



SUSTAINABILITY REPORT

2021 SUMMARY



LETTER FROM THE CEO

For over half a century, we have considered making a more sustainable future to mean tapping into human intelligence to solve problems and offer solutions. And this is what guides and inspires us every day. The events of the past two years, coping with a global pandemic and upheavals in the supply chain, have underlined the fragility of global economic, environmental and social systems. The need for industrial transition has never been so urgent, and embracing change is not enough: we need bold actions in order to continue to live and work in a truly sustainable manner. It is not always easy to obtain results in this sense, but we know that this is the right way to continue our journey.

The fourth Iris Ceramica Group Sustainability Report confirms how, in every single solution proposed, we transform our love of quality into eco-innovation, because we have been serving humans and the environment they live in for over 60 years. As it was in the early months of 2021, with the tests carried out on our eco-active Active Surfaces®, which were also confirmed to be effective in eliminating the virus caused by Covid-19, demonstrating how ceramics can play an increasingly important role in all our lives, thanks to their high performance also in terms of hygiene and safety.

We are Ecopreneurs - “ecological entrepreneurs” - because we want our economy to develop in harmony with the environment and with people, and we think that, to be healthy, it must be based on the laws of nature, effectively and concretely translating the equation “Economy = Ecology”, coined in the ‘60s by my father Romano Minozzi, President and Founder of the Group.

Today we are called on to tackle the new crises that globalisation has in store for us, we pursue the goal of building a way of doing business where ethics, growth and technology are part of the same projects to create a truly sustainable world. We shouldn't forget that the term crisis derives from the Greek krisis, which means “choice, decision”: a time of crisis like this can therefore offer new food for thought and assessment, it can become the necessary assumption for improvement and rebirth, for flourishing once more. And in times like these we have to invest in order to improve ourselves, paving the way for a more sustainable future, not only in environmental but also in economic terms. In September 2021, we announced the project for the world's first ceramics factory designed to run 100% on green hydrogen, a key factor for ensuring carbon neutrality by 2050. Able to interpret the future and its needs in a creative, intelligent manner, we are contributing to writing a new chapter in the history of the ceramics industry, driving an epoch-making change on an international scale.

This year too, sharing, coherence and continuity are the three words that have best expressed our transparent and authentic approach to cultural innovation, where every single person is a central asset for the company. The health, safety and well-being of all our collaborators are our priority. That's how it will always be. Not by chance, the survey “Italy's Best Employers for Women” by the Istituto Tedesco Qualità Finanza ranked us in first place as best employer for women in the ceramics industry. Because women - of all ages - are happy to work with us, because our central focus is human worth.

This year too, we have confirmed our constant attention to the supply chain, to ensure that our values are shared by the people we work with. This is why, in drafting our Report, we have recognised the importance of involving the stakeholders throughout the whole chain, confirming the importance of maintaining a broad vision of the sector's value chain.

With Fondazione Iris Ceramica Group, we continue to pursue our commitment to art, culture, the environment and society, cooperating with national and international associations to promote sustainable development and social cohesion. We offer our concrete support to organisations working in social, scientific and environmental fields, to protect the rights of the weaker segments of the population and protect the environment. We organise and actively promote cultural initiatives and artistic events to raise awareness in the community.

Implementing change also means being aware that what we do can be improved, changed and adapted every day. Our Mission is that of re-engineering ceramics to obtain solutions that optimise interaction between humans and the environment. Particularly by responding to the expectations of the luxury culture: it was a great satisfaction to be acknowledged in the national and international press - including the German Handelsblatt and Newsweek's International Investor focus - as leader in the luxury market and an excellence in the made-in-Italy segment.

For us, ceramics represent not only culture, knowledge and industrial know-how but also research into solutions for the future. This is also the pillar for Hypertouch and our commitment to the Italian Pavilion 2021 at the XVII International Architecture Exhibition at the Biennale in Venice. The exhibition in Milan, “Ceramics: Neverending Artworks”, also validated the study of ceramic material as a medium of excellence in art, laying the foundations for a new poetics of ceramics in the XXI Century.

At Iris Ceramica Group, we are used to imagining the world in perspective: a world of innovation, technology and energy transformation. We want to share our vision, creating unique, individual Customer Experiences with the ability to listen that is our distinguishing feature, and which plays an increasingly decisive role in the relationship with all our stakeholders. Our Sustainability Report 2021 shows how we are contributing to the creation of a world that fosters an increasingly green use of resources for all-round progress in society: from governance to individuals. I invite you to continue reading in order to find out more about our work, our projects and our results, as well as the changes the world demands from all of us.

We must look to the future with a positive, resilient approach, in order to create a general climate of trust after the recent years of difficulty. We must undertake concrete actions to support the National Recovery and Resilience Plan, approved in July 2021 by the European Union, making a collective effort in synergy with institutions and businesses: only in this way will the signals of optimism become a stimulus for growth, and become structural for a future with a high environmental, social, and corporate governance (ESG) value for the community and the economy. We believe in all these values, and have been upholding them every day for over 60 years.



ONE GROUP

A network of brands with different vocations that share a commitment to satisfy even the most exacting demands with unique materials and high-profile services. A complete range for architecture and interior design that in 60 years has been perfected with the development of new production lines and highly specialized technical solutions in a perfect balance between historic companies such as Iris Ceramica, Fiandre, FMG or Ariostea and younger brands with great potential such as Porcelaingres, Stonepeak Ceramics and SapienStone.

All the collections produced by the Iris Ceramica Group business units offer infinite solutions not only for floor and wall coverings but also furnishing and design applications, which combine exceptional performance with an unmistakable aesthetic value.

Since 2000, Granitech has been helping designers and architectural firms from all over the world who use the new technological solutions offered by porcelain stoneware slabs to cover ventilated facades or lay raised floors.

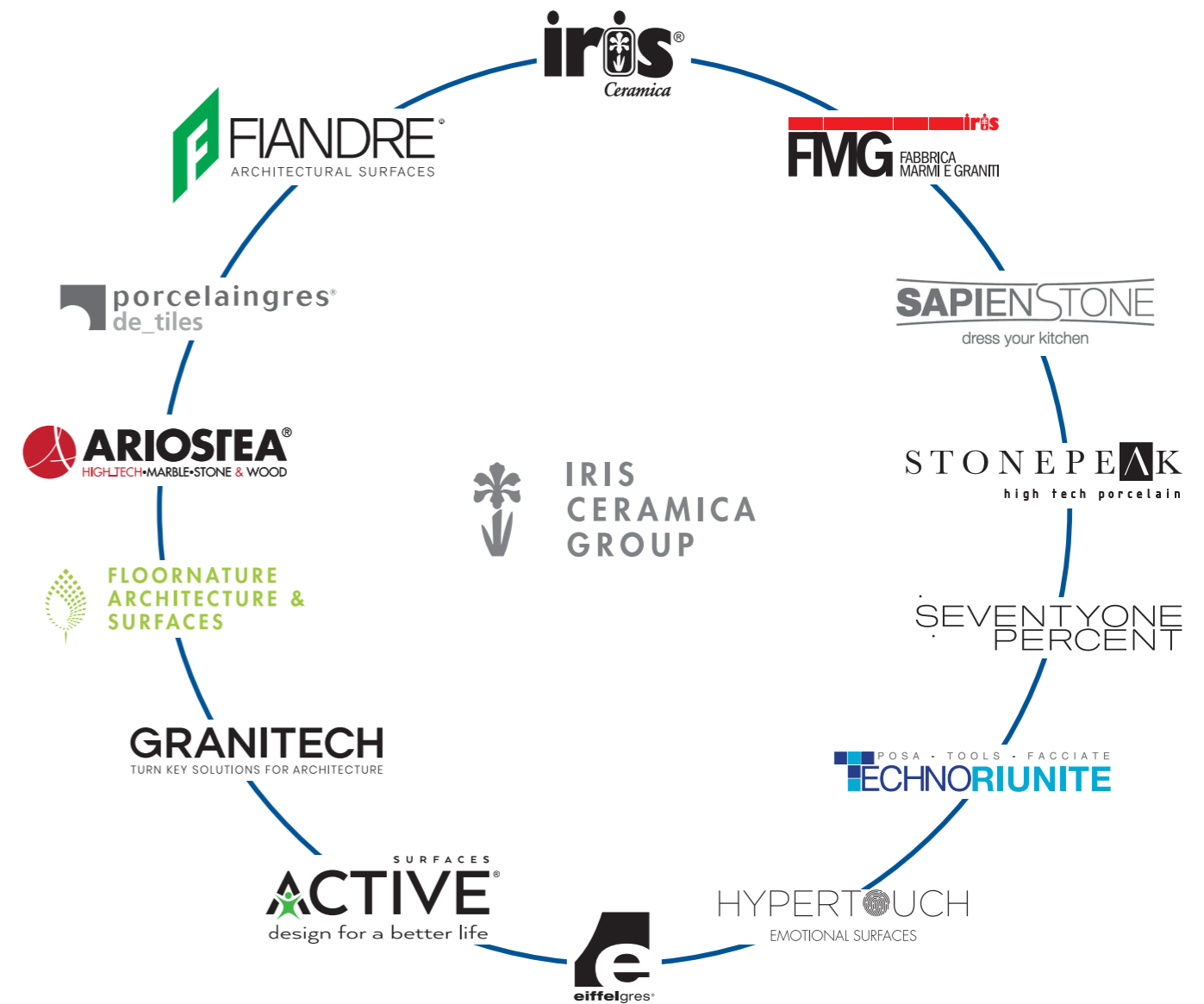
The installation of materials is only the final phase, but no less important, of the process of creating the architectural work: specific technical skills guaranteed by brands such as Technoriunite guarantee the best choice of materials and execution of the work. A combination of experiences that has also developed value in terms of communication and knowledge sharing with the international design community.

From the important research activities carried out over time by Iris Ceramica Group, innovative brands take shape that amplify the aesthetic and functional trajectories of design. These include Active Surfaces® eco-active ceramic materials, with their antibacterial and antiviral, anti-pollution, anti-odor and self-cleaning properties that contribute to improving the well-being of people in the environments in which they live, and Hypertouch, the innovative capacitive surface which, with a simple touch, allows you to manage lighting, temperature regulation, audio-video and windows systems.

Since 2001, Floornature.com has been the reference portal for architecture and design: translated into five languages, with over 100,000 visitors per month, it informs, documents and promotes the debate on rapid changes in the architectural landscape and the ecological transition.

Balance and elegance. With this in mind, Iris Ceramica Group created Seventyonepercent, a contemporary approach to high-end bathroom furnishings that combines environmental awareness with ongoing research into design and the choice of materials.

MANY SUCCESSFUL BRANDS



QUALITY, SUSTAINABILITY AND OUR RELATIONSHIP WITH STAKEHOLDERS

Creating to change. Following the evolution of needs, technological innovation and our social vision. Helping to create a more livable world, designing a better tomorrow and people-centered living. The entire activity of our Group has been shaped over time on these founding values. If we had to choose a key concept to define the result of our work, we would use that of "ethical beauty": precisely the term *kalón*, which in ancient Greece described total harmony between external appearance and essence, between form and ethical action.

Needs change, expectations grow. As our customers are increasingly aware and therefore sensitive to ecological issues, and at the same time the market is evolving, it has seemed increasingly evident to us how high quality materials with low environmental impact, throughout their production and life cycle, are essential for our practice and everyone's daily life. Cutting-edge solutions that distinguish us as productively sustainable and aesthetically enchanting: to provide quality responses from a Group that has the ambition to be the forerunner of an interdisciplinary production style worldwide.

With 60 years of experience, we have understood how maintaining a dialogue with customers and stakeholders is essential to progress. In a short time, architects, designers, housing professionals, engineers and general contractors have become the targets of our research, stimulating us to identify the most appropriate ways to put forward truly adequate responses to their needs; inspiring us to become forerunners of trends and future needs. Each with their own demands, each with their own peculiarities: by working in synergy we best interpret their boldest ideas and the most daring technical needs to achieve the goal of creating contemporary, sustainable and efficient environments.

Reading these pages will provide an insight into the way we involve each stakeholder in the constant dialogue that Iris Ceramica Group has established as one of its main missions, implementing projects that can affect the very concept of sustainable growth, becoming the spokesperson for ethical ideas aimed at the territory and, in a broader sense, the community.

OUR SDGs COMMITMENT

The 17 Sustainable Development Goals of the UN's 2030 Agenda are the fundamental, concrete and measurable references needed to develop the necessary actions for sustainable environmental as well as ethical, social and economic development.

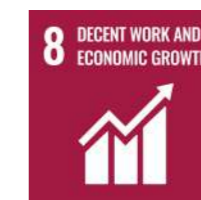
Therefore, we have launched a process intended to make a real contribution to the 2030 Agenda, analyzing the priority Sustainable Development Goals (SDGs) and taking action to achieve them, as an integral part of our corporate strategy.

There are 11 Sustainable Development Goals to which we believe we can contribute, turning them into concrete action we can take internally to achieve them.

SOCIAL



ECONOMIC



ENVIRONMENT



2021 SUMMARY

ECONOMY

550,000,000
euros, turnover distributed across **121**
countries.

25,000,000
square meters is the Group's annual production
capacity.

8
countries have company offices and production
sites: Italy, USA, Germany, Spain, France,
Mexico, UK and Russia.

4
Flagship stores in international design districts:
Milan, London, Berlin, New York.

12
Company showrooms in international trend
capitals: Chicago, Los Angeles, San Francisco,
Madrid, Castellón, Moscow, St Petersburg,
Modena and Reggio Emilia (with 4 big spaces in
brand HQs).

ENVIRONMENT

376,510.1
square meters of **ACTIVE SURFACES®** panels
produced in the three-year period 2019-2021,
corresponding to **2,023** kg of NOx degraded
per year, equating to the benefit provided by
1,260,000 sq.m of green spaces.

59.6
The % of certified green electricity bought in
2021 out of the total used.

160.41
tons of CO₂ saved by adopting the PARI system
and using recycled polyethylene packaging.

13.51%
of wooden containers used to ship large
ceramic panels recovered and reused in the
supply cycle.

850
tons of wood waste sent for recycling.

COMPANY

1,414
employees around the world.

8,443
hours of training for professional growth
and updating.

200
new hirings.

316,000,000
euros spent by the Group with local suppliers
(90.25% of total).

337,000
euros earmarked for socio-cultural projects
supported by the Iris Ceramica Group Foundation.

10,497,698.50
euros invested in actions for market
stakeholders, up by 250% on 2020.

2021 HIGHLIGHTS

ACTIVE SURFACES® AGAINST SARS-COV-2

ACTIVE SURFACES®, on the market for 10 years, have antibacterial, antiviral, anti-pollution, anti-odor, and self-cleaning properties. They boast major ISO certifications and international patents, and research carried out in 2021 with two Departments of Biomedical Sciences of the University of Milan showed extraordinary results regarding the ability of Active Surfaces® to eliminate 94% of SARS-CoV-2 after only 4 hours of exposure to UV light (both natural light and conventional light bulbs).

27th BIENNALE OF ARCHITECTURE



Iris Ceramica Group was the main sponsor of the Italian Pavilion at the 27th Venice Biennale of Architecture curated by architect Alessandro Melis. "Resilient Communities" was the theme chosen to encourage a new alliance between nature and society with which to face the current climate crisis. Installed at the center was the large "Cyberwall", created using cutting edge design solutions, with ACTIVE SURFACES® panels chosen to make the installation an icon of sustainability, using "Design Your Slabs" technology to ensure maximum graphic customization with an extraordinary aesthetic result.

THE ARCHITECT'S NEWSPAPER 2021, BEST OF PRODUCTS AWARDS

The Verde Fantastico surface by Fiandre Architectural Surfaces received an "Honorable Mention" at The Architect's Newspaper 2021 Best of Products Awards, in the Finishes and Surfaces category. Part of the MARMI MAXIMUM collection, the product has a dark green background crisscrossed by white, brown and other details, creating a snake skin motif reminiscent of the rain forest in its shades. The judges were particularly attracted by its elegantly bold aesthetic with a typically Iranian refinement and versatility of use.

IRIS HISTORIC BRAND OF NATIONAL INTEREST



An important milestone was reached by the Iris Ceramica Group in 2021 when the Iris Ceramica brand was entered in the Register of Historic Brands of national interest. Established by the Ministry of Economic Development in 2019, the register is intended to protect the industrial property of excellent production companies with a historic link to Italy, as well as to promote Italian production globally.

THE WORLD'S FIRST GREEN HYDROGEN CERAMIC INDUSTRY

Supported by Snam, Iris Ceramica Group will be carrying out an industrial project that involves creating the first ceramic factory in the world powered by green hydrogen, confirming that sustainable innovation is always a priority in the Group's choices. The new plant will be built in Castellarano and will start operating by 2022, equipped with native technologies that will allow green hydrogen to be introduced into production processes, which could prove decisive in achieving of the European goal of carbon neutrality by 2050.

SOS SCHOOL OF SUSTAINABILITY FOUNDATION

The SOS School of Sustainability Foundation was established by Mario Cucinella Architects, with the enthusiastic support of two other founding partners, Iris Ceramica Group Foundation and SAIB Spa, based on shared values and with the aim of training the next generations of professionals in architecture and design in the field of sustainable architecture, according to the principles stated in the 17 Sustainable Development Goals of the UN 2030 Agenda.

Our support is intended to encourage collaboration between industry, institutions and the entire community by activating economic and environmental regeneration processes for people and territories.

BIOREGENERATION PROJECT IN THE CERAMICS DISTRICT

Conscious of the need to tackle the problem of climate change, the ICG Foundation has promoted a three-year research program on the ceramic district aimed at identifying solutions for sustainable economic growth and environmental protection. The research, which covers various aspects: Environment, Mobility, Waste, Water and Emissions, involves partners like MCA architects, MIC-Mobility in Chain, the Department of Engineering and Architecture of the University of Parma, HERA, BPER and, at institutional level, Art-ER.

GOVERNANCE

Confirming the management's intention to adopt a solid governance structure that allows the Group to act responsibly and in full compliance with current regulations, the Italian parent company has adopted an Organization, Management and Control Model pursuant to Legislative Decree 231/2001.

The Model is a voluntary tool used by the company to apply internally the regulations regarding administrative and criminal responsibilities for certain types of offenses, including crimes committed in relations with government authorities, corporate crimes, environmental crimes and crimes relating to health and safety in the workplace.

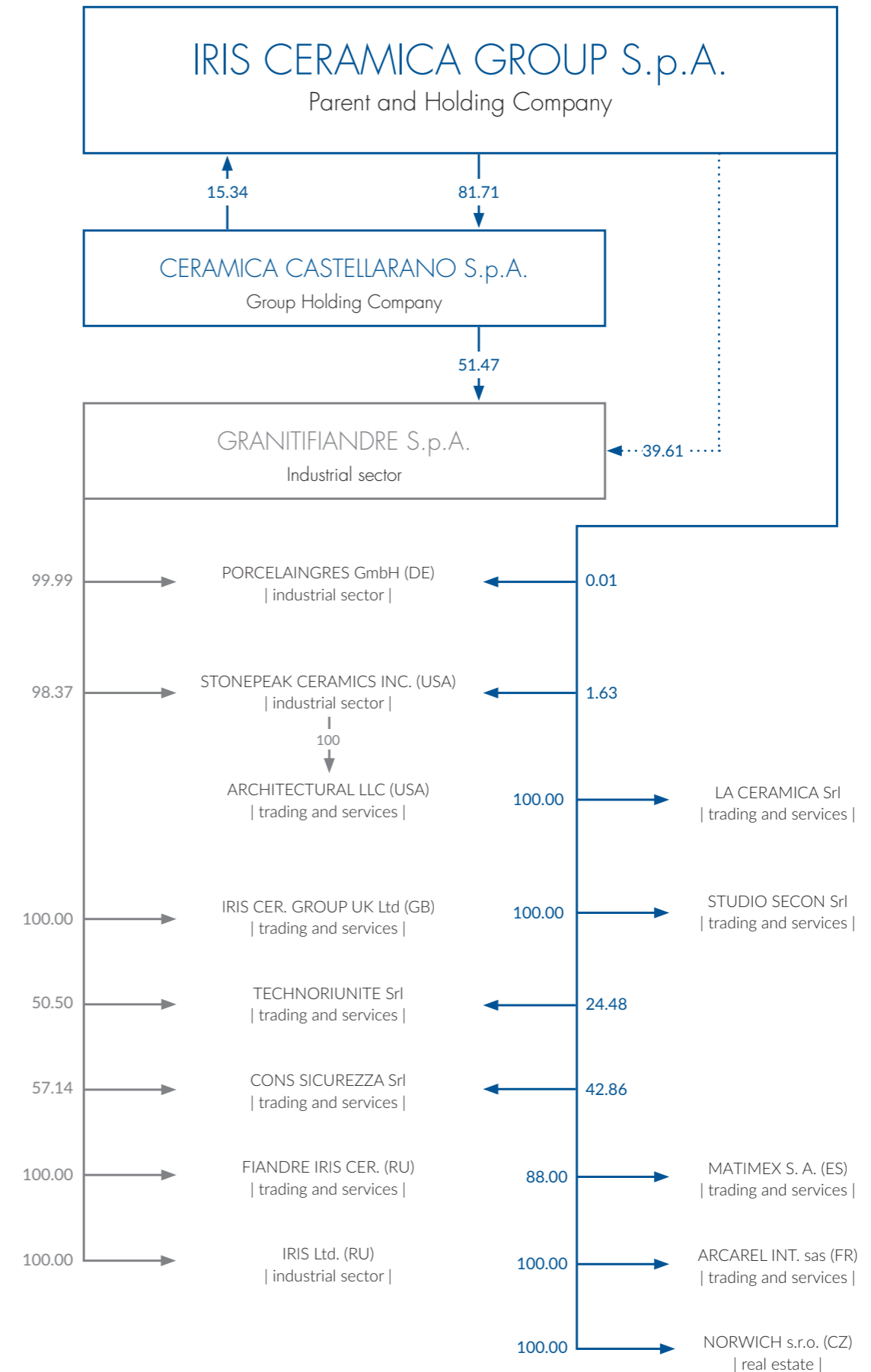
An integral part of the Model 231 is the Code of Ethics, which sets out the inalienable principles of honesty, correctness, transparency, integrity that companies undertake to abide by in their daily operations.

BOARD OF DIRECTORS

The ordinary and extraordinary management of the Group, including the definition of control and strategic guidelines, is delegated to the Board of Directors (BoD of the Holding).

As of December 31, 2021, the BoD was made up of four directors:

- Romano Minozzi Chair and Managing Director
- Federica Minozzi Vice-Chair and Managing Director
- Sergio Stefano Mascaretti Managing Director
- Mauro Tabellini Managing Director



(The data refer to the distribution of company shares)

60 YEARS OF HISTORY

1961

Iris Ceramica is born in Fiorano Modenese: the heart of the Italian ceramic production district.

1970

Romano Minozzi has the equation **Economy = Ecology** posted on the walls of his factories, as an expression of his entrepreneurial vision.

1972

Iris Ceramica promotes "**Pollution** - For a new aesthetic of pollution" in Bologna, commissioning 26 extraordinary avant-garde artists to denounce the increase in environmental pollution.

1973

The first issue of the unconventional magazine "**HUMUS**" is released, a quarterly magazine of culture, current affairs and innovation published and distributed by the Iris Foundation.

1975

Awarded a gold medal by the Italian President, Iris Ceramica materials become the first to be placed in the International Museum of Ceramics in Faenza.

1987

Iris Ceramica acquires Castellarano Fiandre.

1989

The **GranitiFiandre** brand makes its debut and publication of the **Materia** magazine begins as a testimony to the relentless commitment to spreading architectural knowledge and culture.

1992 - 1993

Iris Ceramica acquires **Matimex** and **Ariostea**.

2001

In advance of all modern social media, the digital magazine **Floornature.com** is published online, destined to become a reference for international architecture and design.

2008

The MA.DE collection is the first ceramic selected by ADI for the 21st **Compasso d'Oro** award.

2009

Production begins of **ACTIVE SURFACES®** materials, cutting edge eco-active ceramic surfaces that improve the well-being and safety of spaces.

2012

Floornature.com launches the **Next Landmark** international architecture award, a stage for young designers now in its 10th year.

2018

46 years after Pollution, the Group returns to Bologna with "**Pollution RefleAction**" an installation by the SOS-School of Sustainability to restart the fight against global pollution.
At the **16th Biennale of Architecture**, the Group is the protagonist and technical sponsor of the national "Arcipelago Italia" pavilion curated by Mario Cucinella Architects.

2019

The Group achieves **Zero Emissions** in its Italian large slabs production factories. ahead of the UN Agenda 2030 goals. The Iris Ceramica Group **Historical Museum** is inaugurated and the **Iris Ceramica Group Foundation** is established, as official testimonies of the Group's commitment to the environment and the community.

2020

Testing of **ACTIVE SURFACES®** against SARS-CoV-2 begins, demonstrating extraordinary effectiveness in eliminating the virus.

2021

At the **27th Biennale of Architecture**, Iris Ceramica Group is the main sponsor of Italy's "Resilient Communities" Pavilion curated by architect Alessandro Melis.
At the end of the year, the project for the first hydrogen-powered ceramic factory in the world is kicked off. This opens the way to **decarbonisation**.

SIZE OF THE GROUP

Iris Ceramica Group S.p.A. is the holding company of an articulated Group of companies that manufacture and market porcelain stoneware architectural materials and technical ceramics. The Parent Company based in Modena manages equity investments and the investment of financial resources.

The following are the main figures for the Group's production and economic capacity:

21,030,425 m²

Total transactions (sales)

21,694,356 m²

Total materials produced

€ 483,303,000

Consolidated net revenues

€ 1,998,420,000

Total capitalization (debt and equity)

Net sales in countries that account for 5% or more of total revenues



€ 172,505,288

USA



€ 52,096,692

ITALY



€ 44,773,320

GERMANY



€ 30,704,830

FRANCE



€ 29,395,072

SPAIN

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Analyzing the distribution of added value, that is, the wealth produced by the company identifiable as the difference between gross production and the consumption of goods and services, is a good way to determine the company's commitment to social responsibility. 2021 was an unusual year, unique, in many respects, in world economic history and therefore the history of each individual company. The wealth produced and distributed consists not only of the profit for the year, but also items that in the financial statements are classified as costs, whereas for us, like profit, they represent the value that the company generated through its economic activity. The breakdown of Iris Ceramica Group's value added reflects the function of overall governance and guidance of the Group's activity. The Group's financial data for 2021 in this context is in line, if not better, than the sector average and in any case consistent with our strategic goal of being a sustainable company in any situation and for all our stakeholders.

Below are the main financial data, among which we would highlight the very high percentage of Economic Value directly generated and redistributed: over 80%.

DIRECTLY GENERATED ECONOMIC VALUE (figures in thousands of euros)

€ 550,834

Revenue

ECONOMIC VALUE DISTRIBUTED

€ 336,573

Operating costs

€ 102,741

Salaries and benefits

€ 4,592

Payments to capital suppliers

€ 16,309

Payments to P.A.

€ 541

Investments in the community

ECONOMIC VALUE RETAINED

€ 90,078

Difference between economic value generated and economic value distributed

83.65%

of the economic value generated by Iris Ceramica Group is redistributed

The data used are drawn directly from the Group's Consolidated Financial Statements.

CERTIFICATIONS

Environmental sustainability is central, not only because of regulatory requirements, but also as a factor in enhancing the quality of construction.

In the construction sector, as in the architectural one, the use of environmental indicators to assess the impact of products is increasingly widespread. Iris Ceramica Group has been synonymous with quality, technological innovation and above all care for the environment since the early 60s, when it decided to deviate from the usual industrial production methods by making respect for the environment an indispensable point of reference.

Over the years, certifications, particularly environmental ones, have made an extremely positive contribution by improving the Group's performance and therefore competitiveness, encouraging everyone to continuously improve.

ENVIRONMENTAL PROTOCOLS - PRODUCT CERTIFICATIONS

LEED and BREEAM

The LEED and BREEAM environmental protocols are among the most important voluntary scientific systems for the validation and certification of energy and environmental performance, real guidelines supporting the design, construction and management of buildings by analyzing the various aspects of sustainability: energy, health and well-being, innovation, land use and ecology, materials, pollution, transport, waste, water.

Our materials have been certified since 2008, although in reality they all complied with these standards well before that, as they are all designed and manufactured with a very high percentage of recycled material (> 40% by weight). In fact, by investing in cutting-edge technologies since the early 1990s, we have been able to exponentially reduce the consumption of all raw materials, starting with quarried ones, which have been largely replaced by **pre-consumer and post-consumer recovery materials, also from other industrial processes**, for the dual purpose of safeguarding the environment and transforming investments into an economic opportunity as well.

GreenGuard and GreenGuard Gold

Equally, the **GREENGUARD** certification ensures that products intended for use in interior environments have almost zero harmful volatile substance (VOC) emissions, thereby contributing to the creation of more healthful environments. **GreenGuard Gold**, widely recognized and accepted by sustainable building programs all over the world, certifies the total absence of risks even in places normally frequented by particularly sensitive people such as children and the elderly.

Environmental Product Declaration

A Life Cycle Assessment (LCA) was also performed on Iris Ceramica Group materials according to the "from cradle to grave" scheme published in the Environmental Product Declaration - **EPD®**, which is the **exclusive property of Iris Ceramica Group**, and for this reason our materials can help increase the score of the entire building system for the LEED scheme (for the list of EPD certified materials, see www.environdec.com).

Having decided to create our own specific product EPD, issued by Environdec starting from 2017, rather than an average sector declaration, clarifies the relationship between our company and the environment and the way in which we want to offer a new market dimension, providing precise data on the environmental performance of products with key characteristics and guidelines that translate into a series of benefits for the organizations that process them and for those who use the information.

EPD® is in fact a voluntary certification scheme set up in Sweden and based on an organizational structure that includes different entities at selected levels in different countries; it is an international scheme which is part of EU environmental policies and is managed by a non-profit research institute owned by a joint foundation established by the Swedish government and industry.

The proposed "from cradle to grave" scheme is the most complex, but also the most complete and therefore the most stimulating, as well as being a global program for environmental declarations based on ISO 14025 and EN 15804.

As part of this analysis, compliance with the **MEC** (Minimum Environmental Criteria) is also validated according to the test methods established by Decision 2009/607/EC of 9 July 2009, or other equivalent test methods established by the Competent Authority in the respective environmental permits – Consumption and use of Water, emissions into the air, emissions into water and waste recovery.

NSF/ANSI 51 – 2014 Food Equipment Materials certification

Developed primarily for commercial applications including bars, restaurants, hotel kitchens, canteens, etc. The ceramic slabs are now used not only as surfaces for food and drink consumption, but also in areas where there is greater direct contact with food (Food Zone), such as worktops, bar service counters, etc. This certification offers a further qualified guarantee of quality and safety for consumers.



GBC



CERTIFICATION
GREENGUARD



See official listing
www.environdec.com
EPQ
(ENVIRONMENTAL
PRODUCT DECLARATION)



See official listing
(www.nsf.org)
to identify which
models are
NSF Certified
CERTIFICATION
NSF/ANSI 51 - 2014
FOOD EQUIPMENT
MATERIALS

CERTIFICATIONS

SYSTEM CERTIFICATIONS

Equally important are the system certifications that measure company performance and the individual impacts that production processes can have.

Environmental Management System Certification UNI EN ISO 14001.

This has existed since 2000 and is the standard that defines an “**Environmental Management System**” as part of the corporate system intended to manage environmental aspects, meeting legislative compliance obligations and addressing and evaluating risks and opportunities.

Eco-Management and Audit Scheme (EMAS).

Obtained immediately after UNI EN ISO 14001, registration in the **European Eco-Management and Audit Scheme (EMAS)** is a voluntary environmental certification tool intended for companies and public and private entities that wish to commit themselves to evaluating and improving their environmental efficiency .

It provides, among other things, for the drafting of an Environmental Declaration (with which the organization gives the public and other stakeholders information about its environmental impacts and performance related to its production process) which must be validated after verification by a third-party accredited body.

UNI CEI EN ISO 50001 Energy Management System Certification

Obtained since 2015, the new international energy management standard focuses attention on the organization's performance, and above all requires that the promotion of energy efficiency be considered along the organization's entire distribution chain in order to achieve the continuous improvement of energy performance and a consequent reduction in costs; continuous performance analysis must therefore be integrated into the management of the organization's daily activities.

UNI ISO 45001 Occupational Health and Safety Management System (former OHSAS 18001).

Obtained since 2011, this is considered to be one of the key regulations for minimizing workplace safety problems and maintaining employee motivation.

The ISO 45001 standard aims to identify in advance the whole range of risks and dangers that can occur in the workplace, including accidents, injuries, fire and occupational diseases, carrying out detailed inspections and defining interventions to be able to deal with any potential danger or accident.

To derive the maximum benefit, this system must not only be implemented, but kept active and under continuous control, promptly making the necessary improvements and ensuring efficiency.



CERTIFICATION
ISO 14001



CERTIFICATION
ISO 50001



CERTIFICATION
ISO 45001



GROUP COMMITMENT TO TAKING CARE OF PEOPLE

Since its operations began, the Iris Ceramica Group has been firmly committed not only to industrial and production development, but also to making virtuous choices, and to behaving and acting in ways that contribute to people's well-being on all fronts. The Group has always paid great attention to the surrounding community any attention, including its employees, who are considered to be among the main resources for its development.





This commitment is evident in various areas, including gender equality: Iris Ceramica Group is top of the list of companies where women are happiest to work according to "Italy's Best Employers for Women 2022" survey by the German Quality and Finance Institute (ITQF), a leading European independent quality survey organization, conducted in partnership with La Repubblica - Affari & Finanza. Only 52 of the 200 companies surveyed achieved the maximum score of 100 and Iris Ceramica Group is the top company in its industry to have achieved this important result.

And that's not all. The Group also won the "Premio Industria Felix - L'Italia che compete" award presented by "Industria Felix Magazine" economic and financial news quarterly, a supplement of Il Sole 24 Ore, in collaboration with Cerved and the Luiss Guido Carli University, which awarded us the Alta Onorificenza di Bilancio for being "among the best women led businesses in Emilia Romagna by management performance and financial reliability". An important recognition that places the holding company led by CEO Federica Minozzi at the pinnacle Italian entrepreneurial excellence.



The Group also recognizes the primary importance of people's health, paying particular attention to oncological diseases, which is why it supports **ANT Italia ONLUS Foundation**, one of the major non-profit organizations providing free specialist home care for cancer patients. Organized like a real hospital without walls, ANT treats 3,000 cancer patients free of charge every day at home in 11 regions through 23 health teams that remained active even during the pandemic. Working with ANT, medical screening was carried out at the company to prevent skin melanoma and thyroid diseases, in which 120 employees took part.

Finally, the Iris Ceramica Group Foundation supported an important two-year research program at Modena Hospital for **advanced cell therapies for the treatment of patients with acute leukemia, lymphomas and multiple myeloma** (and their infectious complications) integrated into a new Early Intra-hospital Palliative Care Program for cancer and haematology patients.

New hirings 2021

		
	F	M
< 30 years old	20	53
from 30 to 50 years old	33	72
> 50 years old	7	15
<u>Total</u>	<u>60</u>	<u>140</u>

Total employees

		
	F	M
USA	140	270
EU	266	738
<u>Total</u>	<u>406</u>	<u>1008</u>

Training

	Hours
Managers	565.5
Others	7878
<u>Total</u>	<u>8443.5</u>

CARE FOR THE ENVIRONMENT

IMPROVEMENT OF PROCESSES AND CUTTING-EDGE TECHNOLOGY

Taking the equation Economy = Ecology as our starting point, we have constantly traveled along the path of responsibility in pursuit of an economy that serves humankind.

A process that should be viewed within the framework of a constant attempt to minimize the environmental impact that our production processes have on the local community, society and the environment, through constant improvement of efficiency and cutting-edge technology, with the ambitious target of contributing to achieve the European objective of carbon neutrality by 2050. The Group's spheres of action in this area relate not only to atmospheric emissions, but also to the consumption of electricity, natural gas, water and waste production.

As regards **emissions**, the total CO₂ saved between 2019 and 2021 across the Group as a whole (including abroad) was 44,773 tons of CO₂, mainly due to electricity being purchased from virtuous producers with emissions/kWh generated below the relevant national average. In 2021 in particular, the % of certified green electricity used by GranitiFiandre Spa was 59.6% of its total annual requirement.

WASTE

The amount of waste generated by production activity is minimized by adopting specific recovery procedures. The waste is delivered to organizations authorized to carry out recovery and disposal activities in accordance with the regulations in force.

In this context, the most significant quantities consist of **waste resulting from the raw and fired material processing cycle**, which are totally recovered in the factories where these activities are carried out.

In 2021, **56,000 tons of material were recovered and reintroduced into the production cycle.**

WOOD AND PLASTIC

Global warming is a urgent problem, the main cause of which is the increasing concentration of greenhouse gases in the atmosphere. Thanks to their ability to absorb carbon, trees are an excellent ally in slowing down this global phenomenon. Trees store CO₂ through photosynthesis, a process that allows them to capture carbon dioxide from the atmosphere as they grow.

In the course of 2021 in the Italian plants alone, the Group sent **851,460 kg of wood for recycling, an increase of 13% compared to the previous year.** Furthermore, thanks to the project launched to recover wooden crates used to ship large ceramic slabs in 2021 we recovered 13.51% of the 66,234 packages sent to the customer.

As regards plastics in Italy, Iris Ceramica Group has been using flexible polyethylene packaging for years as part of the packaging waste management system recognized by the Ministry of the Environment. These are materials produced using up to 90% recycled plastic derived from regeneration processes.

As a result, in 2021 **GranitiFiandre recycled 101,410 tons of plastic waste** which, uniformly selected for color and thickness and recycled, becomes a regenerated polymer used to produce new packaging.

160.41 tons of CO₂ equivalent emissions were saved as a result of this activity in Italy.

CARE OF COMMUNITIES

Iris Ceramica Group has chosen to support its growth strategy with a strong, unwavering commitment to creating value for society.

This choice stems from the deep-seated conviction that all companies have an important role to play in society and cannot shirk the duty – and pleasure – of contributing to its development and success.

Each year, this profoundly intimate relationship translates into support for projects and activities that the Group regards as important and strategic, through grants from its Foundation set up in 2019 which totaled approximately 337,000.00 euros in 2021.

FOUNDATION



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We are partners of the following, amongst others:

act:onaid
— REALIZZA IL CAMBIAMENTO —

 **Save the Children**


PROUDLY SUPPORTING
SEA SHEPHERD

Iris Ceramica Group Foundation donates Sapienstone #aroundthetop truck to Italian Red Cross.

The Iris Ceramica Group Foundation has been part of a beautiful reconversion story featuring the SapienStone truck, the “traveling showroom” that has visited the main cities of Italy and Europe over the last four years to bring Made in Italy products to the world with its #AroundTheTop tour.

It all started in 2016 when, as a way of launching the specialized kitchen top brand, the Group bought a large 12-meter truck and equipped it with two kitchens with innovative SapienStone tops with integrated induction, which allow you to cook directly on the ceramic surface.

The goal was to establish a dialogue between different cultures on the many ways of experiencing cooking.

After traveling for thousands of kilometers between Naples, Milan, Berlin, Munich, Lyon, London, Birmingham, Lisbon, Barcelona, Madrid and Valencia, the truck was donated by the Foundation to the Italian Red Cross as a special civil protection and health care vehicle used in particular to prevent the spread of COVID-19. The truck’s new life began on May 22, 2021, at the San Rossore Park in Pisa, where it served as a means of providing emergency assistance and support for the endurance world championships, an equestrian specialty which, this year, saw competing horses and riders from 35 nations, representing 5 continents.



An educational garden for the Casa Coccapani nursery school.

In June 2021, a new educational garden was inaugurated inside “Casa Coccapani” in Fiorano Modenese, a green space surrounding the nursery school of the same name redeveloped to an architectural design promoted by the Iris Ceramica Group Foundation working with the municipality of Fiorano Modenese. The design won the ninth edition of Next Landmark: an international competition for architects organized by the Floornature.com magazine that invited participants to transform the outdoor area of the nursery school into an “educational garden”, without upsetting the layout of the spaces and keeping the existing trees.

Unesco Youth Forum: working for the future of under-35s.

The **Italian Youth Forum**, an annual event of the UNESCO youth association was held in March 2021. During the event, the **Next Generation You** Manifesto was presented and discussed with representatives of institutions and companies, experts and attendees, as a real and joint commitment to implement good practices and spread awareness of the issues in the UN’s 2030 Agenda.

The guests included **Federica Minozzi**, CEO of Iris Ceramica Group, who took part in the “La Casa Comune” round table dedicated to the most virtuous local companies pursuing environmental and social sustainability.

MATERIALITY ANALYSIS

One of the fundamental elements of sustainability reporting is the definition of the so-called materiality matrix, which requires the organization to listen to all its stakeholders and hold discussions with them. Targeted meetings have therefore been held in recent months with the various internal and external stakeholders of Iris Ceramica Group, in accordance with the Global Reporting Initiative (GRI) method, which aims to identify priorities for the organization's sustainability strategy. These meetings with stakeholders were particularly fruitful as they provided an opportunity for open discussion that allowed the Group to gather information and suggestions with which to further develop the relationship between it and the various stakeholders, information which the organization has treasured with a view to ensuring the continuous improvement of its sustainability strategy.

The outcome of the meetings is summarized in the Cartesian graph, where the X axis shows the importance of issues according to the company and the Y axis their importance to external stakeholders. The intersection of the two data shows the position of the relevant issues (chosen by ICG) which provides various pieces of information. Generally it appears that there is considerable consistency between the values expressed internally and those indicated by external stakeholders. In fact many relevant issues are found near the bisector, a sign that there is a high level of agreement on the priorities.

These are the topics that are of greatest interest:

- Innovation, development and product quality
- Optimization of human resources through training
- Increased efficiency of energy consumption
- Communication
- Economic responsibility

These 5 issues are positioned in the upper right quadrant and are therefore the areas where internal and external stakeholders suggest that more work needs to be done in the coming years, because they are considered crucial issues for the Group's sustainability strategy.

Another aspect that emerged is the increased interest in issues related to environmental responsibility:

- Raw materials
- Management of environmental impacts
- CO₂ emission reduction projects
- Sustainable logistics management
- Sustainable supply chain management

MATERIALITY MATRIX

- ECONOMIC RESPONSIBILITY
- SOCIAL RESPONSIBILITY
- ENVIRONMENTAL RESPONSIBILITY



VISION OF THE FUTURE

Choosing to draw up a Sustainability Report is a challenge and expresses the willingness of Iris Ceramica Group to constantly measure its performance in order to improve itself according to the three dimensions of sustainability (ESG): environmental, social and governance, which also includes economic aspects. This fourth edition of the Sustainability Report comes half-way through the multi-year objectives that the organization has set itself and which are listed below. A full analysis can be found online at www.irisceramicagroup.com.

ENVIRONMENT

CLIMATE CHANGE

The Iris Ceramica Group's commitment is to consolidate the actions already taken in recent years for the gradual reduction of CO₂ emitted into the atmosphere with a view to achieving "Zero Emissions" (already achieved in the elimination of volatile organic compounds-VOCs), seeking solutions that are able to mitigate the Group's impact on the environment. The construction of the first ceramic factory in the world powered by green hydrogen will make a tangible and lasting contribution to reducing climate change.

The Group intends to continue to support associations committed to the protecting our oceans and marine ecosystems. Research work on climate change will also continue in the Sassuolo ceramic district.

ENERGY

The aim is to continue to develop the growth and investment plan in renewable sources, as for example in the case of electricity, 59.6% of which is now purchased from renewable sources. This demonstrates how significant progress has been made towards an increasingly responsible production model through partnerships with certified suppliers.

CIRCULAR ECONOMY

With the goal of developing the circular economy, we intend to continue with research and development aimed at reducing the environmental impact of the product throughout its life cycle and designing new solutions for service innovation and process reorganization.

The Group intends to continue investing in the development of materials and the adoption of circular economy methods, gaining specific certifications such as EPD (continuously updated Environmental Product Declaration) or LCA (particularly by achieving the Cradle2Cradle certification), life cycle analysis for assessment of the associated environmental loads through the analysis of energy and materials consumed, waste generated, logistics and transport, as well as waste and emissions released.

SOCIAL

IRIS CERAMICA GROUP FOUNDATION

Through its Foundation, the Group promotes the values of environmental sustainability, solidarity and cultural training on which to build the civil society of the future, in line with the objectives of the UN 2030 Agenda. The projects supported encourage ethical and responsible thinking and are aimed at the local area and communities.

The goal is to continue and improve this action and to develop our own project proposals in which to also involve our own stakeholders.

GOVERNANCE

INVESTMENTS AND INNOVATION

Constantly investing in the innovation process inherent in the company philosophy by increasing research and technology which, despite the difficult international economic and political, will prove to be valuable allies in defining new strategies for positive adaptation to the changing global context. A particularly challenging goal is to build the first ceramic factory in the world powered by green hydrogen, a project conceived in 2021, which will be built during the course of 2022.

ETHICS

Continuing to develop the ethical identity values linked to the activities of Iris Ceramica Group.

During 2021, the anti-corruption code of conduct was adopted for the Italian parent company, GranitiFiandre Spa, which aims to achieve the legality rating and to adopt a supplier code of conduct by the end of 2022.

REPORTING

Reporting on its sustainability and the corresponding value chain, with a view to achieving continuous improvement with the involvement of all stakeholders, starting with suppliers.

During 2021, regular meetings with the main stakeholders continued to update the materiality analysis and in-depth focus groups were organized with internal stakeholders, communities, institutions and suppliers.

For the future, the Group intends to continue planning incentive actions to improve the business climate and promote a sense of belonging, participation, inclusion and well-being among individuals.



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