

# Sustainability Report 2021





**ITAL**  **CER**  
GROUP

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# A letter to stakeholders



**T**he Italcera Group was born five years ago, in 2017, and through multiple companies' acquisition, aggregation and synergies it has become an enthusiastic group of people and an international Group of companies focused on shared value generation. Italcera Group is today a reference point for the ceramic sector, with nationally and internationally renowned brands such as Ceramica Rondine, Equipe Ceramicas, Elios Ceramica, La Fabbrica, AVA, Devon&Devon, and Bottega.

Not many years have passed since the very beginning of our path together, but it has been a journey full of development, learnings, and events which have shaped us, such as the Covid-19 pandemic, which got us reflecting on how important our actions in the present are, allowing us to face the crisis with a sincere and natural priority for people and the environment around us.

We are emerging from this crisis with a great deal of effort, adapting to the new situation thanks to the commitment and professionalism of our employees, distributors, architects, designers and suppliers, and the trust that our customers have continued to place in us. So, I personally wish to take the opportunity of this letter to express my sincerest gratitude to all of you.

Today, we proudly present Italcera Group's first Sustainability Report, which aims to reflect our ongoing process of sustainable growth and our commitment towards shared value creation. It's probably this strong commitment towards our

stakeholders, our focus on innovation and excellence, our pursuit of constant improvement and sustainable product design, which have made us worthy of being awarded with the Sustainability Award by Forbes, Credit Suisse and KON Group. In this first edition, we have been recognised as one of the top 100 Italian Sustainable Companies, in all sectors.

We know that this recognition, which we are extremely proud of, is the result of the passion and dedication, demonstrated day by day, of each of our Group employees, to whom I would like to extend my sincere thanks.

This report also aims to highlight our strengthened mission as a Group: to offer customers a choice of products, broad in terms of aesthetics, uses and formats which combine design and beauty with sustainable materials, guaranteeing the health and safety of employees, while contributing to a better world for all living beings.

And this is precisely the message that Italcera Group wants to give to all its stakeholders: the importance for Italcera Group to invest time and energy in research and development in order to create ever better products - health inspired - while minimising our environmental impact, acting on all production processes, such as the constantly growing implementation of recycled raw materials.

To this regard, we are immensely proud of Italcera's innovative patented technology called ADVANCE Antibacterial and Bio-Air Purifying, with antiviral, antibacterial and anti-polluting properties launched on spring 2021, which represents a true technology innovation.

Concluding, let me thank all our stakeholders once more and invite you to be part of the Italcera Group's great project to create a better world!

**Graziano Verdi**  
Italcera Group C.E.O.

# 2021 in figures

## FINANCIAL

**€271,5M**  
REVENUES

**€59,6M**  
EBITDA

**4,1%**  
MARKET SHARE

**73%**  
EXPORTS

**€24,7M**  
INVESTMENT  
IN CAPEX

## PRODUCT MANAGEMENT

**7**  
BRANDS

**546**  
COLLECTIONS

**€4,2M**  
R&D  
INVESTMENT

**17,5M m<sup>2</sup>**  
PRODUCTION

## GOVERNANCE

**0**  
CODE OF  
ETHICS  
COMPLAINTS

**0**  
ESG  
CONTROVERSIES

## PEOPLE

**857**  
EMPLOYEES

**85%**  
PERMANENT  
CONTRACT

**37%**  
WOMEN

**1.276**  
TRAINING  
HOURS TOP  
MANAGEMENT

**1.536**  
TRAINING  
HOURS STAFF  
OFFICE

**1.993**  
TRAINING HOURS  
STAFF NON-OFFICE

## ENVIRONMENT

**208.272m<sup>3</sup>**

WATER CONSUMPTION

**67.543 MWh**

ELECTRICITY CONSUMPTION

**359.343 l**

DIESEL OIL CONSUMPTION

**50.553.086m<sup>3</sup>**

NATURAL GAS CONSUMPTION

**35.606 t**

WASTE GENERATED

**108.530 t CO<sup>2</sup>eq**

SCOPE 1 EMISSIONS

**15.485 t CO<sup>2</sup>eq**

SCOPE 2 EMISSIONS

## SOCIETY

**13**COLLABORATION INITIATIVES WITH  
LOCAL COMMUNITIES**93,5%**

SPENDING ON LOCAL SUPPLIERS

# 1

## About Italcer Group



## INTRODUCTION TO THE GROUP

Italcer Group operates in the ceramic sector by developing high quality products for interiors and exteriors and luxury bathroom furnishings, with particular attention to innovation, design and respect for the environment. The Group's product range covers a wide variety of high-end ceramic floor and wall tiles, offering specific solutions for any kind of application, from large commercial surfaces to residential use.

Italcer Group was founded in Spring 2017 by Mindful Capital Partners (former Mandarin Capital Partners) and by Graziano Verdi, aiming to create a global leading player in the ceramic tile sector. Since then, the Group has continued to grow organically and inorganically its portfolio offering and geographical footprint.

The latest acquisition of the Spanish company Equipe Cerámicas, in March 2021, has placed Miura Partners as one of the Group's main shareholders and has fostered the positioning of Italcer Group as a leading ceramic group in Europe, competing worldwide with full-size range, residential and non-residential high-end ceramic tiles and luxury bathroom furniture.

### MADE FOR PASSION, BEAUTY AND DESIGN

Our factories, located in the most relevant ceramic clusters worldwide, give life to creativity, taste, design, ideas, and continuous aesthetic evolution.

The creative proposals for ceramic floors and walls are expressed with the elegance of the most refined marbles, the ancient suggestions of stones, the natural warmth of woods, the material aspect of terracotta, the seduction of refined chromatic nuances and the touch of surfaces.

All enriched with original and precious decorations and a wide range of sizes, ideal for those looking for the solution that best suits the needs of classic and modern design, for residential spaces and commercial environments.

### OUR VALUES

- QUALITY
- RELIABILITY
- SERVICE
- DESIGN
- INNOVATION
- ATTENTION TO OUR PEOPLE
- ATTENTION TO CUSTOMER NEEDS
- CREATIVITY
- SOPHISTICATION
- COMMITMENT TO SUSTAINABILITY



### OUR VISION

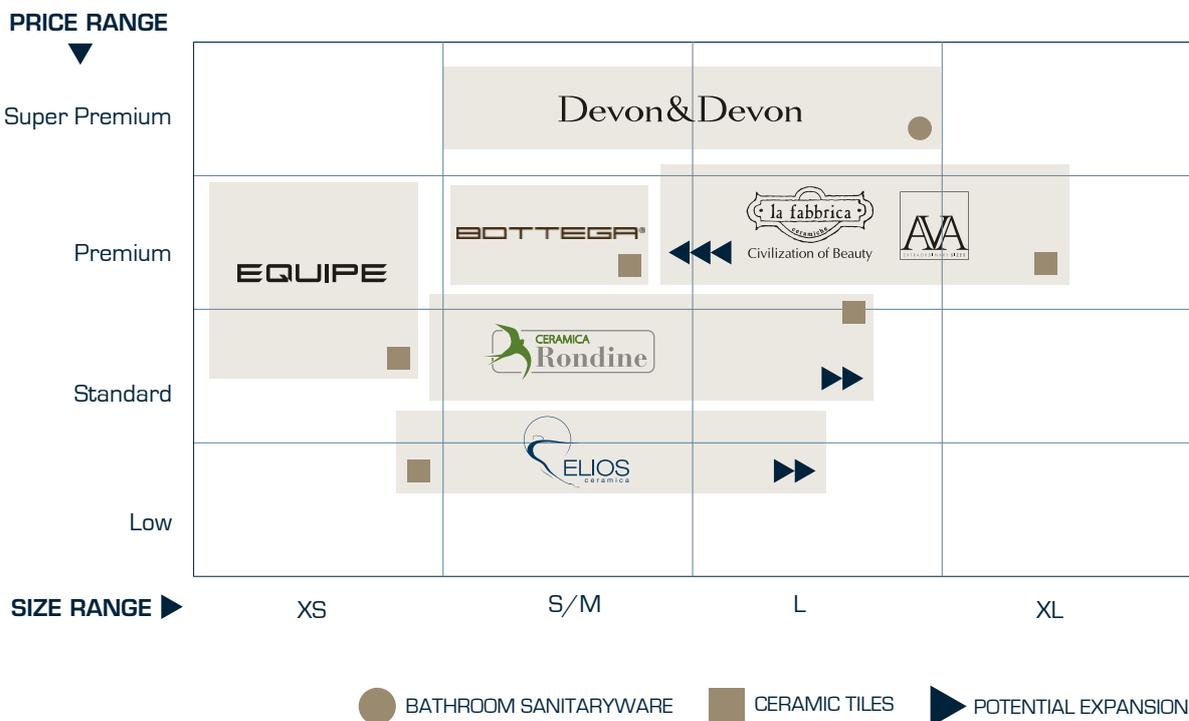
Create a top-of-the-range international hub in the high-end ceramics sector with a strong focus on sustainability and employee safety. This ceramics hub aims to consolidate Italcer Group leading position as a global player in the industry by specialising the group various companies and heavily focusing on foreign markets. Finally, the group aims at developing successful relationships with the communities where its plants are located, to build and maintain a useful, transparent relationship for mutual benefits.

### OUR MISSION

Offer to architects, designers and customers a wide range of products, broad in terms of aesthetic characteristics, uses and formats (from 10x10 cm up to large slabs of 320x160 cm), which combine design and beauty with sustainable materials. Italcer also aims at gaining a reputation for "clean" ceramics, focusing on technological, production and managerial excellence in order to guarantee environmentally sustainable production processes and products.

**OUR BRANDS**

Our final product offering includes a wide and complementary range of ceramic tiles and luxury bathroom furnishing, which vary in size formats and price points covering different client types and market needs, from large commercial surfaces to residential use.



**67**  
COLLECTIONS

**45%**  
REVENUES

**Rondine best-selling collection: VOLCANO**  
 Ceramica Rondine, founded in 1961 in the area between Reggio Emilia and Modena, one of the most flourishing industrial groups in the ceramic tile sector. Its values are the creation of new products, innovative technologies, research and development, quality, design and respect for the environment. New products, innovative technologies, research and development, quality, design, environmental care are the guidelines that have always characterised Ceramica Rondine and that will continue to typify its path today and tomorrow.

**EQUIPE**



**53**  
COLLECTIONS

**29%**  
REVENUES

**Equipe best-selling collection: TRIBECA**  
 Equipe Cerámicas, the Group's latest acquisition, is a Spanish global leading ceramic company specialised in small formats headquartered in Figueroles, Castellón. Founded in 1999, Equipe was created to satisfy the demands of a growing niche market that opted for decorative borders and is now the worldwide reference brand in the market of small wall and floor tiles format.



Civilization of Beauty



**32**  
COLLECTIONS

**9%**  
REVENUES

**La Fabbrica best-selling collection: CA'FOSCARI**

A leading name in the ceramics industry, La Fabbrica qualifies high-end Italian ceramic floor and wall tiles. Excellence is the force that drives and inspires us through every stage of the development process: from product design to the research laboratory, followed by creation and marketing. With this approach, we use pioneering technologies to create avant-garde collections that meet challenging architecture and interior design needs with typical Italian style and elegance.




**30**  
COLLECTIONS

**6%**  
REVENUES

**Elios best-selling collection: GRAND PLACE**

Since 1968 Elios Ceramica has been creating ceramic surfaces ranging from traditional small majolica tiles to 100x100 cm porcelain slabs decorated using high-definition digital technology. Skill, dedication, creativity and a special sense for materials: these are the values that make Elios Ceramica's collections unique. Principles that make every single tile the perfect expression of Italy's great tradition of ceramics.




**36**  
COLLECTIONS

**5%**  
REVENUES

**AVA best-selling collection: SKYLINE**

AVA brand, launched in 2012, proposed a new luxury where details and sophisticated finishes alternate with understated elegance and define new interior design trends. AVA brand is best known for its introduction in 2014 of Extraordinary Size, the largest porcelain stoneware slabs in the world, 320x160 cm with a thickness of only 6 mm which develops a wide range of collections declined in a great variety of graphics and smaller sizes.

**Devon&Devon**



**325**  
COLLECTIONS

**5%**  
REVENUES

**Devon&Devon best-selling collection: ETOILE**

Devon&Devon, world leader brand in the luxury bathroom furnishing, exports to more than 80 countries with a network of boutiques, retailers and flagship stores in the most important capital cities of Europe, USA, Russia, Middle East, China and Australia.

**BOTTEGA®**



**3**  
COLLECTIONS

**Bottega best-selling collection: VICTORIA**

Bottega is the Group's newest brand developed to positively influence the environments in which we live. Perception, value and passion are the leading dogma to obtain this result. Creativity, research and an accurate analysis of the detail, as essential accessories to best express a new concept that BOTTEGA highlights through a sophisticated simplicity.

## OUR LOCATIONS

Our Group counts with a total of five office sites for the different companies. In Italy, our office sites are in Rubiera and Fiorano Modenese for Italcera (Rondine and Elios brands), Castel Bolognese for La Fabbrica S.p.A. (La Fabbrica and AVA brands) and Scandicci for Devon&Devon. In Spain, our office sites for Equipe Cerámicas are located in Figueroles, in the province of Castellón.

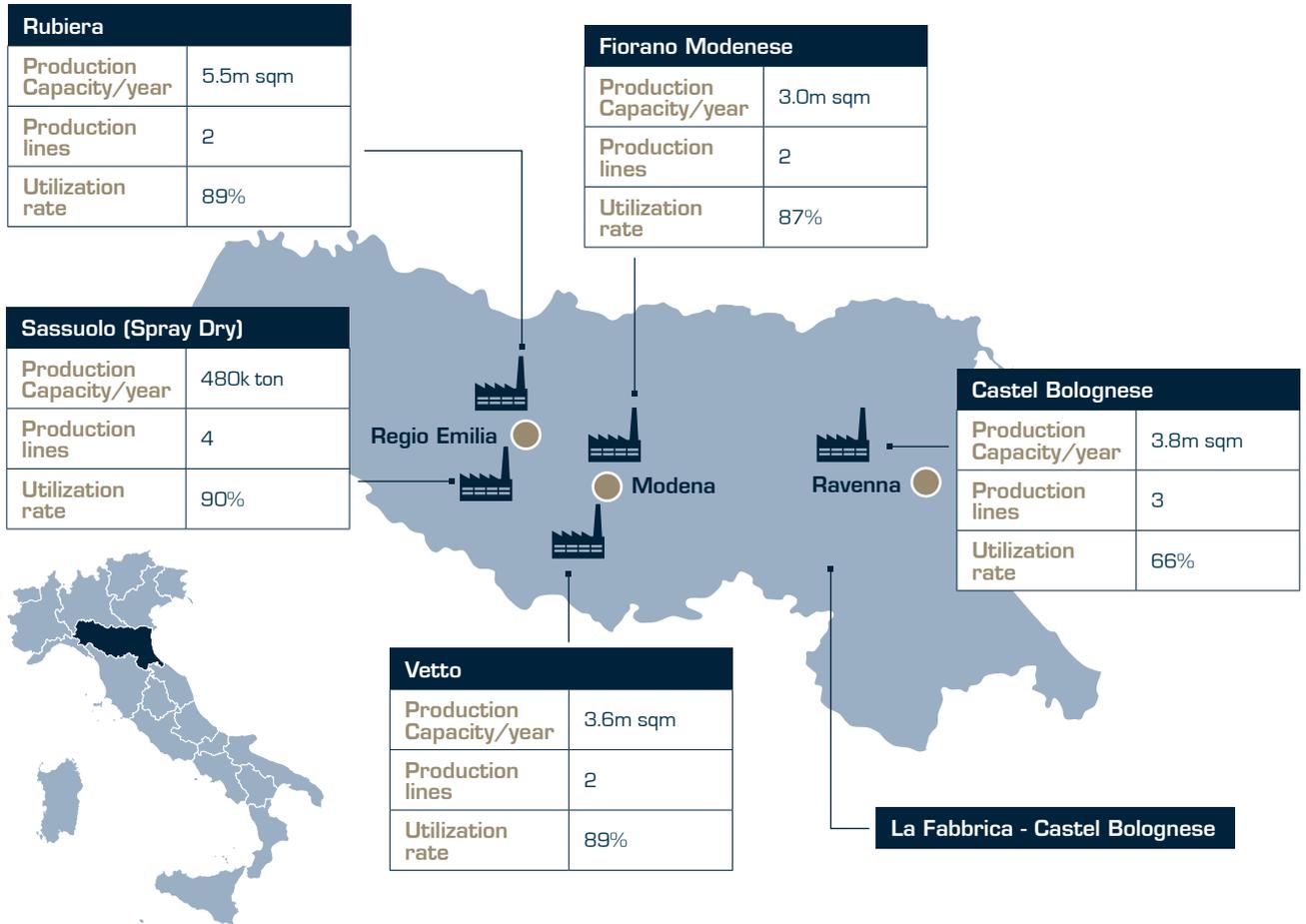
The production of ceramic floor and wall covering takes places in our production plants and other facilities, although not all the Group's brands are produced inhouse, such as Devon&Devon.

The Group counts with a total of six production sites, five for the Italian part of the production, located in Emilia Romagna Country, in Northern Italy, and one for the Spanish part, Equipe Cerámicas, in Figueroles. Not all production sites include the full cycle of production, for instance, some take care of the production of atomised mixture, such as Spray Dry and Castel Bolognese plants while others take care of the production of final products from that stage on.

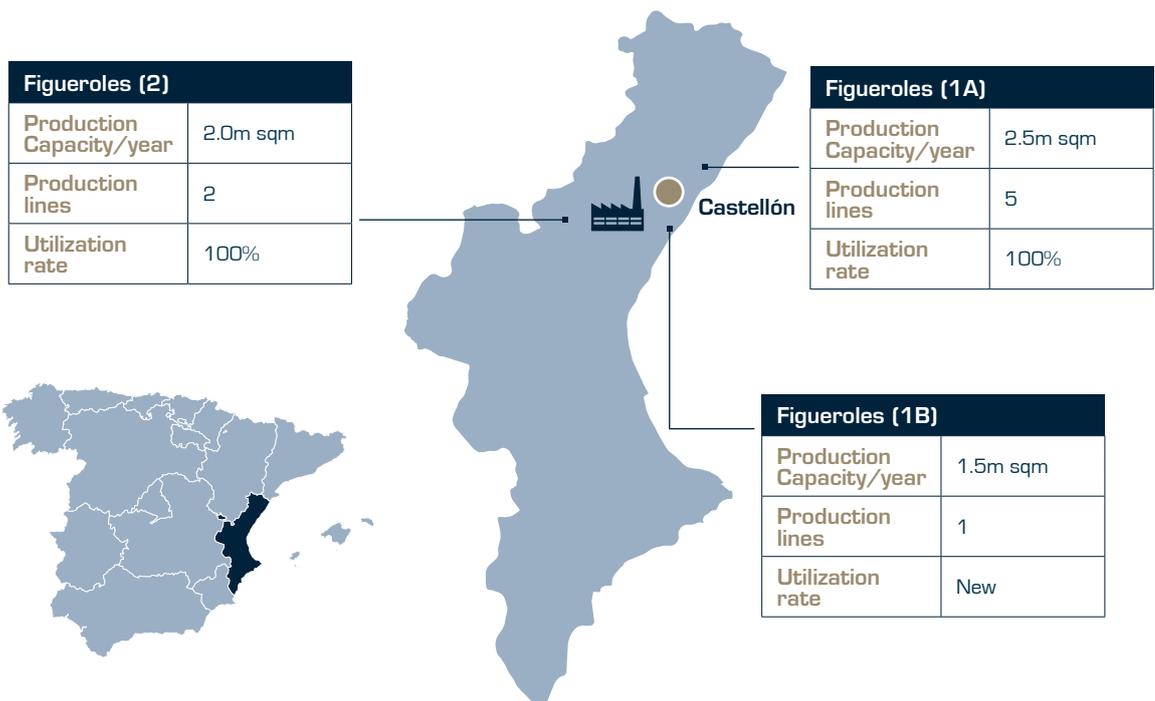


Our well-equipped manufacturing facilities are located in the two most reputable clusters for ceramics worldwide

**ITALIAN PRODUCTION PLANTS**



**SPANISH PRODUCTION PLANT**



**RECENT HIGHLIGHTS**

JANUARY 2021

**Devon&Devon: new premises**

Devon&Devon starts 2021 moving its headquarters to a new premise. Keeping its roots firmly planted in the metropolitan city of Florence, Devon&Devon’s new home is designed with a close focus on sustainability and social responsibility: it uses renewable energies, is easy to reach using public transport and free from architectural barriers.



MARCH 2021

**Launch of ADVANCE®**

Advance, a new project developed by Ceramica Rondine, presents a pioneer technology to achieve antiviral, antibacterial and anti-polluting properties to guarantee healthier environments. As a result, new product lines emerge as eco-friendly antibacterial ceramic floor and wall tiles in porcelain stoneware, made in first and single fire, at over 1200 degrees and with 40% of recycled raw materials, suitable for both residential and non-residential solutions.



MARCH 2021

**New group acquisition and stakeholder**

Miura Partners and Mindful Capital Partners (former Mandarin Capital Partners) have fostered the creation of a leading ceramic group in the world by integrating Equipe Cerámicas into Italcera Group, and thus Miura Partners has become one of the group’s main shareholders.



SEPTEMBER 2021

**Devon&Devon: Green Good Design Award**

Our Kalos washbasin, designed by Massimo Iosa Ghini has won the Green Good Design Award 2021 edition in “Green Products” category. The Green Good Design Award is the sustainable spin-off of the Good Design Award, the longest-running and most prestigious international design award, and it recognises our capability to innovate and our commitment to sustainability.



SEPTEMBER - OCTOBER 2021

**Attendance at CERSAIE 2021**

The Group attended once again the International Exhibition of Ceramic Tile and Bathroom Furnishings (CERSAIE), with stands for Ceramica Rondine, La Fabbrica, AVA and Equipe, presenting the Group’s new collections in fully dynamic spaces, which were an important result of the partnership with international and prestigious architects such as Massimiliano and Doriana Studio Fuksas and Massimo Iosa Ghini.



OCTOBER 2021

**Italcer Group: Sustainability Award**

The Group has been recognised in this first edition as one of the two ceramic companies considered to be in the top 100 Italian Sustainable Companies, It is an initiative promoted by Forbes, Credit Suisse and KON Group ranking through a rigorous criteria those companies performing better in terms of sustainability in the Italian geography.



OCTOBER 2021

**World Alliance for Efficient Solutions by Solar Impulse**

Italcer started the process (already positively concluded) to become member of the World Alliance for Efficient Solutions by Solar Impulse Foundation, the NGO globally promoting green energy and sustainable technologies.



NOVEMBER 2021

**Devon&Devon Archiproducts Design Award**

The Kalos bathtub, designed in collaboration with architect Massimo Iosa Ghini, won the 2021 Archiproducts Design Award in the Bathroom category. The jury, made up of prominent individuals from the world of architecture and design, recognised its unique concept and innovative design, which features a modern reinterpretation of a sophisticated vintage style using an innovative and sustainable material (White Tec).



NOVEMBER 2021

**Equipe: 2020 International Lifetime Achievement Award**

Equipe Cerámicas has been recognised with the 2020 International Career award (from the International Lifetime Achievement Award) within the Export category by Chamber of Commerce in Castellon, Spain.



NOVEMBER 2021

**Equipe: CEPYME 500 list**

Equipe Cerámicas, 5 consecutive years on the CEPYME500 list, being recognised along with 4 other companies for our business history. The CEPYME confederation presented its latest edition of the yearbook with the selection of the 500 leading Spanish SMEs that stand out for their capacity growth, its innovative potential and its internationalisation.



# 2

Our  
commitment  
with  
sustainability



## OUR CONTRIBUTION

The passion and love for our work go hand in hand with our will to create shared value for all our stakeholders and meet their expectations. Our commitment to the creation of long-lasting sustainable value with a positive impact on society and the environment is of the utmost importance to Italcser Group, and it is ingrained in our culture and strategy, becoming a central focus of our daily choices and activities.

We have aligned ourselves with the 2030 Agenda for Sustainable Development, identifying the most significant SDGs in relation to the impact we generate on the local areas we operate.

The highlighted SDGs are the ones in which our contribution is most direct, as well as a priority within our commitment to sustainability given the nature of our activities. The rest are tackled in a more indirect manner in the development of our strategies and policies.

## SUSTAINABLE DEVELOPMENT GOALS



**OUR CONTRIBUTION**

“Enable sustainable spaces through efficient and innovative manufacturing and distribution of ceramics”

**OUR IMPACT AMBITION**

Together with concrete, steel and wood, ceramic is a key building material. The construction sector needs innovative and sustainable production and materials to minimise the environmental impact of urbanisation and enable smarter and greener architecture.

<p><b>SDG 3</b> GOOD HEALTH &amp; WELLBEING</p> 	<p>We produce ceramic tiles under the highest and most rigorous quality standards, ensuring the safety of our products and processes both for employees and end-users.</p>	<p><b>CHAPTER 4</b> OUR PRODUCTS</p>
<p><b>SDG 6</b> CLEAN WATER AND SANITATION</p> 	<p>We contribute to the improvement of water quality by establishing mechanisms to reduce pollution and minimising the release of hazardous chemicals and materials, as well as increasing water circularity in our production processes.</p>	<p><b>CHAPTER 6</b> OUR PLANET</p>
<p><b>SDG 8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p>At Italcera Group we are committed to the development creation of quality and stable employment, which is indeed, a fundamental element in responsibly maintaining the Group’s economic growth. We ensure the protection of labour rights and promote safe and secure working environments.</p>	<p><b>CHAPTER 5</b> OUR PEOPLE  <b>CHAPTER 7</b> OUR COMMUNITIES</p>
<p><b>SDG 9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>We are continuously innovating to guarantee high-performing, safe materials and technologies, as well as clean and environmentally sound technologies and processes.</p>	<p><b>CHAPTER 4</b> OUR PRODUCTS  <b>CHAPTER 6</b> OUR PLANET</p>
<p><b>SDG 12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>It is within our nature the strong responsibility we feel towards the environment, working continuously to minimise our impact through the use of recycled materials in the production of ceramic tiles, implying fewer use of natural resources and generating fewer waste.</p>	<p><b>CHAPTER 6</b> OUR PLANET</p>

## ESG MANAGEMENT

In line with our commitment with sustainable value creation, we believe a solid ESG (Environmental, Social and Governance) management model is critical.

Our ESG management model includes a set of elements, processes and projects that seek to create shared value for the Group and its stakeholders as well as meeting its impact ambition.

### Stakeholder map & materiality analysis

Identify key stakeholders and recognise and prioritise material issues that are the most relevant for them and in line with our Group strategy.

### ESG Policy

Based on the identified key material issues and according to our corporate mission, vision and values, our ESG Policy includes a set of commitments towards our stakeholders, in the fields where we can create the most value and best contribute to the advancement of the UN's SDGs.

### ESG Strategic Plan

A series of initiatives and actions for each key material issue is designed. Each initiative is accompanied by an

implementation timeframe, as well as a set of KPIs, in order to measure its progress.

### ESG Reporting

In order to continuously monitor our ESG performance and promote transparency for our stakeholders, the Group has developed a reporting dashboard which includes a series of measurable ESG KPIs which are reported periodically.

The present document, our first Sustainability Report, showcases our commitment to increase our level of accountability and transparency.



## STAKEHOLDER MAP

Acting responsibly entails taking into consideration the expectations of all actors affected by our activities or those whose interests intersect with those of our organisation. That is, individuals and groups who may influence or be influenced by our operations in terms of policies, working processes, actions and objectives.

It is therefore essential to have these actors identified and involved through the consideration of their needs and priorities within the decision-making processes and in the definition of economic, environmental and social targets.

In this Sustainability Report, Italcer Group's stakeholders have been identified through the analysis of those actors who gravitate around the organisation, which are shown in the following chart.

### RELATIONSHIP CHANNELS

At Italcer Group we aim to maintain solid relationships with our stakeholders based on transparency, mutual trust, and bidirectional dialogue.

We believe that it is key to have relationship channels in place which allow for clear and effective communication, which is the basis of lasting and reliable relationships.

In this sense, we are committed to maintaining transparent, accurate, timely and coordinated communication with our stakeholders, being this bidirectional and at a Group level wherever possible.

#### Internal Engagement Channels:

- Shareholders' Meeting
- Daily operational contact with the Group's shareholders and investors
- Periodic Management Meetings
- Regular meetings with employees' representatives
- Daily report from the Group's commercial offices for Area Managers
- HR Portal
- Notice boards and signage stands at the plants and sites



#### External Engagement Channels:

- Membership of Confindustria Ceramica (Italy) and ASCER (Spain) and participation in the relevant technical committees on environment and safety
- Participation as an ordinary member in Green Building Council Italia
- Development of a figure dedicated to building structured and continuous relationship with designers, architects and interior designers.
- Participation in fairs and events (for example: Cersaie, the International Exhibition of Ceramic Tile and Bathroom Furnishings and Coverings)
- Visits organised at the Group's offices, plants and showrooms
- Companies' websites. These include Customer Portals.
- Newsletter and direct communication
- Webinars and online presentations
- Social media and digital campaigns
- Press releases



**CUSTOMERS**

Retailers (including ceramic marble and kitchen furniture distributors)  
 Contractors  
 Direct customers  
 Construction companies  
 Professional design and architecture firms  
 Other Italcra Group companies



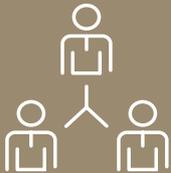
**COLLABORATORS**

Front office employees  
 Back-office employees  
 External commercial agents



**SUPPLIERS**

Raw material suppliers  
 Other materials suppliers  
 Service suppliers  
 Other Italcra Group companies



**SHAREHOLDERS AND INVESTORS**

Investors  
 Board of Directors  
 Shareholders



**PUBLIC ADMINISTRATION**

Regulatory bodies  
 Other public entities



**SECTOR AGENTS**

Competitors  
 Sectorial associations



**SOCIETY**

Local community  
 Media and opinion leaders  
 End users

## MATERIALITY ANALYSIS

In order to create shared value for stakeholders, it is important to identify those issues which are more relevant from an internal and external perspective.

Italcer Group's materiality analysis has identified 24 material aspects falling under 6 key dimensions: governance, people, society, environment, product management and value chain. These aspects have been analysed regarding two magnitudes: relevance for stakeholders and relevance for the business, and the results obtained have allowed us to identify the upper tier of relevant topics for Italcer Group, highlighted in bold in the following list.





**GOVERNANCE**

- 1 Communication and transparency
- 2 Risk management
- 3 Ethics and compliance**
- 4 ESG management & stakeholder dialogue
- 5 Economic performance**



**ENVIRONMENT**

- 14 Efficient use of materials**
- 15 Energy efficiency**
- 16 GHG emissions and climate change**
- 17 Water and waste management**
- 18 Protection of natural capital



**PEOPLE**

- 6 Talent development and retention
- 7 Employee wellbeing
- 8 Human Rights and fair labour conditions
- 9 Gender equality, diversity and inclusion
- 10 Workplace health and safety**



**PRODUCT MANAGEMENT**

- 19 Labelling
- 20 Customer satisfaction and loyalty**
- 21 Innovation**
- 22 Product quality and safety**
- 23 Sustainable product design**



**SOCIETY**

- 11 Support to local community
- 12 Promotion of employment
- 13 Local production**



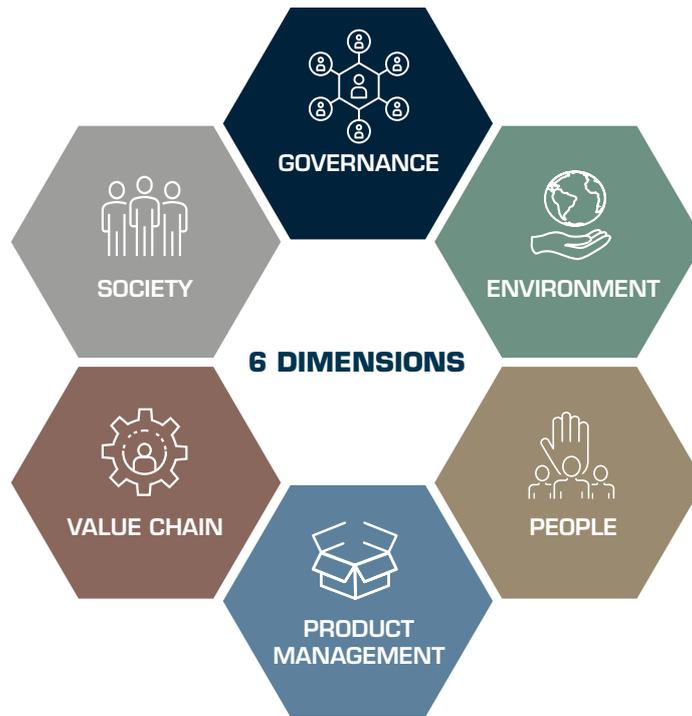
**VALUE CHAIN**

- 24 Management of ESG risks within the supply chain



## ESG COMMITMENTS AND STRATEGY

In order to manage all ESG material issues identified as relevant to Italcera Group, management has developed and approved a policy that includes set of commitments and principles to meet expectations of stakeholders and contribute to the advancement of UN's SDGs. This policy is structured on the following six dimensions:



### GOVERNANCE:

Italcera Group is committed to always develop its business activities through the principles of integrity, ethics, and transparency.

### ENVIRONMENT:

Italcera Group is committed to minimise the effects on the environment derived from the business processes and activities by keeping the production of quality tiles while preserving the environment. Seeking to fulfil this duty with a holistic view of the lifecycle of the tiles, from the source of the raw materials to their use and destination to the consumer.

### PEOPLE:

Italcera Group recognises people as priority, being aware that the success of the organisation belongs to the people that shapes it by promoting the safety, security and professional growth of the collaborators.

### PRODUCT MANAGEMENT:

The group is committed to create a bond of trust with the customers through the development of quality and safe products.

### VALUE CHAIN:

The group is committed to the group value chain, with the aim that they share corporate values and apply them in each phase of their activity.

### SOCIETY:

Italcera seeking to generate a shared value for society by having an active role, as a generator of wealth, employment, quality services and contributing to the local communities in which they operate.

In order to live up to the commitments established in our ESG Policy, an ESG Strategy has been developed and approved, which includes a series of initiatives and actions guiding Italcera Group on how to navigate on the progress towards ESG strength.

Each initiative defined in the plan is accompanied by an implementation timeframe, as well as a set of KPIs, in order to measure its progress. Aligned with international goals, the identified initiatives are referenced in the fields where it can create the most value and best contribute to the advancement of the UN's SDGs.



**ESG STRATEGY 2021-2023**

**33 ACTIONS**

	Efficient use of materials Energy efficiency GHG emissions and climate change Protection of natural capital Water and waste management	3 actions 2 actions 4 actions 1 action 1 action
	Talent development and retention Employee wellbeing Gender equality, diversity and inclusion Workplace health and safety Human Rights and fair labour conditions	3 actions 1 action 2 actions 1 action 1 action
	Support to local community	2 actions
	Customer satisfaction and loyalty Product quality and safety	1 action 1 action
	Communication and transparency Risk management ESG management & stakeholder dialogue Ethics and compliance	2 actions 2 actions 2 actions 1 action
	Management of ESG risks within the supply chain	3 actions

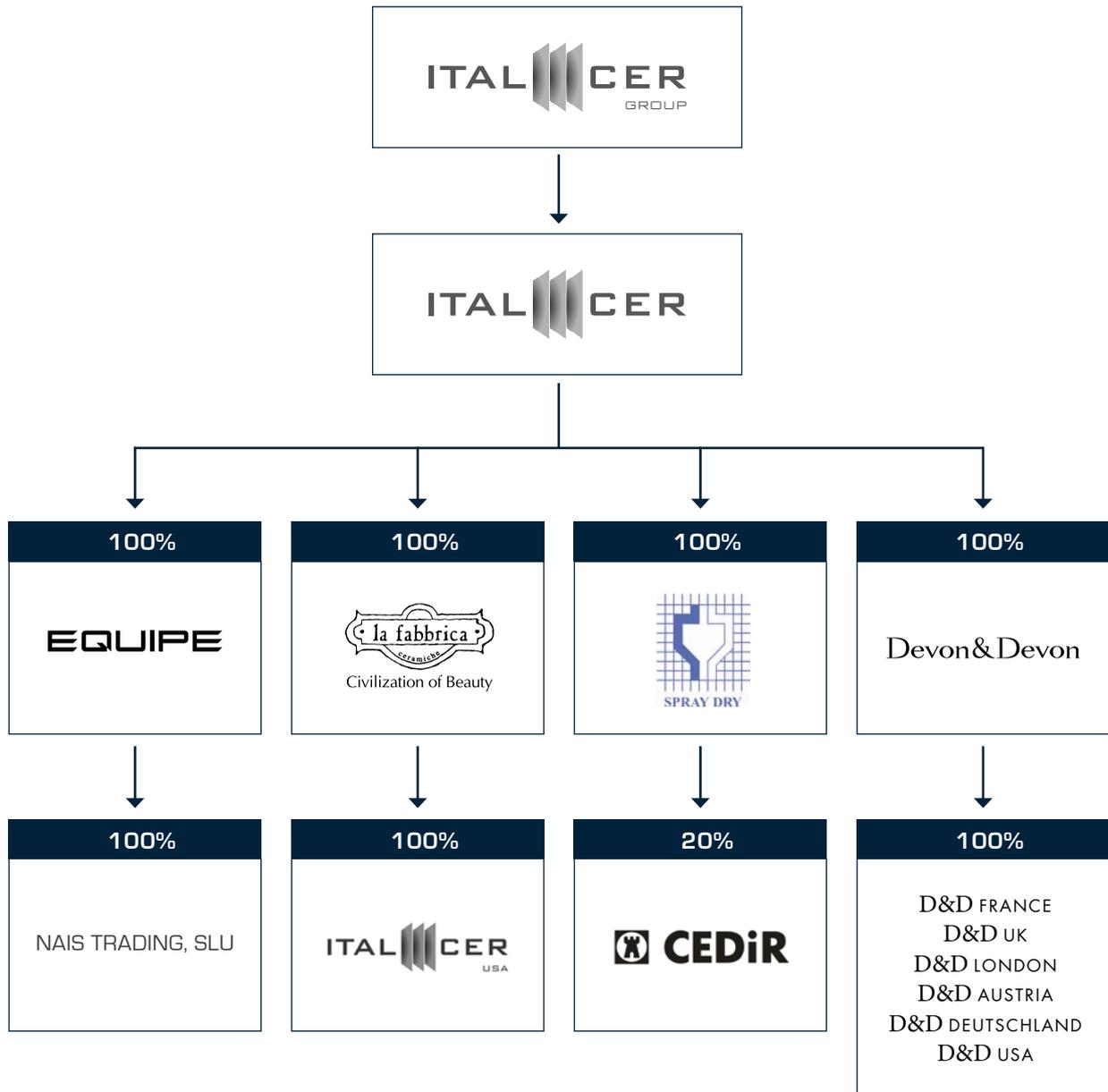
# 3

## Our governance model



**ORGANISATIONAL STRUCTURE**

The organisational structure of Italcera Group evidences its positioning as one of the leading ceramic groups in Europe, covering multiple markets with several operating companies. The current Group structure consists of the parent Company, Italcera S.p.A., and its directly controlled companies: La Fabbrica S.p.A., Spray Dry S.p.A., Devon&Devon S.p.A. and Equipe Cerámicas SLU.



## GOVERNANCE MODEL

Italcer's governance model consists of 3 corporate bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. Each company part of the Group replicates the same governance model.

### Shareholders' Meeting

The Shareholders' Meeting represents all the shareholders and is the body in charge of making decisions, in ordinary and extraordinary sessions, relating to corporate matters and other matters required by the bylaws of the company.

### Board of Directors

Italcer Group is governed by the Board of Directors which pursues the primary objective of creating value for shareholders and directly intervening in all the decisions relating to the most important management matters.

The current Board of Directors is composed of 7 members:

- Graziano Verdi, Director & C.E.O.
- Lorenzo Stanca, Chairman of the Board of directors
- Giorgio Prodi, director
- Alberto Forchielli, director
- Rogelio Vila Ubeda, director, representing V-2 Investors & Participationis, S.L.
- Jordi Alegre Sala, director, representing Miura Consulting Services, S.L.
- Ignacio Moro Soucheiron, director, representing Miura Advisory Services III, S.L.

### Board of Statutory Auditors

The Board of Statutory Auditors oversees the monitoring of matters such as compliance with the law and the principles of correct administration, the adequacy of the company's organisational administrative and accounting structure, internal control mechanisms and the independence of the independent auditors.

The current Board of Statutory Auditors is composed of 5 members:

- Giovanni Taliento, President of the board of Statutory auditors
- Maurizio Baldassarini, standing auditor
- Giuseppe Fiorella, standing auditor
- Raffaello Taliento, alternate auditor
- Raffaele Fiorella, alternate auditor



## ETHICS & COMPLIANCE

The Group's governance plays a fundamental role in the responsible development of its business, ensuring ethical and transparent management of its operations with its stakeholders' interests always in mind. We believe that respect and integrity are the foundations of any relationship within the organisation, and we have always been guided by these principles in our decisions and management of our operations.

Italcer Group is finalising the implementation of a solid compliance model at a Group level, aimed at preventing and managing risks derived from potential illicit conduct by the individuals who operate within the organisation (employees and consultants).

The model includes the implementation of prevention and control mechanisms, which act as appropriate countermeasures, including the following:

- Code of Ethics
- Disciplinary Code
- Whistleblowing Channel
- Supplier and Clients Selection Procedure
- Procedure for the health and safety on working spaces
- Procedure for Relations with the Public Administration
- Procedure for Conferring Proxies and Powers of Attorney
- The Supervisory Body regulation

As part of the compliance model, a training plan is in place to provide continuous training regarding ethics and compliance to employees. This way, we internally promote the values of integrity and respect which represent the Group, while ensuring that members of our organisation are up to date with any changes to the model. As for 2021, 3 of our directors & managers have received training regarding ethics and compliance.



## RISK MANAGEMENT

Italcer Group has carried out an in-depth analysis of its context, entailing a concise description of the social, environmental, economic, market offering and regulatory landscape within which it operates. This analysis has allowed to identify potential risks and define strategic mitigation guidelines within the following areas:

- Quality
- Environment & Energy
- Occupational Safety
- Human Rights

These guidelines coherently materialise in a set of policies and improvement plans, with specific associated goals and performance indicators.

This analysis aims to create awareness and focus on the potentially problematic aspects of Italcer Group's business and operations, providing the organisation with a solid risk management model, through the identification of strategies, processes and objectives aimed at guiding the organisation towards shared value creation.

## RESPONSIBLE SUPPLY CHAIN

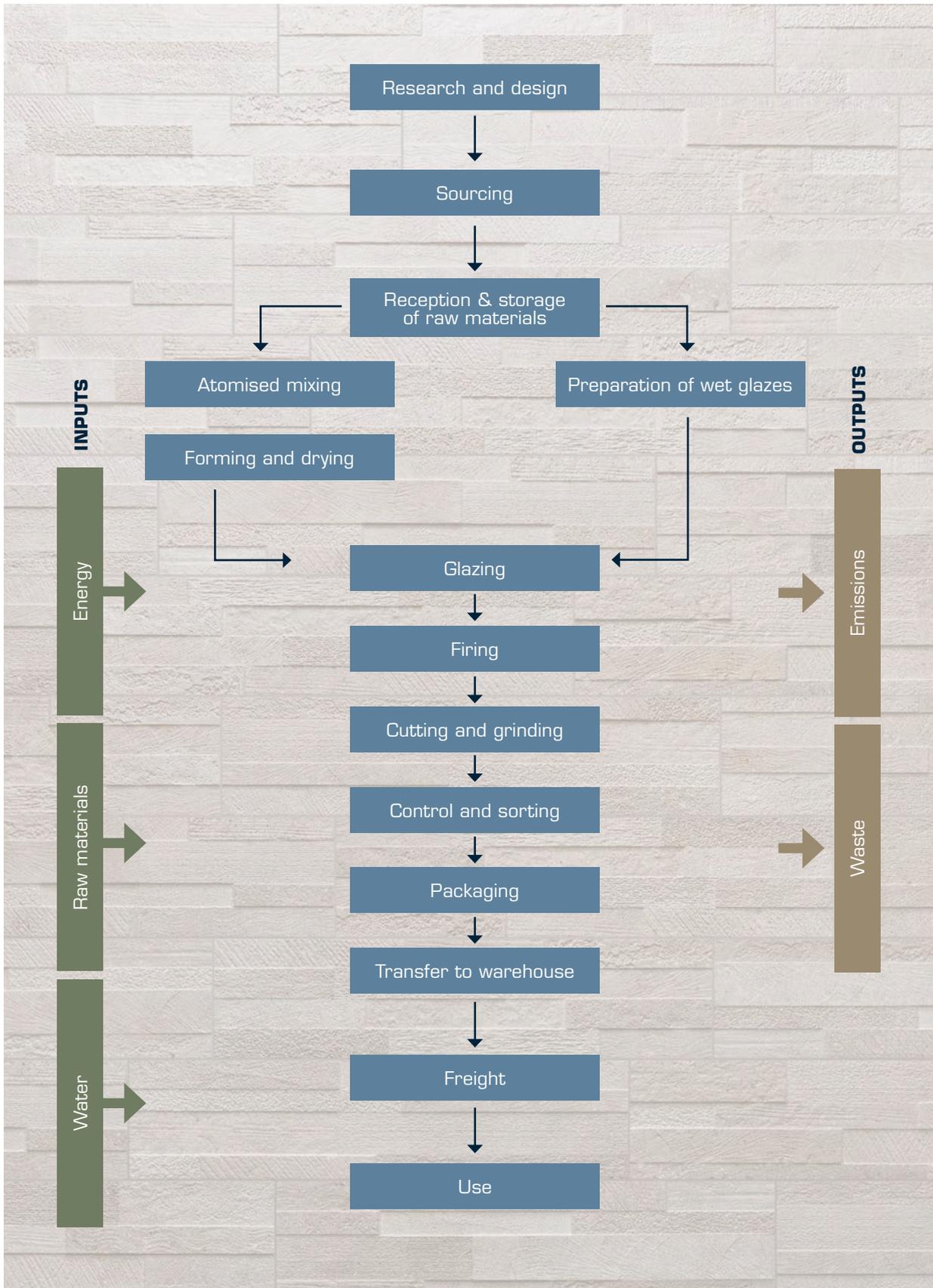
**A**t Italczer Group, we aim to create responsible shared value together with our suppliers, and for this reason we pay a special attention on the sourcing of raw materials, resources and services. Aligned with our values of integrity and respect, we seek suppliers that can guarantee high levels of quality while preserving environmental consciousness and promoting the economic and social development of the local communities in which they operate.

For this reason, our organisation has a Purchasing Policy as well as a homologation process, which takes into consideration ESG aspects.

Beyond product and service quality and financial reliability, Italczer Group is starting to monitor information regarding ESG management from its suppliers as part of its homologation process. For example, in relation to the Environmental Management System, Compliance Model and Code of Ethics.



CERAMIC PRODUCTION CYCLE



# 4

## Our products



**PRODUCT QUALITY AND SAFETY**

**A**t Italczer Group we are devoted to the creation of products of an excellent quality and durability, with the most advanced production technology yet lovingly handcrafted: from the careful selection of raw materials to the finished product.

All our products are produced under a strict control to guarantee a competitive and avant-garde product of high quality, in line with the highest and most rigorous international standards which ensure the safety of our products and processes both for employees and end-users.

Our Quality Management Systems have the unitary objective of pursuing quality. And optimise their results by responding to requests from all stakeholders who make up the context in which the company operates. We aim to achieve a comprehensive risk and opportunities management, encouraging processes and initiatives that represent an improvement for all the parties involved, with the following cornerstones:

- A focus on customers and their needs
- The central role of people, our priority
- Respect for the environment

**CERTIFICATIONS**

<p>ITALCER S.P.A.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>EMAS GESTIONE AMBIENTALE VERIFICATA Reg. n. 07466987</p> </div> <div style="text-align: center;"> <p>SISTEMA DI GESTIONE DELL'ENERGIA CERTIFICATO</p>  <p>CQY CERTIQUALITY</p> <p>UNI CEI EN ISO 50001:2018</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>SISTEMA DI GESTIONE SICUREZZA CERTIFICATO</p>  <p>CQY CERTIQUALITY</p> <p>UNI ISO 45001:2018</p> </div> <div style="text-align: center;"> <p>SISTEMA DI GESTIONE AMBIENTALE CERTIFICATO</p>  <p>CQY CERTIQUALITY</p> <p>UNI EN ISO 14001:2015</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>SISTEMA DI GESTIONE QUALITÀ CERTIFICATO</p>  <p>CQY CERTIQUALITY</p> <p>UNI EN ISO 9001:2015</p> </div> <div style="text-align: center;"> <p>ATTESTAZIONE DELLA PERCENTUALE DI RICICLATO</p>  <p>CQY CERTIQUALITY</p> <p>DT 55</p> </div> </div> <div style="text-align: center; margin-top: 20px;">  </div>		
<p>ITALCER GROUP</p> <div style="text-align: center; margin-top: 20px;">  </div> <div style="text-align: center; margin-top: 10px;">  </div>		

**PRODUCT QUALITY AND SAFETY**

**SUSTAINABLE PRODUCT DESIGN**

Italcer Group designs its products in a sustainable manner, by evaluating and choosing chemicals with a lower environmental impact both within the process, for the purpose of protecting the employees, and the final product (better overall environmental performance of the finished product).

As part of our commitment regarding the reduction of our impact on the planet, our goal of the next three years is the search for increasingly eco-sustainable formulations that will allow us to push recovery up to 60% also thanks to the other companies owned by Italcer Group such as Spray Dry which produces atomised mixtures with a high content of recycled material.



White Tec Plus is an innovative, eco-sustainable material certified GREENGUARD Gold by LEED®, the strict American energy efficiency and ecological footprint classification system. It is manufactured using Biobased® plant-derived resins that replace a component traditionally derived from oil with corn starch.

Moreover, thanks to their very high thermal capacity, bathtubs made of White Tec Plus keep the water temperature constant for a long time, thereby also contributing to water and energy savings.



**CERAMICS, A SUSTAINABLE ALTERNATIVE**

The flooring market has experienced new entrants in the last decades, proposing new material alternatives to the traditional ceramic tile use. Among them we can highlight hardwood, nylon broadloom carpet, vinyl composition tile, cork and linoleum. In terms of product competitiveness, ceramic products outperform its competition.

Compared to other available alternatives, ceramic tiles are one of the most environmentally friendly options. This is due to their recyclability, natural materials, and long-life span. In addition, new technologies such as the innovative ADVANCE product line have been implemented to continue to reduce energy use, pollution while increasing health protection of our consumers.



**Durability**

Stable flooring material holds its shape and size against moisture and/or climatic changes.



**Recyclability**

Used ceramic tiles can be crushed and reintroduced in the production process, as well as the reintroduction of the materials into other applications such as concrete aggregates or road construction.



**Resistance**

Ceramic tiles can chip, nevertheless, characteristics of ceramic products have a great mechanical strength, resistance to abrasion, reliability and durability over time.



**Hygiene and maintenance**

Ceramic tiles are the best option when looking for hygienic surfaces; they are also easy to clean, lasting through time.

## INNOVATION AND TECHNOLOGY

Well aware that ongoing research is needed to guarantee high-performing, safe materials and technologies, Italcer Group counts with an innovation mode. Research and development is the key to continuously renovated designs, through the creation of innovative designs unique in the ceramic sector while guaranteeing unparalleled qualities for which our Group is renowned.



All our production lines are equipped with the latest technology in terms of digital decoration for 3D materic effect on the tiles' surfaces. In fact, Italcer has been the first factory in the world to install - on August 2021 - a new generation of press, equipped with new hydraulic circuit solutions, this press lets Italcer achieve maximum productivity according to the specific product and/or size. The ability to optimise each stage of machine operation means that higher productivity is combined with the lowest energy consumption in its class.



As an example of an innovate design entailing technical development, Equipe's Altea collection, developed in 2021, presents a new range of coating that emulates traditional Valencian ceramics. Reproducing the artisan character of these pieces, with irregular edges and imperfections typical of old production processes, through an industrially obtained product is a significant technical challenge.

Therefore, this project has pursued great innovations in order to reproduce a handcrafted appearance:

- Development of complex structures with reactive flux inks, selecting the techniques, and the most suitable materials and compounds for the intended purpose
- Development of the process stages required for the industrialisation of this new range of products, through the design and development of molds and special press plates to obtain irregular edges and desired reliefs, and generating new application patterns in the enameling process to amplify the sensation of relief and desired imperfections.

## INNOVATION AND TECHNOLOGY



The ITALCER Group's commitment and attention to the environment and society led to the birth of ADVANCE®.

A new project that represents the desire to grow towards the future through an innovative ceramic, Advance presents a **pioneer technology to achieve antiviral, antibacterial and anti-polluting properties** to guarantee healthier environments. It is a, the result of extensive research by our laboratories, developed in collaboration with various bodies including the Chemistry Department of the University of Turin.

As a result, new ceramic line ADVANCE® emerges as an eco-friendly antibacterial ceramic floor and wall tiles in porcelain stoneware, made in first and single fire, at over 1200 degrees and with **40% of recycled** raw materials, suitable for both residential and non-residential solutions. The antiviral and antibacterial properties inherent in the ceramic material contribute decisively to eliminating all forms of viruses and bacteria, and other harmful microorganisms not only

for the environment but also for our health. An innovation that will make private homes and public places safer and healthier, with guaranteed hygiene 24 hours a day, drastically reducing the use of chemicals or detergents. The anti-polluting properties of ADVANCE® stoneware also improve the quality of the air we breathe.

Industrial production, the use of air conditioning systems and means of transport, emit polluting substances into the air. ADVANCE® applied outdoors, in outdoor flooring, on the facades of houses and buildings, manages to reduce NOx molecules (Nitrogen Oxides) by 20.7% (as certified by the University of Turin) in just three hours, allowing significantly improve air quality thanks to the photocatalytic action that is activated in natural light.

Each outdoor solution designed with ADVANCE® contributes to improving the environment around us.

A technology that is safe for our health and a sustainable and environmentally friendly choice, as it is made in a single cooking at very high temperature, without therefore the need for further treatments and related impacts on the environment.

## CUSTOMER FOCUS

**T**he Group operates in two of the world's most advanced ceramic floor and wall covering markets, Italy and Spain, and has chosen to distinguish itself through an offering of high-end products that stand out in terms of innovation, aesthetic performance, quality and environmental sustainability. The synergy between these characteristics allows us to offer a broad range of floor and wall coverings that can meet and satisfy the most varied customer requirements.

Aiming to provide our clients with the best possible service, all our websites included dedicated Customer Portals in which they can browse catalogues and download graphic content for their marketing activity, making their day-to-day interaction with Italcercer companies smoother. As customer satisfaction is a top priority for Italcercer Group and one of our core values, the

Group is committed to handling any product issues by offering an attentive and scrupulous after-sales service through our dedicated commercial team, which is always at the client's disposal.

### PRODUCT LABELLING

All our products' first packaging (cartons) is labelled according to the CE mark in compliance with the European law. Information regarding materials, proper and safe handling, storage and disposal is provided in part in our catalogues and available for our customers upon request.

## DESIGN AND STYLE

One of the main traits that distinguishes our Group is our passion for design and aesthetics. In our design processes, creativity, good taste, sophistication and a special sense for materials join forces with the latest new technologies to create places for living.

Creativity, good taste and sophistication are our driving forces, and what make all our collections unique. Care and attention to little details are combined with creativity and the determination to create original new surfaces, blending surfaces and colours in unique materials.

The evolution of our collections lies in the engineering, the creativity, and the versatility, which combine to give life to the most ambitious of designs.

### Rondine: German Design Award

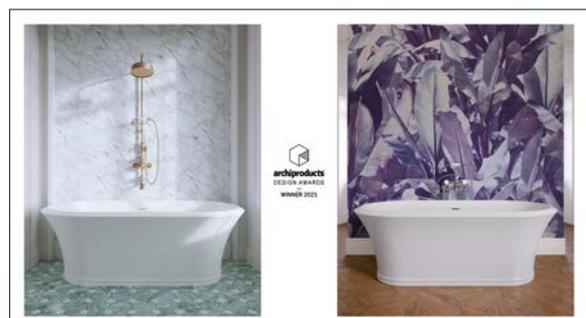
Serie Loft wins at the **German Design Awards 2021** in the category Excellent Product Design - Building and Elements and in the Excellent Product Design - Eco Design category.

6 sizes, 6 colours, 4 surfaces and 2 thicknesses result in 288 different combinations.



### Devon&Devon: Green Good Design Award

Our Kalos washbasin, designed by Massimo Iosa Ghini has won the Green Good Design Award 2021 edition in "Green Products" category. The Green Good Design Award is the sustainable spin-off of the Good Design Award, the longest-running and most prestigious international design award, and it recognises our capability to innovate and our commitment to sustainability.



### Devon&Devon: Archiproducts Design Award

The Kalos bathtub, designed in collaboration with architect Massimo Iosa Ghini, won the 2021 Archiproducts Design Award in the Bathroom category. The jury, made up of prominent individuals from the world of architecture and design, recognised its unique concept and innovative design, which features a modern reinterpretation of a sophisticated vintage style using an innovative and sustainable material (White Tec).

# 5

## Our people



## OUR EMPLOYEES

In Italcner Group our people, their personal and professional development and their safety is of central importance to us. We are aware that our success as an organisation belongs to the people who conform it, and we therefore operate with the utmost respect for those who work with the Group



In managing our employees, we endorse a corporate culture focused on an ever-better quality of workplaces and job satisfaction, based on:

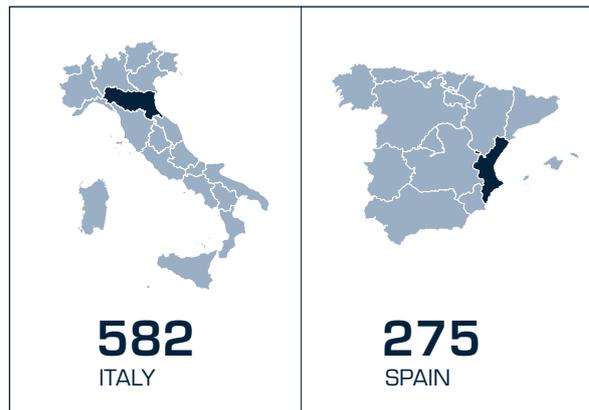
- **Talent retention and development**, fostering their motivation and growth in an attractive work environment, offering continuous training at all levels.
- **Promotion of fair labour conditions** and employees' well-being.
- **Safe and pleasant workplace**, promoting health through the prevention of occupational risks.
- **Equal opportunities** and non-discrimination.

### TAKING CARE OF WHAT MATTERS: OUR EMPLOYEE'S WELLBEING

In order to guarantee quality job positions for our employees, the Group almost exclusively employs permanent staff, providing more stability to our workforce and creating greater opportunities for professional growth within the Group.

At the same time, aware that work-life balance is essential to guarantee the well-being of our team, the Group takes into consideration the request from employees and therefore facilitates where possible part-time work, flexible working schedules and remote work in accordance with employees' needs.

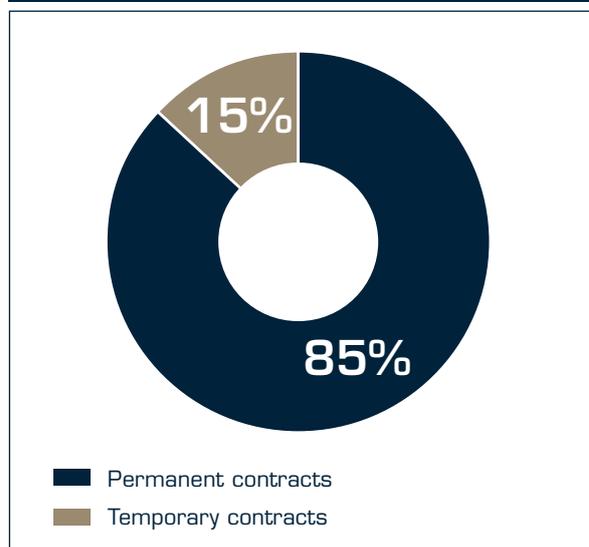
### BY COUNTRY



### BY COMPANY



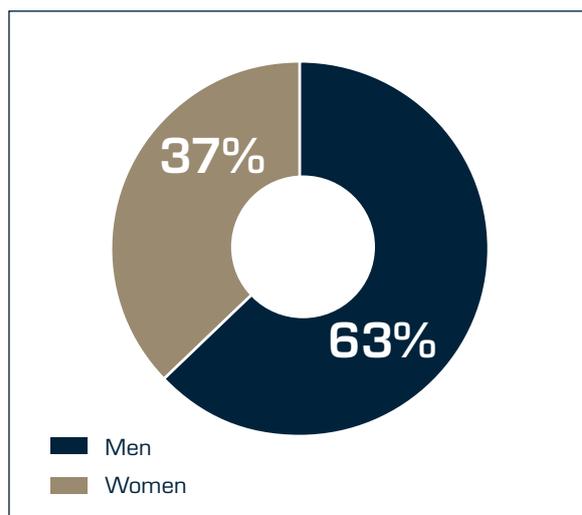
### BY CONTRACT TYPE



## EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

**E**qual opportunities and non-discrimination are two fundamental values to the Group's staff management, both at an internal level but also towards those applying to become part of our organisation.

Italcer Group is committed to ensuring equal opportunities regardless of culture, ethnicity, age, gender, sexual orientation, religion or other personal characteristics. We believe that a more diverse workforce enjoys a greater wealth of perspectives and opinions, further enriching the organisation.



### INCLUSION AND ACCESSIBILITY

Also, the Group is also fully committed to the solid integration of people with disabilities, including the thorough assessment of the position and tasks most suited to the person and their skills. In this sense, all our facilities are accessible to everyone.

As of 2021, our average workforce over the year was distributed in gender and professional categories as follows:

	WOMEN		MAN		TOTAL
	Number	%	Number	%	Total
Directives & managers	5	14%	31	86%	36
Staff office	153	55%	127	45%	280
Staff non-office	157	29%	384	71%	541
<b>Total</b>	<b>315</b>	<b>37%</b>	<b>542</b>	<b>63%</b>	<b>857</b>

Table I. Workforce at year-end by gender and professional category



	WOMEN		MAN		TOTAL
	Number	%	Number	%	Total
Directives & managers	1	50%	1	50%	2
Staff office	6	35%	11	65%	17
Staff non-office	5	14%	30	86%	35
<b>Total</b>	<b>12</b>	<b>22%</b>	<b>42</b>	<b>78%</b>	<b>54</b>

Table II. Internal promotions and new employee hires by gender and professional category

## TALENT DEVELOPMENT

We strongly believe that talent retention and development is a driving force and key factor of the Group's success. For this reason at Italcir Group we have an MBO scheme (Management by Objectives), which includes an annual performance review (including a salary review) and an annual Training Plan.

It should be noted that, in line with our willingness for continuously improving our practices and procedures, we are in the process of developing a software to monitor employee performance and formalise performance reviews.

### TRAINING ACADEMY

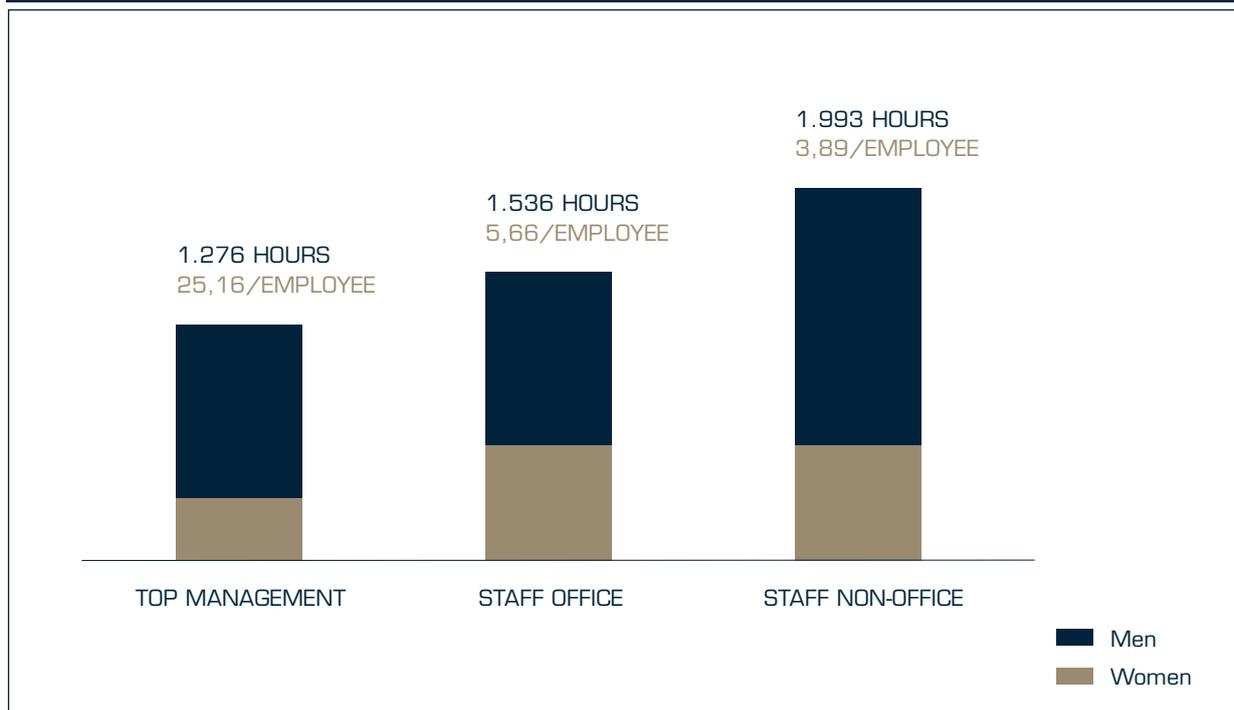
In order to proactively understand each employee's training needs, we have an internal academy in charge of developing the annual Training Plan and organising trainings according to the identified needs. This Training Plan includes both the development of hard and soft skills, as well as team-building sessions.

Some relevant topics and skills covered in the Training Plan for 2021 have been:

- Sales and Key Account Management
- Safety and health in the workplace
- English
- GDPR
- Quality management
- Content marketing
- Technical trainings
- Software trainings: Excel, Adobe Photoshop, AutoCAD and Domus 3D
- Internal logistics



### TRAINING HOURS BY EMPLOYEE CATEGORY AND GENDER



## OCCUPATIONAL HEALTH & SAFETY

It is our priority to guarantee healthy and safe working conditions for our internal and external collaborators, by overseeing the working environment and operations, with specific attention to dust pollution, hazardous substances, noise and the risks connected to the use of machinery and manual handling operations.

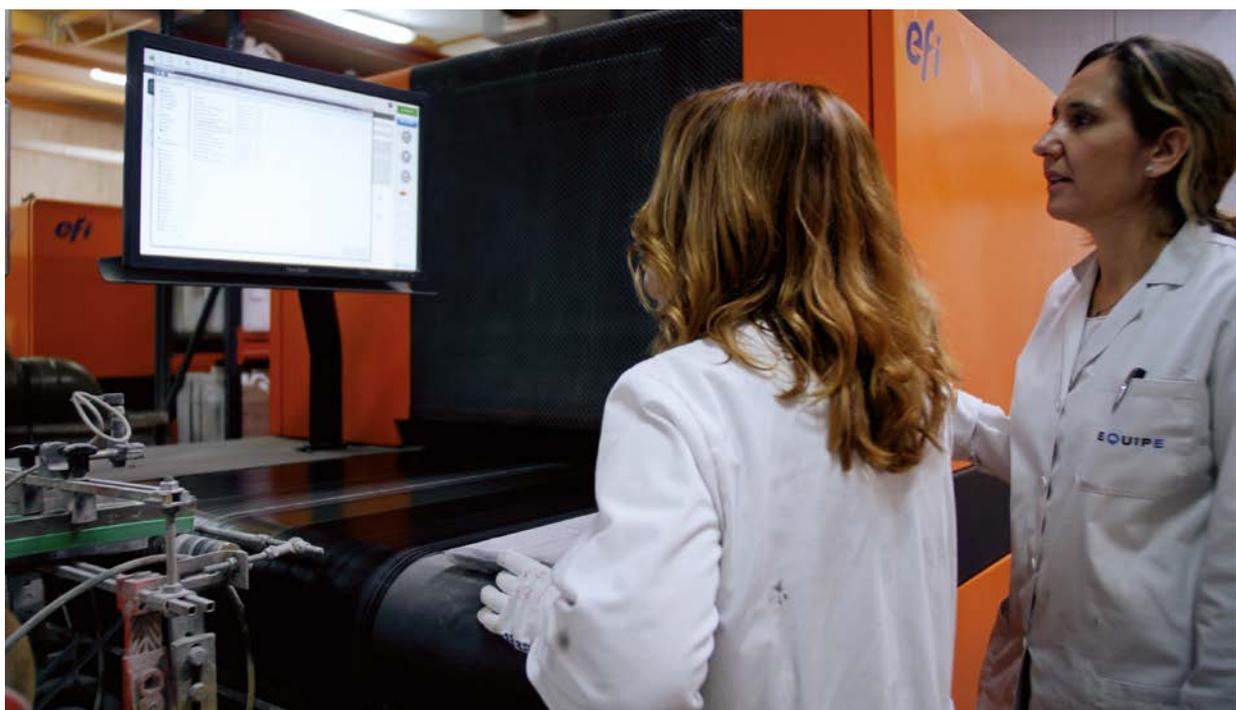
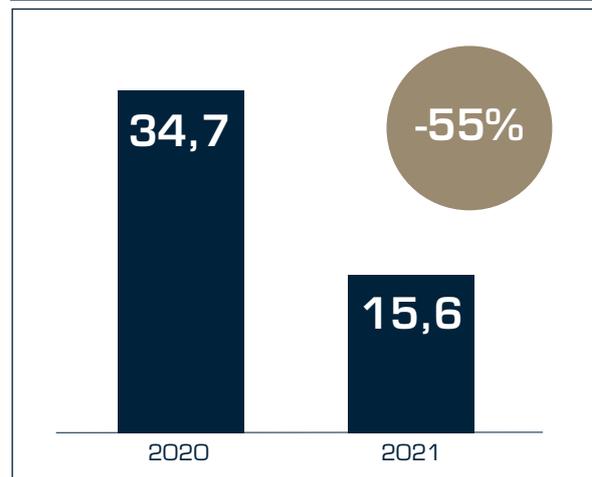
We research and develop products, materials and high-tech solutions with the lowest risk for the health and safety of our employees and end users, and we foster a culture of prevention against risks by raising awareness and involving people of all levels and roles.

In this sense, it is key to adopt increasingly effective measures to prevent workplace incidents and outbreaks of occupational illnesses, and to respond to possible emergency scenarios.

For this reason, the whole Group has an occupational health and safety management system, including a specific policy and an occupation risk prevention plan. Also, objectives on reduction of health and safety impacts are set.

This year 2021, the total amount of workplace incidents causing leave that have taken place within the members our organisation has been 25, 3 of which have been in itinere. This represents a Lost Time Injury Frequency Rate of 15,6, a 55% less than the previous year.

### LOST TIME INJURY FREQUENCY RATE



# 6

## Our planet



## ENVIRONMENTAL MANAGEMENT

We have chosen the path of environmentally compatible industrial production, knowing that the production of quality tiles while preserving the environment is possible. We believe that the safeguarding of resources, air, water and the soil are essential conditions for our future, and we are therefore committed to minimising the effects on the environment derived from our processes. We seek to fulfil this duty with a holistic view of the lifecycle of our tiles, from the source of the raw materials to their use and destination to the consumer.

In this sense, our main courses of action are:

- Increasing eco-sustainable product development, by focusing on increasing the percentage of recycled materials in the products.
- Optimising energy consumption through careful monitoring and identification of possible ways of streamlining processes and plants, as well as identifying opportunities for using renewable sources.
- Reducing and capping external emissions, particularly atmospheric pollutants and odorous emissions, minimising the possible impacts on the neighbouring areas and communities.
- Through specific attention to circular economy, by reducing waste production and research for reusing waste produced during the ceramic production cycle.
- Adopting increasingly effective measures to prevent and respond to possible environmental emergencies.

At Italcera Group we count with an Environmental Management System, to create the operational tools to keep under control the impacts on the environment created by our activities, through the definition of the Environmental Policy, the identification of environmental objectives and targets, the verification of their achievement and external demonstration of the environmental performance achieved.

For all activities with a potential impact on the environment, identified through the initial environmental analysis and periodically reviewed, specific procedures and instructions are defined that provide the personnel concerned with the operating methods to control the impact on the environment.

For the main processes reliable indicators are prepared with the aim of implementing appropriate monitoring and measurement programs. The implemented system allows, starting from the identified trend indicators, to identify potential areas for improvement in order to avoid the occurrence of unwanted impacts, also ensuring that any improvement is documented, verified and evaluated.

## CERTIFICATIONS

ITALCER GROUP	ITALCER S.P.A.	EQUIPE CERÁMICAS
 	  	 

## THE IMPACT OF OUR OPERATIONS

**A**lways at the vanguard in skillfully combining beauty, quality and sustainability, Italcera Group works every day to reduce the environmental impact of its plants, demonstrating our commitment to ecosystem conservation.



### ENERGETIC RESOURCES

The Group has a clear focus on monitoring and minimising environmental impacts, particularly those related to energy consumption and emissions. Our production plants mainly use electricity, natural gas and diesel fuel. In 2021, the Group consumed a total 67.543.551 kWh of electricity, 50.553.086 m<sup>3</sup> of natural gas and 359.343 liters of diesel oil.

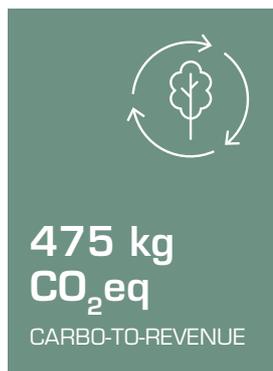


### OTHER EMISSIONS

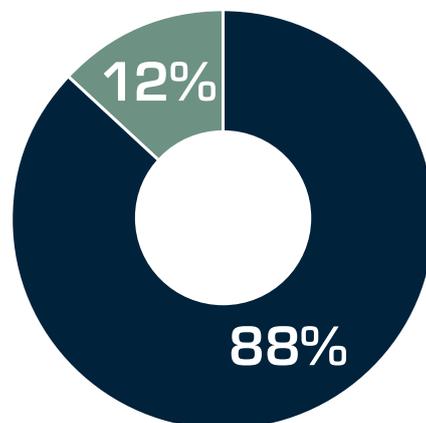
Specific monitoring is carried out on the emission points in relation to pollutants to verify compliance with the authorisation limits. In 2021, the outcome of the monitoring performed did not detect pollutants out of bounds.

The main type of pollutant is represented by the dust produced by the handling and processing of raw materials; the other pollutants, on the other hand, originate from the firing processes of the tiles which take place at high temperatures and cause the release of substances present both in the raw materials and in the glazes, as well as from the combustion processes of natural gas (fluorine, volatile organic substances and oxides of nitrogen).

In this sense, our CO<sub>2</sub> emissions for 2021 have been:



■ Scope 1  
■ Scope 2



Italcera has launched various initiatives to reduce its CO<sub>2</sub> impacts, among those commissioned a feasibility study from a recognised researcher and expert in the field to develop a proprietary technology to reduce the CO<sub>2</sub> produced in production processes.

Also, a project is being launched which aims to study “carbon capture”, evaluating the possibility of joining the HORIZON fund to reduce the costs of CO<sub>2</sub> capture.



## ENERGY EFFICIENCY

Italcer has currently 5.602.722 kWh of energy use coming from our cogeneration plant in Castel Bolognese site. We are working on the installation of other cogeneration plants at Spray Dry and Vetto in order to increase the percentage of our energy consumption which comes from renewable sources over the coming years. Moreover, technological developments have been introduced such as heat-recovery systems to reduce heat consumption and, by extension improve environmental sustainability.

Energy efficiency initiatives promoted:

- Installation of a new cogeneration plant at the Spray Dry site for the production of electricity and heat recovery in the sprayers. This project started in 2021 and will be finalised in 2022.
- Installation of a new cogeneration plant at the Vetto site for the production of electricity and heat recovery in the dryers. This project started in 2021 and will be finalised in 2022.
- Equipe Cerámicas has implemented a system of continuous improvement based on the LEAN methodology, which seeks to minimise waste within manufacturing systems, i.e., the no or low-value added activities, while simultaneously maximising productivity and increasing efficiency. The continuous improvement system implementation focused on three key areas – production (the presses, enamellers and ovens), storage and maintenance, and mobilised Equipe's entire team – operations, management and direction. In this sense, these gains in efficacy and quality directly translate into a significant quantity of raw materials and energy saved.
- Italcer is installing photovoltaic panels on the roofs of Rubiera and Vetto plants, for a total power production of approximately 1,5 MW. The project is planned to be completed within August 2022 and it is estimated to be able to supply 10% of their total energy consumption. Equipe Cerámicas is also deploying a project to install, during 2022, photovoltaic panels in its Figueroles plants. The project consists of a total installation power of between 2,3 – 3,5 MW, allowing to autogenerate between 20% - 30% of its energetic consumption.



## WASTE MANAGEMENT

Italcer Group is aware of the importance of preserving natural resources, for that reason all its activities have intrinsically developed sustainable measures to reduce the environmental impact of its operations, thus reducing the waste generated.

Italcer Group generates mainly production residues representing a 92% of overall waste generated while the remaining 8% belongs to packaging and office residues.

This year 2021, this amounts to 35.606 tons, 99% of which is sent for recovery operations in external processes.

	2021
Waste	35.606 ton
Recycled/recovered	99%
Landfil	1%
% hazardous waste	0,53%

## CIRCULAR TILES

Italcer Group is committed to minimise the effects on the environment derived from the business processes and activities by keeping the production of quality tiles while preserving the environment. Seeking to fulfil this duty with a holistic view of the lifecycle of the tiles, from the source of the raw materials to their use and destination to the consumer.



### MATERIALS CIRCULARITY

#### Process Recyclability

It is now possible to reuse most of the production residues (unfired waste tiles, fired waste tiles, washing line sludge, polishing and honing sludge, dried milling residues and exhausted lime) and reintroduce them into the ceramic production. In this sense, Italcer is nowadays able to recycle and recover 99% of the production waste generated in our sites.

Also, take-back schemes are appearing as the tiles can be crushed and then used in a range of different applications, like concrete aggregates or road construction, turning the waste into a resource.

#### Recycled content

On the other side, in the last decades, the ceramic industry has been progressively incorporating recycled materials at the beginning of the production chain to transition towards circularity. Nowadays, the average industry percentage of ceramic recycled content is between 5% and 25%.

Spray Dry, the most significant production department of atomised powder for porcelain stoneware in the entire ceramic district of Sassuolo, has achieved a 50% of recycled content in its atomised mix. In fact, Ceramica Rondine products contain percentages of recycled raw material even higher than 50%, allowing their users to access the obtainment of LEED credits relating to the eco-sustainability of buildings.



Italcer is a Green Building Council Member, a nonprofit association which aims at spreading the culture of sustainable building practice through the LEED (Leadership in Energy and Environmental Design) certification, alongside the production chain. The percentage of recycled raw material in Italcer products is certified by the Certiquality Srl body (DT 55 - certificate No. P1059, issued on 21/10/2008).



## WATER CIRCULARITY

Water use is essential for the production process of ceramics. Nevertheless, thanks to Italcera Group's efforts and continuous improvements for leading the transition to circularity in the industry, has been able to reuse, recover and recirculate a 100% of all the water used in the production process.

On the other hand, major investments in wastewater treatment plants have been executed to reduce water consumption in the production plants.

Moreover, training courses have been promoted among the group employees to raise awareness and reduce consumption on general water use.

Resulting from these initiatives, 7% reduction of water consumption has been achieved compared to industry average.



**208.272m<sup>3</sup>**  
TOTAL WATER  
CONSUMPTION



**100%**  
RECIRCULATION  
OF WATER FROM  
INDUSTRIAL USE



# 7

## Our communities

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



## PROMOTION OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

The Group maintains close bonds to our local communities and is aware of our economic responsibility to our stakeholders; and for this reason, we ensure transparent disclosure of financial data.

The economic value generated represents the wealth produced by the Group, the majority of which is distributed to the stakeholders with whom the Group interacts in its daily operations, including mainly our employees and suppliers.

### PROMOTION OF QUALITY EMPLOYMENT

Operating in a complex economic environment, up to this point Italcra Group has decided to maintain stable employment levels, with the majority of our employees having permanent contracts. Indeed, stability in relations with employees is a fundamental element in responsibly maintaining the Group's economic growth.



### SUPPORTING LOCAL SUPPLIERS

Italcra Group pays a special attention on the sourcing of raw materials and resources. Aligned with the values and mission of the organisation, Italcra seeks suppliers that can guarantee high levels of quality while preserving environmental consciousness and promoting local economies where facilities are settled.

In order to achieve this, Italcra Group is boosting efforts in procuring resources from local Spanish and Italian areas, selecting those suppliers with better practices in terms of environmental related issues.

Managing a geographically closer supply chain is two-sided planet beneficial:

- Reduction on costs and scope 3 emissions on the transport of goods to the production sites, compared to competitors.
- Increase value of local economies of up to 10% importance for the sector.



## SUPPORT TO LOCAL COMMUNITIES

**C**reating value for the community also means supporting the territory in which we operate, engaging with all the players and financing local projects and initiatives. With this in mind, over the years the Group has supported several projects involving local organisations, institutions and public administrations, universities or other educational institutions and sports associations.

For instance, during 2021 the companies part of the group have donated tiles for the renovation of public buildings and facilities, and have carried out monetary donations to local public schools, contributions to Christmas lightning and purchase of Christmas gifts from NGOs, for a total amount of 45.000€ approximately.

Also, other highlighted projects and initiatives include:

### **Figueroles re-opens the towns swimming pool with tiles donated by Equipe Cerámicas**

On its 53rd anniversary, the municipal swimming pool in the town of Figueroles has undergone a major transformation and an update of its facilities with the collaboration of Equipe Cerámicas together with the town council. The opening ceremony showed the completion of the renovation works of the sports complex's changing rooms, whose tiles were selflessly donated by our company.

Equipe continues to bet on close collaborations with the city council, trying to improve the lives of our neighbours every day. We hope that the inhabitants of our town enjoy the new facilities that have been completely renovated and adapted to their needs.



### **Fondazione Coccapani**

Italcer Group signed with floor and wall the renovation works of "Fondazione Coccapani" Kindergarten in Fiorano Modenese, founded in 1913, with 1.000 square meters of ceramic tiles necessary for all the spaces of the School: welcome lounge, laboratory, teachers' classrooms, offices, kitchen, dining room, dormitory, bathrooms and attic rooms. Italcer is glad and very honoured to be part of this important project adapting this historic building aimed at improving the learning environment of the children and, therefore, the quality of their school life.



## Devon&Devon supports once again Corri La Vita run, collaborating in the fight against breast cancer

In 2021 Devon&Devon has been proud to support once again Corri La Vita run, one of the most popular charity events in Florence, the city in which the company was established and with which it has a strong bond.

For International Breast Cancer Awareness Month, the Showroom in Florence has donated 5% of all revenues generated from 1 to 31 October to Associazione Corri la Vita Onlus, founded by Bona Frescobaldi in 2003 to ensure high quality support, sustain the work of thousands of doctors, donate diagnostic machinery and fund rehabilitation services. The funds collected this year have been donated to Ce.Ri.On. (ISPRO-LILT Cancer Rehabilitation Centre of Villa delle Rose), SenoNetwork (the portal that encompasses all the Italian Breast Units) and FILE (Fondazione Italiana di Leniterapia Onlus).



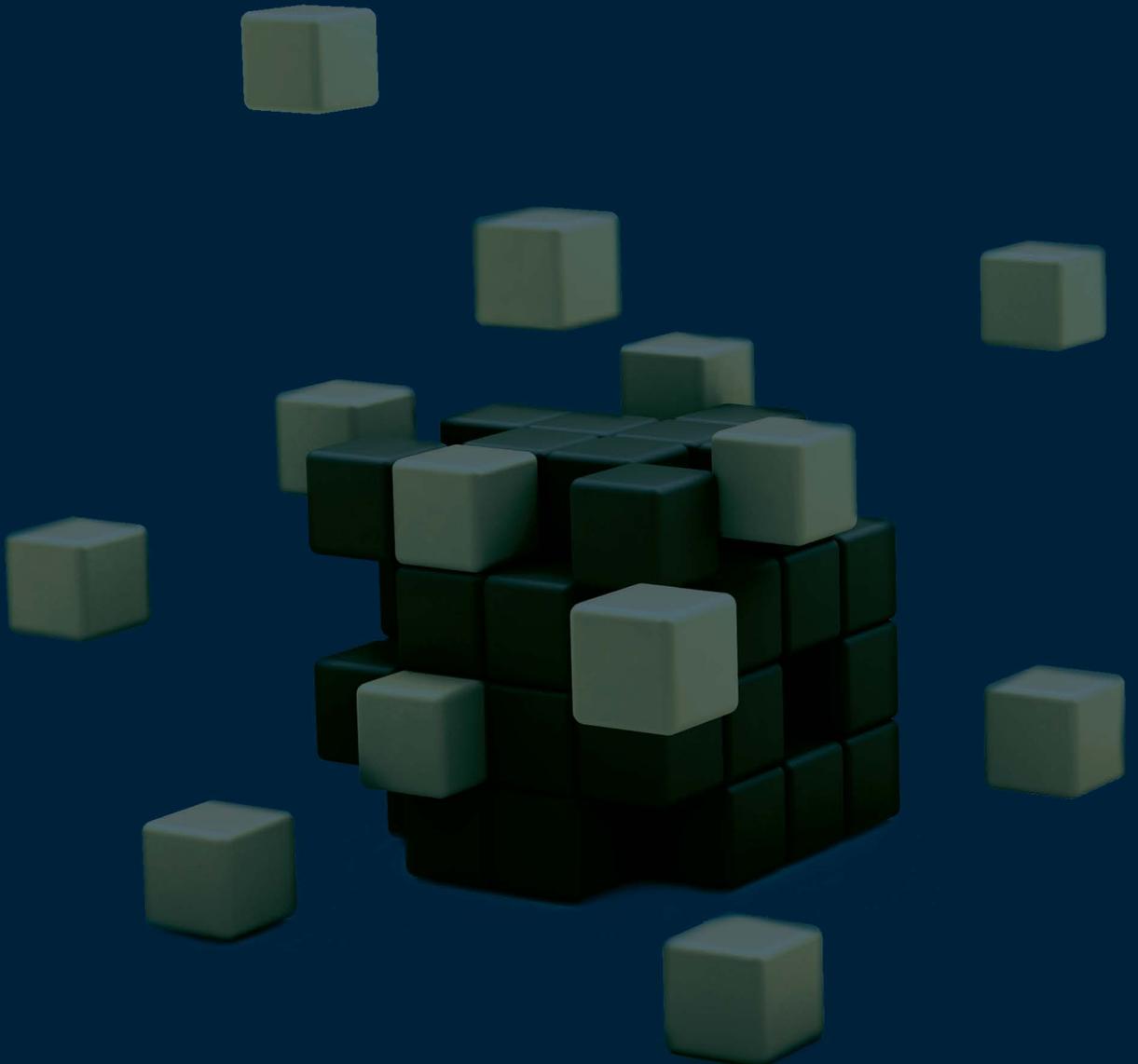
## Equipe Cerámicas continue to fight together with GAVI for Child Vaccination

Child vaccination continues to be undoubtedly one of the most important challenges on a global scale and even more so, in a year marked by the COVID-19 pandemic. In this context, maintaining support for social cooperation programs by companies and entities is more necessary than ever. In recent years, and thanks to the La Caixa and Gavi Social Foundation, more than 7 million children have been vaccinated in the poorest countries in the world.

For this reason, we are proud to continue collaborating and renewing our commitment with the La Caixa and Gavi Social Foundation for childhood vaccination and thus help save the lives of millions of children from premature deaths, especially in years as difficult as these are.

# 8

Annex



## METHODOLOGICAL NOTE

This document presents Italcera Group's first Sustainability Report and has been prepared in accordance with the GRI Standards: Core option.

The following principles for defining the content and quality of the have also been applied.

- **Stakeholder participation:** identification of stakeholders and an explanation of how to respond to their needs and expectations. Please refer to the "Stakeholder Map" section of this document for further details.
- **Sustainability context:** description of the organisation's performance within the broader definition of sustainability.
- **Materiality:** issues that reflect significant economic, environmental and social impacts of the organisation and that substantially influence the assessments and decisions of stakeholders. The selection of the aspects and indicators used to define the reported content was carried out through a materiality analysis that considers issues relevant to Italcera Group and its stakeholders; for details on the materiality analysis conducted by the Group, please refer to the "Materiality Analysis" section of this document.
- **Completeness:** the coverage and scope of the report allow stakeholders to evaluate the organisation's performance.
- **Accuracy:** published information must be accurate and detailed.
- **Balance:** the report reflects both positive and negative aspects of the organisation's performance.
- **Clarity:** the information is presented in a way that is understandable and accessible to all.
- **Comparability:** the information must be collected and communicated in a consistent way that can be compared over time and with other companies by the stakeholders.
- **Reliability:** the information and processes used to prepare the report are gathered, recorded, analysed and communicated so that they can be reviewed, and the quality and materiality of the information can be established.

The scope of reporting of data corresponds to that of Italcera Group's consolidated financial statement as of 31st December 2021.

With regard to changes in the Group's size and scope of consolidation, it should be noted that, during March 2021, Equipe Cerámicas SLU was acquired by the Group. Although the company has not been part of the Group during the whole period of the reporting scope, data for the whole year has been included given its materiality and for the sake of comparability within future reports.

The acquisition of Equipe Cerámicas by the Group has entailed the entrance of Miura Partners as new shareholders.



## GRI CONTENT TABLE

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	102-3 Location of headquarters	p. 14	
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	102-7 Scale of the organisation	p. 8	
<b>Governance</b>	102-1 Governance structure	p. 29-30	
	102-22 Composition of the highest governance body and its committees	p. 30	
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	102-14 Statement from senior decision-maker	p. 7	

MATERIAL ASPECTS	GRI STANDARD	REFERENCE IN REPORT	OBSERVATIONS
<b>SUPPLY CHAIN</b>			
Supply chain description	102-9 Supply chain	p. 33	
Management of ESG risks within the supply chain	103-2 The management approach and its components	p. 32	
Local suppliers	204-1 Proportion of spending on local suppliers	p. 53	Local suppliers are considered those providing a product or service to any of the Group's companies and that is based in the same country as the company it provides,
<b>PEOPLE</b>			
Employment	102-7 Scale of the organisation	p. 41	
	102-8 Information on employees and other workers	p. 41	
	401-1 New employee hires and employee turnover	p. 43	
Talent development and retention	404-1 Average hours of training per year per employee	p. 44	
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 44	
Employee wellbeing	103-2 The management approach and its components	p. 41	
Workplace health & safety	403-1 Occupational health and safety management system	p. 45	
	403-9 Work-related injuries	p. 45	Scope for 2020 data does not include Castel Bolognese site as it was not part of the Group and data is unavailable
Gender equality, diversity and inclusion	405-1 Diversity of governance bodies and employees	p. 30, 42-43	
	406-1 Incidents of discrimination and corrective actions taken	-	No incidents during the reporting period
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## GRI CONTENT TABLE

MATERIAL ASPECTS	GRI STANDARD	REFERENCE IN REPORT	OBSERVATIONS
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<b>Water management</b>	303-5 Water consumption	p. 51	
<b>Waste management</b>	306-2 Management of significant waste-related impacts. Sorted waste collection.	–	There are no significant waste-related impacts.
	306-3 Waste generated	p. 49	
	306-4 Waste diverted from disposal	p. 49	
	306-5 Waste directed to disposal	p. 49	
<b>Biodiversity</b>	304-2 Significant impacts of activities products and services on biodiversity	–	Italcer Group plants have no significant impact on the biodiversity of its local areas since the facilities are located within ceramics manufacturing districts of Sassuolo in Italy and Castellón in Spain, which are areas classified as industrial or mixed.

MATERIAL ASPECTS	GRI STANDARD	REFERENCE IN REPORT	OBSERVATIONS
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<b>METHODOLOGY</b>			
Methodology	102-46 Defining report content and topic Boundaries	p. 57	
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**Edition:**

Italcer SpA | [www.gruppoitalcer.it](http://www.gruppoitalcer.it)

**Consultants:**

Deloitte | [www.deloitte.es](http://www.deloitte.es)

**Design and creation:**

Limba | [www.limba.agency](http://www.limba.agency)

**Photo credits:**

Rondine | [www.ceramicarondine.it](http://www.ceramicarondine.it)

La Fabbrica | [www.lafabbrica.it](http://www.lafabbrica.it)

AVA | [www.avaceramica.it](http://www.avaceramica.it)

Devon&Devon | [www.devon-devon.com/it](http://www.devon-devon.com/it)

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