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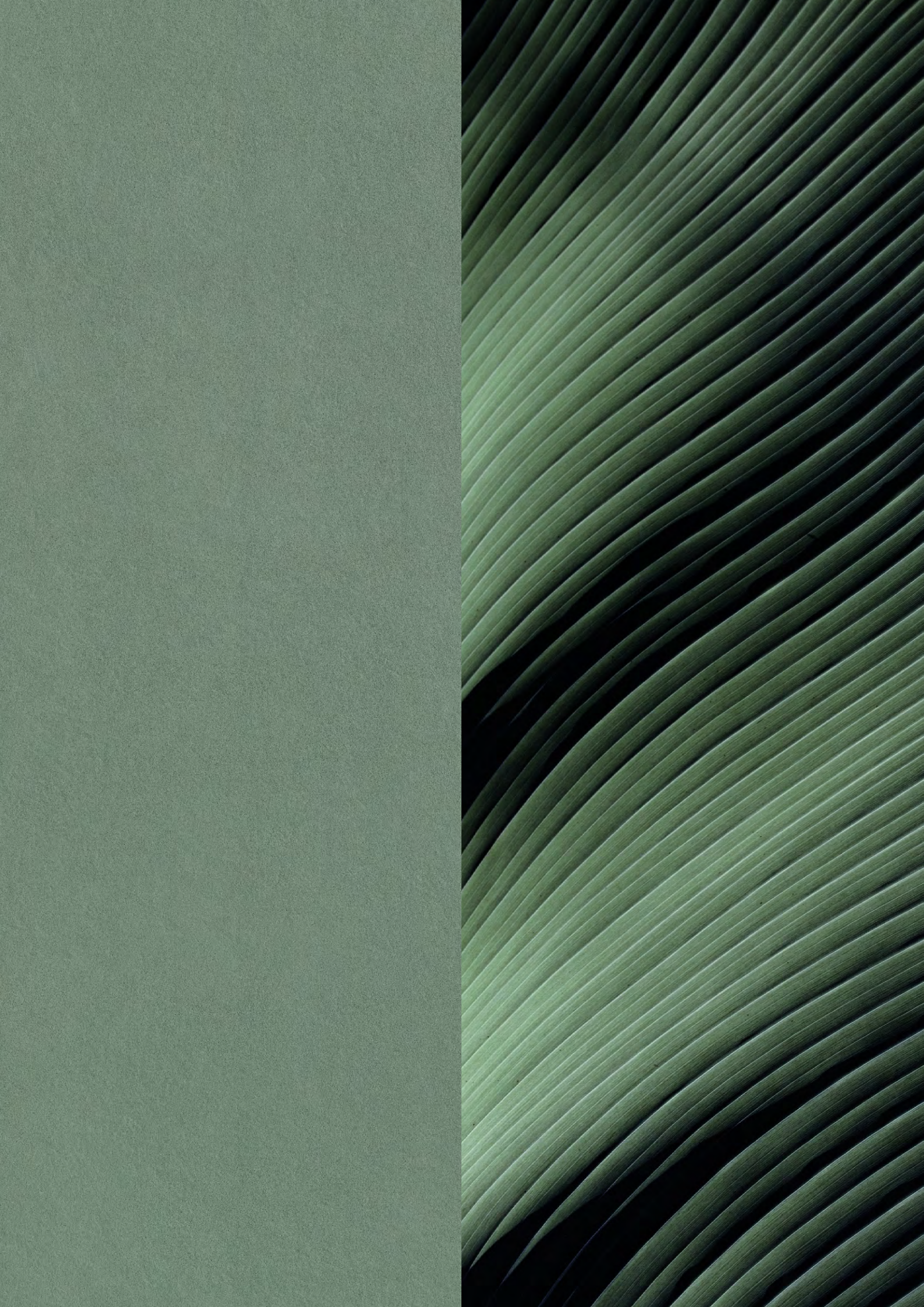


Corporation

Sustainability Report 2023

ITALGRANITI GROUP

ITALGRANITI IMPRONTA ITALSTONE

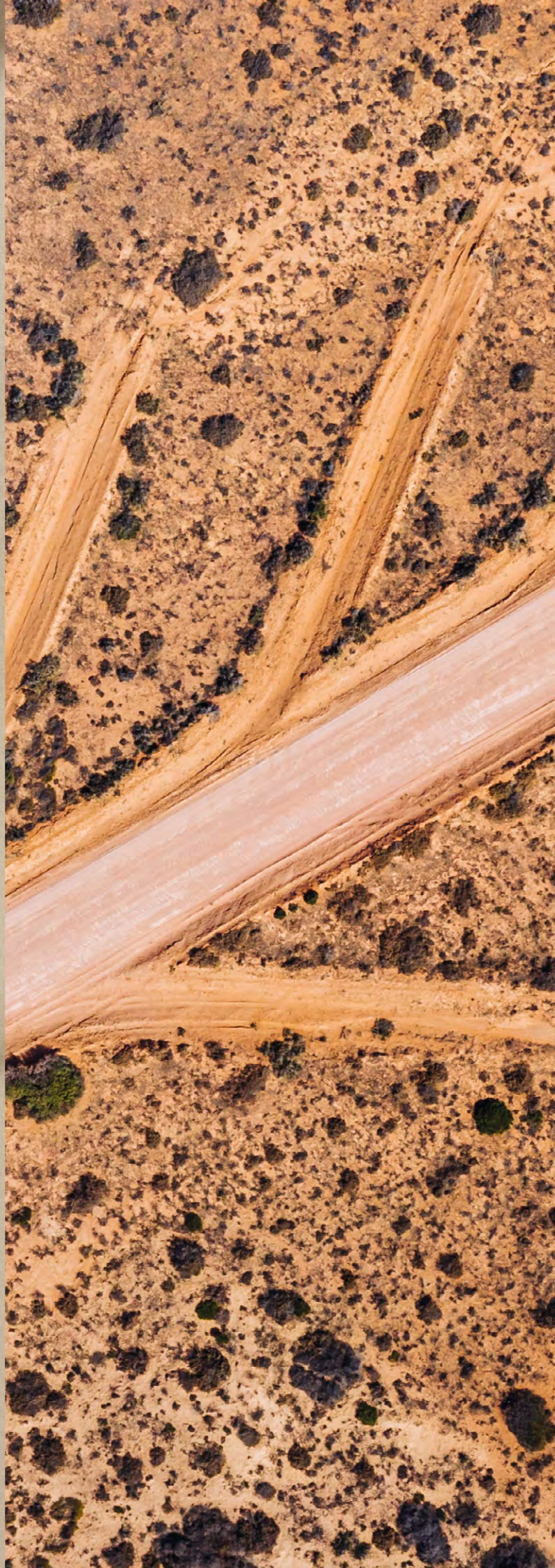


“Being a B Corp fully legitimises an approach that we have long adopted. The idea that doing business can also contribute to the wellbeing of people and the environment, finds new impetus becoming fertile ground for new, concrete and measurable initiatives”.

ITALGRANITI GROUP
ITALGRANITI IMPRONTA ITALSTONE



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Dear Stakeholders,

We are delighted to inform you that the new plant has now been constructed and will go into full production from next January. This milestone marks a major step forward for Italgraniti Group. The workforce will be increased by 25% and the new production site will be equipped with state-of-the-art technologies to make it more efficient with regard to plant engineering and energy efficiency, with excellent performance terms of consumption, emissions and waste reduction.

The new plant embodies our commitment to a regenerative, circular industrial model, built around the wellbeing and professional growth of workers.

In line with our commitment to sustainability and progress, after becoming a Benefit Corporation and obtaining B Corp certification we are proud to announce that ITALGRANITI GROUP has obtained gender equality certification under the UNI/PdR 125:2022 reference practice. We are the first Italian ceramics manufacturer to adopt these guidelines, aimed at establishing gender equality at all levels within the organisation.

This marks the start of a new phase in our Group's history, where the economic, social and environmental aspects of sustainability are more and more closely intertwined. This new edition of our Sustainability Report reflects the impressive progress we have made with pride and determination, supported by constant, large investments.

Thank you for your continued support and enjoy the report.



Elisa Giacobazzi
CEO Italgraniti Group S.p.A.

02.

B Corp certified



WE ARE A B CORP

As its B Corp status confirms, Italgraniti Group adopts an approach focused on the common good. This means that it does not view profit as its only goal but also works to have a positive impact on the ecosystem and society as a whole. Its main priorities include the conservation of natural resources and the responsible management of environmental issues.

With a view to reducing climate change, the Group is committed to developing products and processes with the lowest possible impact on the environment. This includes the adoption of sustainable practices throughout the supply chain, the use of recyclable materials and the adoption of technologies and processes that reduce carbon emissions and other adverse environmental impacts. This approach reflects a genuine commitment to environmental and social sustainability, reaching beyond the goal of simply maximising profit in order to contribute to the wellbeing of the environment and the community.

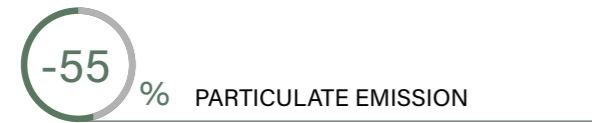
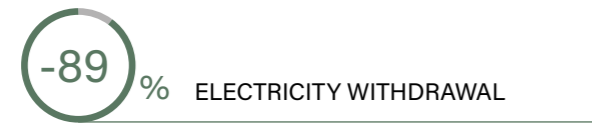
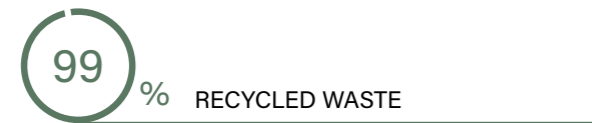
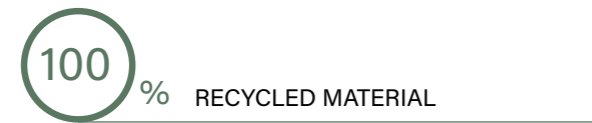
03.

Highlights

ITALGRANITI GROUP has been producing Made in Italy porcelain stoneware surfaces that combine design, functionality and safety for three generations. Through its brands, the Group provides contemporary building and architecture with some of the best ceramic solutions for interiors and exteriors. Over the years, the company has

continued to make improvements on the three levels of sustainability: environmental, economic and social. This process has defined a strategy that sets out actions to achieve sustainability targets, measuring performance; the tables highlight the results for the year 2023, through the indicators considered most significant.

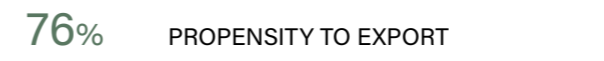
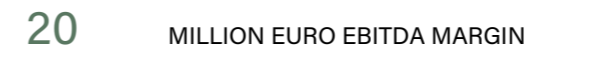
ENVIRONMENTAL INDEXES



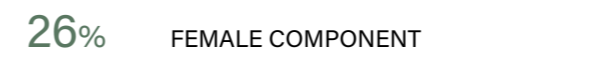
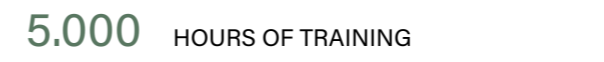
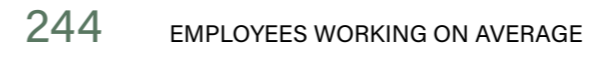
The highly efficient cogeneration plant is able to provide electricity 24/7, making the production plant at San Martino in Rio (Reggio Emilia) self-sufficient in energy. See page 24 for further details.

DATA ARE SPECIFIC AND RELATED TO PRODUCTION VOLUMES

ECONOMIC INDEXES



SOCIAL INDEXES



04.

ITALGRANITI GROUP

The 2030 Agenda and the related 17 SDGs internationally represent the frame of reference for corporate sustainability, to which they offer global and local opportunities and challenges, with the aim of finding technological, management and corporate social responsibility solutions.

ITALGRANITI GROUP is willing to contribute directly and indirectly to the pursuit of these goals. As concerns these SDGs, the Group makes a commitment to its stakeholders to monitor the activities undertaken and periodically describe

their quantitative and qualitative impact in the Sustainability Report. Section 12 ("2023 Objectives and programs"), on the other hand, sets out the company's future plans.



The 17 Sustainable Development Goals were adopted by the United Nations in 2015 with the aim of helping countries and organisations around the world to take the necessary actions to reduce poverty, protect the environment and ensure economic prosperity and social development.

The 17 goals and 169 specific targets are closely integrated with each other - action in one thematic area affects the results of other areas - and form the foundation of the 2030 Agenda for Sustainable Development, aimed at

balancing social, economic and environmental sustainability. That of the United Nations is therefore a universal appeal that recognises the creativity, know-how, technology and financial resources of all societies as urgent.

05.

Company

ITALGRANITI GROUP stood out for its solidity, reliability and ability to innovate among the large Italian ceramic companies. Its expansion in recent years has been supported by considerable investment in the latest cutting-edge production technology.

The Group now has 3 brands and about 250 employees, produces and markets 6 million m2 per year and exports 80% of this output. Between 2021 and 2023, it invested EUR 42 million, EUR 8 million of this in industry 4.0 technologies. Investment and a strong focus on the environment have made it possible to realise a sustainability strategy and highlight values, principles and commitments that the Group has upheld for three generations.

“Continuous investment in technology is an impetus towards an increasingly sustainable evolution. As a Benefit Corporation we want to have a positive impact on the territory in which we were born and in which we operate”.

EUR 42 million
of investment

EUR 8 million
in 4.0 technologies



THE NEW PLANT IN FIGURES:

Total area

28,000 m²

Investments

EUR 60 million

Hydrogen Ready plant

Photovoltaic system

3,400,000 KWh/year

CO₂ reduction

1,800 t/year

Expansion of workforce

25%



05.1 A NEW PRODUCTION PLANT, AN EXPANSION DESIGNED WITH THE HIGHEST SUSTAINABILITY STANDARDS

The construction of a new plant to manufacture porcelain stoneware large slabs began in 2023 and the new facility will go into operation in January 2025.

The production complex, of about 28 thousand m², has been designed to the industry's highest sustainability standards: equipped with plants at the technological state of the art, it will be independent in energy thanks to a major sustainable and renewables project, including a 5 mW cogenerator and a photovoltaic system able

to generate 3,400,000 KWh per annum, helping to reduce CO₂ emissions by 1,800 tonnes.

The plant, lit by a high-efficiency dynamic system, will be equipped with two regenerative after-burners with a system to trap airborne particles, pollutants and VOCs. The production process will recycle all process water and fired and greenware scrap, helping to reduce raw material consumption. The investment of more than EUR 60 million will expand the workforce by 25% and reinforce sustainable, shared growth.



Headquarter & Flagship Store



05.2 HEADQUARTER & FLAGSHIP STORE - MILAN

Designed by architects Andrea Parisio and Giuseppe Pezzano, in 2023 the Milan showroom was extended to include the "Italgraniti Penthouse", creating an additional 200 m² of product display space on two floors. Conceived as a large penthouse, the new space offers architects and designers examples of effective yet refined use of the Group's leading-edge ceramic materials: there is also a display area dedicated to LOOM, the porcelain stoneware-clad furniture and design elements brand. After this expansion and renewal,

the showroom tangibly expresses the passion and expertise that drive the tireless research undertaken by ITALGRANITI GROUP, supported throughout by exquisite aesthetic taste and technologies always at the state of the art. A prestige showcase that confirms its importance as a point of reference for interior design, a place where the culture of home design and technical excellence naturally merge, creating constantly evolving living-spaces.



ITALGRANITI GROUP DOMUS - MODENA

The showroom near the headquarters at Formigine (Modena) was conceived by architects and art directors Andrea Parisio and Giuseppe Pezzano as today's version of the typical Roman domus. Room by room, the showroom offers a striking experience of the most authentically contemporary interior design. From the entrance hall to the bedroom, the Group's collections play a crucial role in the creation of home interiors

with a refined, impeccable elegance, in perfect harmony with the monumental design of the architecture. The Group's locations are intended as meeting-places for encounters and exchanges of ideas between the company and its partners, multifunctional locations for experiencing its many, varied materials, colours and technologies for architecture and landscape design.





05.3 BRANDS

ITALGRANITI GROUP produces and distributes worldwide a wide range of ceramic surfaces that best represent the Made in Italy aesthetic culture and stylistic excellence demanded by top

architects and interior designers. With its three brands, the Group composes a comprehensive offer of looks, sizes, thicknesses, finishes and accessories.

ITALGRANITI GROUP

ITALGRANITI IMPRONTA ITALSTONE

ITALGRANITI

Around the world, Italgraniti is synonymous with high-performance porcelain stoneware. The transformation of top quality raw materials gives rise to ceramic projects able of interpreting the multiple housing, architectural and symbolic needs of a world in constant evolution. Italgraniti's collections encompass all aesthetic looks, sizes, thicknesses and finishes and are able to turn into solutions that combine high technical qualities with high aesthetic content.

IMPRONTA

Since 1974, the Impronta brand has been a reference point for those seeking porcelain stoneware surfaces to create residential and commercial spaces with outstanding technical and aesthetic qualities. Underlying the brand's success is a deep-seated ceramic culture, rooted in the history of its home ceramics district in Italy's Emilia region. Impronta reaches beyond this tradition in its ability to meet - and often anticipate - the needs of the most discerning architecture and home design professionals.

ITALSTONE

Italstone is the Group brand specialised in large 12 mm thick slabs, ideal for transforming worktops into genuine design features that combine style with functionality. The brand offers architects, designers and transformers materials of immense technical and aesthetic excellence, for untrammelled freedom of expression: striking surfaces designed to create environments where worktops and furnishing are in perfect harmony with floor and wall coverings.

05.4 TERRITORY

ITALGRANITI GROUP is based in Italy's most important ceramic district, known the world over for its ability to innovate and for the quality and design of its products. The area boasts historical, artistic and cultural excellence that deserves to be defended and promoted; it is home to the Group's employees and management, who feel

a responsibility to reduce their environmental impact even beyond the already restrictive legal requirements. ITALGRANITI GROUP collaborates on an ongoing basis with universities, training organisations, associations and institutions to enhance the social and cultural value of the territory and to safeguard its environment and landscape.

05.5 LOCATIONS AND INNOVATION

SAN MARTINO IN RIO PLANT

In operation since 1994, the plant in San Martino in Rio (RE) is a modern production site equipped with state-of-the-art technology covering 145,000 m². Equipped with 4 completely independent production lines, it produces around 6 million m² of high-quality porcelain stoneware each year.

The considerable investments in 4.0 technologies in recent years have:

- reduced waste of raw materials
- reduced energy consumption
- increased output (less waste and less scrap for the same raw materials used)
- increased process sustainability, also positively affecting product performance.

During 2022, two new presses went into operation: a PCR 2120, the latest generation of Continua+, and a PH 8200. These systems are at the cutting

edge of technology in terms of quality, performance and versatility:

- manage even small batches efficiently and, in perspective, work on the order
- reduce setting times
- reduce scrap and maximise the recovery of process waste
- integrating raw and fired material cutting
- improve the quality of the finished product
- ensure repeatable processes and the possibility of matching different sizes for the same architectural project.

These systems integrate with 4.0 technologies that manage the production plant and provide a wealth of useful information for analysing production progress and monitoring its quality and level of economic and environmental sustainability.

WAREHOUSE AND LOGISTICS

The Group has four warehouses - including the new facility built in Sassuolo - totalling some 150 thousand m². All the warehouses adopt a highly computerised logistics model to reduce the splitting of loads and minimise incoming and

outgoing traffic. Special internal shuttles collect orders with fully optimised trips, reducing the number of trucks entering the storage areas.



Site area

145,000 m²

New installations:

Line Continua+ PCR 2120

Pressa PH8200

CO-GENERATION PLANT

rated power 4,5 AMW
electricity 24/7
thermal power greater than 11,000 kWh

- 89%
pannual electricity
withdrawal



CO-GENERATION PLANT

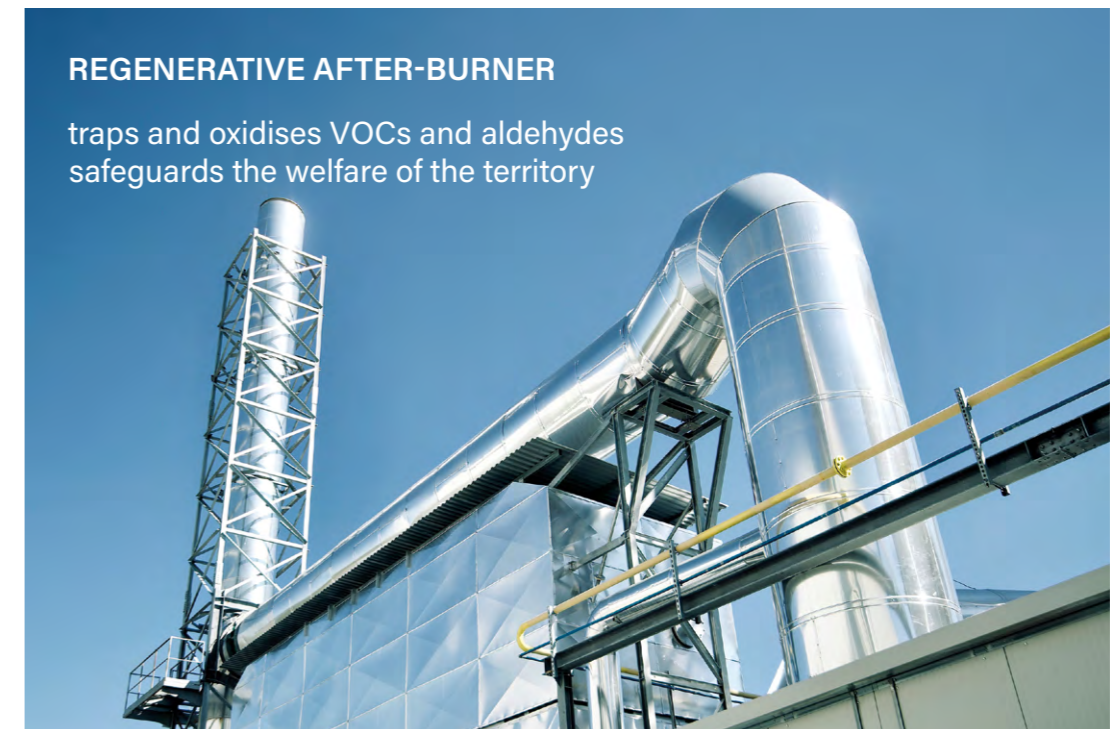
The energy self-sufficiency of the production factory in San Martino in Rio (RE) is one of the Group's strategic objectives, in addition to being crucial in terms of environmental sustainability. In this regard, in 2022 ITALGRANITI GROUP completed the installation of a modern, high-efficiency cogeneration plant with a rated power output of 4,5 MW, which reduced electricity consumption by 89%. Starting with natural gas

as the sole energy source, the plant enables the combined production of electricity and heat energy, greatly increasing the efficiency of the source fuel and cutting - compared to the separate production of electricity and heat - energy costs and CO₂ emissions. The plant is able to supply electricity 24/7, guaranteeing in this respect the self-sufficiency of the entire site, with the excess being fed into the grid.

REGENERATIVE AFTER-BURNER

The new after-burner has enhanced the existing fumes purification system with fabric filters, preventing unpleasant odours from being released. The modern system is able to intercept volatile organic compounds (VOCs) present in the organic-based glues used in digital decoration. It is precisely VOCs that could cause olfactory discomfort in those living and working in the vicinity of the production plant. Although there have never been any reports of this happening,

ITALGRANITI GROUP decided to install the after-burner as a preventive measure. Inside it, temperatures reach 850°C, enough to completely oxidise VOCs and aldehydes. Equipped with three combustion chambers with high thermal efficiency, the after-burner collects the fumes to be treated in the first and the purified fumes in the second, while reserving the third chamber for the elimination of any residues from the post-combustion process itself.



REGENERATIVE AFTER-BURNER

traps and oxidises VOCs and aldehydes
safeguards the welfare of the territory

06.

Products

ITALGRANITI GROUP is internationally recognised for the very high performance of its Made-in-Italy porcelain stoneware, obtained by selecting and processing top quality raw materials. The various collections interpret the multiple needs of a more and more demanding customer base worldwide, to whom they offer functional and design responses.

06.1 ITALGRANITI GROUP PORCELAIN STONEWARE

The industrial solutions of the Group are the result of almost half a century of experience and research. State-of-the-art equipment, rational and reliable processes enable us to produce ceramic surfaces of the highest quality standards.

Porcelain stoneware consists only of natural raw materials fired above 1,200 °C to give them the necessary strength. It does not require any post-installation treatment (such as paint or protective resins), does not release volatile organic compounds (VOC) into the environment and does not contain

toxic materials. The Group's ceramic surfaces are safe, hypoallergenic and highly hygienic materials because they have virtually zero porosity, which means that they do not allow dirt to penetrate beneath the surface and offer bacteria, mould, fungi and bad odours an inhospitable breeding ground.



18
sizes


160x320	40x80
120x280	60x60
120x120	30x60
80x160	20x60
26,5x160	15x60
60x120	10x60
30x120	10x55
20x120	10x30
80x80	9x50

4
thicknesses

- 6 mm
- 9 mm
- 12 mm
- 20 mm

2
innovative
technologies

StrideUp / StrideUp 20
RealUp

A black and white photograph of two men shaking hands in a factory setting. The man on the left is wearing a white lab coat and has a beard. The man on the right is wearing a dark jacket with 'ITALGRANITI' on the chest. They are standing in front of a large industrial structure with windows.

“We strive for active cooperation with suppliers who share the same principles and values as we do, because sustainability is only possible with the contribution of everyone involved in corporate processes.”

06.2 THE VALUE CHAIN

In a sector like ceramics, there are many activities that contribute to creating value for the customer, and even more numerous are the people involved in the process; through their work, and daily commitment to give their best, each of them brings a valuable contribution. Being a B Corp drives ITALGRANITI GROUP to pay close attention to every link in the value chain, with particular regard to suppliers, within an entrepreneurial network animated by the desire to make a positive impact on the world around it.

The value chain is sustainable if all procurement, production and distribution processes activated directly or indirectly (e.g. through one's suppliers) are managed in an economically, socially and environmentally responsible manner. The Group shapes its purchasing processes on mutual loyalty, transparency and cooperation. As a B Corp certified Benefit Corporation, the Group requires its suppliers to respect the best practices regarding

human rights, health and safety of its employees and contractors, environmental responsibility and care for working conditions. Finally, ITALGRANITI GROUP assesses supplier performance according to the highest quality standards, mapping the main risks within the supply chain, conducting second-party audits on suppliers and defining programs aimed at supporting them and stimulating their involvement also at a value level.

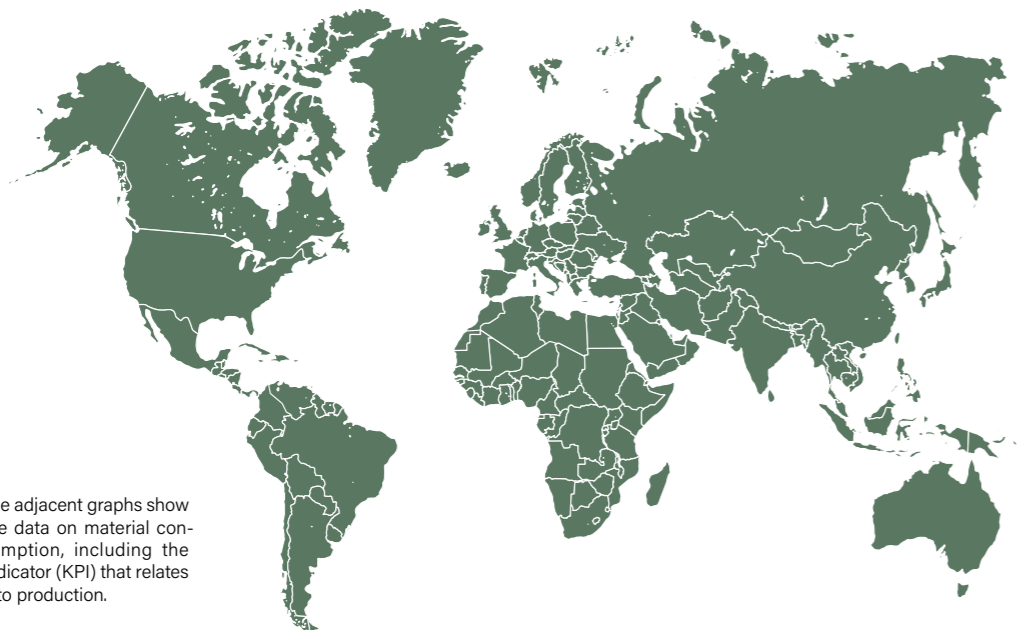
06.3 PRODUCT SUSTAINABILITY

ITALGRANITI GROUP uses the following resources to manufacture its products:

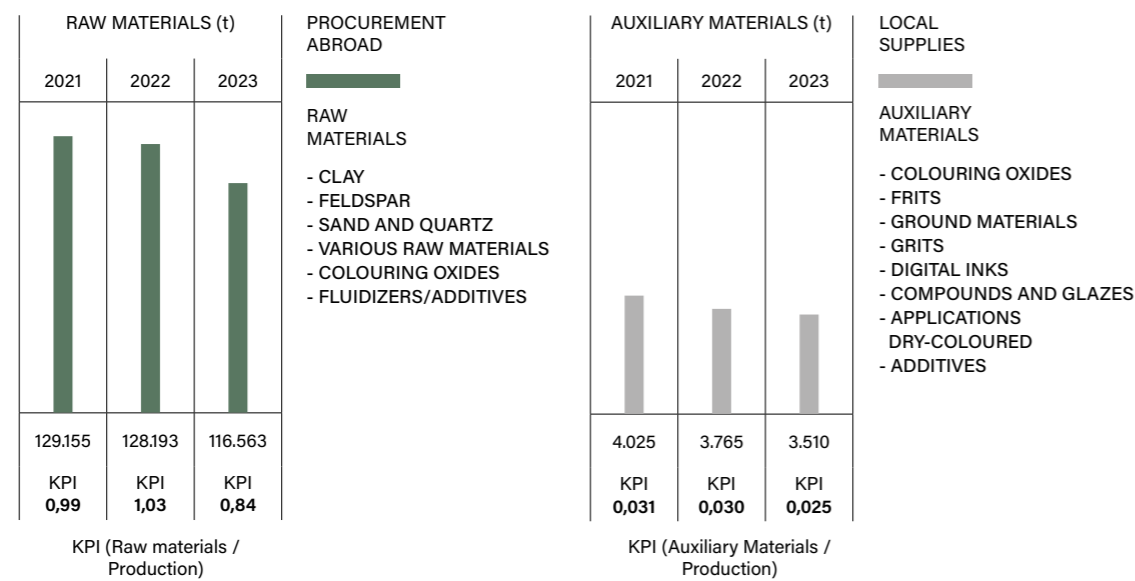
- **Raw materials:** clays, feldspars, sands and quartzes, colouring oxides, fluidizers/additives and other raw materials.
- **Auxiliary materials:** colouring oxides, frits, ground materials, grits, digital inks, compounds and glazes, dry coloured applications and additives.

The composition of the product is typical of ceramic products. Specifically, raw materials form the structure of the tile while auxiliary materials are used to give the aesthetic appearance and surface performance.

The geographical origin of raw materials varies according to their quality: In fact, ITALGRANITI GROUP searches for the materials that can guarantee the best results both technically and aesthetically. Auxiliary materials, on the other hand, are sourced locally, where it is possible to rely on the high specialisation of the Emilia ceramic district.



The adjacent graphs show the data on material consumption, including the indicator (KPI) that relates it to production.



“We recognise the quality of raw materials as being of paramount importance. As we work to streamline production parameters, we secure the best clays available on the market”



MASS FLOW

The diagram represents the mass flow of the production process that transforms the raw material into the finished product.

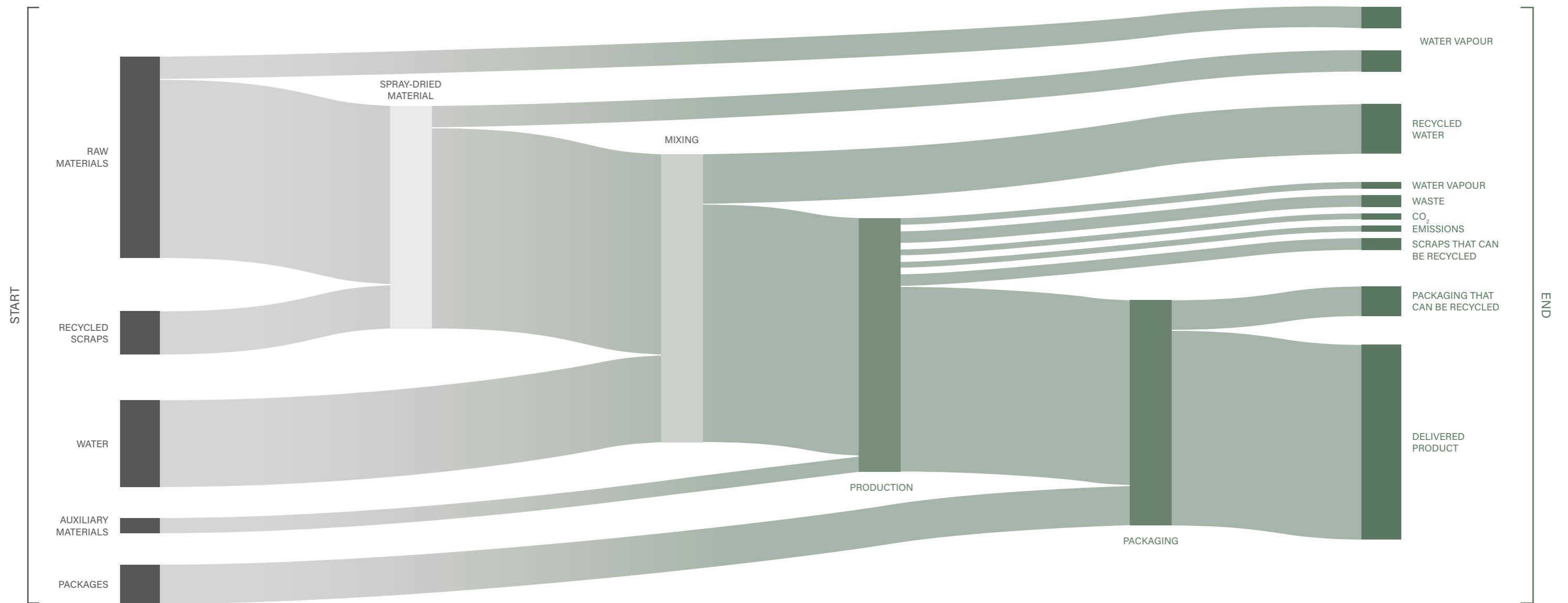
ITALGRANITI GROUP has collaborated with the most qualified suppliers to study products and processes with less environmental impact. A significant amount of water, drawn from artesian wells, is involved in the process outlined below.

After use, all water is recycled, less evaporation losses. The auxiliary materials used represent the best solutions for the industry and are employed in the process with much lower volumes than other resources.

PROCESS WATER AND PRODUCTION SCRAP RECYCLING



ITALGRANITI GROUP recovers 100% of the water used in the production process and almost completely recycles both fired and greenware production scrap. This important objective has been achieved thanks to considerable investments, considered essential to promote a gradual transition to responsible, future-oriented industrial practices.



Build to Zero

06.4 PACKAGING

By 2024, the UN will commit its member countries to drastically reducing plastic production, demonstrating a clear desire to move beyond recycling, an extremely complicated and costly process that has long been debated. Reducing plastic production implies reducing its use, in favour of more sustainable materials. Based on the analysis of data released by the OECD, ITALGRANITI GROUP is adopting several solutions to reduce non-recyclable packaging.

ITALGRANITI GROUP has worked hard on these issues and the results achieved have actually exceeded expectations. For example, it has eliminated 1,500 m³ of polystyrene (used as separator between porcelain stoneware slabs), replacing it from 2023 with triple-wall cardboard containing more than 60% recycled material. Moreover, it has introduced a new

packaging system, which uses rolls of film consisting of 50% recycled plastic and has cut consumption by 50%. Last but not least, the polystyrene and polyurethane foam previously used in packaging has been replaced with recycled materials, as have the porcelain stoneware packaging, and the embossed paper, which is 100% recycled.

The table shows the packaging materials used by ITALGRANITI GROUP.

All components described in the table are recyclable. Wood and cardboard account for 92% of the total packaging. The cartons are die-cut and

printed on the spot to eliminate scraps and reduce the standard sizes stored.

PACKAGING	2021	2022	2023
Wood	3.152	2.809	2.925
Cardboard	320	296	304
Heat shrinking film	220	218	210
Straps	120	62	74
Total	3.812	3.385	3.513
KPI (Packaging / Production)	2,9 %	2,7 %	2,5%

Values in ton

PLASTIC-FREE

The Plastic-Free Project involves the Group's offices and has led to many changes, first and foremost a raising of awareness of the issue amongst employees, which has made them the main actors in the transformation. Other changes worthy of note:

- in drinks dispensers, the cups are now made of paper and the scoops of wood;

- mains water has taken the place of gallon bottle water dispensers and all employees have been provided with personal water bottles;
- plastic plates, cutlery and glasses have been replaced with biodegradable ones;
- workwear is packaged in paper bags;
- preference is given to the purchase of materials made of R-PET, the polymer obtained by recycling PET.

-1,500 m³
polystyrene

-30 tons
heat-shrink plastic

-100 m³
polystyrene foam



“The battle against the use of plastic is a battle that is good for the environment and tells who we are, because it turns a certain idea of business, of the responsibilities involved and of the future we imagine into concrete choices”

Build to Zero

TOWARDS A PLASTIC-FREE FUTURE

The gradual elimination of plastic packaging in favour of more sustainable materials is another important step on the journey to zero emissions.



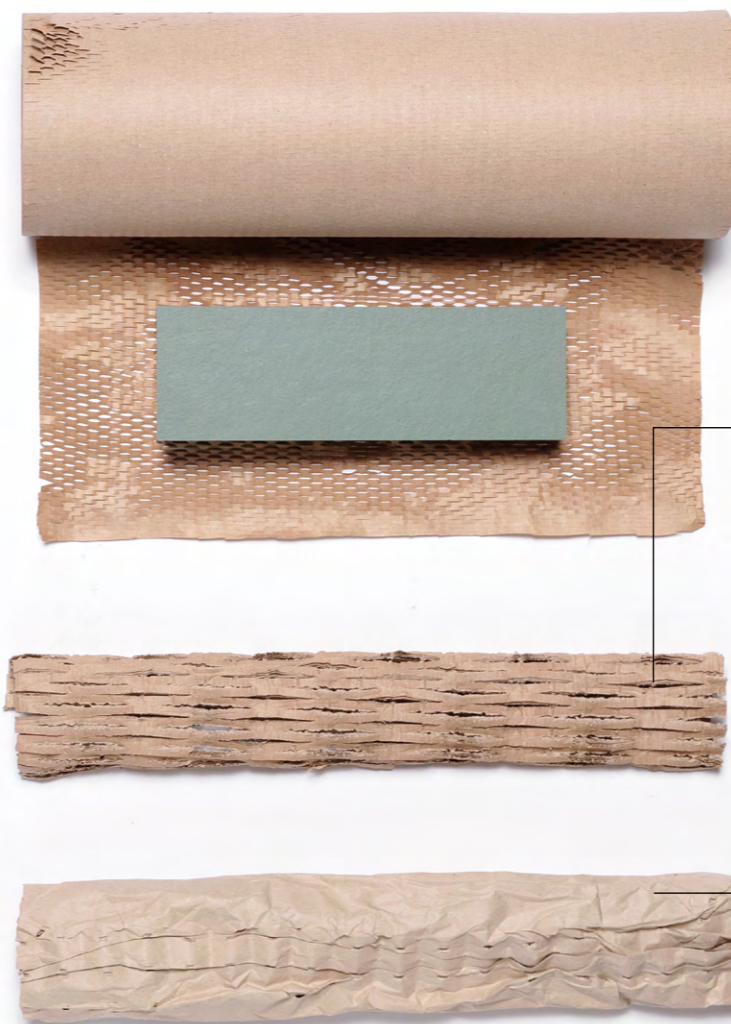
Eco-friendly adhesive tape in 100% recycled paper

QR Code

"Why we are different"

link to the website to learn more about the Group's measures for the reduction, reuse and recycling of packaging

Cardboard boxes consisting of 60% recycled material



Recycled paper meshes

for wrapping and protecting products

obtained from production scrap

100% recycled embossed paper

for protecting the packaging instead of plastics

06.5 PRODUCT COMPLIANCE AND CERTIFICATIONS

Our products are certified to the highest quality, safety and environmental standards on the market.



EPD

This year ITALGRANITI GROUP published its activity data on www.environdec.com, the website of the International EPD System, the world's first and longest running EPD program. The EPD (Environmental Product Declaration) is a concise document that outlines the environmental performance profile of our product and allows us to

communicate objective, comparable and credible information in this regard, without expressing evaluation, preferability or minimum levels to be respected; it thus allows those who read it to make a conscious and correctly informed choice.



LEED

ITALGRANITI GROUP's products meet the requirements of LEED certifications. LEED credits provide all interested parties with the necessary tools to objectively calculate the impact of a building in terms of environmental sustainability. The system is based on the attribution - for each of the requirements characterising the eco-compatibility of a building - of credits that, added together, give the level of certification obtained: the higher it is,

the greater the competitive value of the building on the market. Our products do not release toxic substances and do not contribute to the heat island effect; moreover, they come from a plant with a certified environmental management system. A certified percentage of more than 20% recycled material (pre-consumer material) is used to manufacture them. This certification was issued by Bureau Veritas Italia S.p.A.

GREENGUARD CERTIFICATION



The GreenGuard is an Environmental Product Certification that certifies the emission of low levels of chemicals, such as phthalates, benzene, amines and formaldehyde. It has particular importance for those companies that, like ITALGRANITI GROUP, participate in contract supplies linked to green building protocols, such as the US LEED. These rating systems give the building a score based on the materials it uses. Together with other certifications,

GreenGuard assigns the product used a credit that contributes to the building's score. Created in the US by a non-profit organisation, GreenGuard requires products to undergo independent scientific testing and continuous monitoring of chemical emissions. Those products that meet strict standards, based on criteria set by leading public health agencies, are certified.



CERTIFICATION CCC

The CCC marking is governed by a Chinese regulation certifying that ITALGRANITI GROUP's products have the lowest possible natural radioactivity for building materials, lower even than the natural radioactivity of granite. The CCC certification is obtained after cross-testing by two different laboratories on the same sample and an

audit by the certification body guaranteeing that the certified products comply with the criterion. The CCC mark divides the products into two classes: A and B. All ITALGRANITI GROUP products belong to class A, which is the safest, suitable for use in all places, including public places (such as schools and kindergartens).



CE MARK

The CE mark guarantees product safety. A product with CE mark complies with all the safety and consumer protection parameters of the relevant European directive. The CE mark is obtained by passing laboratory tests and submitting a technical file describing the performance of the

products under examination, in accordance with Regulation (EU) no. 305/2011 (known as the CPR Regulation) and the harmonised standard UNI EN 14411 ("Ceramic tiles - Definitions, classification, characteristics and marking").



NF UPEC CERTIFICATION

This is a French quality mark obtained on the basis of tests according to the European standard EN 14411 and the CSTB's Technical Cahiers. Each product is assigned a classification that attributes

its suitability for installation in the various target environments. The certified products and their Classements are specified in the certificate.



CERAMICS OF ITALY

Ceramics of Italy is the institutional and sectorial brand that represents and promotes the companies of the Italian ceramic industry worldwide. For almost forty years, it has been promoting the image and content of the Italian ceramic industry on foreign markets: Ceramics of Italy synthesises tradition, quality, innovation and creativity. The institutional image of the Italian ceramic industry, the brand safeguards and spreads awareness of the member companies of Confindustria Ceramica and the use of their products through trade fairs, promotional and advertising campaigns, and institutional participation in commercial, cultural and image initiatives aimed at strengthening the action of individual companies on international

markets. Ceramics of Italy represents the will of the Italian ceramic tile industry to spread and promote in Italy and abroad a new value of the tile: no longer a product for the construction industry, but a reference point for style and creativity in the development of a new Made in Italy living culture. The Italian ceramic tile industry labels with the Ceramics of Italy mark those materials characterised by a high design, capable of qualifying living spaces, the result of modern technologies that produce in the utmost respect for the environment, with a great attention to safety in the workplace, the constant search for optimisation of the resources employed, according to the highest performance standards.

The product marks are correctly stamped on the packaging as prescribed by the certification bodies. ITALGRANITI GROUP ensures full compliance with the ISO 14411 standard with regard not only to technical performance but also to labelling, displaying useful information for recognising product quality. The CE marking resulting from the Construction Products Directive is extremely

important. Audits by certification bodies for overseas shipments have never revealed any anomalies or non-conformities in packaging, marking and labelling. Over the years, there have never been any complaints or non-conformities caused by product-related health and safety problems. There were also no complaints about erroneous commercial communications.

For three generations, ITALGRANITI GROUP has been a family business rooted in the Emilia region. Since 2022, with the change of status into a Benefit Corporation and the attainment of B Corp certification, the Group has defined its entrepreneurial profile more and more clearly. Aware of the need for a paradigm shift, the Board of Directors decided to direct ITALGRANITI GROUP's economic, technological and professional resources towards a business model that places common benefit among the aims of economic activity.

Having obtained UNI/PdR 125:2022 certification on gender equality within organisations, the Group also adjusted its governance to embrace the enriching effects not only of the diversity of profiles and experiences of the members of the Board of Directors and the Board of Auditors, but also of gender diversity. It also introduced the necessary organisational safeguards to ensure the fully equal participation of men and women in the opportunities created within the company.

07.1 CORPORATE STRUCTURE AND BODIES

MEMBERS OF THE BOARD OF DIRECTORS

Dante Giacobazzi	President and Company Representative
Francesco Maturò	Managing Director
Elisa Giacobazzi	Managing Director
Giuseppe Pifferi	Managing Director

MEMBERS OF THE BOARD OF AUDITORS

Cristina Corradi	Chairman of the Board of Auditors
Chiara Baraldi	Standing auditor
Piermaria Covati	Standing auditor
Federico Fiorcari	Deputy auditor
Riccardo Vandini	Deputy auditor

INDEPENDENT AUDITORS

BDO Italia S.p.A

Italgraniti for a greener future

We recycle 100% of the waters used

L'acqua è un elemento prezioso, per l'uomo e per qualunque altra specie vivente. Per la Terra stessa. Investiamo in tecnologia affinché i processi industriali non sprechino risorse e ricicliamo il 100% dell'acqua utilizzata.

Water is a precious element, for humans and for all other living species. For the Earth itself. We invest in technology to ensure that industrial processes do not waste resources, and we recycle 100% of the water we use.

We recycle 100% of fired and infired waste

La Terra custodisce una ricca collezione di materie prime. I nostri impianti riutilizzano il 100% dei rifiuti crudi e cotti. Questo ci ha permesso di ridurre il consumo di materie prime.

The Earth holds a very rich collection of raw materials. Our plants recycle 100% of raw and cooked scraps. This enabled us to reduce the consumption of raw materials.

Bilancio di sostenibilità 2021
#italgranitiforagreenfuture



"We believe that diversity is always an opportunity for enrichment: diversity of gender, of human and professional profiles, of individual experiences".

Elisa Giacobazzi e Francesco Maturò
CEO Italgraniti Group S.p.A.

“As a Benefit Corporate, we must maximise the benefits for people and the community we belong to, both economically and socio-culturally”.

07.2 CORPORATE POLICIES

The Group promotes a policy that systematically and strategically integrates four major management areas: social responsibility, process and product quality, environmental protection and occupational health and safety.

CORPORATE SOCIAL RESPONSIBILITY

ITALGRANITI GROUP sees the principles of Corporate Social Responsibility as a strategic evolution of its traditional role as a business player. CSR promotes an innovative regenerative economic model that, alongside profit, ensures positive and sustainable impacts on society and the

biosphere. Accordingly, the Group has become a Benefit Corporation, including in its bylaws the fundamental objective of pursuing socially responsible behaviour oriented towards the common good.

All employees are called upon to share and pursue these goals:

- the involvement of all parties concerned (stakeholders) in order to maintain constructive relations with the players taking part in the corporate business
- the ethical conduct of the corporate business, to keep the Group reputation high and protect it from provisions by the supervisory authorities, which may include fines and punishments
- the balancing of the interests of investors with those of the community
- the implementation of initiatives and projects aimed at common benefit, in a responsible, sustainable and transparent manner.

GENDER EQUALITY

At the beginning of 2023, the process of obtaining UNI/PdR 125:2022 certification on gender equality was completed.

ITALGRANITI GROUP is the first Italian ceramic group to achieve it, reaching a very ambitious target, given the clear male dominance that has always characterised the ceramic sector. The Group believes that a more equitable presence of genders and their equal contribution to the development of our society also requires the

commitment of the business world: gender equality is a key element in affirming the dignity of the individual and the importance of their full human and professional development - regardless of the gender one identifies with - and in overcoming any form of discrimination. Indeed, it is closely linked to social justice and is among the 17 Sustainable Development Goals of the UN 2030 Agenda.

The Group's gender equality and integration policy takes a two-pronged approach:

- analysing and addressing the specific needs of women and men
- promoting targeted interventions to enable them to participate equally in the opportunities created within the company.

The Gender equality policy is addressed to Group employees and shared with Stakeholders, with the aim of having a greater impact in its value network and being a reference point for other companies; it offers guidelines to be implemented

through practices and processes to create a work environment with equal opportunities throughout the entire cycle of people selection, management, development and career.



“For the Group, the preservation of natural resources is an imperative. In addition to product quality, our research and development also focus on improving environmental indices”



ITALGRANITI

THE ENVIRONMENT AND SUSTAINABILITY

In connection with the Group's activities and the resulting impact, the Group undertakes responsibilities related to environmental protection and the sustainability of products and production processes. The Management considers the protection of environmental resources and the management of their problems to be one of the most important corporate priorities. Voluntary adherence to the EMAS Regulation and maintenance of ISO 14001 Certification are an opportunity for

ITALGRANITI GROUP to confirm and boost the protection and improvement of the environmental quality of the territory in which it operates. The overall EMAS implementation record shows an important impact on research and innovation of products and processes, with concrete results in terms of environmental improvements and a strengthening of the Group's image and competitiveness in the market.

These are the objectives that all collaborators are called to share and pursue:

- carefully assessing the environmental impacts of activities and products, in order to take the necessary measures to mitigate or, if possible, eliminate them, paying particular attention to the consumption of energy and natural resources, atmospheric emissions, waste generation, noise pollution and industrial water discharges
- assessing the context in which the Group operates, also in relation to the expectations of the stakeholders with whom it wishes to establish a constructive dialogue
- assessing potential risks and opportunities related to environmental aspects arising from the Group's activities, processes, products and services
- ensuring full compliance with applicable rules and laws and cooperate with public authorities in the event of controls and audits
- assigning appropriate responsibilities and authorities for the planning and implementation of environmental actions
- setting objectives and defining environmental programs geared towards continuous improvement, adopting appropriate indicators to measure the achievement of the set goals and the performance of the actions undertaken
- adopting technical solutions aligned with the best available technology, when economically feasible.

OCCUPATIONAL HEALTH AND SAFETY

The management of occupational health and safety issues is one of the main priorities of ITALGRANITI GROUP. Aware of its responsibility for these issues, the company has adopted the strict requirements of the ISO 45001 standard. ITALGRANITI GROUP has introduced a set of specific procedures and operating instructions that led to the certification of the occupational health and safety system some years ago. This system is constantly applied and updated to guarantee the continual improvement of performance, further reinforcing the company's commitment to safeguarding its workers.

These are the objectives that all collaborators are called to share and pursue:

- providing safe and healthy working conditions in order to prevent accidents, injuries and work-related diseases
- systematically assessing the risks that may arise from the various work activities, and accordingly taking the necessary measures to remove or at least mitigate them
- assessing the context in which the Group operates, also in terms of stakeholder expectations, taken as specific commitments of the organisation
- complying with all applicable occupational health and safety rules and laws and cooperating with public authorities in the event of checks and controls
- setting objectives and defining programs for continuous improvement of occupational health and safety, adopting appropriate indicators to measure the achievement of the set goals and the performance of the actions undertaken
- promoting worker participation by identifying instruments for consultation and involvement.

"Our commitment to building safe and healthy workplaces has steadily grown over time, becoming a top priority, an absolute requirement".





QUALITY OF PRODUCTS

High-quality products and services are the winning strategy for satisfying and retaining customers and for continuing to grow while complying with applicable laws and regulations. This strategy necessarily involves sustainable product and process innovation and the use of the best available technologies.

The Group's management team wants to pursue innovation at all levels, promoting the research and the development of ever higher performing products, both in aesthetic and technical terms, investing in production plants and technologies able to guarantee reliable, efficient processes.

These are the objectives that all collaborators are called to share and pursue:

- product excellence in order to overcome the competitors in the offer to customers
- compliance with product regulations to ensure safety and proper environmental management
- customer satisfaction in all aspects of the business relationship: product quality, punctuality of service, cordiality and collaboration in interpersonal relations
- the efficiency of processes that optimise the use of raw materials and energy forces, to ensure economic margins that are crucial to business success
- continuous staff training, to keep them at the highest levels of competence and awareness, so that everyone feels part of a team striving for business success
- maximum collaboration with suppliers and business partners to improve the entire supply chain and enable joint growth
- economic growth, to ensure the Group's prosperity and employment stability.

SUSTAINABLE PROCUREMENT AND THE SUPPLY CHAIN

The careful selection of suppliers, based on their qualification, is a cornerstone of the company's strategy. After inclusion of the suppliers in the Group's supply chain, a systematic monitoring of their performance in terms of product quality, service, environmental protection and occupational health and safety is carried out. Since 2021, with the Group's evolution to become a Benefit Corporation, suppliers have also

been analysed in terms of their corporate social responsibility.

Being aware that sustainability that generates social and environmental benefits must be extended beyond the perimeter of direct actions, Italgraniti Group is committed to promoting these principles with the supply chain by engaging, where appropriate and possible:

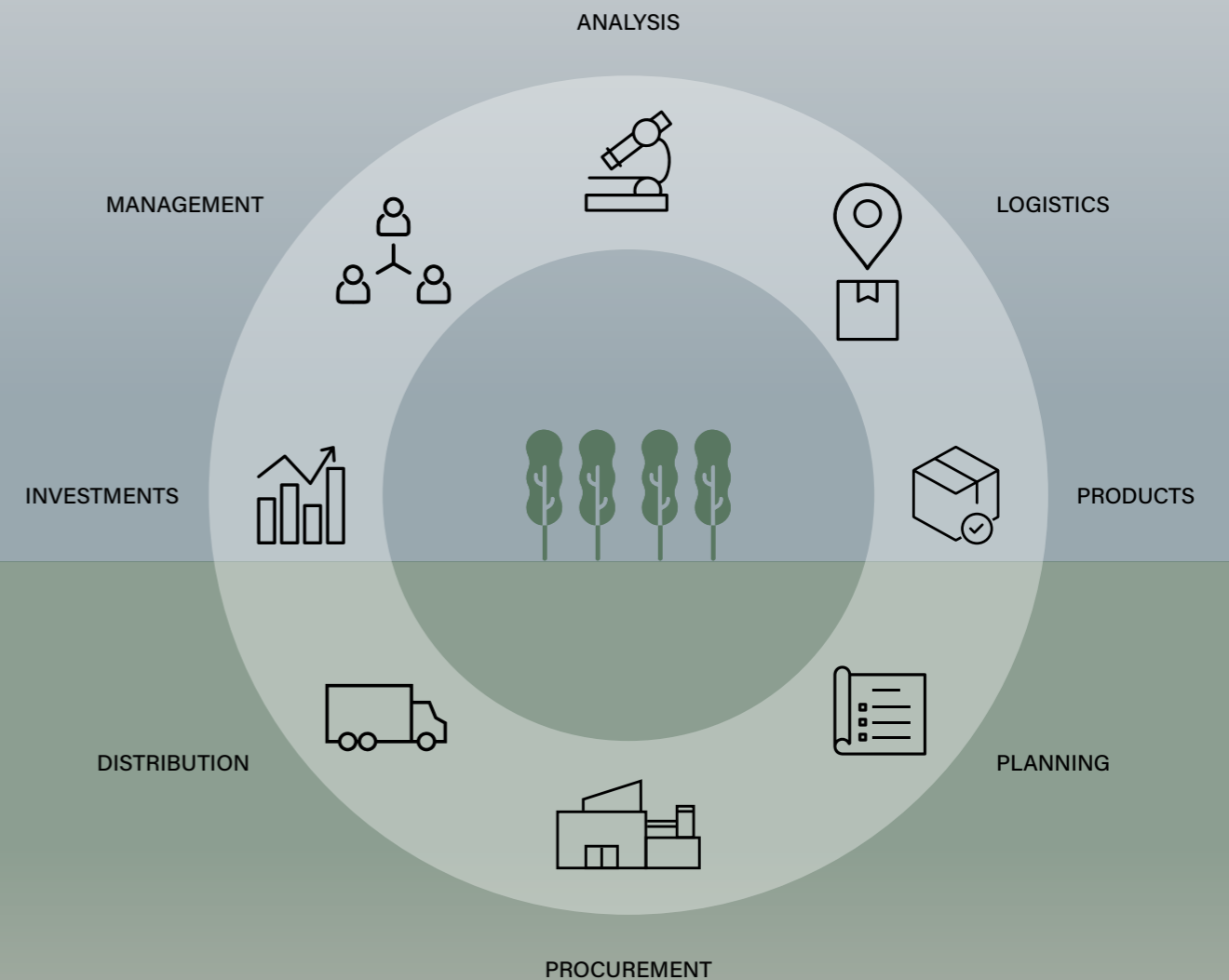
- in purchasing goods and using suppliers that adopt active inclusion and diversity policies and have an active approach to tackling any kind of exploitation of labour
- in purchasing goods and services that reflect appropriate and recognised environmental specifications or standards in order to pursue continuous improvement of internal procurement practices;
- in including sustainability criteria as part of the supplier evaluation process
- in applying the environmental and safety legislation, including international obligations on climate change and sustainable development, such as reducing CO₂ emissions and protecting biodiversity
- in giving priority to Suppliers who have introduced ethical and sustainable practices within their organisation
- in promoting a level of cooperation and awareness on sustainability among supply chain partners and encouraging them to adopt sustainable practices;
- in avoiding the use of potentially environmentally harmful products when a less harmful alternative is available
- in reducing waste and the use of non-renewable resources by identifying and eliminating, where possible, wasteful practices in internal and external operations, prioritising goods that provide the greatest benefits in the circular economy
- in encouraging the sourcing of materials, products and services from local markets.

To achieve these goals, a process of retraining and constant monitoring of the entire supply chain was initiated.

SUPPLY CHAIN MANAGEMENT

Through a responsible supply chain, ITALGRANITI GROUP aims to reduce environmental impact and promote practices that support local communities and conserve global resources. This commitment is not just an obligation but

also an opportunity for building a future where design and responsibility meet, creating a more sustainable world for future generations.



07.3 RISK ANALYSIS

The Management has systematically extended the risk analysis to all areas of the company, including the risk of offences covered by Italian Legislative Decree no. 231/01. To carry out these assessments, a very broad definition of risk was adopted (as per UNI 11230 - Risk Management), which can be adapted to the various areas of the company: risk is the totality of the possibility of an event and its consequences on objectives.

Other criteria can be used for more specific activities such as assessment of risks for occupational health and safety.

Risk is a probabilistic concept: it is the probability that a certain event which may cause a damage occurs. The notion of risk implies the existence of a source of danger (or threat) and the possibility that this becomes a damage. We consider opportunities as cases where uncertainty can become positive consequences on the objectives.

Risks and opportunities may arise from:

- the context of the Group
- compliance obligations
- stakeholders' expectations.

07.4 CODE OF CONDUCT

The Code of Conduct is the document through which ITALGRANITI GROUP declares its responsibilities and ethical-social commitments. It therefore contains the criteria the Group adopts to pursue the interests of internal and external stakeholders.

ITALGRANITI GROUP recognises the importance of the ethical and social values of work: consequently, it is committed to the sound and responsible management of its own activities and those of its social partners, with respect for the community to which it belongs. In conducting its activities, in fact, the Group is based on principles of fairness and transparency in the assumption of risks, both towards customers and within the company: it is in this perspective that the corporate governance system has been set up and implemented.

These commitments gave rise to the Code of Conduct, which has these aims:

- defining the fundamental ethical principles of ITALGRANITI GROUP
- establishing rules of conduct for those working on behalf of the Group
- fostering dialogue, involvement and consensus among these players
- indicating the basis for a voluntary agreement to ethically regulate relationships between ITALGRANITI GROUP and its stakeholders
- representing the basic element for the adoption of the Organisational Model pursuant to Italian Legislative Decree 231/2001 on the administrative liability of entities.

07.5 ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

Model 231 is an organised system of documents, procedures and work and control activities aimed at preventing and reducing the risk of committing the offences contemplated by Italian Legislative Decree 231/2001, which governs the liability of entities for administrative offences dependent on crime.

ITALGRANITI GROUP has adopted an organisation, management and control model that has a dual purpose:

- protecting the Group from the sanctions provided for in Italian Legislative Decree 231/01
- formalising their ethical behaviour and extending it to their social stakeholders.

One of the purposes of the model is, therefore, to induce in all those who operate in sensitive processes an awareness of the social value of the model itself in relation to the purpose of preventing offences and encouraging compliance with the rules roles, and operating methods indicated in the various protocols.

The addressees of the model are all the social stakeholders of ITALGRANITI GROUP, but in particular:

- shareholders
- board members
- top position persons
- employees, including temporary workers
- external collaborators, i.e. consultants, suppliers, sub-contractors and all partners.

07.6 WHISTLEBLOWING

Anyone who becomes aware of conduct that is not in line with the provisions of the Law, the Organisational Model pursuant to Italian Legislative Decree 231/01 or the Code of Ethics may report it (also anonymously) to the internal Supervisory Board (SB).

Conduct or irregularities that cause damage to ITALGRANITI GROUP may be reported, such as actions committed or attempted and omissions likely to cause damage to the health or safety of workers, damage to the Group's image, financial damage, damage to employees and users, acts of attempted or implemented corruption; or conduct by third parties (such as collaborators, suppliers, consultants, etc.) in the same area of relevance. Reports must be based on precise and consistent

facts, and reporting channels may not be used for purposes other than protecting the integrity of the Group. Having an internal reporting channel (complying with Italian Legislative Decree of 20 March 2023, no. 24) protects employees, suppliers and customers who want to report wrongdoing within the Group. This is an important guarantee for the person witnessing potentially unlawful acts because, by remaining anonymous, he or she does not risk becoming a victim of mobbing or discrimination of any kind. In addition, the Whistleblowing channel allows for the early detection of wrongdoing and violations, which often end up causing organisations without an effective reporting system damage, including financial damage; it also allows for the timely search for solutions, avoiding or limiting possible image damage.

07.7 COMPANY CERTIFICATIONS

The Group has obtained and maintains the following certifications.



B CORP

Italgraniti Group is a B Corp. The Group has long pursued strategies that combine innovation and sustainability, aiming to increase the positive impact on people, the territory and the environment by acting responsibly, sustainably and transparently.

Italgraniti Group takes part in the global movement that sees business as a positive force not only for the economy but also for the well-being of people and the planet, and promotes the transition to an inclusive, fair and regenerative economic model.



ECOVADIS: SUSTAINABILITY ASSESSMENT

EcoVadis aims to improve environmental and social practices of companies by harnessing the influence of global logistics chains. It is one of the leading international eco-sustainability rating platforms

and operates the first collaborative platform that allows companies to monitor the sustainability performance of their suppliers, in 150 sectors and in 110 countries.



ISO 14064-1

ISO 14064-1 certification allows organisations to quantify their GHG emissions to implement carbon management policies and communicate their sustainability commitment to their stakeholders. Italgraniti Group started a reporting path on their greenhouse gases (GHG) emissions and removal. The study intends to respond to a need geared not

only towards knowing their own Carbon Footprint but also towards identifying possible strategies and actions aimed to reducing GHG emissions. This important certification proves the Group proactive approach and the ability to provide consistent and reliable data on their Carbon Footprint.



REGISTRAZIONE EMAS

Eco-Management and Audit Scheme (EMAS) is a voluntary instrument created by the European Community that organisations (companies and public bodies) can join voluntarily in order to assess and improve their environmental performance and provide the public and other interested parties with information on their environmental management.

EMAS is one of the voluntary instruments activated under the Fifth Action Programme of the EU in favour of environment, and has as its priority aim to contribute to the achievement of sustainable economic development, emphasising the role and responsibilities of business.



ISO 14001

The system described by ISO 14001 is one of the most widespread Environmental Management Systems and is characterised by the development and implementation of a policy that commits the organisation to full mandatory (legislative) and voluntary compliance (compliance with additional

self-imposed or market-driven requirements). The Group subscribes to these requirements in order to establish or integrate rules for effective management into its organisational system to continuously improve its performance with regard to significant environmental aspects.



UNI/PDR 125:2022

Italgraniti Group is the first ceramic company in Italy to have obtained Gender Certification according to the UNI/PDR 125:2022 standard. Gender equality is a key element to combat discrimination in the world of work and to achieve its strategic objectives. Respect for the individual, together with their

professional development, are considered essential values for the Group, which considers the relational, intellectual, organisational and technical skills of each employee a fundamental resource for the organisation.



ISO 9001

ISO9001 certification is an internationally recognised standard for the creation, implementation and management of a Quality Management System. It is a certification recognised as a basis for creating a system that ensures customer satisfaction and

continuous improvement of performance; it is a valid way of assuring customers that the quality they expect will be maintained and improved over time.



ISO 45001

The safety of employees is an essential requirement and a top priority for ITALGRANITI GROUP, as evidenced by its continuous commitment to improvement and updating in the field of occupational health and protection. Improving behaviour and enhancing the corporate culture on

health and safety is a constant goal of the Group. Obtaining UNI ISO 45001 certification strengthens a corporate culture that deems safety not just as a regulatory requirement but as an essential part of work processes.

IEA - IPPC OBSERVATORY

The European Union adopted the first directive on integrated pollution prevention and control (IPPC) in 1996, which has now been replaced by the Industrial Emissions Directive 2010/75/EU ("IED"). The IPPC directive is based on three fundamental cornerstones:
1. The integrated approach, which implies that authorisations must consider the environmental impact in its entirety, with the aim of achieving high

protection of the environment as a whole;
2. BAT (Best Available Techniques), on which authorisation conditions must be based;
3. Local conditions: when granting authorisations, the competent authorities take into account the technical characteristics of the plant, the geographical location and local environmental conditions.

08.

Stakeholder

The importance of Stakeholders has grown in parallel with the expansion of the Group, culminating in the official recognition of their role in the Benefit Corporation articles of association.

ITALGRANITI GROUP's commitment to considering the interests of all stakeholders reinforces its links to the community and consolidates a sustainable, socially accountable approach. The expectations, perceptions and priorities of Stakeholders are incorporated in the company's strategy, helping to shape its economic and socio-environmental objectives.

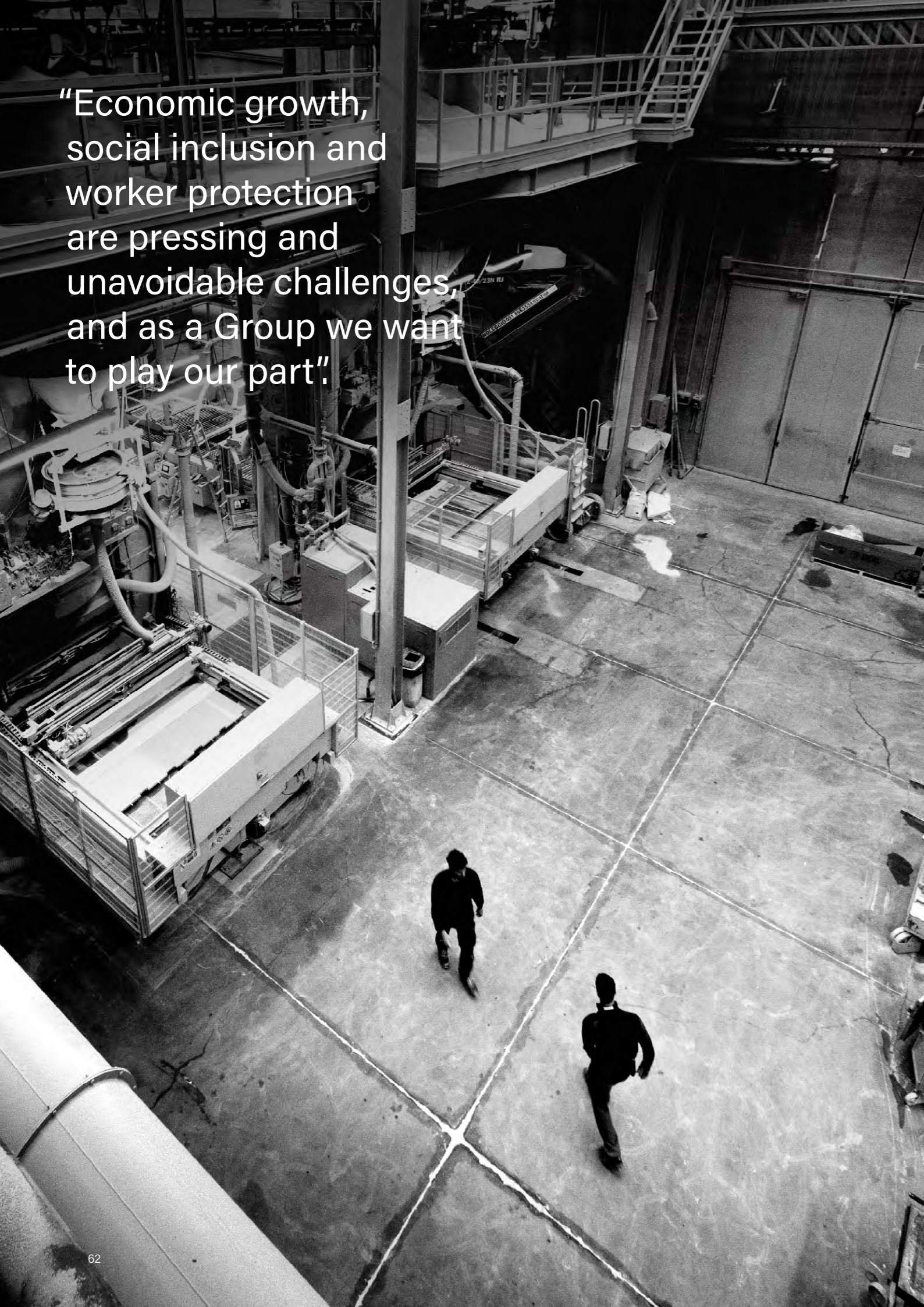
This consolidates the Group's commitment to sustainable, shared growth, in harmony with the social and environmental context. In accordance with the principles of the GRI Standards, the drafting of this report has included identification of the individuals and groups whose interaction with the company and its activities gives them stakeholder status.

STAKEHOLDER	WAYS OF INVOLVEMENT
EMPLOYEES AND THEIR REPRESENTATIVES	<p>A number of welfare initiatives for employees contributed to zero labour disputes for 2023:</p> <ul style="list-style-type: none"> - Education on healthy lifestyles, sustainable both for the person and the planet. - Creation of the post of Diversity Manager, tasked with promoting inclusion and preventing conflicts at all levels within the organisation (page 61). - Provision of funding to encourage the attendance of employees' children in local summer camps organised locally. - Implementation of a more inclusive hiring policy, to encourage and safeguard gender diversity. - Renewal of a performance-based incentives system (active at the San Martino in Rio site). - Opening of the whistleblowing channel (page 55).
CONSUMERS AND LOCAL COMMUNITIES	<ul style="list-style-type: none"> - Construction of a new large slab manufacturing plant, leading to the creation of new jobs (page 14). - Installation of an industrial afterburner system at the San Martino in Rio site to prevent any odour pollution (page 24). - Various activities described in this Report aim to offer consumers an increasingly eco-sustainable product (pages 30-37).
SUPPLIERS	<ul style="list-style-type: none"> - The evolution of the procurement policy focuses on greater involvement of suppliers as key players in the value chain, with a view to fairness, transparency and mutual cooperation (page 28). - Only local suppliers were involved in the construction of the new plant.
CUSTOMERS, DESIGNERS AND ARCHITECTS	<ul style="list-style-type: none"> - The Group has a new showroom (page 18), while the area of the Flagship Store in Milan was doubled (page 16). - When developing new products, the Group focused in particular on the architecture professional target, offering innovative design and strategies specifically tailored to meet their needs.
CONTROL AUTHORITIES, PUBLIC INSTITUTIONS AND REGULATORY BODIES	<p>The Group maintains its "Model 231" governance model (page 55), amending it to include new legislation concerning production; it also ensures strict compliance with the Model's principles, procedures and planned activities, to achieve a relationship with authorities and institutions based on transparency and cooperation.</p>
COMMERCIAL AND FINANCIAL PARTNERS	<ul style="list-style-type: none"> - In order to report on its activities in a timely and transparent manner, every year the Group publishes the Annual Financial Statements and the Sustainability Report. - As a B Corp, the Group pursues its path to growth with regard to its ESG objectives, with the relative regular self-assessments required by the regulations.
TRADE ASSOCIATIONS	<p>ITALGRANITI GROUP actively participates in working tables and initiatives promoted by Confindustria Ceramica.</p>
SHAREHOLDERS	<p>Every year ITALGRANITI GROUP undertakes to publish the Annual Financial Statements and Sustainability Report for the previous year.</p>

"Today we are an open system in constant relationship with the territory and all those who care about the success of the Group's business project to some extent."



“Economic growth, social inclusion and worker protection are pressing and unavoidable challenges, and as a Group we want to play our part”



09.

Among the Group's most important assets are its people who, with their daily commitment, skills and human qualities, govern every function and every business process.

ITALGRANITI GROUP is committed to attracting and hiring people with different skills and backgrounds, pursuing gender equality in selection and hiring through the identification of a shortlist of candidates that tends to be equal in terms of male-female ratio. At the same time,

the company emphasises the importance of meritocracy: experience, skills and competences guide the selection of the best candidates. The Group is committed to ensuring that all employees, regardless of their gender, have fair and equal access to the same remuneration.

09.1 EQUAL OPPORTUNITIES

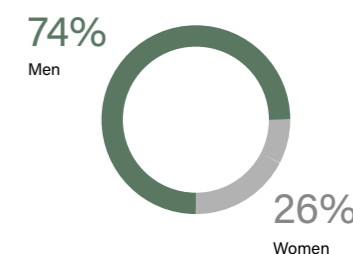
ITALGRANITI GROUP is committed to creating a workplace where every individual feels included, respected and appreciated. To ensure this, it promotes equal development opportunities without any gender discrimination, defining transparent standards consistent with Performance Management and Talent Development processes. The Diversity Manager helps to guarantee inclusive company policies that promote diversities and to ensure the

provision of training for employees to highlight the importance of diversity and its positive impact on the business. The Diversity Manager also plays a crucial role in raising the awareness of employees' line managers concerning unconscious bias and in promoting inclusive communication. As well as improving the climate within the organisation, all this also helps to create a more unified, productive company community.

People

	EXECUTIVES	MANAGERS	CLERKS	SAME-LEVEL WORKERS	APPRENTICES	TOTAL	TURNOVER	2021	2022	2023
Men	8	10	45	110	8	181	Employed	7	32	22
Women	2	3	39	14	5	63	Discharged	12	21	23
TOTAL	10	13	84	124	13	244				

TOTAL WORKFORCE	<30 years	30-50 years	>50 years		
Men	181	74%	7%	48%	45%
Women	63	26%			

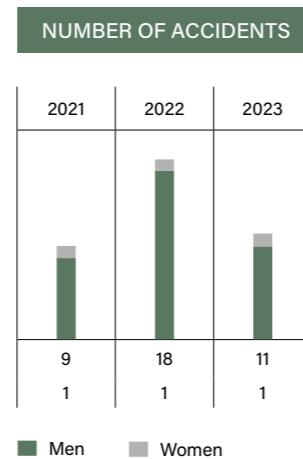


CAREER ADVANCEMENT 2023	% MEN	% WOMEN	FEMALE WAGE GAP 2023
White collars	18%	8%	Managers and administrators -34%
Blue collars	6%	7%	Front line and executives +21%
TOTAL	8%	6%	White collars -21%
			Blue collars -2%
			TOTAL -16%

09.2 OCCUPATIONAL HEALTH AND SAFETY

ITALGRANITI GROUP has always considered the health and safety of its employees to be an absolute and binding priority, which it tackles with extreme seriousness, annually planning various initiatives related to the training of people, the prevention of risky behaviour and plant maintenance.

The UNI ISO 45001 certification strengthens a corporate culture that deems safety not just as a regulatory requirement but as an essential part of work processes. The standard is a necessary tool to generate a sustainable competitiveness model capable of improving the growth of all business performance.



09.3 TRAINING

A quarter of the 250 employees in 2023 are women, a ratio that is repeated if we consider the presence of women on the Board of Directors and in management (including executives). In line with the UN Sustainable Development Goals, the Group considers gender equality to be a key issue for combating discrimination in the world of work

and for achieving its strategic goals. The policy on gender equality and inclusion follows a two-pronged approach: analysing and addressing the specific needs of women and men in any initiative and promoting targeted interventions to enable them to participate equally in the opportunities created in the course of business life.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	2021	2022	2023
Women	8	11	16
Men	33	23	13
Workers	9	7	8
Clerks	41	31	20
Managers	45	48	12
Executives	22	37	34
Average hours of transversal training	26,77	18,04	10,51
Average hours of safety training	0,65	1,78	3,62
TOTAL HOURS OF TRAINING	2021	2022	2023
	6.363	4.772	3.607

ITALGRANITI ACADEMY

Italgraniti Academy was created with the intention of giving value to continuous training within the Group. Under this approach of lifelong learning and constant skill development, Italgraniti Academy offers training modules covering both technical and commercial topics.

These training measures, scheduled periodically throughout the year, focus on specific areas of interest for the technical-commercial organisation. Through these courses, the Academy ensures that all employees have access to learning opportunities that enhance their skills and prepare them to face

the challenges of a constantly changing market. The training sessions organised by Italgraniti Academy not only improve participants' technical and commercial capabilities but also foster a shared company language. They are an opportunity for expressing and reinforcing the corporate culture, promoting a collaborative working environment oriented towards professional growth.

Italgraniti Academy is thus fundamental for the Group's success, as it supplies tools and knowledge essential for supporting the company's long-term innovation and competitiveness.



WELCOME TRAINING

Welcome training is a tool for the insertion and integration of young new employees who have no work experience in the ceramic industry. This training provides an insight into all departments, including production, and takes place during the

first two months of employment. In this way, the new employee acquires full awareness of the organisation, product characteristics and company dynamics.

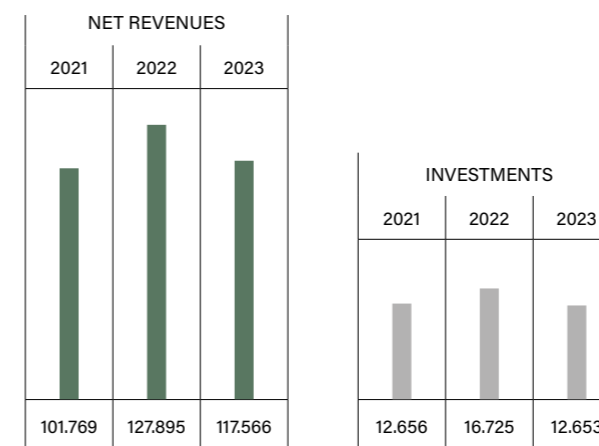
“We feel a responsibility to actively contribute to the economic and social growth of an area to which we have always been linked”



10.

ITALGRANITI GROUP operates in one of the world’s best-known and most popular industrial districts for the production of ceramic floor and wall tiles, within which it carries out all its activities. In this context, the Group stands out for the breadth of its range, the design of its products and the sustainability of its production processes. The link with the territory has never failed, especially from an economic and social point of view; this gives

the Group a sense of responsibility both in its daily operations and in defining its medium and long term strategy. Annually and with extreme transparency, ITALGRANITI GROUP is committed to disclosing financial, production and commercial data to its stakeholders. The table below shows the economic value generated by the Group in 2023 and distributed to the various stakeholders. Comparison is made with the previous two years.



Value expressed in thousands of euros

	2021	2022	2023
Economic value generated	105.427	136.676	121.521
Operating costs	74.462	95.126	82.078
Remuneration and benefits	16.520	17.253	17.164
Payments to providers of capital	783	2.501	3.029
Payments to Public Administration	1.119	4.390	4.934
Investments in the community	29	32	43
Economic value distributed	92.912	119.302	107.247
Economic value retained	12.516	16.374	14.274

Economic value distributed

11.

Environment

As an EMAS-registered company, ITALGRANITI GROUP publishes its Environmental Declaration annually, previously validated by the accredited third party. This document communicates the company's environmental performance to stakeholders on the basis of defined criteria and with maximum transparency.

11.1 ENVIRONMENTAL ASPECTS

ITALGRANITI GROUP systematically identifies the environmental aspects associated with its activities and its products and services, measuring, when possible, the impacts associated with the entire product life cycle. This analysis was extended to those aspects that the Group can keep under control and those that it can influence.

The purpose of the assessment is to measure or estimate the significance of individual impacts to enable prioritisation of actions to be undertaken to achieve significant environmental improvement. For this purpose, both normal and abnormal conditions were considered, as well as potential emergencies.

The direct environmental aspects taken into account are:

- water drawn
- emissions in the atmosphere
- soil and subsoil
- energy consumption
- use of substances
- waste generation
- external noise from production facilities
- miscellaneous material consumption.

The induced environmental aspects taken into account are:

- transport of the finished product to the end customer and of the raw materials to the plant
- environmental behaviour of contractors, subcontractors and suppliers who may have an influence on the environment
- effect on the environment due to the disposal or end-of-life of marketed products.

More and more,
day after day, we make
environmental sustainability
an integral part of our
products and processes,
aiming for a world in which
this is no longer just an
option but rather a necessity.

11.2 TOWARDS CARBON NEUTRALITY

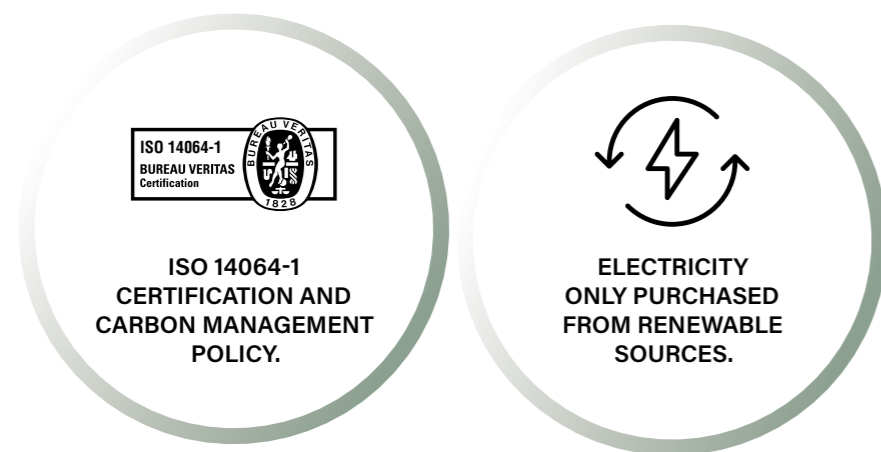
In 2023, ITALGRANITI GROUP only purchased electricity **from renewable sources**. In addition, it obtained ISO 14064-1 certification, which measures the greenhouse gas (GHG) emissions directly and indirectly related to its business (its Carbon Footprint). All this enables the Group to adopt a carbon management policy intended to reduce emissions. Therefore, thanks to its ISO 14064-1 certification ITALGRANITI GROUP is

able to provide stakeholders with transparent disclosure on its commitment to environmental sustainability. This major certification confirms the Group's hands-on approach and the reliability of the data it provides concerning its Carbon Footprint; it enables it to supply an idea of the real size of the carbon footprint and to create and implement strategies to contain it.

COMPONENTS OF CO ₂	DEFINITION
Scope 1 41.787	Direct emissions from owned or controlled sources.
Scope 2 12.711	Indirect greenhouse gas emissions from purchased energy.
Scope 3 98.543	Indirect emissions occurring in the value chain.

Greenhouse gas emissions can be direct (Scope 1) or indirect (Scope 2 and 3): the former arise from the company's use of fossil fuels, the latter from activities related to those of the company but generated by others. While it is compulsory to take into account direct and indirect emissions generated by electricity

and heat production, the accounting of emissions not related to heat and electricity consumption is voluntary. The international standards for defining these sources are the GHG Protocol and the UNI EN ISO 14064-1 certification.



These environmental aspects find their management within specific environmental procedures or instructions, depending on the significance and degree of influence of ITALGRANITI GROUP. In order to measure the company's performance in terms of environmental management, a number of key indicators (KPIs) have been identified (based

on the guidelines of Regulation 2018/2026/EU). KPIs are normalised on production volumes, i.e. on products in stock expressed in t/year. By way of example, below are the figures used for reporting in the year 2023 and the relevant sources from which they were taken:

The indicator measuring CO₂ emissions into the atmosphere is expressed as follows:

$$\text{CO}_2 \text{ emissions KPI06} = \frac{\text{Weight of CO}_2}{\text{Production volume by weight}} = \frac{\text{t}}{\text{t}}$$

The method provided in Annex II of European Commission Decision 2007/589/EC was used to calculate the weight of CO₂.

	2021	2022	2023
CO ₂ emissions KPI	0,30	0,33	0,34

EMISSION TRADING SYSTEM OF THE EUROPEAN UNION

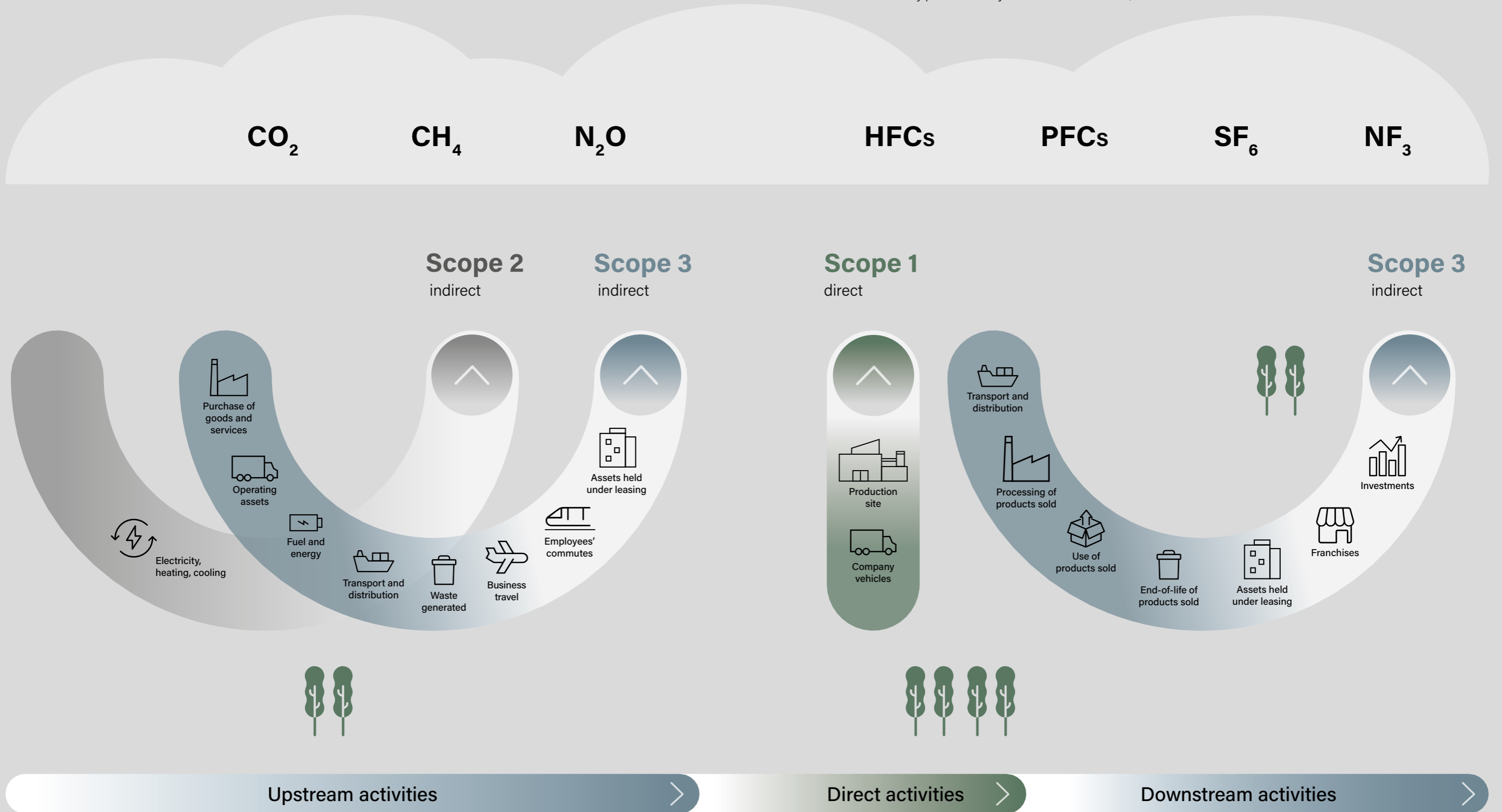
To tackle climate change threats and achieve CO₂ emission reduction targets in Europe's main industrial sectors, the European Union issued Directive 2003/87/EC in 2003, which introduced the Emission Trading System (ETS), a genuine market for emission allowances. The ETS involves all companies producing climate-changing gases (such as CO₂) and is based on "Cap and Trade", a principle that establishes a cap on the maximum emissions allowed on the European territory, divided into "emission allowances" (each equal to 1 t of CO₂ equivalent) that companies can buy or sell according to their needs. Each year, companies participating in the ETS must return an allowance for every t of CO₂ equivalent emitted. Only a limited number of allowances are allocated for free, and companies that do not receive any or do not have enough allowances to cover their emissions must purchase additional allowances, either from other companies or at auction.

ITALGRANITI GROUP is an industrial company with plants with considerable thermal power and is one of the companies covered by the ETS. As stipulated in the European program, the free allowances allocated to the Group were reduced at the beginning of 2022; a cut that represents a further incentive to curb environmentally harmful emissions rather than to purchase emission allowances. In line with the EU objectives that gave rise to the ETS, the Group's commitment goes in this direction, with monitoring plans compiled annually, accurate and transparent accounting of emissions and, above all, investments in increasingly environment-friendly production technologies.

TOWARDS CARBON NEUTRALITY

With its innovative technologies, ITALGRANITI GROUP leads the transition towards an economy with low carbon emissions. Its commitment to supporting energy security and the transition towards a low emissions society is proven by its investments and the results achieved: drastic reduction (minus 89%) in energy use from the grid; electricity purchased only from renewable sources;

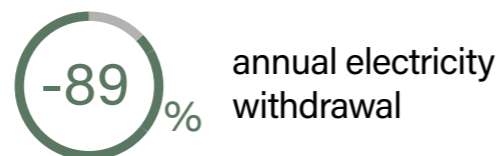
100% recycling of process water and production scrap; and gradual phasing-out of plastic packaging. Through these decisions and new objectives, the Group is committed to promoting a cleaner, more sustainable energy future, demonstrating that companies can play a crucial role in the fight against climate change.



11.3 ENERGY CONSUMPTION

This table shows the Group's energy consumption, both electrical and thermal:

	2021	2022	2023
Electric power (GJ)	101.789	23.562	8.667
Methane gas (GJ)	597.116	709.354	725.991



The difference in the energy balance compared to 2021 reflects the coming on-stream of the cogeneration plant, which increased natural gas consumption while drastically reducing that of electricity. In 2023, all Group electricity purchases were from renewable sources.

$$\text{Electric power KPI} = \frac{\text{Electric power used for production purposes}}{\text{Volume in square metres of finished product shipped}} = \frac{\text{GJ}}{\text{t}}$$

$$\text{Thermal energy KPI} = \frac{\text{Electric energy used for production purposes}}{\text{Production sent by weight}} = \frac{\text{GJ}}{\text{t}}$$

	2021	2022	2023
Electric power KPI	0,78	0,19	0,069
Thermal energy KPI	4,56	5,72	5,78

11.4 WASTE GENERATION

Waste generation is summarised in the following table.

WASTE GENERATION	2021	2022	2023
Waste disposed of to third parties for EWL codes specific to the ceramic sector (t/year)	3983	9.393	6.102
Hazardous waste generated (t/year)	48	88,3	103,2

The Group continues a separate collection of packaging waste (cardboard, plastic and wood), which is stored in a special waste separation area using specific bins for each type of material, appropriately identified by signs specifying the type and EWL code. All other waste is collected in designated areas. We consider this very important, which is why appropriate indicators have been identified:

$$\text{Waste KPI} = \frac{\text{Waste disposed of}}{\text{Production by weight}} = \frac{\text{t}}{\text{t}}$$

$$\text{Hazardous waste KPI} = \frac{\text{Hazardous waste disposed of}}{\text{Generation by weigh}} = \frac{\text{t}}{\text{t}}$$

	2021	2022	2023
Waste KPI	0,07	0,08	0,05
Hazardous waste KPI	0,00010	0,0007	0,0008



11.5 EMISSIONS IN THE ATMOSPHERE

The table below shows the authorised limits for atmospheric emissions and actual emissions. In order to define the emissions more precisely, this value is expressed in mass flow:

MASS FLOW (kg/year)

Pollutant type	2021		2022		2023	
	authorised	medium released	authorised	medium released	authorised	medium released
Particulate matter	110.143	4.010	118.451	1.335	118.451	3.727
Fluorine	1.658	74	1.658	161	1.658	132
Lead	166	0,34	166	0,075	166	0,742
Nitrogen oxides	333.448	21.665	343.870	18.064	343.870	28.983
VOCs	16.581	507	16.581	1.066	16.581	5.783
Aldehydes	6.632	65	6.632	143	6.632	37
Carbon monoxide	-	-	-	-	77.538	987

All Group's parameters are well within the authorised limits.

An appropriate indicator is also calculated to assess the impact of emissions as a function of production:

$$\text{Emissions KPI} = \frac{\text{Weight of released substances}}{1000 \text{ m}^2 \text{ of tiles sent in stock}} = \frac{\text{Kg}}{\text{m}^2}$$

EMISSIONS KPI	2021	2022	2023	Bat
Particulate matter	0,69	0,23	0,64	7,5
Fluorine	0,013	0,028	0,133	0,6
Lead	0,00004	0,00001	0,0002	0,05
Nitrogen oxides	3,74	3,17	4,93	
VOCs	0,088	0,187	0,983	
Aldehydes	0,011	0,025	0,006	

11.6 WATER CONSUMPTION

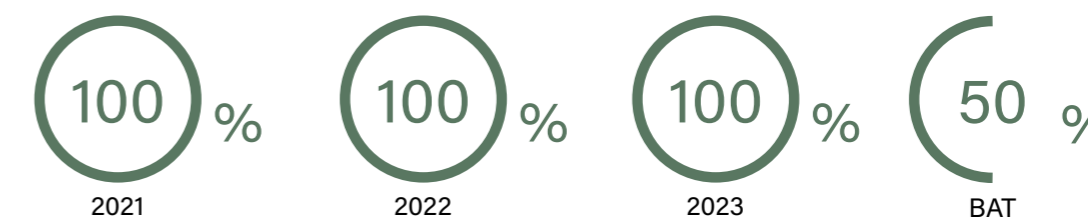
The water used for the various production stages is drawn from two artesian wells. Water consumption is monitored through specific metering that breaks down consumption by department. Water consumption in recent years is shown in this table:

WATER CONSUMPTION	2021	2022	2023
Water drawn from wells (m³)	61.918	65.915	65.171

Tile production requires large amounts of water. ITALGRANITI GROUP's production process is designed to significantly reduce consumption through the recovery of process wash water. The water recovery system consists of several collection tanks and a purification plant that collects all internal wastewater, thus reducing water withdrawal from wells.

Below is the recovery percentage compared to industry BAT (Best Available Techniques).

WASTE WATER REUTILISATION FACTOR



Water consumption is an environmental aspect to be monitored and therefore a specific KPI for water use has been defined:

$$\text{Water KPI} = \frac{\text{Volume of water drawn}}{\text{Production sent shipped by weight}} = \frac{\text{m}^3}{\text{t}}$$

This KPI can be applied for the production site in San Martino in Rio (RE) only. There are no industrial wells in the Casinalbo logistics centre, only domestic users.

	2021	2022	2023
Water KPI	0,47	0,53	0,52

12.

2024 objectives and plans

This document transparently describes the Group's sustainability achievements in accordance with the globally recognised guidelines of the 2030 Agenda. The Sustainability Report is also an opportunity to share the Sustainable Development Goals (SDGs) for the near future and the company's programs in line with each of them.



ACTIVITY	DESCRIPTION	SDGs
New production plant	The new production plant of about 28 thousand m ² , for the production of large slabs, will go into operation in 2025: - equipped with innovative, highly energy-efficient plants, including two regenerative afterburners; - designed to recover 100% of wastewater and production scrap and thus reduce raw material consumption; - powered by a combination of cogeneration and solar power. The result of an investment of about EUR 60 million, once fully operational the site will create 25% more jobs.	8 9
UNI/PdR 125:2022 gender quality certification	Maintenance of UNI/PdR 125:2022 gender equality certification, a key factor in overcoming every form of discrimination and affirming personal dignity.	5 10
Build to Zero, packaging and Plastic-Free project	The Build to Zero project is to continue after achieving impressive results in 2023, such as replacement of 1,500 m ³ of polystyrene with triple-wall cardboard sheets containing 60% recycled material, or the elimination of polyurethane foam. The aim is still the phasing-out of all plastics, so efforts will continue to increase the percentage of recycled material in plastic packaging films.	13 15
Resurfacing of Via per Carpi and construction of cycle track	The Group allocated more than € 1,500,000 to resurface the section of Via per Carpi between the production plant and Trignano (a total of 1.5 km) and created a cycle track of 1 km from Trignano to the Gualdi roundabout.	11
ESG (Environmental, Social and Governance) qualification of suppliers	Screening of the Group's suppliers will be completed, using best practices that assess their socio-environmental profile and quality of governance as well as their economic performance. The tools used include Open-es, an internationally respected Italian web platform for the ESG profiling of companies.	12 17
CO ₂ compensation (objective for 2024/25)	A photovoltaic system with power appropriate to operating needs will be installed at the Casinalbo (Modena) headquarters.	7 12 13
New logistics hub	The new Group logistics hub, currently under development in Sassuolo, will optimise the dispatch of ready material and reduce the impact of transport on traffic with a consequent reduction in indirect CO ₂ emissions.	9 13
Corporate welfare programmes	The value of diversity The Group is convinced that promoting diversity and encouraging an inclusive climate are key factors for corporate growth and development. It has therefore created the role of Diversity Manager, tasked with fostering inclusive behaviours and preventing interpersonal conflict.	5 10
	Training and prevention In cooperation with qualified health personnel, the Group will train its employees on healthy lifestyles and give them the opportunity to undergo free screening for the prevention of cardiovascular diseases.	3
	Affiliated summer camps At the closure of schools, the Group will activate agreements with local summer camps to encourage the participation of employees' children.	4 11
	Employee benefits The Group has entered into various agreements with numerous businesses in the area where the company's sites are located. There, employees can benefit from discounts and concessions on products and services, increasing their purchasing power.	3 17
Dialogue with stakeholders	"Discovery English" project The Group will continue to support an English language enhancement project aimed at the fourth and fifth classes of local primary schools.	4 11
	Dementia care The Group will continue to support the Meeting Centre created within Dementia Friendly Community, a pilot social inclusion project aimed at categories of people that have not yet had access to the traditional clinical pathway, meeting the needs of families caring for people in the early stages of the disease. As well as providing funding, the Group also permits employees to volunteer during working hours.	3 11
	Special equipment for the non self-sufficient Italgranti Group is to make a donation to the "Opera Pia Castiglioni" Care Home of a special bath for the independent or assisted mobility of non self-sufficient elderly people. This high-tech equipment will help to improve wellbeing and mobility and conserve cognitive functions.	3 11
	Local volunteering The Group will support a number of volunteer projects created and run by local charities.	10 11

Method note

The ITALGRANITI GROUP Sustainability Report is a consolidated non-financial statement, in accordance with Italian Legislative Decree 254/2016. The selection of contents to be reported was made considering the most relevant topics for the Group and its Stakeholders.

The method adopted when drafting this Sustainability Report complies with the Global Reporting Initiative Sustainability Reporting Standards (also known as "GRI").

The company performance data and indicators cover the 2023 financial year (1 January to 31 December) and are the result of market analyses, internal processing, use of databases and industry studies. The information contained herein is updated to 31 May 2024 and is compared with that of the previous year, when available. In this case, the data stated are clearly associated with the relevant year. The use of estimates has been limited as far as possible, while those which are provided are based on the best available methods.



WEBSITE

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ITALGRANITI GROUP

ITALGRANITI IMPRONTA ITALSTONE

ITALGRANITI GROUP S.p.A.

Via Radici in Piano 355
41043 Formigine - Modena - Italy
Tel +39 059 888411
Fax +39 059 848808
www.italgranitigroup.com
info@italgranitigroup.com
project.department@italgranitigroup.com

Flagship Store

Via Statuto 21
20121 Milano - Italy
Tel +39 02 84567687
milano@italgranitigroup.com



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