

# SUSTAINABILITY 20 REPORT 23



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# Letter to Stakeholders

GRI 2-12, 2-22

I am proud to present the third edition of Italcser Group's Sustainability Report, a document that reflects our ongoing commitment to pursuing the progressive integration of ESG issues into every aspect of the Group's business, from people-friendly policies, to activities aimed at implementing environmental sustainability, through support for local communities. In fact, Italcser Group continues to be a champion of sustainability through its efforts in the three forms of sustainable development, namely the economic, social and environmental aspects.

In line with this commitment and with a view to continuous improvement, I am proud to announce that Italcser Group began the certification process for gender equality at the end of 2023 to offer employees and collaborators an increasingly inclusive and welcoming working environment, in which every individual can have the same opportunities for growth and professional development, regardless of personal characteristics.

Our work does not stop there. Our commitment to sustainability also extends to our value chain and the communities where we operate.

Indeed, the Group continues its active commitment to minimising the environmental impacts of its production while promoting diversity and inclusion and contributing to the well-being of the communities where it operates. It continues along the path towards decarbonisation while supporting and financing social initiatives in support of local sport organisations.

This is a challenging path that requires a forward-looking strategic vision, but it is also extremely motivating because it allows us to respond responsibly to market challenges, the communities where we operate and our customers.

It is also with great pride that I announce the decision made by the parent company Italcser S.p.A. to become a benefit company, further confirming our commitment to pursuing social, environmental and governance objectives, in addition to purely industrial and financial goals.

This transformation further reinforces our commitment to sustainability and corporate social responsibility. We intend to continue working hard to create a positive impact in the world and drive change towards a more sustainable and inclusive future. In fact, as a benefit company, our decisions are aimed at balancing the interests of all stakeholders, contributing to the collective well-being of the communities where we operate.

In addition, in December 2023, the Group acquired the entire capital of Terratinta Group S.r.l., a benefit and B-Corp certified company specialising in high-end furnishing surfaces based in Fiorano Modenese, in the heart of the ceramic district.

This move, which is strategic for Italcser Group, is consistent with our project to create an Italian design hub that brings together ceramic companies equipped with the technology and expertise necessary to offer high-end products on the market and activate significant industrial and commercial synergies, also through important investments in innovation and ESG aspects.

Finally, I would like to thank all our stakeholders for their valuable collaboration in support of Italcser Group's path towards sustainability.

I am confident that this Sustainability Report will provide a clear and comprehensive overview of our commitment and achievements.

**Graziano Verdi**  
*Chief Executive Officer  
Italcser Group*





# Methodological Note

GRI 2-2, 2-3, 2-4

For the third consecutive year, Italcer Group confirms its commitment to ESG issues, preparing this Sustainability Report as of 31 December 2023, in accordance with the 'Global Reporting Initiative Sustainability Reporting Standards' defined by the GRI – Global Reporting Initiative, according to the **'in accordance'** reporting option.

The report covers the ESG policies promoted by the Group, highlighting how its business objectives are closely tied to sustainability performance. The contents of the report were selected starting from the results of the materiality analysis (see p. 50), which led to identification of the material topics, i.e. those that reflect the most important economic, social and environmental impacts for the Group and substantially influence stakeholders' assessments and decisions.

The Sustainability Report was prepared in compliance with the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability, in accordance with disclosure 1 of GRI 2021 entitled 'Foundation'.

The scope of reporting includes the following companies: Italcer S.p.A. benefit company, Devon&Devon S.p.A., Ceramica Fondovalle S.p.A., La Fabbrica S.p.A. (merged by acquisition into Italcer S.p.A. benefit company with legal effect from January 1, 2024 and accounting effect retroactive to January 1, 2023), Spray Dry S.p.A. and Equipe Cerámicas S.L.U. Solely in relation to GRI 2-7, 401-1, 405-1, it also includes Italcer USA Inc, Nais Tading, SLU and foreign subsidiaries of Devon&Devon S.p.A.. GRI 301, 302, 303, 305 and 306 for Devon&Devon S.p.A. are not reported because this is a trading company in the bathroom furniture sector and the standards are not relevant for the purposes of the Italcer Group Sustainability Report.

The above-mentioned scope coincides with that of Italcer Group's consolidated financial statements, which are prepared on the same annual basis. Please note that on 20 December 2023, Italcer S.p.A. benefit company acquired the full share capital of Terratinta Group S.r.l. benefit company and that the consolidated financial statements of Italcer S.p.A. benefit company for 2023 only include this new company as an asset, since the economic effects produced from the date of acquisition to the end of the year are not material.

The Sustainability Report does not report minority interests in Ceramiche di Romagna in Liquidazione S.r.l. (20% owned

by Spray Dry S.p.A.) and Opificio Ceramico S.r.l. (20% owned by Equipe Cerámicas S.L.U.) because they are not significant. Artigiana 3MC S.r.l., which has been 100% owned by Terratinta Group S.r.l. benefit company since 22 December 2023, is also outside the scope of reporting.

This Sustainability Report reports the fiscal year from 01 January 2023 to 31 December 2023 and, in compliance with the above principle of comparability, compares the leading indicators with data from 2022 and 2021. To this end, it should be noted that Ceramica Fondovalle S.p.A. became part of Italcer Group in October 2022 and data relating to it are therefore reported from 2022.

In compliance with the principle of accuracy, comparability and verifiability, the financial statements mainly contain directly detectable and measurable qualitative and quantitative data, using estimates only in limited and appropriately reported cases.

All generic images or those without descriptions refer to product settings, production facilities or warehouses belonging to Italcer Group.

For more information on the goals, indicators and results achieved or for comments on this document, contact the Group at [info@gruppotalcer.it](mailto:info@gruppotalcer.it).

**10**  
MAIN GROUP BRANDS

**2**  
COUNTRIES WHERE  
THE GROUP  
PRODUCES

**12**  
PRODUCTION  
FACILITIES,  
4 IN SPAIN AND 8 IN ITALY

**125**  
COUNTRIES SERVED

**1,111**  
EMPLOYEES

MORE THAN  
**€3**  
MILLION  
IN INVESTMENTS  
IN R&D

**€80.4**  
MILLION  
EBITDA

**€339.7**  
MILLION IN  
REVENUES

# Sustainability

Nine SDGs that Italcer Group  
Contributes to Directly



**€5**

MILLION

IN INVESTMENTS  
IN SOCIAL AND  
ENVIRONMENTAL  
PROJECTS IN 2023

OF WHICH **27%**  
FOR PHOTOVOLTAIC  
SYSTEMS

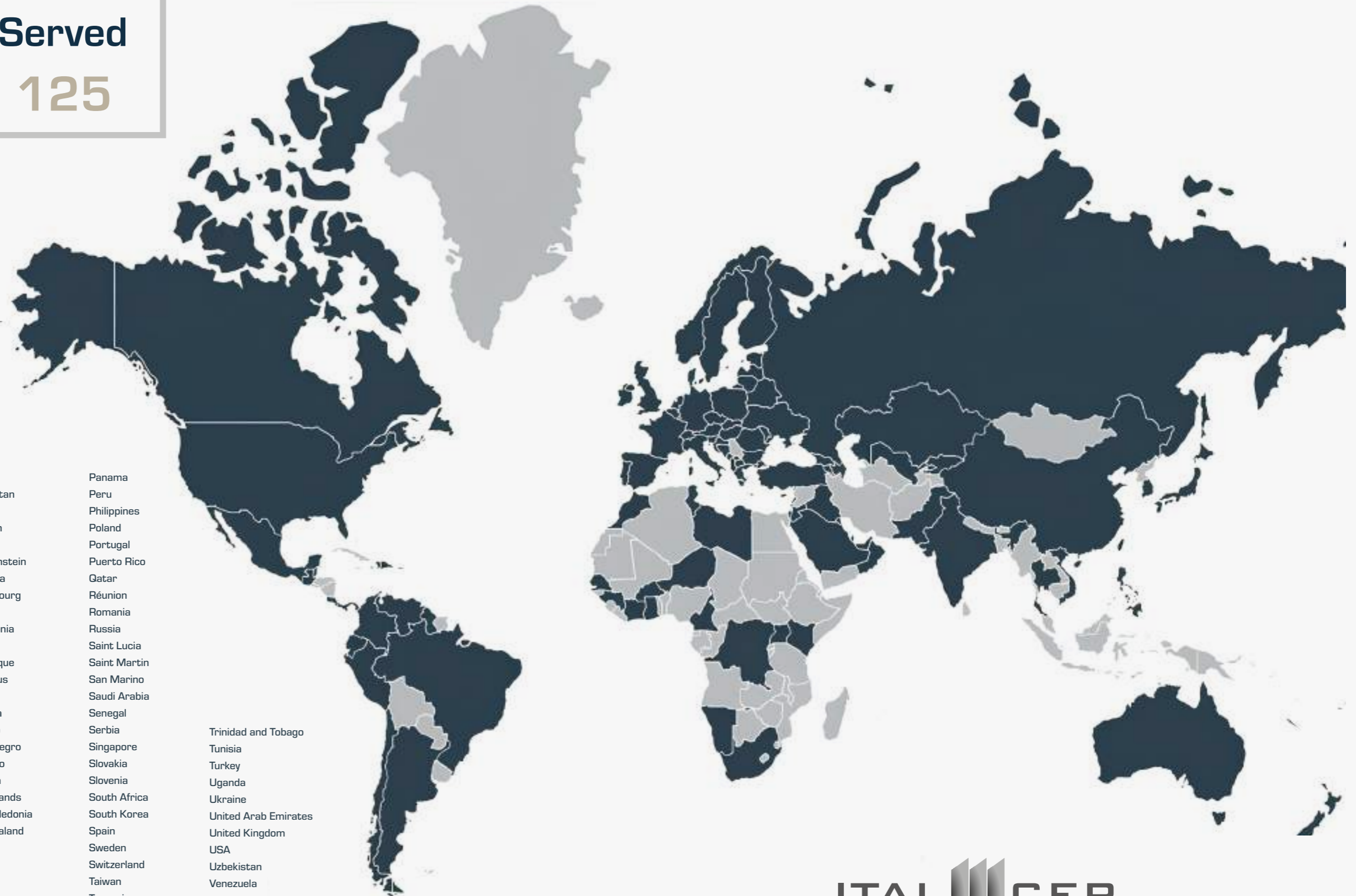
OF WHICH **73%**  
FOR MAINTENANCE ACTIVITIES  
AND PLANT IMPROVEMENTS

# Countries Served

# 125

- Albania
- Andorra
- Argentina
- Armenia
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Barbados
- Belarus
- Belgium
- Belize
- Bermuda
- Bosnia and Herzegovina
- Brazil
- Bulgaria
- Burkina Faso
- Cameroon
- Canada
- Chile
- China
- Colombia
- Congo
- Costa Rica
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Dominica
- Dominican Republic
- Ecuador
- Equatorial Guinea
- Estonia
- Finland
- France
- French Polynesia
- Georgia
- Germany
- Ghana
- Greece
- Guadeloupe
- Guatemala
- Guyana
- Haiti
- Hong Kong
- Hungary
- Iceland
- India
- Iraq
- Ireland
- Israel
- Italy
- Ivory Coast
- Japan
- Jordan
- Kazakhstan

- Kenya
- Kosovo
- Kuwait
- Kyrgyzstan
- Latvia
- Lebanon
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macao
- Macedonia
- Malta
- Martinique
- Mauritius
- Mexico
- Moldova
- Monaco
- Montenegro
- Morocco
- Namibia
- Netherlands
- New Caledonia
- New Zealand
- Nigeria
- Norway
- Oman
- Pakistan
- Palestine
- Panama
- Peru
- Philippines
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Saint Lucia
- Saint Martin
- San Marino
- Saudi Arabia
- Senegal
- Serbia
- Singapore
- Slovakia
- Slovenia
- South Africa
- South Korea
- Spain
- Sweden
- Switzerland
- Taiwan
- Tanzania
- Thailand
- Trinidad and Tobago
- Tunisia
- Turkey
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- USA
- Uzbekistan
- Venezuela
- Vietnam
- Virgin Islands





# Italcer Group Identity

GRI 2-1

Italcer Group, an Italian leader in high-end ceramic flooring, wall tiles and luxury bathroom furnishings, was founded in 2017 by Graziano Verdi, CEO and co-founder of the Group, and the private equity fund Mindful Capital Partners, with the aim of creating a global leader in the markets of reference.

The 2023 catalogues for ceramic surfaces distributed by the Group include 303 collections, while those by Devon&Devon present approximately 155 collections, all designed to satisfy different types of customers, including B2B, high-end distributors and large international retail chains.

The Group's sales network serves 125 countries worldwide, making it a leading player in the industry. Products are supplied through a portfolio of brands, with the main ones being **Ceramica Rondine, Elios Ceramica, LA FABBRICA AVA, AVASTONE, Fondovalle, MyTop, Bottega, Equipe, Devon&Devon and Terratinta Group.**

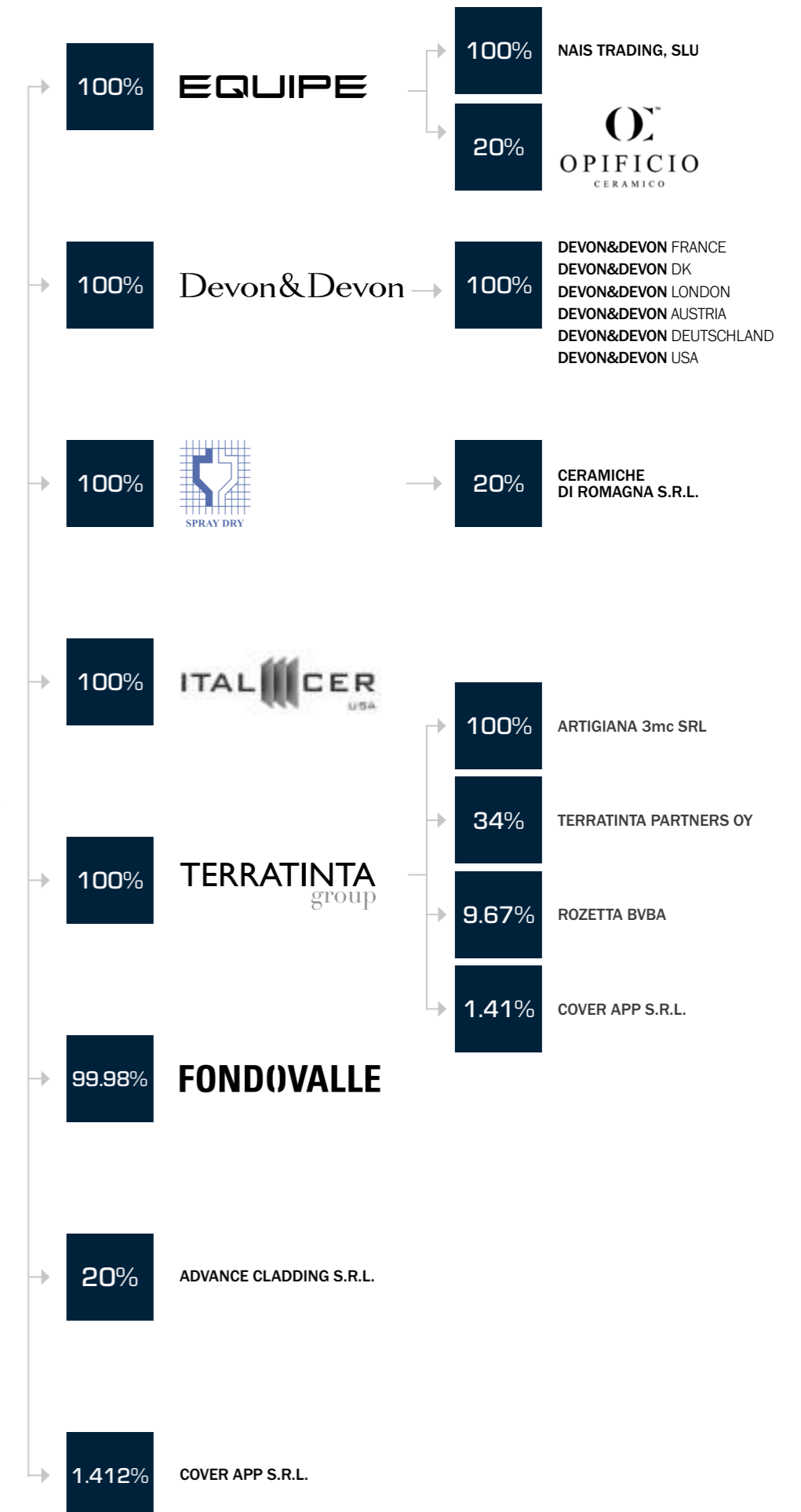
Under the company Spray Dry S.p.A., the Group also produces atomised powders, which are partly used in the Group's production processes and partly sold to other operators in the sector.

## Continuous Expansion Driven by Great Ambition

Since its foundation, Italcer Group has expanded through multiple acquisitions, the latest of which was the Terratinta Group, completed at the end of the year. This acquisition further enriches the Italcer Group range of high-end products and is therefore consistent with the project to create an Italian design hub, capable of activating significant industrial and commercial synergies, with significant investments in innovation and ESG.

Since its foundation, the Group has grown both internally and externally, thus completing its product portfolio in terms of size – from small formats to large slabs – for the widest array of applications in the residential and non-residential sectors.

Italcer Group currently consists of Italcer S.p.A. benefit company, the parent company, with registered office in Rubiera, Province of Reggio Emilia, and the following direct or indirect subsidiaries:



# The Italcer Group Timeline

Devon&Devon S.p.A., acquired in October 2017, is a world leader in high-end bathroom furniture with a classic-contemporary style.

**Devon&Devon**

2017



La Fabbrica S.p.A., a company founded in Castel Bolognese (RA) specialising in high-quality ceramics for both indoor and outdoor flooring and walls, was acquired by Italcer Group in March 2017 and merged into the parent company Italcer S.p.A. benefit company, effective 1 January 2024.



Elios Ceramica S.p.A., based in Fiorano Modenese (MO), was acquired in August 2017 and subsequently merged into the parent company Italcer S.p.A.

Italcer USA was founded in December 2018 to serve the American market with dedicated product lines.



2018



Rondine S.p.A., founded in 1961 in Rubiera (RE), became part of Italcer Group in October 2018 and adopted the name Italcer S.p.A. in 2019.

With the acquisition of Rondine, the Sassuolo-based company Spray Dry S.p.A. (wholly owned by Rondine since 2005) also became part of Italcer Group. The company produces atomised powder, which first allowed Rondine, and then Italcer Group, to make an important qualitative leap by internalising the entire ceramic production cycle.

In August 2019, Bottega S.p.A. became part of Italcer Group, subsequently merged by acquisition into Italcer S.p.A.



2019

2021



In March 2021, the Italcer Group expansion and internationalisation strategy continued with the acquisition of Equipe Cerámicas S.L.U., founded in 1999 in Figueroles, Castellón, which today is the world's leading company in the small floor and wall tile market.

In October 2022, Italcer Group completed its product portfolio with the acquisition of Ceramica Fondovalle S.p.A., a company founded in 1962 and today a market leader in the production and sale of large and very large porcelain stoneware slabs.



2022

2023



In late 2023, Italcer Group expanded further by acquiring Terratinta Group S.r.l. benefit company, a company specialising in high-end furnishing surfaces based in Fiorano Modenese in the Province of Modena.

2024

Today Italcer Group manufactures products in house ranging from very small formats to very large slabs under brands that are highly complementary in terms of size, shape, positioning and target clientele.

**This is an important competitive advantage.**



DESIGN SURFACES

# Vision

The vision of Italcera Group is to be a global leader in the field of designer ceramics and luxury bathroom furnishings via an innovative and sustainable industry.

# Mission

The mission of Italcera Group is to create high-quality products for consumers, customers and architectural professionals, combining design, beauty and innovation in a sustainable perspective, with respect for the environment and natural resources.



# Values

The core values of Italcera Group's business have always been quality, reliability, timeliness, flexibility, attention to aesthetics and design, and environmental, social and economic sustainability. The Group focuses closely on creating new jobs and the health and safety of all employees, as well as the well-being of the communities where it operates.

The inspiration for Italcera Group can be summed up in the following values:

## Innovation

Investing in the research and development of technologically advanced solutions to anticipate market trends and offer increasingly high-performance, efficient and eco-friendly products.

## Quality

Guaranteeing the highest quality of its products through constant control of production processes and the use of premium materials.

## Design

Developing innovative and original designer products that stand out for their aesthetic beauty and unique design.

## Creativity

Constantly developing new original ideas to offer innovative and distinctive products that meet market demands and exceed customer expectations.

## Sophistication

Offering high-quality products with an elegant design and close attention to details to meet the needs of the most demanding customers, while allowing the Group to stand out above the competition.

## Listening to customers and their expectations

Placing customers' needs and requests at the centre of decision-making processes through careful and constant interaction, exploring and offering customised solutions.

## Reliability

Guaranteeing customers the highest product reliability by means of rigorous quality controls and certifications attesting to the safety of the materials. This ensures full customer satisfaction and the creation of a long-term relationship of trust.



## Customer care

Offering customised assistance and support to customers, helping them choose the products best suited to their needs and solving any problems.

## A focus on people

Enhancing and investing in the skills and potential of employees to create a serene, motivating and stimulating working environment capable of attracting and enhancing the best talent in the sector.

## Commitment to sustainability

Furthering environmental protection and reducing the environmental impacts of production processes through the use of innovative technologies, sustainable and durable materials and a 'Made in Italy' design, or 'Made in Spain' design for small ceramics.



# 1.1

## Italcer Group Activities

GRI 2-6

Through its various brands, the Group offers three broad product lines:

- **Designer porcelain stoneware surfaces**

This product line includes porcelain stoneware surfaces designed to be highly resistant and durable yet with a captivating appearance. The products are available in a wide range of colours and finishes and can be used for a variety of applications, including floors, walls and façades.

- **Designer surfaces made of white body**

This product line includes surfaces designed for interior cladding with distinctive effects such as smoothness and brightness. The production process involves firing at a lower temperature compared to porcelain stoneware firing, resulting in a softer, more porous surface.

- **Bathroom furniture**

These collections include bathtubs, toilets, furniture, consoles and bathroom accessories in a classic-contemporary style, designed for the most exclusive hospitality and residential projects.



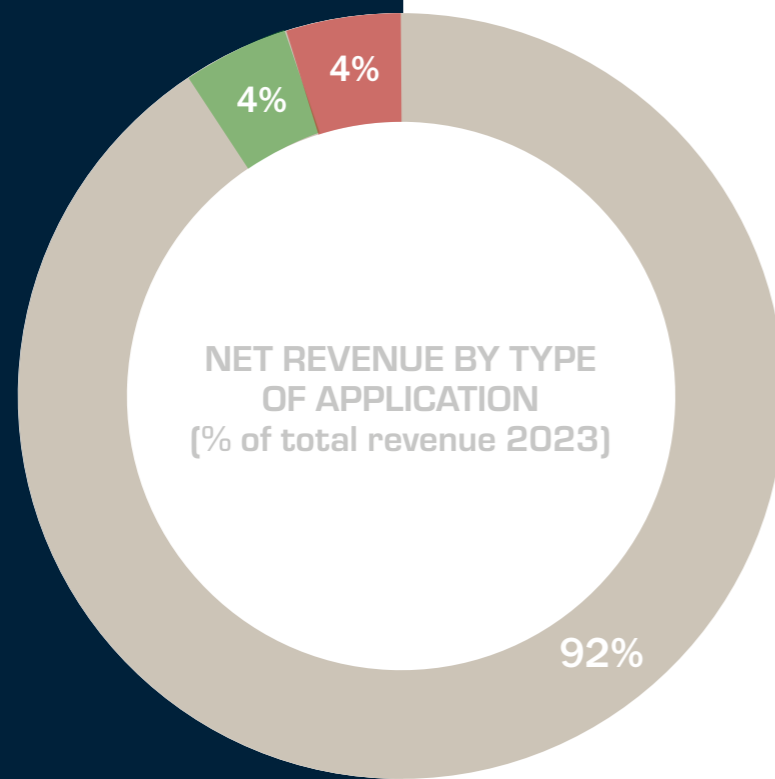


# Economic Performance by Segment

Economic performance per segment in the last three years is indicated below.

NET REVENUE PER SEGMENT TYPE  
[% of total]

	2023 [% of revenues]	2022 [% of revenues]	2021 [% of revenues]
CERAMIC FLOORS AND COVERING	96%	95%	95%
BATHROOM FURNITURE	4%	5%	5%



ARTICLE CATEGORY	INC. %
Ceramics	92%
Atomised powders	4%
Bathroom furniture	4%

REVENUE PER GEOGRAPHICAL AREA [% of revenue]

	2023 [% of revenues]	2022 [% of revenues]	2021 [% of revenues]
ITALY	28%	31%	27%
EUROPE	44%	40%	45%
NORTH AMERICA	20%	20%	18%
OTHER COUNTRIES	8%	9%	10%





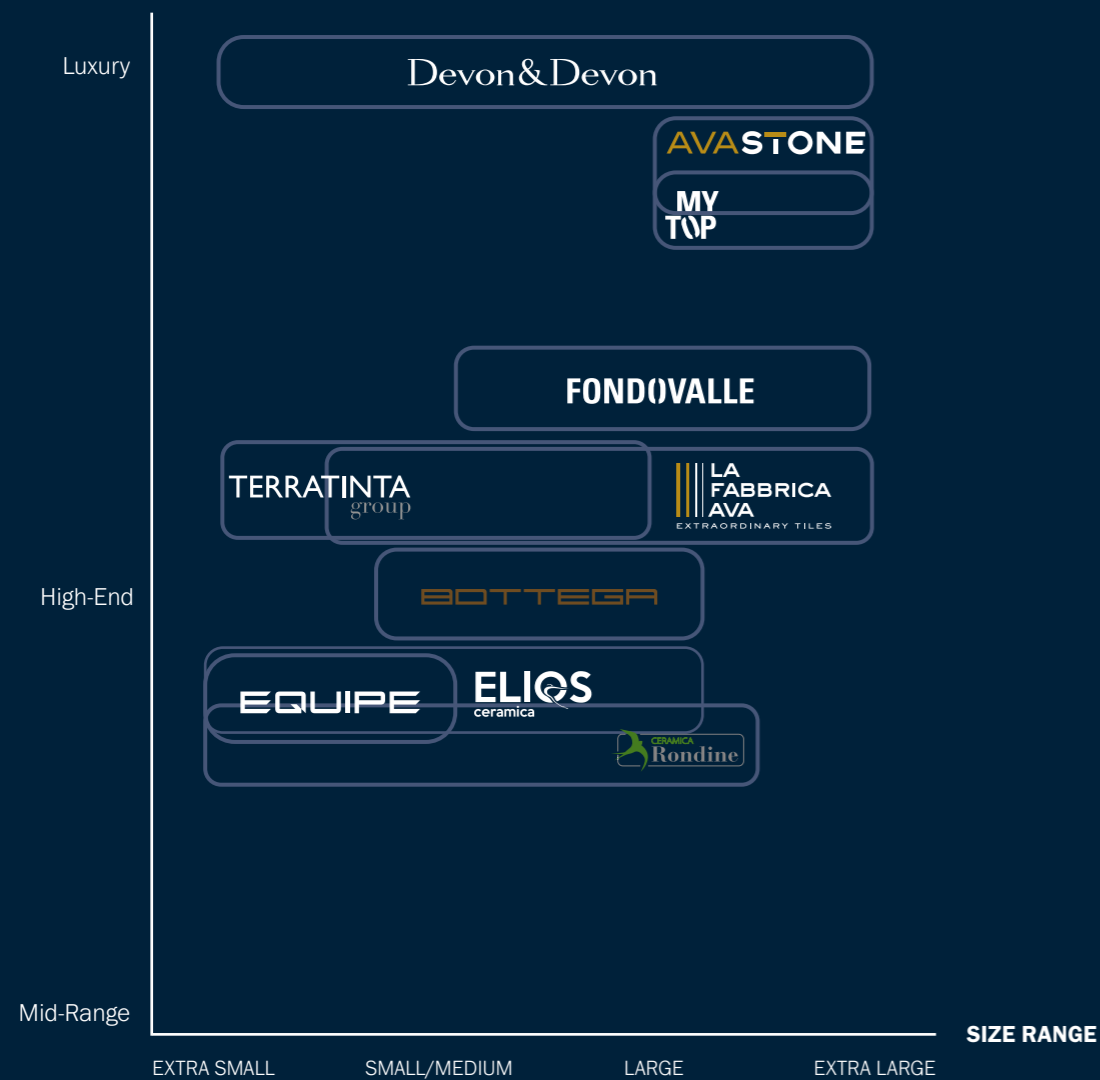
# Brands

## 1.2

Through multiple brands, Italcera Group offers a complete and complementary range of ceramic surfaces and luxury bathroom products that vary in size, format and price range, meeting the varied needs and requirements of customers and markets, ranging from large commercial surfaces to residential use.

### THE EXCLUSIVE RANGE OF ITALCER GROUP PRODUCTS

#### PRICE RANGE



*Italcera Group's unique product portfolio covers all market segments, offering a full range of products in different sizes and formats.*



## Devon&Devon

The Devon&Devon brand, known worldwide for its bathroom furnishings, expresses the utmost elegance and unique luxury style characterising the Made in Italy concept. The company's products are made from the finest materials and are designed to evoke a sense of attention to detail and refinement.

Founded in Florence in 1989, Devon&Devon produces and distributes exclusive home and bathroom collections worldwide whose timeless style recovers and reinterprets the best of European tradition and 20<sup>th</sup>-century design. Designed by an in-house team and in collaboration with major designers, all its products are created to best meet the needs of customers and professionals in the world of architecture and contract projects. The company offers an exclusive bespoke design service, focusing on projects for villas, apartments, yachts and luxury hotels, including luxury boutiques and 4- and 5-star hotels. Devon&Devon offers a wide range of products, including freestanding and built-in bathtubs, washbasins, shower enclosures, faucets, accessories and lighting.

Devon&Devon's main sales channels include distributors specialising in high-quality bathroom furnishings (usually also in the sale of ceramics), which account for 69% of total revenue, and a network of showrooms located in major cities around the world, including Milan, Paris and London, which account for another 24% of revenue. The remaining revenue comes from sales through single-brand showrooms, installers and direct sales to end customers via e-commerce. Devon&Devon's products complement those of the other Group brands, providing complete solutions for people seeking a top-quality product.



This brand offers a wide range of porcelain stoneware products, from large slabs to small formats, combining Italian style, innovative design, certified quality and the highest performance. The company's experience in large formats is a competitive advantage for further expansion into the most sought-after segments of the market.

La Fabbrica's main customers include large well-known retail chains and retailers.

In 2023, revenues from the ten largest customers accounted for 11% of the brand's turnover. Geographically, Italy accounted for 30% of revenue, while the other three main regions (D-A-CH, France and the USA and Canada) accounted for 36% of La Fabbrica's total revenue.





## AVASTONE

AVASTONE is a brand of large slabs with 12 and 20mm thickness, perfect for creating furnishing accessories of any shape and size, such as countertops, kitchen worktops, living room furnishings and bathroom furniture, in perfect coordination with flooring and walls by LA FABBRICA AVA.

Its main customers in 2023 were independent retailers, of which the top 10 accounted for 54% of total turnover. The top three countries with the highest sales are Italy (60.5%), South Korea (10.8%) and Great Britain (7.4%).



The brand's collections are designed to meet the functional and aesthetic needs of interior design and furnishing projects, drawing on the qualities and performance of porcelain stoneware.

Ceramica Rondine's main customers are important retail chains. In 2023, turnover from the ten largest customers accounted for 29% of total brand revenue. Italy accounted for 32%, while the other three main regions (USA and Canada, D-A-CH and France) accounted for 49%.



## BOTTEGA

The Bottega brand is synonymous with values and passion. Creativity, refinement and attention to detail inspire its collections. The main customers of the Bottega brand are large retail chains, mainly located in the USA.

In 2023 the turnover of the ten largest customers accounted for 72% of brand revenue. Sales of the Bottega brand are mainly concentrated in the United States, where the turnover represents about 63% of the total.



The Elios Ceramica brand showcases products for residential and commercial applications, including floor and wall coverings and mosaics, ranging from traditional small-format majolica to porcelain stoneware slabs decorated with high-definition digital technology, following the values of expertise, passion and creativity.

The brand's products are known for their innovative design and cutting-edge technology, which allows for a wide range of styles and colours.

The main customers of the Elios Ceramica brand are independent retailers and pool ceramic retailers, as well as B2B customers.

In 2023, revenues from the brand's ten largest customers accounted for 35% of total brand turnover. Italy accounted for 36% of revenue, while the other three main regions (USA and Canada, D-A-CH and France) accounted for 39%.





## EQUIPE

Equipe, with its 50 collections, is synonymous with small and very small ceramics, which represent 96% of total production. The brand is recognised worldwide for its market excellence in small-format floor and wall tiles with a particular focus on decorative ceramics.

In 2023, revenues from Equipe Cerámicas' ten largest customers accounted for 37% of total brand revenue. The United States and Canada accounted for 37%, while the other three leading countries (Spain, Italy and France) accounted for 27%.



## FONDOVALLE

Founded in 1962, Fondovalle is an international market leader in the field of large porcelain stoneware slabs, with different material inspirations.

Its product range meets the needs of contemporary architecture for furnishing original and creative environments with refined, functional solutions, ensuring the highest design quality and perfect coordination of the floor and wall tiles.

Fondovalle's main customers include specialised distributors and white label clients.

In 2023, revenues from Fondovalle's ten largest customers accounted for 35% of total brand revenue. Italy accounted for 38% and the other three main regions (D-A-CH, Benelux and France) accounted for 36%.



## MY TOP

Combining aesthetics, performance, practicality and workability, MyTop porcelain stoneware ceramic slabs are a ductile and complete tool for designers and planners, in which the refined surface designs decorate a technological and resistant material.

With dimensions of 163 cm x 324 cm and thicknesses of 12 and 20 mm, they are particularly suitable for kitchen worktops, bathrooms, work surfaces, tables and custom furnishings. The large size, quality of the materials and elevated technical performance open new frontiers of expression, representing an invitation to design and build.

In 2023 MyTop's main customers were independent retailers and wholesale distributors, of which the top 10 accounted for 44% of total turnover. Italy accounted for 9.7% of total turnover, while Canada and the United States accounted for 20%. Other countries with substantial turnover in 2023 were Australia and Turkey, each accounting for 9.4% of total turnover.

## TERRATINTA group

The strength of Terratinta Group is its network of collections with well-defined characteristics, an essential Nordic design reinforced by the founding values of the ceramic district: knowledge, expertise and innovation.

Knowledge of ceramic traditions, the fundamentals of this district, technical expertise in creating new materials and new shapes, innovation in combining memory and the future with a curiosity in always seeking new challenges, with a balance between innovation and tradition.

In 2023, its top 10 customers accounted for 34% of total revenue.

Of the total sales, those in Italy accounted for 8%, while other significant countries in terms of turnover were the United States and Canada (22%), Benelux (16.2%), France (8%) and Great Britain (7.5%).



# Production Sites

GRI 2-1

Italcer Group is proud to enhance the history and traditions of its brands and production sites, which are strategically located in the two most important ceramic districts in the world, a setting that favours the development of design products with continuous innovation. As highlighted by the strategy underlying the acquisitions, one of the aims of the Group is to expand sales internationally while increasing its presence in its home area, remaining faithful to local traditions and values, employees and suppliers.

As of late 2023, Italcer Group had 12 production plants, 8 in Italy and 4 in Spain. The facilities cover a total surface area of 546 thousand m<sup>2</sup>, with a production capacity of approximately 25 million m<sup>2</sup> and a consumption of 450 thousand tonnes of atomised powders per year.

All buildings are wholly owned by the Group, except for the Castel Bolognese, Fiorano Modenese, Onda and Vignola facilities, which are leased.

The Group creates important production synergies. In fact, it has increased productivity and consequently reduced costs by specialising each plant in specific formats serving the various Group brands.



**12**  
PLANTS



**9**  
WAREHOUSES



**25,000,000 m<sup>2</sup>**  
ANNUAL PRODUCTION CAPACITY



**24**  
PRODUCTION LINES



**725**  
PRODUCTION AND LOGISTICS EMPLOYEES



# Highly specialised production facilities located in two of the world's most important and prestigious ceramic centres

SPECIALISATION IN DIFFERENT FORMATS → INCREASED PRODUCTIVITY → LOWER COSTS → IMPORTANT PRODUCTION SYNERGIES ACROSS ITALCER GROUP

## Italy



The map shows only the production and logistics sites, with the exception of Devon&Devon

### RUBIERA

This facility, consisting of six buildings, is located in the Municipality of Rubiera, in the Province of Reggio Emilia. The site covers a total surface area of about 100,000 m<sup>2</sup> and it employs 110 people, 83 in production and 27 in logistics. The plant is owned by the Group and is specialised in the production of medium and large-sized ceramic products. Its annual production capacity is around 5.75 million m<sup>2</sup>.

### FIORANO MODENESE

This plant, located on the border between Formigine and Fiorano Modenese, in the Province of Modena, covers a total surface area of 56,900 m<sup>2</sup>. The plant employs 66 people (65 in production and 1 in logistics) and is specialised in the production of small-format ceramics (XS and S) as well as Elios Ceramica ceramics for swimming pools. Through recent investments to modernise certain production lines for Industry 4.0, the plant is able to produce large formats (100 cm x 100 cm) for indoor and outdoor use, adopting H2O technology (20-mm thick products). The facility has an annual production capacity of approximately 3.5 million m<sup>2</sup>.

### UBERSETTO

The industrial building in Formigine (Modena), which became part of the Group through the acquisition of Ceramica Fondovalle, has a total surface area of 36,000 m<sup>2</sup>. The plant employs 33 people (24 in production and 9 in logistics) and is specialised in ceramic finishing (cutting, grinding, lapping and rectification). Recent investments have led to the modernisation of the polishing line with 'supershine' technology to increase production and improve yield. Logistics activities are carried out at the site.

### MARANO SUL PANARO

The Marano sul Panaro (Modena) complex, which became part of the Group in 2022 through the acquisition of Ceramica Fondovalle, has a total surface area of around 26,900 m<sup>2</sup>. The plant employs 50 people and is specialised in the production of large ceramic surfaces (L and XL). The plant has an annual production capacity of approximately 1.9 million m<sup>2</sup>.

### CASTEL BOLOGNESE

The Castel Bolognese (Ravenna) plant is owned by Ceramiche di Romagna S.r.l. and is currently managed by the Group under a lease agreement. The plant, which covers a total surface area of about 83,000 m<sup>2</sup>, employs 104 people (98 in production and 6 in logistics) and is specialised in the production of extra-small, small and medium-sized ceramics, both for indoor and outdoor use, using H2O technology. Recent investments in the plant have led to the opening of a third production line and the installation of a 2 MW cogeneration plant. The facility has an annual production capacity of approximately 3.5 million m<sup>2</sup>.

### VETTO D'ENZA

The industrial site located in the Municipality of Vetto d'Enza covers a total surface area of around 132,000 m<sup>2</sup>. This production site, specialised in the production of large and extra-large ceramics, employs 79 people (77 in production and 2 in logistics) and has recently invested in a new picking line, a cogeneration plant with heat recovery and the production of a new extra-large 24 cm x 150 cm format. The annual production capacity of the plant is approximately 3.5 million m<sup>2</sup>.

### SASSUOLO

This industrial site, located in the Municipality of Sassuolo (Modena), covers a total surface area of about 45,000 m<sup>2</sup> and employs 26 people. The plant is dedicated to the production of spray-dried mixtures. With an annual production capacity of about 480,000 tonnes, the plant is used mainly for the Group's own production, but it also supplies third-party companies in the sector. A 3.2 MW cogeneration plant was recently installed to reduce energy costs, along with a grinding plant for fired ceramic waste and a new wet grinding plant for raw materials to improve the efficiency and sustainability of the production process.

### VIGNOLA

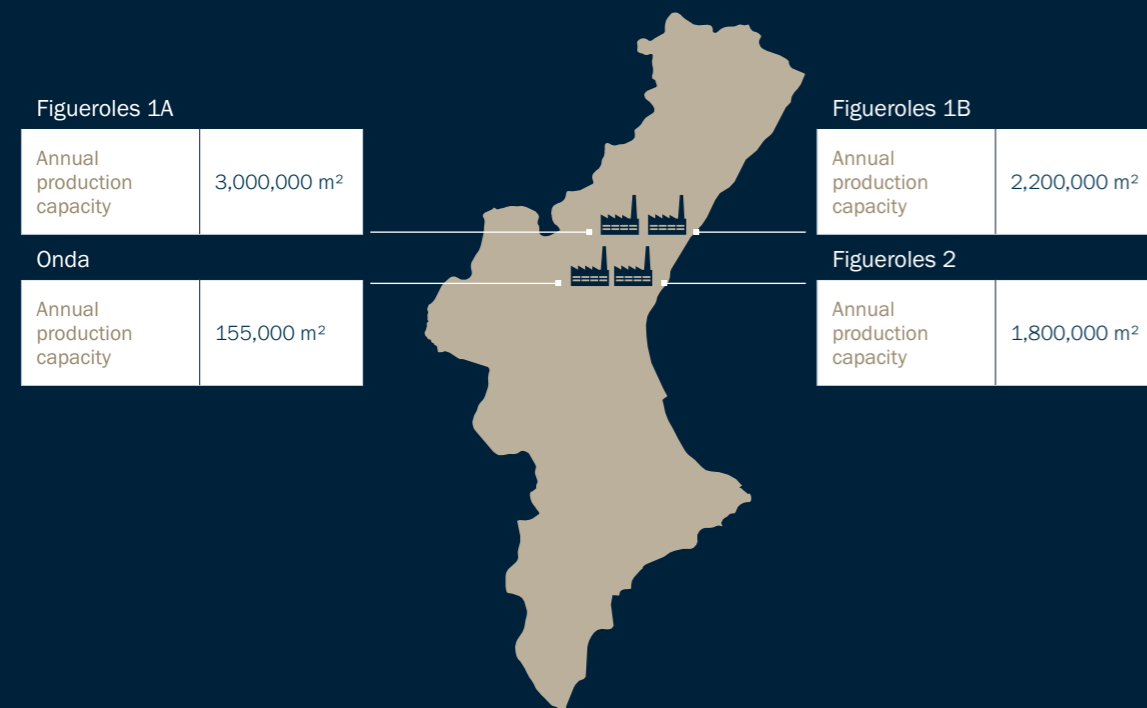
This industrial site, located in the municipality of Vignola (Modena), occupies an area of about 1000 m<sup>2</sup> and is specialised in the production of artistic ceramics, for an annual production capacity of about 100,000 pieces. The plant employs 8 production workers and 1 logistics officer.



# Highly specialised production facilities located in two of the world's most important and prestigious ceramic centres

SPECIALISATION IN DIFFERENT FORMATS → INCREASED PRODUCTIVITY → LOWER COSTS  
 IMPORTANT PRODUCTION SYNERGIES ACROSS ITALCER GROUP

## Spain



### FIGUEROLES

The plant in Figueroles, Spain, is owned by the subsidiary Equipe Cerámicas. It comprises three industrial buildings and warehouses with a total of eight production lines. The plants are specialised in the production of glazed and unglazed ceramic products and have an annual production capacity of approximately 7,000,000 m<sup>2</sup>. The plant employs 210 people, including 24 in the logistics department.

### ONDA

The Onda plant is specialised in glazed and non-glazed ceramic products. It employs 38 people and manufactures customised products to meet the customisation specifications required by customers. Its annual production capacity is about 155,000 m<sup>2</sup>.





# The Italcer Group Business Model

GRI 2-6

**Product quality, design and sustainability** are the inspiring principles of the Italcer Group business model, the goal of which is to enhance and bring innovation to each individual product, aligning it with the highest quality standards that underpin stakeholder trust.

- CREATIVITY
- DESIGN
- IDEAS
- AESTHETICS
- ATTENTION TO DETAIL
- EVOLUTION
- INNOVATION
- REFINEMENT

## 1.4

Production and commercial synergy are the basis of the Italcer Group business model, thus adding value to its products and services. The main stages of the business model are as follows:



PROCUREMENT  
OF RAW MATERIALS



PRODUCTION  
PROCESS



GO-TO-MARKET

## Procurement of raw materials



The main raw materials used in the ceramic production process consist of different types of sand, clay and feldspar, enamels and inks, additives and reagents, paper, plastics and wood. The supply of these materials, increasingly influenced by the sociopolitical context, represents a crucial phase of the Italcera Group business model and a fundamental assumption of a **responsible value chain**, which is discussed in more detail below.



## The Production Process

Italcera Group has always offered products of high quality relating to aesthetics and technical performance, resulting from a production process subject to constant improvements and efficiency, as well as technological innovations.

### Grinding and spray drying

Clay and other raw materials used in ceramic production are first processed by grinding, reducing them into small particles of atomised powder.

The resulting mixture is then spray dried to remove excess moisture. These operations are mainly carried out by the subsidiary Spray Dry and the atomiser located in the Castel Bolognese plant, which supply the atomised powders to other Group plants for ceramic production. The atomised powder not used for production by the Group is sold by Spray Dry to players in the ceramics market. The production facilities in Spain, on the other hand, purchase atomised powders from third-party suppliers.

### Pressing

Atomised powders are processed in a phase known as pressing, in which the powder is compacted at high pressure (more than 350 kg/cm<sup>2</sup>) using hydraulic presses (small and medium-sized ceramics) or continuous pressing plants (XL-sized ceramics) to obtain the desired shape and size.

### Drying

After pressing, the ceramics undergo a drying phase. During this process, the ceramics are exposed to a controlled temperature and humidity to ensure even, gradual drying. This step is crucial for avoiding cracks, which can occur if the slabs dry too quickly or unevenly.

### Glazing

After drying, the ceramics undergo a decorating process in which a layer of glaze is applied to the surface to improve their texture and strength. This layer typically consists of a glaze that is applied using techniques such as spraying. The coating not only improves the appearance of the ceramics, but also acts as a protective barrier against abrasion, staining and other types of damage.

### Digital decoration

The finishing and customisation phase begins with digital decoration of the ceramics using printing techniques. This is a crucial stage in the production process, as it allows a wide range of designs and patterns to be created, offering endless possibilities for customisation. The digital printing process involves the use of advanced printers and special inks capable of reproducing detailed, high-quality images on the surface of the ceramics.

### Firing

In this phase, the ceramics are fired at high temperatures to strengthen them and achieve the desired porosity.

The firing process takes place in carefully controlled kilns to ensure that the ceramics are heated evenly and to the right temperature. Once the firing is complete, the ceramics are left to cool gradually to avoid cracks.

### Cutting and finishing

After firing, the ceramics can be cut and finished. Cutting is done with high-precision machinery that ensures regular edges and uniform dimensions. Finishing, on the other hand, involves various processes such as polishing, grinding or brushing, depending on the desired surface finish. These processes improve the texture, colour and overall appearance of the slabs, giving them a unique and refined look.

### Selection and packaging

Ceramics undergo meticulous quality control, both in the intermediate stages and at the end of the line. Before packaging, they are checked one by one using electronic equipment to guarantee a consistent size and appearance, and also by highly specialised personnel undergoing continuous training. The Group's objective is to ensure that its stated high standards are met. Once the slabs pass quality control, they are carefully packed and prepared for shipment. Even at this stage, specialised employee checks the compliance of the packaging from both the regulatory and logistical points of view. The packaging must respect the logos, tables and declarations by meeting strict national and international legal and market regulations.



## Go-to-Market Strategy



Italcera Group cares for its clientele through a well-organised structure, with defined tasks for individual positions.

At the top of the organisation, sales managers for each brand outline commercial strategies, which are then developed by area managers.

The latter coordinate a network of agents, the extent of which varies by geographical area, ensuring a particularly significant presence in the various markets. This organisation ensures direct and constant contact with customers, with particular attention to relationships and customer loyalty.

At the end of 2023, the Group had **505 agent agreements**.

Internal sales support is entrusted to Customer Care. This team, under the guidance of the sales managers, is responsible for entering orders in management systems, providing telephone and email support to customers and agents, and coordinating with other business divisions such as logistics, credit management, marketing and merchandising. This synergistic approach between the different business roles allows us to **offer service** that is not only efficient, but also deeply integrated, with a **strong commitment to customer satisfaction**.



# Commitment to Sustainability

Every year, Italcer Group renews its commitment and attention to sustainability, investing more time and energy in researching and developing efficient solutions for its businesses. The objective is to **create sustainable value**, which is why ESG factors are part of the Group's management model.

The ceramics and luxury bathroom furnishing sectors represent an important share of the construction industry, which is why it is necessary to bring innovation to production processes, introducing modern and sustainable materials to strive for urban regeneration, reducing the environmental impacts of urbanisation and encouraging more eco-friendly architecture.

The Group has set the following impact ambition:

**'Promoting the creation of sustainable spaces through eco-friendly ceramic products manufactured using innovative and resource-efficient processes grounded in the circular economy.'**



## Italcer Group Strategic ESG Guidelines

In line with this ambition and to emphasise its commitment to sustainability, the Group has developed and adopted an **ESG strategy** defined around **six strategic guidelines**. These include the principles and basis of the Group's commitments vis-à-vis stakeholders to create tangible value and contribute to advancing the UN Sustainable Development Goals (SDGs).

# Recognitions

Once again Italcera Group has ranked among the best companies participating in the **2023 Sustainability Award**.

The initiative, promoted by Kon Group and RepRisk, awards the 100 Italian companies that have stood out most in facing today's challenges, such as the climate crisis, the changing needs of employees and, in general, the demands of various stakeholders, turning them into an opportunity to express **innovation, far-sightedness and proactive growth**.

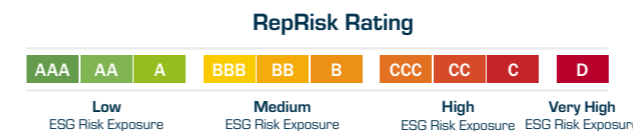
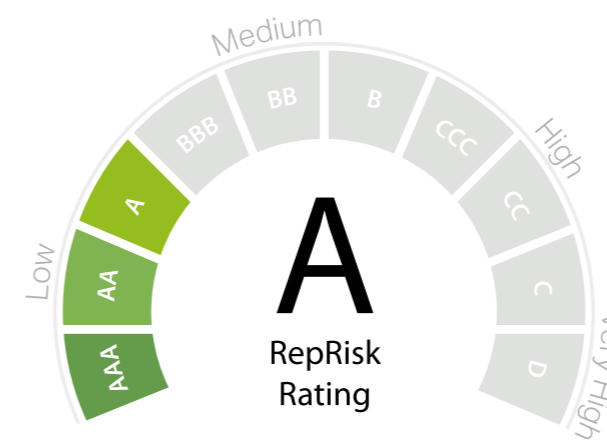
Participating companies were evaluated by **ALTIS Advisory** based on a specific assessment method that investigates the company's ability to effectively manage ESG issues, mitigating the risks involved and capitalising on opportunities.

RepRisk also provided Italcera Group with an ESG A rating, which represents a starting point for continuous improvement.



## RepRisk ESG Rating

RepRisk Rating as of 20 September 2023



The RepRisk Rating is a proprietary risk metric that captures and quantifies a company's risk exposure related to ESG issues.

It combines the company's ESG risk exposure (Peak RRI) with the ESG risk exposure of the country and sectors in which the company is exposed to risks.

The RepRisk Rating ranges from AAA to D.



The brands **Ceramica Rondine** and **Devon&Devon** won the **Archiproducts Design Award 2023** for the Finishes category. Ceramica Rondine won with its collection of **Brick Colors**, while Devon&Devon won with its **Blossom wallpaper** made in collaboration with **Marcel Wanders**.

These awards attest to the brands' daily commitment to creating high-quality surfaces promoting **sustainability, innovation, research and design**.

**archiproducts**  
DESIGN  
AWARDS













# Italcer Group Certifications

# 1.6

Italcer Group's constant commitment to ESG issues is also confirmed by the environmental, product and management system certifications it has obtained, as indicated in the table below:

CERTIFICATE	DESCRIPTION	ITALCER S.P.A. Benefit Company	CERAMICA FONDOVALLE S.P.A.	DEVON& DEVON S.P.A.	SPRAY DRY S.P.A.	EQUIPE CERAMICA S.L.U.
	<b>UNI EN ISO 9001:2015</b> Quality management system	Certificate no. 27007 30/05/2019	Certificate no. 58165 09/03/2023			
	<b>CE MARKING</b> Declaration of conformity with the DoP and all requirements established in harmonised sector regulations (UNI EN 14411)	Declarations of Performance (DoP) available	Declarations of Performance (DoP) available	Declarations of Performance (DoP) available (lighting, electric towel warmers, products made of White Tec Plus)		Declarations of Performance (DoP) available
	<b>UNI EN ISO 14001:2015</b> Environmental management system	Certificate no. 12762 24/01/2008	Certificate no. 59410 13/12/2023			
	<b>EMAS REGISTRATION</b> Eco-management and audit scheme	Certificate no. IT 000907 16/5/2008	Certificate no. 59411 13/12/2023			
	<b>UNI ISO 45001:2018</b> Occupational health and safety management system	Certificate no. 27008 04/02/2020				
	<b>UNI CEI EN ISO 50001:2011</b> Energy management system	Certificate no. 26196 18/10/2018				
	<b>DT 55</b> Certification of the percentage of recycled material	Certificate no. 26196 21/10/2008			Certificate no. P1348 30/11/2010	
	<b>ISO 17889-1:2021</b> Sustainability of ceramic tiles	Certificate no. 30634 21/07/2022 Rating 127.5/130				
	<b>EPD</b> Sector environmental product declaration	EPD - COI - 20160202 ICG1 - IT Confindustria Ceramica				
	<b>EPD EN ISO 14025:2010</b> Environmental labels and declarations - Type III environmental declarations - Principles and procedures					Certificate nos: 002-050, 002-051

CERTIFICATE	DESCRIPTION	ITALCER S.P.A. Benefit Company	CERAMICA FONDOVALLE S.P.A.	DEVON & DEVON S.P.A.	SPRAY DRY S.P.A.	EQUIPE CERAMICA S.L.U.
	<b>GOOD PHYTOSANITARY PRACTICES</b> Guidelines from the Good Phytosanitary Practices programme for controlling shipments to the USA.	Register of Qualifying Companies 2023	Register of Qualifying Companies 2023			
	<b>QB UPEC</b> Compliance with technical quality requirements according to CSTB specifications	Certificates available on the web page				
	<b>QB UPEC F+</b> Compliance with technical quality requirements according to CSTB specifications, for 2-cm-thick products	Certificates available on the web page				
	<b>CCC</b> Compliance with mandatory Chinese certification	Certificate no. 2005052102001054 01/12/2010	Certificate no. 2009052102000749 15/12/2009			Certificate no. 2016052102003890 17/12/2024
	<b>SASO Quality Mark</b> Product quality certification for exports to Saudi Arabia	Certificate no. 20200141571 14/07/2020	Certificate no. 20200129061 22/03/2020			Certificate no. 20230478621 28/05/2023
	<b>MOCA</b> Certification of suitability for food contact	Certificate no. ICIM-MOC-010800-00 09/05/2022				
	<b>GREENGUARD GOLD</b>					Product certification: White Tec Plus
	<b>CSA</b>					Product certification: White Tec Plus
	<b>IAPMO Certification</b>					Product certification: cast-iron bathtubs
	<b>UL Certification</b>					



In 2023, **Equipe Cerámicas** obtained the **Ecovadis Silver Medal**, proving that it meets sustainability criteria.



In addition to the above, not only is **Terratinta Group** a benefit company, it also obtained **B-Corp Certification (Benefit Corporation)** with a **total score of 84.4**.



Based on the B Impact rating, Terratinta Group Srl benefit company was awarded an overall score of 84.4. The average score of companies completing the evaluation is currently 50.9.

- 84.4 Overall B Impact score
- 80 Requirement for B Corp Certification
- 50.9 Average score for common companies

# Italcer Group's contribution to the Sustainable Development Goals

## 1.7

Through its daily actions, plans and specific procedures, Italcer Group creates sustainable value to generate a **positive impact** on society and the environment and contribute to achieving some of the **UN Sustainable Development Goals**.

The UN 2030 Agenda for Sustainable Development is a programme for global action aimed at eradicating poverty, protecting the planet and promoting prosperity and peace. It was adopted unanimously by the 193 member countries of the United Nations.

UN member states are committed to achieving **17 Sustainable Development Goals (SDGs)**, which are in turn organised into 169 specific, interconnected and indivisible targets. These constitute the new reference framework for sustainable development, which is understood as development that meets the needs of the present without compromising the ability of future generations to meet their own. The goals are balanced across three dimensions: economic growth, social inclusion and environmental protection.

Italcer Group contributes to sustainable development in line with the UN SDGs, working to achieve 9 of the 17 goals, as illustrated below.



### Sustainable Development Goals

Ensure healthy lives and promote well-being for everyone at all ages.

#### Target

**3.9** Substantially reduce the number of deaths and illnesses from hazardous chemicals, pollution and air, water and soil contamination.

#### Italcer Group's commitment

- Development of ADVANCE®, antiviral, antibacterial and anti-pollution technology to **reduce sickness and pollution**.
- Innovation of ceramic surface production processes based on strict quality standards.

#### Stakeholders impacted directly

- Customers
- Suppliers
- Employees and collaborators
- Shareholders and investors
- Sector agents
- Society



### Sustainable Development Goals

Achieve gender equality and empower all women and girls.

#### Target

**5.1** End **all forms of** discrimination against women and girls worldwide.

**5.5** Ensure full and effective participation and equal **leadership opportunities** for women at all levels of decision-making in political, economic and public life.

**5.c** Adopt and strengthen concrete policies and applicable laws to promote gender equality and empowerment, i.e. strength, self-esteem and awareness of all women and girls at all levels.

#### Italcer Group's commitment

- Implementing ad hoc procedures in the Group's integrated management system to **prevent all form of discrimination against all women**.
- Promoting diversity and inclusion, including **gender equality**.
- Supporting **female empowerment** and consequently **promoting gender equality** through specific management training and effective guarantees of equal **leadership opportunities for women**.
- Access to complaint mechanisms and support resources to prevent harassment.

#### Stakeholders impacted directly

- Employees
- Collaborators
- Trade unions



### Sustainable Development Goals

Ensure the availability and sustainable management of water and sanitation for everyone.

#### Target

**6.3** By 2030, improve water quality by reducing pollution, eliminating uncontrolled discharge and minimising the release of hazardous chemicals and materials; halve the proportion of untreated waste water; and substantially increase water **recycling and safe reuse**.

#### Italcer Group's commitment

- Optimising water management through **recycling and the total reuse of water** used in production processes.
- Minimising the release of chemicals and hazardous materials into the environment.
- Progressive decoupling of the development of Group companies from the consumption of exhaustible natural resources.

#### Stakeholders impacted directly

- Society
- Public administration





### Sustainable Development Goals

Ensure access to affordable, reliable, sustainable and modern energy systems for everyone.

#### Target

**7.2** Significantly increase the share of **renewable sources** in the global energy mix.

**7.3** Double the overall rate of energy efficiency improvement by 2030.

### Italcer Group's commitment

- Progressively decarbonise production processes to favour the implementation of **reliable, sustainable and modern** renewable energy plants at the Group's production sites, particularly photovoltaic plants.
- Transition to a circular economy that helps to reduce harmful emissions into the environment and improve **energy efficiency**.

### Stakeholders impacted directly

- Society
- Shareholders and investors



### Sustainable Development Goals

Reduce inequalities in and between nations.

#### Target

**10.2** Strengthen and promote the social, economic and political inclusion of each person, regardless of age, sex, disability, race, ethnicity, origin, religion, economic status or otherwise.

**10.3** Ensure equal opportunities for everyone and reduce inequalities in outcomes, also by eliminating discriminatory laws, policies and practices and promoting appropriate laws, policies and actions.

**10.4** Adopt policies, particularly related to taxation, wages and social protection, to progressively achieve greater equality.

### Italcer Group's commitment

- Adopting active policies to ensure gender equality and promote an inclusive working environment that values the diversity and uniqueness of individuals while **reducing inequalities**.
- Guaranteeing equal wage policies for equal skills and duties.

### Stakeholders impacted directly

- Employees and collaborators
- Trade unions



### Sustainable Development Goals

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for everyone.

#### Target

**8.2** Achieve higher levels of economic productivity through diversification, technological upgrades and innovation, also through a focus on sectors with a high added value and labour intensive sectors.

**8.5** Achieve full and productive **employment and decent work for all women and men** by 2030, including young people and people with disabilities, as well as equal pay for work of equal value.

**8.6** Substantially reduce the proportion of unemployed young people who are not studying or in training.

### Italcer Group's commitment

- Attention to innovation and **technological updates** in production processes.
- Creating and promoting **stable and decent employment for all women and men, including young people and people with disabilities, ensuring equal pay for work of equal value**.
- Protecting workers' rights through safe and secure working environments.
- Offering professional-level internships and adhering to school-work programmes.
- Adopting a policy that also certifies suppliers' and customers' **attention to decent work**.

### Stakeholders impacted directly

- Employees
- Collaborators
- Trade unions



### Sustainable Development Goals

Ensure sustainable production and consumption patterns.

#### Target

**12.2** Achieve sustainable management and efficient use of natural resources by 2030.

**12.5** Substantially reduce waste generation by 2030 through prevention, reduction, recycling and reuse.

**12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their regular reports.

### Italcer Group's commitment

- Publication of a 2020–2025 Environmental Declaration.
- Use of recycled materials in production processes to ensure the **efficient use of natural resources**.
- Reducing waste and waste materials through prevention, reduction, recycling and reuse**.

### Stakeholders impacted directly

- Society
- Customers



### Sustainable Development Goals

Build resilient infrastructure and promote innovation and fair, responsible and sustainable industrialisation.

#### Target

**9.2** Promote inclusive and sustainable industrialisation and, by 2030, significantly increase employment and gross domestic product.

**9.4** Update infrastructure and modernise industries to make them sustainable, with greater resource efficiency and higher adoption of clean technologies that respect the environment and industrial processes, so that all countries take action in accordance with their respective capacities.

### Italcer Group's commitment

- Creating **sustainable and responsible** high-performance **materials and technologies**.
- Adoption and development of environmentally friendly technologies.
- Modernising and making plants efficient by adopting **clean and eco-friendly technologies**.

### Stakeholders impacted directly

- Customers
- Society
- Employees and collaborators
- Sector agents
- Society



### Sustainable Development Goals

Take urgent measures to combat climate change and its consequences.

#### Target

**13.1** Strengthen resilience and adaptability to climate-related risks and natural disasters in all countries.

**13.2** Integrate climate change measures into national policies, strategies and plans.

### Italcer Group's commitment

- Increased production of electricity from renewable sources.
- Improving the energy efficiency of all production processes and sites.
- Efficient use of resources, particularly water.

### Stakeholders impacted directly

- Society
- Customers
- Employees and collaborators

# 1.8

## Italcer Group Stakeholders

GRI 2-28, 2-29

Italcer Group is aware of its actual and potential influence on stakeholders. As a result, the Italcer Group pays special attention to stakeholders, adhering to the values of honesty, trust and consensus, while always trying to meet their expectations.

To achieve this challenging goal, the Group has created channels for dialogue and constant interaction to understand the context in which it operates and the interests of individual categories of stakeholders, as well as to develop actions to increase synergy and achieve common goals, with a view to constant improvement.

This dialogue is based on the following premises:

- **identifying key stakeholders to interact with** on a regular basis: In this regard, the stakeholder map was established and updated by means of internal surveys with the company figures that manage relations with the respective stakeholder categories on a daily basis;
- **defining the most appropriate ways to involve stakeholders:** In this respect, Italcer Group uses different communication channels, including daily reports from the Group's sales offices, portals dedicated to human resources, periodic internal communications related to ESG issues, the whistleblowing reporting platform, local and national press releases and articles, publications on the Group's social network channels, regular meetings with employee representatives, monthly reports and periodic meetings with shareholders and bondholders as well as meetings with governing bodies that work closely with the Group's direct and indirect investors.
- **easy accessibility and usability of communication channels** to foster and maintain two-way, transparent and effective communication based on mutual good faith.

## Green Building Council Italia



**Green Building Council Italia** (hereafter GBC Italia) is a non-profit association that brings together the most competitive companies and most qualified Italian associations and professional communities active in the sustainable building sector.

Founded in January 2008, the goal of the association is to promote sustainable design and construction practices to reduce environmental impacts, increase profitability and improve the health and well-being of building occupants. Today, GBC Italia encourages the transformation of the Italian construction market by promoting the LEED certification system and developing a specific rating system for the certification of historic buildings. The association's mission is to further collaboration between all sectors of the real estate and construction industry, government, academic institutions and all other stakeholders. Through its products, Italcer, a member of the **Green Building Council Italia**, contributes to the **LEED (Leadership in Energy and Environmental Design) certification** of buildings due to the high content of certified recycled materials.

## Federlegno Arredo

Devon&Devon is part of Federlegno Arredo and as an associate, is committed to following its guidelines in terms of sustainability.

STAKEHOLDER	ITALCER GROUP	INTERNAL ENGAGEMENT CHANNELS	EXTERNAL ENGAGEMENT CHANNELS
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>• Retailers</li> <li>• Construction companies</li> <li>• Professional design and architecture studios</li> <li>• Contractors</li> <li>• Direct customers</li> <li>• Final consumers</li> <li>• Other Italcer Group companies</li> </ul>	<ul style="list-style-type: none"> <li>• Organised visits to Group offices, facilities and showrooms</li> <li>• Dedicated online presentations</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in events and trade fairs</li> <li>• External communications (websites, social networks, press)</li> <li>• Newsletters</li> <li>• Whistleblowing</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Raw material suppliers</li> <li>• Suppliers of other materials</li> <li>• Service suppliers</li> <li>• Other Italcer Group companies</li> </ul>	<ul style="list-style-type: none"> <li>• Daily dialogue via email, conference calls and phone calls</li> <li>• In-person meetings</li> <li>• Visits to customer premises</li> </ul>	<ul style="list-style-type: none"> <li>• External communications (websites, social networks, press)</li> <li>• Newsletters</li> <li>• Whistleblowing</li> </ul>
<b>EMPLOYEES AND COLLABORATORS</b>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Sales agents</li> <li>• External collaborators (cooperatives)</li> </ul>	<ul style="list-style-type: none"> <li>• In-person meetings</li> <li>• Communication via notice boards and posters at Group facilities</li> <li>• Communication via human resources portals</li> <li>• Communication boards and signage totems at factories and sites</li> <li>• Periodic communications via email</li> <li>• Meetings with WSRs</li> </ul>	<ul style="list-style-type: none"> <li>• Webinars</li> <li>• Online presentations</li> <li>• Participation in events and trade fairs</li> <li>• External communications (websites, social networks, press)</li> <li>• Newsletters</li> <li>• Whistleblowing</li> </ul>
<b>SHAREHOLDERS, INVESTORS AND INSPECTION BODIES</b>	<ul style="list-style-type: none"> <li>• Partners</li> <li>• Members of the Board of Directors</li> <li>• Bondholders</li> <li>• Members of the Board of Statutory Auditors</li> <li>• Independent Auditors</li> <li>• Members of the Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>• General shareholders' meetings</li> <li>• Board of Directors meetings</li> <li>• Bondholder meetings</li> <li>• Trade union audits</li> <li>• Supervisory Board inspections</li> <li>• In-person meetings</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• External communications (websites, social networks, press)</li> <li>• Newsletters</li> <li>• Whistleblowing</li> </ul>
<b>PUBLIC ADMINISTRATION</b>	<ul style="list-style-type: none"> <li>• Regulatory bodies</li> <li>• Other public entities</li> </ul>	<ul style="list-style-type: none"> <li>• Consultations</li> <li>• Exchange of information</li> <li>• Targeted meetings</li> </ul>	<ul style="list-style-type: none"> <li>• External communications (websites, social networks, press)</li> </ul>
<b>TRADE ASSOCIATIONS AND TRADE UNION ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>• Confindustria Ceramica (Italy) and ASCER - Asociacion Espanola De Fabricantes De Azulejos Y Pavimentos Ceramicos (Spain)</li> <li>• Industry associations (Green Building Council)</li> <li>• Trade unions</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with trade union representatives</li> <li>• Regular meetings with the social parties</li> <li>• Meetings</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• Webinars</li> <li>• Online presentations</li> <li>• Participation in events and trade fairs</li> <li>• External communications (websites, social networks, press)</li> <li>• Newsletters</li> </ul>
<b>SOCIETY</b>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Media and opinion leaders</li> <li>• Third parties</li> <li>• Students</li> </ul>	<ul style="list-style-type: none"> <li>• Conferences and workshops</li> <li>• In-person meetings</li> <li>• Email communications</li> <li>• Dedicated lessons</li> <li>• Participation in school-work programmes</li> <li>• Support for undergraduate theses and research</li> </ul>	<ul style="list-style-type: none"> <li>• External communications (websites, social networks, press)</li> <li>• Newsletters</li> <li>• Whistleblowing</li> </ul>

# Materiality Analysis

## 1.9

GRI 3-1, 3-2, 3-3

With this Sustainability Report, Italcera Group confirms the materiality analysis carried out in 2022, in line with the new reporting principles of the **GRI Universal Standards 2021**, which introduced the concept of **Impact Materiality**. These new standards define as material those issues that reflect the most significant impacts an organisation has or could have on the economy, environment and people, including human rights, as a result of the organisation's activities or business relationships. The Italcera Group materiality analysis was organised in the following steps:

### 1. Understanding the business context

THE MAIN SECTOR TRENDS and benchmarking activities were analysed. The main documents published by the most important international organisations on sustainability in relation to the sector in which Italcera Group operates were analysed. This analysis made it possible to identify relevant aspects for the company, considering its business activities and relations, the sustainability context in which the company operates and stakeholder expectations.

### 2. Identification of impacts and related aspects

The positive and negative current and potential impacts generated by the Group on the economy, environment and people were identified based on an analysis of internal company documents, such as the Organisation, Management and Control Model, Internal Policies and the 2021 and 2022 Sustainability Report, as well as external documents, such as the World Economic Forum's 2023 Global Risk Report and scenario analyses for the ceramics sector.

Each impact was subsequently associated with a potential material topic.

### 3. Assessing the significance of impacts

Some internal stakeholders (employees) and external stakeholders (supplier, customer, local community and investor representatives) were involved through a survey and meetings, in which they were asked to assess the severity and likelihood of each impact. The results allowed the significance of each to be identified.

### 4. Prioritising the most significant impacts and defining the list of material aspects

The results obtained during the assessment were analysed to prioritise the impacts and related aspects. This exercise resulted in a list of **14 material topics** for Italcera Group.

MATERIAL TOPIC	DESCRIPTION	IMPACT	DESCRIPTION OF THE IMPACT	DIMENSION
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	Encouraging a culture of occupational health and safety by spreading behavioural policies contributes to compliance with rules and regulations on accident prevention and occupational diseases.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Fewer accidents and occupational injuries due to the presence of a specific health and safety policy, which in turn generates a positive perception of safety among Group employees and collaborators</li> </ul>	<b>PEOPLE</b> CHAPTER 6
<b>DEVELOPMENT OF EMPLOYEE SKILLS</b>	Promoting human capital development and training initiatives by implementing technical and managerial training sessions in an ongoing, structured manner to ensure the Group's competitiveness and appeal. Implement the process for data collection and reporting on training. Introducing tools to support individual performance assessments to define effective personnel development programmes consistent with specific roles.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Italcera Group invests in employee training. By providing training activities, it allows employees to increase their skills</li> </ul>	<b>PEOPLE</b> CHAPTER 6
<b>DIVERSITY AND INCLUSION</b>	Implementing programmes and projects aimed at ensuring equal opportunities, equality and non-discrimination in the company. Spreading and creating an inclusive culture, which values all forms of diversity, listening to everyone and encouraging positive action and conduct.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>The Group is committed to guaranteeing a fair, non-discriminatory working environment that respects gender equality and values the contributions made by individuals in terms of skills and expertise, so that everyone is able to best express their potential and can develop a strong sense of belonging to the Group.</li> </ul>	<b>PEOPLE</b> CHAPTER 6
<b>FINANCIAL TRANSPARENCY</b>	Ensuring high standards of transparency with regard to the publication of financial information and making it easily accessible to all stakeholders.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Economic damage to local communities and the state tax authorities caused by increased pressure on public debt, with reputational damage resulting from a lack of transparency.</li> </ul>	<b>GOVERNANCE</b> CHAPTER 2
<b>PRIVACY &amp; CYBERSECURITY</b>	Ensuring that information and data related to customers, employees, suppliers and anyone connected in any way to Italcera Group activities is protected from unauthorised or accidental modification and from loss and disclosure through appropriate IT systems. Clearly identifying security procedures, principles and objectives in line with the risk appetite defined by the company.	<b>NEGATIVE POTENTIAL</b>	<ul style="list-style-type: none"> <li>Inadequate maintenance of infrastructure and/or unavailability of IT systems relating to services and transport can generate inconveniences for customers and suppliers. Criminal cyberattacks can negatively impact the functionality of assets and the protection of customers' and suppliers' personal or financial data, resulting in reputational damage.</li> </ul>	<b>GOVERNANCE</b> CHAPTER 2



MATERIAL TOPIC	DESCRIPTION	IMPACT	DESCRIPTION OF THE IMPACT	DIMENSION
<b>ETHICS, INTEGRITY AND LEGISLATIVE COMPLIANCE</b>	Carrying out activities with loyalty and fairness in compliance with the law, regulations, prescriptions and corporate provisions. Adopting preventive measures and targeted policies, as well as promoting partnerships whose objective is to fight corruption and crime in general as well as spreading a corporate culture based on ethics and integrity.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Italcer Group acts in accordance with the ethical principles clearly outlined in institutional documents, such as the Code of Ethics, Gender Equality Policy and operating procedures, which are brought to the attention of interested stakeholders. Appropriate training on these aspects is provided to employees.</li> </ul>	<b>GOVERNANCE CHAPTER 2</b>
<b>ECONOMIC PERFORMANCE</b>	Ensuring steady and sustainable economic growth that combines profit creation with positive actions and contributions to the environment, society and economic systems. Economic activities are reflected in the supply chain, employee management policies and the environment.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Italcer Group increases the value of the territory and local communities by paying taxes and royalties, as well as by investing in activities to improve the quality of life of local communities and the environment. In this regard, the parent company Italcer S.p.A. has become a benefit company, adding aspects for the common good to the usual drive for profits.</li> </ul>	<b>GOVERNANCE CHAPTER 2</b>
<b>GHG EMISSIONS AND CLIMATE CHANGE</b>	Furthering climate change mitigation strategies to reduce greenhouse gas emissions. Developing energy efficiency initiatives at operational sites and promoting the use and production of energy from renewable sources.	<b>NEGATIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Direct or indirect greenhouse gas emissions from the company's activities can affect local development and generate long-term adverse climate conditions, even leading to adverse events and potential natural disasters.</li> </ul>	<b>ENVIRONMENT CHAPTER 3</b>
<b>WASTE MANAGEMENT AND THE CIRCULAR ECONOMY</b>	Responsibly managing waste and scrap resulting from the Group's activities: collecting, monitoring, treating and properly disposing of the waste produced in order to reduce its environmental impact.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Italcer Group implements policies and processes for proper waste management, encouraging recycling and recovery as well as proper disposal.</li> </ul>	<b>ENVIRONMENT CHAPTER 3</b>
<b>WATER AND WASTEWATER MANAGEMENT</b>	Optimising the consumption and management of water resources in operations and adopting virtuous policies and practices that encourage the responsible use of water and its reuse.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>The Group plans and manages the best use of water resources, also through constant improvements in plant efficiency.</li> </ul>	<b>ENVIRONMENT CHAPTER 3</b>
<b>LOCAL COMMUNITIES</b>	Promoting socially valuable projects and initiatives aimed at involving local communities, strengthening integration in the territory.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>The Group aims to increase employee satisfaction and social cohesion through its personnel management policy and community initiatives.</li> </ul>	<b>SOCIETY CHAPTER 7</b>

MATERIAL TOPIC	DESCRIPTION	IMPACT	DESCRIPTION OF THE IMPACT	DIMENSION
<b>PROTECTION OF HUMAN RIGHTS</b>	Prohibiting any violations of human rights within the company's activities and especially along the supply chain, including but not limited to child labour, forced labour and modern slavery. Effectively implementing appropriate procedures to ensure respect for human rights along the Group supply chain, paying particular attention to the areas and countries most at risk.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Italcer Group guarantees the protection of human rights throughout the value chain.</li> </ul>	<b>SOCIETY CHAPTER 7</b>
<b>RESPONSIBLE SUPPLY CHAIN MANAGEMENT</b>	Managing the supply chain in a sustainable manner and furthering responsible and ethical purchasing policies, starting with the selection of suppliers, considering their social and environmental performance. Working on a specific Code of Conduct to submit to suppliers for sharing and, eventually, defining specific audit programmes to monitor their performance.	<b>NEGATIVE POTENTIAL</b>	<ul style="list-style-type: none"> <li>A failure to supervise social and environmental aspects throughout the supply chain (such as a failure to respect human rights) causes negative reputational, social and environmental impacts.</li> </ul>	<b>VALUE CHAIN CHAPTER 5</b>
<b>PRODUCT INNOVATION AND SECURITY</b>	With respect to responsible innovation, design systems and processes that increase the sustainability of products and production processes that use the best available scientific knowledge and optimise the use of raw materials, with the aim of gradually reducing the use of non-recyclable materials.	<b>POSITIVE CURRENT</b>	<ul style="list-style-type: none"> <li>Italcer Group boasts high quality standards and the safety of its products due to the controlled, limited use of chemicals combined with the reduction of waste and non-recyclable waste, all of which generates a positive impact on the environment and the health and safety of customers and neighbouring communities.</li> </ul>	<b>VALUE CHAIN CHAPTER 4</b>



# Our Strong and Ethical Governance

The Italcir Group business model is based on respect for the principles of **integrity, ethics and transparency**. With a view to continuous improvement, the Group is committed to:

- Developing policies based on the principles of **corporate social responsibility**;
- Ensuring business integrity through **ethical management**;
- Complying with regulatory and legal requirements by means of formalising a **compliance model**;
- **Not tolerating** active or passive corruption or bribery;
- Working on identifying and **managing risks**, considering economic, social and environmental perspectives.



# Organizational and Governance Structure 2.1

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 405-1

Italcer Group has adopted a governance model divided into several levels. Shareholder and board meetings are held periodically at each Group company, supervised – when required by law – by the Board of Statutory Auditors. To properly implement the Group's principles and guidelines, all the Boards of Directors of companies directly or indirectly controlled by Italcer S.p.A. benefit company are attended by one or more members on the Board of the parent company, which is responsible for making strategic decisions. Any conflicts of interest and the resulting obligation for potentially exposed subjects, whether members or directors, to abstain from voting are governed by the current statutes. The Shareholders' Meeting, Board of Directors, Chief Executive Officer and Board of Statutory Auditors of Italcer S.p.A. benefit company are also responsible for ensuring that corporate communications regarding financial and ESG aspects are transparent and ensure the pursuit of sustainable economic performance.

## General Shareholders' Meeting

The Italcer S.p.A. benefit company Shareholders' Meeting, which indirect shareholders also participate in as observers, performs its statutory functions and approves the Group's governance framework, empowering the Board of Directors with its implementation. It also supervises that the adopted sustainability vision is understood, developed and in line with the Group's values. As of 31 December 2023, the shareholders of Italcer S.p.A. benefit company are:

- Italfloor S.p.A., which holds 57.79%
- Decotile Invest S.L., which holds 30.92%
- V-2 Investors & Participationis S.L., which holds 10.31%
- Luca Migliorini, who holds 0.98%

## Board of Directors

In carrying out its activities, the Board of Directors sees to ordinary and extraordinary management and defines the strategic guidelines, evaluates the adequacy of the organisational, administrative and accounting structure and assesses the overall management performance, also in relation to sustainable development, the general plan for which is discussed at least annually.

The Italcer S.p.A. benefit company Board of Directors was appointed in accordance with the rules set out in the current Articles of Association, at the ordinary shareholders' meeting on 3 March 2021 for a period of 3 fiscal years, or until approval of the financial statements on 31 December 2023.

The Board members reflect the partners and were chosen by virtue of their skills and professionalism in compliance with the principle of no conflicts of interest.

More precisely, three members represent Italfloor S.p.A., two represent Decotile Invest S.L., one represents V-2 Investors & Participationis S.L. and one is an independent member.

It should be noted that the Chairman of the Board acts as Chairman or non-delegated director on all Boards of Directors of companies directly controlled by Italcer S.p.A. benefit company, representing one non-executive member. The Board of Directors currently consists of seven directors:

POSITION	FIRST NAME AND SURNAME
CHAIRMAN	Lorenzo Stanca
CHIEF EXECUTIVE OFFICER	Graziano Verdi
INDEPENDENT DIRECTOR	Giorgio Prodi
DIRECTOR	Alberto Forchielli
DIRECTOR	Jordi Alegre Sala representing Miura Consulting Services, S.L.
DIRECTOR	Ignacio Moro Soucheiron representing Miura Advisory Services III, S.L.
DIRECTOR	Rogelio Vila Ubeda representing V-2 Investors & Participationis, S.L.

COMPOSITION OF THE BOARD OF DIRECTORS OF ITALCER BENEFIT COMPANY BY GENDER	NO.	%
MEN	7	100%

COMPOSITION OF THE ITALCER S.P.A. BENEFIT COMPANY BOARD OF DIRECTORS BY AGE GROUP	NO.	%
> 50	5	71%
30-50	2	29%

## Chief Executive Officer

The Board of Directors of Italcer S.p.A. benefit company has delegated part of its operational and routine business management powers – including controlling the organisation's due diligence and managing ESG impacts – to Mr Graziano Verdi, who has proven experience and knowledge of the ceramic sector and is therefore the sole executive member. Mr Verdi is also Chief Executive Officer in all companies directly controlled by Italcer S.p.A. benefit company, with the exception of Equipe Cerámicas SLU, where he is Vice Chairman, and Terratinta Group S.r.l. benefit company, where he is Chairman of the Board of Directors.

For impact management activities and ESG reporting, the CEO already established an interdepartmental working group in 2022 and implemented it in 2023. This group includes employees in the HSE, Finance, Quality, HR, Legal and Communication units, as well as an ESG contact person for the Spanish subsidiary Equipe Cerámicas SLU.

The Chief Executive Officer is notified by the various managers of the Group of any critical issues in ESG aspects to ensure their timely resolution, and only if their value/potential economic impact exceeds the powers of Mr Verdi are these critical issues communicated to the Board of Directors.

In 2023, no critical issues emerged to bring to the attention of the Board of Directors.

## Board of Statutory Auditors

The Board of Statutory Auditors is in charge of auditing and monitoring company activities, regulatory compliance, the clarity and completeness of information and supervision of the correct administration.

There are currently five members of the Italcer S.p.A. benefit company Board of Statutory Auditors:

### Giovanni Taliento

Chairman of the Board and Statutory Auditor

### Maurizio Baldassarini

Statutory Auditor

### Giuseppe Fiorella

Statutory Auditor

### Raphael Taliento

Alternate Auditor

### Raphael Fiorella

Alternate Auditor

## Committee for Gender Equality

The Committee for Gender Equality was established by virtue of the resolution adopted by the Board of Directors of Italcer S.p.A. benefit company on 10 November 2023. The Committee is responsible for coordinating and supervising the activities provided for by the Group Gender Equality Management System, in accordance with Reference Practice UNI/PdR 125:22. It also ensures that diversity and inclusion are promoted within Italcer Group, avoiding all forms of discrimination and zero tolerance towards all forms (digital, verbal and physical) of discrimination and abuse. The organisation and activities of the Committee for Gender Equality are governed by internal rules and its meetings are reported and registered in a designated book. The members of the Committee are as follows:

### Graziano Verdi

CEO

### Marco Zatti

Group HR Director

### Davide Pasqualini

Group HR Manager

### Emanuela Diciocia

Group Legal Specialist

### Monica Rustichelli

Lawyer – external member

### Valentina Cavani

Lawyer – external member

# Italcer Group Ethics and Integrity

## 2.2

GRI 2-23, 2-24, 2-25, 2-26, 2-27, 3-3

### Code of Ethics

Italcer Group has adopted a Code of Ethics prepared in compliance with the reporting obligations on the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001. It represents a fundamental tool for protecting and conveying the most authentic values and principles that represent the true pillars of the Group's business philosophy. Specifically, the Code of Ethics represents the set of positive principles and rules of conduct that Group companies have voluntarily chosen to adopt and make public as a concrete expression of their intentions towards stakeholders.

With respect to social responsibility, it is also the **'Charter of moral rights and duties'** that must inspire, with no exceptions, all members of the Companies (directors, managers, employees, consultants, partners, suppliers) in both internal and external relations. Furthermore, it represents the source of inspiration for realising its mission.

The Code of Ethics was revised during the 2023 financial year to emphasise the importance for the Group in promoting an inclusive working environment aimed at enhancing the diversity and uniqueness of individuals, while promoting and encouraging the recognition of equity and the adoption of polite, respectful and tolerant behaviour among people.

To this end, inadmissible conduct was also listed, in particular discriminatory and violent conduct, harassment or improper or inconvenient behaviour, whether verbal, physical or based on the use of digital tools and channels.

Each revision of the Code of Ethics is approved by the Chief Executive Officer and brought to the attention of the Supervisory Board of the parent company and employees through email communications, publications on employee communication portals and the Group's websites.

Compliance with the principles of the Code of Ethics is also included as an obligation in contracts with customers and suppliers and non-compliance is stated as an express cause for termination.

The principles set out in the Code of Ethics are as follows:



**LEGALITY**



**OCCUPATIONAL SAFETY**



**LOYALTY AND CORRECTNESS**



**ENVIRONMENTAL PROTECTION**



**DIVERSITY, INCLUSION AND GENDER EQUALITY**



**CONFLICTS OF INTEREST**



**DILIGENCE, PROFESSIONALISM AND EFFICIENCY**



**CONFIDENTIALITY OF INFORMATION**



**TRANSPARENCY**



# Gender Equality Policy

GRI 2-23, 2-24, 2-26

On 20 November 2023 Italcser Group published, subject to the approval of the Italcser S.p.A. benefit company Chief Executive Officer and the Committee on Gender Equality, the first version of its Gender Equality Policy, which sets out the following fundamental principles:

- 1. Equal Opportunities**  
Ensuring equal opportunities for recruitment, professional development and career advancement for all employees, regardless of gender.
- 2. Fair Pay**  
Ensuring that pay and benefits are set fairly and transparently, eliminating gender pay disparities.
- 3. Inclusive Culture**  
Promoting an inclusive corporate culture that respects and values gender differences, enabling every employee to express their full potential.
- 4. Work Flexibility**  
Fostering flexible work policies that allow for a better balance between work and personal life, promoting gender balance.
- 5. Training and Development**  
Implementing training and development programmes that encourage equal access to learning opportunities for all employees, regardless of gender.
- 6. Prevention of Discrimination and Harassment**  
Adopting policies and procedures to prevent gender discrimination and harassment in the workplace, supporting a safe and respectful work environment.
- 7. Inclusive Leadership**  
Encouraging inclusive leadership by promoting gender diversity in decision-making and managerial roles within Italcser Group.
- 8. Transparent Communication**  
Transparently communicating the organisation's desire to pursue gender equality, enhance diversity and support women's empowerment.

This policy was brought to the attention of employees through email communications, employee communication portals and the Group's websites.

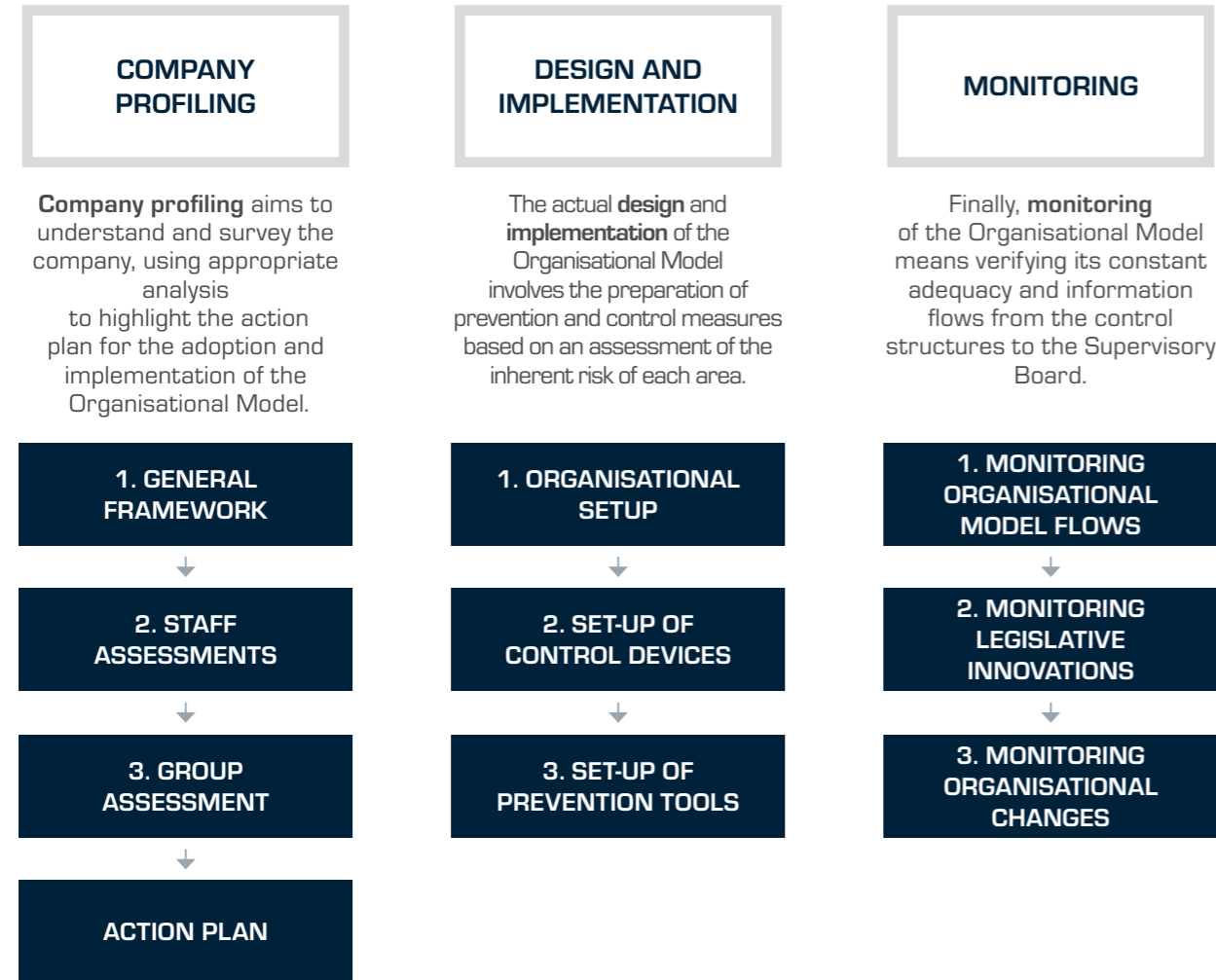


# Organisation, Management and Control Model

GRI 2-25, 2-26, 3-3, 205-2, 205-3

In compliance with Italian Legislative Decree no. 231/2001, the parent company Italcir S.p.A. benefit company has adopted an **Organisation, Management and Control Model (OMCM)** and nominated a **Supervisory Board**, whose task is to supervise compliance with the provisions of the OMCM and the Code of Ethics and monitor the offence prevention system.

The design and implementation of the Organisational Model features three distinct but related activities:



The Italcir S.p.A. benefit company OMCM relies on a repository of documents and related processes designed to prevent and control commission of the offences set out in Italian Legislative Decree no. 231/2001. This repository allows the model to be constantly updated and remain in line with corporate and regulatory changes.

For the purposes of assessing its effectiveness and suitability, a necessary and integral part of the OMCM is the **Disciplinary Code**, which was approved by the Board of Directors. This Code identifies the sanctions and conduct that may facilitate commission of the offences indicated in Italian Legislative Decree no. 231/2001. Article 6 of the Decree lists the elements that must be found in the Models prepared by the company, and letter e) expressly envisages that the company has the duty to 'introduce a disciplinary system capable of punishing non-compliance with the measures indicated in the model'.

Italcir S.p.A. has therefore established a specific disciplinary system aimed at punishing all forms of conduct that constitute violations of the Model. Furthermore, in order to raise awareness among its employees on issues of ethics, integrity and regulatory compliance, Italcir Group has promoted dedicated training activities.

Equipe Cerámicas has also formally adopted a compliance system aimed at managing and preventing criminal risks. This system is formalised in a dedicated manual and supervised by a **Compliance Committee** appointed by the Board of Directors.

With particular reference to anti-corruption policies, training events were organised as follows:

Percentage of employees who were notified of the company's anti-corruption policies and procedures and who have received anti-corruption training	Unit	2023	2022	2021
<b>EXECUTIVES</b>	no.	16	13	3
Men	no.	15	12	2
Women	no.	1	1	1
<b>MIDDLE MANAGERS</b>	no.	12	21	-
Men	no.	10	15	-
Women	no.	2	6	-
<b>OFFICE WORKERS</b>	no.	25	69	-
Men	no.	21	22	-
Women	no.	4	47	-
<b>BLUE-COLLAR WORKERS</b>	no.	-	-	-
Men	no.	-	-	-
Women	no.	-	-	-
<b>TOTAL</b>	no.	53	103	3
Men	no.	46	49	2
Women	no.	7	54	1

Percentage of employees who were notified of the company's anti-corruption policies and procedures and who have received anti-corruption training*	Unit	2023	2022*	2021*
<b>EXECUTIVES</b>	%	39.0%	43.3%	11.1%
Men	%	46.9%	42.9%	8.0%
Women	%	11.1%	50.0%	50.0%
<b>MIDDLE MANAGERS</b>	%	21.1%	50.0%	0.0%
Men	%	21.3%	51.7%	0.0%
Women	%	20.0%	46.2%	0.0%
<b>OFFICE WORKERS</b>	%	7.9%	19.6%	0.0%
Men	%	16.3%	13.9%	0.0%
Women	%	2.1%	24.2%	0.0%
<b>BLUE-COLLAR WORKERS</b>	%	0.0%	0.0%	0.0%
Men	%	0.0%	0.0%	0.0%
Women	%	0.0%	0.0%	0.0%
<b>TOTAL</b>	%	4.9%	9.7%	0.4%
Men	%	6.9%	7.2%	0.4%
Women	%	1.7%	13.8%	0.3%

\*Note that the percentages for 2022 and 2021 were recalculated in the light of the inclusion of Nais Trading SLU personnel in the calculation, as indicated in the methodological note, to enable the correct comparison.

Through such action, it is with pride that the Group can state that there were no ascertained incidents of corruption in 2023 either with regard to internal proceedings with employees or with regard to any incidents with external suppliers and partners.

Italcir Group promotes the reporting of illegal behaviour, either acts or omissions, that constitutes or may constitute a violation or inducement to violation of laws and/or regulations, values and/or principles enshrined in the Italcir Group Code of Ethics, internal control principles and company policies and/or rules.

In particular, it adopted, as early as spring 2022, specific **whistleblowing** procedures to handle reports, guaranteeing the utmost confidentiality and protection of the persons involved. It is committed to carefully assessing the reports received and taking prompt action to prevent any unlawful or non-compliant conduct with regard to rules or regulations. It should be noted that during the year 2023 no reports were made through the Group's whistleblowing platforms.



# Benefit Company

## 2.3

In October 2023 Italcer S.p.A., as parent company of the Group, assumed the status of a benefit company, officially becoming **Italcer Società per Azioni Società Benefit**. This transformation implies further responsibilities taken by the Italcer S.p.A. benefit company Board of Directors and management towards people, communities, territories and the environment where the company operates. In addition to the usual profit objectives, it also requested inclusion of the common benefit objectives listed below in its Articles of Association:

- reducing emissions of climate-altering gases in business processes;
- developing corporate policies for the capture of greenhouse gas emissions;
- increasing the use of energy from renewable sources, also through self-production of energy from photovoltaics;
- reducing consumption through energy-efficiency improvements, for example through the self-production of electricity with high-efficiency cogeneration and heat recovery in the production cycle;
- constant product innovation to propose corporate policies of the circular economy and optimisation of energy consumption and resources for the benefit of the local territory;

- implementing corporate and territorial welfare policies for the benefit of its employees;
- developing paths of constant attention to industrial production processes, with a particular focus on occupational safety;
- identification of the company as an aggregative entity in the territory for stakeholders in the local communities;
- promoting a culture of diversity and inclusion within the company and in the territory where it operates.

These objectives formally reflect our Group's daily commitment to environmental, social and governance (ESG) issues. Following the above-mentioned transformation, the Board of Directors appointed a company Impact Manager, who was formally assigned the responsibility of implementing the monitoring and reporting of social impact objectives following the management's provisions, identifying appropriate methods and criteria for this purpose.



# Risk Management

## 2.4

# Privacy and Cybersecurity

## 2.5

GRI 3-3

Italcer Group performs periodic analyses concerning its activities and the context where it operates to recognise the potential risks to which it is exposed, define a solid prevention structure and implement a strategy to mitigate them. To date, the main areas of risk identified are the following:

- **Safety in the workplace**
- **Environmental safety**
- **Computer security**
- **Public Administration crimes**
- **Tax and corporate crimes**

Risks and opportunities are managed by Italcer Group through its Integrated Management System (IMS), which summarises procedures, controls and prevention tools extended to all Italcer Group companies. It focuses mainly on three key aspects:

- **Attention to customers and their needs:** anticipating and understanding the needs of customers, both retail and business-to-business, and meeting their expectations.
- **Focus on people:** adopting a human resources management system aimed at ensuring application of the Group's principles and values, as well as voluntary standards in the field of occupational safety.
- **Respect for the environment and sustainability:** implementing environmental and energy management systems to govern and control improvements in environmental performance and the use of non-renewable sources.

Data management is a cross-cutting issue for Italcer Group and the mutual commitment of all employees and stakeholders is necessary to prevent actions that may harm them and the company in general.

Regarding privacy, Italcer Group complies with the **GDPR (General Data Protection Regulation)**, European Union Regulation no. 2016/679 on the protection of personal data, periodically updating the relevant documentation, collecting consent from users and disclosing information about personal data processing.

Group companies also carry out annual audits, based on which plans for improvements and updates are drafted. In addition, Italcer S.p.A. benefit company, as the parent company, has appointed Gianluca Dallari as Data Protection Officer (DPO).

It should be noted that in 2023, the Group received no reports/complaints regarding privacy.

Finally, to mitigate the risk of cyber attacks and possible data breaches, Italcer S.p.A. benefit company has conducted an assessment of the vulnerability of its infrastructure and a penetration test. As a result, an ongoing remediation plan has been drawn up, which provides for the formalisation and enhancement of activities in the following areas: asset management, information classification and security, logical access and password composition; physical access and remote access, secure system development.

Italcer Group periodically conducts awareness campaigns for staff members to develop awareness about the cyber risks that each individual user can incur. In 2023 it organised training courses on cyber security issues for a total of 648 hours for 162 employees, including 63 women and 99 men.



- 13 CLIMATE ACTION
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 8 DECENT WORK AND ECONOMIC GROWTH
- 7 AFFORDABLE AND CLEAN ENERGY
- 6 CLEAN WATER AND SANITATION

# 3

## Environmental Protection

<p><b>5,300</b> t CO<sub>2</sub>eq/year avoided</p>	<p><b>100%</b> Water reclaimed in the production process</p>	<p><b>&gt; 50%</b> Percentage of recycled raw materials in the product</p>
<p><b>80%</b> Locally sourced raw materials</p>	<p><b>39%</b> Energy produced from cogeneration</p>	<p><b>21%</b> Electricity consumed from renewable sources</p>

**99.6%**  
Ceramic waste recovered



# Italcer Group's Environmental Commitment

## 3.1

Italcer Group is committed to minimising the environmental effects of its production processes and business activities, while simultaneously guaranteeing the high quality of its products and respect for and preservation of the environment.

To fulfil these commitments, the Group has adopted an approach that enhances products throughout their life cycle, starting from raw materials and ending with consumers. On the environmental front, Italcer Group is committed to:

- increasing the use of energy from renewable sources, also through the production of electricity from photovoltaics;
- reducing consumption through energy-efficiency improvements, for example through the self-production of electricity with high-efficiency cogeneration and heat recovery in the production process;
- promoting actions to protect the territory through projects to reduce climate-altering gases and developing policies to capture corporate greenhouse gas emissions;
- reducing and limiting external emissions, particularly atmospheric pollutants, minimising possible impacts on the territory and neighbouring communities;
- increasing the percentage of recycled materials to create even more sustainable products;
- optimising resources and processes to reduce waste;
- encourage circular economy practices within the Group by correctly sorting waste and correctly managing water resources.

Due to investments made in 2023, Italcer Group achieved the following important results:

**25 GWh**  
electricity/  
year

25 GWh of electricity per year produced from high-efficiency cogeneration plants.

**23 GWh**  
heat  
recovered/  
year

Over 23 GWh of heat recovered per year in thermal processes from high-efficiency cogeneration plants, corresponding to over 2 million Sm<sup>3</sup> of natural gas saved per year on atomisers and dried with about 4,000 t CO<sub>2</sub>eq/year avoided.

**3.4 GWh**  
electricity  
from  
photovoltaics

About 3.4 GWh of electricity produced by photovoltaics, corresponding to over 900 t CO<sub>2</sub>eq avoided per year.

**80%**  
raw materials  
from Italy

About 80% of raw materials purchased for the production of atomised powder come from Italy.

**170**  
t CO<sub>2</sub>eq/  
year avoided

170 t CO<sub>2</sub>eq not emitted into the atmosphere due to electricity transferred to the grid.



Other ongoing projects will make it possible to:

- achieve a photovoltaic electricity production of about 10 GWh/year in 2024, covering more than 15% of the Group's total electricity needs and corresponding to more than 2,500 t CO<sub>2</sub>eq avoided per year in the next two years;
- recover 100% of ceramic waste generated in production processes, through authorisation to recover spent lime for the production of atomised powder, the only residue of the process still destined exclusively for landfill disposal. Today, however, a recovery rate of more than 99% is guaranteed;
- install a patented system to reduce input surges from the grid, reducing electricity consumption by more than 5%. If installed at all sites, it would reduce energy drawn from the grid by more than 1.5 million kWh, corresponding to about 400 t CO<sub>2</sub>eq avoided per year;
- evaluate the implementation of an important project to capture CO<sub>2</sub> from fumes in the atomisation process, the goal of which is a reduction of over 30,000 t CO<sub>2</sub>eq emitted into the atmosphere;
- install plants for the self-production of hydrogen to be included in the production cycle in a mix with methane (so-called H<sub>2</sub> project) for expected savings of about 500,000 Smc of gas per year.





Italcer Group is committed to protecting the environment by implementing **constant controls** to monitor activities with a view to a **constantly reducing its negative impacts**.

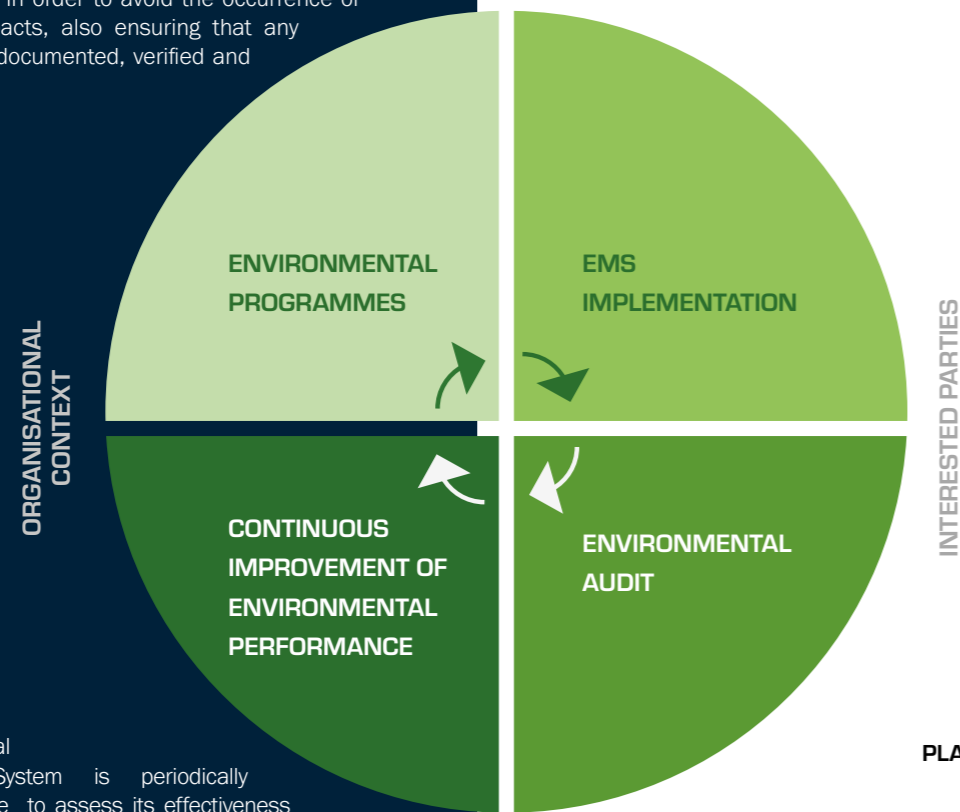
To this end, the Group has adopted an **Environmental Management System** throughout the production process that operates according to the Plan-Do-Check-Act scheme and in compliance with **ISO 14001:2015**. This system starts from the identified performance indicators to identify potential areas for improvement in order to avoid the occurrence of undesirable impacts, also ensuring that any improvement is documented, verified and evaluated.

The Environmental Management System is periodically reviewed in-house to assess its effectiveness and continuous improvement. For Italcer S.p.A. benefit company and Ceramica Fondovalle S.p.A., it culminates annually in the **EMAS (Eco-Management and Audit Scheme)** environmental statement, verified by a third party certification body subject to Accredia controls.

**ENVIRONMENTAL ANALYSIS**



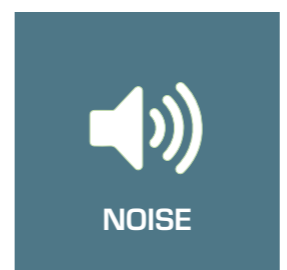
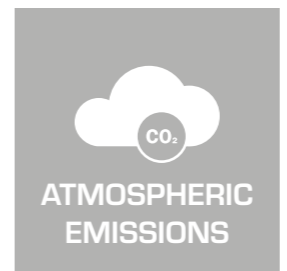
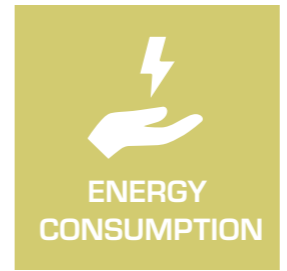
**ENVIRONMENTAL POLICY**



**ENVIRONMENTAL DECLARATION**



**ENVIRONMENTAL AUDIT**



# Aspects of the Environmental Management System

In addition to the Environmental Management System, Italcer Group has adopted an **Emergency Plan** in compliance with current legislation and to mitigate the impact of climate change. The plan also includes handling of natural emergencies (e.g. earthquakes, floods), as well as other emergencies related to extraordinary events (e.g. fires). In addition, potential emergency situations have been identified, related to possible spills of hazardous products (enamels, oily substances), for which response procedures have been established and a team of emergency responders trained.

# Improvement Programme 2023-2025 Future Objectives

In order to develop an integrated approach to take full responsibility and maximise its value, Italcera Group has set itself important goals. It first developed the **2020-2022 Improvement Programme** to start designing its sustainability strategy.

Five objectives were identified in the Programme: management of hazardous substances, energy efficiency, eco-sustainable product design, reduction of the amount of ceramic waste delivered to third parties, and extension of the Quality, Health, Safety and Environment (QHSE) Management System to facilities acquired after 2020.

To achieve the objectives, various investments have been made in relation to these areas.

Starting in 2023, Italcera Group is pursuing the new **Improvement Programme 2023-2025**, which, also including the Ceramica Fondovalle S.p.A. plants in the scope of EMAS recording, has 6 fundamental objectives:

## 1. Coverage of electricity needs from renewable sources

Installation of photovoltaic systems on all roofs of the Group's plants to independently meet more than 15% of total electricity needs. Added to the purchase of electricity from renewable sources, this will allow the Group to meet more than 50% of its total electricity needs with renewable sources.

## 2. Energy efficiency

Each year, the Group produces over 39% of its electricity from high-efficiency cogeneration plants and recovers the heat generated within the thermal processes of its production cycle. In addition, it has launched an important energy efficiency project that involves the installation of a patented system to reduce input surges from the grid, which will reduce electricity consumption by more than 5%. In 2023, a new firing kiln was also installed at the Fiorano factory, capable of working with a fuel mixture containing up to 50% hydrogen. Once it is available, the use of hydrogen would allow for annual savings of about 1.5 million m<sup>3</sup> of



gas consumed, corresponding to about 3.000 tonnes of CO<sub>2</sub> avoided. In this regard, Italcera Group has launched a feasibility analysis to implement self-produced hydrogen within its thermal processes in the next two years. In 2024, a pilot hydrogen production plant is planned for installation at the Sassuolo site, with the aim of mixing hydrogen with methane for the atomisation process.

## 3. Introduction of electric mobility

Installation of electrical towers for recharging cars and gradually including electric mobility in the car fleet.

## 4. Management of hazardous substances

In 2022-2023, Italcera S.p.A. benefit company removed over 25,000 m<sup>2</sup> of roofing containing asbestos at the Rubiera sites. The Group intends to completely remove asbestos coverings at all its plants.

## 5. Reduction of impacts on traffic in the area adjacent to the Ubersetto di Fiorano production site

Italcera S.p.A. benefit company achieved this in 2023 by establishing a new system for regulating the flow of traffic for receiving raw materials.

## 6. Definition of the value chain in the products and services supply chain

The Group has updated its purchasing and supplier assessment procedure to better assess its suppliers on all three ESG dimensions. To this end, suppliers are asked to complete questionnaires and provide documentation to support the due diligence that Italcera Group conducts to assess their compliance with Italcera Group principles and values.

In addition, at the Spanish site of Figueroles managed by Equipe Cerámicas, a feasibility study was launched for a pilot project to eliminate direct CO<sub>2</sub> emissions by reformulating the compositions of the ceramic bodies and electrifying the firing phase without compromising its technical and economic feasibility. When firing ceramics, CO<sub>2</sub> emissions come from two sources. One is represented by the combustion of natural gas used in firing kilns, which is responsible today for a percentage that varies between 70 and 95% of CO<sub>2</sub> emissions from Spanish furnaces. The other comes from the decomposition of carbonates present in the raw materials of ceramic bodies, which is responsible for between 5 and 30% of CO<sub>2</sub> emissions, depending on the type of product made by Equipe Cerámicas.



# Energy Consumption

## 3.2

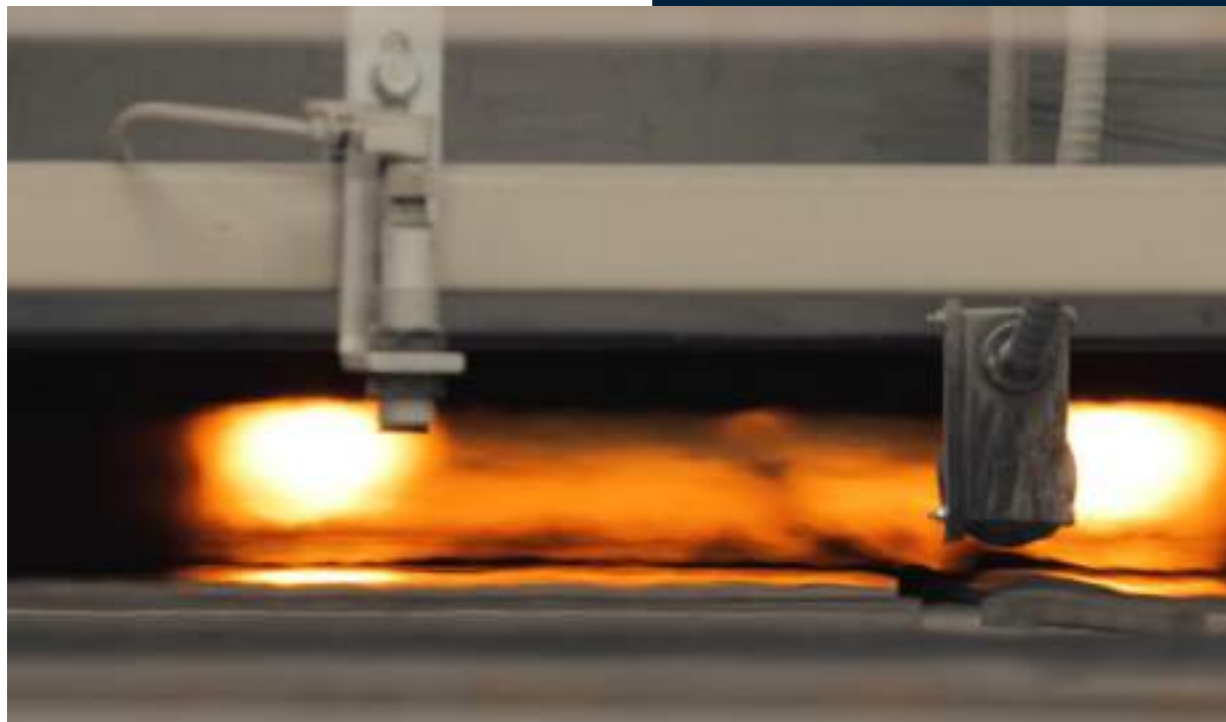
GRI 3-3, 203-1, 302-1, 302-3, 302-4

As a result of the significant use of thermal energy and electricity, the ceramics industry is a highly energy-intensive production activity. It follows that energy consumption is the main source of emissions and the Group therefore aims to reduce its **negative impact** on the environment as much as possible through energy efficiency in all production processes.

Thermal energy consumption is determined by the facilities connected to the natural gas distribution network, the main source of fuel used. The main plants that use methane are the dryers and kilns, which, due to their very nature, are always in operation even if there is no production.

In this sustainability report, energy consumption figures are reported by considering the industrial activities of ceramic production and atomised powder carried out by Italcra Group separately to better reflect energy intensity. The reported data derive from the detailed aggregation of consumption recorded at all production plants within the scope considered for reporting at the time, which has expanded year to year as a result of the Group's acquisitions.

The following comparisons refer to reference year 2021 (**baseline**), the year in which the numerous energy efficiency initiatives were launched.



### Production of atomised powder

TOTAL ENERGY CONSUMPTION IN THE PRODUCTION OF ATOMISED POWDER	UNIT*	2023	2022	2021
Energy consumed in the form of fuel (a)	GJ	531,429	634,022	631,250
Methane	GJ	529,177	631,711	628,939
Diesel (commercial vehicles)	GJ	2,253	2,960	2,311
Energy consumed in the form of electricity (b)	GJ	58,037	67,653	62,387
Purchased electricity	GJ	7,994	7,342	62,237
Electricity consumed from cogeneration	GJ	50,042	60,311	151
Energy sold in the form of electricity (c)	GJ	706	1,159	17
<b>Total energy consumed by the company (a+b-c)</b>	<b>GJ</b>	<b>588,761</b>	<b>701,166</b>	<b>693,620</b>
Energy intensity	GJ/tonne	1.705	1.735	1.640
Production of atomised powder	tonne	345,404	404,019	422,844

### Ceramic production

TOTAL ENERGY CONSUMPTION FOR CERAMIC PRODUCTION	UNIT*	2023	2022	2021
Energy consumed in the form of fuel (a)	GJ	1,184,073	1,325,308	1,139,711
Methane	GJ	1,149,191	1,293,472	1,120,159
LPG	GJ	23,093	18,699	8,140
Diesel (commercial vehicles)	GJ	6,623	9,361	8,490
Diesel (company cars)	GJ	5,166	3,777	2,922
Energy consumed in the form of electricity (b)	GJ	192,596	209,713	180,858
Purchased electricity	GJ	135,613	179,227	160,664
Renewable electricity (photovoltaics) consumed by production sites, offices and company cars	GJ	11,558	1,835	24
Electricity consumed from cogeneration	GJ	45,424	28,652	20,170
Energy sold in the form of electricity (c)	GJ	2,016	375	968
<b>Total energy consumed by the company (a+b-c)</b>	<b>GJ</b>	<b>1,374,653</b>	<b>1,534,646</b>	<b>1,319,600</b>
Energy intensity	GJ/tonne	4.203	4.272	4.211
Ceramic production	tonne	327,096	359,224	313,344

\*The conversion factors set out in the EIA Report (ceramics reporting system, Annex 1 to Joint Resolution no. 152/08. Implementation of IPPC regulation – Approval of guidelines for reporting monitoring and control data by ceramic tile production plant operators. Directions to competent authorities. Spreadsheet format xls).

Based on the recommendations of the global scientific community, Italcer Group has developed its own corporate strategy consisting of **maximising energy efficiency**, reducing consumption throughout the production cycle and investing in the purchase and production of energy from **renewable sources**.

Electricity is purchased only from national suppliers (Italian for companies based in Italy and Spanish for Equipe Ceramica SLU); the amount of renewable energy purchased is **29%**.

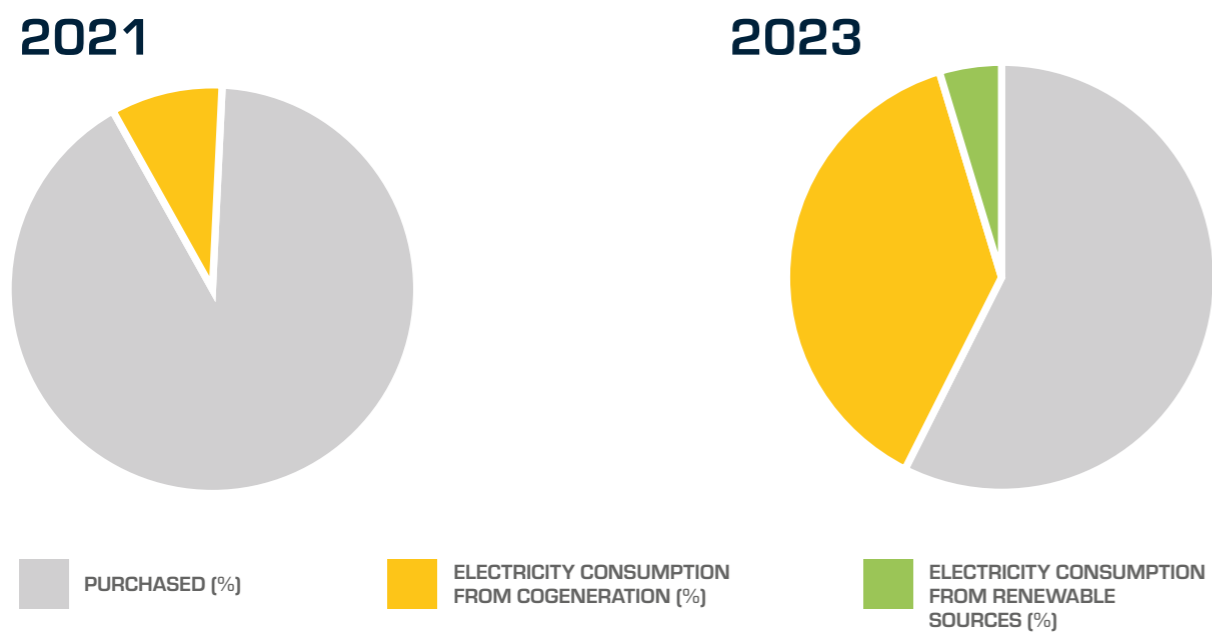
Over the years, the percentage of purchased electricity has decreased significantly due to the increased share of energy self-produced by the Group, dropping from 92% in 2021 to 57% in 2023.

Furthermore, over **€11.8 million** was invested at Group level in 2022–2023 to build cogeneration and photovoltaic plants, for a total of more than **9 MW** total installed power, of which **4.370 kWp\*** is from photovoltaic plants and **4,120 KW** is from cogeneration plants. These installations resulted in a total amount of energy from self-generating plants of **10.5 MW**.

The following is a breakdown of the investments made in the two-year period.

VALUE OF STRUCTURAL INVESTMENTS (IN THOUSANDS OF €)	2023	2022
Photovoltaic plant (Equipe)	1,262	
Kiln (Fiorano)	2,408	
Roof renovation with asbestos abatement (Rubiera)	700	681
Roof renovation with asbestos abatement (Sassuolo)	504	
Vetto cogeneration plant		2,150
Spray Dry cogeneration plant (Sassuolo)		2,574
Photovoltaic plant (Rubiera)		1,051
Photovoltaic plant (Vetto)		338
Roof renovation with asbestos abatement (Vetto)		76
Installation of a new power sub-station		66
<b>TOTAL</b>	<b>4,874</b>	<b>6,936</b>

Below is the change in sources of electricity from 2021 (baseline) to 2023.

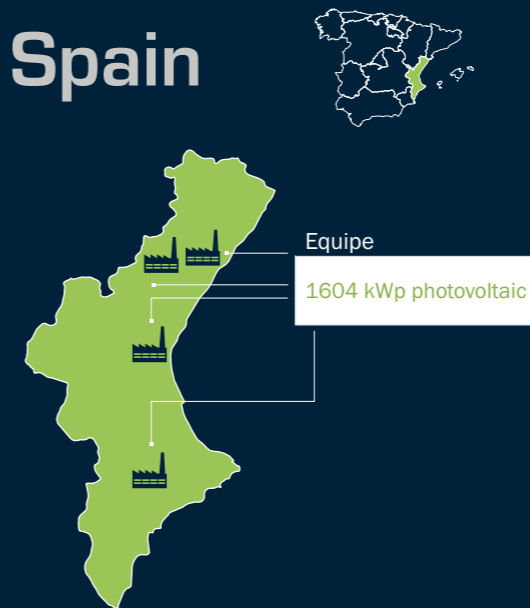


\*kWp: peak power.

Italcer Group has the following energy self-production plants:



## Spain



The installed photovoltaic systems allow more than **3.3 GWh of renewable electricity to be produced per year**, corresponding to **900 t CO<sub>2</sub>eq/year**. With the construction of the plants being completed and planned, Italcer Group will be able to achieve a renewable energy production of **more than 10 GWh/year in the next two years**, covering its electricity needs by about **15%**, avoiding over **2500 t CO<sub>2</sub> eq** per year.

Italcer Group also produces about 27 GWh/year of electricity from cogeneration and recovery plants, resulting in over 20 GWh of thermal energy used in its production cycle, corresponding to an annual savings of 2 million Sm<sup>3</sup> of natural gas.

These investments have allowed Italcer Group to achieve important goals, such as reducing the amount of electricity drawn from the grid, indirectly decreasing the environmental impact generated by the national production of thermo-electric energy.

During the three-year period 2021–2023, Italcer Group also replaced the old means of handling clays with new vehicles and added electric cars to its company fleet, while equipping itself with 12 charging stations at company sites.



# Emissions 3.3

GRI 305-1, 305-2

The environmental impacts determined by atmospheric emissions are one of the most critical aspects for companies producing ceramics. The CO<sub>2</sub> emissions data illustrated below is broken down according to:

- **Scope 1**  
**Direct emissions**  
from the production cycle (e.g. fuel combustion, heating, etc.);
- **Scope 2**  
**Indirect emissions**  
related to the supply of electricity from the grid.

To minimise risks and negative impacts, specific monitoring is conducted on emission points in relation to pollutants to verify compliance with the authorisation limits.

The main type of pollutant is dust produced by the handling and processing of raw materials. Other pollutants originate from the ceramic firing processes, which occur at high temperatures and cause the release of substances from both the raw materials and glazes, as well as from natural gas combustion (fluorine, volatile organic substances and nitrogen oxides).

Through investments made in the last three years, it has been possible to avoid atmospheric emissions of about **5.300 t CO<sub>2</sub> eq**. This is due to:

- **self-produced energy from photovoltaics** due to which the share of electricity taken from the national grid has decreased;
- **recovery of heat from cogeneration plants** in drying and atomisation processes, with consequent savings of natural gas that would have been used for such processes;
- **injection into the network of self-generated electricity.**

The pilot project to electrify the firing process at Equipe Cerâmicas could also lead to a reduction of over 1.000 t CO<sub>2</sub> eq per year due to the reduction of natural gas consumption.

Italcer Group's commitment to environmental protection is further confirmed by its participation in 2023 in the 'Compensaid By Lufthansa Innovation Lab' programme, under which Italcer S.p.A. benefit company and La Fabbrica S.p.A. purchased a total of 1.828 kg of **sustainable aviation fuel**, corresponding to the mitigation of **5,464 kg CO<sub>2</sub> eq** emitted into the atmosphere, certified by two Emission Mitigation certificates.

Below are the direct and indirect CO<sub>2</sub> emissions. For clarity and accuracy, these were also calculated for the years prior to 2023, using the following methodologies:

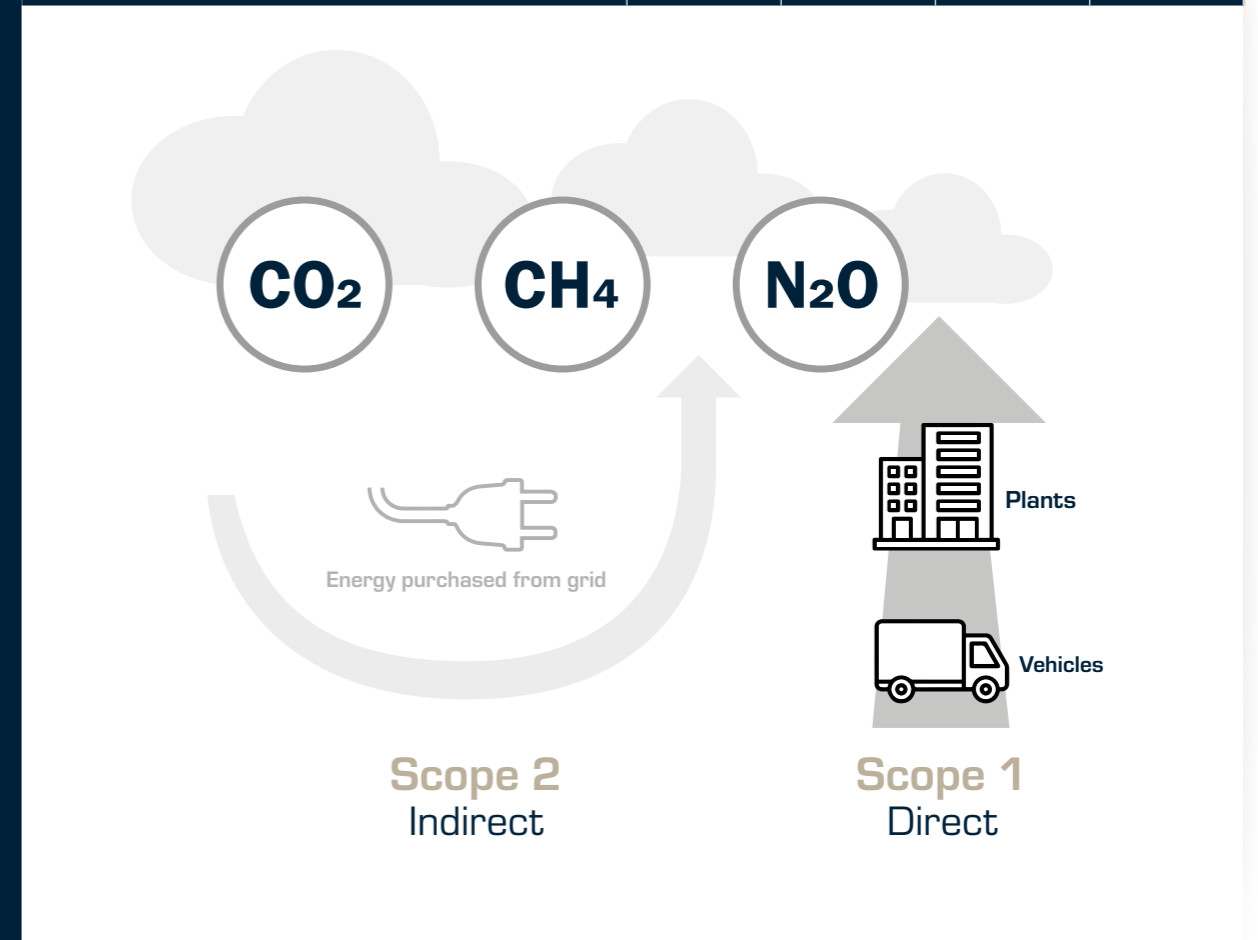
## Scope 1

Direct emissions validated by the European Union Emissions Trading System (EU ETS; the main tool adopted by the European Union to achieve CO<sub>2</sub> reduction targets in major industrial sectors and aviation) + GHG Protocol;

## Scope 2

Indirect emissions calculated using the ISPRA conversion factor 'Emission factors for electricity production and consumption' and latest available data.

TOTAL DIRECT AND INDIRECT EMISSIONS OF CO <sub>2</sub>	UNIT	2023	2022	2021
Scope 1	t CO <sub>2</sub> eq	102,679	113,803	102,542
Scope 2 location based	t CO <sub>2</sub> eq	10,687	13,884	16,588
<b>SCOPE 1+2</b>	<b>t CO<sub>2</sub>eq</b>	<b>113,366</b>	<b>127,687</b>	<b>119,130</b>



DIRECT AND INDIRECT EMISSIONS		2023			
Greenhouse gas emissions from:	Unit	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CO <sub>2</sub> eq
<b>Ceramic production:</b>					
Scope 1	tonne	71,102.54	1.18	0.11	71,111.42
Scope 2 location based	tonne	-	-	-	10,091.90
Scope 1+2	tonne	71,102.54	1.18	0.11	81,203.32
<b>Production of atomised powder:</b>					
Scope 1	tonne	31,567.44	0.54	0.06	31,568.03
Scope 2 location based	tonne	-	-	-	594.92
Scope 1+2	tonne	31,567.44	0.54	0.06	32,162.95

DIRECT AND INDIRECT EMISSIONS		2022				2021			
Greenhouse gas emissions from:	Unit	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CO <sub>2</sub> eq	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CO <sub>2</sub> eq
<b>Ceramic production:</b>									
Scope 1	tonne	76,093.18	1.33	0.16	76,114.41	65,379.23	1.13	0.13	65,395.58
Scope 2 location based	tonne	-	-	-	13,337.46	-	-	-	11,956.09
Scope 1+2	tonne	76,093.18	1.33	0.16	89,451.87	65,379.23	1.13	0.13	77,351.67
<b>Production of atomised powder:</b>									
Scope 1	tonne	37,688.19	0.64	0.07	37,688.90	37,145.69	0.63	0.07	37,146.39
Scope 2 location based	tonne	-	-	-	546.39	-	-	-	4,631.46
Scope 1+2	tonne	37,688.19	0.64	0.07	38,235.29	37,145.69	0.63	0.07	41,777.85

During the three-year reporting period, Scope 2 emissions gradually decreased due to investments in photovoltaic systems, resulting in less electricity drawn from the grid.

EMISSION INTENSITY	UNIT	2023	2022	2021
<b>Ceramic production</b>				
Scope 1 for production	t CO <sub>2</sub> eq/production [tonne/year]	0.22	0.21	0.21
Scope 2 for production	t CO <sub>2</sub> eq/production [tonne/year]	0.03	0.04	0.04
<b>Production of atomised powder</b>				
Scope 1 for production	t CO <sub>2</sub> eq/production [tonne/year]	0.09	0.09	0.09
Scope 2 for production	t CO <sub>2</sub> eq/production [tonne/year]	0.0017	0.0014	0.0110

## 3.4 Biodiversity

GRI 304-1, 304-2

Italcer Group is daily committed to implementing actions to reduce the risk of environmental contamination, preserving the biodiversity of the places where it operates. In particular, the Vetto and Marano plants border mostly natural areas.

The Marano plant falls within the Panaro river basin near the ordinary protection zone, while the Vetto plant is located a few hundred metres from a Site of Community Interest\*.

These industrial plants fit compatibly into the environmental and territorial context, as also expressed in the related opinions on compliance with the relevant general urban planning.

As for indirect impacts, over the last two years Italcer Group has **removed about 26,000 m<sup>2</sup> of asbestos cement roofing**. At the **Rubiera and Vetto D'Enza** production plants, all **asbestos roofing was completely removed** with the subsequent **installation of photovoltaic panels**. For the **Fiorano and Castel Bolognese** facilities, the Group's goal for 2025 is 100% asbestos removal. These initiatives have contributed to improvements on the ground, eliminating the potential health hazard.

\* A site that contributes significantly to maintaining or restoring a type of natural habitat or species to a satisfactory conservation status



# Water and Wastewater Management

3.5

GRI 3-3, 303-1, 303-2, 303-3, 303-5

Water is used to prepare semi-finished products (atomised powder and enamels) and to wash plants, equipment and work areas; it is essential in the ceramic production process. Italcra Group is supplied with water through aqueducts and wells, and the withdrawal is regulated by special withdrawal concessions that define related limits and methods.

The Group monitors all withdrawals using metres to verify correspondence with consumption and avoid waste. In relation to water withdrawal, it is noted that it has remained constant over the years, while there has been an improvement in consumption for the production of atomised powder due to better formulations and a greater use of purified water.

WATER CONSUMPTION AND WITHDRAWAL	UNIT	2023	2022	2021
<b>CERAMIC PRODUCTION</b>				
Groundwater	ML	58.40	61.23	56.70
Third-party water resources	ML	36.04	38.57	18.36
<b>Total water consumption and withdrawal</b>	<b>ML</b>	<b>94.43</b>	<b>99.80</b>	<b>75.06</b>
<b>Consumption intensity - Total water consumed (L)/finished product (tonnes)</b>	<b>L/tonne</b>	<b>298.51</b>	<b>277.81</b>	<b>239.54</b>
<b>PRODUCTION OF ATOMISED POWDER</b>				
Groundwater	ML	117.38	148.20	156.56
Third-party water resources	ML	2.45	2.96	3.82
<b>Total water consumption and withdrawal</b>	<b>ML</b>	<b>119.83</b>	<b>151.16</b>	<b>160.37</b>
<b>Consumption intensity Total water consumed (L) /finished product (tonnes)</b>	<b>L/tonne</b>	<b>346.92</b>	<b>374.13</b>	<b>379.27</b>

All production facilities have **closed circuits** and processing water is conveyed to a chemical-physical purification plant and subsequently reused in the production departments or transferred to third-party companies for recovery, allowing all Italcra Group facilities to avoid the presence of industrial wastewater drainage systems. Through the processing water management system guaranteeing complete circularity, **100% of the water used in the production process is recovered**, making the environmental impacts related to water discharge virtually absent. In addition, significant investments were made in **wastewater treatment** plants to reduce water consumption at production sites.

# The Circular Economy and Waste Management

3.6

GRI 3-3, 301-2, 306-1, 306-2, 306-3, 306-4, 306-5

Italcra Group is aware of the value of natural resources and virgin raw materials. To contribute to their preservation, which is a global challenge today, it is committed to managing resources for its production processes **in a circular perspective**, implementing **processes to recover, recycle and reuse materials resulting from its activities**. The aim is to create a closed cycle of production and consumption, in which waste becomes a resource for new products.

Today, powders are made to produce ceramics containing **more than 50% recycled material**, as certified annually by the certification body in charge. In all ceramic production plants, almost all the waste generated is nonhazardous and is sent for recovery. Starting in 2024, Italcra Group will be able to recover 100% of the ceramic waste generated in its processes by obtaining authorisation to recover spent lime to produce atomised powder, the only residue in the process destined exclusively for landfill disposal.

Data on the waste produced in the production cycle with its destination are shown below.

WASTE PRODUCED BY TYPE	UNIT	2023	2022	2021
Hazardous	tonne	256.60	196.10	172.80
Nonhazardous	tonne	54,749.39	53,871.66	34,817.01
<b>Total</b>	<b>tonne</b>	<b>55,005.99</b>	<b>54,067.76</b>	<b>34,989.81</b>

WASTE DELIVERY	UNIT	2023		2022		2021	
		HAZARDOUS	NONHAZARDOUS	HAZARDOUS	NONHAZARDOUS	HAZARDOUS	NONHAZARDOUS
<b>Waste destined for recovery</b>	<b>tonne</b>	<b>28.21</b>	<b>54,657.30</b>	<b>18.76</b>	<b>53,786.17</b>	<b>16.05</b>	<b>34,816.79</b>
Other recovery operations	tonne	28.21	54,657.30	18.76	53,786.17	16.05	34,816.79
<b>Waste destined for disposal</b>	<b>tonne</b>	<b>228.40</b>	<b>92.27</b>	<b>177.34</b>	<b>85.56</b>	<b>156.76</b>	<b>0.22</b>
Landfill disposal	tonne	2.61	-	3.38	0.07	3.10	0.22
Other disposal operations	tonne	225.79	92.27	173.96	85.49	153.66	-
<b>Total (hazardous - nonhazardous)</b>	<b>tonne</b>	<b>256.61</b>	<b>54,749.57</b>	<b>196.10</b>	<b>53,871.73</b>	<b>172.81</b>	<b>34,817.01</b>
<b>Total</b>	<b>tonne</b>	<b>55,006.18</b>		<b>54,067.83</b>		<b>34,989.32</b>	



**ITAL CER**  
GROUP  
DESIGN SURFACES

**4**

# Safe and Innovative Products



Italcer Group constantly invests in research and development activities with a twofold objective:

- Developing products with an aesthetically appealing design to meet customer needs;
- Identifying innovative and cutting-edge technological solutions for style and functionality, with a view to continuous improvement of the products.





# Product Safety and Quality 4.1

GRI 3-3, 416-1, 416-2, 417-1, 417-2

Italcer Group products feature not only an attractive design, but also and especially a high **quality and safety** that makes them stand out. To ensure the highest quality of products and services, the Group has strengthened its quality control processes and implemented elevated safety and sustainability standards, in line with its values and customer needs.

In particular, **porcelain stoneware and white body surfaces** undergo **meticulous quality control during each stage of the process**, which is carried out by qualified and trained technicians.

Italcer Group is equipped with internal technological laboratories for verification of both incoming raw materials and the finished product; even semi-finished products undergo continuous in-line controls. All measuring and control tools are periodically checked and calibrated to ensure absolute measurement reliability.

All stages of production, pressing, drying and firing require continuous control of the reference parameters, thus ensuring the consistency of the process.

At the end of the process, qualified staff in the related department check each ceramic tile produced and separate defective products before packaging, thus ensuring the utmost consistency in size and appearance.

Although the packaging phase is highly automated, is also constantly checked by qualified personnel to ensure the suitability and safety of individual packages. Note that product life cycle information is defined in the Environmental Product Declaration (EDP).

The packaging contains all the necessary **product safety information** and suggestions for handling the load. All safety marking requirements are met by reporting the reaction to fire A1fl, zero emissivity indoors (VOC) and product quality marks required in the destination countries. With regard to labelling, all materials and disposal methods are indicated for the purposes of packaging disposal. All timber passes the **phytosanitary certification (Fitok)** and is fire marked as evidence for customers of fumigation and the absence of pests.

Finally, for continuous improvement and in accordance with the Integrated Management System and the dictates of ISO 9001:2015 certification, periodic supervisions are carried out at all ceramic production plants to ensure continuous alignment with the quality system.

With respect to **bathroom furniture**, Devon&Devon's style centre, both independently and in collaboration with renowned architects, conceives and designs the products, and then contacts manufacturing suppliers, selected according to the highest quality standards in the sector. For some products, each item is checked by Devon&Devon staff, while others, whose production is more standardised, are subject to spot checks.



Each custom-made product, following particular customer requests, is checked and verified in every component. This **control process** allows Devon&Devon to guarantee high quality product standards and support customers through Customer Care and the quality department, providing effective after-sales service.

All Devon&Devon product packaging is made from recycled cardboard produced by ISO 9001:2015 certified suppliers and with FSC® chain of custody management certification, which allows cardboard packaging to be made using raw materials from responsibly managed forests.

All Italcer Group finished products comply with obligations deriving from CE marking, ensuring compliance with the safety requirements defined by industry standard UNI EN 14411 and implemented by the European Union.

Other certifications, as indicated above, concern certain technologies or formats by virtue of their features and intended use. These include the Declaration of Conformity for **materials and articles in contact with food: VOC certification**, which certifies the level of volatile organic compounds; **UPEC and UPEC F+** classification, associated with the QB certification mark attesting to the durability of a product and its suitability for use in specific types of premises; and **Greenguard Gold**, which measures the emissions of about 400 harmful substances from a product.

The high quality standards of Italcer Group products mean that in 2023 there were no incidents of non-compliance regarding safety impacts or possible harm to human health, nor was there non-compliance in terms of information and labelling.



# 4.2

## Eco-Sustainable Innovation

GRI 2-6

Among the goals that Italcer Group has set itself, researching and developing innovative and environmentally sustainable products stands out. Particular attention is paid to reusing raw materials to promote the circular economy. Ceramic, in particular, is a recyclable material as it can be fully reintroduced into the production process or used to produce aggregates for the building sector. In fact, Spray Dry S.p.A. recovers the ceramic waste generated by the Group's Italian productions and third-party competitors in the Italian ceramic sector, reinserting it into the production cycle for atomised powder. In 2023, **37,175 tonnes** of ceramic waste (fired and raw) were recovered.

In addition, the Italcer Rubiera plant has participated since 2022 in the **pilot project** by the 'Certiquality' certifying body for verification of compliance with the new **ISO 17889-1** standard on the sustainability of ceramics. This is the first international standard to assess product sustainability performance and communicate its level of sustainability, providing design professionals, contractors and consumers with verifiable information to identify sustainable ceramics. This is a further step to guide all stakeholders throughout the supply chain in environmental responsibility. Based on the assessment according to 38 criteria divided among environmental, social and economic aspects, Italcer obtained a score of **127.6/130** in 2023.

All Devon&Devon bathroom furnishings are designed considering their impact on the environment. Taps, shower systems and flushing systems use low water consumption to promote responsible use of water resources; lamps are already designed for LED sources and all wiring is low in halogen and halides; and most collections of metal mirrors are made without lead, as are the latest collections of taps.



Italcer Group's commitment and attention to the environment and social issues led to the creation of **ADVANCE®**, a project that represents a desire to look towards the future through innovative ceramics, the key focus, with **antiviral, antibacterial and photocatalytic properties**, capable of protecting health and reducing pollution.



The innovative ADVANCE® ceramic for flooring and wall tiles, developed by Italcer Group for the exclusive use of its brands, is the Group's most cutting-edge technology. With its antiviral, antibacterial and anti-pollutant properties, ADVANCE® technology ensures greater protection of surfaces and healthier environments.

Dirt breaks down on ADVANCE® ceramic surfaces, allowing floors and walls to be kept clean using only mild soap and water. As for outdoor settings, the flow of rainwater is sufficient to ensure cleanliness.

ADVANCE® has obtained Italian patents for industrial invention no. 102019000015677 and no. 102020000020035, as well as US Patent no. 11,446,644. Further patent applications have also been filed by parent company Italcer S.p.A. benefit company in many other countries.

Based on substantial investment in research and development in innovative and sustainable materials and generated in conjunction with experts in the field, the material is revolutionary in many ways. In fact, ADVANCE® ceramics contain a compound of **tin dioxide (SnO2)** and **titanium dioxide (TiO2)** which make the product:

### Antiviral and Antibacterial

Advance ceramic eliminates 90% of viruses after just 15 minutes of exposure to light, reaching 100% after 6 hours. It also fights different types of bacteria from a minimum of 95% up to 100% after 8 hours of exposure to light. The antiviral capacity of ADVANCE® technology products has been certified by the Tile Council of North America according to the standards (ISO18061:2014(E)), while the antibacterial capacity has been certified by the University of Ferrara and by the Tile Council of North America according to standards (ISO 27447:2019).

### Eco-Sustainable and Antipolluting

The antipollutant properties have been confirmed by the Chemistry Department of the University of Turin according to the UNI 11484 standard, which describes methods for determining the ability to reduce nitrogen monoxide NOx in the gas phase by photocatalytic action.

In fact, when applied outdoors to the façades of houses and buildings, ADVANCE® succeeds in reducing NOx (nitrogen oxide) molecules by 20.7% in just three hours, considerably improving air quality thanks to the photocatalytic action activated by natural light, converting volatile pollutants into harmless substances.

The antiviral and antibacterial properties are enhanced by all lighting conditions, whether natural or artificial, although these properties remain active even in the absence of light, as demonstrated in tests by leading laboratories.

ADVANCE® makes private homes and public buildings safer and healthier, ensuring long-lasting hygiene thanks to reduced contamination by microorganisms and drastically reducing the use of chemical agents or pollutants.

The technology – which can be applied to any ceramic product and is therefore at the service of all Group companies – is not only safe for health, but also a sustainable and eco-friendly choice, as it is created in a single firing at very high temperature and without the need for further treatment.





**ADVANCE CLADDING** is the **ventilated façade** system that uses the ADVANCE® technology on external building cladding to ensure the undisputed advantages of thermal and acoustic insulation, protection from moisture and external atmospheric agents. Specifically, it is a building cladding system with multilayer construction, using mechanical anchors to fix the ceramic slabs to the exterior wall. From a structural point of view, it consists of a load-bearing metal structure fixed to the wall of the building by means of brackets and anchors, which allows the assembly of 'independent' layers such as an external wall and insulating mat to create a gap of air. This multilayer structure activates a continuous process of natural ventilation along the façade, eliminating excess moisture and contributing to cooling in summer and controlling heat loss in winter. This advanced cladding system not only gives buildings the best thermal/humidity performance, but also enables urban building regeneration, contributing to **environmental sustainability**. Regeneration means enabling communities to improve their quality of life with respect to society, the economy and the environment.



**ALL OVER** is a pioneering ceramic slab processing technique that allows you to transpose the **texture of the slab even on the edge**, digitally printing the selected portion of surface so it faithfully reflects the original graphics. This cutting-edge processing is the result of innovative production technology, granted exclusively to Italcera Group and subject to a patent application. It results in extremely realistic and aesthetically valuable material effects on porcelain stoneware surfaces, maintaining a continuous texture that descends along the plane, continuing uninterrupted along the entire thickness of the slab. The ALL-OVER effect realistically reproduces the grain and colour characteristics of natural stone, reflecting the grain with perfect continuity, from the plane of the slabs along the entire perimeter thickness of the ceramic.

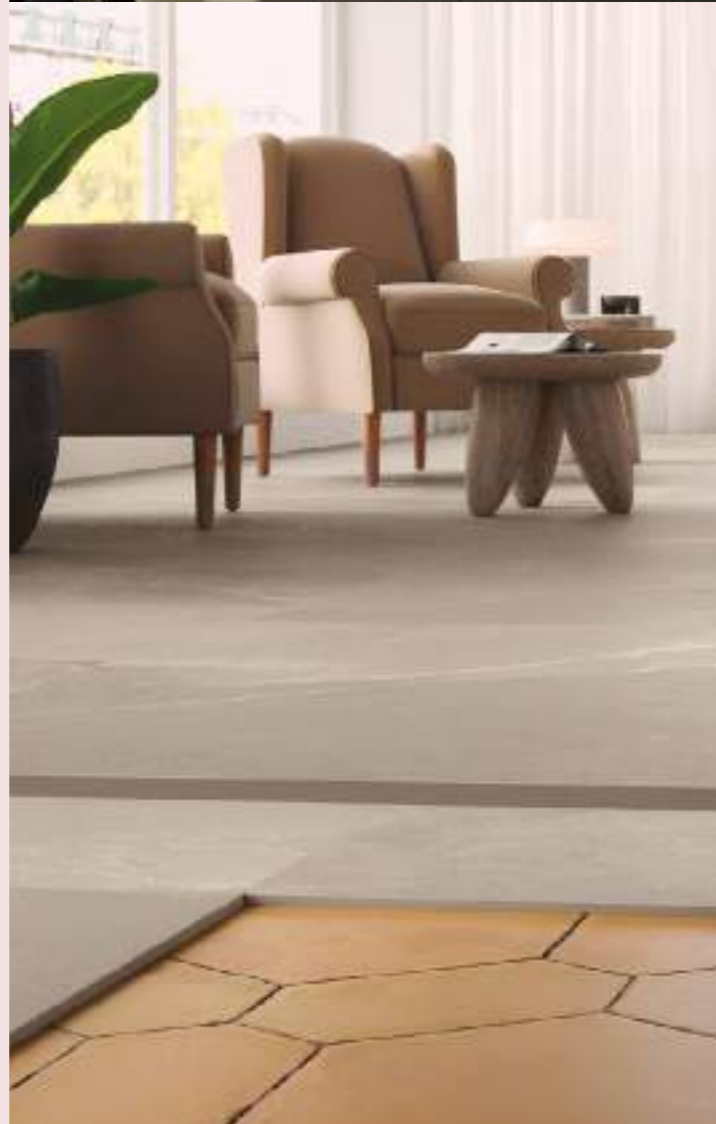


## stick&stile Easy. Fast. Clean.



- 1 porcelain stoneware
- 2 pre-applied adhesive

In 2023, an innovative and easy installation system for porcelain stoneware called **Stick&Stile** was launched on the market. This technology, which is the subject of a patent application, is used to lay **floating porcelain stoneware floors**, enabling quick and easy renovations. Stick&Stile, which offers high performance even with underfloor heating systems, does not require demolition, extensive washing or long drying times. The ceramic floor is ready immediately after the stucco is dry. In addition, the ceramics used for Stick&Stile technology are made with a high percentage of recycled materials, thus featuring a low environmental impact and ecological footprint.



## White Tec Plus

For some of its bathtubs and column washbasin model, Devon&Devon uses **White Tec Plus**, an innovative composite material that is extraordinarily resistant to shocks and scratches, with a solid surface similar to natural stone. Entirely Made in Italy, this material is very easy to clean and resistant to daily wear. Above all, it is so **eco-friendly and sustainable** that it has received the prestigious **Greenguard Gold** certification from LEED® (the US energy efficiency and ecological footprint classification system). White Tec Plus bathtubs are made using Biobased® plant-based resins derived from corn starch instead of traditional petroleum-derived components. They can also be restored, repaired, recycled and reused. In addition, like traditional cast iron bathtubs, White Tec Plus bathtubs maintain the warmth of the water for a long time, consequently containing water consumption and ensuring extraordinary well-being for those who use them.





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Italcer Group, aware that it operates in a system of integrated relationships, aims to enhance the entire **value chain**. Because of this, its commitment, **both upstream and downstream**, aims to:

- promote compliance with the Group's ethical principles and best practices, both in the supplier network and among customers;
- support a responsible supply chain that is committed to the local community;
- work with suppliers and customers to identify and mitigate inherent social and environmental risks.



# The Responsible Value Chain

**92%**

Local suppliers

**126**

Countries served

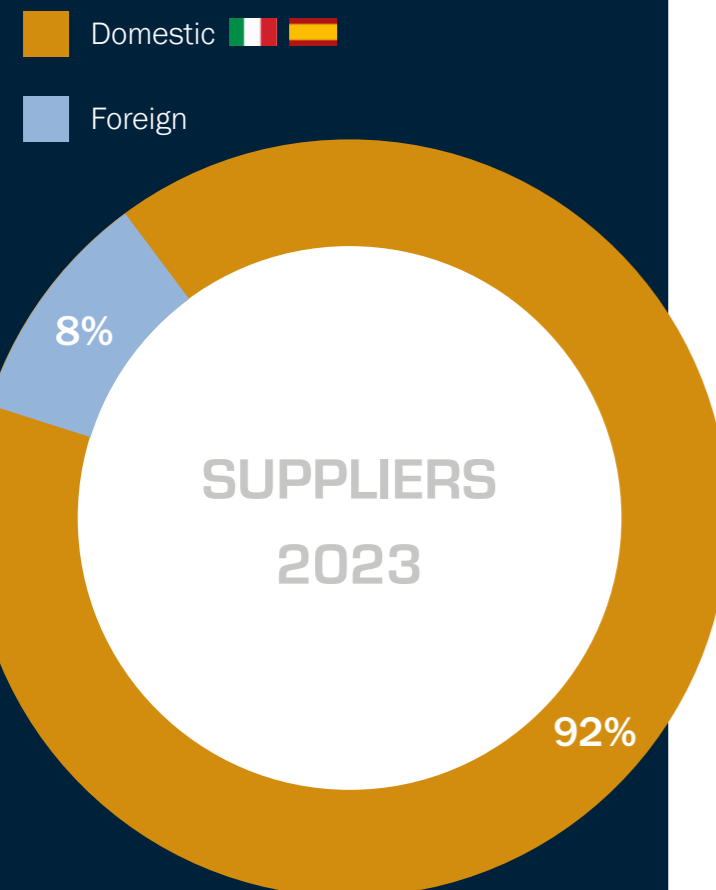


# Responsible Supply Chain Management 5.1

GRI 2-6, 3-3, 204-1

For Italcera Group, responsible management of the supply chain represents not only a material topic, but also an objective pursued by selecting the best suppliers and preferring those present in the surrounding area to their production sites according to criteria that take into account the three ESG dimensions. Due to the quality of suppliers in the Italian and Spanish industrial districts, Italcera Group enhances and exalts the Made in Italy and Made in Spain ceramic industrial hubs.

The table below shows the breakdown of expenditure in favour of domestic and foreign suppliers, considering which local suppliers are Italian and Spanish for companies based respectively in Italy and Spain.



In 2023, Italcera Group updated its purchasing and supplier evaluation procedure, which is one of the cornerstones of the Group's Integrated Management System.

An integral part of supplies is the assessment questionnaire, which is divided into questions aimed at investigating how suppliers manage the following areas: legal organisation, quality system, environmental protection, workplace health and safety and social responsibility.

In receiving this questionnaire, accompanied by any attachments such as certifications and declarations, the Group can evaluate the supplier on different ESG issues to guide its choice on the most virtuous suppliers, thus establishing business relationships whose impacts are increasingly positive for the environment and communities.

Moreover, when formalising the above-mentioned business relationships, the Group requires the supplier to respect – with respect to itself, but also and when performing its activities in general – the Italcera Group Code of Ethics and, when adopted and communicated on the company websites, the Organisation Model pursuant to Italian Legislative Decree no. 231/01.

A failure to comply with the principles in the above-mentioned documents is established by the Group as an express reason for termination.

In addition, regardless of the importance of the business, the Group's priority is to establish business and commercial relations exclusively with parties that are financed with capital of legitimate origin and engage in lawful activities. Accordingly, the Italcera Group makes preventive inspections, which in certain circumstances may be aimed at acquiring appropriate certifications and declarations (anti-mafia and anti-money laundering) from the contractor.

With respect to Devon&Devon, note that supplier audits are also aimed at verifying compliance with EU Regulation no. 995/2010, which provides for sustainable management of wood resources, implemented by maximising the use of available recycled wood resources with the resulting benefits for the community.

# Raw Materials and Procurement 5.2

GRI 301-1, 301-2, 301-3

The main suppliers of Italcera Group undoubtedly include those related to natural raw materials which, as the basis of the production process, also represent a significant balance sheet item. These raw materials mainly consist of sand, clay and feldspar from mining activities in Italy and/or Europe. These are added to all the materials used by the Group for the production of glazes and packaging the finished products.

The main materials used in the production process are therefore:

- Raw materials for the production of atomised powder
- Raw materials for the production of enamels and inks
- Additives such as fluidisers and screen printing mediums
- Reagents for air and water purification systems
- Packaging materials such as paper, plastic and wood

NON-RENEWABLE MATERIALS	UNIT	2023	2022 *	2021 *
Raw materials for the production of ceramic body	tonne	401,571	468,141	473,819
Atomised powder purchased from third parties	tonne	120,970	140,549	92,374
Raw materials for glazes (glazes, frit, grit, raw materials, inks)	tonne	12,272	12,630	5,898
Raw additive materials (fluidisers and screen printing mediums)	tonne	691	4,473	3,717
Reagents for air and water purification systems	tonne	203	178	216
Plastic products (for packaging and other)	tonne	363	521	374
Paper (paper and cardboard for packaging)	tonne	2,834	2,472	2,303
<b>Total non-renewable materials (a)</b>	<b>tonne</b>	<b>538,905</b>	<b>628,964</b>	<b>578,701</b>

RENEWABLE MATERIALS	UNIT	2023	2022 *	2021 *
Wood (for packaging)	tonne	7,218	6,649	3,821
<b>Total renewable materials (b)</b>	<b>tonne</b>	<b>7,218</b>	<b>6,649</b>	<b>3,821</b>

TOTAL MATERIALS	UNIT	2023	2022 *	2021 *
Total recycled materials used	tonne	168,618	140,293	144,207
Total materials used (a+b)	tonne	546,123	635,613	582,522
Percentage of recycled materials used to produce primary products and services	%	31%	22%	25%

\* It should be noted that for the purposes of more precise and transparent reporting, the calculation method adopted in these financial statements distinguishes between raw materials used in the production of the atomised powders and those strictly related to the ceramic production cycle (i.e. raw materials for enamels, additives, reagents, packaging and any atomised powder purchased from third parties). The data relating to previous years have therefore been updated accordingly.



Given the origin of the natural raw materials, their procurement has been strongly influenced in recent years by the geopolitical situation. Even before the beginning of the Russian-Ukrainian conflict, the Group had modified its supply network from Ukraine to mitigate any disruptions in the supply chain and reduce the negative impacts of transport, initiating collaborations with European and especially Italian suppliers and leading the Group to obtain over 80% of its raw materials from Italy in 2023. Furthermore, having Spray Dry, a company dedicated only to the production of spray-dried products, within the Group significantly reduces the dependence on third-party suppliers for this product. Due to the undisputed geographical characteristics of the Modena-Reggio Emilia ceramic district, the Group's Italian plants are able to procure a large part of their materials from local suppliers, optimising logistics and generating **value and positive impacts** in the neighbouring areas and on the environment.

As of 31 December 2023, the first, top 5 and top 10 suppliers of materials used in the production of atomised powder represent, respectively, 32%, 84% and 99% of all powder purchased by the Group (31%, 81% and 99% for the year ending on 31 December 2022 and 35%, 82% and 99% for the year ending on 31 December 2021).

As of 31 December 2023, the Group produced 68% of the atomised powder used for in-house ceramic production, while the remaining 32% relied on third-party suppliers. As for atomised powder supplied by third parties, the first and top 5 suppliers of the Group represent 59% and 100% of the total purchased value (62% and 100% for the year ending on 31 December 2022). In Spain, Equipe Cerámicas has a main supplier of atomised powder from which it purchases 98% of its material.



## A Focus on Customers

5.3

The main Italcer Group stakeholders downstream in the value chain are **customers**, who, given the diverse activities of the Group, range from distributors and retailers to hotels and contractors, to professionals in the construction and furniture sector and end customers (B2C). The Group has customers in **126 countries** around the world with different tastes and needs due to their highly varied geographical distribution.

As of 31 December 2023, the first, top 5 and top 10 customers accounted for 5%, 14% and 19% of total Group revenues respectively (4%, 11% and 16% for the year ending on 31 December 2022 and 5%, 14% and 18%, respectively, for the year ending on 31 December 2021).

To reach customers, the Group uses different sales channels, such as large distribution chains (in most cases, given their importance as executive customers), B2B partnerships and construction companies. In addition, Devon&Devon has 9 flagship stores based in Milan, Florence, Rome, London, Paris, Nice, Vienna, Hamburg and Copenhagen. As of 31 December 2023, 14% of revenue derived from sales made by large retail chains with which the Group has standard market contracts.

Sales are also made through sales agents, who promote the various Group brands to customers. An important annual 'sales force convention' is dedicated to their training, organised just before the Cersaie fair in Bologna, where new products, initiatives and commercial guidelines are presented.

A focus on customers is one of the core values of Italcer Group, which, considering them partners in its success, is committed to meeting their needs every day, offering increasingly beautiful, high-quality and sustainable products, simplified purchasing processes and high-level quality service. With this in mind, the Group periodically organises events and opportunities for meetings and interaction in conjunction with the main trade fairs in the sector, but also throughout the year.

One example is the Devon&Devon Cocktail Party, organised for Milan Design Week 2023, to present the new collections to customers from around the world.

Moreover, the Elios brand organised a prize competition in 2023 in which end consumers were offered the opportunity to upload images of projects made at their sites with Elios products, with a vote for the most beautiful images.

In 2024 they will be rewarded with a trip for two to Madagascar, the consumer who receives the most votes on the uploaded project and also the retailer/designer who most promoted the competition among customers.







**ITALCERA**  
GROUP

DESIGN SURFACES

**PEOPLE**



Italcera Group has always considered its people an indispensable **strategic** asset, due to which it achieves important ambitious goals. The Group is also aware of the **impacts** its activities generate on people and their expectations. Its main objectives therefore include:

- Contributing to the development of a **safe and stimulating work environment** that favours diversity;
- Supporting and furthering the **development of personal skills**;
- Reinforcing a culture of **occupational safety** at all levels;
- Ensuring and promoting respect for **human rights** and dignified working conditions also throughout the value chain.

**20.55%**

fewer occupational accidents compared to 2022

more than  
**18,900**

hours of training



**A Focus  
on People**

# 6.1 Employees

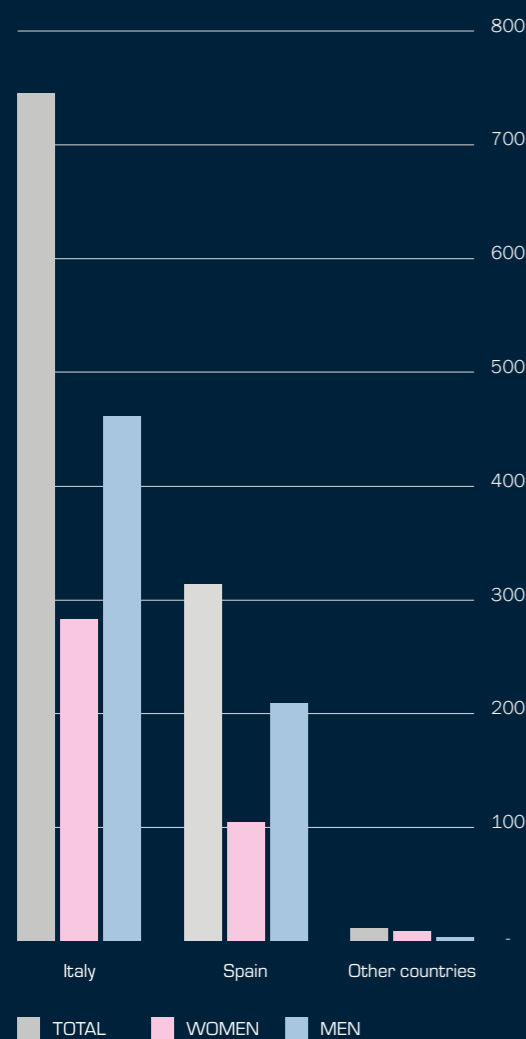
GRI 2-7, 2-8, 2-30, 401-1

As of December 31, 2023, Italcra Group (without considering Terratinta Group and Artigiana 3MC as indicated in the methodological note), consists of **1,071 employees**, with growth throughout the three-year reporting period.

In fact, the workforce grew in 2023 by 0.47% compared to 2022 and by 24.97% compared to 2021.

Of all employees, 52.5% work in Italy, 43.5% are employed at the Group's two Spanish production sites and 4% are located in other countries (in detail: 5 in France, 1 in the USA, 1 in the UK, 1 in Germany).

In addition, **100% of employees** are covered by **collective bargaining**, according to the principles of the country where they are employed.



EMPLOYEES PER CONTRACT TYPE AND GENDER	UNIT	2023	2022*	2021*
Permanent contract	no.	1,049	1,011	732
Men	no.	652	641	448
Women	no.	397	370	284
Fixed-term contract	no.	22	55	125
Men	no.	18	35	93
Women	no.	4	20	32
<b>Total number of employees</b>	<b>no.</b>	<b>1,071</b>	<b>1,066</b>	<b>857</b>
Total men	no.	670	676	541
Total women	no.	401	390	316

As far as contract types are concerned, approximately **97.95% of employees are employed on permanent contracts**. This value, up 3.11% and 12.53% compared to 2022 and 2021, respectively, is an indication of the Group's attention to its people. It should also be noted that the Group does not employ employees without guaranteed hours.

EMPLOYEES PER TYPE OF CONTRACT AND GEOGRAPHICAL AREA	UNIT	2023	2022*	2021*
Italy	no.	745	737	568
Permanent	no.	728	684	552
Fixed term	no.	17	53	16
Spain	no.	314	317	276
Permanent	no.	309	315	167
Fixed term	no.	5	2	109
Other countries	no.	12	12	13
Permanent	no.	12	12	13
Fixed term	no.	-	-	-
<b>Total</b>	<b>no.</b>	<b>1,071</b>	<b>1,066</b>	<b>857</b>

EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER	UNIT	2023	2022*	2021*
Full time	no.	1,041	1,038	826
Men	no.	667	674	538
Women	no.	374	364	288
Part time	no.	30	28	31
Men	no.	3	2	3
Women	no.	27	26	28
<b>Total number of employees</b>	<b>no.</b>	<b>1,071</b>	<b>1,066</b>	<b>857</b>
Total men	no.	670	676	541
Total women	no.	401	390	316

With regard to hours of work, 97.20% of employees work full-time. The percentage has remained stable, as it was 97.37% the previous year. From the gender analysis carried out by counting people, it can be seen that at the end of the reporting period, it is mainly women who have adopted part-time work (90% of all part-time work; this percentage has also remained stable, as it was 93% in 2022).

OUTSIDE WORKERS	UNIT	2023	2022	2021
Total workers outside the cooperatives	no.	77	78	69
Men	no.	76	77	68
Women	no.	1	1	1

From the analysis of outside workers conducted by counting the number of people, the presence of external workers at the various Group production sites at the end of the reporting period was also confirmed in 2023, with exclusively logistical tasks (storage, movement, loading and unloading, order preparation).

INTERNS	UNIT	2023	2022	2021
Total non-curricular interns	no.	17	33	26
Men	no.	9	15	14
Women	no.	8	18	12
Total curricular interns	no.	9	2	4
Men	no.	5	1	3
Women	no.	4	1	1

In 2023, 17 non-curricular internships were initiated. Of these trainees, 71% were then recruited on professional apprenticeship contracts. There were instead nine curricular apprenticeships involving students from several Italian and foreign universities (specifically, the University of Bologna, University of Modena and Reggio Emilia, Bocconi University and Hybria Institute of Business and Technology (France)).

\* Note that data for 2022 and 2021 were recalculated to include Nais Trading SLU employees.





Recruitments during 2023 consisted of **200 new employees**.

New hires under the age of 30 accounted for 31.5%, while 50.5% are between the ages of 30 and 50. Thirty-six new recruits were between the ages of 50 and 59, a figure that shows that the Group offers job opportunities to people of all age groups.

In 2023, there were 192 separations, with an overall turnover rate of 18.00%. Compared to the previous year, we see that the overall turnover rate decreased by 2 percentage points.

If we analyse hiring by gender, we note that 29% of all hires were women, with a hiring rate (female hiring per female employee number) of 14% (slightly lower than the hiring rate for men, at 21%).

With respect to separations in 2023, the female percentage was 25%, with a turnover rate (female separations per number of female employees) of 12% (again, the female rate is consistently lower than the male turnover rate of 21%).

For 2023, it should be noted that while the recruitment rate for men was equal to the turnover rate (21%; the number of hires was equal to the number of separations), the recruitment rate for women was higher than the turnover rate (14% vs 12%, 57 hires vs 48 separations).

### RECRUITMENT AND TURNOVER RATES

RATES	UNIT	2023	2022	2021
Hires	%	19%	30%	28%
Men	%	21%	33%	32%
Women	%	14%	25%	20%
Turnover	%	18%	20%	16%
Men	%	21%	23%	17%
Women	%	12%	15%	15%

### RECRUITMENT AND SEPARATION

GENDER	UNIT	2023	2022*	2021*
Employees hired	no.	200	320	237
Men	no.	143	223	173
Women	no.	57	97	64
Employee separations	no.	192	212	137
Men	no.	144	154	91
Women	no.	48	58	46

### NEW HIRES AND TURNOVER BY AGE

AGE	UNIT	2023	2022*	2021*
Employees hired	no.	200	320	237
≤ 30	no.	63	110	94
30-50 (excluding end limits)	no.	101	160	115
≥ 50	no.	36	50	28
Employee separations	no.	192	212	137
≤ 30	no.	54	58	22
30-50 (excluding end limits)	no.	91	95	61
≥ 50	no.	47	59	54

### NEW HIRES AND TURNOVER BY REGION

REGION	UNIT	2023	2022*	2021*
Employees hired	no.	200	320	237
Italy	no.	105	180	109
Spain	no.	87	139	128
Other countries	no.	8	1	0
Employee separations	no.	192	212	137
Italy	no.	93	112	96
Spain	no.	90	98	38
Other countries	no.	9	2	3

\* Note that data for 2022 and 2021 were recalculated to include Nais Trading SLU employees.



# Corporate Welfare

GRI 401-2

Italcer Group pays great attention to the well-being of its employees and is constantly looking for initiatives to support them and their families.

In this regard, the **Company Welfare Project**, based on 3 pillars, was inaugurated in Italy in 2023:

## Personal and family service

agreements dedicated to employees in health services, hotels, gyms, banks and insurance companies, restaurants, shops;

## Training, culture and leisure

Training courses for personal and professional growth;

## The Factory of Ideas

This project gave employees the opportunity to propose ideas that to improve working conditions. In particular, a total of 154 ideas were presented in the following areas of improvement: product innovation, manufacturing activities, logistics activities, business activities, HR issues and the working environment. All ideas were evaluated by a committee consisting of the Chief Executive Officer, the General Management, the Group HR Director and the Technical Director. The commission awarded 6 ideas, 3 of which related to production activities, 2 related to business activities and 1 related to logistics. The prizes, corresponding to an additional monthly gross salary for each winner, were presented at the 2023 Christmas dinner.

In Spain, however, after the success of the initiative launched in 2022 that culminated in the creation of a 2023 calendar with a collection of drawings made by the children of employees, Equipe Cerámicas launched a new call for the 'EQUIPE Drawing Competition', again involving children of the staff.

The competition invited children to make a greeting card for the 25th anniversary of the Spanish company, which will be celebrated in 2024. The selected drawings were published in the 2024 calendar.





# Promoting Diversity and Inclusion

GRI 2-7, 2-8, 406-1

Diversity, inclusion and gender equality are inherent values at Italcra Group, but also objectives for constant improvement. To this end, the Group promotes daily concrete **actions** aimed at spreading the zero tolerance culture with respect to all forms of discrimination and non-inclusion, not only in the workplace, but also in the territory where it operates, to amplify its **positive impacts**.

Among these actions, we recall that in the transformation of parent company Italcra S.p.A. into a benefit company, diversity and inclusion was included in the Articles of Association among the **objectives of common benefits** pursued by the company.

Moreover, at the end of 2023, the Italian companies within Italcra Group started on a path to implement and obtain certification for a **Gender Equality Management System** in accordance with **UNI/PdR 125:2022**. To this end, management tools were introduced for better measurement, reporting and assessment of data on gender and other spheres of diversity, with the aim of filling any gaps.

This process involved employees through an anonymous questionnaire, informational communications, specific training courses and interviews. It culminated in March 2024 with achievement of the UNI/PdR 125:2022 certification (Certificate no. IT330641), issued by the certifying body Bureau Veritas for the parent company Italcra and its subsidiaries Devon&Devon, Spray Dry, Ceramica Fondovalle and Terratinta Group.

The Spanish company Equipe Cerámicas also pursues the **goal of equality** and, in accordance with current national regulations, has implemented a **2022–2026 Equality Plan** which is based on management commitments and related objectives, as well as a diagnosis of the initial situation, to identify areas and related actions for improvement. In detail, the plan covers the following areas: organisational management; access to employment; frameworks, promotions and training; remuneration; reconciliation of personal, family and work life; occupational health and sexual harassment; prevention of gender-based violence; protection of LGBTBI+ communities; communication and use of language; and verification of improvements. For each area, a specific objective is identified, along with related KPIs in line with the GRIs and detailed actions to be implemented according to a defined timetable.

## 6.2

The plan is conceived as a dynamic project that undergoes constant review and implementation, consequently providing for specific modification procedures, as well as the appointment of a manager and commission responsible for overseeing and coordinating its proper implementation and updates.

In 2023, one report was received within the Group concerning sexual harassment. Following an internal investigation and in accordance with applicable policies, this culminated in the dismissal of the person who followed such conduct.

As of 31 December 2023, 37.4% of the Group's employees were female, an increase compared to the previous year (+0.86%). In addition, 12% of employees were under the age of 30, 49% were between 30 and 50, while the remaining 39% were over 50.

EMPLOYEES DIVIDED BY AGE AND TYPE	UNIT	2023	2022 *	2021 *
<b>Total employees &lt; 30</b>	%	12%	13%	12%
Executives	%	0%	0%	0%
Middle Managers	%	1%	0%	0%
Office workers	%	44%	41%	36%
Blue-collar workers	%	55%	59%	64%
<b>Total employees 30–50</b>	%	49%	50%	51%
Executives	%	3%	2%	2%
Middle Managers	%	6%	6%	5%
Office workers	%	29%	32%	38%
Blue-collar workers	%	62%	61%	56%
<b>Total employees &gt; 50</b>	%	39%	37%	37%
Executives	%	6%	6%	6%
Middle Managers	%	5%	3%	2%
Office workers	%	26%	31%	31%
Blue-collar workers	%	63%	60%	61%
<b>Total</b>	%	100%	100%	100%

GENDER	UNIT	2023	2022 *	2021 *
<b>Executives</b>	%	4%	3%	3%
Men	%	78%	93%	93%
Women	%	22%	7%	7%
<b>Middle Managers</b>	%	5%	4%	3%
Men	%	82%	69%	64%
Women	%	18%	31%	36%
<b>Office workers</b>	%	30%	33%	35%
Men	%	41%	45%	45%
Women	%	59%	55%	55%
<b>Blue-collar workers</b>	%	61%	60%	59%
Men	%	71%	72%	72%
Women	%	29%	28%	28%
<b>Total</b>	%	100%	100%	100%

In the three years under review, the proportion of staff belonging to vulnerable categories remained stable, as did their distribution between clerical and manual workers.

VULNERABLE CATEGORIES	UNIT	2023	2022 *	2021 *
Executives	%	0.0%	0.0%	0.0%
Middle Managers	%	0.0%	0.0%	0.0%
Office workers	%	1.6%	1.4%	1.3%
Blue-collar workers	%	3.1%	3.1%	3.2%
<b>Total</b>	%	2.3%	2.3%	2.3%

\* Note that data for 2022 and 2021 were recalculated to include Nais Trading SLU employees.



# Occupational Health and Safety 6.3

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-9

**Occupational health and safety** is one of the most important material topics for Italcera Group, which is committed daily to ensuring that its actions and policies generate a **positive impact**.



Solid demonstration of this commitment is the **ISO 45001:2018** certification, obtained by parent company Italcera S.p.A. benefit society **for all sites** and covering **all workers** employed in production, logistics and office tasks.

This certification attests to the creation of an **Occupational Health and Safety Management System**, with high **reference standards** divided into the following ten chapters of analysis and management:

1. Purpose
2. Reference standards
3. Terms and definitions
4. Organisational context
5. Leadership and worker participation
6. Planning
7. Support
8. Operational activities
9. Performance evaluation
10. Improvement



These standards are also applied at all the Group's other production sites, and Spray Dry S.p.A. and Ceramica Fondovalle S.p.A. have already planned to undertake the certification process as an objective for further improvement.

Through the Occupational Health and Safety Management System, Italcera Group implements effective measures and actions to identify work-related hazards, prevent accidents and occupational diseases and respond effectively to any emergencies.

In particular, the health and safety performance monitoring system provides for periodic audits with qualified external personnel and the adoption of improvement plans and annual inspections by a certified third party. Finally, department managers at each Group plant carry out periodic operational checks aimed at reporting any inefficiencies and promoting improvement activities.

Fire extinguishers, fire doors, emergency lights, and various types of signs are available at each plant to enable all personnel and particularly the team of emergency-management employees to respond appropriately to the above-mentioned scenarios.

Employee training is held periodically, including emergency simulations and periodic evacuation drills for the plants involving all staff.

Employees in areas prone to increased risk of occupational accidents are provided with suitable protective equipment in accordance with current regulations, as well as any accessories designed for health protection (PPE).

Each Group company has appointed a **Medical Officer** to monitor the health of all workers. The Medical Officer is supported by a group of professionals for managing legal deadlines and medical appropriateness.

The Medical Officer is appointed by the various companies as an external Personal Data Processor pursuant to the General Data Protection Regulation (GDPR). The Officer processes health data in compliance with the strictest privacy, communicating to employers only the information necessary to properly perform the employment relationship.

Pursuant to Italian Legislative Decree no. 81/08, Italcera Group has designated a **Prevention and Protection Service** that meets periodically to analyse the performance of the plants, examine the progress of improvement plans and set new objectives. The Worker Safety Representatives (WSRs) of each site participate in these meetings to promote consultation in the development, implementation and evaluation of the occupational health and safety system.

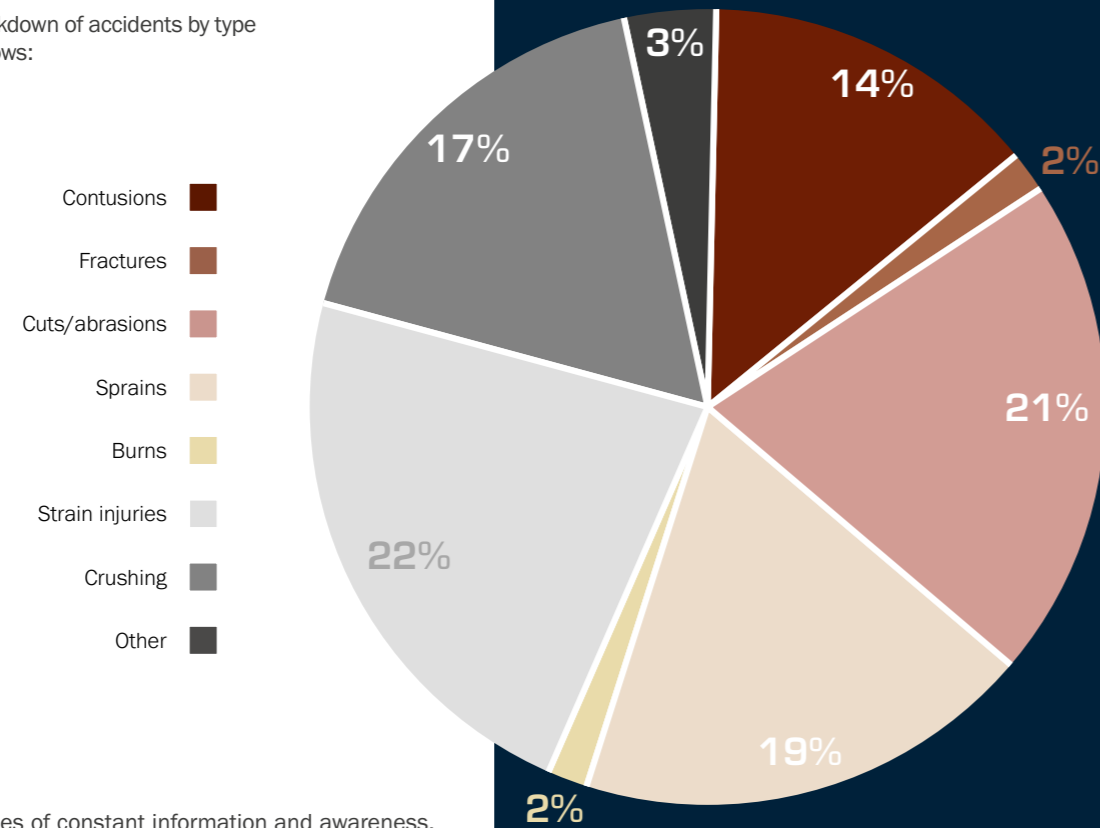
In addition, employees are encouraged to report any hazards and inappropriate situations relating to the working environment through the whistleblowing channels provided by the Group.

To further and encourage a culture of risk prevention, Italcera Group raises awareness and involves employees in all roles and on all levels through **information, training** and involvement in **risk analyses**.



In 2023, a total of 2,297 hours of occupational safety training were provided for 388 employees, including specific courses on emergency management and the use of work equipment to establish teams of workers in charge of these functions at all company sites, covering all shifts.

The breakdown of accidents by type is as follows:



For the purposes of constant information and awareness, however, the Group's Health, Safety and Environmental (HSE) Officer sends periodic communications related to the environment and occupational safety to inform all workers about correct practices to be adopted during work activities via email and publication in the personal areas of all employees on personnel management platforms.

All Italian sites in the Group have also been equipped with automatic emergency defibrillators on a voluntary basis, as the type of activity carried out is not subject to specific obligations.



A total of **58 injuries occurred in 2023, down 20.55% from 2022.**

## ANNUAL HOURS WORKED BY EMPLOYEES

PRODUCTION SITE AND GENDER	UNIT	2023	2022	2021
Italy	no.	1,200,537	1,201,465	961,223
Men	no.	782,683	759,049	600,661
Women	no.	417,854	442,416	360,561
Spain	no.	496,344	501,651	427,183
Men	no.	328,634	336,286	279,032
Women	no.	167,710	165,365	148,152
<b>Total</b>	<b>no.</b>	<b>1,696,881</b>	<b>1,703,116</b>	<b>1,388,406</b>
<b>Men</b>	<b>no.</b>	<b>1,111,317</b>	<b>1,095,335</b>	<b>879,693</b>
<b>Women</b>	<b>no.</b>	<b>585,564</b>	<b>607,781</b>	<b>508,713</b>

During the year, annual hours worked by employees decreased by approximately 0.37%. The **rate of accidents**<sup>1</sup> also decreased from 42.86 in 2022 to 34.18 in 2023 (-20.26%).

When gender breakdown is taken into account, men's accidents fell by 39.22%, while women's accidents increased by 67.67%.

NUMBER OF WORKPLACE ACCIDENTS	UNIT	2023	2022	2021
Men	no.	37	60	26
Women	no.	21	13	16
<b>Total</b>	<b>no.</b>	<b>58</b>	<b>73</b>	<b>42</b>

FREQUENCY OF EMPLOYEE ACCIDENTS AT WORK	UNIT	2023	2022	2021
Men	no.	33.29	54.78	29.56
Women	no.	35.86	21.39	31.45
<b>Total</b>	<b>no.</b>	<b>34.18</b>	<b>42.86</b>	<b>30.25</b>

ACCIDENT RATES	UNIT	2023	2022	2021
Frequency index <sup>2</sup>	no.	3.42	4.29	3.03
Incidence index <sup>3</sup>	no.	5.56	7.14	6.23
Severity index <sup>4</sup>	no.	0.78	0.60	0.41

1. The "Rate of recordable accidents at work" is calculated based on 1,000,000 hours worked, according to the following formula: (Total recordable accidents at work/Hours worked) \* 1,000,000.

2. The "Frequency Index" is calculated based on 100,000 hours worked, according to the following formula: (Total recordable accidents at work x 100,000)/Hours worked.

3. The "Incidence Index" is calculated according to the following formula: (Total recordable occupational accidents/Average number of employees) x 100.

4. The "Severity Index" is calculated according to the following formula: (Work days lost x 1,000)/Hours worked.

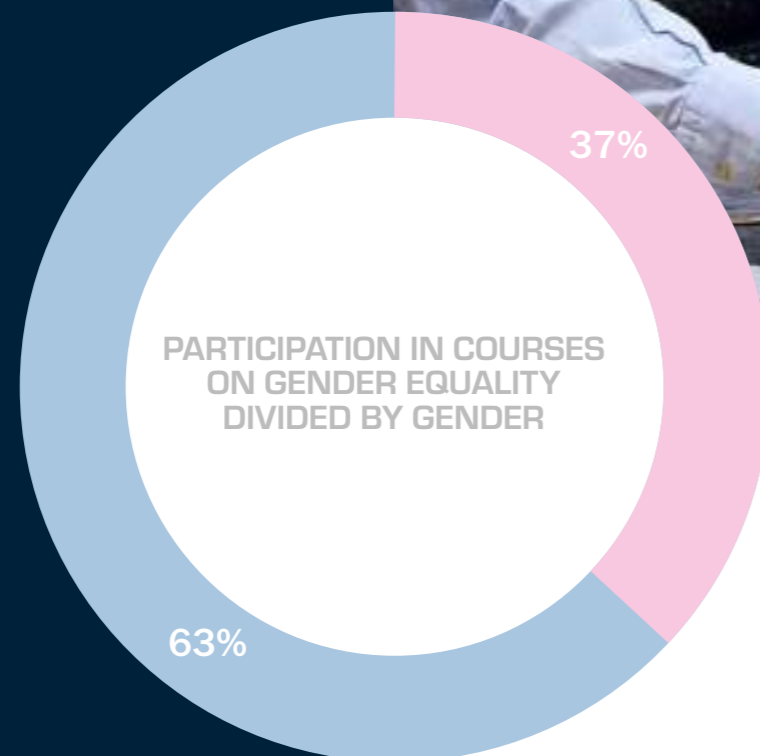
# Development of Employee Skills 6.4

GRI 3-3, 404-1; 404-2, 404-3

The development of employee skills of employees is one of the material topics, as well as one of the strengths of Italcro Group, through which a positive impact is generated directly on employees and indirectly on society.

This is why the Group-based **Italcro Academy** pursues advanced technical and managerial training in a continuous, well-organised manner. The Academy was founded in 2019 with a dedicated head who has consolidated experience in human resource development projects. Its main objective is to train and enhance internal talent, building specific paths for growth and the development of skills.

In 2023, Italcro Group provided **training courses for 97% of its employees**, for a total of **19,000 hours** of training, divided into **65** different courses. These include: compulsory training in occupational health and safety, technical training ranging from production machinery to computer or accounting programmes, managerial training in collaboration with the best Italian universities, and behavioural training across the various roles, which is fundamental for developing the entire range of soft skills.



Women  
Men

TOTAL HOURS OF TRAINING	UNIT	2023	2022*	2021*
Executives	no.	2,305	588	388
Men	no.	1,830	508	346
Women	no.	475	80	42
Middle Managers	no.	2,156	808	1,251
Men	no.	1,839	457	840
Women	no.	317	351	411
Office workers	no.	4,986	1,639	1,714
Men	no.	1,949	623	970
Women	no.	3,037	1,016	744
Blue-collar workers	no.	9,524	1,567	2,066
Men	no.	7,136	1,084	1,449
Women	no.	2,388	483	617
<b>Total hours of training</b>	<b>no.</b>	<b>18,971</b>	<b>4,602</b>	<b>5,419</b>
<b>Men</b>	<b>no.</b>	<b>12,754</b>	<b>2,672</b>	<b>3,605</b>
<b>Women</b>	<b>no.</b>	<b>6,217</b>	<b>1,930</b>	<b>1,814</b>

AVERAGE HOURS OF TRAINING PER EMPLOYEE	UNIT	2023	2022*	2021*
Executives	no.	56.2	19.6	14.4
Men	no.	57.2	18.1	13.8
Women	no.	52.8	40	21
Middle Managers	no.	37.8	19.2	44.7
Men	no.	39.1	15.8	46.7
Women	no.	31.7	27	41.1
Office workers	no.	15.7	4.7	5.7
Men	no.	15.1	3.9	7.2
Women	no.	16.1	5.2	4.5
Blue-collar workers	no.	14.5	2.4	4.1
Men	no.	15.4	2.4	4
Women	no.	12.4	2.7	4.4
<b>Total</b>	<b>no.</b>	<b>17.7</b>	<b>4.3</b>	<b>6.3</b>
<b>Men</b>	<b>no.</b>	<b>19</b>	<b>4</b>	<b>6.7</b>
<b>Women</b>	<b>no.</b>	<b>15.5</b>	<b>4.9</b>	<b>5.7</b>

\* Note that data for 2022 and 2021 were recalculated to include Nais Trading SLU employees.

In 2023, training hours increased by **312%** compared to 2022.

It should also be noted that in order to deepen the **expertise on ESG aspects**, the interdepartmental working group took part in an 80-hour training course, in which several topics were explored. These include: the GRI standards and draft EFRAG ESRS; materiality analysis and its evolution towards dual materiality; the value chain; diversity, inclusion and gender equality in corporate settings; occupational health and safety and product quality, all with a view to improving the internal management of Italcro Group, its impacts, and reporting.

As part of the process aimed at obtaining certification of the Gender Equality Management System, several training courses were also organised for a total of **2,126 hours**, with a particular focus on the following issues: principles of the UNI/PDR 125:2022 standard, cognitive bias, inclusive language and forms of violence in the workplace, inclusive leadership, inclusive communication and marketing.



All training events are provided by highly qualified institutions and in this regard, two important collaborations strengthened in 2023 should be mentioned:

### Bologna Business School (BBS)

With BBS, of which Italczer Group is a Supporting Partner, entirely personalised training courses are designed and implemented with an international twist, involving teachers from the most important universities around the world. During the year, an 80-hour Masters in Sales Management was organised, involving all area managers at the Group's Italian brands. The course was divided into 8 complementary modules and addressed all the issues related to new challenges in sales, with particular attention to sustainability, innovation and internationalisation.

### Rondine Cittadella della Pace

The Group pays particular attention to employees' mental and physical well-being and the issue of communication and interpersonal relationship management in the workplace. To this end, a partnership was signed with Rondine Cittadella della Pace, an association internationally recognised for its excellence on communication and conflict management issues. At the Rondine Cittadella della Pace headquarters in Arezzo, about 70 Group department managers had the opportunity to stay on-site for intensive training courses. These residential courses represent a large investment of time and resources, but have a truly significant return in terms of both training and creating a Group culture.



Italczer Group believes that in addition to continuing training, periodic performance evaluation also contributes to the development of human capital within the organisation. It has therefore introduced tools to support the process of evaluating individual performance to define effective personnel development programmes consistent with specific roles.

A Management By Objectives plan has been implemented, which envisages an annual performance evaluation using the '**Performance Management System**' (PMS), including a salary review.

The PMS was built together with all staff involved in the evaluation process. It started with a focus group that worked on job descriptions, identifying more than 70 within the Group and creating an evaluation sheet for each, divided into specific indicators related to the job. The evaluation session takes place every year in November and ends in January with specific feedback interviews. The interviews aim to share the results of the past year and identify the challenges to work on in the new year.

In this sense, the PMS also forms the basis for the Annual Training Plan, allowing evaluators to highlight training gaps that may have emerged among collaborators.

The evaluation system currently involves 100% of the Group's Italian employees and is set only in 'top-down' mode, but with a view to continuous improvement, additional levels of evaluation will be added each year, including self-assessments, bottom-up evaluations and peer evaluations.

# Remuneration Policies and Procedures 6.5

GRI 2-19, 2-20, 2-21

Italczer Group has adopted a remuneration policy based on the principle of **merit**, which aims to **attract, motivate and retain employees** with the professional qualities necessary to achieve objectives. Specifically, remuneration for members of the Boards of Directors is determined by the shareholders pursuant to mutual agreements, remuneration for top managers with strategic responsibilities is set by the Board of Directors of the parent company Italczer S.p.A. benefit company, and remuneration for all other managers and employees is set by the CEO, in agreement with the Group HR manager.

Executives are paid a fixed salary as well as a variable compensation (**MBO**) subject to reaching predetermined operating objectives that are measured objectively and related to the targets established by the budget, which is determined annually by the Chief Executive Officer with the support of the HR Department.

Moreover, the maximum amount of the variable component is set with respect to the gross annual fixed component.

To-date, the ratio between the remuneration of the highest paid person in the organisation and the **average annual remuneration** of all employees is **12.065**.







**ITALCER**  
GROUP  
DESIGN SURFACES

# Italcere Group's Contribution to Society



Italcere Group creates **shared value** for society by playing an active role in producing wealth, employment, quality services and contributing to the development of the communities where it operates.

In fact, the Group is dedicated to:

- encouraging employee and collaborator involvement in the development of local communities;
- promoting voluntary activities for employees and collaborators and social actions in support of non-profit organisations;
- fostering the social development of the communities where it operates, promoting employment and protecting the diversity and inclusion of groups at risk of exclusion.

**€301.2**  
MILLION  
ECONOMIC VALUE  
DISTRIBUTED  
DIRECTLY

**€32.88**  
MILLION  
ECONOMIC VALUE  
DIRECTLY RETAINED





# 7.1

## Support and Engagement of Local Communities

GRI 3-3, 413-1, 413-2

Italcer Group, through an analysis of its operational setting, is aware of its **impacts on local communities**. It therefore focuses on the needs they express, supporting and financing social initiatives, while promoting implementation of SDGs and related target audiences.

In particular, Group companies supported numerous projects and initiatives in 2023 to support local communities in areas of the greatest demand and need, namely:

- **Society and child protection**
- **Education, training and research**
- **Art and culture**
- **Disease prevention and health**
- **Sport**
- **Environment and sustainability**

In 2023, Italcer Group generated **actual and potential impacts** by promoting, sponsoring and participating in numerous activities, as illustrated below.

Of great social import were **two fundraisers promoted as a result of the floods that created severe damage, first in Emilia-Romagna, then in Tuscany**. Group employees donated a total of €19,000.00 and the Group contributed an additional €27,000.00, bestowed for the most part on employees at the Castel Bolognese (RA) headquarters most affected by the events. The rest was donated to the #Ripartiamoinsieme campaign promoted by ANCI (National Association of Italian Municipalities) to support the flooded Tuscan municipalities. In the immediacy of these natural disasters, considered as harbingers of potential negative impacts, the Group also offered 250 hot meals to the Castel Bolognese (RA) shelter and opened a counselling service at its headquarters in Emilia-Romagna.

With respect to disease prevention and health, Devon&Devon has confirmed its continued support for the race held by **Corri la Vita ONLUS**. For the 2023 edition, the company once again chose to support fundraising for the prevention and treatment of breast cancer with a twofold commitment: financing the participation of a large group of collaborators in the race and donating 5% of its proceeds from the Florence showroom and e-commerce site in October, which is the International Breast Cancer Awareness Month. This donation supports the **ISPRO-LILT Oncological Rehabilitation Centre** in Villa delle Rose, the **SenoNetwork** portal and the **Fondazione Italiana di Leniterapia Onlus (FILE)**.



Moreover, in 2023 Devon&Devon became a Corporate Golden Donor of FAI (the Italian Environment Fund) and its projects aimed at protecting Italy's historical, artistic and landscape heritage. By participating in this programme, Devon&Devon contributes to regenerating and protecting the priceless heritage of our country, making it accessible and giving back to Italy some of the beauty that has always inspired its collections.



Moving on to the initiatives promoted in the field of sport, in 2023 Ceramica Rondine also renewed its **sponsorship of the local football team U.S. Rubierese**, the amateur sports club of Rubiera that works with the **TuttoSiMuove** association to support disabled people. In particular, the project aims to support **female training in US Rubierese**, encouraging the promotion and social inclusion of the community.

As part of its **donations to social initiatives**, the Group has sponsored and supported the **rehabilitation community of San Patrignano**, which offers free help and therapeutic support to people with addictions. Various activities include a solidarity fundraiser, a charity auction and participation in a charity dinner, the proceeds of which were allocated to daily management of the community and Christmas gifts for employees at Italian companies in the Group.

The Group also contributed financially to the charity dinner organised by the **Italian Red Cross, Sassuolo Committee**. For the Christmas holidays in Sassuolo, Italcer also contributed to costs for the lights. Likewise, in 2023 the Spanish subsidiary Equipe Cerámicas supported the fourth edition of the Christmas drawing competition and Christmas façade competition in Figueroles, events at which members of the community share their Christmas-themed artistic works.





In addition, Italcer made a donation to the **CASA SANTA CHIARA** social cooperative, which has operated for over 50 years in the Province of Bologna, welcoming people with disabilities and providing support for their families. A collaboration also began in 2023 with meetings with the maestro by the **Imola International Academy Foundation**, a non-profit organisation active in music and the arts.

Continuing with the arts, **L'Amata Brancaleone Aps association renovated and decorated the former fountain of Rocca Brancaleone in Ravenna**, turning it into a large flowerbed decorated with mosaics using Elios Ceramica ceramics donated by Italcer Group.

The Group also renewed its commitment to sustainable development by acting as a main partner in support of the sixth edition of the **Forest Valley Institute Sandbox Programme**, a B2B startup acceleration programme for climate technology innovation.

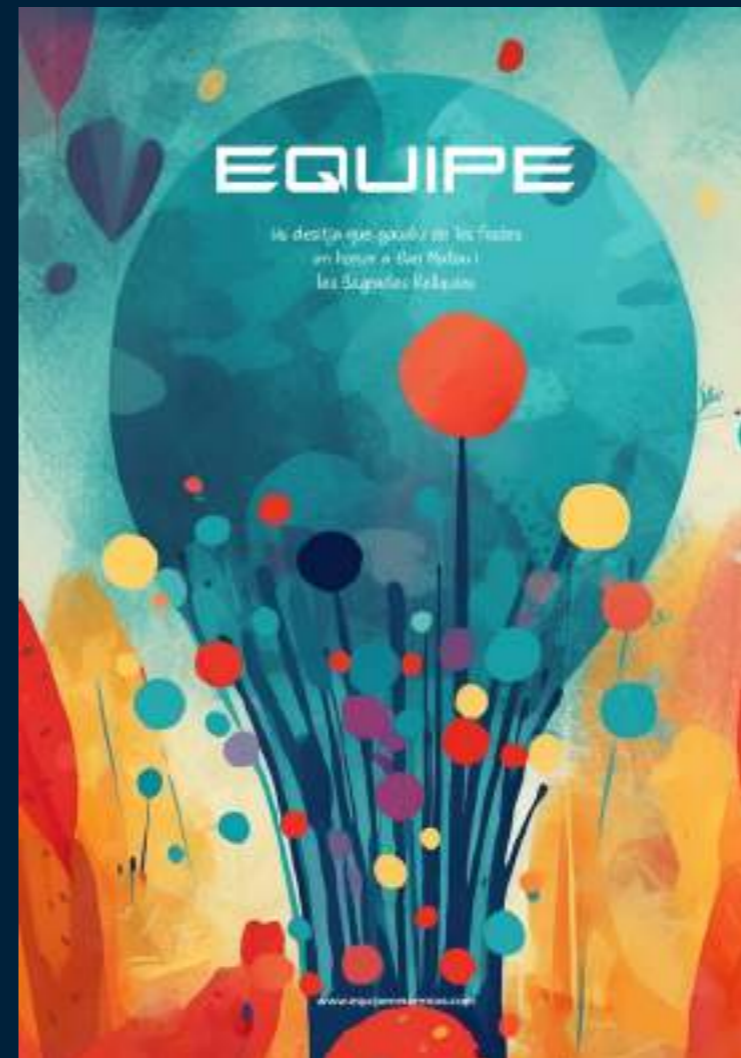
In 2023, Italcer Group also supported initiatives in schooling, academics and education. In collaboration with the **Alessandro Volta secondary school in Sassuolo**, the Group created a reinforced school-work programme in September 2023, called **'Dual Project'** based on the German educational model. The experience is designed for students to obtain a professional certificate while allowing them to acquire the specific, adequately attested skills and knowledge necessary for placement at companies in the ceramic sector.

This collaboration aims to enrich students' CVs by providing them with further confirmation of the skills they achieve at the company. Strengthening students' employability through the acquisition of technical and transverse skills directly applicable to the world of work undoubtedly generates positive impacts on the local economy.

This project is also supported by **organised visits to the Group's stands at the Cersaie fair in Bologna**, which have been part of a project for interaction with local secondary schools for several years. The aim is to promote a sector of local excellence such as ceramics and make young people aware of the possibilities of integration within the Group.

With regard to academics, the Group is also collaborating with a PhD student from the **Em Lyon Business School** whose doctoral thesis studies how different production companies approach sustainability by analysing the decision-making processes at the various levels of management.

Italcer Group was also included among the business case studies examined in the **Master's thesis** by Sara Sartori (**Economics and Law – University of Bologna**), entitled 'Il percorso sostenibile delle imprese: strategia, governance, coinvolgimento degli stakeholder e rendicontazione delle performance. Analisi e confronto di alcuni casi aziendali'. The thesis investigates and studies the process of adapting company business to the principles and values of sustainability by analysing and comparing activities carried out by several Italian companies located in different markets, among which Italcer Group stands out. The thesis consists of five chapters: the historical evolution of sustainability, its integration in corporate strategies and the definition of an effective governance system, the



centrality of relations with stakeholders, non-financial reporting for clear and transparent communication, and planning, control and measurement of sustainability performance. Italcer Group encouraged preparation of the thesis by providing the student with company data and information, filling out an online questionnaire and making itself available for regular comparisons for timely analysis of its 2022 Sustainability Report.

The Italcer Group CEO, Graziano Verdi, was among the speakers at the first edition of TedX Sassuolo dedicated to the topic 'The Power of Sharing'. His talk 'Esperienza di successo: Educazione, Sacrifici e Sostenibilità' was a great opportunity to speak about the company's relationship with the community and territory where the Italcer Group originates, operates, and has a daily commitment to constantly creating shared value.

As part of the initiatives in Spain, Equipe Cerámicas has joined the proposal from the Castellón Chamber of Commerce to achieve greater cohesion at work through sport, sharing values such as teamwork, personal improvement, sacrifice and a sense of corporate belonging by participating in the **1st Carrera Castellón de las Empresas**.

With respect to sport, Equipe Cerámicas has also joined the **Oxfam Intermón Trailwalker**, a team march for solidarity, with the aim of ensuring access to drinking water in highly vulnerable areas.

The Spanish subsidiary has also sponsored the **traditional patron saint festival in Figueroles** and donated ceramics to the **people of Liberia through the NGO Ciudad de la Esperanza (CIDES)**.

Among the Spanish initiatives, Equipe Cerámicas has renewed its collaboration with the **'La Caixa' Foundation and Gavi**, the Vaccine Alliance, to help save the lives of millions of children without access to vaccines from life-threatening diseases.

Finally, it should be noted that during the year, several Italcer Group members contributed to raising awareness of ESG issues in the community through participation in events organised by entities, schools and institutes. In particular, the CEO has spoken at several conferences related to the environment and society, including the conference 2030, **AMBIZIONI E REALTÀ**, where he expanded on the topic 'Hard to Abate. La via sostenibile'.



# 7.2

## Promoting Economic and Social Development

GRI 3-3, 201-1

**Capital strength and profitability** are part of Italcera Group's sustainability strategy.

**The generation and distribution of economic value** make it possible to interpret the financial statements in a different way. By adopting a multi-stakeholder approach, the wealth produced by a company is not only limited to economic results, but also considers environmental and social results, whose pursuit is inseparable from the use of economic resources.

Revenues generated in 2023 amount to about **316,576 thousand of euros**, while the **distributed economic value**, which amounts to about **301,200 thousand of euros**, consists of the following items:

### Operating costs

These represent the economic value generated and distributed in favour of the supply chain; they equal approximately **201,705 thousand of euros**.

### Remuneration and benefits

These amount to **63,973 thousand of euros**, representing the portion of economic value generated and distributed to employees, in the form of wages and salaries, social security costs, separation indemnities and other services in favour of employees;

### Payments to providers of capital

These amount to about **27,909 thousand of euros**, representing the interest expense by the Company to its providers of capital;

### Payments to Public Administration Authorities

These amount to **7,555 thousand of euros**, representing the portion of economic value distributed to the state through tax payments;

### Investments in the local community

These amount to **59 thousand of euros**, representing the portion of economic value used by Italcera Group to participate in the activities of scientific and social organisations of interest.

ITEM*	2023	2022	2021
<b>1. Economic value directly generated (a+b)</b>	<b>334,087</b>	<b>333,108</b>	<b>263,528</b>
a) Total revenues	332,467	329,448	261,001
b) Financial income	1,620	3,660	2,527
<b>2. Distributed economic value (c+d+e+f+g)</b>	<b>301,200</b>	<b>310,165</b>	<b>247,181</b>
c) Operating costs 1	201,705	222,197	174,253
d) Remuneration and benefits 2	63,973	61,072	52,976
e) Payments to providers of capital 3	27,909	18,527	14,474
f) Payments to Public Administration Authorities 4	7,555	8,334	5,454
g) Investments in the local community	59	35	24
<b>Economic value retained by the company (1-2)</b>	<b>32,887</b>	<b>22,943</b>	<b>16,347</b>

\* Values in thousand of euros.



<b>STATEMENT OF USE</b>	The Italcser Group has developed this document in accordance with the GRI 2021 Standards with reference to the period 1 January 2023 – 31 December 2023.
<b>GRI 1 USED</b>	GRI 1: Foundation 2021.
<b>APPLICABLE GRI SECTOR STANDARD(S)</b>	Not applicable as of the publication date of this document

	DISCLOSURE	REFERENCE
<b>General disclosures</b>		
	2-1 Organisational details	Italcser Group and Its Identity Production Sites
	2-2 Entities included in the organisation's sustainability reporting Note	Organisation's Methodological
	2-3 Reporting period, frequency and contact point	Methodological Note
	2-4 Restatements of information	Methodological Note
	2-5 External assurance	Company Audit Report
	2-6 Activities, value chain and other business relationships	Italcser Group Activities <b>The Italcser Group Business Model</b> Eco-Sustainable Innovation Responsible Supply Chain Management
	2-7 Employees	Employees Fostering Diversity and Inclusion
	2-8 Workers who are not employees	Employees
	2-9 Governance structure and composition	Organisational Structure and Governance
	2-10 Nomination and selection of the highest governance body	Organisational Structure and Governance
	2-11 Chair of the highest governance body	Organisational Structure and Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Letter to Stakeholders Organisational Structure and Governance
	2-13 Delegation of responsibility for managing impacts	Organisational Structure and Governance
	2-14 Role of the highest governance body in sustainability reporting	Organisational Structure and Governance
GRI 2 - General	2-15 Conflicts of interest	Organisational structure and governance
	2-16 Communication of critical concerns	Organisational Structure and Governance
	2-19 Remuneration policies	Remuneration Policies and Procedures
	2-20 Process to determine remuneration	Remuneration Policies and Procedures
Disclosures - 2021 Version	2-21 Annual total compensation ratio	Remuneration Policies and Procedures
	2-22 Statement on sustainable development strategy	Letter to Stakeholders
	2-23 Policy commitments	Italcser Group Ethics and Integrity Gender Equality Policy
	2-24 Embedding policy commitments	Italcser Group Ethics and Integrity Gender Equality Policy
	2-25 Processes to remediate negative impacts	Organisation, Management and Control Model
	2-26 Mechanisms for seeking advice and raising concerns	Organisation, Management and Control Model Gender Equality Policy
	2-27 Compliance with laws and regulations	Italcser Group Ethics and Integrity Organisation, Management and Control Model
	2-28 Membership associations	Italcser Group stakeholders
	2-29 Approach to stakeholder engagement	Italcser Group stakeholders
	2-30 Collective bargaining agreements	Employees

Material topics		
GRI 3 – Material topics – 2021 version	3-1 Process to determine material topics	Materiality analysis
	3-2 List of material topics	Materiality analysis
	3-3 Management of material topics	Materiality analysis
<b>Material topic</b>	<b>Occupational Health and Safety</b>	
GRI 3-3	Management of material topics	Occupational Health and Safety
GRI 403-1	Occupational health and safety management system	Occupational Health and Safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
GRI 403-3	Occupational health services	Occupational Health and Safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
GRI 403-5	Worker training on occupational health and safety	Occupational Health and Safety
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
GRI 403-9	Work-related injuries	Occupational Health and Safety
<b>Material topic</b>	<b>Development of Employee Skills</b>	
GRI 3-3	Management of material topics	Development of Employee Skills
GRI 401-1	New employee hires and employee turnover	Employees Promoting Diversity and Inclusion
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Corporate Welfare
GRI 404-1	Average hours of training per year per employee	Development of Employee Skills
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Development of Employee Skills
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Development of Employee Skills
<b>Material topic</b>	<b>Diversity and Inclusion</b>	
GRI 3-3	Management of material topics	MATERIALITY ANALYSIS
GRI 405-1	Diversity of governance bodies and employees	Organisational Structure and Governance PROMOTING DIVERSITY AND INCLUSION
<b>Material topic</b>	<b>Financial Transparency</b>	
GRI 3-3	Management of material topics	Materiality Analysis
<b>Material topic</b>	<b>Privacy and Cybersecurity</b>	
GRI 3-3	Management of material topics	Privacy and Cybersecurity
<b>Material topic</b>	<b>Ethics, integrity and legislative compliance</b>	
GRI 3-3	Management of material topics	Italcser Group Ethics and Integrity
GRI 205-2	Communication and training about anti-corruption policies and procedures	Organisation, Management and Control Model
GRI 205-3	Confirmed incidents of corruption and actions taken	Organisation, Management and Control Model



# GRI CONTENT INDEX



Material topic	Economic Performance	
GRI 3-3	Management of material topics	Promoting Economic and Social Development
GRI 201-1	Direct economic value generated and distributed	Promoting Economic and Social Development
GRI 203-1	Infrastructure investments and services supported	Energy Consumption
GRI 203-2	Significant indirect economic impacts	Energy Consumption
Material topic	GHG emissions and climate change	
GRI 3-3	Management of material topics	Energy Consumption
GRI 302-1	Energy consumption within the organisation	Energy Consumption
GRI 302-3	Energy intensity	Energy Consumption
GRI 302-4	Reduction of energy consumption	Energy Consumption
GRI 305-1	Direct (Scope 1) GHG emissions	Emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Emissions
Material topic	Waste Management and the Circular Economy	
GRI 3-3	Management of material topics	The Circular Economy and Waste Management
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
GRI 304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity
GRI 306-1	Waste generation and significant waste-related impacts	The Circular Economy and Waste Management
GRI 306-2	Management of significant waste-related impacts	The Circular Economy and Waste Management
GRI 306-3	Waste generated	The Circular Economy and Waste Management
GRI 306-4	Waste diverted from disposal	The Circular Economy and Waste Management
GRI 306-5	Waste directed to disposal	The Circular Economy and Waste Management
Material topic	Water and Wastewater Management	
GRI 3-3	Management of material topics	Water and Wastewater Management
GRI 303-1	Interactions with water as a shared resource	Water and Wastewater Management
GRI 303-2	Management of water discharge-related impacts	Water and Wastewater Management
GRI 303-3	Water withdrawal	Water and Wastewater Management
GRI 303-5	Water consumption	Water and Wastewater Management
Material topic	Local Communities	
GRI 3-3	Management of material topics	Support and Engagement of Local Communities
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Support and Engagement of Local Communities
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Support and Engagement of Local Communities

Material topic	Protection of Human Rights	
GRI 3-3	Management of material topics	Italcir Group Ethics and integrity
GRI 406-1	Incidents of discrimination and corrective actions taken	PROMOTING DIVERSITY AND INCLUSION
Material topic	Responsible Supply Chain Management	
GRI 3-3	Management of material topics	Responsible Supply Chain Management
GRI 204-1	Proportion of spending on local suppliers	Responsible Supply Chain Management
GRI 301-1	Materials used by weight or volume	Raw Materials and Procurement Eco-Sustainable Innovation
GRI 301-2	Recycled input materials used	Raw Materials and Procurement The Circular Economy and Waste Management Eco-Sustainable Innovation
GRI 301-3	Reclaimed products and their packaging materials	Raw Materials and Procurement Eco-Sustainable Innovation
Material topic	Product Innovation and Security	
GRI 3-3	Management of material topics	Product Safety and Quality
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Product Safety and Quality
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Safety and Quality
GRI 417-1	Requirements for product and service information and labelling	Product Safety and Quality
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	Product Safety and Quality



KPMG S.p.A.  
Revisione e organizzazione contabile  
Viale Giovanni Falcone, 30/A  
43121 PARMA PR  
Telefono +39 0521 236211  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspace@pec.kpmg.it](mailto:kpmgspace@pec.kpmg.it)

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## Independent auditors' report on the sustainability report

*To the board of directors of  
Italcer S.p.A. Società Benefit*

We have been engaged to perform a limited assurance engagement on the 2023 Sustainability report (the "sustainability report") of the Italcer Group (the "group").

### **Directors' responsibility for the sustainability report**

The directors of Italcer S.p.A. Società Benefit (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards").

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

### **Auditors' independence and quality management**

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Management 1 and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

# Company Audit Report

GRI 2-5

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**Italcer Group**  
Independent auditors' report  
31 December 2023

### **Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 Revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

- 1 analysing the reporting of material aspects process, specifically how the reference environment is analysed and understood, how the actual and potential impacts are identified, assessed and prioritised and how the process outcome is validated internally;
- 2 comparing the financial disclosures presented in the "Promoting Economic and Social Development" section of the sustainability report with those included in the group's consolidated financial statements;
- 3 understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the management personnel of the parent, Equipe Cerámicas S.L.U., Spray Dry S.p.A. and Ceramica Fondovalle S.p.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group level:
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report;
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited Italcer S.p.A. Società Benefit and Equipe Cerámicas S.L.U., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the indicators.



**Italcer Group**  
Independent auditors' report  
31 December 2023

### **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 Sustainability report of the Italcer Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards.

### **Other matters**

The 2021 comparative figures presented in the sustainability report have not been examined.

Parma, 27 June 2024

KPMG S.p.A.

(signed on the original)

Federico Superchi  
Director of Audit

## Sustainability Report 2023 Edition

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**ITALCER S.p.A Benefit Company**  
Via Emilia Ovest, 53/A - 42048 Rubiera (RE) Italy  
Tax ID/VAT no.: 00142060359  
info@gruppoitalcer.it  
[www.gruppoitalcer.it](http://www.gruppoitalcer.it)