Preparation for reuse on site	7.45	40%	2.55	11%	2.11	14%
Other recovery operations	10.36	56%	10.99	48%	13.06	86%

GRI 306-5 | Waste directed to disposal

	2022		2021		2020	
	†	%	†	%	†	%
Total waste directed to disposal	29,633.85	100%	35,933.44	100%	33,986.27	100%
Of which hazardous	278.94	1%	323.72	1%	272.69	1%
Incineration (with energy recovery)	100.04	0%	109.6	0%	94.45	0%
Landfilling	12.45	0%	11.12	0%	11.92	0%
Other disposal operations	166.46	1%	203	1%	166.32	0%
Of which non-hazardous	29,354.90	99%	35,609.72	99%	33,713.58	99%
Incineration (with energy recovery)	395.9	1%	423.74	1%	412.86	1%
Landfilling	4,466.02	15%	3,867.61	11%	4,121.93	12%
Other disposal operations	24,492.98	83%	31,318.77	87%	29,178.79	86%

Turning waste into a resource

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

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

	2022		2021		2020	
	ton	% recovery	ton	% recovery	ton	% recovery
Fired production waste	3,795.20	100%	19,762.60	87%	22,745.40	100%
Raw production waste	22,626.20	100%	31,370.20	100%	24,019.50	100%

In 2022, at the production site in Sassuolo, **out of approximately 3,795 tonnes of fired production waste** (80% waste less than in 2021), **the company recovered 100% from the factory**.

In particular, crushed ceramic material (fired waste) is delivered to an external supplier, who grinds it to make it usable again. Furthermore, in addition to reusing its own ground waste, the company purchases part of its ground material from the same supplier.

As concerns raw production waste, **100% of the approximately 22,626 tonnes of incoming waste**, both in the production site and from customers, **was recovered**.

Management of packaging wastes

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

In 2022, a total of **808.7 tonnes of wood** (in addition to 157.2 tonnes of paper, 25.3 tonnes of PE plastic and 4.5 tonnes of plastic strappings) were delivered to Interseroh. As concerns plastic materials, **GranitiFiandre uses flexible polyethylene packaging falling under the “PARI” management system** (plan for the autonomous management of packaging waste) recognised by the Ministry of the Environment.

These packagings are produced using up to **90% recycled plastic**, deriving from the regeneration processes of Aliplast, which collects flexible LDPE (polyethylene) packaging waste and recycles it in a virtuous packaging-waste-new packaging circuit. In 2022, the Group purchased **133.4 tonnes of packaging through the PARI system**.

In 2022, GranitiFiandre **recovered 88% of the paper and cardboard** produced, out of a total quantity of **1,860 tonnes purchased, 91% of the plastic**, out of a total of **1,010 tonnes purchased (297 tonnes less than in 2021)**, and **99% of the wood**, out of a total of **60,865 tonnes purchased**. The data for 2022, with figures down on previous years, were affected by a variation of the production mix of various items, as well as the presence of a significant proportion of conventional products (glazed and semigres coverings) stored in the warehouse.

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

Furthermore, during the year **Iris Ceramica Group took part in some research and development calls** aiming to identify technologies that can completely reduce the environmental impacts of packaging for both large slabs and conventional products.

Packaging	2022			2021			2020		
	Purchase (ton)	Recovery (%)	Disposal (%)	Purchase (ton)	Recovery (%)	Disposal (%)	Purchase (ton)	Recovery (%)	Disposal (%)
Paper/ cardboard	1,860.70	88%	12%	3,683.60	92%	8%	2,981.40	90%	10%
Plastic	1,010.50	91%	9%	1,307.70	93%	7%	1,411.20	92%	8%
Wood	60,865.40	99%	1%	68,384.70	99%	1%	41,177.10	98%	2%

Number of wooden packagings	2022	2021	2020
Invoiced to customers	59,113	66,234	59,416
Returned from customers	7,757	8,949	9,150
Re-credited to customers	7,688	8,831	8,867
% Returns / Invoiced	13.10%	13.50%	15.40%
% Accredited / Returns	99.10%	98.70%	96.90%

Porcelaingres: a circular production site

Exploiting its geographical location, Porcelaingres, the German company in the Iris Ceramica Group, with its production site inaugurated in 2003 in Vetschau (Brandenburg), it is committed to using mainly local raw materials: **around 60-80% of the mixture used, including kaolin, clay and sand, is “0 mileage”**. As **feldspar** is the only limited resource in the area, it is also obtained from recycled glass, such as that found in windows and old cathode-tube televisions. **Porcelaingres recycles 100% of the fired waste it produces, powders and raw waste, as well as all the waters and sludges produced during squaring.** The recovered waters and sludges are conveyed to the grinding department and reused in darker mixtures. Furthermore, in 2022, Porcelaingres also put into operation a **plant that recovers all the rain water falling in the**

area around the factory. The water is withdrawn and conveyed to two storage and sedimentation reservoirs and is then reused in the production cycle. From 2023, Porcelaingres will no longer use water from the mains or from wells, **but only water withdrawn from the rain water collection system.** A pumping system was installed in the reservoirs to feed water into the factory in the place of other well water.

The table below shows the water consumption in 2022 for the Porcelaingres site, which will be replaced by the use of recovered rain water. The plant began operation in the fourth quarter of the year, and since then has led to a **significant reduction in potable water consumption** (9,917 m³ against an average of around 15,000 m³ in the other quarters).

Towards an increasingly circular future

In 2022, Stonepeak, the US company of Iris Ceramica Group with headquarters in Crossville (Tennessee), launched a project to **replace the wet squaring lines with²⁵ dry ones**, bringing a series of benefits in terms of the protection of water resources (as they drastically reduce water consumption), as well as the lower production of

industrial waste, squaring sludges, as **the dry processing waste can be reused in the mixture.** Through this project, it is expected that by the end of 2023 there **will be zero production waste**, as all the material removed during dry squaring can be reused.

Notes
²⁵ Squaring lines are used in the ceramics industry to create precise cuts on the surface of the ceramic tile to obtain uniform sized pieces



2022	
Quarter	Drinking water (m³)
Q1	14,474
Q2	15,759
Q3	12,843
Q4	9,917
Total	52,993



Creating Value Together








Procurement of raw materials



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

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

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








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

Notes
26. Confindustria Ceramica, Raw Materials.

Sustainability in the supply chain



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

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



Iris Ceramica Group focuses its attention mainly on suppliers with high material recycling levels.

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

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

At the request of the **Iris Ceramica Group Supervisory Body, all suppliers and companies not included in the White list have been eliminated**. The effective inclusion

in the White list, established by Italian Law no. 190 of 06/11/2012, certifies that companies are free of mafia infiltrations and allows them to speed up the issue of decisions relating to the request for anti-mafia information and communications in public procurement contracts.

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

In 2022, **the Group began collaborations with 766 new suppliers** from Italy, Germany and the USA. In particular, **€8,586,054 were spent on new local suppliers**²⁷, of which €6,328,756 destined for Italy, €133,397 for Germany and €2,123,901 for the USA.

Expenses for new suppliers

	2022	2021	2020
Number of new suppliers	766	735	511
Expenses for new suppliers	16,416.83 €	14,223.84 €	7,360.02 €
New significant	16	19	14
Expenses for new significant suppliers	11,831.56 €	10,672.10 €	3,626.82 €
Expenses for new local suppliers	8,586.05 €	10,349.70 €	5,104.76 €

Notes
²⁷ Suppliers from the same country as the reference production site.

Expenses for suppliers

Suppliers	2022		2021		2020	
no. of suppliers	4,202		4,178		4,212	
of which significant*	556		514		689	
no. of qualified suppliers	224		229		196	
Categories	thousands €	%	thousands €	%	thousands €	%
Finished products	1,810 €	0%	1,873 €	1%	1,052 €	0%
Raw materials	87,542 €	20%	69,279 €	20%	51,092 €	20%
Materials and spare parts	57,036 €	13%	51,079 €	15%	37,691 €	14%
Energy	108,700 €	24%	59,385 €	17%	26,615 €	10%
Maintenance	21,809 €	5%	17,384 €	5%	20,084 €	8%
Rentals and hires	7,168 €	2%	6,529 €	2%	6,826 €	3%
Transport	43,142 €	10%	35,039 €	10%	24,532 €	9%
Services	31,923 €	7%	31,208 €	9%	31,046 €	12%
Commissions	14,234 €	3%	13,630 €	4%	12,323 €	5%
Business expenses	24,548 €	5%	21,044 €	6%	20,930 €	8%
Other	49,574 €	11%	43,302 €	12%	29,153 €	11%
Total	447,487	100%	349,752	100%	261,345	100%

*Significant suppliers = suppliers with turnover >€100,000/annum and agents with turnover >€50,000/annum

**Number of qualified suppliers = suppliers in the list used for ISO 9001 certification

Does not include energy suppliers even where these are large structured suppliers with internal certifications.



Our People

The people of Iris Ceramic Group



In 2022, Iris Ceramica Group was able to count on **1366 competent, qualified persons**, working in the production sites and offices in Italy, Germany and the USA. **96%** of the Group’s employees are hired with **permanent contracts**, and **97% are full-time**.

GRI 405-1 | Diversity of employees (n)

b. Employees by category	2022			2021			2020		
			Tot.			Tot.			Tot.
Executives	34	11	45	39	9	48	37	8	45
Middle managers	107	41	148	103	41	144	103	38	141
White collar	443	274	717	472	266	738	499	272	771
Blue collar	384	72	456	395	88	483	423	91	514
Total	968	398	1,366	1,009	404	1,413	1,062	409	1,471

b. Employees by age	2022			2021			2020		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Executives	2	15	28	2	18	28	2	18	25
Middle managers	34	79	35	32	78	34	27	79	35
White collar	276	304	137	277	317	144	291	331	149
Blue collar	46	200	210	51	205	227	44	242	228
Total	358	598	410	362	618	433	364	670	437

GRI 2-7 | Employees by gender and region

a. Employees by gender and region (no.)	2022			2021			2020		
			Tot.			Tot.			Tot.
Italy	513	204	717	537	217	754	572	222	794
Germany	179	44	223	186	47	233	196	41	237
USA	276	150	426	286	140	426	294	146	440
Group Total	968	398	1.366	1.009	404	1.413	1.062	409	1.471

b. Employees by contract, gender and region (no.)	2022											
	Italy			Germany			USA			Group		
			Tot.			Tot.			Tot.			Tot.
Permanent	507	204	711	179	44	223	251	129	380	937	377	1,314
Fixed-term	6	0	6	0	0	0	25	21	46	31	21	52
Total	513	204	717	179	44	223	276	150	426	968	398	1,366
Full-time	506	183	689	178	36	214	276	150	426	960	369	1,329
Part-time	7	21	28	1	8	9	0	0	0	8	29	37
Total	513	204	717	179	44	223	276	150	426	968	398	1,366

b. Employees by contract, gender and region (no.)	2021											
	Italy			Germany			USA			Group		
			Tot.			Tot.			Tot.			Tot.
Permanent	534	216	750	186	47	233	259	138	397	979	401	1,380
Fixed-term	3	1	4	0	0	0	27	2	29	30	3	33
Total	537	217	754	186	47	233	286	140	426	1,009	404	1,413
Full-time	529	194	723	185	36	221	286	140	426	1,000	370	1,370
Part-time	8	23	31	1	11	12	0	0	0	9	34	43
Total	537	217	754	186	47	233	286	140	426	1,009	404	1,413








b. Employees by contract, gender and region (no.)	2020											
	Italy			Germany			USA			Group		
			Tot.			Tot.			Tot.			Tot.
Permanent	572	222	794	196	41	237	265	146	411	1033	409	1,442
Fixed-term	0	0	0	0	0	0	29	0	29	29	0	29
Total	572	222	794	196	41	237	294	146	440	1,062	409	1,471
Full-time	562	197	759	195	30	225	294	146	440	1,051	373	1,424
Part-time	10	25	35	1	11	12	0	0	0	11	36	47
Total	572	222	794	196	41	237	294	146	440	1,062	409	1,471

Well-being, health and safety



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

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

The challenges [GRI 3-3]							
Attention to personal well-being with consequent Employer Branding, attractiveness and credibility on the market							
Delivery of health and safety training programmes to disseminate responsible work practices							
Low level of motivation and engagement due to a lack of welfare programmes and work-life balance							
Costs and reputational impacts linked to work-related injuries and accidents.							

Welfare plans

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

In 2022, the company launched a preventive medical examination programme for the early diagnosis of skin cancer, targeting employees and their families. From 22

November 2022 to 10 January 2023, **7 mornings** and **3 full days of screenings** involved **146 people**, 53 men and 93 women.

The examinations were conducted in the company clinic, in compliance with the internal protocol and that of the ANT (National Tumour Association) regulating the measures to combat and contain the spread of the Covid-19 Virus, sanitising the spaces and instruments used for the examinations.

63% of medical examinations were negative, but recommendations were made to undergo screening on an annual basis. 15 frequent checks — every six months — were carried out to monitor the state of health of some employees (3 men and 12 women).

Finally, in 29 cases were subject to in-depth analysis using VMSO (digital videodermatoscopy), a video-microscopic method used to monitor people’s health in a precise, non-invasive manner. **These data reflect Iris Ceramica Group’s commitment to protecting the health of its employees and promoting well-being in the work place**, continuing to implement policies and practices that minimise the impact of its activities on the community.



Furthermore, in 2022, Iris Ceramica Group offered its

employees and their families access to a fitness platform through the “**Iris Ceramica Group 4People**” project, aiming to promote an active lifestyle and improve the physical and mental well-being of its employees.







The project was launched as part of the People Care initiatives, which aim to provide well-being services to employees. With **750 registered users**, the project is inspired by a holistic concept of Corporate Wellness, based on the main dimensions of well-being: Sport, Nutrition, Psychological Well-being and Social relations.

In line with statutory provisions, Iris Ceramica Group guarantees the right to **parental leave** for its employees. In the reporting period, **25 women and 32 men took this benefit**, with a **100%**²⁸ return rate following the leave.

People visited divided by age group

Age	2022		
			Tot.
21 – 40 years	16	27	43
41 – 60 years	34	63	97
> 60 years	3	3	6

GRI 401-3 | Parental leave

Parental leave	2022			2021			2020		
			Total			Total			Total
a. Employees who had the right to parental leave	32	25	57	31	21	52	36	18	54
b. Employees taking leave	32	25	57	31	21	52	36	18	54
c. Employees returning to work after leave	32	25	57	31	21	52	36	18	54
d. Employees returning to work after leave who are still employees in the 12 months following their return	32	25	57	31	21	52	36	18	54
e. Return rate	100%			100%			100%		
e. Retention rate	100%			100%			100%		

Notes

²⁸ Group-level data.

Personal health and safety

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

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

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

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

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

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

In 2022, in its Italian and foreign branches, Iris Ceramica Group recorded 37 work-related injuries (14 less than in 2021), out of a total of 2,198,323 hours worked. The main types of work-related injuries were blunt-force trauma and/or stab wounds. To guarantee appropriate, preventive worker health monitoring, **Iris Ceramica Group promotes its occupational medicine service** and defines the methods of managing relations between the occupational physician and the company staff.

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

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

Recognitions for caring for people

One of the Group’s main goals is to create an inclusive working environment that satisfies all employees, whatever their gender. In this respect, Iris Ceramica Group **was ranked the top company that women are happiest to work in, according to the survey “Italy’s Best Employers for Women” by the Istituto Tedesco Qualità Finanza (ITQF)**, a leading European institute in quality surveys, conducted in partnership with La Repubblica – Affari & Finanza. Only 52 of the 200 companies selected obtained the maximum score of 100, and **Iris Ceramica Group is the first company in its sector to obtain this major result.** In addition to this recognition, **the Group received**

the “Premio Industria Felix - L’Italia che compete” award, organised by the quarterly economy and finance journal “Industria Felix Magazine”, a supplement of Sole 24 Ore, in partnership with Cerved and the Luiss Guido Carli University.

The award gave the company the High Honour for Budgetary Performance, being considered among the best female-led companies in Emilia-Romagna for its management performance and financial reliability. This major award places the Holding, led by the CEO Federica Minozzi, among the top Italian business excellences.

Sustainable conviviality

In 2022, Iris Ceramica Group **began a partnership with Bibendum Group**, a Benefit corporation working in the Food, Beverage and event-organisation field. Together, they decided to have their events audited by the certification body SGS Italia to obtain ISO 20121 certification for a Sustainable Event Management System. In this context, **some activities aiming to recover waste with a view to the circular economy were developed:**

- **Food circularity:** To guarantee the sustainability of the products offered, suppliers are selected according to criteria including local sourcing, seasonality, ethics and certifications. Furthermore, any food not consumed is devolved to the Voluntary Association ‘Porta Aperta’ in Modena.
- **Green cartons:** Use of carbon-neutral cartons (with packaging made 76% from sources of plant origin), which compensate CO₂ emissions by planting trees and optimise weight during transport.
- **The (unconsumed) wine becomes vinegar:** Transferred to special glass bouldes it begins its journey to becoming vinegar, in a project run in cooperation with a partner farm.
- **Circular coffee and sugar:** Coffee capsules are produced with zero CO₂ impacts, compensating any residual emissions. Furthermore, over 900 producers are trained in sustainable practices to improve coffee quality and plant more resistant varieties.

GRI 403-9 | Work-related injuries

(n)	2022	2021	2020
Recordable injuries	37	51	77
Injury rate ²⁹	3.37	4.35	6.18
of which deaths	0	0	0
Death rate	0	0	0
Main types of work-related injuries	blunt-force trauma/stab wounds	blunt-force trauma/stab wounds	blunt-force trauma/stab wounds
Hours worked (n)	2,198,323	2,342,434	2,489,925

Notes
²⁹ Out of 200,000 hours worked.



Lifelong learning and professional growth









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








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

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

At Group level, in 2022, an average of 8.5 hours of training were delivered to employees.

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

	2022			2021			2020		
			Tot.			Tot.			Tot.
Executives	11.8	10.4	11.4	8.4	13.9	9.4	12.9	10.5	12.5
Middle managers	10.2	11.7	10.6	8.1	13.8	9.7	10.1	10.3	10.2
White collar	10.4	7.8	9.4	7.7	10.3	8.7	8.2	7.2	7.8
Blue collar	6.1	6.5	6.2	5.3	11.8	6.5	11.4	14.1	11.9
Total	8.7	8.0	8.5	6.9	11.1	8.1	9.8	9.1	9.6

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

Group training in Italy

In 2022, for the Italian sites, **58 training courses** were delivered for a total of **534 participants engaged and around 3,957 hours were delivered**, mainly on topics relating to **quality, health, safety and technical and professional skills**.

In the **quality** area, training aimed to provide staff with the skills required to reach, maintain and improve the quality standards defined at Group level. **1,713 hours of training were delivered on this topic**.

As concerns **health and safety** courses, the training aimed to improve the safety management system in the work place and guarantee adoption of all measures necessary to protect the health and safety of all workers, whatever their position in the company. **In 2022, 2,244 hours of training were delivered on these topics**,

with an average safety training index of 3.08³⁰. **A total of 3,957 hours of safety and quality training were delivered in 2022**.

Finally, the **technical and professional** area includes training aiming to acquire and update technical and professional skills and/or general knowledge. In addition to technical training courses and language courses (e.g., French, English, Polish, Spanish and German), in 2022 a course was delivered on **customer experience and time management**, focusing on the performance of activities with a view to ensuring the uniform application of procedures.

At the same time, **in late 2022 a course was organised for the sales area on sales management**, a training activity linked to sales and staff management.

Partnerships with universities

Iris Ceramica Group considers it fundamental to support the training world, particularly universities and higher education, as a growth opportunity for future designers, who represent a source of innovative ideas for rethinking the living spaces of the future. The partnership between training and production is a key element for the solidity of the Group and for the development of new projects encouraging through on and investment in a different future. **Iris Ceramica Group has partnerships and projects with major universities and higher education schools, including Iuav University in Venice, Milan Polytechnic, IED, IUSVE, YAC Academy and SOS - School of Sustainability by MCA Architects** founded by Mario Cucinella.

ACTIVE HERO educational project



For the school year 2022/23, Fondazione Iris Ceramica Group’s teaching activities included the implementation of the **“ACTIVE HERO”** project in the 1st and 2nd years of the primary schools in Castellarano, Fiorano Modenese and Sassuolo. This project, divided into four educational workshops, based on four key topics — **movement, a healthy diet, outdoor activities and laughing** — was developed through **active, participatory educational methods**, with moments of creativity and play acting as multipliers of motivation for learning and a guide for cognitive and emotional autonomy.



Notes

³⁰ Ratio between the total number of hours of safety training and the average number of employees in 2022.



Attracting and retaining talents

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













To attract and retain talents, Iris Ceramica Group cooperates with training institutions, including CERFORM, to provide internships for young students and offer them the possibility of employment. **In 2022, 26 young people did internships at Iris Ceramica Group and, thanks to this experience, 7 of them were then hired by the company**, mainly in marketing, human resources, communication and production planning.

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

In 2022, Iris Ceramica Group recorded **155 new hires and 357 terminations**, recording a turnover rate of 26%.

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

GRI 401-1 | New employee hires and employee turnover

a. new hires	2022		2021		2020	
Age						
< 30 years	36	26	37	18	26	10
30 - 50 years	55	17	40	26	45	13
> 50 years	17	4	13	6	17	5
Italy	39	13	16	14	19	7
Germany	10	2	17	10	23	3
USA	59	32	57	26	47	21
Total	108	47	90	50	88	28
Total new hires	155		140		116	
Total employees	1366		1413		1471	
New hire rate	11%		10%		8%	
b. terminations	2022		2021		2020	
Age						
< 30 years	64	43	34	12	59	16
30 - 50 years	74	59	92	20	190	41
> 50 years	79	38	57	21	69	21
Italy	62	26	52	19	44	12
Germany	23	7	38	3	30	4
USA	132	107	93	31	244	62
Other	0	0	0	0	0	0
Total	217	140	183	53	318	78
Total terminations	357		236		396	
Total employees	1366		1413		1471	
Termination rate	26%		17%		27%	

A new career path at Stonepeak

The “**Great Resignation**” is a term used to describe the phenomenon in which a significant number of workers are leaving their jobs, driven by the pandemic, the search for better working conditions and the desire to change their lives. This trend is expected to continue also in 2023, with many companies having to adapt in order to attract and retain their employees.

In this respect, in 2022, the production site in Crossville Tennessee (USA), paid particular attention to the management of its human resources. In fact, faced with a turnover of 55%, the company decided to tackle the emergency structurally, **developing processes to provide employees with a performance management-based career path**. The aim is to care for and retain talents in the company, in order to monitor costs and ensure business sustainability. The strategy was shown to be effective, especially in increasing the loyalty of the staff, and in early 2023, has already led to a reduction in resignations.



Methodological Note

GRI Contents Index

Methodological note

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

The Sustainability Report is the tool used by Iris Ceramica Group to pursue its constant commitment to disclosing information on its sustainability path to stakeholders. The reporting period considered is the financial year 2022, running from 1 January to 31 December.

In line with the financial statements, this **document adopts a reporting perimeter covering the three industrial poles of Iris Ceramica Group**, in Italy in the industrial district of Sassuolo, and two abroad: Vetschau in Germany and Crossville Tennessee in the United States. This Report **corresponds to the financial year 2022** (1 January 2022 – 31 December 2022) and, where available, gives a comparison with the data relating to the previous three-year period.

The Report was drafted with reference to the GRI standards (2021 edition). In the text, for the contents corresponding to the GRI requirements, the identification codes are given in square brackets [GRI] and the evidence of the contents was not checked by an external auditing company.

Focusing on the topics on which Iris Ceramica Group generates or suffers most impacts in economic, social and environmental terms, the reporting model revolves around **10 material topics, identified through a materiality analysis involving the top company management, 5 experts** identified by Iris Ceramica Group, with proven skills in the topics covered, from among the main categories

of stakeholders with whom the Group works on a daily basis, and **22 young people** from different company departments. For each topic, the impacts, management methods adopts and the results of the actions undertaken to manage the topic are assessed and reported.

The discussions with experts concerned a set of topics and related potentially relevant impacts, identified following an analysis of the Iris Ceramica Group value chain and the main sector documents, and on the basis of the guidelines provided in the preliminary draft of the Sector Classification of the European Sustainability Reporting Standard 2022. The impacts were analysed from a double materiality perspective – considering both the impacts generated by Iris Ceramica Group’s activities on the external context (impact materiality) and the impacts suffered (financial materiality) – and assessed on the basis of scope, perimeter, irremediability and probability criteria. The results of the analysis were discussed with expert stakeholders to understand their point of view and systematically include them with those of the company.

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

For more information and details, please contact: sustainability@iris-group.it.

GRI contents index

Statement of use	Iris Ceramica Group has reported the information cited in this GRI content index for the period 1/1/2022 – 31/12/2022 with reference to the GRI Standards.
GRI 1 used	GRI 1 – Foundation – version 2021

General Disclosures

GRI standard	Disclosure	Location
Informativa generale		
GRI 2: General Disclosures - version 2021	2-1 Organisational details	Iris Ceramica Group Società per azioni (S.p.A.) Via Canalino 16, 41121, Modena (MO), Italy The Group works in Italy, Germany and the USA and exports to over 150 countries
	2-2 Entities included in the organization’s sustainability reporting	Iris Ceramica Group S.p.A, Ceramica Castellarano S.p.A, GranitiFiandre S.p.A, Stonepeak Ceramics INC., Porcelaingres GmbH, Architectural LLC, La Ceramica Srl, Studio Secon Srl, Iris Ceramica Group UK Ltd, Technoriunite Srl, Consorzio Sicurezza Srl, Fiandre Iris Ceramica, Iris ltd, Matimex S.A, NORWICH s.r.o. The sustainability reporting perimeter coincides with that of the consolidated financial statements.
	2-3 Reporting period, frequency and contact point	§ Methodological note For information please write to: sustainability@iris-group.it. Annual report
	2-4 Restatements of information	No revisions were made
	2-5 External assurance	The document was not subjected to external assurance
	2-6 Activities, value chain and other business relationships	No significant changes in the company and its supply chain were recorded in relation to the previous year. § Iris Ceramica Group: the art of elegance since 1961 § Materiality Analysis; the iris Ceramica Group value chain.
	2-7 Employees	§ Our people
	2-8 Workers who are not employees	a. Number of agency workers: 66 at 31\12\2022; Scholarships (interns): 2 at 31\12\2022. Most of the agency workers are production staff hired on fixed-term contracts. At 31/12/2021 there were 81 agency workers. The number of agency workers dropped by 18%.
	2-9 Governance structure and composition	§ Solid and integrated governance
	2-10 Nomination and selection of the highest governance body	The Chairman and Vice-Chairman of the BoD select and appoint the members of the highest governance body.
	2-11 Chair of the highest governance body	Romano Minozzi is the Chairman of the Board of Directors of Iris Ceramica Group and does not hold executive positions in the organization.
	2-12 Role of the highest governance body in overseeing the management of impacts	The Group’s Board of Directors is responsible for approving the organisational strategies and developing a management policy, also in relation to sustainability topics The BoD exercises its strategic, governance and control powers through periodic meetings. During the monthly BoD meetings, the progress of the Organization and the achievement of the defined objectives are discussed, and any actions planned. The control and management of ESG impacts are assured in a non-formal manner during these meetings. In the ESG field, the Group CEO, a member of the BoD, reviews and approves the materiality analysis, analysing the significance of environmental, economic and social impacts arising from the performance of the business activities, and the Sustainability Report.
	2-13 Delegation of responsibility for managing impacts	The BoD delegates the responsibility for the management of its ESG impacts to the Group CEO. The Group’s ESG strategy and any updates required over time are notified during the meetings of the BoD and are periodically disclosed through internal and external communication plans relating to the commitments and results achieved by the Group (publications, website, internal communications).
	2-14 Role of the highest governance body in sustainability reporting	The CEO, who is a member of the BoD, examines and approves the Sustainability Report.
	2-15 Conflicts of interest	The risk of conflict of interest is managed using corporate governance systems and procedures (Management, organization and control model, Code of Ethics) covering various fields in which a conflict of interest could occur: relations with company bodies, shareholders, suppliers, customers, employees and collaborators and in relations with the community. Furthermore, all Iris Ceramica Group stakeholders are aware of and can access publicly disclosed information on the composition of the Organisation’s bodies. § Solid and integrated governance § Risk management in the Group
	2-16 Communication of critical concerns	Any critical concerns identified are notified during the periodic meetings of the BoD. No critical concerns were reported during the FY22 reporting period.

2-18 Evaluation of the performance of the highest governance body	Performance is evaluated during the periodic meetings of the BoD.
2-22 Statement on sustainable development strategy	§ Letter from the CEO
2-23 Policy commitments	In the evaluation and management of economic, environmental and social risks, Iris Ceramica Group has adopted the Organisational Model 231 and integrates the principles it complies with to prevent the occurrence of these risks in its Code of Ethics. § Solid and integrated governance
2-24 Embedding policy commitments	§ Solid and integrated governance § Risk management in the Group
2-25 Processes to remediate negative impacts	In the event of the breach of the Code of Ethics and the MOG 231, the Organisation implements all the actions required to compensate any damage caused and prevent the repetition of the breach. Actual and potential environmental non-conformities and the related corrective actions may emerge during internal and external audits, following complaints and stakeholder communications, during operational controls on activities, following the monitoring of the set parameters, following emergencies or in the event of failure to comply with the conformity obligations. These non-conformities are managed in accordance with the required procedure. The Company's certification system ensures continuous monitoring, as well as the identification of any solutions to critical concerns. The Group does not deem that it has caused negative impacts and has not been sanctioned for any environmental or social shortcomings. Complaints are managed by the quality department, with appropriate controls and inspections where necessary. Stakeholder engagement is ensured by listening actions and participation in the local communities, with the factory representatives and the local administrations.
2-26 Mechanisms for seeking advice and raising concerns	§ Solid and integrated governance
2-27 Compliance with laws and regulations	§ Solid and integrated governance
2-28 Membership associations	The Group is not currently a member of any association
2-29 Approach to stakeholder engagement	§ Materiality Analysis
2-30 Collective bargaining agreements	100% of the employees are covered by collective labour agreements (CCNL)

Specific disclosure

GRI standard	Information	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Materiality Analysis
	3-2 List of material topics	§ Key topics for Iris Ceramica Group
	3-3 Management of material topics	§ Materiality Analysis
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	§ Economic and financial results
Material topics		
Procurement of raw materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Procurement of raw materials
Climate change: consumption and emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Respecting the environment
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	§ Energy f. Fiscal meters g. International System of Units equivalences, Primary Energy Consumption of the carrier and SNAM conversion factor
	302-3 Energy intensity	§ Energy
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	§ Pollution and climate-altering emissions
	305-2 Energy indirect (Scope 2) GHG emissions	§ Pollution and climate-altering emissions
	305-4 GHG emissions intensity	§ Pollution and climate-altering emissions
	305-6 Emissions of ozone-depleting substances (ODS)	§ Pollution and climate-altering emissions
GRI 303: Water and Water Discharge 2018	303-2 Management of water discharge-related impacts	§ Water
	303-3 Water withdrawal	§ Water
	303-4 Water discharge	§ Water
	303-5 Water consumption	§ Water

Circular economy: reuse, packaging and waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Circular economy: reuse, packaging and waste
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	§ Circular economy: reuse, packaging and waste
	306-3 Waste generated	§ Circular economy: reuse, packaging and waste
	306-4 Waste diverted from disposal	§ Circular economy: reuse, packaging and waste
	306-5 Waste directed to disposal	§ Circular economy: reuse, packaging and waste
Well-being, health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Our people; Well-being, health and safety
GRI 401: Employment 2016	401-3 Parental leave	§ Welfare plans
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	§ Personal health and safety
	403-2 Hazard identification, risk assessment and incident investigation	§ Personal health and safety
	GRI 403-3 Occupational health services	§ Personal health and safety
	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	§ Personal health and safety
	403-9 Work-related injuries	§ Personal health and safety
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	§ Our people
Lifelong learning and professional growth		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Lifelong learning and professional growth
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	§ Lifelong learning and professional growth
Attracting and retaining talents		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Attracting and retaining talents
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	§ Attracting and retaining talents
Product and service innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Anticipating the future; Product and service innovation
Quality system		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Quality system
Impacts of logistics		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Impacts of logistics
Sustainability in the supply chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Sustainability in the supply chain

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