

# Sustainability Report 2022

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

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01.

# Letter to Stakeholders



Dear Stakeholders,

2022 was a milestone year for ITALGRANITI GROUP. After amendments to our bylaws, which made us a Benefit Corporation, we obtained B Corp certification, considered the gold standard of corporate sustainability.

We also obtained UNI/PdR 125:2022 certification on gender equality, becoming the first Italian ceramic company to implement guidelines for equal gender presence and contribution.

These important changes have legitimised choices that we consider strategic for our entrepreneurial vision, and encourage activities and investments that will allow these choices to be fully and concretely realised, to the benefit of our employees and communities, the territory and the environment as well.

I hope that reading this Sustainability Report clearly outlines the evolutionary path that the Group has proudly taken in recent years.

Enjoy your reading!



**Elisa Giacobazzi**  
Italgraniti Group S.p.A. CEO





B Corp certified



WE ARE A B CORP.

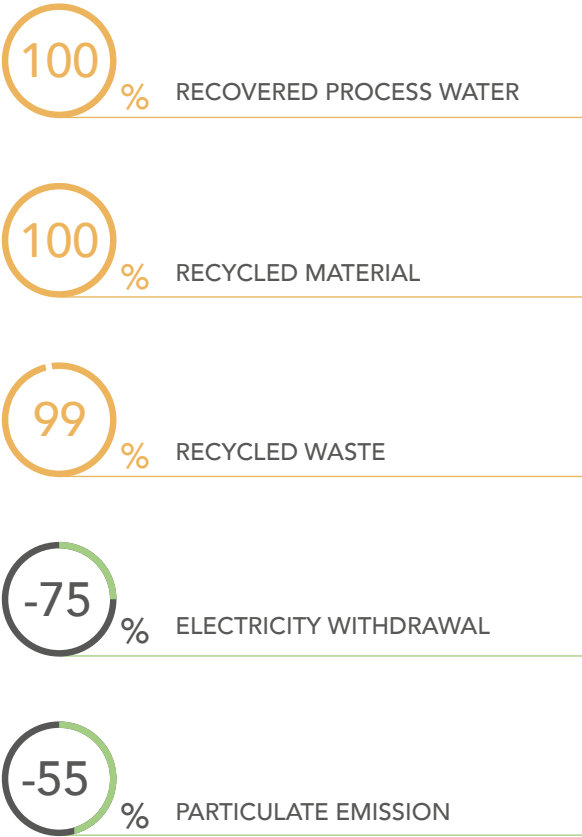
ITALGRANITI GROUP obtained B Corp certification. The Group has long pursued strategies that combine innovation and sustainability, aiming to increase the positive impact on people, the territory and the environment by acting responsibly, sustainably and transparently.

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

03.

Highlights

ENVIRONMENTAL INDEXES



DATA ARE SPECIFIC AND RELATED TO PRODUCTION VOLUMES

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

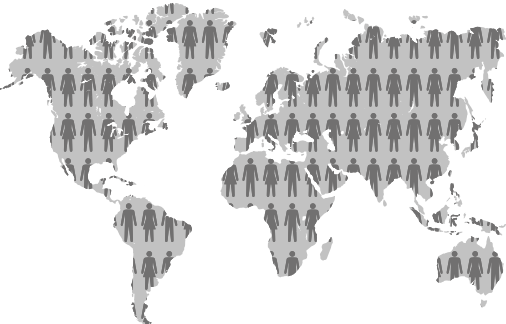
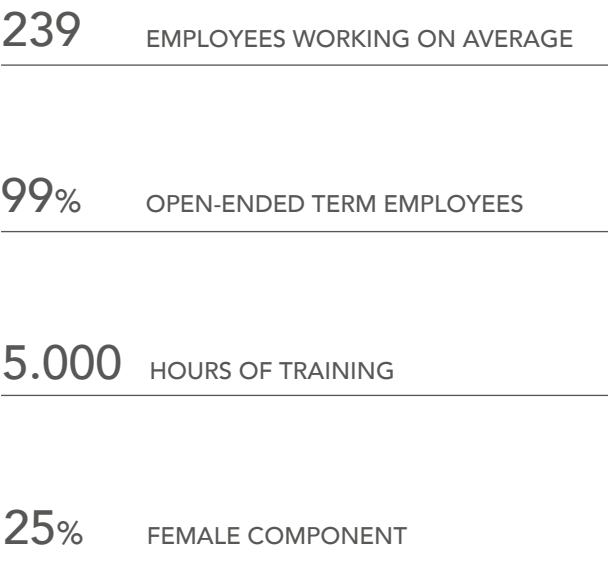
company has continued to make improvements on the three levels of sustainability: environmental, economic and social. This process has defined a strategy that sets out actions to achieve sustainability targets, measuring performance; the tables highlight the results for the year 2022, through the indicators considered most significant.

The considerable drop in electricity withdrawal compared to the year 2021 is due to the commissioning of a regenerative thermal cogenerator that now guarantees the self-sufficiency of the San Martino in Rio (RE) plant. More details on page 24

ECONOMIC INDEXES



SOCIAL INDEXES



## 04.

## ■ ITALGRANITI GROUP

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

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

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



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

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

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



05.

# Company

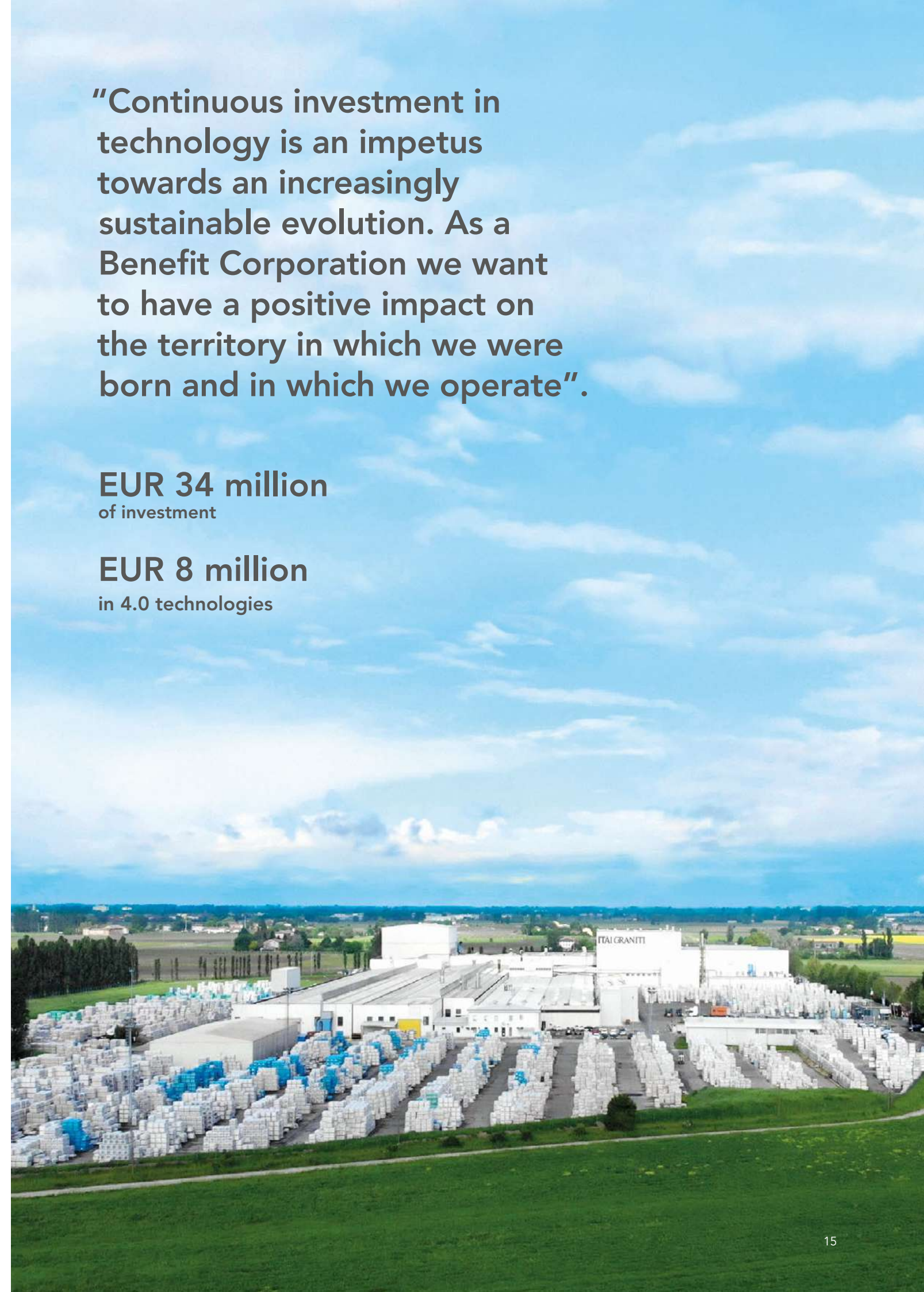
ITALGRANITI GROUP stood out for its solidity, reliability and ability to innovate among the large Italian ceramic companies. Its expansion in recent years has been supported by considerable investment in the latest cutting-edge production technology.

The Group now has 3 brands and about 250 employees, produces and markets 6 million m<sup>2</sup> per year and exports 80% of it. Between 2020 and 2022, it invested EUR 34 million, EUR 8 million of which in 4.0 technologies. Investment and a strong focus on the environment have made it possible to realise a sustainability strategy and highlight values, principles and commitments that the Group has upheld for three generations.

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

**EUR 34 million**  
of investment

**EUR 8 million**  
in 4.0 technologies





# Headquarter & Showroom



## HEADQUARTER & SHOWROOM

The Group's new showroom, designed by architects and art directors Andrea Parisio and Giuseppe Pezzano as an update of the typical Roman domus, was inaugurated at the end of 2022. Room after room, the showroom provides an atmospheric experience of the most authentically contemporary interior design. From the entrance hall to the bedroom, the Group's collections make a decisive contribution to creating home

environments of refined and rigorous elegance, in perfect harmony with the monumentality of the architectural design. The Group's spaces are the meeting and exchange point between the company and its partners, multifunctional spaces to experience the multiplicity of materials, colours and technologies dedicated to architecture and landscape design.





# Milano Flagship Store

## MILANO FLAGSHIP STORE

Opened in 2018 in the heart of the Brera Design District on Via Statuto, the Milan showroom designed by architects Andrea Parisio and Giuseppe Pezzano testifies to the dynamism of a Group that has been a leading player in the ceramic sector for more than 20 years, partnering architects and interior designers all over the world. A prestigious showcase of

ceramic surfaces capable of merging the culture of living and technical excellence, the newly renovated exhibition space makes tangible the passion and expertise that animates the Group's tireless research activity, which has always been supported by great aesthetic sensitivity and constantly cutting-edge technologies.







## 05.1 BRANDS

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

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

### ITALGRANITI GROUP

#### ITALGRANITI

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

#### ITALSTONE®

Italstone is the brand dedicated to large 12 mm thick slabs ideal for worktops. The brand offers planners, architects and designers technical excellence and maximum freedom of expression: scenic surfaces - in 6, 12 and 20 mm thicknesses - designed to create environments where worktops and furnishing accessories are in perfect harmony with floor and wall coverings.

#### IMPRONTA

Since 1975, the Impronta brand has been a reference point for those seeking porcelain stoneware surfaces to create residential and commercial spaces with great technical and aesthetic qualities. Underlying the brand's success is a great ceramic culture and the ability to meet - and often anticipate - the needs of top professionals in the industry.



05.2 DIGITAL TRANSPARENCY

In addition to being useful, digital tools safeguard the transparency of information because they replace any intermediary with interfaces that are always up-to-date, complete and well-designed.

In 2022, the Group put the new site online. The current user interface provides a more intuitive and pleasant browsing experience, with much more textual and visual content, both for the corporate area and for the brands and their products. The possibility of downloading a large number of documents (collection catalogues, technical manuals, specification items, press releases and thematic dossiers) helps to establish relationships modelled on clarity with anyone interested in the Group or its brands.

Created in 2021 with a view to transparency towards the sales network, the Inside portal has proved to be an irreplaceable working tool in 2022. Finally, also for 2022 Italgraniti Group renewed its membership of Ongreening®, an independent digital platform dedicated to sustainable materials.

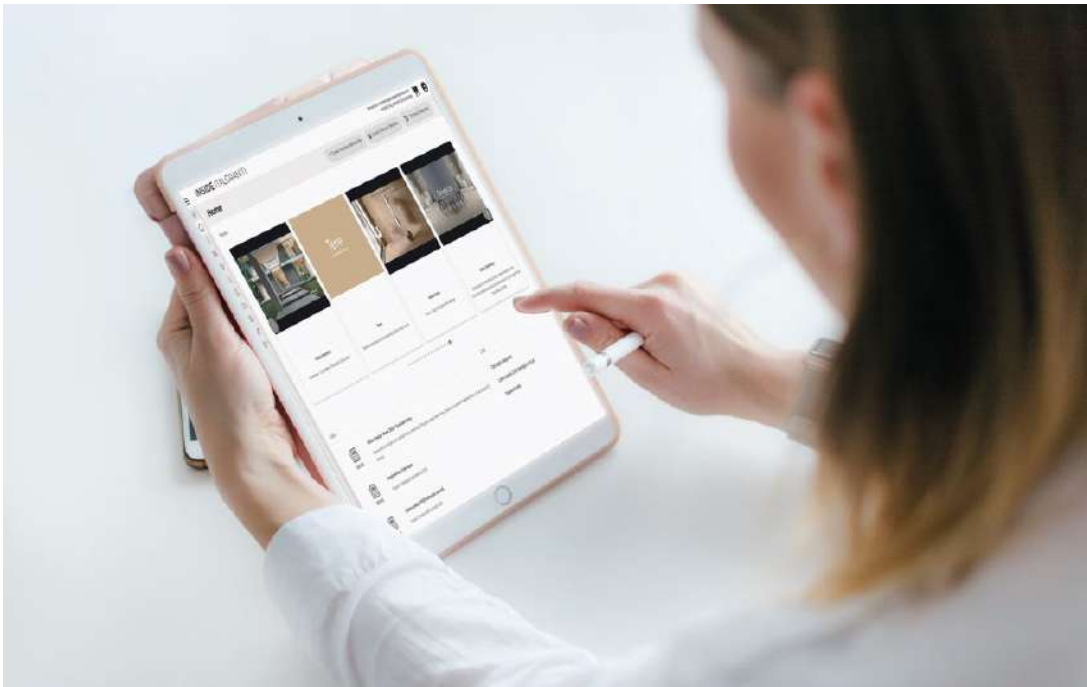


ONGREENING

Ongreening.com is an independent portal established in 2014 and dedicated to green building and sustainability professionals, used daily by thousands of architects, designers and consultants. Ongreening provides detailed information about conformity and the contribution of ITALGRANITI GROUP products to the main building sustainability certification systems (LEED®, BREEAM®, WELL™ and others).

INSIDE PORTAL

Inside is the web portal dedicated to the Group's sales network, a platform that enables to check product availability, place orders and check their status, download related documents and stay up-to-date on the latest marketing tools. Inside provides access to vital information to work better and give customers accurate and timely answers. Moreover, Inside is on the side of the environment, for an increasingly paperless world: accessible anywhere from any mobile device, it makes it unnecessary to print documents, saving large amounts of paper.





Site area

**145.000 m<sup>2</sup>**

New installations:

**Line Continua+ PCR 2120  
Press PH8200**

### 05.3 TERRITORY

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

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

### 05.4 LOCATIONS AND INNOVATION

#### SAN MARTINO IN RIO PLANT

In operation since 1994, the plant in San Martino in Rio (RE) is a modern production site equipped with state-of-the-art technology covering 145,000 m<sup>2</sup>. Equipped with 4 completely independent production lines, it produces around 6 million m<sup>2</sup> of high-quality porcelain stoneware each year.

The considerable investments in 4.0 technologies in recent years have:

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

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

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

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

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

#### WAREHOUSE AND LOGISTICS

The Group has three warehouses totalling some 83,000 m<sup>2</sup>, all of which adopt a highly computerised logistics model aimed at reducing the splitting up of loads and the dispersion of

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



**CO-GENERATION PLANT**

The energy self-sufficiency of the production factory in San Martino in Rio (RE) is one of the Group's strategic objectives, in addition to being crucial in terms of environmental sustainability. In this regard, in 2022 ITALGRANITI GROUP completed the installation of a modern, high-efficiency cogeneration plant with a rated power output of 4.5 MW, which reduced electricity consumption by 75%. Starting with natural gas

as the sole energy source, the plant enables the combined production of electricity and heat energy, greatly increasing the efficiency of the source fuel and cutting - compared to the separate production of electricity and heat - energy costs and CO<sub>2</sub> emissions. The plant is able to supply electricity 24/7, guaranteeing in this respect the self-sufficiency of the entire site, with the excess being fed into the grid.

**REGENERATIVE AFTER-BURNER**

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

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



**REGENERATIVE AFTER-BURNER**

Traps and oxidises VOCs and aldehydes  
Safeguards the welfare of the territory

**CO-GENERATION PLANT**

rated power 4.5 AMW  
electricity 24/7  
thermal power greater than 11,000 kWh

**- 75%**  
annual electricity  
withdrawal





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

20  
sizes

160x320	80x80
120x280	40x80
120x260	60x60
120x120	30x60
80x160	20x60
26,5x160	15x60
60x120	10x60
40x120	10x55
30x120	10x30
20x120	9x50

4  
thicknesses

6 mm
9 mm
12 mm
20 mm

2  
innovative technologies

StrideUp
RealUp

06.1 ITALGRANITI GROUP PORCELAIN STONEWARE

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

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

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



Showroom Italgraniti Group  
Formigine - Modena

A black and white photograph of two men shaking hands in a factory setting. The man on the left is wearing a white lab coat, and the man on the right is wearing a dark jacket with 'ITALGRANITI' on the sleeve. They are both smiling and looking at each other. The background shows industrial equipment and a large window.

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

## 06.2 THE VALUE CHAIN

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

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

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



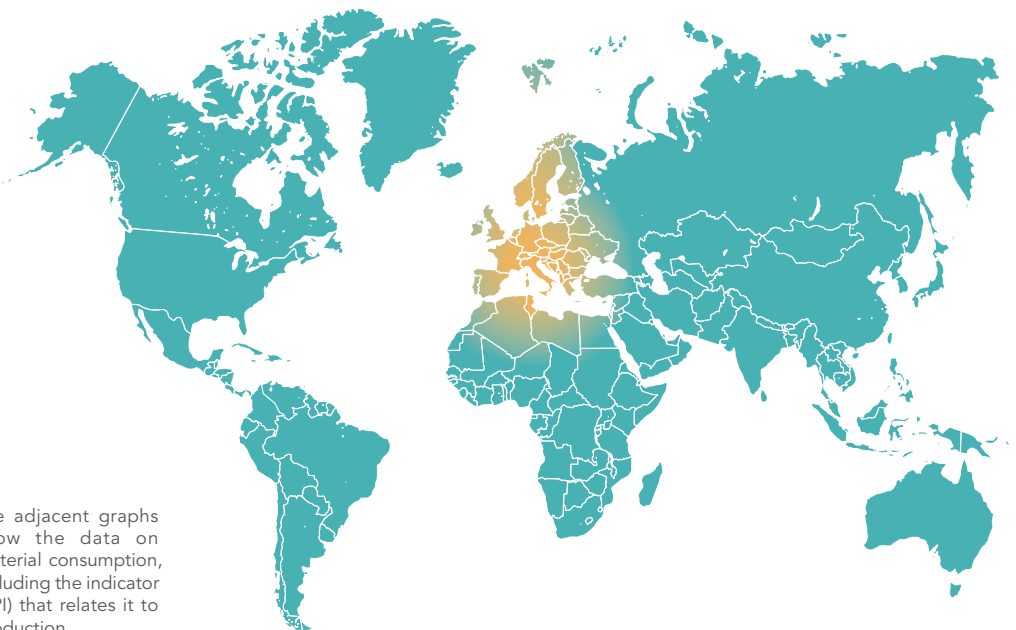
06.3 PRODUCT SUSTAINABILITY

ITALGRANITI GROUP uses the following resources to manufacture its products:

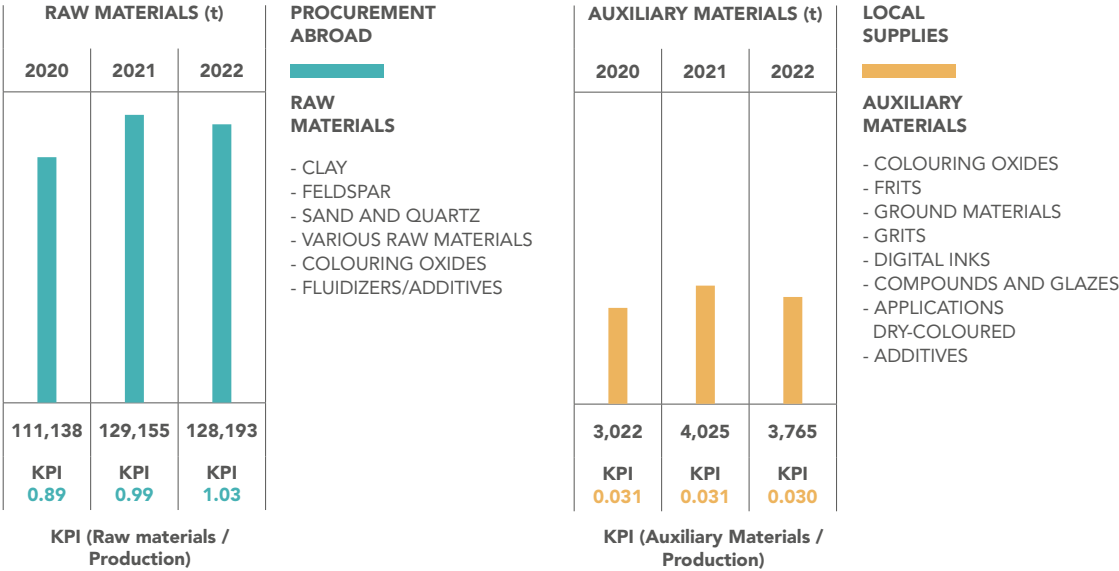
- **Raw materials:** clays, feldspars, sands and quartzes, colouring oxides, fluidizers/additives and other raw materials.
- **Auxiliary materials:** colouring oxides, frits, ground materials, grits, digital inks, compounds and glazes, dry coloured applications and additives.

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

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



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



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



MASS FLOW

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

ITALGRANITI GROUP has collaborated with the most qualified suppliers to study products and processes with less environmental impact. A significant amount of water, drawn from artesian wells, is involved in the process outlined below. After use, all water is recycled, less evaporation losses. The auxiliary materials used represent the best solutions for the industry and are employed in the process with much lower volumes than other resources.

RECYCLING WATER AND PRODUCTION SCRAPS

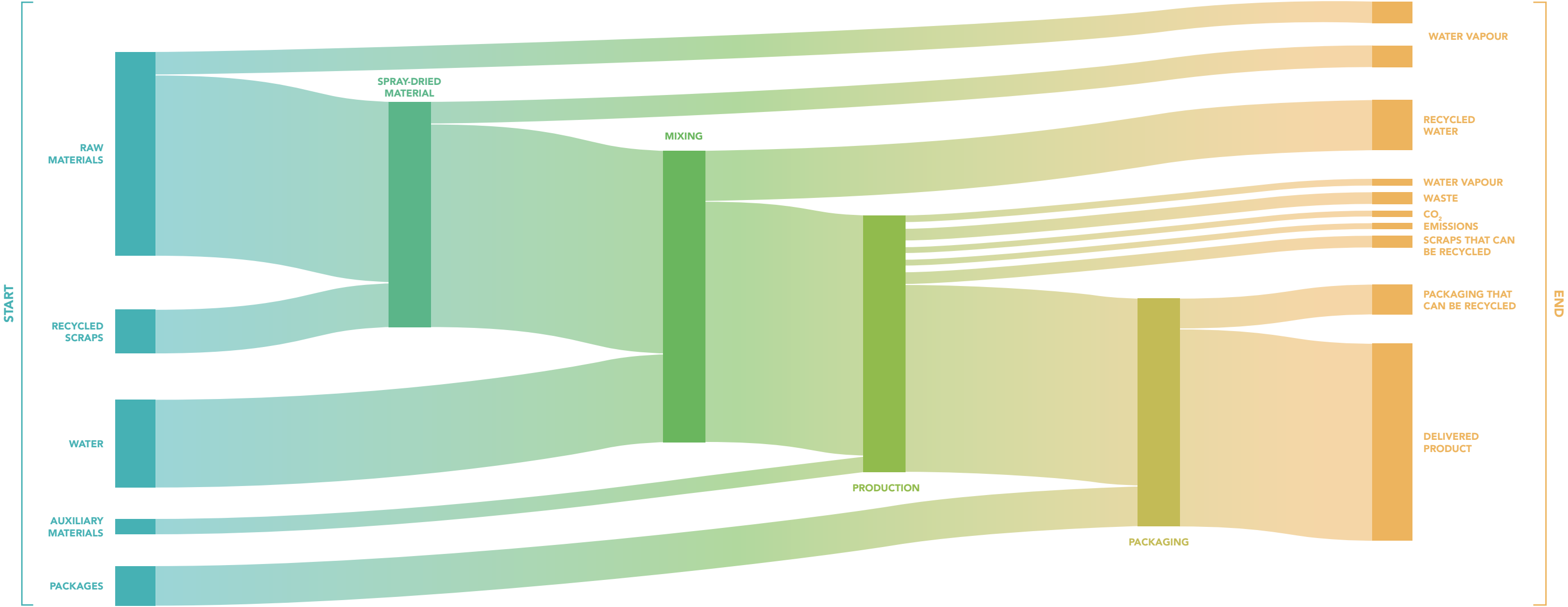
100%

RECYCLED WATER

98.2%

RECYCLED SCRAPS

ITALGRANITI GROUP recovers 100% of the water used in the production process and almost completely recycles production scraps. This important objective required considerable investment, which was considered essential in view of increasing environmental sustainability.



06.4 PACKAGING

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

From this point of view, there are several fronts on which work has been done, achieving consistent results. The new packaging system, which uses reel films made of 50% recycled plastic, has made it possible to reduce consumption by 50%. The triple-wall carton

contains 60% recycled material. Polystyrene and polyurethane foam, which were used inside, have been replaced by elastic netting made from discarded cardboard (like tile blanks), and embossed paper, which is also 100% recycled.

The table shows the packaging materials used by ITALGRANITI GROUP.

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

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

PACKAGING	2020	2021	2022
Wood	2,448	3,152	2,809
Cardboard	240	320	296
Heat shrinking film	190	220	218
Straps	70	120	62
Total	2,948	3,812	3,385
KPI (Packaging / Production)	2.9 %	2.9 %	2.7 %

Values in ton

PLASTIC-FREE

The Plastic-free Project for offices has already led to many changes:

- in drinks dispensers, the cups are now made of paper and the scoops of wood
- mains water has taken the place of gallon bottle water dispensers and all employees have been provided with personal water bottles

- plastic plates, cutlery and glasses have been replaced with biodegradable ones
- workwear is packaged in paper bags
- preference is given to the purchase of materials made of R-PET, the polymer obtained by recycling PET.

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



06.5 PRODUCT CERTIFICATIONS

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



EPD

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

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



LEED CERTIFICATION

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

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



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

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



CCC CERTIFICATION

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

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



CE MARK

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

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



NF UPEC CERTIFICATION

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

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



CERAMICS OF ITALY

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

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

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

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



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

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

07.1 CORPORATE STRUCTURE AND BODIES

MEMBERS OF THE BOARD OF DIRECTORS	
Dante Giacobazzi	President and Company Representative
Francesco Maturo	Managing Director
Elisa Giacobazzi	Managing Director
Giuseppe Pifferi	Managing Director

MEMBERS OF THE BOARD OF AUDITORS	
Cristina Corradi	Chairman of the Board of Auditors
Chiara Baraldi	Standing auditor
Piermaria Covati	Standing auditor
Federico Fiorcari	Deputy auditor
Riccardo Vandini	Deputy auditor

INDEPENDENT AUDITORS	
BDO Italia S.p.A	

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



Elisa Giacobazzi and Francesco Maturo  
Italgraniti Group S.p.A. CEO



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

## 07.2 CORPORATE POLICIES

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

### CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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



## GENDER EQUALITY

At the beginning of 2023, the process of obtaining UNI/PdR 125:2022 certification on gender equality was completed. ITALGRANITI GROUP is the first Italian ceramic group to achieve it, reaching a very ambitious target, given the clear male dominance that has always characterised the ceramic sector. The Group believes that a more equitable presence of genders and their equal contribution to the development of our society also requires the

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

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

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

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

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





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

## THE ENVIRONMENT AND SUSTAINABILITY

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

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

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

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



## OCCUPATIONAL HEALTH AND SAFETY

The management of occupational health and safety issues is one of the priorities of ITALGRANITI GROUP, which, feeling a direct responsibility for these issues, has adopted the requirements of the ISO 45001 standard and has prepared procedures and operating instructions that have led to the certification of the system already 3 years ago.

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

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

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







## QUALITY OF PRODUCTS

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

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

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

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



## SUSTAINABLE PROCUREMENT AND THE SUPPLY CHAIN

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

also been analysed in terms of their corporate social responsibility.

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

- in purchasing goods and using suppliers that adopt active inclusion and diversity policies and have an active approach to tackling any kind of exploitation of labour
- in purchasing goods and services that reflect appropriate and recognised environmental specifications or standards in order to pursue continuous improvement of internal procurement practices;
- in including sustainability criteria as part of the supplier evaluation process
- in applying the environmental and safety legislation, including international obligations on climate change and sustainable development, such as reducing CO<sub>2</sub> emissions and protecting biodiversity
- in giving priority to Suppliers who have introduced ethical and sustainable practices within their organisation
- in promoting a level of cooperation and awareness on sustainability among supply chain partners and encouraging them to adopt sustainable practices;
- in avoiding the use of potentially environmentally harmful products when a less harmful alternative is available
- in reducing waste and the use of non-renewable resources by identifying and eliminating, where possible, wasteful practices in internal and external operations, prioritising goods that provide the greatest benefits in the circular economy
- in encouraging the sourcing of materials, products and services from local markets.

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



07.3 RISK ANALYSIS

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

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

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

- Risks and opportunities may arise from:
- the context of the Group
  - compliance obligations
  - stakeholders' expectations.

07.4 CODE OF CONDUCT

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

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

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

07.5 ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

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

- ITALGRANITI GROUP has adopted an organisation, management and control model that has a dual purpose:
- protecting the Group from the sanctions provided for in Italian Legislative Decree 231/01
  - formalising their ethical behaviour and extending it to their social stakeholders.

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

- The addressees of the model are all the social stakeholders of ITALGRANITI GROUP, but in particular:
- shareholders
  - board members
  - top position persons
  - employees, including temporary workers
  - external collaborators, i.e. consultants, suppliers, sub-contractors and all partners.

07.6 WHISTLEBLOWING

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

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

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



07.7 COMPANY CERTIFICATIONS

The Group has obtained and maintains the following certifications.



B CORP

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

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



ECOVADIS CERTIFICATION: SUSTAINABILITY ASSESSMENT

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

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



ISO 14064-1

ISO 14064-1 certification allows organisations to quantify their GHG emissions to implement carbon management policies and communicate their sustainability commitment to their stakeholders. Italgraniti Group started a reporting path on their greenhouse gases (GHG) emissions and removal. The study intends to respond to a

need geared not only towards knowing their own Carbon Footprint but also towards identifying possible strategies and actions aimed to reducing GHG emissions. This important certification proves the Group proactive approach and the ability to provide consistent and reliable data on their Carbon Footprint.



REGISTRAZIONE EMAS

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

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



ISO 14001

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

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



UNI/PDR 125:2022

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

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



ISO 9001

ISO 9001 certification is an internationally recognised standard for the creation, implementation and management of a Quality Management System. It is a certification recognised as a basis for creating a system that

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



ISO 45001

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

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

IEA - IPPC OBSERVATORY

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

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



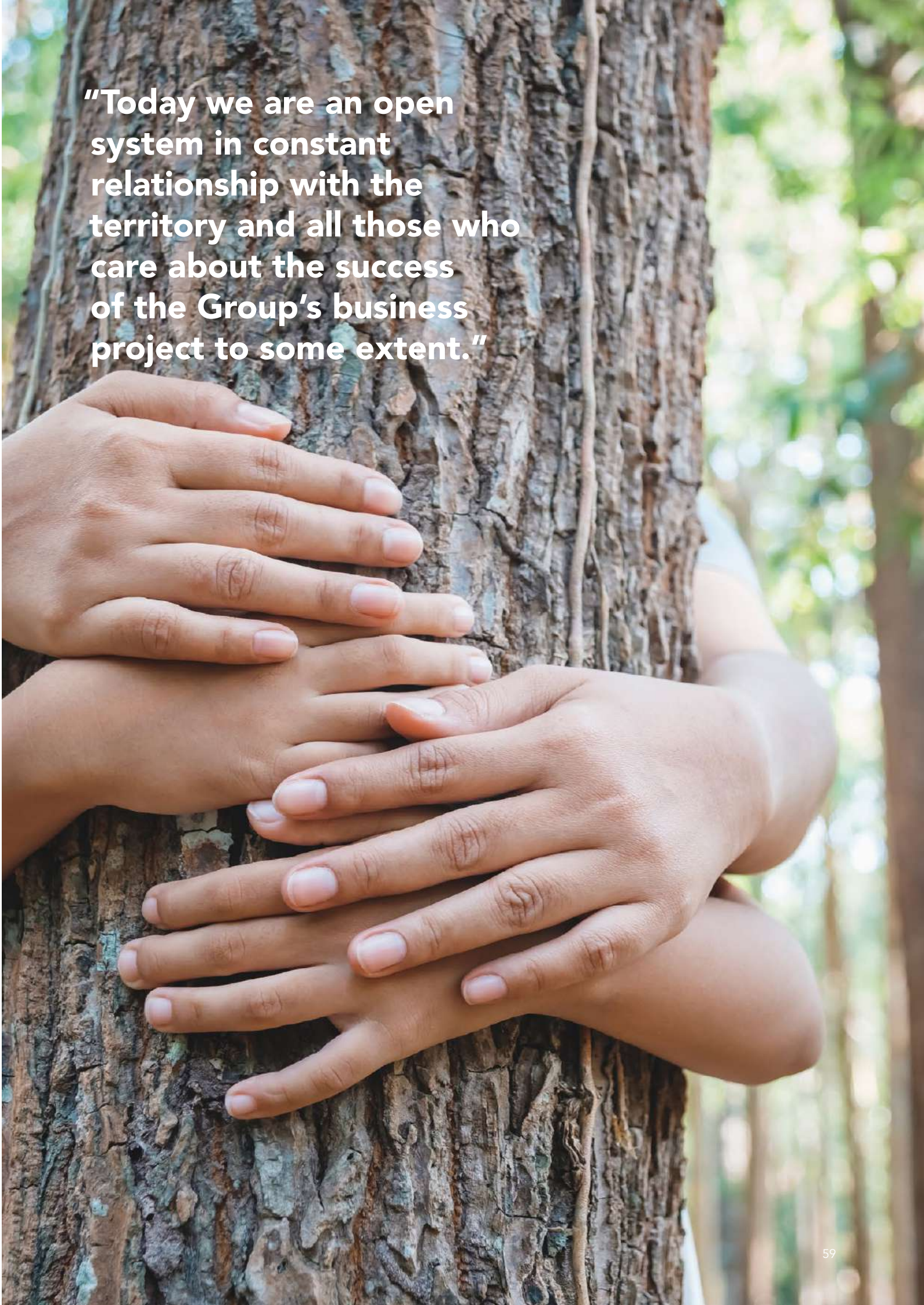
Over the years, the importance of Stakeholders has grown in parallel with the expansion of the Group, culminating in its official recognition as a Benefit Corporation.

Involving and listening to their needs strengthens the relationship between ITALGRANITI GROUP and the territory in which it operates. The expectations, perceptions and priorities of stakeholders influence the Group's strategy, and thus also the definition of economic and socio-environmental objectives.

For the drafting of this Sustainability Report, individuals or groups were identified - in accordance with the principles of the GRI Standards - who can be considered stakeholders, having a relationship with the company and its activities.

STAKEHOLDER	WAYS OF INVOLVEMENT
EMPLOYEES AND THEIR REPRESENTATIVES	Several welfare initiatives for employees contributed to zero labour disputes by 2022: <ul style="list-style-type: none"><li>- allocation of an economic contribution against high energy prices</li><li>- activation of a performance-based reward system (active at the San Martino in Rio site)</li><li>- opening the whistleblowing channel (page 53)</li></ul>
CONSUMERS AND LOCAL COMMUNITIES	<ul style="list-style-type: none"><li>- In order to prevent any olfactory pollution, an after-burner plant was introduced at the San Martino in Rio site (page 24).</li><li>- Several activities reported in this Report aim to offer consumers an increasingly eco-sustainable product (pages 30-34).</li></ul>
SUPPLIERS	The evolution of the procurement policy focuses on greater involvement of suppliers as key players in the value chain, with a view to fairness, transparency and mutual cooperation (page 29).
CUSTOMERS, DESIGNERS AND ARCHITECTS	The Group has a new showroom (page 15), while the area of the Flagship Store in Milan was doubled (page 16).
CONTROL AUTHORITIES, PUBLIC INSTITUTIONS AND REGULATORY BODIES	The Group has adopted Model 231 (page 53) and ensures strict compliance with its principles, procedures and planned activities, for a relationship with authorities and institutions based on transparency and cooperation.
COMMERCIAL AND FINANCIAL PARTNERS	<ul style="list-style-type: none"><li>- In order to report on its activities in a timely and transparent manner, the Group publishes the Annual Financial Statements and the Sustainability Report annually.</li><li>- Created to facilitate the work of the sales network, the Inside portal (page 21) has quickly become an indispensable tool.</li></ul>
TRADE ASSOCIATIONS	ITALGRANITI GROUP actively participates in working tables and initiatives promoted by Confindustria Ceramica.
SHAREHOLDERS	Every year ITALGRANITI GROUP undertakes to publish the Annual Financial Statements and Sustainability Report for the previous year.

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





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

## 09.

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

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

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

### 09.1 EQUAL OPPORTUNITIES

ITALGRANITI GROUP offers equal development opportunities without any gender discrimination, defining transparent standards consistent with Performance Management and Talent Development processes. Training sessions are planned for all employees aimed

at raising awareness in the organisation on the theme of valuing differences, gender equality, inclusion and the impact on business that these issues have. Specifically, all resource persons are made aware of issues related to unconscious bias and the ability to communicate inclusively.

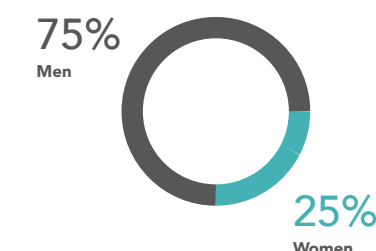
	EXECUTIVES	MANAGERS	CLERKS	SAME-LEVEL WORKERS	TOTAL
Men	7	11	53	108	179
Women	2	3	40	16	61
Totale	9	14	93	124	240

TURNOVER	2020	2021	2022
Employed	10	7	32
Discharged	9	12	21

Total workforce		
Men	179	75%
Women	61	25%

<30 years	30-50 years	> 50 years
7%	48%	45%



CAREER ADVANCEMENT 2022	% MEN	% WOMEN
Managers and administrators	0%	50%
Front line and executives	0%	0%
White collars	8%	9%
Blue collars	7%	40%
TOTAL	7%	17%

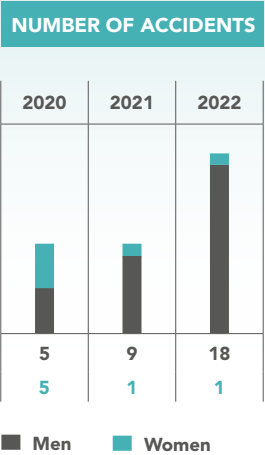
FEMALE WAGE GAP 2022	
Managers and administrators	-41%
Front line and executives	-11%
White collars	-7%
Blue collars	-7%
TOTAL	-24%



09.2 OCCUPATIONAL HEALTH AND SAFETY

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

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



09.3 TRAINING

A quarter of the 250 employees in 2022 are women, a ratio that is repeated if we consider the presence of women on the Board of Directors and in management (including executives). In line with the UN Sustainable Development Goals, the Group considers gender equality to be a key issue for combating discrimination in the world of work and for achieving its strategic goals.

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

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	2020	2021	2022
Women	9.7	8	11
Men	46.17	33	23
Workers	24.71	9	7
Clerks	36.33	41	31
Managers	130.07	45	48
Executives	56.4	22	37
Average hours of transversal training	33.99	26.77	18.04
Average hours of safety training	2.96	0.65	1.78

TOTAL HOURS OF TRAINING	2020	2021	2022
	8,617	6,363	4,772

ITALGRANITI ACADEMY

Italgraniti Academy was created with the intention of giving value to continuous training within the Group. With a view to lifelong learning and constant development of skills and knowledge, Italgraniti Academy offers modules covering both technical and commercial topics.

These training measures focus on areas of interest mainly dedicated to the technical-commercial structure and are planned periodically throughout the year. These training and meeting moments become a vehicle of a common corporate language and an opportunity to express the corporate culture.

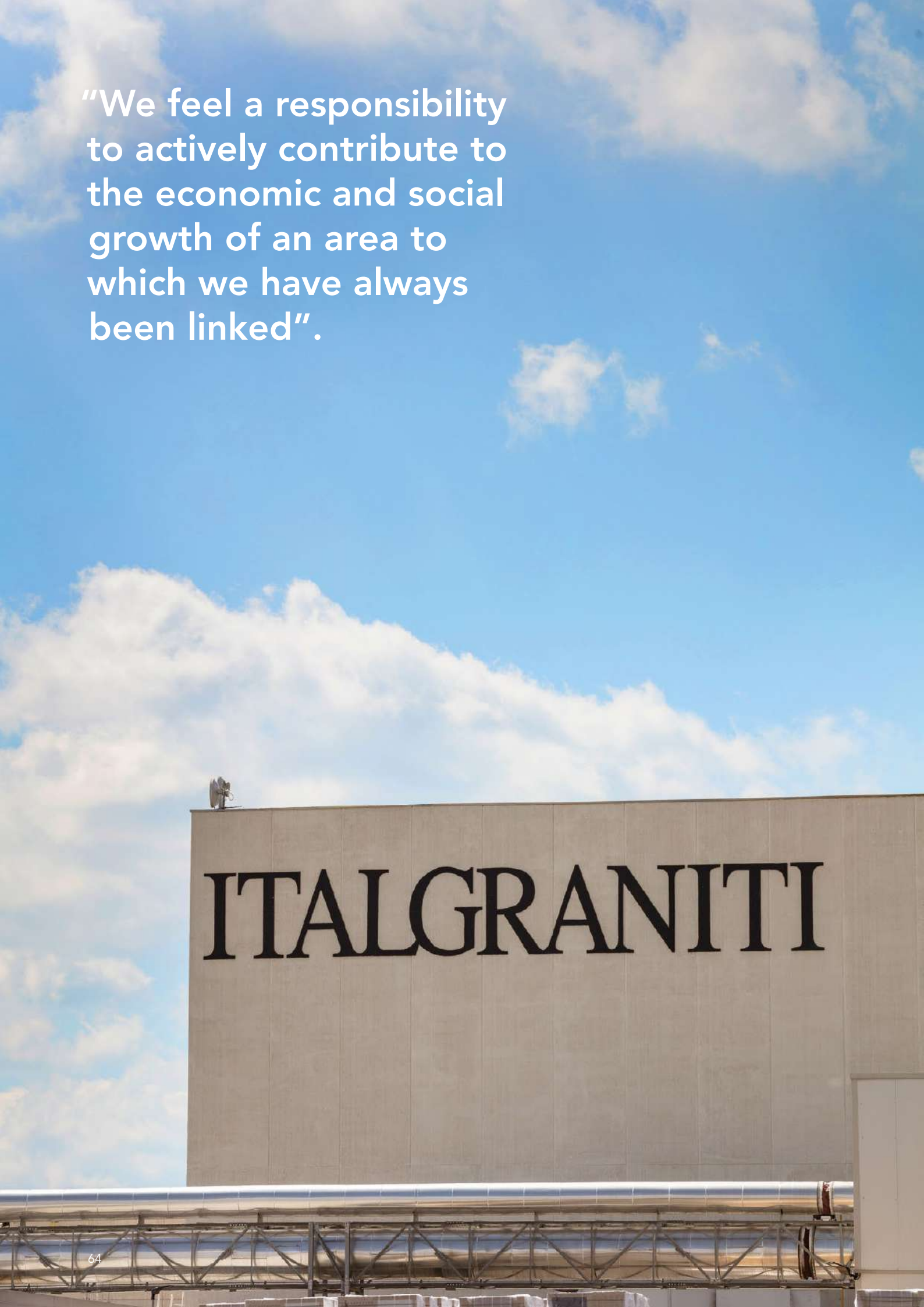


WELCOME TRAINING

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

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



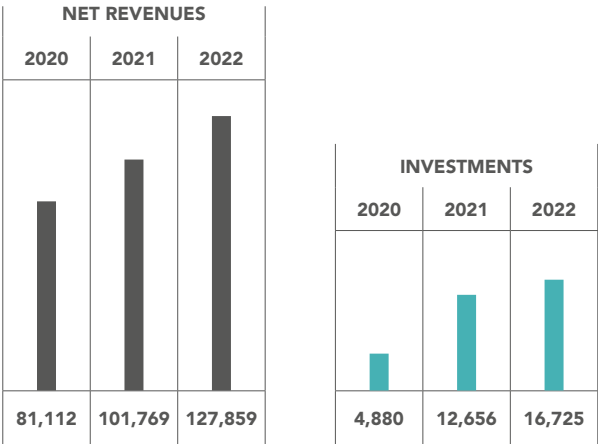


“We feel a responsibility to actively contribute to the economic and social growth of an area to which we have always been linked”.

10.

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

both in its daily operations and in defining its medium and long term strategy. Annually and with extreme transparency, ITALGRANITI GROUP is committed to disclosing financial, production and commercial data to its stakeholders. The table below shows the economic value generated by the Group in 2022 and distributed to the various stakeholders. Comparison is made with the previous two years.



Value expressed in thousands of euros

	2020	2021	2022
Economic value generated	79,391	105,427	136,182
Operating costs	55,227	74,462	95,632
Remuneration and benefits	14,753	16,520	17,253
Payments to providers of capital	1,172	783	2,501
Payments to Public Administration	1,029	1,119	4,309
Investments in the community	25	29	32
Economic value distributed	72,206	92,912	119,808
Economic value retained	7,185	12,516	16,374



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

## 11.1 ENVIRONMENTAL ASPECTS

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

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

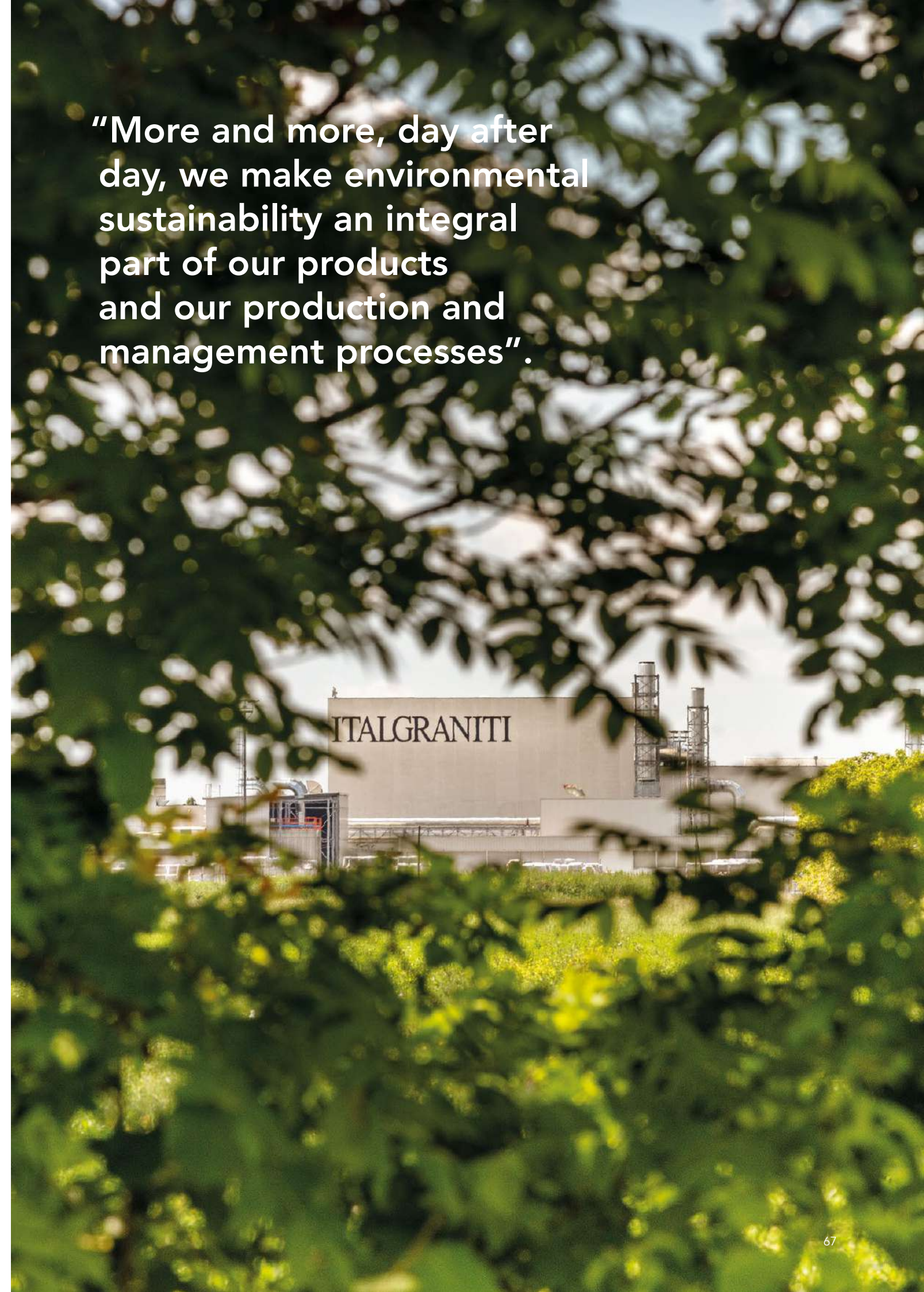
The direct environmental aspects taken into account are:

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

The induced environmental aspects taken into account are:

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

"More and more, day after day, we make environmental sustainability an integral part of our products and our production and management processes".

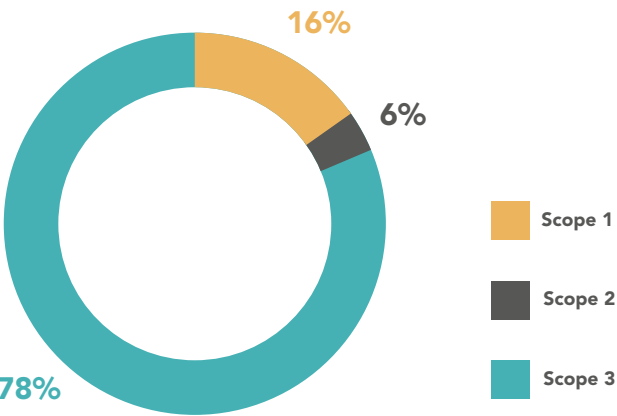




11.2 TOWARDS CARBON NEUTRALITY

In 2022 ITALGRANITI GROUP obtained ISO 14064-1 certification, which allows it to quantify greenhouse gas emissions (GHGs) directly or indirectly related to its activities (the so-called Carbon Footprint); therefore, it enables the Group to adopt a carbon management policy aimed at reducing them. With this certification ITALGRANITI GROUP can thus transparently

account to its stakeholders for its commitment to environmental sustainability. This important certification proves the Group proactive approach and the reliability of data provided on their Carbon Footprint. Reporting emissions gives, in fact, the true proportions of the carbon footprint and allows for the study and implementation of strategies to contain it.



Components of CO <sub>2</sub>		Definition
Scope 1	30,570	Direct emissions from owned or controlled sources.
Scope 2	10,584	Indirect greenhouse gas emissions from purchased energy.
Scope 3	146,536	Indirect emissions occurring in the value chain.

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

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

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

have been identified (based on the guidelines of Regulation 2018/2026/EU). KPIs are normalised on production volumes, i.e. on products in stock expressed in t/year. By way of example, below are the figures used for reporting in the year 2022 and the relevant sources from which they were taken:

The indicator measuring CO<sub>2</sub> emissions into the atmosphere is expressed as follows:

CO<sub>2</sub> emissions KPI06 =  $\frac{\text{Weight of CO}_2}{\text{Production volume by weight}}$  =  $\frac{\text{t}}{\text{t}}$

The method provided in Annex II of European Commission Decision 2007/589/EC was used to calculate the weight of CO<sub>2</sub>.

	2020	2021	2022
CO <sub>2</sub> emissions KPI	0.35	0.30	0.33

EMISSION TRADING SYSTEM OF THE EUROPEAN UNION

To tackle climate change threats and achieve CO<sub>2</sub> emission reduction targets in Europe's main industrial sectors, the European Union issued Directive 2003/87/EC in 2003, which introduced the Emission Trading System (ETS), a genuine market for emission allowances. The ETS involves all companies producing climate-changing gases (such as CO<sub>2</sub>) and is based on "Cap and Trade", a principle that establishes a cap on the maximum emissions allowed on the European territory, divided into "emission allowances" (each equal to 1 t of CO<sub>2</sub> equivalent) that companies can buy or sell according to their needs. Each year, companies participating in the ETS must return an allowance for every t of CO<sub>2</sub> equivalent emitted. Only a limited number of allowances are allocated for free, and companies that do not receive any or do not have enough allowances to cover their emissions must purchase additional allowances, either from other companies or at auction.

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



11.3 ENERGY CONSUMPTION

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

	2020	2021	2022
Electric power (GJ)	95,680	101,789	23,562
Methane gas (GJ)	474,540	597,116	709,354



The different balance of consumption compared to 2021 reflects the commissioning of the cogeneration plant, which increased the consumption of methane gas while it caused electricity consumption to fall.

Electric power KPI =  $\frac{\text{Electric power used for production purposes}}{\text{Volume in square metres of finished product shipped}} = \frac{\text{GJ}}{\text{m}^2}$

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

	2020	2021	2022
Electric power KPI	0.97	0.78	0.19
Thermal energy KPI	4.79	4.56	5.72

11.4 WASTE GENERATION

Waste generation is summarised in the following table.

WASTE GENERATION	2020	2021	2022
Waste disposed of to third parties for EWL codes specific to the ceramic sector (t/year)	5864	3983	9,393
Hazardous waste generated (t/year)	70	48	88.3

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

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

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

	2020	2021	2022
Waste KPI	0.06	0.05	0.07
Hazardous waste KPI	0.00071	0.00060	0.00070





11.5 EMISSIONS IN THE ATMOSPHERE

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

MASS FLOW (kg/year)						
	2020		2021		2022	
Pollutant type	authorised	medium released	authorised	medium released	authorised	medium released
Particulate matter	110,143	6,887	110,143	4,010	118,451	1,335
Fluorine	1,658	79	1,658	74	1,658	161
Lead	166	0,02	166	0,34	166	0,075
Nitrogen oxides	333,448	15,638	333,448	21,665	343,870	18,064
VOCs	16,581	1,763	16,581	507	16,581	1,066
Aldehydes	6,632	301	6,632	65	6,632	143

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

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

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

EMISSIONS KPI	2020	2021	2022	Bat
Particulate matter	1.54	0.69	0.23	7.5
Fluorine	0.017	0.013	0.028	0.6
Lead	0.00003	0.00004	0.00001	0.05
Nitrogen oxides	3.50	3.74	3.17	
VOCs	0.395	0.088	0.187	
Aldehydes	0.067	0.011	0.025	

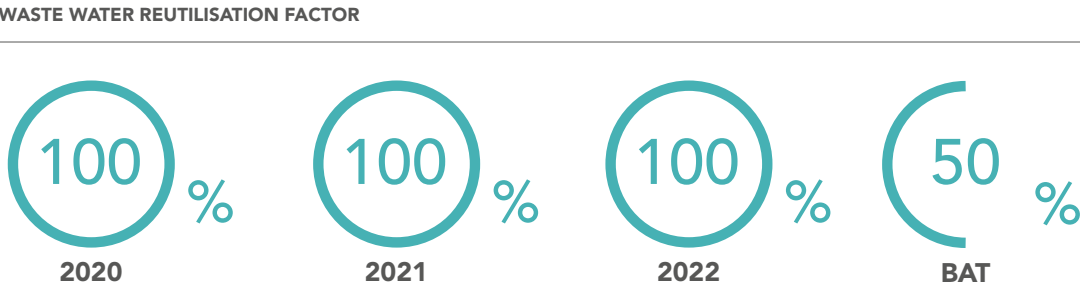
11.6 WATER CONSUMPTION

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

WATER CONSUMPTION	2020	2021	2022
Water drawn from wells (m³)	56,530	61,918	65,915

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

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



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

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

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

	2020	2021	2022
Water KPI	0.57	0.47	0.53



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



The Sustainability Report of ITALGRANITI GROUP (hereinafter also “Group”) is a consolidated non-financial statement, as required by Italian Legislative Decree 254/2016. The selection of contents to be reported was made considering the most relevant topics for the Group and its stakeholders.

The method adopted to prepare this Sustainability Report complies with the Global Reporting Initiative Sustainability Reporting Standards (also known as “GRI”), internationally recognised reporting

guidelines. The company performance data and indicators cover the financial year 2022 (1 January to 31 December) and are the result of market analyses, internal processing, use of databases and sector studies. The information contained herein is current as at 31 May 2023 and is compared with that of the previous year, when available. In this case, the data are clearly associated with the relevant year. The use of estimates has been limited as much as possible, which are in any case based on the best available methods.

ACTIVITY	DESCRIPTION	SDGs
UNI/PdR 125:2022 certification on gender equality	Obtaining UNI/PdR 125:2022 certification on gender equality, a key element in overcoming any form of discrimination, as well as affirming the dignity of the person.	 
Expansion of production areas	Increasing jobs and optimising consumption through the installation of state-of-the-art production lines, with a total investment estimated at around EUR 50,000,000.	 
Restoration of road surface in Via per Carpi and construction of cycle/pedestrian path	The Group has earmarked almost EUR 1,300,000 to repair the section of Via per Carpi between the production plant and Trignano (1.5 km in total) and to build a cycle/pedestrian path from Trignano to the Gualdi roundabout (about 1 km).	
Plastic Free project	The many solutions the Group is adopting to reduce non-recyclable packaging will lead to a reduction in the following materials: - 500 m³ of polystyrene - 30 t of shrink-wrap plastic - 100 m³ of polyurethane foam	 
Qualification of suppliers from an ESG (Environmental, Social and Governance) perspective	Screening of the Group’s suppliers will be completed, using best practices that, alongside economic performance, assess their socio-environmental profile and quality of governance.	 
CO <sub>2</sub> offsetting (target for 2023/24)	The headquarters in Casinalbo (Mo) will be equipped with a photovoltaic system with a power output suitable for operational needs.	  
New logistics hub	A new Group’s logistics hub will be set up in Sassuolo, which will optimise the dispatch of ready material and reduce the impact of transport on traffic with a consequent reduction in indirect CO <sub>2</sub> emissions.	 
Corporate welfare programs	<b>Training and prevention</b> In cooperation with qualified health personnel, the Group will train its employees on healthy lifestyles and give them the opportunity to undergo free screening for the prevention of cardiovascular diseases.	
	<b>Affiliated summer camps</b> At the closure of schools, the Group will activate agreements with some local summer camps, so as to encourage the participation of employees’ children.	 
	<b>Employee benefits</b> The Group has entered into various agreements with numerous commercial activities in the territories hosting the company’s sites. There, employees can benefit from discounts and concessions on products and services, with a higher purchasing power.	 
Dialogue with stakeholders	<b>“Discovery English” project</b> The Group will continue to support an English language enhancement project aimed at the fifth classes of local primary schools.	 
	<b>Dementia care</b> The Group will continue to support the Meeting Centre created within Dementia Friendly Community, a pilot project of social inclusion aimed at population groups that have not yet had access to the traditional clinical pathway, meeting the needs of families caring for people in the early stages of the disease.	 
	<b>Volunteering</b> The Group will support a number of volunteering projects conceived and promoted by local NGOs.	 



# 13. GRI content index

GRI STANDARD	PARAGRAPHS
<b>GRI 2: GENERAL DISCLOSURES</b>	
<b>DISCLOSURE 2-1 ORGANISATIONAL DETAILS</b>	
a. report its business name	Back cover
b. report the nature of its ownership and legal structure	Back cover, Governance
c. report the location of its headquarters	Locations and innovation
d. report the countries in which it operates	Company
<b>DISCLOSURE 2-2 ENTITIES INCLUDED IN THE ORGANISATION'S SUSTAINABILITY REPORTING</b>	
a. list all entities included in its sustainability reporting	Locations and innovation, Methodological note
b. if the organisation has audited consolidated financial statements or financial information presented in the public domain, specify the differences between the list of entities included in the financial statements and those included in the sustainability reporting	Risk analysis
c. if the organisation consists of several entities, explain the approach taken to consolidate information	Locations and innovation, Methodological note
<b>DISCLOSURE 2-3 REPORTING PERIOD, FREQUENCY AND POINT OF CONTACT</b>	
a. specify the period of the financial statement and, if different from the period of the sustainability reporting, explain why	Methodological note
b. indicate the date of publication of the reporting or information reported	Methodological note
c. specify the contact point for questions on reporting or information reported	Methodological note
<b>DISCLOSURE 2-4 RESTATEMENTS OF INFORMATION</b>	
a. report revisions of information made in previous reporting periods and explain: i. the revision reasons; ii. the effects of revisions	Methodological note
<b>DISCLOSURE 2-5 EXTERNAL ASSURANCE</b>	
a. describe policy and practice for seeking external assurance, including whether and how the highest governance body and senior management are affected;	Not applied
b. if the organisation's sustainability reporting was externally assured: i. provide a link or reference to external assurances or reportings of external assurances; ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained and any limitations of the assurance process; iii. describe the relationship between the quality assurance consultant or organisation	Not applied
<b>DISCLOSURE 2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS</b>	
a. report on the sectors in which it is active	Company, Products
b. describe its value chain: i. the organisation's activities, products, services and markets served; ii. the organisation's supply chain; iii. the organisation's downstream entities and their activities;	Company, Products
c. report other relevant business relationships;	Company, Products
d. describe substantial changes in 2-6-a, 2-6-b and 2-6-compared to the previous reporting period	Company, locations and innovation
<b>DISCLOSURE 2-7 EMPLOYEES</b>	
a. report the total number of employees and a breakdown by gender and region	People
b. report the total number of: i. permanent employees and a breakdown by gender and geographical region; ii. fixed-term employees and a breakdown by gender and geographical region; iii. employees with non-guaranteed hours and a breakdown by gender and geographical region; iv. full-time employees and a breakdown by gender and geographical region; v. part-time employees and a breakdown by gender and geographical	People
c. describe the methods and assumptions used to compile the data fields, including whether figures are reported: i. according to the number of people, full-time equivalents (FTE) or using another method; ii. at the end of the reporting period, as an average over the period or using another method	People
d. report the contextual information needed to understand the data reported in 2-7-a and 2-7-b.	People
e. describe significant changes in the number of employees during and between reporting periods	People
<b>DISCLOSURE 2-8 NON-EMPLOYEES</b>	
a. report the total number of workers who are not employees and whose tasks are controlled by the organisation and describe: i. the most common type of worker and their contractual relationship with the organisation; ii. the type of tasks performed	People
b. describe the methods and assumptions used to compile the data fields, including whether the number of non-employees is reported: i. according to the number of people, full-time equivalents (FTE) or using another method; ii. at the end of the reporting period, as an average over the period or using another method	People
c. describe important changes in the number of non-employees during and between reporting periods.	People
<b>DISCLOSURE 2-9 GOVERNANCE STRUCTURE AND COMPOSITION</b>	
a. describe its governance structure, including the committees of the highest governance body.	Governance
b. list the committees of the aforementioned body responsible for decision-making and monitoring the management of the organisation's impacts on the economy, the environment and people;	Governance

GRI STANDARD	PARAGRAPHS
c. describe the composition of the highest governance body and its committees for: i. executive and non-executive members; ii. independence; iii. office holding of the governance body; iv. number of other important offices held and commitments undertaken by each member and the nature of the commitments; v. gender; vi. under-represented social groups; vii. important skills regarding the organisation's impacts; viii. representation of stakeholders	Governance
<b>DISCLOSURE 2-10 NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY</b>	
a. describe the nomination and selection procedures of the highest governance body and its committees;	Governance
b. describe the criteria used for the nomination and selection of the members of the highest governance body, including whether and how the following aspects are taken into account: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. important skills relevant to the organisation's impacts	Governance
<b>DISCLOSURE 2-11 CHAIR OF THE HIGHEST GOVERNANCE BODY</b>	
a. report whether the chair of the highest governance body is also a senior manager of the organisation	Governance
b. if yes, explain their function in the organisation's management, the reasons for this organisation and how conflicts of interest are prevented and mitigated	Governance
<b>DISCLOSURE 2-12 ROLE OF THE HIGHEST GOVERNANCE BODY IN IMPACT MANAGEMENT CONTROL</b>	
a. describe the role of the highest governance body and management in developing, approving and updating the organisation's purpose, value or mission statements, strategies, policies and objectives related to sustainable development	Governance
b. describe the role of the highest governance body in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment and people: i. whether and how the highest governance body involves stakeholders to support these processes; ii. how the highest governance body considers the results of these processes.	Governance
c. describe the role of the highest governance body in reviewing the effectiveness of the organisation's processes as described in 2-12-b and report on the frequency of this review.	Governance
<b>DISCLOSURE 2-13 DELEGATION OF RESPONSIBILITY FOR IMPACT MANAGEMENT</b>	
a. describe how the highest governance body delegates responsibility for managing the organisation's impacts on the economy, the environment and people: i. whether it has appointed senior managers with responsibility for managing impacts; ii. whether it has delegated responsibility for managing impacts to other employees	Governance
b. describe the process and frequency with which senior managers or other employees must report to the highest governance body on the management of the organisation's impacts on the economy, the environment and people	Governance
<b>DISCLOSURE 2-14 HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING</b>	
a. report whether the highest governance body is responsible for reviewing and approving the reported information, including material topics, and if so, describe the procedure for reviewing and approving the information	Governance
b. if the responsibility for reviewing and approving the reported information, including material topics, does not lie with the highest governance body, please explain why	Governance
<b>DISCLOSURE 2- 15 CONFLICT OF INTEREST</b>	
a. describe the processes concerning the highest governance body to ensure that conflicts of interest are prevented and mitigated	Governance
b. report whether conflicts of interest are disclosed to stakeholders, including at least those concerning: i. membership of several boards of directors; ii. ownership of shares in the same organisation in which suppliers and other stakeholders are shareholders; iii. existence of shareholders with controlling powers; iv. related parties and related relationships, transactions and outstanding balances	Governance
<b>DISCLOSURE 2-16 COMMUNICATION OF CRITICAL ISSUES</b>	
a. describe whether and how critical issues are communicated to the highest governing body	Governance
b. report the total number and nature of critical issues that were reported to the highest governance body during the reporting period	Governance
<b>DISCLOSURE 2-17 COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY</b>	
a. report on the measures taken to advance the collective knowledge, skills and experience of the highest governance body with regard to sustainable development	Governance
<b>DISCLOSURE 2-18 EVALUATING THE HIGHEST GOVERNANCE BODY'S PERFORMANCE</b>	
a. describe the procedures for evaluating the performance of the highest governance body in controlling the management of impacts on the economy, the environment and people	Governance
b. report on whether evaluations are independent or not and their frequency	Governance
c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and the organisation's practices	Governance
<b>DISCLOSURE 2-19 REMUNERATION RULES</b>	
a. describe the rules concerning the remuneration of members of the highest governance body and senior management: i. fixed and variable remuneration; ii. bonus awarded at the beginning of the assignment and incentives for appointment; iii. payments at the end of the employment contract; iv. recoveries; v. retirement benefits;	People
b. describe how the remuneration rules for members of the highest governance body and senior management are related to their objectives and achievements in relation to managing the organisation's impacts on the economy, the environment and people	People



GRI STANDARD	PARAGRAPHS
<b>DISCLOSURE 2-20 REMUNERATION DETERMINATION PROCEDURE</b>	
a. describe the procedure for setting the rules on remuneration and determining remuneration: <ul style="list-style-type: none"> <li>i. whether independent members of the highest governance body or an independent remuneration committee oversee the remuneration determination procedure;</li> <li>ii. how stakeholders' (including shareholders') views on remuneration are sought and taken into account;</li> <li>iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organisation, the highest governance body and senior management;</li> </ul>	People
b. report the results of stakeholders' (including shareholders') votes or proposals and rules regarding remuneration, if relevant.	People
<b>DISCLOSURE 2-21 ANNUAL TOTAL REMUNERATION RATIO</b>	
a. report the ratio of the total annual remuneration of the person receiving the highest remuneration to the average total annual remuneration of all employees (excluding that person)	People
b. report the ratio of the percentage increase in the total annual remuneration of the person receiving the highest remuneration to the average percentage increase in the total annual remuneration of all employees (excluding that person)	People
c. report contextual information necessary to understand the data and how it was compiled	People
<b>DISCLOSURE 2-22 SUSTAINABLE DEVELOPMENT STRATEGY STATEMENT</b>	
a. report a statement from the organisation's highest governance body or senior manager on the importance of sustainable development for the organisation and its strategy to contribute to it.	Letter to Stakeholders, Corporate policies
<b>DISCLOSURE 2-23 POLICY COMMITMENT</b>	
a. describe the policy commitment to responsible business conduct: <ul style="list-style-type: none"> <li>i. authoritative provisions of intergovernmental bodies to which the commitments refer;</li> <li>ii. whether the commitments require due diligence;</li> <li>iii. whether the commitments require the application of the precautionary principle;</li> <li>iv. whether the commitments require respect for human rights</li> </ul>	Letter to Stakeholders, Company policies, Stakeholders
b. describe the commitments in terms of specific human rights policies: <ul style="list-style-type: none"> <li>i. internationally recognised human rights that are relevant to the commitments;</li> <li>ii. categories of stakeholders, including vulnerable or at-risk groups to which the organisation pays particular attention in its commitment</li> </ul>	Letter to Stakeholders, Company policies, Stakeholders
c. provide links to policy commitments, if publicly available, or, if policy commitments are not publicly available, explain why	Letter to Stakeholders, Company policies, Stakeholders
d. report the level at which each policy commitment has been approved within the organisation, specifying whether it is the highest level	Letter to Stakeholders, Company policies, Stakeholders
e. report on the extent to which policy commitments apply to the organisation's business activities and relationships	Letter to Stakeholders, Company policies, Stakeholders
f. describe how policy commitments are communicated to employees, business partners and other stakeholders	Letter to Stakeholders, Company policies, Stakeholders
<b>DISCLOSURE 2-24 INTEGRATION OF POLICY COMMITMENTS</b>	
a. describe how it integrates policy commitments for responsible business conduct through its activities and business relationships: <ul style="list-style-type: none"> <li>i. how it assigns responsibility for implementing commitments at various levels of the organisation;</li> <li>ii. how it integrates the commitments into the organisation's strategies, operational policies and operational procedures;</li> <li>iii. how it maintains commitments with and through the entities with which it does business;</li> <li>iv. the training provided for the implementation of the commitments.</li> </ul>	Letter to Stakeholders, Corporate policies, Stakeholders, People
<b>DISCLOSURE 2-25 PROCESSES TO REMEDY NEGATIVE IMPACTS</b>	
a. describe commitments made to provide for or cooperate in remedying negative impacts that the organisation believes it has caused or contributed to	Stakeholders, Whistleblowing
b. describe its approach to identifying and handling complaints, including the complaint procedures the organisation has established or participates in	Stakeholders, Whistleblowing
c. describe other processes that the organisation adopts or collaborates with to remedy negative impacts that it believes it has caused or contributed to	Stakeholders, Whistleblowing
d. describe how stakeholders, who are the intended users of the complaint procedures, are involved in the design, revision, operation and improvement of these procedures	Stakeholders, Whistleblowing
e. describe how the organisation tracks the effectiveness of complaint mechanisms and other remedial processes and provide examples of their effectiveness, including feedback from stakeholders	Stakeholders, Whistleblowing
<b>DISCLOSURE 2-26 MECHANISMS FOR REQUESTING CLARIFICATION AND RAISING CONCERNS</b>	
a. describe procedures that enable people to: <ul style="list-style-type: none"> <li>i. seek clarification on the implementation of the organisation's policies and practices for responsible business conduct;</li> <li>ii. raise concerns about the organisation's business conduct</li> </ul>	Stakeholders, Whistleblowing
<b>DISCLOSURE 2-27 COMPLIANCE WITH LAWS AND REGULATIONS</b>	
a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period and a breakdown of this total by: <ul style="list-style-type: none"> <li>i. cases in which it had to pay fines;</li> <li>ii. cases in which it has incurred non-pecuniary penalties;</li> </ul>	Risk analysis, Code of Ethics, Organisational Model according to Italian Legislative Decree 231, Company certifications
b. report the total number and monetary value of penalties for cases of non-compliance with laws and regulations paid during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> <li>i. penalties for non-compliance with laws and regulations that occurred during the current reporting period;</li> <li>ii. penalties for non-compliance with laws and regulations that occurred in previous reporting periods</li> </ul>	Risk analysis, Code of Ethics, Organisational Model according to Italian Legislative Decree 231, Company certifications

GRI STANDARD	PARAGRAPHS
c. describe significant instances of non-compliance	Risk analysis, Code of Ethics, Organisational Model according to Italian Legislative Decree 231, Company certifications
d. describe what led to the instances of non-compliance	Risk analysis, Code of Ethics, Organisational Model according to Italian Legislative Decree 231, Company certifications
<b>DISCLOSURE 2-28 MEMBERSHIP OF ASSOCIATIONS</b>	
a. report on sector associations, other trade associations and national or international advocacy organisations in which it plays an important role	Company
<b>DISCLOSURE 2-29 APPROACH TO STAKEHOLDERS' ENGAGEMENT</b>	
a. describe its approach to stakeholders' engagement, including: <ul style="list-style-type: none"> <li>i. the categories of stakeholders it involves and how these are identified;</li> <li>ii. the purpose of stakeholders' engagement;</li> <li>iii. how the organisation seeks to ensure meaningful engagement with stakeholders</li> </ul>	Stakeholders
<b>DISCLOSURE 2-30 COLLECTIVE AGREEMENTS</b>	
a. report the percentage of total employees covered by collective agreements	People
b. for employees not covered by collective agreements, report whether the organisation determines their working conditions and terms of employment on the basis of collective agreements by which other employees are covered or on the basis of collective agreements of other organisations	People
<b>GRI 3: MATERIAL TOPICS</b>	
<b>DISCLOSURE 3-1 PROCESS FOR DETERMINING MATERIAL TOPICS</b>	
a. describe the process followed to determine the material topics, including: <ul style="list-style-type: none"> <li>i. how it has identified current and potential positive and negative impacts on the economy, the environment and people, including human rights impacts, in the context of its business activities and relationships;</li> <li>ii. how the process of prioritising impacts to be reported has considered the significance of those impacts</li> </ul>	Stakeholders
b. specify who the stakeholders and experts whose views were considered in the process of determining the material topics are.	Stakeholders
<b>DISCLOSURE 3-2 LIST OF MATERIAL TOPICS</b>	
a. list its material topics	Stakeholders
b. report changes made to the list of material topics since the previous reporting period	Stakeholders
<b>DISCLOSURE 3-3 MANAGEMENT OF MATERIAL TOPICS</b>	
a. describe the actual and potential positive and negative impacts on the economy, the environment and people, including those on their human rights	Stakeholders
b. report whether the organisation is involved in negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships	Stakeholders
c. describe the policies and commitments made with respect to the material topic	Stakeholders
d. describe the actions taken to manage the topic and related impacts, including: <ul style="list-style-type: none"> <li>i. actions to prevent or mitigate potential negative impacts</li> <li>ii. actions to address actual negative impacts, including actions to provide or help provide a solution</li> <li>iii. actions to manage actual and potential positive impacts</li> </ul>	Stakeholders
e. report the following information on the monitoring of the effectiveness of the actions undertaken: <ul style="list-style-type: none"> <li>i. processes used to track the effectiveness of actions</li> <li>ii. targets and indicators used to assess progress</li> <li>iii. the effectiveness of actions, including progress achieved against objectives and targets</li> <li>iv. lessons learnt and how these have been incorporated into the organisation's policies and operational procedures</li> </ul>	Stakeholders
f. describe how discussions with stakeholders influenced the actions taken (3-3-d) and their effectiveness (3-3-e)	Stakeholders
<b>GRI 201: ECONOMIC PERFORMANCE</b>	
201-1 Direct economic value generated and distributed	Economic value distributed
201-2 Financial implications and other risks and opportunities due to climate change	Environment
201-3 Defined benefit plan obligations and other retirement plans	Human resources
201-4 Financial assistance received from government	Value distributed
<b>GRI 202: MARKET PRESENCE</b>	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human resources
202-2 Proportion of senior management hired from the local community	Human resources
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>	
203-1 Infrastructure investments and services supported	Value distributed
203-2 Significant indirect economic impacts	Value distributed
<b>GRI 204: PROCUREMENT PRACTICES</b>	
204-1 Proportion of spending on local suppliers	Value distributed

GRI STANDARD	PARAGRAPHS
GRI 205: ANTI-CORRUPTION	
205-1 Operations risks related to corruption	Model 231
205-2 Communication and training about anti-corruption policies and procedures	Model 231
205-3 Confirmed incidents of corruption and actions taken	Model 231
GRI 206: ANTI-COMPETITIVE BEHAVIOUR	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Model 231
GRI 207: TAX	
207-1 Approach to tax	Value distributed
207-2 Tax Governance, control, and risk management	Value distributed
207-3 Stakeholder engagement and management of concerns related to tax	Value distributed
207-4 Country-by-country reporting	Value distributed
GRI 301: MATERIALS	
301-1 Materials used by weight or volume	Products, Environment
301-2 Recycled input materials used	Products, Environment
301-3 Reclaimed products and their packaging materials	Products, Environment
GRI 302: ENERGY	
302-1 Energy consumption within the organization	Environment
302-2 Energy consumption outside the organization	Environment
302-3 Energy intensity	Environment
302-4 Reduction of energy consumption	Environment
302-5 Reductions in the energy requirements of products and services	Environment
GRI 303: WATER AND EFFLUENTS	
303-1 Interaction with water as a shared resource	Environment
303-2 Management of water discharge-related impacts	Environment
303-3 Water withdrawal	Environment
303- 4 Water discharge	Environment
303- 5 Water consumption	Environment
GRI 304: BIODIVERSITY	
304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Environment
304-2 Significant impacts of activities, products, and services on biodiversity	Environment
304-3 Habitats protected or restored	Environment
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environment
GRI 305: EMISSIONS	
305-1 Direct (Scope 1) GHG emissions	Environment
305-2 Energy indirect (Scope 2) GHG emissions	Environment
305-3 Other indirect (Scope 3) GHG emissions	Environment
305-4 GHG emissions intensity	Environment
305-5 Reduction of GHG emissions	Environment
305-6 Emissions of ozone-depleting substances (ODS)	Environment
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) and other significant air emissions	Environment
GRI 306: WASTE	
306-1 Waste generation and significant waste-related impacts	Environment
306-2 Management of significant waste-related impacts	Environment
306-3 Waste generated	Environment
306-4 Waste diverted from disposal	Environment
306-5 Waste directed to disposal	Environment
GRI 307: ENVIRONMENTAL COMPLIANCE	
307-1 Non-compliance with environmental laws and regulations	Environment
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	
308-1 New suppliers that were screened using environmental criteria	Environment
308-2 Negative environmental impacts in the supply chain and actions taken	Environment
GRI 401: EMPLOYMENT	
401-1 New employee hires and employee turnover	Human resources
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human resources
401-3 Parental Leave	Human resources

GRI STANDARD	PARAGRAPHS
GRI 402: LABOR/MANAGEMENT RELATIONS	
402-1 Minimum notice periods regarding operational changes	Human resources
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	
403-1 Occupational health and safety management system	Human resources
403-2 Hazard identification, risk assessment, and incident investigation	Human resources
403-3 Occupational health services	Human resources
403-4 Worker participation, consultation, and communication on occupational health and safety	Human resources
403-5 Worker training on occupational health and safety	Human resources
403-6 Promotion of worker health	Human resources
403-7 Prevention and mitigation of occupational health and safety impacts linked by business relationships	Human resources
403-8 Workers covered by an occupational health and safety management system	Human resources
403-9 Work-related injuries	Human resources
403-10 Work-related ill health	Human resources
GRI 404: TRAINING AND EDUCATION	
404-1 Average hours of training per year per employee	Human resources
404-2 Programs for upgrading employee skills and transition assistance programs	Human resources
404-3 Percentage of employees receiving regular performance and career development reviews	Human resources
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES	
405-1 Diversity of governance bodies and employees	Human resources
405-2 Ratio of basic salary and remuneration of women to men	Human resources
GRI 406: NON-DISCRIMINATION	
406-1 Incidents of discrimination and corrective actions taken	Human resources
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human resources
GRI 408: CHILD LABOUR	
408-1 Operations and suppliers at significant risk for incidents of child labor	Human resources
GRI 409: FORCED OR COMPULSORY LABOUR	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human resources
GRI 410: SECURITY PRACTICES	
410-1 Security personnel trained in human rights policies or procedures	Human resources
GRI 411: RIGHTS OF INDIGENOUS PEOPLES	
411-1 Incidents of violations involving rights of indigenous peoples	Human resources
GRI 412: HUMAN RIGHTS ASSESSMENT	
412-1 Operations that have been subject of human rights reviews or impact assessments	Human resources
412-2 Employee training on human rights policies or procedures	Human resources
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human resources
GRI 413: LOCAL COMMUNITIES	
413-1 Operations with local community engagement, impact assessments, and development programs	Objectives and programs
413-2 Operations with significant actual and potential negative impacts on local communities	Objectives and programs
GRI 414: SUPPLIER SOCIAL ASSESSMENT	
414-1 New suppliers that were screened using social criteria	Supply chain
414-2 Negative social impacts in the supply chain and actions taken	Supply chain
GRI 415: PUBLIC POLICY	
415-1 Political contributions	
GRI 416: CUSTOMER HEALTH AND SAFETY	
416-1 Assessment of the health and safety impacts of products and services	Products
416-2 Incidents of non-compliance concerning impacts on the health and safety impacts of products and services	Products
GRI 417: MARKETING AND LABELING	
417-1 Requirements for product and service information and labeling	Products
417-2 Incidents of non-compliance concerning product and service information and labeling	Products
417-3 Incidents of non-compliance concerning marketing communications	Products
GRI 418: CUSTOMER PRIVACY	
418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	
GRI 419: SOCIOECONOMIC COMPLIANCE	
419-1 Non-compliance with laws and regulations in the social and economic area	



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July 2023

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