

FLORIM

SUSTAINABILITY STATEMENT 2025

18TH EDITION

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GENERAL DISCLOSURES

The incorporation of sustainability-related subject areas into our company strategy and processes is reflected in the reporting system we have adopted, which allows us to present targets, policies, actions, and outcomes achieved in the environmental, social, and governance spheres in an organized and transparent manner. Although not currently subject to reporting requirements under the CSRD, FLORIM S.p.A. SB has chosen to adopt the European Sustainability Reporting Standards (ESRS) as a guide for steadily developing its sustainability practices and aligning itself with the evolving regulatory and market environments. Adopting this framework allows the business to bolster its transparency, monitor its impacts along the value chain, and improve the quality of the information reported in future editions of its Sustainability Statement.

BP1 – Basis for preparation of the sustainability statement

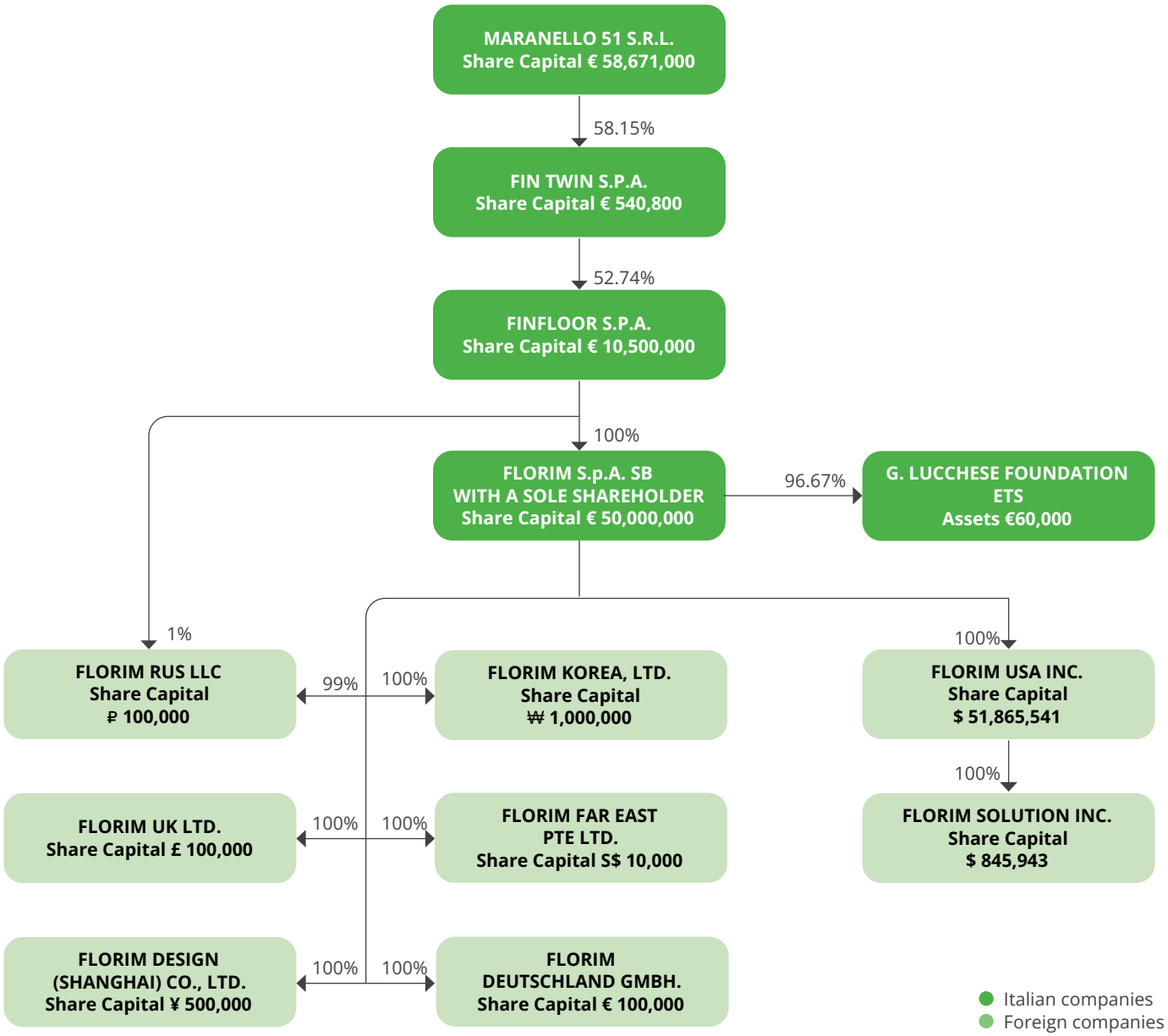
The reporting scope of this Sustainability Statement includes the subsidiaries of holding company **Finfloor S.p.A.**, which are **FLORIM S.p.A. SB, Florim USA Inc.** and, when material, the other consolidated companies controlled by the Group. We wish to specify that the scope of consolidation of the 2025 Sustainability Statement differs from that of the consolidated financial statement. The latter covers all of the companies within the parent company **Maranello 51 s.r.l.**'s scope of consolidation, which includes, as well as Finfloor S.p.A. and its direct and indirect subsidiaries, additional holding companies and their subsidiaries.

This Statement also includes information related to the value chain, with a particular focus on the phases of procurement, production, and product end-of-life, and on relationships with external stakeholders. FLORIM S.p.A. SB plans to gradually develop, over future editions of this document, a more structured description of the subject areas related to its value chain, in line with the evolving disclosure requirements of the **European Sustainability Reporting Standards (ESRS)**.

Any limitations to the reporting scope or different time horizons of reference are explained in the individual Statement sections. We point out these limitations for the purposes of ensuring transparency in how we represent our information and of allowing for a correct interpretation of the Group's activities and their impacts. In light of the evolving regulatory landscape, FLORIM S.p.A. SB has prepared this Sustainability Statement in compliance with the version of the European Sustainability Reporting Standards (ESRS) published in November 2025.

BP2 - Specific information for phasing-in options

The Double Materiality Assessment was conducted taking into account the activities of the Group and the main stakeholders involved across the value chain, both upstream and downstream. Assessments were based on available internal knowledge and on information collected by the company's main business units, with a special focus on suppliers and top tier customers. In cases where the comprehensive information required to meet some of the ESRS disclosure requirements is not yet available, FLORIM S.p.A. SB is gradually developing data collection tools and processes to bolster the quality and completeness of the information reported. This work will make it possible to incorporate the additional data required by the reporting standards into future editions of the Sustainability Statement, including those related to anticipated financial effects.



The structure laid out above reflects the reporting scope of this document.

GOV-1 - The role of the administrative, management, and supervisory bodies with regard to sustainability matters

The Group companies have adopted a traditional administration and control system, consisting of a Board of Directors appointed at the Shareholders' Meeting, as well as a Board of Statutory Auditors and a Statutory Auditor, also appointed at the Shareholders' Meeting when required by law. Below is a list of the members of the Board of Directors of FLORIM S.p.A. SB and of FLORIM USA Inc., owned by holding company FinFloor S.p.A., with registered office in Fiorano Modenese, which is in turn indirectly owned by the Lucchese family through Fin Twin S.p.A. and Maranello 51 s.r.l., as can be seen from the corporate structure. Approximately 45% of FLORIM S.p.A. SB's Board of Directors consists of women, while the percentage at FLORIM USA Inc. stands at 33%.

The Non-Executive Members of the Board of Directors for FLORIM S.p.A. SB number 4, and 22% of these Directors are women. The FLORIM USA Board, however, has no Non-Executive Members. In neither company are there independent members on the Board of Directors, representatives of the employees or of other workers. Furthermore, there are no representatives of the employees or of other workers.

All of the other Group companies have adopted a “traditional” type of administration and control system consisting of a Board of Directors or a Sole Director appointed by the Shareholders' Meeting, as well as a Board of Statutory Auditors and/or a Statutory Auditor, also appointed by the Shareholders' Meeting in the cases envisaged by law.

The members of the Board of Statutory Auditors monitor compliance with the law, with the articles of incorporation, and with the principles of proper administration. Its members are appointed for a period of three financial years and can be re-elected. The current Board of Statutory Auditors of FLORIM S.p.A. SB consists of three Standing Auditors and two Alternate Auditors, whose term of office will end on the date of the Shareholders' Meeting convened to approve the 2027 Financial Statements.

The financial statements of FLORIM S.p.A. SB, the consolidated financial statements of FinFloor S.p.A. and of Maranello 51 s.r.l. are audited and certified by Deloitte & Touche S.p.A., while the auditing of the financial statements of the Group’s US companies is entrusted to Giuseppe Brusa CPA LLC / G. C. Consultants Inc. The Supervisory Body of FLORIM S.p.A. SB consists of three members who will hold their positions until December 2027.

This Body reports annually to the Board of Directors on its activities to prevent the commission of offenses under Italian Legislative Decree 231/2001 (and its subsequent additions/amendments) by verifying the suitability of the Organizational, Management and Control Model and the Code of Ethics adopted by the Company, as well as by verifying compliance with the provisions contained therein.

S1-08 - Diversity

Company	Total members of the BoD	Women on the BoD	Men on the BoD
FLORIM S.p.A. SB	9	44%	56%
FLORIM USA Inc.	3	33%	67%

Board of Directors of FLORIM S.p.A. SB

Claudio Lucchese
President

Anna Lucchese
Director

Beatrice Lucchese
Managing Director

Donato Bruni
Deputy Chairman

Francesca Lucchese
Director

Giovanni Grossi
Managing Director

Mariadele Lucchese
Director

Giovanni Lucchese
Director

Dorvan Sazzi
Managing Director

FLORIM USA Inc. Board of Directors Benefit Corporation

Beatrice Lucchese
Director

Rodolfo Panisi
President, Director, CEO

Dorvan Sazzi
Director

Responsibility for the management of impacts, risks and opportunities

The Board of Directors of FLORIM S.p.A. SB has identified Anna Lucchese and Mariadele Lucchese as the persons to be entrusted with the role of "Impact Managers" envisaged by the Articles of Association for Benefit Corporations, granting them the powers to control and supervise the pursuit of the common-benefit purposes set forth in the company's corporate purpose. The Impact Managers coordinate their activities with all business units and offices responsible for updating operations and developing knowledge and expertise on sustainable development topics.
The Board of Directors is updated at least once a year on major sustainability projects, results of the Double Materiality Assessment (which includes ESG impacts, risks and opportunities), as well as on the status of ongoing initiatives and on progress toward set targets. At the annual meeting to approve the financial statements, the Board of Directors reviews the Sustainability Statement and approves the Impact Report.
The information related to sustainability impacts, risks and opportunities is shared with the governance bodies during these times of information sharing. The methods for incorporating these elements into strategic decision and risk management processes are being steadily strengthened and formalized.
The Impact Managers will remain in office for three financial years, until the date of approval of the financial statements for the 2025 financial year.

GOV-3 - Statement on due diligence

Due diligence in matters of sustainability, as informed by the United Nations Guiding Principles on Business and Human Rights, is described in the following mapping of disclosures and statements.

Elements of due diligence in matters of sustainability	**Actions taken by FLORIM S.p.A. SB**	**References in the Sustainability Statement**
Incorporating due diligence into governance, strategy, and the business model	Goal embedded in the company mission and values Company policies	GDR - P
Engaging stakeholders	The Double Materiality Assessment Stakeholder engagement in specific business activities or initiatives	IRO 1 and 2
Identifying and assessing negative impacts on people and on the environment	Identification of IROs in the Double Materiality Assessment Risk assessment in management systems	IRO 2
Taking steps to deal with negative impacts on people and on the environment	People: actions related to matters of social sustainability Environment: actions related to matters of environmental sustainability Governance: actions related to matters of company conduct	E1-5, E2-2, E3-2, E5 - 2, S1-03, S2-3, S3-3, S4-3, G1-2
Monitoring the effectiveness of actions	Use of company management systems that aim to prevent environmental impacts	E1-6, E3-3&4, E5-3&4, S1-04, S2-4, S3-4, S4-4, G1-3&4

GOV-4 - Risk management and internal controls over sustainability reporting

At the time of writing of this Sustainability Statement, FLORIM S.p.A. SB is not subject to reporting requirements under Italian Legislative Decree 125/2024.

The gathering and consolidation of information for this Statement is coordinated by the ESSG office, which, based on the topics being examined, works with the main business units involved in producing and managing environmental, social, or governance data, such as HSE, HR, AFC, Operations, Purchasing, and Sustainability.

The Group had not adopted a formalized model of Enterprise Risk Management based on structured methods of risk mapping and risk scoring on or before December 31, 2025.

The Group's companies monitor the principal company risks by means of internal verification processes and oversight mechanisms for the competent business units, which aim to identify high-priority risks and preventively assess potential impacts on operations and on management activities.

The information regarding the principal risks to which Group companies are exposed is also contained in the Management Report, prepared in accordance with Article 2428, paragraph 2, point 6-bis of the Italian Civil Code.



Aerial view of solar panels at Florim headquarters (Fiorano Modenese, Modena, Italy)

SBM-1 - Strategy, business model and value chain

Our history

Our history, going back over 60 years, has made us who we are today, proud of our roots and looking to the future.

1962 — **Giovanni Lucchese** pioneers the production of **extruded clinker tiles**, and **Floor Gres** is founded in the heart of the Sassuolo manufacturing district.

1967 — Floor Gres is the first Italian manufacturer to produce **single-fired white body tiles.**



1976 — The **Swimming Pool Division** is established within Floor Gres.

1981 — Floor Gres becomes one of the first companies in the world to start manufacturing **porcelain stoneware surfaces**.



1984 — **Claudio Lucchese**, son of the founder, takes over the reins at Floor Gres after his father's untimely death.

1990 — Floor Gres acquires **Cerim** Ceramiche.

1992 — Floor Gres and Cerim merge to create **FLORIM**.

1994 — FLORIM acquires **Rex** Ceramiche Artistiche.

1995 — The **Project Division**, known today as **FLORIM Solutions**, is established.



2000



An acquisition leads to the creation of **FLORIM USA**, a production and distribution company that has become a leader in the North American market.

2005

FLORIM acquires **Casa Dolce Casa** and **Casamood**.

2009



The first **FLORIM Flagship Store** opens in the Brera district, in the heart of **Milan**.

2013

The **FLORIM Gallery** multifunctional center and **FLORIM Logistics** open in Fiorano.
The **Giovanni Lucchese Foundation** is established.

2014



A **Flagship Store** opens in **Moscow** and the **Health & Training Center** opens in Fiorano.
Production of **large-format slabs** (up to 320x160cm) commences.

2015

A **Flagship Store** opens in the center of **New York City**.



2016



FLORIM relaunches **CEDIT – Ceramiche d'Italia** and **FLORIM stone** is born.

2017

The **new Industry 4.0 factory** in **Mordano** goes into operation.



2018



The **new Industry 4.0 factory** in **Fiorano** goes into operation.

2019

A **Flagship Store** opens in **Singapore**.



2020

FLORIM becomes a **Benefit Corporation** and obtains **B Corp certification**.
Flagship Stores open in **Frankfurt** and **London**.



2021

A **Flagship Store** opens in **Abu Dhabi**.



2022

FLORIM becomes a product brand. Opening of the **Flagship Store** in **Rome**.



2023

A **Flagship Store** opens in **Los Angeles** and the **Flagship Store** in **New York** moves to 5th Avenue.

2024

Two new brands are created: **FLORIM skin** and, in partnership with Falper, **Elitique**.



2025

A **FLORIM Flagship Store** opens in **Seoul** and the **Superfici di Incontro** tables project is born. Complete renovation and modernization of the **FLORIM Gallery** to reflect a new concept in exhibition.



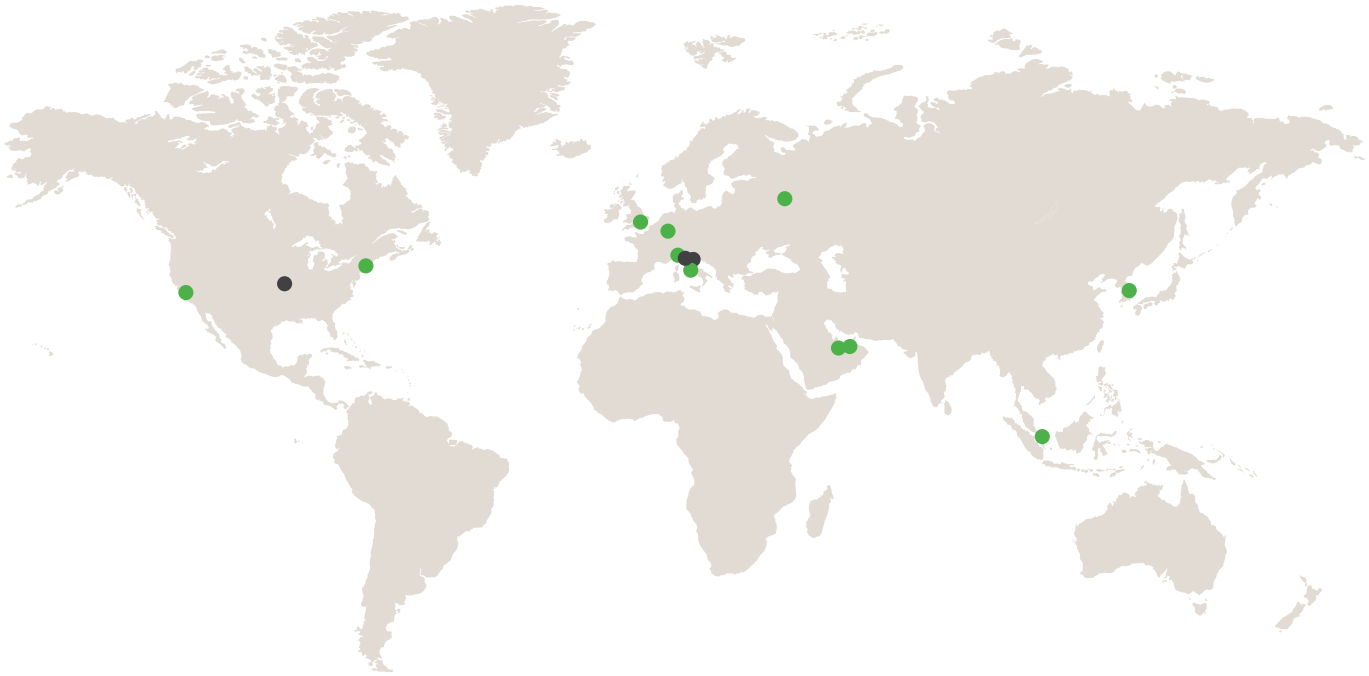
Our locations

LOCATIONS

- **Headquarters, production plant, FLORIM Gallery and FIORANO MODENESE logistics hub, Modena (IT)**
- **MORDANO production plant, Bologna, (IT)**
- **FLORIM USA site, production plant and logistics hub, CLARKSVILLE TN (USA)**

FLAGSHIP STORES

- **MILAN (IT)**
- **MOSCOW (RUS)**
- **NEW YORK, NY (USA)**
- **SINGAPORE (SG)**
- **FRANKFURT (GER)**
- **LONDON (UK)**
- **ABU DHABI (UAE)**
- **ROME (IT)**
- **LOS ANGELES, CA (USA)**
- **SEOUL (KR)**
- **DUBAI (UAE)**



In 2025, FLORIM S.p.A. SB reaffirmed its presence in the major international design capitals. The **FLORIM Flagship Store in Rome**, just a stone's throw from the Spanish Steps, expanded, with the addition of new spaces, while the company's international growth strategy continued, with the opening of new **Flagship Stores in Los Angeles and in Seoul**. Our new location in **Dubai** is expected to open in 2026, evolving international geopolitical situation permitting. Investments in **FLORIM Concept Stores**, developed in collaboration with select partners, also continued.
In 2025, **FLORIM Gallery** reopened its doors, presenting an entirely modernized concept in exhibition, as described in the following focus section.

Find out more about our Flagship Stores

FLORIM S.p.A. SB operates internationally, designing and manufacturing porcelain stoneware ceramic surfaces, chiefly for the architecture and interior design sectors. The surfaces we produce are used for flooring, cladding, work surfaces and decor, in residential, commercial, and contract applications. Our products are manufactured using mainly natural raw materials, such as feldspar, clay, and sand, combined with percentages of recycled materials, and crafted using high-efficiency industrial processes. Ceramic products are characterized by their high durability, resistance to chemicals and weather, and lower maintenance requirements, traits which make them desirable for building projects with a focus on sustainability.

The Group's main spheres of activity include the design and production of porcelain stoneware ceramic surfaces for flooring and cladding, the development of ceramic products for architecture and interior design, as well as the marketing, sales and distribution of our products through distributor networks and specialized retailers. Other major activities include materials research and development, as well as production process R&D, with the aim of improving our products' technical and environmental performance, as well as managing the showrooms and flagship stores located in several of the world's most important cities. These are spaces to engage and interact with architects, designers, and other professional customers, and they contribute to the dissemination of design culture and of ceramic materials.

In Italy, FLORIM S.p.A. SB's activities revolve around the Fiorano Modenese and Mordano sites, strategic hubs for the coordination and development of the Group's operations. The Fiorano Modenese (Modena) location is home to the company headquarters, where the main executive, administrative, and research and development units are housed, making it the beating heart of all FLORIM S.p.A. SB operations. The Mordano (Bologna) facility, on the other hand, is instrumental to the Group's manufacturing capabilities, producing porcelain stoneware surfaces for Italian and international markets, with a focus on industrial integration and operational efficiency. The Group's main manufacturing companies include FLORIM USA Inc., based in Clarksville (Tennessee), one of the largest manufacturing plants for porcelain stoneware for flooring and cladding in the North American market. Established in 2000, the facility encompasses over 1.5 million square feet of built-on area and produces over 100 million square feet of tile per year. The products are sold chiefly in the United States under the MILE®*stone* brand name, with distribution to over 2,500 points of sale across the country.
Florim S.p.A. SB's manufacturing operations and product ranges contribute to the pursuit of sustainability targets, thanks to initiatives aimed to reduce the environmental impact of the processes and materials employed, including the use of natural and recycled raw materials, the recovery of manufacturing scrap, the adoption of technologies that boost energy efficiency, and the generation of energy from renewable sources. Moreover, the company's products carry environmental certifications and Environmental Product Declarations (EPDs), which boost their use in sustainable construction projects and in building certification systems.

FLORIM Gallery

The FLORIM Gallery is a versatile venue for products and events, located at the company headquarters in Fiorano Modenese. A location which has established itself over the years as the ceramic district's cultural hub, winning the Emilia-Romagna Region's “Special Prize for Culture” in 2018.

The Gallery offers 9,000 m^2 of space, including for outside events, in exchange for a charitable donation through the Lucchese Foundation. Since its opening in October 2013, the gallery has hosted 230 events and over 127,000 attendees (including events for customers and business partners).

In 2025, FLORIM Gallery reopened its doors, presenting an entirely modernized concept in exhibition, reinvented to enhance the visitor experience. The first and second floors have been restyled to deliver a strong dramatic impact, conceived to engage the visitor in an immersive journey. On the second floor, the exhibition tells its story using dynamic and experimental language, marking a new development in the presentation of ceramic products.

The new concept is designed around four central plazas, surrounded by actual functional micro-architecture that showcases the potential aesthetic and practical applications of ceramic surfaces in real contexts.

To complete their journey, visitors view example applications of FLORIM stone and FLORIM skin products, Elitique brand products, and the Superfici d’incontro tables collection, cross-cutting solutions conceived for the spheres of interior and exterior design, which offer a combination of technical and aesthetic performance. The CEDIT – Ceramiche d’Italia brand reaffirms its presence with a dedicated space on the first floor.

Two highly technological areas are also situated in the FLORIM Gallery: FLORIM Connections and FLORIM Arena. The former is a space created to promote long-distance communications. Using technology from the world of filmmaking (green screen) products can be showcased interactively, cutting down on travel for sales personnel. FLORIM Arena is an innovative amphitheater concept for putting large FLORIM S.p.A. SB slabs on display. A combination of digital technology and large screens makes it possible to “install” the product in a virtual space in order to explore its various indoor and outdoor applications.

Our products

Inspired by an innate passion for beauty and design, FLORIM S.p.A. SB produces top-line ceramic surfaces to meet all of the needs of the construction, architecture and interior design sectors. With the tagline “Design is our passion”, the company's market offering consists of four globally distributed commercial brands: FLORIM, CEDIT, FLORIM stone, and FLORIM skin. These are joined by Elitique, a luxury bathroom systems brand, and Superfici d’incontro, a collection of tables that reinterpret ceramic surfaces by leveraging and spotlighting their durability, versatility and aesthetic benefits. MILE®stone, specifically for materials manufactured and distributed in the United States, rounds out our range of brands.

FLORIM

Luxury Design
Some of the most prestigious, refined and precious materials that nature has to offer. Extravagant luxury and a sophisticated use of materials for a sharper, more informal elegance. Rare, precious, and intimately linked to our way of living, the material is reinterpreted to reflect the concept of the modern space.

Creative Design
Complete projects for the interior, where elegance and creativity find the perfect harmony.
The project involves a continuous exchange of ideas, between explorations of color and nature-inspired fusions of materials.

Architectural Design
Technical material that follows architectural trends, for applications such as industrial flooring and public buildings with medium and high footfall, such as airports, shopping centers, restaurants, offices and shops, as well as for residential applications with a targeted aesthetic design.

Contemporary Design
Material that is versatile, dynamic and fresh, ideal for decorating any domestic environment to suit one's style and personality. The various surfaces are also the right solution for medium- and low-footfall commercial applications.

CEDIT

With its genuine designer slabs, this brand revitalizes the idea of architectural space to convey the style, creativity and art of Italian interior design.

FLORIM stone

The brand that combines technical performance, functionality and aesthetics for outstanding customized interior design.

sk/n

With a thickness of just 3 mm and reinforced with fiberglass, the brand features a single 120 x 300 cm format, for multiple intended uses.

ELITIQUE

This is the brand that arose out of the partnership between Falper and FLORIM S.p.A. SB, with the goal of creating the first bathroom system in wood and porcelain stoneware surfaces, in which both of these materials shine.

MILE stone

It is the brand produced by FLORIM USA and distributed in the North American market.

SUPERFICI D'INCONTRO
This collection features tables by interior designers, developed in partnership with TERZADIMENSIONE.

Approach to sustainability and addressing ESG MATTERS

FLORIM S.p.A. SB has been steadily incorporating strategies for addressing environmental, social, and governance matters into its company processes, industrial operations, and investment decisions, in line with its business model and with the topics determined to be material by the Double Materiality Assessment.

The Group's approach to sustainability manifests chiefly in the form of:

- improvements to production and energy efficiency;
- product and process innovation;
- product quality and durability;
- workplace safety and the development and appreciation of its people;
- being mindful of environmental impacts throughout the production cycle;
- being mindful of the wellbeing of people in local communities;
- gradually strengthening its monitoring and management of ESG topics.

At the time of writing of this Sustainability Statement, the Group has been gradually incorporating ESG topics into its decision-making processes, in line with its business model and with the findings of the Double Materiality Assessment. Although it has not yet adopted a strategic ESG plan that is formally separate from its business strategy, FLORIM S.p.A. SB has embarked on a structured process to incorporate environmental, social, and governance factors into its operations, monitoring processes, and company development aims.

Against this backdrop, the targets and initiatives described in the Impact Report act to support the Group's continuously evolving ESG approach.

SBM-2 - Interests and views of stakeholders

In 2025, FLORIM S.p.A. SB embarked on a Double Materiality Assessment process, with the aim of identifying the sustainability topics most relevant to its activities and for its major stakeholders. This approach makes it possible to assess the company's environmental and societal impacts (impact materiality), the risks as well as the opportunities that environmental, social, and governance matters can generate for the business's economic and financial performance (financial materiality).

In 2025, the company updated its approach to stakeholder engagement, adopting the Double Materiality Assessment as a reference tool for identifying strategic priorities in the context of sustainability.

The key stakeholders assessed included:

- local communities;
- employees;
- suppliers;
- customers, architects, and designers;
- volunteer associations;
- the companies belonging to the FLORIM S.p.A. SB Group.

Engagement occurred via anonymous questionnaires sent to all of the stakeholders deemed material following an assessment of their importance, an evaluation supplemented in some cases by qualitative interviews with select respondents.

The feedback collected reaffirmed the material topics previously identified internally, while simultaneously providing some initial guidance for establishing indicators and monitoring tools for the material topics. The following topics were flagged as requiring strong focus:

- the creation of stable employment;
- customer satisfaction;
- reducing direct and indirect climate-changing emissions.

This first phase involved top-tier stakeholders, with the aim of gradually expanding the conversation to encompass the entire value chain.

SBM-3 - Interaction of IROs with the business model and strategy

The topics identified as material serve as key points of reference for steadily strengthening the Group's ESG initiatives, policies, and investments. The main topics identified as material for the company are:

- energy use and climate-change adaptation and mitigation practices;
- raw materials procurement;
- developing solutions that foster a circular economy;
- workforce management;
- relationships with local communities.

The material impacts are the direct result of characteristics of FLORIM S.p.A. SB's business model. The production of ceramic materials requires both large amounts of energy and the use of raw materials, like clay and feldspar, sourced from pits and mines located across Europe and outside of it.

These conditions involve operational and financial risks. At the same time, however, they offer opportunities to research and implement innovative solutions, test materials that foster the principles of a circular economy, install equipment that improves energy efficiency and, consequently, reduce GHG emissions.

Although quantitative estimates on the financial effects of these risks and opportunities are not currently available, due to high levels of uncertainty, FLORIM S.p.A. SB is committed to steadily improving its estimates and incorporating quantitative information into future editions of the Sustainability Statement.

In order to manage IROs, FLORIM S.p.A. SB has developed processes and tools whose purpose is to incorporate sustainability into its strategic and operational decisions, as described in chapters E1-5, E2-2, E3-2, E5-2, S1-3, S2-3, S3-3, S4-3 and G1-2.

IRO-1 - Description of the process to identify and assess IROs

An assessment of the value chain in relation to activities that the Group oversees directly or indirectly has been fundamental for establishing relevant IROs. The FLORIM S.p.A. SB value chain does, in fact, extend to the mining of the raw materials used to manufacture its products. Upstream activities encompass the procurement of resources, goods and services instrumental to the development of its business.

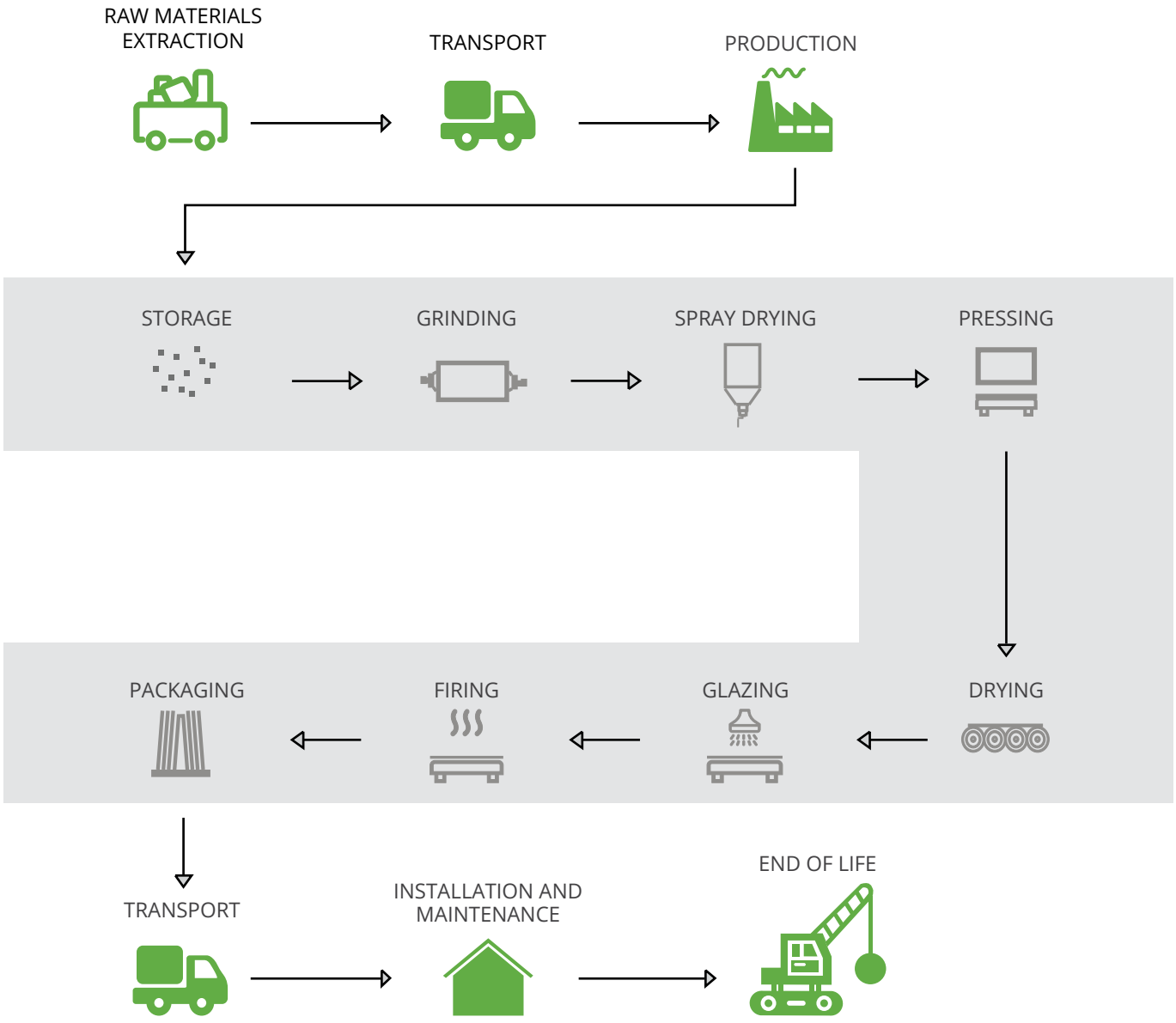
In terms of its activities, the company produces surfaces made from porcelain stoneware. This is a natural material manufactured using raw materials, obtained by pressing a select blend of specific types of clay, kaolin, sand, feldspar, and colored pigments. These are finely ground, pressed, and then fired at extremely high temperatures.

The FLORIM S.p.A. SB downstream value chain includes all of the activities involved in conveying the ceramic product from the plant's loading door to the end user. In other words, it encompasses everything that happens post production: distribution, sales, services, and customer and stakeholder relations. FLORIM S.p.A. SB uses a multi-channel network:

- FLORIM Flagship Stores;
- Retailers and distributors specialized in the ceramic materials and bathroom fixtures sectors;
- FLORIM Concept Stores in partnership with our top customers.
- B2B direct sales for large contract projects.

This network forms the central portion of the downstream value chain, meaning the business relationships with our customers.

The FLORIM S.p.A. SB VALUE CHAIN



The Double Materiality Assessment

The 2025 FLORIM S.p.A. SB Double Materiality Assessment was conducted according to the criteria set out in ESRS 1, using the following process:

Step 1: Identifying IROs

The first step undertaken by FLORIM S.p.A. SB in its 2025 Double Materiality Assessment was a context analysis conducted with the aim of identifying the impacts, risks and opportunities (IROs) to be added to the Long List of ESRS topics, along with an analysis of global macro trends. The study was conducted using the following criteria:

1. Impact materiality

The context analysis took into account the company's business activities and relationships, including its business strategy, the products it offers, its main markets, and the actors in its value chain, as well as other contextual information, such as the applicable legal and regulatory context and public documents like industry benchmarks and sustainability macro trends.

2. Financial materiality

The context analysis examined environmental, social or governance events and conditions of an uncertain nature that could produce a relevant positive or negative effect (opportunity or risk, respectively) on the company's business model or strategy or on its ability to achieve its targets and create value. The context analysis took into account the pressures of the context in which FLORIM S.p.A. SB operates and its industry benchmarks.

The information collected was used to create a list of potential and actual cross-sectoral impacts, risks, and opportunities that FLORIM S.p.A. SB generates for the environment, society, and the economy.

Step 2: Entity engagement

After an initial skimming by FLORIM S.p.A. SB, the IROs identified in the Long List where submitted to all of the Group's entities for assessment and to determine their degree of materiality based on:

- the significance of their financial impact;
- their likelihood of occurrence.

This process for assessing the IROs contributed to determining the Group's level of impact on the environment and on society (inside-out view) and the degree to which matters of sustainability had a financial effect (outside-in).

Impact materiality

The impact materiality assessment engaged the main internal stakeholder categories by means of qualitative interviews, and external stakeholders via quantitative assessments based on surveys. During this first phase, over 40 impacts were identified. These formed the Long List, which was subsequently submitted to the stakeholders for assessment via focus groups and surveys. The latter were completed by over 90 stakeholders, including those identified in section SBM-2.

The impacts identified in the Long List, classified as positive or negative, actual or potential, were assessed using a quantitative scale from 1 to 5, based on their importance and likelihood of occurrence. To ensure process quality, the impacts were assessed with the help of the competent departments, so as to have an in-depth evaluation of the activities that generate them.

The materiality threshold was established taking into account both the importance (based on scale, scope, and irreversibility) and likelihood of occurrence.

This process led to the identification of 20 material impacts (18 Group impacts and 2 specific to individual companies), 12 of which were positive and 8 negative. Each topic was then linked with its relevant ESRS. The complete list of material impacts is provided in the section IRO 2.

Financial materiality

The financial materiality assessment process was conducted with the contribution of the CFO and the Group's finance team. They assisted in identifying the relevant financial topics, taking into consideration any dependencies on and correlations with the impacts. During the process of defining the 2025 Long List, 40 risks and 9 opportunities were identified.

A risk/opportunity was deemed financially significant if it had the ability to affect economic performance, the generation of cash flows, financial position and access to capital.

The financial materiality process led to the identification of 19 material IROs (6 opportunities and 13 risks) associated with the sustainability topics assessed. The complete list of material IROs is provided in the section IRO 2.

Step 3: Double Materiality results

The Double Materiality Assessment conducted by FLORIM S.P.A. SB led to the identification of 39 material IROs (20 impacts, 13 risks and 6 opportunities) related to ESG topics. Each material IRO was linked with its relevant ESRS as follows:

- E1 Climate change: 4 impacts, 7 risks, 2 opportunities;
- E2 Pollution: 2 impacts;
- E3 Water: 1 impact;
- E4 Biodiversity and ecosystems: 1 impact;
- E5 Resource use and circular economy: 3 impacts, 1 risk;
- S1 Own workforce: 4 impacts, 2 risks, 1 opportunity;
- S2 Workers in the value chain: 2 risks;
- S3 Affected communities: 2 impacts, 1 opportunity;
- S4 Consumers and end-users: 2 impacts, 1 risk;
- G1 Business conduct: 1 impact, 2 opportunities.

The results of the assessment were validated during 2025 as part of the Group's internal governance process.

The topics identified as material serve as key points of reference for the structured development of the Group's ESG initiatives, policies, and monitoring activities.

IRO-2 - IROs and disclosure requirements included in the sustainability statement

E1 – Climate change						
ESRS subtopic	**Material topic**	**IRO**	**Value chain**	**Time horizon**	**Description**	**Actual / Potential**
Climate change adaptation	Failure to adapt to climate-related physical risks (operations)	Risk	FLORIM	MT	Failure to adapt to (acute and chronic) climate-related physical risks creates negative financial impacts related to increasing costs arising from damage to company assets resulting from extreme events (e.g. damage to buildings/equipment from floods, hail, or production stoppages caused by heat waves)	Potential
Climate change adaptation	Failure to adapt to climate-related transition risks	Risk	FLORIM	MT	Failure to adapt to climate-related transition risks (legal, market-related, technological, and reputational) creates negative financial impacts related to increasing costs arising from responding to negative effects borne by the organization (e.g. loss of market share related to products with poor environmental performance, penalties linked to non-compliance with climate regulations, etc.)	Potential
Climate change mitigation	Generation of direct and indirect (Scopes 1 and 2) GHG emissions	Negative impact	FLORIM	ST	Contributing to climate change through the generation of CO2 emissions and direct and indirect energy emissions related to manufacturing activities at the various locations belonging to the Group (e.g. associated with natural gas consumption or electric energy from non-renewable sources)	Actual
Climate change mitigation	Generation of other indirect (Scope 3) GHG emissions	Negative impact	Upstream and Downstream	ST	Generation of indirect emissions produced across the upstream and downstream value chain, in relation to the life cycle of the products manufactured, and specifically with activities conducted by suppliers (e.g. installations), logistics operators, distributors, and customers	Actual
Climate change mitigation	Structural investments toward the transition to sustainable industrial production models	Risk	FLORIM	MT	Transitioning production activities toward greater environmental compatibility involves considerable initial investment, such as replacing manufacturing systems with low-impact alternatives, and higher operating costs resulting from switching energy vectors	Potential
Climate change mitigation	Contributing to buildings' energy efficiency	Positive impact	Downstream	ST	Development and sale of products with certain technical characteristics that can contribute to buildings' energy efficiency (e.g. increased thermal inertia of surfaces, ventilated facades, ventilated roofs)	Actual
Climate change mitigation	Increased financial burdens arising from the introduction of GHG emissions regulations	Risk	FLORIM	MT	Restrictive regulations related to reducing greenhouse gas (GHG) emissions generated at the organization's plants (e.g. the introduction of new carbon tax mechanisms) could result in increased operating costs, impacts on margins, the need to implement carbon emission reduction measures, and possible new investments	Potential
Climate change mitigation	Additional costs arising from complying with GHG emissions reduction regulations through the reduction of GHG emissions across the product life cycle	Risk	Upstream FLORIM Downstream	MT	The potential introduction of new requirements by lawmakers and by customers related to products' carbon footprint (GHG emissions across the product life cycle) could give rise to additional costs resulting from the implementation of sustainable production processes across the value chain, as well as generating the risk of incurring penalties or losing market share in cases of non-compliance with those limits	Potential

E1 – Climate change						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Climate change mitigation	Increased logistics costs arising from processes with a lower climate impact	Risk	Upstream and Downstream	MT	Using railway lines and cutting back on air travel, both inbound and outbound, could generate risks in terms of time schedules, with consequent risks to service quality and increased operating costs	Potential
Climate change mitigation	Returns in terms of brand reputation from the transition to sustainable industrial production models	Opportunity	FLORIM	MT	Transitioning production activities toward climate neutrality by replacing fossil-fuel energy vectors with vectors with a lower or nearly null environmental impact (see biomethane use, hydrogen use) can lead to improvement of the company's reputation, with potential positive effects in terms of sales performance	Potential
Energy	Energy consumption from non-renewable sources	Negative impact	FLORIM	ST	Energy consumption from non-renewable sources (mainly natural gas) with resulting negative impacts on the environment and depletion of fossil fuel stocks	Actual
Energy	Lower procurement costs and greater energy independence	Opportunity	FLORIM	LT	The implementation of energy efficiency measures and the company's internal renewable energy generation (e.g. from solar installations) could lower procurement costs, and is therefore an opportunity, especially if it goes hand in hand with a progressive electrification of production processes	Potential
Energy	Unpredictability of energy procurement costs	Risk	FLORIM	ST, MT	The instability of energy markets, arising from market factors and the changing geopolitical landscape, generates significant risks in terms of energy procurement.	Potential

E2 – Pollution						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Pollution of air	Generation of other significant atmospheric emissions	Negative impact	FLORIM	ST	The generation of pollutants, such as particulates and other similar significant emissions with negative environmental and human impacts	Actual
Pollution of air	Generation of other significant atmospheric emissions	Negative impact	FLORIM	ST	Generation of pollutants such as VOCs, NOx (nitrogen oxides), SOx (sulfur oxides), and other significant emissions with negative environmental and human impacts, arising from, for example, firing and glazes	Actual

E3 – Water						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Water	Wastewater recovery	Positive impact	FLORIM	ST	Optimization of water resource management through the reuse in production of all process wastewater, with positive impacts on water availability at the local level	Actual

E4 – Biodiversity and ecosystems						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Impacts and dependencies in terms of ecosystem services	Ecosystem-related impacts related to raw materials extraction	Negative impact	Upstream	ST	Indirect environmental impact on ecosystem conditions caused by operations to extract clay, feldspar, sand, and other materials (especially extractive activities involving pits and mines)	Actual

E5 – Resource use and circular economy						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Poten tial
Resource flows, including resource use	Manufacturing-scrap recovery and the use of secondary raw materials	Positive impact	FLORIM	ST	The use of process scrap and secondary raw materials, including greenware/fired scraps from internal production processes and/or from by-products or from other external processes or from other production chains	Actual
Resource flows, including resource use	Consumption of natural resources and raw materials	Negative impact	Upstream	ST	Natural resources, such as raw materials (clay, sand, feldspar, wood, etc.) are used to manufacture products at a faster rate than the natural system requires to regenerate them	Actual
Resource flows, including resource use	Difficulty purchasing and integrating circular materials	Risk	FLORIM	MT	A lack of technological means and of availability of circular materials or of materials that comply with sustainability requirements in sufficient quantities (for example, secondary raw materials or materials from other production processes) could pose a risk for the company in terms of competitiveness in the event that lawmakers or customers impose strict performance requirements in terms of circular economy (a set minimum amount of recycled material in the ceramic body, for example)	Potential
Waste	Reuse of process scrap in other production chains	Positive impact	FLORIM Downstream	ST	Practices promoting recycling and re-introduction of fired scrap into external production processes (not for structural-load-bearing materials), with a view to fostering the circular economy	Actual

S1 – Own workforce						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Working conditions	Creation of stable employment	Positive impact	FLORIM	ST	Positive impacts arising from hiring and employing workers on open-ended contracts	Actual
Working conditions	Employee satisfaction and well-being	Positive impact	FLORIM	ST	Fostering employee well-being by implementing dedicated well-being and benefit activities, developing a healthy and stimulating workplace environment, and adopting flextime and smart-working options	Actual
Working conditions	Workplace injuries and occupational illnesses	Negative impact	FLORIM	ST	Injuries or other workplace accidents and illnesses caused by unhealthy or hazardous production processes affecting workers employed by the company or non-employee workers	Actual
Working conditions	High personnel turnover	Risk	FLORIM	MT	High personnel turnover could lead to higher costs for the human resources department in terms of implementing more favorable working conditions in order to retain talent (career development, for example), as well as higher costs for attracting and recruiting new talent. Furthermore, high personnel turnover can have a negative impact in terms of company reputation and loss of know-how	Potential
Working conditions	Increasing employer attractiveness and workforce productivity	Opportunity	FLORIM	LT	Thanks to investments in improved employee working conditions and well-being, and to their efforts regarding sustainability, the companies can now benefit from improved worker motivation and sense of belonging, with resulting higher productivity on the part of human resources and increased attractiveness to new talent	Potential
Working conditions	Difficulty attracting new talent (weak employer branding)	Risk	FLORIM	LT	Due to a lack of qualified personnel and to demographic shifts, companies are in competition to acquire the best new talent. If the organization does not invest enough in employer branding and in the attractiveness of its working conditions, it may be impacted negatively compared to other companies	Potential
Equal treatment and equal opportunity for all	Developing, nurturing and appreciating the skills of male and female workers alike through training activities that can be accessed by all	Positive impact	FLORIM	ST	Improving workers' skills through training and professional development activities and through general and technical programs, including in connection with goals for growth and personalized assessments (e.g. career development plans)	Actual

S2 – Workers in the value chain						
ESRS subtopic	**Material topic**	**IRO**	**Value chain**	**Time horizon**	**Description**	**Actual / Potential**
Working conditions	Unsuitable working conditions in the value chain	Risk	Upstream	LT	Maintaining unsuitable working conditions in the value chain (e.g. suppliers, shippers, customers) could have a reputational impact. Most significantly, however, it could jeopardize the continuity of procurement, broadening the scope of the problem to affect company operations, in financial and production terms	Potential
Working conditions	Human rights violations within the value chain	Risk	Upstream	LT	Human rights violations within the value chain (e.g. suppliers, shippers, customers, etc.), given the lack of visibility and control over the supply chain, could have a reputational impact on the company. Most significantly, it could cause interruptions in supply continuity, broadening the scope of the problem to affect company activities and the additional costs related to replacing suppliers	Potential

S3 – Affected communities						
ESRS subtopic	**Material topic**	**IRO**	**Value chain**	**Time horizon**	**Description**	**Actual / Potential**
Communities' economic, social and cultural rights	Good relationships and engagement with public authorities and local communities	Opportunity	FLORIM, Downstream	ST	Good relationships with local authorities and the communities we belong to, stemming from partnerships with educational, healthcare, and nonprofit organizations, can benefit our businesses in terms of reputation, attractiveness, and building loyalty among employees. Furthermore, it would also benefit the communities in terms of job opportunities and economic growth for the region, which has an indirect impact on the company	Potential
Communities' economic, social and cultural rights	Positive economic impacts generated within local communities	Positive impact	FLORIM	ST	Contribution to the development of professional and social opportunities in the local area, with consequent direct/ indirect impacts on local communities, thanks to the creation of jobs and to contributions and donations to area organizations, as well as to the company's own initiatives (e.g. the Health and Training Center)	Actual
Communities' economic, social and cultural rights	Training students to enter the world of work	Positive impact	FLORIM	ST	Partnering with schools and universities to train students to enter the world of work	Actual

S4 – Consumers and end-users						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Personal safety of consumers and/or end-users	Offering safe, high-quality, durable products	Positive impact	FLORIM	ST	Developing products that respect criteria of quality and safety that are aligned with industry best practices (e.g. materials for spaces in buildings that can affect human health, such as kitchens)	Actual
Personal safety of consumers and/or end-users	Incidents caused by problems involving the quality and safety of the organization's products	Risk	FLORIM, Downstream	MT	Incidents strictly linked to matters involving the quality and safety of one or more of the organization's products, including during the phases of preparation/installation or end use, could have a financial impact on the company, necessitating recalls/withdrawals from the market and compensatory damage payments to customers, leading to a drop in sales and a lessening of the company's attractiveness to customers. This, in turn, would lead to a reputational loss	Potential
Social inclusion of consumers and/or end-users	Satisfying customers and their expectations Impact	Positive	FLORIM	ST	Full customer satisfaction in terms of quality of the product or services rendered, including in terms of meeting timetables for their supply or provision	Actual

G1 – Business conduct						
ESRS subtopic	Material topic	IRO	Value chain	Time horizon	Description	Actual / Potential
Corporate culture	Creating a culture of business ethics	Positive impact	Downstream	ST	Awareness and dissemination of a culture of ethics, equity and inclusion, and of respect for human rights on the part of management and employees	Actual
Corporate culture	Developing a culture of sustainability	Opportunity	FLORIM	ST	Developing a strong shared internal culture on matters of sustainability translates into the possibility to gather investments from funds and to implement concrete improvement actions and other initiatives, which in turn translate into a competitive advantage and improved impacts and brand reputation	Potential
Political engagement and lobbying	Advocacy on material topics related to sustainability	Opportunity	Upstream, FLORIM, Downstream	MT	The creation of an industry working group (e.g. ETS) translates into concrete possibilities for identifying and developing common solutions and also for pooling resources in order to bring about advances in the sector	Potential

ST: Short-term
MT: Medium-term
LT: Long-term



"Il Cavallo" | Artwork by Mimmo Paladino, FLORIM headquarters (Fiorano Modenese, Modena, Italy)

GDR Management System policy

In the interests of transparent reporting, the company has laid out its commitments in its Quality, Environment, Safety and Energy Management System guidelines. In implementing its System, the company has made the following commitments:

- Compliance with current laws and applicable regulations, with a particular focus on safety, environmental and energy issues, as well as other requirements voluntarily imposed and applicable to its organization.

- A focus on the customer as a fundamental company resource, identifying needs to be met and assessing the degree of customer satisfaction.

- A focus on protecting the safety and health of all persons in the workplace.

- A focus on safeguarding public health through respect for the environment and the continuous improvement of energy performance, in the socio-economic context within which FLORIM S.p.A. SB operates. This context involves the production and sale of ceramic tiles. In partnership with FLORIM S.p.A. SB, suppliers are asked to share our approach to quality, environment, safety, and energy use, as well as our improvement plans.

- Establishing of measurable targets.

- Achieving set quality levels with a focus on cost minimization, to be accomplished by reducing scrap and optimizing the production process.

- Decreasing the number, duration and severity of incidents involving injuries at production sites.

- Occupational hygiene management for the prevention of work-related injuries and occupational illnesses.

- Optimizing natural resource use.

- Optimizing energy efficiency by designing and procuring energy-efficient products and services.

- Making continuous improvement a permanent goal of the organization.

- Empowering and engaging all levels of the organization in order to make all business processes more effective and efficient.

- Allowing and encouraging the free expression of ideas and proposals for improvement in all areas.

- A systemic and process approach to management.

- Developing training activities to improve professional skills in individual company departments and raising awareness of the impact of each individual company department on the environment, on health and safety, and on energy savings.

- Measuring and verifying the effectiveness of the quality, environment, safety and energy system through inspections and management reviews, and revising it when deficiencies or inefficiencies are identified.

- Adopting organizational, commercial, design and production methodologies that make it possible to immediately identify market needs and to reduce time to market, along with an ongoing focus on safeguarding the environment and workers' health and safety, and on energy savings.

Benefit Corporation and B Corp certification

Certified B Corporation

Learn more at bcorp.com

Benefit Corporations (Società Benefit, or SB, in Italian) have revolutionized the concept of what a corporation stands for by including in their business models a specific commitment to responsible operation.

A special meeting was held on March 19, 2020 to amend the company's articles of incorporation and enable FLORIM to become a Benefit Corporation, changing its name to FLORIM S.p.A. SB. The company formalized its commitment to operating not just for profit, but also with respect for resources and for the good of the community. The activities it has engaged in and the results achieved for people and for the environment are reported each year in the Impact Report. On December 9, 2022, FLORIM USA also became a Benefit Corporation.

On December 21, 2020, after being assessed against the highest social and environmental performance standards, FLORIM obtained B Corp Certification (the first ceramics company in the world to do so). B Corps are companies that comply with verified standards in their social and environmental practices.

In 2025, during the recertification process, the FLORIM S.p.A. SB Group achieved a score of 105.6 points, a significant gain over the 90.9 received in 2020.
The overall result reflects the performance of FLORIM S.p.A. SB, which climbed from 98.1 to 108 points, and of its US subsidiary, which passed the certification process for the first time, with 95.8 points (its score was 64.8 in 2020).

The number of companies seeking to become B Corps is high and continues to rise, but only a small fraction of these attain B Lab™ certification, making them part of an international network that fosters change in economic systems to support a shared vision for an inclusive, equitable and regenerative economy.
In 2025, FLORIM S.p.A. SB helped to form the Modena Local B Corp network, the first group of its kind in Italy, bringing together the certified B Corp companies from within a single province.

System certifications

In addition to B Corp certification, occupational health and safety certification, quality system certification and AEO (Authorized Economic Operator) status, discussed in the relevant sections, FLORIM S.p.A. SB has also obtained the following process certifications:

UNI EN ISO 9001

All of the Group's plants are UNI EN ISO 9001:2015 certified for the design, manufacture and sale of all categories of ceramic tile and, in 2022, FLORIM S.p.A. SB renewed its certification with an expansion to cover the "EA/IAF28" construction sector.
In 2023, the company obtained the Italian "SOA" certification, necessary to compete in tender bids for public works.

UNI EN ISO 14001

All FLORIM S.p.A. SB plants have received TÜV EN ISO 14001 voluntary certification, which confirms compliance with a series of internationally codified procedures intended to improve the internal environmental management system. The decision to seek this certification springs from a desire to strike a harmonious balance between quality on the one hand and efficiency and productivity on the other.

UNI EN ISO 45001

Both Italian plants have maintained compliance by obtaining the new UNI EN ISO 45001 certification. This international standard sets out the Occupational Health and Safety Management System (OHSMS) requirements.

UNI EN ISO 50001

Thanks to a detailed energy management policy, and supported by investments in production, partly aimed at improving energy efficiency, FLORIM S.p.A. SB was the first ceramics company in the world to earn ISO 50001 certification for its Energy Management System.

In 2025, FLORIM USA Inc. renewed its main product and system certifications, reaffirming its focus on consumer health and environmental sustainability. These include the Health Product Declaration, Declare Label Red List Free status, GreenGuard Gold certification, the Environmental Product Declaration, and Green Squared certification, in addition to ISO 14001.

Product certifications

Below is a list of the certifications obtained by **FLORIM S.p.A. SB** and **FLORIM USA Inc.**

CERTIFICATIONS TABLE		FLORIM	FLORIM USA
CE	**CE Marking** guarantees that a material is safe and compliant with the regulations in force in the European Community for all production lots.	●	
BUREAU VERITAS	**Bureau Veritas** certifies the pre-consumer recycled material content in accordance with the UNI EN ISO 14021 standard.	●	●
USGBC	**USGBC** is the leading association promoting the reduction of buildings' negative impact on the environment.	●	●
GREENGUARD GOLD	**GREENGUARD GOLD** certification protects health by improving air quality and reducing exposure to indoor chemicals.	●	●
NSF	**NSF** is a worldwide benchmark for materials suitable for use as "solid surfacing for splash zones."	●	
hpdc	**HPD - Health Product Declarations** are standard declarations for transparent communication on products' ingredients and the associated risks.	●	●
ISO 17889-1	THIS international certification assesses sustainability in terms of the environmental, economic and social impact of ceramic tiles throughout their life cycle.	●	
EPD	THIS document defines the environmental impacts arising from a given company's production. In addition to its company EPD, FLORIM Italia is also part of the sector EPD.	●	●
CCC	**CCC** certifies the suitability of materials for export to China and their compliance with health and safety requirements.	●	
QB UPEC	**UPEC** classification identifies the most appropriate intended use for each product on the basis of the technical and functional criteria.	●	
SINGAPORE GREEN BUILDING PRODUCT SGBC	**Singapore Green Building Product** identifies the most efficient products with regard to sustainability.	●	
G2 GREEN SQUARED CERTIFIED	**Green Squared®** certification covers the product's characteristics, manufacture and end-of-life management, corporate governance and sustainable innovation.		●

Florim S.p.A. SB products also hold **CAM, FDES, QB Wallpec, Kosher, TBWIC, IGIENCZY CERTYFICATE, Fitosanitaria, TIS, IRAM, SASO and SNI certifications, as well as other even more specific certifications for individual markets**.

ENVIRONMENTAL DISCLOSURES

E1 - Climate change

The green “L” in the FLORIM logo calls attention to the company’s focus on **environmental** matters and those relating to the **local area** where it was founded and where it operates. Over the years, FLORIM has developed initiatives, investments, and projects that aim to improve its environmental performance, as attested by data, certifications, and the acknowledgments it has received over time.

The company's commitment manifests in its continuous pursuit of improvement, both for its product and production processes as well as, to an every greater extent, the management of its supply chain, in compliance with applicable laws and regulations and using measurable targets and actions.

At FLORIM’s plants, raw materials are selected and inspected in accordance with specific **process and quality standards**. Advanced technologies, technical expertise, and human oversight are present throughout the various stages of production, with the aims of ensuring quality and safety and of improving the efficiency of resource use and the environmental performance of processes over time.

A knowledge of materials combines with a pursuit of aesthetics and a constant focus on design, contributing to the development of ceramic surfaces conceived to meet the needs of contemporary architecture and interior design.

In 2025, FLORIM encouraged the introduction of digital QR codes for sharing contact information to replace traditional paper business cards.



HIGHLIGHTS



100%

reuse of wastewater from internal processes*



15.3 MWp

of power per 175,000 m^2 of surfaces covered by solar panels



100%

recovery of greenware scrap from the production process*



172,034 tons

of CO_2 emissions avoided since 2012**



78.4%

of total electricity used in 2025 was self-generated



39.8 mln

liters of rainwater recovered in 2025



Over 20

international product certifications

*data refers to all Italian plants, calculated on an annual basis

** *percentage calculated in accordance with the scope described on page 30

E1-01 - Transition plan for climate change mitigation

FLORIM S.p.A. SB considers monitoring energy consumption and emissions related to its production activities to be an important part of managing the Group's environmental impacts.
At the time of writing of this Statement, the Group had not yet adopted a formal climate transition plan pursuant to the ESRS, but it does promote actions to improve its energy efficiency, technological innovation, and environmental monitoring, whose purpose is to steadily reduce the impacts related to its production activities.
Considering the energy-hungry nature of the ceramics industry and the current state of development of industrial decarbonization technologies, achieving the target of zero net emissions will depend on the evolution of technology, the availability of industrially scalable solutions, and the regulatory and energy landscapes.
Nonetheless, over the years FLORIM S.p.A. SB has developed a suite of initiatives and energy management tools that have helped to reduce its greenhouse gas emissions and improve the energy efficiency of its operations. The Group has been progressively strengthening its data collection and emissions analysis activities, as well as those for assessing opportunities to reduce its climate impacts, with the aim of developing more structured planning and monitoring tools as time goes on.

Its main action areas include:

- developing its energy production from renewable sources;
- improving its plants' energy efficiency;
- analyzing emissions across the different Scope categories;
- launching logistical and operational innovation initiatives.

The main climate change mitigation actions currently ongoing or planned are described pursuant to disclosure requirement E1-5, "Actions and resources in relation to climate change mitigation and adaptation."

In 2022 FLORIM S.p.A. SB embarked on a program to measure its greenhouse gas emissions, establishing a framework for the analysis of Scope 1, Scope 2, and Scope 3 emissions, and involving different company departments in order to collect the data for the key indicators. In 2023, the data was analyzed with the purpose of identifying the main sources of emissions ("hot spots"). Then, in 2024–2025, internal working groups were set up to evaluate possible solutions for reducing emissions and planning improvement actions.

At the same time, the business continues to invest in the development of its own capacity for energy generation from renewable sources at its Italian sites. Specifically, in 2025 it embarked on an expansion of its solar-paneled surface area, with the aim of further increasing the amount of its electricity that is self-generated.

Potentially locked-in emissions

Greenhouse gas emissions by the company are largely the result of the energy-hungry production processes typical of the ceramics industry, specifically of firing in industrial kilns and of energy consumption at its plants.

A portion of the direct emissions generated from its production activities falls within the scope of the EU Emissions Trading System, the European emissions trading scheme that governs greenhouse gas emissions from specific types of energy-hungry industrial installations. Under this system, FLORIM S.p.A. SB is allocated free emissions allowances based on applicable sectoral benchmarks and, when necessary, purchases additional allowances on the market to cover excess emissions.

Existing production plants and energy infrastructure are structural components of the industrial process, and can produce greenhouse gas emissions in the medium-term, until lower carbon intensity technological solutions are gradually introduced. The emissions profile related to thermal processes and to the plants' energy consumption is therefore one of the most significant variables within the program to reduce the company's emissions.

Progress in implementing our decarbonization program

In recent years, FLORIM S.p.A. SB has made progress in monitoring and managing its greenhouse gas emissions, including establishing the scope of its emissions reporting, identifying its main emissions sources, and launching emissions reduction initiatives.

The Group is assessing the evolution of the initiatives currently underway, with a view to moving toward a more structured approach to managing decarbonization. To this end, it has established the ESSG (Environmental, Social, Safety and Governance) unit, which works with all of the Group's companies, and is responsible for coordinating emissions measurement activities, identifying opportunities for emissions reduction, and assisting in the development of a more structured climate strategy. It is also tasked with coordinating activities to measure emissions and initiatives to improve environmental performance.

E1-02 and E1-03 - Identification of climate-related risks and climate scenario analysis

The company has not yet developed an official climate resilience analysis based on quantitative models or on structured scenario analyses. Nonetheless, the relevant factors for understanding the company's level of exposure and capacity to adapt its business model, based on existing climate risk assessments and accrued operational experience, have been taken into account.

The quantitative assessment shows that the main climate risks for the company are those arising from extreme physical events and from transition factors having to do with the regulatory and energy landscapes. Specifically, the Italian area of operations has been impacted by flooding, while the installation in the United States (Tennessee) has been exposed to extreme weather events, including tornadoes and severe storms. In addition to these factors, there is the company's exposure to the EU Emissions Trading System for the Italian installations and the volatility of energy prices.

In light of these factors, the company's business model contains some elements, mainly operational and in connection with its plants, that assist with resilience. Firstly, the high amount of self-generated energy at the Italian plants, supported by cogeneration plants and by considerable solar capacity, makes it possible to reduce the company's exposure to energy price volatility and to indirect emissions-related costs.

The company has also adopted a structured approach when it comes to managing its production assets, one based on high safety standards and on regular maintenance and inspections of its systems, with the aim of preventing breakdowns and unexpected nonavailabilities of critical equipment.

The Group also has systems for continuous monitoring of key operational and energy parameters. This makes it possible to promptly identify changes in patterns of consumption, system performance, and emissions.

Energy efficiency and resource management practices, including materials recovery and the reuse of process wastewater, which make it possible to reduce dependence on external inputs and improve operational stability over time, constitute additional resilience factors.

In terms of the transition plan for climate change mitigation (E1-01), FLORIM S.p.A. SB has not yet adopted a formalized and approved plan that includes all of the elements required by the standard. However, initiatives and activities whose aim is the continuous improvement of our energy and environmental performance, which contributes indirectly to bolstering resilience in relation to transition risks, are ongoing.

E1-04 - Policies related to climate change mitigation and adaptation

FLORIM S.p.A. SB has adopted Guidelines for managing the Consolidated Quality, Environment, Safety and Energy System. These form the framework of reference for managing environmental impacts and, in particular, those aspects related to energy consumption and greenhouse gas emissions, as described in the GDR-P section.

The policy is based on a systemic and process approach that calls for formal commitments, including compliance with applicable laws and regulations and with requirements voluntarily imposed, with a special focus on environmental and energy-related topics. It includes measurable targets and the principle of continuous improvement of company performance.

In terms of climate topics, the policy explicitly includes:

- optimizing energy efficiency by designing and procuring energy-efficient products and services;
- optimizing natural resource use;
- establishing measurable targets;
- measuring and verifying the effectiveness of the system through internal audits and management reviews;
- engaging and empowering all levels of the organization;
- supporting the continuous improvement of environmental and energy-related performance.

The approach adopted encompasses all of the company's operations at Italian production sites and relevant management processes. The policy also extends to suppliers, who are called upon to share the company’s approach to quality, the environment and energy, fostering a mindset of cooperation across the value chain.

The policy provides the framework of reference for the management systems adopted by the company and is in line with internationally recognized standards. This includes the energy management system, which complies with UNI EN ISO 50001. It is by use of this framework that the company is able to incorporate energy performance management into its organizational system.

E1-05 - Actions and resources related to climate change mitigation and adaptation

The Group companies that generate the most significant impacts, FLORIM S.p.A. SB and FLORIM USA Inc., engage in climate change mitigation actions that differ depending on the facility. These initiatives are integrated into the company management systems, and focus chiefly on energy efficiency, the self-generation of energy from renewable sources, the circular economy, and operational innovation.

The energy consumed to power the production processes in the ceramics industry is structurally high. For this reason, all of the Group's installations are equipped with technologically advanced systems designed to optimize energy impacts. At the Italian plants, a system exists that recovers hot air from the kilns, which helps to reduce energy consumption.

This system allowed the company to cut electricity and natural gas consumption by over 5% in the kilns where it was implemented, in comparison with 2024. Moreover, a portion of the recovered air is used to heat the facility during the winter months, helping with energy efficiency as well as making the workplace more comfortable.

The Italian facilities are certified under standard UNI EN ISO 50001, a testament to a structured energy management system that is constantly aiming to improve its performance. Over the years, the company has made considerable investments in efficient technologies, monitoring systems, scheduled maintenance, and process optimization, with cumulative investments in green management since 2011 topping 78 million euros.

There are 175,000 m^2 of solar-paneled surfaces at our manufacturing sites in Italy, which allow the company to generate clean energy and avoid emitting CO_2 into the environment.

Installation of the first solar panels for the Fiorano plant began in 2011 and was completed in 2012; the system was updated in 2020. The second system, with a solar-paneled surface of 26,000 m^2, went into operation in 2019, while the one in Mordano was completed in 2022.

In 2025, FLORIM S.p.A. SB launched a new project, worth over 3.7 million euros, aimed to expand its solar installations and introduce a cutting-edge energy storage system.

The new systems, which will provide 48,000 m^2 of solar-paneled surface coverage on Fiorano Plants 1 and 3, adding approximately 3 MW of power, will go into operation in 2026. One singular element of the project is the construction of a 5 MW state-of-the-art battery energy storage system (BESS), designed to store generated energy that is not immediately used.

SITE	SHED SURFACE AREA	PEAK POWER	SOLAR-PANELED SURFACE
FIORANO PLANT 1	74,000 m^2	5,273 kWp	15,858 m^2
FIORANO PLANT 2	48,000 m^2	5,035 kWp	26,451 m^2
FIORANO PLANT 3	3,000 m^2	424 kWp	1,863 m^2
MORDANO PLANT 2	50,000 m^2	4,586 kWp	22,024 m^2
TOTAL	**175,000 m^2**	**15,318 kWp**	**66,196 m^2**

With two cogeneration plants producing 14.4 MWe of power, and 175,000 m^2 of solar-paneled surfaces able to generate 15.3 MWp in total, the Italian sites have a unique set-up for energy production. In ideal weather conditions, FLORIM S.p.A. SB plants are able to guarantee up to 100% of the electricity needed to power the Italian manufacturing sites.

As of 2021, whenever self-generated energy is insufficient, FLORIM S.p.A. SB buys electricity only from certified renewable sources. In 2025, self-generated electricity at the Italian manufacturing sites reached 78.4% of total consumption.

2023 saw the launch of an ongoing e-mobility project for the transport of slabs between the Mordano and Fiorano plants using two 100% electric trucks powered with the energy self-generated by the solar panels and cogeneration plants.

To make the project operational, FLORIM S.p.A. SB has also invested in internal battery charging infrastructure. With this project, the company avoided the emission of 328 tons of CO_2-equivalent in 2025 and 246 in 2024[1].

[1] This calculation was made using the 2025 defra conversion factors for hvo for articulated vehicles >33tons average laden

FLORIM S.p.A. SB also takes the utmost care with the lighting in its facilities. The company has installed movement and brightness sensors, to adjust lighting based on actual need and avoid waste of electricity, as well as energy-efficient lighting fixtures at all of its Italian sites. The company also produced an energy manual for internal distribution, to encourage good practices in the management of heating and air conditioning and in the use of lighting, elevators, computers, printers and photocopiers, both at work and in the home.

At FLORIM USA Inc., the factory lighting was replaced with high-efficiency LED fixtures, cutting energy consumption and improving lighting in the workplace.

In flagship stores, information is distributed illustrating best practices for energy management. Although this has no direct impact on production, it helps to foster a culture of sustainability.

Support for the actions described above is provided by dedicated internal resources spread across different company departments, with the involvement and approval of the Board. The approach aims to be in line with principles of continuous improvement and with the Consolidated Quality, Environment, Safety and Energy System adopted by the company.

Finally, Florim S.p.A. SB has continued with a project calling for compensation for emissions related to specific collections. These initiatives are complementary and do not replace reduction actions at the source. They are described in greater detail in the section dealing with carbon credits (E1-9).

FLORIM USA Inc. has significantly improved the energy efficiency of its production processes, recording a performance increase of approximately 6.5% on a per-square-foot basis, compared with the minimum target of 1% set in 2024. This result attests to the effectiveness of the energy optimization actions undertaken.

E1-06 - GHG emissions reduction targets

In 2026, FLORIM S.p.A. SB will prepare its GHG emissions inventory and submit it to a third party, in accordance with ISO 14064:2018. The purpose of this is to make available a structured data base which, in coming years, enables the company to set targets that are measurable and that can evolve in alignment with changing regulations and with relevant climate scenarios.

In terms of Scope 2 emissions, the indirect emissions from electricity used in the Italian installations are managed entirely through the purchase of electricity from Guarantee of Origin certified renewable sources. Therefore, from the standpoint of market-based calculations, Scope 2 emissions stand at zero.

Lack of overall emissions reduction targets notwithstanding, FLORIM S.p.A. SB has set specific reduction targets in relation to individual energy improvement initiatives. In particular, new solar modules, which will allow for an estimated emissions reduction of approximately 780 tons of CO_2 per year, are expected to be connected by the end of 2026.

Furthermore, actions to optimize production processes, including regulation of the combustive air supplied to the kilns, will allow for an approximate estimated 360 tons of CO_2-equivalent related to natural gas consumption, and another roughly 31 tons of CO_2-equivalent related to electricity savings, to be saved each year.

FLORIM S.p.A. SB has formalized, within its Articles of Association, a general commitment to environmental sustainability and to reducing the impact of company activities, which form the framework of reference for the future evolution of its system of climate goals.

Against this backdrop, the steady increase in measurement of emissions and the strengthening of the company's energy efficiency and self-generation measures form the operational basis for the future introduction of quantitative targets.

E1-07 - Energy consumption and mix

This section provides an overview of energy consumption at FLORIM S.p.A. SB's production plants and of the sources used. The information provided here offers an understanding of how the company manages its energy needs, with a special focus on the contribution of self-generation and on the use of energy from renewable sources.

Energy consumption	2025		
	FLORIM S.p.A. SB	FLORIM USA Inc.	TOTAL
Total energy used (MWh)	687,693	307,286	994,979
Total self-generated renewable energy (MWh)	14,480	0	14,480
Energy intensity (total energy used / m^2 produced)	0.042	0.039	0.041
Energy intensity (total energy used / revenue)	0.002	0.003	0.002
Total energy consumption from fossil fuel sources (MWh)	653,891	282,647	936,538
Total energy consumption from nuclear power (MWh)	0	14,898	14,898
Total energy consumption from renewable sources (MWh)	33,802	9,741	43,543
Consumption of fuel from coal and coal products (MWh)	0	10,314	10,314
Consumption of fuel from crude oil and petroleum products (MWh)	5,785	0	5,785
Fuel consumption from natural gas (m^3)	65,415,051	23,686,043	89,101,094
Fuel consumption from other fossil fuel sources (MWh)	0	0	0
Consumption of electricity, heat, steam or cooling purchased or acquired from fossil fuel sources (MWh)	0	32,661	32,661

Self-generated energy (solar)	2025
	FLORIM S.p.A. SB
Energy generated (MWh/year)	14,480
Energy exported to the grid (MWh/year)	3,043
Energy consumed (MWh/year)	11,437

Self-generated energy (cogeneration)	2025
	FLORIM S.p.A. SB
Fuel consumed (SCM)	28,022,706
Net electricity generated (MWh/year)	79,760
Electricity exported to the grid (MWh/year)	3,335
Electricity consumed (MWh/year)	77,515

The energy consumption figures provided in the table refer to both the Italian and US production plants and to the Italian flagship stores that are subsidiaries of FLORIM S.p.A. SB.
The electricity used by the flagship stores, which is largely for purposes of lighting, climate control, and heating water for use in the bathrooms, is not significant compared to energy consumption by the production plants.

In the Italian plants, the energy consumed goes mostly toward the highly energy-intense industrial processes typical of the ceramics sector. Specifically, natural gas is the main energy source, and it is used to power the cogeneration plants, the spray-dryers, the dryers, the kilns, the thermoshrinking systems, and the thermal power plants.

Diesel fuel consumption, on the other hand, is attributable to internal logistics and production support activities, such as moving raw materials using a backhoe, the use of forklifts and tractors, electrical generators, and the company vehicle fleet.

At the US plant, energy consumption goes almost entirely toward production activities, with negligible use of ancillary services.

E1-08 - Gross scope 1 and 2 GHG emissions

When emissions are reported, a distinction must be drawn between direct emissions (Scope 1) and indirect emissions from purchased energy (Scope 2). The data reported refers to the companies FLORIM S.p.A. SB and FLORIM USA Inc.

The Group has been steadily growing its data collection and analysis activities for indirect emissions across the value chain, with the aim of bolstering over time the control it has over available information and of gradually improving monitoring of its indirect climate impacts.

Metrics include the contributions of activities that fall under the purview of the EU ETS system, which is applicable to FLORIM S.p.A. SB alone, and make it possible to understand which are the company's main emissions sources and the areas on which to focus its improvement actions.

	FLORIM USA	FLORIM S.p.A. SB	TOTAL
Gross Scope 1 GHG emissions (tons of CO_2-eq)	48,087	133,712	181,799
Percentage of Scope 1 GHG emissions from the EU Emissions Trading System (EU ETS) (%)	0	99%	72%
Gross location-based Scope 2 GHG emissions (tons of CO_2-eq)	24,240	7,645	31,885
Gross market-based Scope 2 GHG emissions (tons of CO_2-eq)	24,240	0	24,240
Gross Scope 3 GHG emissions (tons of CO_2-eq)	140,388	352,522	492,910

Greenhouse gas emissions are calculated based on the principles set forth in ISO 14064-1:2018.
The emissions are classified as follows:

- Scope 1: direct emissions mainly from the burning of natural gas and fuels used in production processes and other operations;
- Scope 2: indirect emissions from purchased electricity.

In terms of Scope 2, emissions were calculated using both of the approved methods:

- location-based, based on average emission factors for the national energy grid;
- market-based, which takes into account the company's specific energy procurement decisions.

In the case of the Italian plants, the market-based approach reflects the purchase of electricity from Guarantee of Origin certified renewable sources.
Emissions calculations are based on available energy consumption data and on standardized emission factors.

As of 2012, when its first solar panels became operational, FLORIM S.p.A. SB has been measuring the CO_2 emissions avoided thanks to self-generated energy and to the purchase of energy from certified renewable sources (since 2021). Thus, over 14 years, FLORIM S.p.A. SB has avoided the emission of 172,034[1] tons of CO_2, (of which 7,750 tons of CO_2 in 2025), equivalent to the CO_2 absorbed by about 79,278 trees (equal to 559 hectares of forest).

year	solar power generation	total gas turbine power generation	gas consumption by turbines	share of gas consumed by turbines for wind power generation	CO_2 emissions avoided due to the electricity generated by solar	CO_2 emissions related to electricity generated with the aid of gas (turbines)	CO_2 emitted into the atmosphere attributable to self-generated electricity from solar installations and turbines	CO_2 that we would have emitted into the atmosphere if we had purchased all the self-generated electricity (w/out GO-certification) from the grid	CO_2 emissions avoided due to the fact that we self-generated electricity instead of taking it from the grid (w/ out GO-certification)	CO_2 emissions avoided by purchasing GO (Guarantee of Origin) certified electricity from the grid	CO_2 emissions avoided due to self-generation and the purchase from the grid of electricity from GO-certified wind power
2012	2,590,014 kWh	60,983,516 kWh	19,493,442 SCM	6,256,732 SCM	- 965 tons CO_2	+ 12,269 tons CO_2	+ 11,304 tons CO_2	+ 23,796 tons CO_2	- 12,491 tons CO_2	-	- 12,491 tons CO_2
2013	3,112,964 kWh	61,765,603 kWh	20,088,281 SCM	6,331,894 SCM	- 1,016 tons CO_2	+12,461 tons CO_2	+ 11,445 tons CO_2	+ 21,254 tons CO_2	- 9,809 tons CO_2	-	- 9,809 tons CO_2
2014	3,218,050 kWh	57,054,084 kWh	18,637,399 SCM	5,837,667 SCM	- 993 tons CO_2	+ 11,418 tons CO_2	+ 10,425 tons CO_2	+ 18,678 tons CO_2	- 8,253 tons CO_2	-	- 8,253 tons CO_2
2015	3,433,734 kWh	63,402,335 kWh	20,607,200 SCM	6,502,115 SCM	- 1,078 tons CO_2	+ 12,712 tons CO_2	+ 11,364 tons CO_2	+ 21,067 tons CO_2	- 9,433 tons CO_2	-	- 9,433 tons CO_2
2016	3,288,131 kWh	82,810,590 kWh	26,286,585 SCM	8,516,521 SCM	- 1,029 tons CO_2	+ 16,650 tons CO_2	+ 15,621 tons CO_2	+ 27,061 tons CO_2	- 11,440 tons CO_2	-	- 11,440 tons CO_2
2017	3,444,610 kWh	84,788,120 kWh	26,107,603 SCM	8,725,268 SCM	- 1,061 tons CO_2	+ 17,136 tons CO_2	+ 16,075 tons CO_2	+ 27,273 tons CO_2	- 11,197 tons CO_2	-	- 11,197 tons CO_2
2018	2,920,985 kWh	93,627,930 kWh	30,067,945 SCM	9,339,531 SCM	- 821 tons CO_2	+ 18,418 tons CO_2	+ 17,597 tons CO_2	+ 27,236 tons CO_2	- 9,640 tons CO_2	-	- 9,640 tons CO_2
2019	5,937,666 kWh	96,135,180 kWh	30,946,985 SCM	9,651,093 SCM	- 1,640 tons CO_2	+ 19,061 tons CO_2	+ 17,421 tons CO_2	+ 27,417 tons CO_2	- 9,996 tons CO_2	-	- 9,996 tons CO_2
2020	9,047,220 kWh	82,399,614 kWh	26,123,766 SCM	8,086,590 SCM	- 2,499 tons CO_2	+ 16,044 tons CO_2	+ 13,545 tons CO_2	+ 23,621 tons CO_2	- 10,076 tons CO_2	-	- 10,076 tons CO_2
2021	9,579,472 kWh	107,082,546 kWh	33,226,696 SCM	10,556,895 SCM	- 2,474 tons CO_2	+ 20,934 tons CO_2	+ 18,460 tons CO_2	+ 30,134 tons CO_2	- 11,674 tons CO_2	- 7,033 tons CO_2	- 18,707 tons CO_2
2022	10,972,190 kWh	102,111,503 kWh	31,778,968 SCM	9,975,540 SCM	- 2,696 tons CO_2	+ 19,861 tons CO_2	+ 17,165 tons CO_2	+ 27,785 tons CO_2	- 10,619 tons CO_2	- 7,727 tons CO_2	- 18,346 tons CO_2
2023	14,780,778 kWh	77,706,130 kWh	25,816,600 SCM	7,681,929 SCM	- 4,335 tons CO_2	+ 15,488 tons CO_2	+ 11,153 tons CO_2	+ 27,126 tons CO_2	- 15,973 tons CO_2	- 7,484 tons CO_2	- 23,457 tons CO_2
2024	14,317,120 kWh	74,463,589 kWh	25,609,601 SCM	7,376,782 SCM	- 3,373.11 tons CO_2	+ 14,873.18 tons CO_2	+ 14,873.18 tons CO_2	+ 20,916.74 tons CO_2	- 6,043.56 tons CO_2	- 5,395.16 tons CO_2	- 11,438.72 tons CO_2
2025	14,479,911 kWh	80,850,266 kWh	28,022,706 SCM	8,004,426 SCM	- 2,880.05 tons CO_2	+ 16,138.65 tons CO_2	+ 16,138.65 tons CO_2	+ 18,961.17 tons CO_2	- 2,822.52 tons CO_2	- 4,928 tons CO_2	- 7,750.52 tons CO_2
total	**101,122,844 kWh**	**1,125,181,007 kWh**	**362,813,777 SCM**	**112,842,983 SCM**	**- 26,860.60 tons CO_2**	**+ 223,465.09 tons CO_2**	**+ 202,857.64 tons CO_2**	**+ 342,325.13 tons CO_2**	**- 139,467.49 tons CO_2**	**- 32,566.87 tons CO_2**	**- 172,034.36 tons CO_2**

year	Emissions avoided by FLORIM S.p.A. SB	Tree used as a reference for CO_2 absorption	CO_2 absorption by 1 tree, in kg per year	Number of trees needed to absorb the CO_2 emissions avoided by FLORIM S.p.A. SB	Emissions avoided by FLORIM in 12 years (from 2012 to 2025) thanks to the fact that we self-generated electricity without taking it from the grid and that the energy we did purchase from the grid was GO-certified.	Cumulative absorption of CO_2 by one tree over 12 years, in kg	Number of trees needed to absorb the kg of CO_2 emissions avoided by FLORIM S.p.A. SB (over a span of 12 years)	Tons of CO_2 absorbed by 1 hectare of forest in one year	Hectares of forest needed to absorb the CO_2 avoided	Hectares needed to absorb the CO_2 emissions avoided by FLORIM S.p.A. SB
2022	-18,346.20	Turkey oak/Oak	155	118,362.59	-129,388.19	1,705	-75,887.50	242	-534.66	534.66
2023	-23,456.93	Turkey oak/Oak	155	-151,335.03	- 152,845.12	1,860	-82,174.79	264	-578.95	578.95
2024	-11,438.72	Turkey oak/Oak	155	-73,798.19	- 164,283.84	2,015	-81,530.44	286	-574.41	574.41
2025	-7,750.72	Turkey oak/Oak	155	-50,003.35	- 172,034.36	2,170	-79,278.51	308	-558.55	558.55

[1] In 2025, emissions avoided were calculated using the conversion factor from ispra publication 413-2025. for previous years, the ispra conversion factor published in the reference year was left unchanged. The amount of co2 absorbed by trees was calculated based on the figure of 155 kg/year of co2 absorbed by an oak or turkey oak. source: calculation of carbon_footprint_politec technology. For the calculation of forest hectares, a value of 22 tons of co2 absorbed by 1 hectare of forest in one year was used. source: confagricoltura mantova research (calculated on 144 plants per hectare, absorbing 155 kg/year of co2)

E1-09 - Greenhouse gas removals and GHG mitigation projects financed through carbon credits

FLORIM S.p.A. SB and FLORIM USA Inc. have adopted a climate change mitigation approach that prioritizes emissions reduction at the source through actions relating to production processes and energy efficiency, as described in section E1-5. Against this backdrop, the use of carbon credits is a complementary measure, one that does not replace emissions reduction activities related to production processes, and which is limited to compensation for the residual emissions associated with specific product lines.

FLORIM S.p.A. SB has developed a project that calls for compensation of the GHG emissions related to the life cycles of specific product collections, based on average product EPD results. Emissions are calculated for the entire product life cycle, from raw materials extraction through to disposal, in line with the emissions scope descriptions in section E1-8.

Residual emissions are compensated by purchasing and canceling certified carbon credits from renewable energy projects in developing countries. Credits are canceled on a basis consistent with the emissions calculated for the specific collections included in the project. During the reference period, FLORIM S.p.A. SB purchased a total of 100,000 credits (VCUs) and canceled 36,625 tons of CO_2-equivalent through carbon credits.

The credits come from projects certified pursuant to the Verified Carbon Standard (VCS – Verra), which include a renewable solar-energy project developed by Mahindra Renewables Private Limited and a wind-power project developed by Hero Future Energies Private Limited, both located in the State of Madhya Pradesh in India. These credits are generated by emissions mitigation projects (avoidance), specifically in the renewable energy sector, and do not include carbon removal projects or solutions using nature-based or technological sinks.

FLORIM USA Inc. has also compensated emissions from a selection of product collections, reported on its site, milestonetiles.com.

FLORIM S.P.A. SB uses carbon credits only to compensate residual emissions related to specific product collections that are part of the project. The company nonetheless continues to invest in energy efficiency, self-generation from renewable sources, and production process innovation, while the gradual structuring of its emissions inventory, as described in section E1-8, forms the basis for the future determination of quantitative reduction targets.



Electric vehicle for transporting slabs
(Fiorano Modenese - MO - Italy)

E2 - Pollution

The Group's production activities generate non-greenhouse gas emissions, mainly in the form of gases and particulates, mostly from the kilns and from other ceramic production processes. These form the principal direct impact on the environment in terms of pollution.

The Italian plants operate under an Integrated Environmental Authorization ("AIA"), which establishes precise emissions limits for each production plant, ensuring compliance with Italian and EU laws and regulations, including Directive (EU) 2010/75 on industrial emissions and Italian Legislative Decree 152/2006 and its subsequent amendments and additions.

The US installation, located in Tennessee, operates in compliance with Tennessee Title V Air Permit #578675, issued by the Tennessee Department of Environment and Conservation (TDEC).

This ensures that its operations comply with US legal requirements and incorporate the environmental management best practices that already exist within the Group.

E2-01 - Policies related to pollution

FLORIM S.p.A. SB has adopted a consolidated management policy, formalized in its System Management Guidelines, which applies to all production operations at the Italian plants. This policy sets out general objectives for the prevention, mitigation, and reduction of environmental impacts and of material risks, while simultaneously promoting opportunities for efficiency, innovation, and sustainable development.

The key aspects of this policy in terms of pollution include:

- compliance with applicable laws and regulations, with a strong focus on environment, safety, and energy;
- protecting the health and safety of workers and of all persons present at company sites;
- establishing measurable targets and an approach based on continuous improvement.

FLORIM S.p.A. SB implements this policy in compliance with voluntarily imposed international standards, including the ISO 9001 Quality Management System, the ISO 14001 Environmental Management System, the ISO 45001 Health and Safety Management System, and the ISO 50001 Energy Management System, ensuring constant monitoring of system effectiveness, inspections, and management reviews, and that objectives are revised in the event of inefficiencies. Any amendments to the Guidelines are disseminated and incorporated into operational management, in order to ensure consistency of strategy, objectives, and actions in the field.

Concerning the US site, FLORIM USA Inc. has laid out its own environmental policy, which covers its own operations, and which aims to continuously improve its efforts to reduce, reuse and recycle materials across the production process. The objective is to produce high-quality goods in a way that is efficient and sustainable, integrating the best technological and management practices to prevent emissions into the environment.

All employees bear responsibility for compliance with applicable laws and regulations, with the Environmental Health and Safety (EHS) department tasked with oversight of specific actions and with company management guaranteeing supervision and coordination in accordance with ISO protocols. The US site also employs tools such as ILFI certifications, Declare Labels, Health Product Declarations, Environmental Product Declarations, and GreenGuard, and has adopted emergency plans pursuant to ISO 14001 and ISO 9001 to prevent and manage possible emissions or environmental pollution. The selection of chemicals is regulated to avoid substances of very high concern (SVHCs), using the Red List put out by the International Living Futures Institute as reference.

E2-02 - Actions and resources related to pollution

In 2025 FLORIM S.p.A. SB continued to ensure oversight of its atmospheric emissions through a systematic and constant monitoring process, in line with company policies for safeguarding the environment and for the continuous improvement of energy performance. All of the Group's facilities, including the Italian ones subject to the Integrated Environmental Authorization ("AIA") and the US plant, which is subject to the environmental authorization issued by the Tennessee Department of Environment and Conservation (TDEC), have adopted established methodologies for quantifying their emissions. In Italy, data are collected via analysis of the stacks, with periodic sampling and subsequent laboratory analyses. In the US plant, the emissions are measured directly for the majority of the flows, while measurements for products of combustion and volatile organic compounds (VOCs) are calculated based on operational data.

At FLORIM USA Inc., the process of collecting and recording data includes daily monitoring of key parameters like fabric filter pressure, natural gas combustion volumes, the use of printing ink, and raw material input rates, ensuring strict and constant oversight of emissions flows. Alongside these activities, the company conducts regular equipment maintenance operations to maintain the efficiency of abatement systems.

Constant data monitoring and preventive equipment maintenance are key actions for managing material risks related to air pollution, and they contribute directly to achieving the company's environmental policy objectives. These objectives include compliance with applicable laws and regulations, reducing negative human health and environmental impacts, as well as the continuous improvement of energy and environmental performance within the company's production processes, in line with the ISO 14001 Environmental Management System.

E2-04 - Pollution of air

The emissions generated by FLORIM S.p.A. SB's production activities are related solely to the air, and can be attributed to the processes typical of the ceramics industry. The Italian and US manufacturing plants produce different types of emissions based on the technologies and processes they employ.

For the Italian production facilities, the main pollutants include particulate matter, nitrogen oxides, volatile organic compounds, aldehydes, fluorine, and traces of metals such as lead.

The Clarksville (USA) facility emits particulate matter, nitrogen oxides, carbon monoxide, sulfur dioxide, volatile organic compounds, hydrofluoric acid, hydrochloric acid, and inorganic sediments. The most significant are reported in the table below.

The Flagship Stores were not deemed significant because they do not generate direct emissions.

2025	**FLORIM S.p.A. SB**	**FLORIM USA Inc.**	**TOTAL**
Aldehydes (kg)	1,023	-	**1,023**
Fluorine (kg)	938	-	**938**
Particulate matter (kg)	12,133	11,120	**23,253**
Carbon monoxide (kg)	15,658	-	**15,658**
Nitrogen oxide (kg)	77,514	93,142	**170,656**
Lead (kg)	11	-	**11**
SO2 (kg)	0	19,753	**19,753**
VOCs (kg)	11,489	0	**11,489**

E3 - Water

At FLORIM S.p.A. SB, as in the ceramics industry at large, water is used at different stages of the production process, making its careful and necessary management a necessity. Water is used mainly in the company's industrial processes and, depending on the technologies employed, it may be recovered, reused, or saved. In the Double Materiality Assessment, efficient management of water resources was revealed as an important factor for reducing environmental impacts and for the continuous improvement of operational performance, as described on pages 59–60.

For FLORIM S.p.A. SB, water is a resource to be preserved by optimizing consumption, reducing waste, and adopting solutions that limit its use across the production cycle. In support of this approach, the company has introduced specific technological solutions at all of its production sites, such as its 14 dry rectifying lines (almost 90% of its total lines), making it possible to completely eliminate the use of water in the rectification process. This operating model, based on principles of circularity and reduction at the source, enables the company to minimize its overall water needs and significantly limit its environmental impacts in relation to the use of this resource.

An analysis conducted using World Resources Institute (WRI)* resources showed that the Mordano (BO) site is located in an area characterized by extremely high water stress. The overall water risk was classified as extremely high, chiefly due to pressure on this resource in terms of available quantity.

The related physical risks were found to be significant, with medium-to-high year-to-year variability, medium-to-high risk of drought, and medium-to-high risk of river flooding events, while risks relating to water access and quality, and regulatory, legal, and reputational risks were found to be limited. Projections for the period up to 2030 show a possible growing pressure on water resources, accompanied, however, by moderate climate variability. This scenario reaffirms the importance of efficient and responsible water management for production activities at the site.

E3-01 - Policies related to water

FLORIM S.p.A. SB incorporates water management into its management system policy. In this context, the company is committed to using natural resources efficiently, to preventing pollution, and to improving its environmental performance, including the responsible management of water in its production processes.

The management system policy calls for optimizing water consumption and the recovery and reuse of process wastewater, and for reducing releases. These principles are applied to all of the Group's operations, with particular emphasis on its production plants, where the water used in industrial processes is managed according to principles of efficiency and circularity.

* https://www.wri.org/

E3-02 - Actions and resources related to water

Over the course of 2025 FLORIM S.p.A. SB continued with a set of concrete actions whose purpose is the responsible management of water resources, consistent with management system guidelines.

One of the main actions focuses on optimizing usage of water resources in production processes. In all of the Group's manufacturing plants, both in Italy and the US, 100% of production cycle wastewater is reused, effectively eliminating direct industrial wastewater release. The only water that is not recovered is the water for non-industrial uses and that lost through evaporation at different stages of the manufacturing process. In order to further reduce its water needs, over the years FLORIM S.p.A. SB has introduced and embedded its use of dry rectifying lines, which make it possible to eliminate the water from this stage of the manufacturing process, reducing the company's dependence on water resources and related impacts. This system was implemented in the Italian plants starting in 2015, and is currently in the process of implementation at the US site.
Beginning in 2020, tanks and other systems for rainwater collection and reuse have been installed at the Italian sites. Specifically, in 2023 a new large-scale tank (350 m × 6.2 m) was installed at the Mordano site, enabling it to expand rainwater collection to include the plant's bays and roofs. Thanks to these projects, 21.9 million liters of rainwater were collected and used in production processes in 2024, a 211% increase over 2023. In 2025, a full 38.9 million liters were collected, an 81.7% increase over the previous year.



Process wastewater treatment at company headquarters (Fiorano Modenese, Modena, Italy)

E3-03 and E3-04 - Targets and metrics

At the Group's production sites, water management is carefully monitored using direct measurement tools and established metering procedures.

2025	FLORIM S.p.A. SB	FLORIM USA Inc.	TOTAL
Total water consumption (m3)	296,673	92,156	**388,829**
Total water consumption in areas under water stress (%)	51.2%	0	**39%**
Total water withdrawal (m^3)	296,673	95,126	**391,799**
Total water discharged (m^3)	0	0	**0**
Total water recycled and reused (m^3)	269,653	78,164	**347,817**
Total rainwater collected (m^3)	39,833	0	**39,833**
Water intensity ratio (per m^2 of production)	0.018	0.012	**0.016**

For the Fiorano Modenese (MO) plant, water is withdrawn from five underground wells, from the municipal water supply, and from external suppliers. The volumes withdrawn from the wells and from the municipal water supply are metered, while the water purchased from external suppliers is weighed upon entering the facility.

At the Mordano (BO) plant, the total water consumption figure is provided by reading the system meters. The rainwater is harvested using a retention tank in the bay and two fresh rainwater collection tanks.

For FLORIM USA Inc., consumption and recycling data are provided by monthly billing amounts and by monitoring discharges to the public sewer system.

These data shine a light on the Group's commitment to the constant monitoring of water consumption and to its research into new technologies and practices to further reduce its water usage. FLORIM S.p.A. SB facilities have adopted the following targets: ensuring continuous monitoring of water consumption; continuing to reuse 100% of production wastewater; harvesting rainwater using retention tanks; and reducing water consumption by using the installed dry rectifying lines.

E4 - Management of biodiversity-related impacts

The only significant impact that the Double Materiality Assessment identified for FLORIM S.P.A. SB has to do with ecosystem impacts related to the extraction of raw materials, namely clay, kaolin, feldspar, and sand. This impact is attributable solely to the upstream value chain. Extractive activities can alter natural habitats, causing morphological changes to the soil and putting pressure on local ecosystems.

With this in mind, FLORIM S.P.A. SB works with several suppliers certified for raw materials procurement, working in areas subject to environmental regulations that include strict obligations for the environmental restoration and rehabilitation of extraction sites (Italian Legislative Decree 152/2006). FLORIM S.p.A. SB requires that its suppliers comply with applicable environmental laws and regulations and monitors said compliance via certification and assessment processes.

In Italy, mining operations are governed by national and regional laws and regulations. These require applicants to present plans, during the approval stage, for planting and for environmental rehabilitation to restore sites to uses compatible with their natural or local areas, including through ecosystem restoration projects. Similarly, at the international level, extractive activities are generally subject to approval requirements that include rehabilitation and land reclamation measures, featuring step-by-step or end-state site restoration requirements, as well as requirements for the monitoring of environmental impacts. This regulatory framework represents the first level of mitigation, and helps to mitigate ecosystem impacts related to extractive activities.

This topic is closely connected to section E5, on resource use and circular economy, due to the fact that the efficient use of raw materials, the optimization of production processes, and the recovery of production scrap all help to reduce the need for fresh natural resources and, as a result, lower the pressure on ecosystems that is caused by extractive activities.

In terms of direct operations, the Group's facilities are not located in the immediate vicinity of protected areas or of sites with a high degree of biodiversity belonging to the Nature 2000 network. Specifically, regarding the Fiorano Modenese location, the closest protected area is named as "Salse di Nirano" (code number IT4040007), while for the Mordano location the closest areas are "Bosco della Frattona" (code number IT4050004) and "Bacino della ex-fornace di Cotignola e Fiume Senio" (code number IT4070027), both over 4 km away from the facility. Based on the locations of the plants and on available internal assessments, FLORIM S.p.A. SB's production activities have not been found to have any significant direct impacts on these areas.

At the time of writing of this report, the company has not adopted a specific biodiversity transition plan. Nonetheless, the management approach it has adopted, based on compliance with environmental laws and regulations across the value chain, on the responsible selection of suppliers, and on the efficient use of resources, indirectly contributes to mitigating biodiversity impacts.

E5 - Resource use and circular economy

E5-01 - Policies related to resource use and circular economy

FLORIM S.P.A. SB, as part of its management system policy, has established guidelines related to resource use and circular economy: reduction, reuse, and optimization of materials. The policy lays out how the company intends to minimize its environmental impact across its products' entire life cycle, incorporating ecodesign principles into every stage of production.

As a testament to its stated commitment, every year FLORIM S.p.A. SB undertakes to recover the dust and sludge from the rectifying process, as well as the greenware scrap from production, and reintroduce these into the production cycle, at both its Italian sites and at the FLORIM USA Inc. site. At the same time, FLORIM S.p.A. SB undertakes to purchase secondary raw materials from external suppliers, such as fired scrap from the ceramics district of Civita Castellana, thus helping to cut down on the extraction of fresh resources.

As further evidence of its stated commitment to pursuing the optimization of natural resources, we would also like to point out initiatives involving samples packaging, described on page 65. Our products' high durability, as reported in their relevant EPDs, results in fewer replacement needs over the course of each products' useful life, meaning less use of fresh resources and less use of the processes associated with production and replacement.



FLORIM S.p.A. SB raw materials

E5-02 - Actions related to resource use and circular economy

The actions of FLORIM S.p.A. SB reflect the principles contained in the Management System Policy, such as responsible resource use, technological innovation, and continuous improvement of environmental performance, and translate them into practice. All of the company's actions related to circular economy and ecodesign are integrated into a system for tracing and monitoring materials flows, making it possible to assess the effectiveness of actions undertaken and to identify opportunities for improvement.

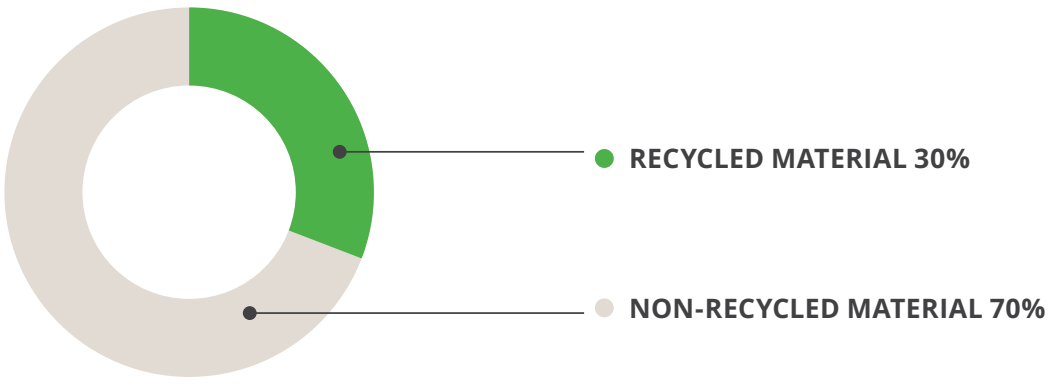
FLORIM S.p.A. SB porcelain stoneware surfaces consist of over 90%* natural raw materials (feldspar, clay, kaolin clay, and sand). All raw materials suppliers are monitored via a software program which records pit or mine location, distance from the factory, recycled content declaration, and technical safety datasheets.

At the end of 2022, FLORIM S.p.A. SB initiated an evolution in the industrial process by transforming all traditional production from a 10 mm thickness to 9 mm, with a significant impact in terms of sustainability. FLORIM USA Inc. also modified its traditional thickness, taking it from 10 mm to 8 mm.

In addition to the large slabs that are 6 mm thick, introduced to the market in 2014, in 2024 the Italian facility began industrializing the manufacture of a new product branded FLORIM skin, whose 3 mm thickness means an additional reduction in environmental and energy impacts.

Slabs with thicknesses of 12, 14, and 20 mm round out the product range. This greater thickness can accommodate a higher percentage of recycled material, without any change to the product's technical and aesthetic characteristics, as reported in the technical data sheets.

Florim S.p.A. SB products incorporate an average of 30% recycled material. This percentage applies to the entire range of products manufactured at the FLORIM S.p.A. SB and FLORIM USA plants, including packaging. The product range with a thickness of 20 mm includes items containing a high amount of recycled material, from 20% to 55%.



* Percentage calculated based on the total weight of the materials used, excluding packaging.

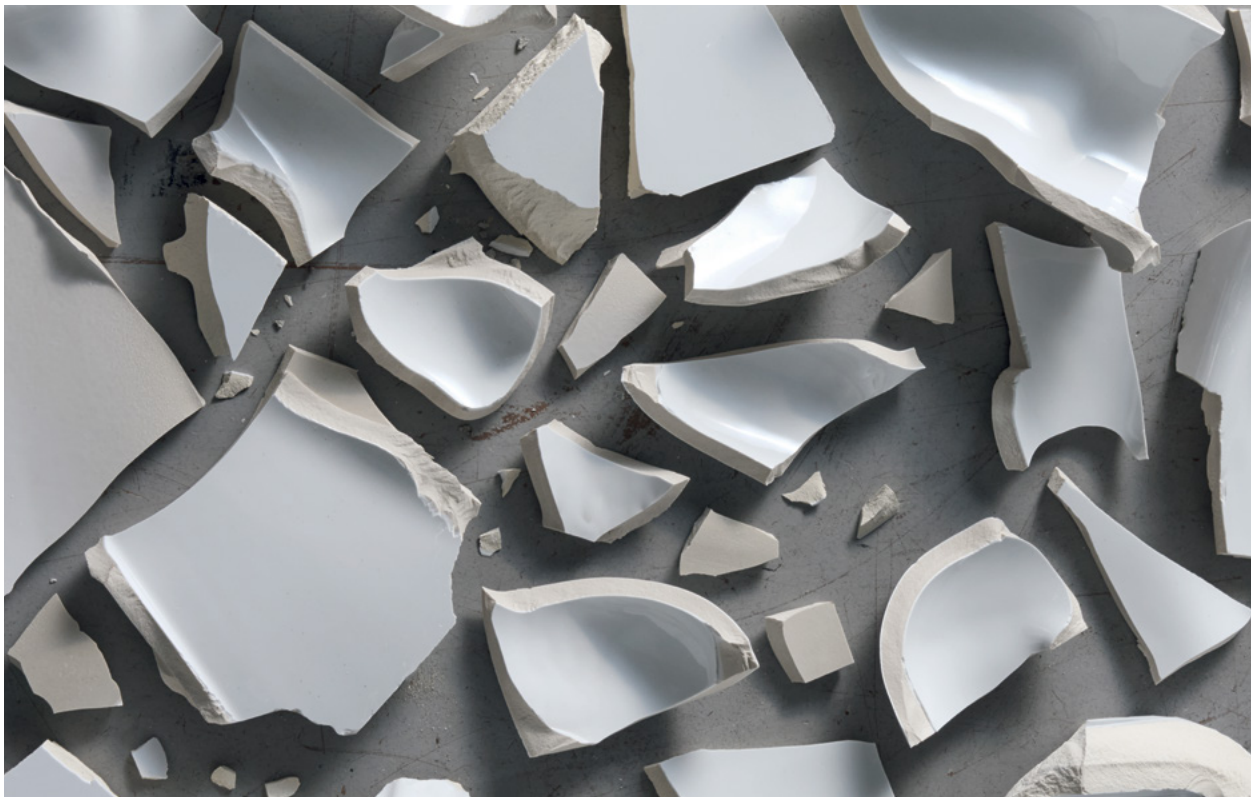
CeramiCycle

CeramiCycle is a project that encapsulates FLORIM S.p,A. SB's commitment to a circular economy.
In addition to the recovery and reuse of manufacturing waste, in 2025 FLORIM S.p.A. SB introduced an innovative project born of our partnership with the ceramic bathroom fixtures district of Civita Castellana.

The fired scrap generated by the companies of Civita Castellana is sorted, ground down, and turned into recycled raw material to be reused in the production of new high-quality porcelain stoneware surfaces.

In 2025, the process, certified under standard ISO 14021, allowed FLORIM S.p.A. SB to reuse 14,000 tons of fired ceramic scrap from bathroom fixtures (18.57% of the total recycled material used), cutting down on the extraction of natural raw materials and preventing waste from accumulating in landfill. It is a virtuous cycle that transforms scrap into a resource.

This initiative is only one piece of the company's broader commitment to sustainability: FLORIM S.p.A. SB already reuses 100% of the greenware scrap it generates internally and of the dust and sludge from the rectifying process, as well as approximately 70% of fired shards (the remainder are sent to a subsidiary of the Group).



Fired ceramic scrap from bathroom fixtures

Packaging

Packaging for FLORIM S.p.A. SB materials can be divided into “primary” (containing the product and in direct contact with it) and “shipping” materials (necessary for its transport).

Primary packaging
The cardboard carton is the main type of primary packaging. In addition to being 100% recycled and recyclable, it has been carefully designed to minimize its use and reduce waste to a minimum through the use of automatic packing machines.

Shipping materials
Shipping materials vary depending on the format of the product (pallets or wooden crates, racks, plastic covers, etc.). All wooden packaging complies with IPPC/FAO and FITOK marks and has PEFC certification to ensure responsible forest management. The company buys EPAL wooden pallets in the available formats to transport its porcelain stoneware. This ensures their reuse and recycling as per EU regulations and their compliance with high safety and quality standards. Furthermore, to incentivize reuse, FLORIM S.p.A. SB offers cash reimbursements to encourage the return of wooden packaging in good condition.

Thanks to a partnership with the Italian supplier of plastic films (hoods used to cover finished products), the company has developed a project for recovering the waste plastic, which is separately collected and returned to the producer. The material is then treated and regenerated to make a new product ready to be resold.

New packaging for sample materials
As of 2024, FLORIM S.p.A. SB has completely eliminated plastic from the packaging used for its sample materials, rethinking each element in order to protect the product in a way that respects the environment.

The company has replaced bubble wrap, polypropylene and polyurethane foam with innovative options.

Today, FLORIM S.p.A. SB’s sample materials are delivered in packaging that is recycled and recyclable. This small action makes it easier to dispose of it properly and helps to reduce its environmental impact.

Thanks to this new system, every year we eliminate over 400 kg of bubble wrap and 1,200 kg of polyurethane foam, avoiding 5.2 tons of CO_2-eq emissions in 2024 and 7 tons of CO_2-eq emissions in 2025.[5]

Find out more

[5]This calculation was performed using IDPE DEFRA conversion factors for bubble wrap and average plastics conversions for polyurethane foam.



Recycled and recyclable packaging for sample materials

Over the course of 2025, FLORIM USA Inc. completed its investment in new technologies for the recovery and reuse of scraps from the 2-cm product. The introduction of new equipment enabled the actual implementation of the recycling process as a part of the production process, contributing to waste reduction and improving the overall efficiency of the production cycle.

Furthermore, FLORIM USA Inc. launched a system for increasing the amount of recycled raw materials in its production processes, reaching a volume of 31,000 tons, in comparison with the 25,000 that were predicted in 2024.

FLORIM S.p.A. SB is committed to continuing to steadily develop initiatives aimed to optimize resources, increase materials recovery, and bolster the systems that monitor production flows, in line with the targets for environmental improvement and efficient resource use described in the Impact Report.

E5-03 and E5-04 - Resource flows and targets

The goal of this section is to provide an understanding of FLORIM S.p.A. SB's resource flows, including information on the types of materials used and their degree of circularity. These data make it possible to assess efficient use of resources, contribution to the circular economy, and management of critical and strategic materials across the entire value chain.

Key materials

FLORIM S.p.A. SB uses many raw materials in its main ceramic bodies. These include different types of clay, sand, feldspar, aluminum, coloring agents, fluidifying agents, oxidizing agents, impact modifiers, and grinding media. Feldspar and aluminum are the most fundamental of these raw materials, while some coloring agents contain critical substances such as antimony and cobalt. Calcined alumina is also used in the ceramic bodies.

The total weight of the key materials used in 2025 was 808,261 tons, which consists of 569,918 tons for the Italian sites and 238,343 tons for the US plant.

Subdivision of secondary materials

FLORIM S.p.A. SB also incorporates secondary and recycled resources into its production cycle, in line with the Management System Policy. Total secondary materials used added up to 259,781 tons, divided into 130,390 tons at the Italian sites and 129,391 tons at the US plant. These consist mainly of dust from the rectification process and internally generated greenware scrap, in addition to materials recovered from external suppliers, for example in the Civita Castellana CeramiCycle Project.

Secondary resources make up approximately 33% of the total materials used in the products' composition.

FLORIM S.p.A. SB prioritizes the purchase of raw materials from local or domestic suppliers, in order to reduce the transport-related environmental impact. In 2025, the US plant reached its goal of 100% of raw materials coming from domestic suppliers. In 2026, it aims to increase the average recycled material content of its products by 1%.

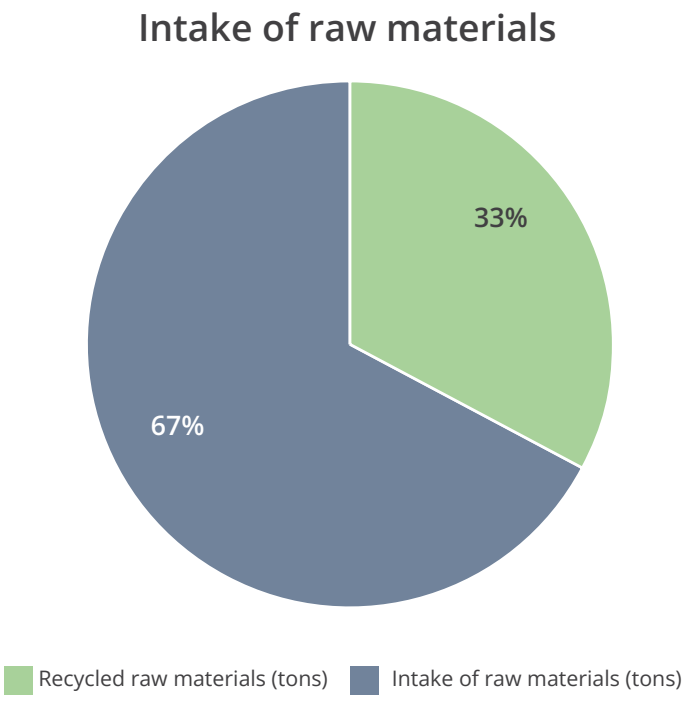
E5-05 - Resource outflows

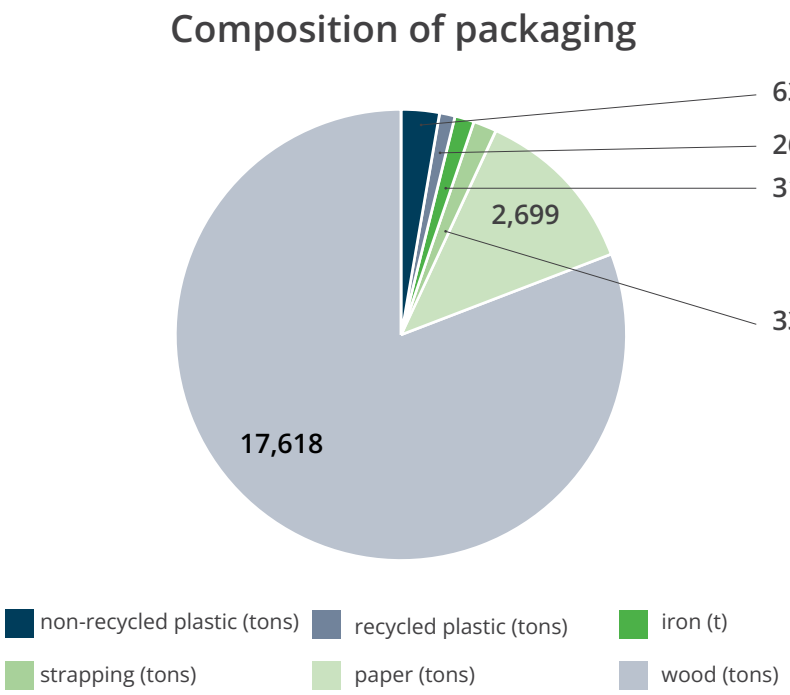
FLORIM S.p.A. SB is committed to contributing to the circular economy by designing, manufacturing, and supplying products that align with the principles of durability, recyclability, and reducing impacts across the entire product life cycle, as well as through responsible waste management.

FLORIM S.p.A. SB's products are designed to guarantee high degrees of durability, with a typical useful life of over 50 years, as shown by industry studies (BNB, 2011) and in FLORIM S.p.A. SB and industry Environmental Product Declarations (EPDs). Furthermore, according to the US Green Building Council, the useful life for ceramic surfaces is comparable to that of buildings themselves, leading us to contemplate alternative scenarios of up to 60 years. Environmental studies are usually based on a year of use and can be expanded across the entire product life cycle.

In terms of repairability, porcelain stoneware surfaces have scant need for maintenance, thanks to their high degree of technical performance (wear, chemical, and impact resistance). In the event of damage, repairs are not generally envisaged, but the long-lasting nature of the product significantly reduces the need for frequent replacements.

In terms of recyclability, FLORIM S.p.A. SB products consist mainly of inert mineral materials which can be recovered at end-of-life to be used as materials for roadbeds or for use in construction. The degree of recyclability is boosted by the material's homogeneous composition and by the absence of complex components. Even our packaging is designed according to circular economy principles. In fact, our sampling materials are made using recycled and recyclable components.





FLORIM S.p.A. SB recovers, within the production process, all greenware scraps from porcelain stoneware and slabs, dust residues from filters, and sludge from the wastewater treatment system. As well as the waste from its own production process, the company also reuses waste produced by third parties, in its plants in both Italy and the United States. In 2025, the Italian sites were able to separate 7,853 tons of waste and send them for recovery, as well as generate 55,406 tons of by-product ready for reuse. Of the total waste generated by Florim S.p.A. SB, 96% is non-hazardous.

At FLORIM USA Inc., unlike at the Italian plants, fired scrap is recovered during the process and thus not counted as waste or as a by-product. Furthermore, waste management in the state of Tennessee does not provide for complete waste sorting, limiting the company's ability to increase the percentage it recovers.

	FLORIM S.p.A. SB	FLORIM USA Inc.	TOTAL
Total waste generated (tons)	7,852	3,803	**11,655**
Total hazardous waste (tons)	410	0	**410**
Total non-hazardous waste generated (tons)	7,442	3,803	**11,245**
Total waste destined for recovery (tons)	7,383	282	**7,665**
Total non-hazardous waste destined for recovery (tons)	7,312	282	**7,594**
Total hazardous waste destined for recovery (tons)	72	0	**72**
Total non-hazardous waste destined for reuse (tons)	1,338	153	**1,491**
Total hazardous waste destined for reuse (tons)	18	0	**18**
Total hazardous waste destined for disposal (tons)	339	0	**339**
Total non-hazardous waste destined for disposal (tons)	130	3,368	**3,498**
Total non-hazardous waste sent for incineration (tons)	0	0	**0**
Total hazardous waste sent for incineration (tons)	0	0	**0**
Total non-hazardous waste sent to landfill (tons)	0	3,368	**3,368**
Total hazardous waste sent to landfill (tons)	0	0	**0**
Total non-recyclable waste (tons)	0	3,368	**3,368**
Total by-products destined for recovery (tons)	55,406	0	**55,406**



People, training, safeguarding health and caring for our area and local community



SOCIAL DISCLOSURES

S1 - Own workforce

The Group's Social Responsibility is reflected in its special focus on the needs of the people who work for the company, their families and the local communities where it operates. Beauty, simplicity and humility are the guidelines that steer people at FLORIM S.p.A. SB and support them in achieving common goals.

The numerous initiatives in corporate welfare demonstrate the care with which we treat our employees, putting health at the forefront.

FLORIM S.p.A. SB has shown a notable level of community awareness, reflected in the activities promoted by the Giovanni Lucchese Foundation and by the Health and Training Center, and the events organized at the FLORIM Gallery, including “Health Meetings.” The pages that follow provide an overview of the activities and projects undertaken by the company for the benefit of its employees and the community in recent years.

A new company intranet was designed and went online in 2025, with the goal of making internal communications even more transparent and accessible. With a completely updated layout and new functionalities, the new platform is shared across all FLORIM S.p.A. SB sites.



FLORIM Gallery | FLORIM Headquarters
(Fiorano Modenese - MO - Italy)

S1-05 and S1-06 - Characteristics of employees and non-employees

In accordance with the company's ethical principles and values, FLORIM S.p.A. SB has adopted a policy of ensuring its employees are truly valued, recognizing that the company's success and growth depend on their diversity, expertise and dedication. In addition to the guidelines in the Code of Ethics – which forbid discriminatory behavior or harassment of any kind – FLORIM S.p.A. SB has adopted three company rules of conduct that guide the work of its personnel:

1. Beauty
For companies like ours,
beauty is more than a necessity. It is a constant point of reference, a moral commitment to people, demonstrated by the care and attention paid to working environments and factories. Employees are on the front line in expressing this ethical imperative, and convey it through their work, from the product's creation to its market offering.

2. Simplicity
By this we mean clarity in communication between us and the outside world. Being clear and intelligible is a goal for every employee, who must strive to reduce complexity in every activity and relationship.

3. Humility
This is essential within our organization. It conveys a sense of cooperation and the ability to listen and to constantly work as a team, setting aside any desire to stand out or appear superior.

In 2025, 1,456 people were employed by the Group worldwide, including employees of FLORIM S.p.A. SB, FLORIM USA and the other international sites.

People play a pivotal role in FLORIM S.P.A. SB’s activities and development. With this in mind, the business continues to monitor certain indicators related to the composition and continuity of our company population, in order to bolster management of organizational and manufacturing operations.

On or before December 31, 2025, FLORIM S.P.A. SB workers belonging to the categories protected under the law in the countries where it is operating numbered 7%. The turnover rate during the year was 8%[1] for FLORIM S.P.A. SB and 45% for FLORIM USA Inc.

Monitoring of these trends falls under the umbrella of the broader focus the Group is continuing to place on skills development, organizational wellbeing, and the business's operational continuity.

[1] Staff leasing workers were included when calculating this percentage.

WORKFORCE	Men	Women	**Total**
EXECUTIVES	27	3	**30**
MANAGERS	54	12	**66**
OFFICE WORKERS AND APPRENTICES	166	223	**392**
OFFICE ANCILLARIES	46	12	**58**
FACTORY WORKERS AND APPRENTICES	604	221	**825**
STAFF LEASING WORKERS AND TRAINEES	68	17	**85**
TOTAL	**965**	**491**	**1,456**

Of which:

Employees 2025	Men	Women	**Total**
FLORIM S.p.A. SB	632	350	**982**
FLORIM USA Inc.	278	113	**391**
Other Group companies	11	12	**23**
Total	**920**	**474**	**1,396**

Non-employees 2025	**Total**
FLORIM S.p.A.	**60**

	Women	Men	% Women	% Men	Other	**Total**
FLORIM S.p.A. SB						
Total employees	349	631	36	64	0	**982**
Employees on permanent contracts	344	625	99	99	0	**969**
Employees on fixed-term contracts	6	7	1	1	0	**13**
Employees doing shift work	0	0	0	0	0	**0**
FLORIM USA Inc.						
Total employees	113	278	29	71	0	**391**
Employees on permanent contracts	113	254	100	91	0	**367**
Employees on fixed-term contracts	0	24	0	9	0	**24**
Employees doing shift work	0	0	0	0	0	**0**
Other Group companies						
Total employees	12	11	52	48	0	**23**
Employees on permanent contracts	9	9	75	82	0	**18**
Employees on fixed-term contracts	3	2	25	18	0	**5**
Employees doing shift work	0	0	0	0	0	**0**
Total	**474**	**920**	**34**	**66**	**0**	**1,396**

S1-01 - Polices related to own workforce

FLORIM S.p.A. SB has adopted one management system policy for its Italian sites and one specific policy for health and safety for its US plant. These policies determine the company's guidelines and commitments in terms of responsibly managing its operations, with the goal of ensuring safe working conditions that comply with applicable laws and regulations.
Specifically, these policies cover the following main areas:

- safeguarding worker health and safety by preventing accidents and occupational illnesses;
- establishing risk management roles and operational procedures;
- hazard identification, risk assessment and risk control;
- encouraging training and awareness about safe behaviors, equipment use, and emergency procedures;
- incident and near-miss management, including procedures for reporting concerns, for analysis, and for ongoing improvement;
- compliance with applicable laws and regulations and continuous improvement of performance.

These policies apply to the company's direct operations, including its manufacturing facilities and business activities in the various locations where FLORIM S.p.A. SB operates.

As regards the US plant, the health and safety policy also applies to contractors working at the site, in line with the goal of ensuring a safe working environment for all those present.

These policies do not formally extend to the upstream or downstream value chain, although specific requirements may apply to suppliers or contractors through other management tools and contractual instruments, like the Code of Ethics and the Code of Conduct.

These policies have been developed and implemented in line with recognized international standards. Specifically:

- at the Italian sites, the management system is in compliance with standards ISO 9001, ISO 14001, ISO 45001 and ISO 50001;
- at the US plant, the system is in compliance with standards ISO 9001 and ISO 14001, and is aligned with recognized health and safety standards.

The adoption of these standards ensures a structured approach to risk management and to the continuous improvement of company performance.
These policies are created and updated chiefly at the executive level. Nonetheless, when it comes to certified management systems, the involvement of internal stakeholders, including workers, is guaranteed in those cases where it is required by applicable laws and regulations, for example through consulting, internal audits, training activities, and systems for reporting concerns.

S1-02 - Engagement with own workforce

FLORIM S.p.A. SB has adopted structured methods for engaging its workers at its Italian sites and at its US plant, with the objective of encouraging continuous dialog and fostering improvement in working conditions. At the Italian sites, this engagement occurs through:

- periodic meetings to discuss health and safety;
- continuing professional development programs that include opportunities for discussion and for collecting feedback;
- internal surveys, including those related to Double Materiality and specific topics, organized by the relevant departments;
- company communications via intranet, bulletin boards, and monitors within the plant;
- a structured company welfare program, which contributes to workers' wellbeing and serves as an additional avenue for listening and interaction.

These instruments allow us to gather information that can serve to improve processes, especially in terms of safety, task organization, and company wellbeing. At the US plant, the company encourages a similar approach based on:

- continuing professional development;
- regular communication;
- company welfare programs;
- direct dialog with workers.

FLORIM S.p.A. SB provides its workforce with a variety of channels for reporting needs, problems, and non-compliant behavior.

Specifically, FLORIM S.p.A. SB has a whistleblowing system, accessible via the website, where reports can be filed anonymously if desired. This system ensures the identity of the whistleblower remains private, protects them from retaliation, and offers a structured process for managing and verifying complaints.
In addition to this formal channel, workers can take their concerns directly to their managers or to HR or use the channels provided for by the company management systems to voice needs and report problems.

In the event that negative impacts on workers are identified, the company, via the competent frameworks within the organization, such as human resources, health and safety personnel, and supervisory bodies, launches verification and management processes. The procedure provides for:

- recording and assessing notifications and reports;
- analyzing causes;
- determining and implementing corrective actions;
- monitoring the effectiveness of measures adopted.

This approach is in line with the certified management systems and supports the ongoing improvement of working conditions and prevention of future negative impacts.

S1-03 - Actions and resources related to own workforce

FLORIM S.p.A. SB has adopted a structured approach to managing its workforce, one intended to prevent, mitigate and, if necessary, remediate negative material impacts, while simultaneously bolstering positive impacts through training, company welfare, and safety initiatives.

The company considers the actions it takes towards its workforce to be an integral part of its management system policy, applied both to its Italian and to its US operations, and it extends the reach of its principles through its company structure, its e-learning platform, and its programs that foster engagement.

FLORIM S.p.A. SB, including through the activities described below, is committed to continuing with its initiatives that concentrate on developing people's skills and on their engagement, a perspective that is focused on the principles of stakeholder governance and on monitoring company wellness through tools like the workplace atmosphere survey.

Education & Training

FLORIM S.p.A. SB views training and education as important tools for developing professional skills and supporting the company's evolution.

During 2025, across all of the Group's companies, including in the flagship stores, 28,840 hours of training and education were provided. In parallel with the well-established occupational health and safety program, multi-disciplinary and technical training was provided, with the aim of continuing refreshing and strengthening of skills.

The program at the manufacturing and logistics sites in Fiorano and Mordano, for managers to develop soft skills, continued. With the support of important figures from the world of sports, such as Fabrizio Ravanelli and Giacomo Sintini, participants explored different aspects of leadership, communication, feedback management, and problem solving. The managers of the different sales areas and the promoters have been engaged in a project structured around sales dynamics and customer relations, launched in 2024.

FLORIM S.p.A. SB is committed to continuing to develop technical and soft skills training programs, with the goal of encouraging the evolution of expertise within the company that dovetails with its organizational and production-side needs, and that is in line with the goals of developing skills and nurturing our workforce as described in the Impact Report.

2025 saw the consolidation of the Cyber Security training program, an e-learning project that encompasses numerous interactive components to enhance knowledge of techniques for defending against digital threats.

S1-12 - Training

2025	percentage of employees who participated in formal performance and professional development evaluations	average number of training hours per employee	total hours of training provided	training hours per female employee	training hours per male employee
FLORIM DESIGN SHANGHAI CO LTD	100	26.75	107	71.5	36
FLORIM DEUTSCHLAND GMBH	67	24.67	74	74	0
FLORIM FAR EAST PTE LTD	100	17.58	105.5	57.5	48
FLORIM KOREA LTD	100	18	54	12.5	42
FLORIM RUS LLC	50	10.75	21.5	21.5	0
FLORIM S.P.A. SB	64	9.83	9,633	3,438	6,195
FLORIM UK LTD	80	15.5	77.5	56.5	21
FLORIM USA Inc.	100	48	18,768	5,424	13,344

Wages and benefits are determined and revised using management criteria and through discussions involving the competent company departments, intended to ensure internal consistency and alignment with market dynamics throughout personnel's onboarding, evaluation, and development.

Florim Learning

In 2025, FLORIM S.p.A. SB continued to develop its digital platform focused on disseminating knowledge and bolstering skills: FLORIM Learning. Thanks to an LMS (Learning Management System), this tool offers structured and easy-to-access content, fostering a dynamic and participatory training environment.

The FLORIM Talks project continued, in parallel with the development of PROJECT Talks, intended to provide the company's marketing staff with opportunities to compare and share their technology and sales expertise for managing complex projects and work sites from the standpoints of both technology and sales. In 2025, the platform provided over 1,580 hours of training to 221 employees; the total amounts to over 3,000 hours, including courses taken by partners outside of the company (agents and promoters).

Master's in FLORIM 5.0

2024 saw the launch of the fifth edition of Master's in FLORIM, the internal training course designed to facilitate young people’s first experience with the world of work, investing in the growth of young professionals.

From December 2024 to April 2025, 13 new high-school and university graduates from different areas of study participated in a structured program across different company departments. The program, which included a paid contract, allowed participants to experience every stage of FLORIM S.p.A. SB’s operations, from research and development, to production, all the way through to sales strategy.

The project, which involved a total of 800 hours, was divided into three phases: training in the classroom, rotations in different company departments, and on-the-job training. In May 2025, participants went on to continue their on-the-job training in the markets and offices where they were to be assigned going forward. This latest edition of the initiative, launched in 2011, focused on the spheres of Sales and Marketing, with the goal of training professionals able to face the challenges of a market that is in continuous evolution.

At the end of the training period, all of the participants entered the FLORIM S.p.A. SB workforce, confirming that the initiative offers a tangible opportunity, both for participants and for the business, which can use it to nurture new talents and transmit its corporate culture to them, investing in the resources of the future.

Health and safety

Employee health and safety has always been a top priority for FLORIM S.p.A. SB, which was the first Italian ceramics corporation to achieve BS OHSAS 18001 international occupational health and safety certification. Both Italian plants have maintained compliance by obtaining the new UNI EN ISO 45001 certification.

Every year, in addition to rigorous inspections and maintenance, specific training courses are provided on the environment and safety, to raise awareness among workers and supervisors.
In 2025, a total of 68 accidents were recorded in Italy and the US, none of which were serious, thanks in part to good practices adopted.

FLORIM S.p.A. SB is furthermore committed to continuing to bolster prevention, training, and monitoring in the area of health and safety, with a special focus on promoting safety culture and the ongoing improvement of operating conditions at manufacturing sites.

Regular refresher courses were also held for employees trained in first aid and those trained in the use of the multiple defibrillators available on site (BLSD).

S1-13 - Health and safety metrics

	FLORIM S.p.A. SB	FLORIM USA Inc.	TOTAL
percentage of company workforce personnel covered by an Occupational Health and Safety Management System ("SSL")	100	0	**64**
number of fatalities resulting from work-related injuries	0	0	**0**
number of fatalities resulting from occupational illnesses	0	0	**0**
hours worked	1,513,022	746,596	**2,259,618**
total recordable work-related injuries	50	18	**68**
rate of work-related injuries[6]	33	24.1	**30**
cases of recordable occupational illnesses among employees	0	0	**0**
days lost due to work-related injuries	1,899	4	**1,903**
days lost due to occupational illnesses	0	0	**0**

Half Marathon of Italy and Family Christmas Day

During the course of 2025, FLORIM S.p.A. SB fostered opportunities for its workers and their families to come together to participate in and share experiences, bolstering people's sense of belonging and wellbeing through sports and other group events.

In March, the company supported its workers' and their families' involvement in the Enzo Ferrari Memorial Half Marathon of Italy, a large countrywide track event. Over 100 workers and their family members signed up to participate in the 5, 10 and 21 km races, designed to allow people of every age and fitness level to join in. The event was an opportunity to come together and build team spirit, experiencing together a day devoted to sports, health and well-being, and sharing our company values.

On December 20, 2025, FLORIM Gallery hosted Family Christmas Day, with 1,300 guests, comprised of employees and their families, in a mood of celebration and community. The day featured creative workshops, activities for children, music, shows, ice-skating, and a variety of experiences open to all guests.

[6]Formula used to calculate the injury rate: no. of injuries / hours worked x 1,000,000.



FLORIM installation | "PIAZZA CASTELLO Milano gentile"
designed by Matteo Thun and Nicola Gallizia
Milan Design Week 2026

Company welfare

ITALY

What follows is a summary of the main initiatives undertaken for the benefit of employees; their availability may vary depending on an employee's location and role within the company:

- support for specialist medical appointments, thanks to an agreement with Sassuolo Hospital (discounts and shorter waiting times for employees and their families)
- supplementary health care
- health screenings and free flu vaccinations
- free summer camps for employees' children
- special agreement with a local bilingual school for children aged 0-10 years
- meal vouchers or an on-site cafeteria
- discounted tax assistance
- company welfare platform for access to a broad package of services
- special agreements with sports facilities and pharmacies
- social security advisory service
- free entry to the Peggy Guggenheim collection in Venice
- gas vouchers and fine extra-virgin olive oil and balsamic vinegar from Modena, provided to personnel at the Christmas holidays
- free or discounted entry to cultural events at the FLORIM Gallery
- wedding gift
- discounts on the purchase of FLORIM products for employees' homes
- flextime and smart working



FLORIM Gallery | Family Christmas Day event (Fiorano Modenese - MO - Italy)

USA

In the United States, full-time staff are provided with:

- (basic) life and AD&D insurance (supplemental life insurance for employees and families available optionally)
- health, dental and eye care insurance
- “premium” health care at local health care facilities, for employees and their families, with up to 100% of costs generally covered
- free hearing tests and lung screenings for eligible employees
- short-term and long-term disability support
- employee retirement plan
- discounts on the purchase of FLORIM USA Inc. products for employees' homes
- opportunity to access education assistance and reimbursement of university tuition fees after one year of work
- discounts for employees and their families at a local sports facility
- access to personal financial consulting
- special company events
- bereavement leave policy
- holiday bonuses



The FLORIM USA Inc. facility (Clarksville, Tennessee, USA)

S1-07 and S1-09 - Collective bargaining coverage and social dialog

In terms of employment safeguards, FLORIM S.p.A. SB ensures high contract stability for its workforce: 99% of FLORIM S.p.A. SB employees are hired with an open-ended contract; this percentage stands at 97.4% if we also take into account FLORIM USA Inc.

At the European sites, workers are covered by the national collective bargaining agreements applicable in their respective countries. Specifically, in Italy the Ceramica Industria national collective labor agreement (CCNL) is in force; France has adopted the Matériaux de construction négoce national collective labor agreement; in Greece there is a national collective labor agreement that applies to workers in general, which sets the minimum standards for wages and working conditions; Spain has the Twenty-second Nationwide Collective Labor Agreement for the Extractive, Glass, and Ceramics Industries and for Holders of Exclusive Rights of Sale for these materials.

Overall, 100% of workers at the Italian sites are covered by a national collective labor agreement, which also sets the minimum employee wage.

S1-15 - Gender pay gap

In 2025, FLORIM S.p.A. SB noted the following differences in terms of gender pay gap[7]: -3.37% for FLORIM S.p.A. SB and -17.1% for FLORIM USA Inc. The calculation included base pay, allowances, and bonuses, but did not include overtime, reimbursement of expenses, non-monetary benefits and deferred bonuses.

Specifically, at the Italian sites, the calculation included all components of gross remuneration and the vacation pay provided for under the Ceramica Industria National Collective Labor Agreement. For FLORIM USA, the calculation included the main components of total remuneration, including yearly salary, shift differentials, overtime, commissions, car allowances, and other benefits.

The ratio between total annual remuneration of the person with the highest pay and median workforce pay stood at 5.66 for FLORIM S.p.A. SB and 9.5 for FLORIM USA Inc., highlighting a difference in pay distribution between these two enterprises arising from the specifics of each individual organization and market.

No episodes of discrimination or gender violence were reported in 2025. Furthermore, the company reaffirms its commitment to preventing and fighting all forms of discrimination, harassment, and non-compliant behavior through its internal policies, notification and reporting systems, and through initiatives to raise workforce awareness.

[7]Gap calculated using the following formula: (average female salary - average male salary) / average male salary.

S1-10 and S1-14 - Wellbeing and work-life balance

At its Italian and US sites, FLORIM S.p.A. SB guarantees its employees the right to enjoy all leave provided for under applicable laws and regulations and under the collective bargaining agreements that apply in the different countries where its employees are based. Specifically, 100% of employees have access to family-related leave, in line with local requirements.

The company also guarantees a structured framework of social protections based on a combination of mandatory public rules and complementary company measures. In all of the countries where it operates, its employees are covered by public systems that ensure safeguards in case of events that reduce or put a halt to their ability to work, such as illness, injury, maternity/paternity, unemployment and retirement.

FLORIM S.p.A. SB supplements these systems with additional measures, though whether employees can take advantage of these may vary based on location. These include:

- health insurance;
- life and injury insurance;
- additional pension funds;
- company welfare instruments.

In Europe, these safeguards fall within established regulatory frameworks (INPS/INAIL in Italy, Sécurité sociale in France, etc.). In the United States, however, company programs play a more important role in supplementing health and social coverage.



FLORIM Gallery | FLORIM Headquarters (Fiorano Modenese - MO - Italy)

S1-04 - Targets related to own workforce

FLORIM S.p.A. SB intends to continue to steadily strengthen its workforce initiatives, with a special focus on developing professional skills, promoting a culture of safety, fostering company wellbeing, and more firmly establishing its workforce engagement.

FLORIM S.p.A. SB commits to developing activities for technical, managerial, and soft skills development each year, including through programs dedicated to developing manufacturing and organizational skills, with the objective of nurturing its people's professional growth and fostering continuity of internal know-how.

At the same time, the Group intends to continue its company workforce welfare initiatives, promoting instruments and activities intended to foster good work-life balance and company wellbeing.

In terms of occupational health and safety, FLORIM S.p.A. SB and FLORIM USA Inc. are committed to promoting prevention, awareness, and monitoring activities at their manufacturing sites, including through training programs and initiatives intended to more firmly establish a culture of safety and to continue the improvement of operating conditions.

FLORIM USA Inc. is committed to developing training and engagement activities for its people to keep them up to date with evolving manufacturing and organizational processes at the US sites, in line with local operational needs.

Finally, the Group intends to steadily strengthen its instruments for collecting data, monitoring, and listening to its workforce, in order to encourage the ongoing improvement of the social and organizational initiatives that have been developed. To this end, it is promoting a survey to measure the workplace atmosphere in 2026.

These activities align with the commitments and initiatives described in the Impact Report and act to support the Group’s continuously evolving approach to how it manages social matters.

S2 - Value chain

In 2025, FLORIM S.p.A. SB's network of active suppliers numbered over one thousand. Over 65% of total procurement spending to suppliers went to businesses headquartered in Italy, which stands as confirmation of our care for the value chain.

Each supplier undergoes an initial qualification process. During this phase, at the very beginning of the relationship, the Code of Conduct is shared via dedicated company platforms. This approach allows us to formally convey the company's guiding principles and encourage their adoption across the value chain.

The main procurement areas for the Group's manufacturing sites are raw materials, energy, and production machinery.



Training at the FLORIM Gallery (Fiorano Modenese - MO - Italy)

S2-01 - Policies related to value chain workers

Both the Italian and US sites have adopted a group of policies intended to prevent and mitigate risks and material impacts relating to value chain workers, in order to manage identified IROs associated with unsuitable working conditions and potential human rights violations.

These policies are formalized mainly in the Code of Ethics and the Code of Conduct, which set out the principles and rules of behavior with which all stakeholders who work with the company, including suppliers, must comply. These documents establish the enterprise's commitment to respecting fundamental human rights, promoting safe and dignified working conditions, and complying with applicable laws and regulations in the countries where it operates. In support of these principles, the management system Policy includes special guidelines in the areas of health and safety, accident prevention, and occupational hygiene management, which, while relating mainly to direct operations, also act as a value reference in the company's relationships with its supply chain.

These policies' scope of application encompasses all of the Group's direct operations and extends to the entire upstream and downstream value chain. The Code of Ethics and Code of Conduct in particular are explicitly applicable to suppliers. They are shared with them and annexed to supply contracts that are ready to be signed. This approach is employed at all of the sites where the Group operates. The American site has adopted its own Supplier Code of Conduct and an Environmental Policy, which are sent to suppliers before their certification is added to the company's system.

The policies adopted do not make specific reference to international third party standards or initiatives. Rather, they are based on a structured system of internal governance, including the Organizational, Management and Control Model, which complies with the requirements of Italian Legislative Decree 231/2001. They are also shaped by the company's identity as a Benefit Corporation, whose sustainable development goals include "dialog with stakeholders".

These policies have been determined at the executive level. They are not the result of a structured process of direct engagement with stakeholders in the value chain. Nonetheless, the relevant topics they deal with are in line with the findings of the materiality assessments conducted by the company, which have identified working conditions across the value chain and respect for human rights as priority impacts.

S2-02 - Engagement with value chain workers

In order to take into account the interests, opinions, and rights of value chain workers, FLORIM S.p.A. SB makes every effort to adopt and comply with the principles set out in the Code of Ethics and Code of Conduct. Furthermore, the company actively engages with key suppliers and with the workers at its own sites by requesting they contribute data to help ensure safety and compliance with applicable laws and regulations,.

In terms of suppliers who are key to the company's operations, this contribution occurs via a questionnaire, sent every two years, which aims to identify any existing issues, information which can then be incorporated into company decisions related to managing ESG impacts across the value chain.

As regards companies and workers who operate at the Group's sites, they are engaged by means of notifications, reports, and “on site” recommendations for improvement, in order to help guarantee and improve health and safety conditions in the workplace.

This occurs both prior to operations, through provision of information and instructions, as well as throughout operations, by means of coordination meetings, technical and control safeguards, and initiatives to promote safe behavior. Their participation is guaranteed by the company's HSE unit as well as by each site’s technical supervisors.

FLORIM S.p.A. SB’s value chain workers can use the whistleblowing channel, which can be accessed publicly via the website (https://www.Florim.com/it/whistleblowing), to report concerns or problems in complete anonymity. The company monitors use of this channel regularly and gathers feedback to assess the efficacy of its dialog with value chain workers.

FLORIM S.p.A. SB examines every report received through the whistleblowing channel and evaluates the possibility of operational intervention, as described in the reporting procedure, which is also provided on the company website.

S2-03 - Actions and resources related to value chain workers

The Group has adopted a suite of actions intended to prevent and mitigate the risks related to working conditions and to the respect of human rights across the value chain.

During the selection process and in managing its suppliers, the company requires that they read and agree to the Code of Ethics and the Code of Conduct, which establish the companies guiding principles in relation to human rights, working conditions, and health and safety.

These documents are regularly sent to suppliers and form an integral part of the certification process.

To bolster these activities, FLORIM S.p.A. SB sends an ESG questionnaire to its suppliers every two years, for the purpose of gathering information on key environmental, social, and governance topics. It was sent out most recently in November 2025.

In terms of partner enterprises who operate on location at company sites, FLORIM S.p.A. SB conducts checks on their paperwork both during onboarding and during subsequent contract renewals. Specifically, it checks whether their documentation related to worker training and certification is in compliance. If documentation is incomplete or non-compliant, the certification for the enterprise in question is suspended until the documentation is in order.

Furthermore, all enterprises are informed of applicable health and safety regulations, as they relate to their specific operations (office, construction site or manufacturing plant). The initial check ascertains whether or not workers have received proper training, which contributes to preventing workplace risks and safeguarding working conditions.

FLORIM S.p.A. SB uses the results of the ESG questionnaire, which serves to classify suppliers according to sustainability criteria, to monitor the efficacy of actions undertaken. The results are shared with suppliers for informational purposes, in order to foster awareness and encourage improvement over time. Over the course of 2025, no human rights violations or significant incidents related to value chain workers were identified via the reporting and monitoring mechanisms described above.

S2-04 - Targets related to value chain workers

During the course of 2025, FLORIM S.p.A. SB launched a structured ESG assessment process for its suppliers using a special questionnaire. This process involved around 80 suppliers, representing over 80% of overall procurement spending. The results of this assessment are shared with the suppliers in order to encourage continuing improvement.

In this context, the company laid out the following targets:

- Improving the ESG questionnaire response rate.
- FLORIM S.p.A. SB has set itself the target of maintaining or raising the rate of supplier response in comparison with the baseline of 71% recorded in 2025.
- The target is relative to the population of suppliers engaged in the ESG assessment process, without geographic limits.
- A structured analysis of risks related to human rights and biodiversity, which will cover 100% of suppliers, is planned for 2026. The aim of the analysis is to encourage identification and management of potential risks across the value chain.
- In 2025, over 60% of suppliers were signatories to the Code of Conduct. FLORIM S.p.A. SB has set itself the goal of progressively increasing that percentage, until the entire supplier base has signed on. The Code of Conduct is a key tool for preventing unsuitable working conditions and for safeguarding human rights.
- FLORIM S.p.A. SB intends to gradually increase its efforts to raise awareness of and to safeguard ethical and social matters across the value chain, including by bolstering its processes for periodic monitoring of suppliers.

S3 - Local communities

S3-01 - Policies

FLORIM S.p.A. SB has adopted a suite of policies intended to prevent risks and mitigate material impacts relating to impacts on local communities.

These policies include compliance with the applicable laws and regulations and adopting methods of organization and production that aim to lessen the company's socioeconomic and environmental impacts in the surrounding area. Against this backdrop, FLORIM S.p.A. SB encourages ongoing improvement of its processes, the efficient use of resources, and maintaining high standards of product quality and safety in order to reduce its impact on local communities.

FLORIM S.p.A. SB fosters relationships with local communities and public authorities. Chief among initiatives of this type are its partnerships related to education, which include trainee programs and training events with the University of Modena and Reggio Emilia, which aim to develop skills and assist with job placement. There are also projects to provide health and social support to local communities, including Health and Training Center initiatives developed in partnership with the Sassuolo Hospital, which focus on prevention, education, and the dissemination of a culture of good health throughout the local area.

S3-02 - Channels for engaging with affected communities

FLORIM S.p.A. SB has developed relationships with local communities through initiatives and partnerships that help to create social value in the areas where it operates. This engagement occurs chiefly through partnerships with academic institutions, local community and cultural organizations, and participation in local initiatives and events where it can interact with the public, like Health Meetings.

The company also maintains relationships with local administrations, media, and associations, like the B Local network and foundations active in the cultural sphere. Systematic feedback collection mechanisms are not provided for these initiatives. Nonetheless, for specific projects, like the Health and Training Center, assessment tools, including questionnaires aimed to measure the social impact of activities, have been adopted.

The needs and expectations of the community are evaluated largely via informal methods, which allow the company to remain aligned with the communities and areas where it operates.
During the period of reference, no cases of negative material impacts on local communities nor any related complaints were reported.

S3-03 - Actions and resources related to affected communities

In 2013, the Giovanni Lucchese Foundation was set up in memory of the company's founder, with the goal of supporting organizations and associations whose work assists the most disadvantaged families in the region. Through the Health & Training Center, it also sponsors initiatives for health and wellbeing and provides material support to local hospitals and healthcare facilities. In 2024, the Foundation obtained inclusion in the Italian Single National Registry for the Nonprofit Sector ("RUNTS"), thereby becoming a certified Nonprofit Organization, under the name Fondazione Ing. Giovanni Lucchese ETS.

Over the course of 2025, the Group reaffirmed its commitment to the communities in the areas where it operates, supporting initiatives focused on fostering personal growth and on appreciation of merit, and supporting organizations working to meet the most pressing social needs.

In Italy, through the Fondazione Ing. Giovanni Lucchese, it sponsored the 38th Lucchese Prize, with eleven scholarships awarded to the most deserving students at the Alessandro Volta college of further education in Sassuolo. For over thirty years, FLORIM S.p.A. SB has rewarded the commitment of students who graduate high school at the top of their classes. The awards ceremony, staged in partnership with the Italian Ceramic Society of Bologna, is also an opportunity to meet and converse with distinguished speakers, who discuss important contemporary topics with an audience of curious and engaged young people. This initiative thus helps to reward merit, foster a culture of education and training, and strengthen the bonds linking the company, academic institutions, and the local area.

FLORIM S.p.A. SB also renewed its support for the Italian Red Cross, for local parish branches of the Caritas pastoral organization, and the Il Melograno association, which work daily to support vulnerable people and families, including through nutritional support and neighborhood-based initiatives in the local area. These actions form part of a broader commitment to offering concrete support to local communities and responding to emerging social needs.

In the United States, FLORIM USA Inc. has strengthened its ties to the local community through a series of practical initiatives to foster community wellbeing. These include organizing a one-day blood drive at the company headquarters to support local hospitals, participating in food drives and fund drives to benefit Manna Café Ministries, contributing to its operations distributing food to people in need.

This commitment included the direct involvement of employees as volunteers at Loves & Fish, helping to stock shelves and prepare food packages for the organization's beneficiaries. At Christmastime, FLORIM USA Inc. also participated in the Toys for Tots program, promoting the collection of gifts for children in the community, as well as in a drive for goods to donate to the Montgomery County Animal Shelter, supporting the wellbeing of animals awaiting adoption at the shelter.

Through these actions, the Group reaffirms its desire to create shared value in the communities where it operates, involving itself in education, in helping the vulnerable, in safeguarding health, and in encouraging its people's active participation in solidarity initiatives.

Florim health&training

The Health and Training Center was created in 2014, the result of a partnership between FLORIM S.p.A. SB and Ospedale Sassuolo S.p.A. (Sassuolo Hospital). It is a one-of-a-kind project in Italy, one that brings together the cultures of industry and of healthcare with the aim of promoting training, research and advanced medical simulation.

The center, located at the main headquarters of FLORIM S.p.A. SB, is over 600 m^2 in size and features a conference room, as well as areas equipped for education and training activities. The heart of the center is the control room, where advanced technology controls different types of robot-mannequins (newborn, child, adult, and mother giving birth), which reproduce human functions in the adjacent simulations room.

The center's work, managed by Sassuolo Hospital S.p.A., has over the years involved numerous healthcare professionals from Santa Maria Nuova Hospital in Reggio Emilia, the Reggio Emilia Local Health Authority, and the Modena Local Health Authority, as well as Sassuolo Hospital personnel. In 2024, UNIMORE, the University of Modena and Reggio Emilia, also joined the project.

The Health and Training Center is an American Heart Association (AHA) Training Site. The AHA is the oldest and most respected American health organization, and publishes worldwide the guidelines for cardiopulmonary reanimation and for the treatment of cardiovascular emergencies.

Between 2014 and 2025, approximately 600 training courses were held, which were attended by over 7,500 people. The professional training offered by the center ranges from specialist and technical subjects, to courses on emergency scenarios, to advanced medical simulations courses.

Health Meetings

FLORIM S.p.A. SB organizes and promotes “Health Meetings”, which are open to the public and devoted to prevention and to fostering healthy lifestyles. During these meetings, doctors and experts deal with topics related to health and well-being, providing useful information and answering questions from attendees.

The initiative creates important opportunities for dialog between the healthcare sector and the community, with the aim of raising awareness about prevention. Fifty public meetings have been held over 12 years, with over 4,300 people participating.

Other initiatives

FLORIM S.p.A. SB’s commitment to people’s health and wellbeing is also embodied in a series of initiatives for employees and their families.

One of these is its agreement with the Sassuolo Hospital, under which workers and their families can go for specialist appointments and be provided with diagnostic services at discounted rates and with reduced wait times.

The company also periodically promotes free medical screenings for the prevention of a variety of illnesses and offers employees the opportunity to receive their flu vaccines in the workplace, making it easier to access preventive healthcare.

Alongside these healthcare initiatives, FLORIM S.p.A. SB supports actions to raise awareness around issues of health and wellbeing and encourage active lifestyles, through discounts negotiated with local gyms, swimming pools and pharmacies. To ensure safety in the workplace, defibrillators (BLSD) have been equipped at company sites since 2010, and training courses are organized for personnel responsible for first aid.

Finally, the company partners with schools and other local training and educational organizations to promote education and awareness initiatives for young people on health, safety, and prevention topics.

The “L’acqua è vita” project

Ensuring access to potable water is one of the most pressing challenges facing communities across the world. It is also the foundational goal of the “L’acqua è vita” (“Water is Life”) project, promoted by the volunteer association Rock No War and launched in 2023 with the support of FLORIM S.p.A. SB, Kerakoll, Modula, and other area enterprises. The initiative aims to create wells and water systems in places hit by severe water crises, helping to improve living conditions for local populations.

In June 2025, FLORIM Gallery hosted an event where the results achieved by the project during its first two years of operation were presented: 122 projects have been completed, including wells, cisterns, and water distribution systems, in 28 countries.

FLORIM S.p.A. SB has also provided support for the healthcare system in recent years. One of the most noteworthy of these initiatives is our contribution to the construction of the Rizzoli di Bologna 3D Lab for the design and printing of personalized prosthetics, with a focus on pediatric patients. Also worthy of mention is our support for the Baggiovara Hospital for its purchase of state-of-the-art electrosurgical knives and for its hybrid operating room. We also contributed, along with other local businesses, to the purchase, for the Sassuolo Hospital, of a CT scanner and an advanced workstation to assist with diagnoses.

Support for the promotion of culture and art

From Italy to the United States, by way of its international flagship stores, the Group places great importance on the quality of its spaces, designing them with care and passion, to make them attractive to look at and, above all, to experience. With this philosophy, FLORIM S.p.A. SB has elevated its location in Fiorano Modenese with prestigious works of art.

Examples include Il Cavallo by the artist Mimmo Paladino, at the main entrance, and Percorso Amoroso by Giuseppe Gallo, on the west side of Factory 4.0 in Via Canaletto, Fiorano.

As befits a company that combines the values of its local community and historic and artistic heritage with a flair for research and innovation, FLORIM has launched a partnership with the Peggy Guggenheim Collection in Venice, demonstrating its commitment to promoting art through its support for a collection of outstanding beauty.
In 2025, with the objective of inspiring cultural and artistic growth for its employees and their families, FLORIM S.p.A. SB and the Peggy Guggenheim Collection together sponsored the project ART TO SHARE, which included guided tours of the museum and of the temporary exhibition dedicated to the ceramic artworks of Lucio Fontana, a unique and extraordinary testament to the scope of the imagination and the complexity of the artist as a sculptor.

During the tour, children took part in creative workshops, where they observed some of the works on display and were offered engaging ways to experiment with an artistic subject or technique.

Measuring the impact of the Health and Training Center

In 2021, a project was begun to measure the impact that the various initiatives of the Health and Education Center have on doctors, employees and the local community. During 2022 the project continued, with the analysis of the results of the BLS (Basic Life Support), ACLS (Advanced Cardiovascular Life Support) and PALS (Pediatric Advanced Life Support) courses and the Health Meetings.

The data shows excellent results. In 2025, the free events targeting the local community dealt with critical topics, such as: the importance of lifesaving first aid skills, gambling addiction, the benefits of laughter, and the role of biomarkers in cancer prevention. 78% of attendees at the Health Meetings gained a better understanding of the topics discussed and considered taking preventive measures; 93% felt more confident about the topic. 100% of the medical and paramedical personnel who attended the BLS, ACLS and PALS courses passed the exam. It should be noted that some of the BLSD course attendees were not healthcare professionals. These included employees and members of local organizations and associations.

FLORIM USA Inc. continued to pursue its commitment to the local community through volunteer projects and by supporting nonprofit organizations in the Clarksville area. Activities included participating in food drives, initiatives to assist the vulnerable, campaigns in support of children and for local organizations, including through financial donations and in-kind contributions. Moreover, the company supported initiatives to safeguard public health, such as blood drives.

S3-04 - Targets related to impacted communities

The main targets related to impacted communities for the year 2026 are connected to activities that are already ongoing and described in section S3-3.

Specifically, the company continues to participate in the events and initiatives sponsored by B Local Modena, bolstering its engagement with other local area organizations on matters of sustainability and positive impacts. The project to measure the impact of the Health & Training Center will also continue, with the goal of monitoring and enhancing the benefits it creates for people and for the community. Support for families with the greatest need will also continue unabated through donations to local organizations, reaffirming the care the company reserves for the social situation in its community. In this context, it will renew its partnership with the Rock No War association, which is engaged in projects in support of the vulnerable. Over the course of 2026 there are also three educational events planned for university and high-school students, in partnership with technical institutes, universities, and other learning institutions. These events will offer in-depth explorations of topics including innovation, sustainability, design, and the “Made in Italy” brand, with the goals of creating opportunities for discussion and bringing the younger generations into contact with the world of business.

S4 - Consumers and end-users

FLORIM S.p.A. SB situates the customer and the end user at the center of its business model, recognizing that product quality, safety and reliability must necessarily go hand in hand with a structured and personalized approach throughout every phase of the cycle of engagement. The company manages a variety of relationships that differ depending on customer type, adapting its resources and processes to meet different needs and ensure that our products perform optimally in any context of use.

For retailers, who make up our most traditional customer stream, engagement occurs via countrywide and international networks supported by local agents. Customer orders are managed internally by FLORIM S.p.A. SB customer service, which enters them into the company systems and manages logistics; after-sales complaints and disputes are handled internally with the help of the competent company departments.

For construction and design industry professionals, like architects, design studios, and construction companies, the approach is more personalized and requires longer timelines: the marketing network personally visits these customers, showing them materials and providing technical support. At the request of its sales force, FLORIM S.p.A. SB can undertake turnkey projects, brining its own engineers onto a construction site to perform surveys and to provide estimates and technical project management, while entrusting construction operations to external partners.

The company also manages its own spaces, including its Flagship Stores and Concept Stores; these act as tools for direct dialog with customers and industry professionals, and for testing out new materials, services, and solutions.

FLORIM S.p.A. SB's customers and end-users belong to different sectors and contexts of use: hotels, residential projects, maritime industries, hospitals and clinics, stadiums, and buildings related to the fashion industry, each with its own specific needs in terms of safety, durability, and quality. This approach allows the company to control its material impacts, boost customer satisfaction, and guarantee products that are reliable and safe in any context of use.

Our design service

In addition to supplying the product, FLORIM offers its designers and customers access to a specialized technical support service to help with every stage of development.

Choosing materials for a building's exterior and interior surfaces means assessing aesthetic factors, technical performance, installation methods, durability, and the management of project resources.

FLORIM Solutions assists designers and customers to choose the options most suitable for their specific needs, from materials selection through installation.

The service also includes technical porcelain stoneware applications, including ventilated facades. The potential benefits of these options in terms of a building's energy performance depend on the specifics of the project, how the layers of the facade are structured, climate conditions, and how the building is to be used. The performance data is assessed in relation to the specific conditions of the design.

The multidisciplinary team at FLORIM Solutions follows the different stages of the project, from concept development to technical and structural testing, and through all the phases of construction and installation.

The support they offer covers a diverse range of applications, including the Wellness sector, swimming pools, ventilated facades and cell facades via the Design2Curtain project, technical flooring and indoor wall tiling.

During the design stage, they also evaluate options that aim to limit product waste and to plan transport based on the specifics and needs of each individual project.

Selection of service providers and suppliers takes into account the technical requirements of each project and all available information about their production processes. For its installation operations, FLORIM Solutions uses teams with expertise specifically related to each individual project.

S4-01 - Policies related to consumers and end-users

Through its internal policies, FLORIM S.p.A. SB aims to guarantee its products' quality, safety and reliability, with the goals of preventing any potential negative impacts for end-users and of ensuring high performance and durability over time. These principles are laid out in the Management System Policy and in the Code of Ethics, and translate into a commitment to abide by all applicable laws and regulations, into the constant improvement of our production processes, and into the structured management of risks related to product quality and safety.

Compliance is ensured through our adoption of certified management systems and by acting in accordance with applicable laws and regulations, including via CE markings and declarations of performance. The company also provides technical datasheets and instruction manuals to assist with proper use and maintenance, thus helping to prevent risks for users.

In terms of its operations in the United States, FLORIM S.P.A. SB has adopted an approach based in part on voluntary third-party certifications that aim to ensure that products do not cause negative impacts on human health or the environment. These include internationally recognized accreditations such as GREENGUARD Gold, the Health Product Declaration, Declare Red List Free, and Green Squared. These certifications help to control impacts across the entire product life cycle, both upstream and downstream, particularly in terms of safeguarding health and reducing environmental impacts.

Our attention to safety extends beyond production to encompass installation and use, thanks to the product safety data sheets we provide, along with warnings on labels, and our compliance with sector standards, including those related to slip resistance.

We have a structured process in place for claim handling, which allows us to collect and analyze complaints, manage any non-conformities, and encourage the continuous improvement of our products and processes.

Our policies are based on recognized standards and provide for monitoring, which is conducted through process checks, internal audits, and periodic management reviews. For the operations of FLORIM USA Inc., the Code of Ethics also includes a clear commitment to respect human rights and human dignity.

These policies are determined at the executive level and their drafting is not the result of a structured process of direct engagement with consumers.

S4-02 - Engagement with consumers and end-users

FLORIM S.p.A. SB views communication with customers, industry professionals, and end-users as crucial for building lasting relationships, gathering market perceptions, and guiding the ongoing improvement of products and processes. The company encourages engagement via a variety of direct physical and digital points of contact, which allow us to listen to needs, collect feedback, and provide clear and timely information about materials and their applications.

Avenues for engagement with consumers and customers include: showrooms and exhibition spaces where the products can be seen and touched, where experts can speak with visitors and feedback about uses and preferences can be collected; a broad network of sales people and agents who serve as local points of contact for communication with resellers and industry professionals; direct communication via the website and customer care for technical information requests for managing complaints; participation in sector events and trade fairs, such as CERSAIE and the Salone del Mobile, which offer opportunities for direct engagement with the professional community and with the public; and our ongoing relationships with architects and designers.

The feedback gathered at these different points of engagement is managed using a structured approach. The Quality department coordinates technical support during the pre-sale phase, providing technical information and checking the catalog and lab data to ensure that the information available to the market is clear and correct. In the after-sales phase, dispute and claim reports are received by customer care, then recorded by the after-sales department and assessed through technical studies. Technical reports are drawn up based on these assessments and sent to the competent regional management, so that the most suitable solution can be found.

The process for managing disputes may, where necessary, also involve manufacturing and the internal lab, so as to verify recurring problems and identify corrective actions. The information collected is tracked using quality and customer care satisfaction indicators, which monitor sales, claims, disputes, and response times. The facts that emerge contribute to the adoption of improvement actions taken, for instance on materials or packaging or, in some cases, involving an in-person visit by FLORIM S.p.A. SB staff to the customer's location to help with problem resolution.
All relationships with customers and product users are handled with the same care and professionalism, in accordance with the principles of quality and reliability that are hallmarks of the “Made in FLORIM S.p.A. SB” approach. There are no different procedures for specific or vulnerable groups, but product safety is guaranteed by technical documentation, safety data sheets, and compliance with applicable standards.

The information gathered through engagement contributes to bolstering the trust of the market and guiding our continuing improvement, in line with the brand's own commitments to quality, innovation, and sustainability.

S4-03 - Actions and resources related to consumers and end-users

FLORIM S.p.A. SB is committed to the structured management of positive and negative material impacts on consumers and end-users, adopting concrete actions and dedicated resources to ensure quality, safety, reliability, and customer satisfaction across the entire product life cycle.
The company prevents and mitigates potential issues through an integrated approach that includes procedures for handling claims and disputes, monitoring the quality of materials, providing technical support, and clearly communicating product information.

Specifically, the main actions include:

- Handling claims and disputes
- Technical support and turnkey projects (FLORIM Solutions)
- Training and communication
- Monitoring and assessing effectiveness

S4-04 - Targets and metrics

The main objective of FLORIM S.p.A. SB for 2026, which relates to improving channels of communication moving toward customers, is the implementation of a private area on the site for sharing content regarding product supply and training on its use. To decide what content to implement, relevant stakeholders were surveyed.

To mitigate the material impact “supply of safe products” identified in the Double Materiality Assessment, FLORIM S.p.A. SB has set zero product disputes related to safety characteristics as a target to be met yearly. The percentage in 2025 was calculated at 0.26% (calculated based on the total number of disputes).

To mitigate the material impact “customer satisfaction” identified in the Double Materiality Assessment, FLORIM S.p.A. SB commits to maintaining steady the indicators related to the areas “fine-tuning of production process control” and “gradual elimination of disputes, complaints, and claims regarding service”, in line with the trend shown in the table.

As regards operations in the United States, the targets are defined taking into consideration both financial targets and the requirements of applicable laws and regulations, with the intention of reducing negative environmental impacts, such as carbon emissions, and bolstering positive impacts, including local economic and occupational development.

FLORIM S.p.A. SB has listed among its main targets a progressive shift of its raw materials procurement towards suppliers located in the United States. This is a quantitative target, whose aim is to eventually achieve 100% domestic procurement, with the timeline target established in 2025. The initiative aims to reduce the carbon footprint of the supply chain, improve procurement reliability, and boost control over quality of materials, goals which also directly benefit customers and end-users.

This scope of this target is the upstream value chain, specifically the sourcing of raw materials, and applies to operations in and across the United States. The target contributes indirectly to the downstream phase as well, improving the quality and sustainability of the products destined for consumers.

GOAL	INDICATOR	2023	2024	2025
		FLORIM S.p.A. SB		
Fine-tuning of production process control	First-grade yields	94.50	93.7	93.4
	Quality index	88.10	86.6	86.5
	Scrap	6.80	7.6	7.4
	Productivity	24.80	22.1	21.7
Improvement in sales performance and customer satisfaction	Customer satisfaction rate	94.7	93.5	100.8
	Innovation rate	9.9	12.9	18.8
	% coverage	83.1	71.5	69.9
	Tot. Ord. Bk. dispatched in 1 mnth	88.3	81.5	85.1
Range and inventory optimization	% obsolete inventory	6.5	10.7	9.3
	Turnover index	1.3	1.2	1.26
Gradual elimination of disputes, complaints, and claims regarding service	% actual sqm disputed	0.66	0.37	0.24
	% claims/no. of order lines	0.58	1.35	0.60

LEGEND:

First-grade yields: percentage of first-grade square meters to total square meters in stock.

Quality index: percentage of first-grade square meters in stock to square meters pressed.

Scrap: percentage difference between square meters pressed and square meters actually in inventory.

Productivity: ratio of square meters in stock to total hours worked in the plant.

Innovation index: ratio of invoiced square meters belonging to series designed in the last 3 years to total invoiced square meters. With this system, FLORIM S.p.A. SB wishes to understand the effectiveness of the design process in terms of sales.

Customer satisfaction index: a combined index of several elements relating to the degree of customer satisfaction.

Coverage: percentage difference between the immediately dispatchable square meters and the square meters ordered.

Total order book that can be dispatched in one month: percentage difference between the square meters that can be shipped in 30 days and the square meters ordered.

Obsolete inventory: percentage difference between the square meters of lower grades/obsolete and the total square meters in stock.

Turnover index: ratio of square meters sold to square meters in stock.

Disputed square meters reported: percentage difference between disputed square meters and sold square meters.

Claims per number of order lines: percentage difference between the number of claims and the number of order lines.

GOVERNANCE DISCLOSURES

G1 - Ethical business conduct

G1-1 - Business conduct policies

The key policy content is laid out in the consolidated Management System, the Code of Ethics, and the Organizational, Management and Control Model, which complies with the requirements of Italian Legislative Decree 231/2001. These instruments govern compliance with applicable laws and regulations, the integrity of company conduct, the safeguarding of health and safety, environmental protection, and customer focus. The policies aim to prevent risks including regulatory non-compliance, operational inefficiencies, negative impacts on people and the environment, and unethical behavior, while at the same time seizing opportunities related to efficiency, quality, and the creation of value over the long term.

The policies apply to all company operations across the value chain, affecting employees, suppliers, and commercial partners in the different geographic areas where FLORIM S.p.A. SB operates. Suppliers are called upon to share their company principles as regard quality, environment, safety, and energy, with a view to partnership and alignment with company standards.

The policies are based on structured management systems and on binding regulatory requirements, as well as on technical standards and sector accreditations applicable to processes and to products. System efficacy is monitored by means of internal audits, periodic checks and management reviews.

G1-2 - Actions related to business conduct

In managing its relationships with suppliers, FLORIM S.p.A. SB incorporates ESG elements into its processes through assessment tools and instruments for raising awareness. Suppliers are registered on a company portal and, from the very beginning, they receive the Code of Ethics and the Code of Conduct, which set out the guiding principles to be followed. The ESG questionnaire, developed with the involvement of the purchasing and sustainability units, allows the company to collect information on suppliers' performance and rank them according to criteria of size and of quality. Currently, this ranking system serves informational and monitoring purposes. The results of the assessment are shared with suppliers in order to foster greater awareness and encourage performance improvements. Beginning in 2026, we plan to develop improvement targets, to be shared with suppliers.

The purchasing team is directly involved in supplier management, and is up to date on the principles of the Code of Ethics, which are also shared with our commercial partners. Raising awareness on the topics of ethics and integrity is also part of the personnel onboarding process.

As regards corruption prevention, FLORIM S.p.A. SB has adopted a control system based on the Organizational, Management and Control Model, in accordance with Italian Legislative Decree 231/2001, the Code of Ethics, and procedures created specifically for this purpose. Activities for the prevention, detection, and management of potential violations are supported by a reporting (whistleblowing) system that can also be accessed via the company website, which guarantees whistleblower confidentiality and protection from possible retaliatory or discriminatory acts.

G1-3 and G1-4 - Targets and metrics related to business conduct

Lobbying

The Group conducts lobbying mainly through active participation in sector working groups and industrial associations. FLORIM USA Inc. is a member of the Tile Council of North America (TCNA), which lobbies in support of the ceramics industry, promoting equitable and sustainable commercial policies and educational standards for workers, as well as recycled content programs at the state level.

These activities aim to create growth opportunities for the company, to promote more sustainable products, and to generate positive impacts for workers and communities.

During the course of 2025, FLORIM S.p.A. SB participated, through its technical representatives, in sector working groups and commissions whose aims were to study and engage on environmental, safety, transportation, raw materials, and technical regulations relevant to the ceramics industry.

The main activities included:

participation in the Confindustria Ceramica Technical Standards Commission, which dealt with topics related to the presence of crystalline silica in the finished product and associated regulatory and technical implications for the sector;

participation in the Confindustria Ceramica Environmental and Safety Commission, which held discussions on environmental and health and safety regulations applicable to the ceramics industry. Specifically, work in 2025 focused:

- on the changing IPPC (Integrated Pollution Prevention and Control) regulations and on preparing technical contributions to help with drawing up the European Best Available Techniques reference document (BREF) for the sector;
- on the ETS (Emissions Trading System) regulation, with the goal of presenting to the competent authorities the potential impacts on the ceramics sector.

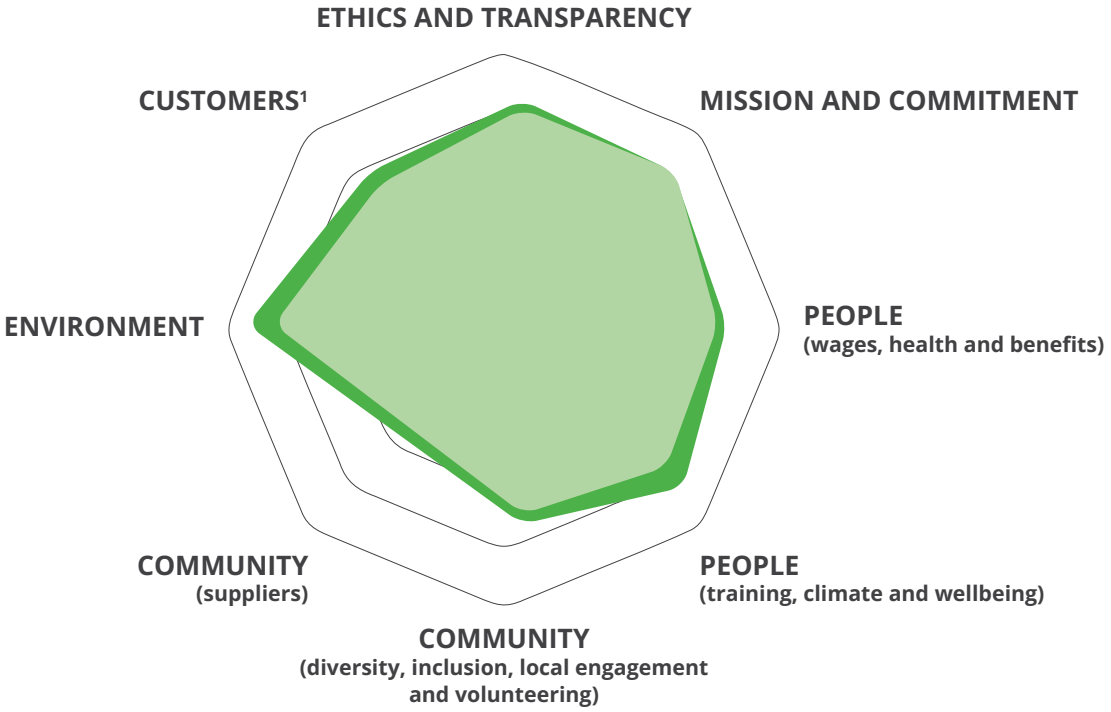
FLORIM S.p.A. SB's contribution took the form of participation in working groups and in sharing (as anonymous and aggregate data), via its trade association, technical and industrial data that could be helpful in terms of analyses and representing the sector with authorities[1].
The positions held in the working groups in which the company participated are provide in the Confindustria Ceramica annual report.

[1]In 2025 FLORIM S.p.A. SB made no political donations or contributions, either financial or in-kind, to parties, candidates or similar organizations, nor did it collaborate with intermediary organizations that would compromise the lobbying policy.

FLORIM S.p.A. SB Impact Report SB

Benefit Corporation regulations require the appointment of Impact Managers and the preparation of an annual report to inform stakeholders of the overall social and environmental impacts generated by the company. The Board of Directors of FLORIM S.p.A. SB appointed Directors Anna Lucchese and Mariadele Lucchese as Impact Managers, granting them powers to monitor and ensure the pursuit of the common-benefit goals set forth in the corporate by-laws.

To report on the impacts generated, for eighteen years FLORIM S.p.A. SB has been publishing a Sustainability Report; since 2020 it has been using B Impact Assessment (BIA), an online tool that, for the purpose of B Corp Certification, assesses the company's impacts on governance, workers, environment, community and customers. In 2025, FLORIM S.p.A. SB updated the BIA as required by Annex 4 of the Benefit Corporation regulations. The following chart shows an initial score of 98.1 certified by B Lab in 2020 and a final score of 108 certified by B Lab in October 2025.



In this document, the company reports on all targets achieved and on future projects related to the four specific aims of common benefit included in its articles of incorporation, which require it to act:

• with a constant commitment to continuous innovation as regards the sustainability of processes and the environmental impacts of all company activities;

• according to criteria designed to prevent pollution and reduce environmental impacts and risks, through recovery rather than disposal and the implementation of energy efficiency and saving measures. The company is also committed to acting to ensure the continuing evolution of its business and operating model toward a net-zero economy, in accordance with European climate neutrality targets and national ecological transition targets:

• to promote an informed and sustainable business approach, through collaborative dialog with stakeholders, and the organization of training and cultural events, including in partnership with third parties, with the aim of incorporating and disseminating lifestyles that are correct and sustainable for the environment;

• to promote a positive and inclusive workplace atmosphere for its workers, safeguarding their rights and duties, safety, training, and the growth and development of their potential, including the adoption of concrete company welfare measures.



Entrance to headquarters of FLORIM S.p.A. SB
(Fiorano Modenese, Modena, Italy)

Targets achieved and future commitments

Last year the company set itself challenging targets for all four goals of common benefit. On the following pages we will list the targets achieved for each goal and provide a cross reference to locate the description of each initiative in the 2024 Sustainability Statement.

Now and into the future, FLORIM S.p.A. SB is committed to reducing its impact through investments and specific projects to improve overall sustainability.

Commitment to sustainability

Commitments made in 2025

Renew B Corp certification, improving the overall score	Target achieved (see p. 35 of the Sustainability Statement)
Publish the first Sustainability Statement, in partial alignment with the Corporate Sustainability Reporting Directive (CSRD)	Target achieved (see p. 6 of the Sustainability Statement)
Continue the supply chain sustainability measurement project	Target achieved (see p. 88 of the Sustainability Statement)

Targets for 2026

- Renew B Corp Certification with the v2.2 standards
- Calculate and certify the company's carbon footprint in accordance with ISO 14064
- Analyze potential biodiversity impacts across the supply chain
- Analyze potential human rights impacts across the supply chain

Reduction of environmental impacts

Commitments made in 2025

Construct two new solar installations in Fiorano	Target achieved (see p. 45 of the Sustainability Statement)
Replace the Fiorano cogeneration plant to achieve higher energy efficiency	Postponed until ‘26
Launch an assessment process to introduce new “secondary” raw materials into the production cycle	Postponed until ‘26
Implement a new rainwater recovery system in Mordano	Target achieved (see p. 59 of the Sustainability Statement)
Continue to procure electricity from GO-certified renewable sources, avoiding CO2 emissions from electricity purchased elsewhere	Target achieved (see p. 50 of the Sustainability Statement)
Introduce new collections in the CarbonZero range, the new Carbon Neutral Surfaces by FLORIM S.p.A. SB	Target achieved (see p. 50 of the Sustainability Statement)

Targets for 2026

- Install a new Battery Energy Storage System (BESS) to store the electricity generated by our solar installations
- Put the new solar panels into operation
- Obtain a recycled content certification for slabs
- Continue to procure electricity from GO-certified renewable sources, avoiding CO2 emissions from electricity purchased elsewhere
- Obtain FDES certification
- Decrease by more than 5% natural gas consumption by a kiln at the Mordano plant

Dialog with stakeholders

Commitments made in 2025

Organize four new meetings, free of charge, to promote local prevention culture	Target achieved (see p. 95 of the Sustainability Statement)
Continue to donate to local organizations and associations that support the families most in need	Target achieved (see p. 93 of the Sustainability Statement)
Renew our support for the Rock No War association	Target achieved (see p. 93 of the Sustainability Statement)
Extend use of the FLORIM Learning platform to customers in order to disseminate corporate content and raise awareness about sustainability topics	Target partially achieved (see p. 78 of the Sustainability Statement)
Continue to measure the impact of the Health and Training Center	Target achieved (see p. 95 of the Sustainability Statement)

Targets for 2026

- Organize four new meetings, free of charge, to foster a culture of prevention in the local geographic area and community
- Continue with the project "from courage to vision," whose aim is to guide students toward the world of work
- Continue to measure the impact of the Health and Training Center
- Continue to donate to local organizations and associations that support the families most in need
- Prepare a space on the website that is reserved for customers, where they can access more content and information about FLORIM S.p.A. SB's products
- Obtain website accessibility certification

Working environment

Commitments made in 2025

Guarantee employees and their families, thanks to a partnership with Sassuolo Hospital, access to specialist and diagnostic outpatient services, on a private basis, with discounted rates and reduced waiting times	Target achieved (see p. 92 of the Sustainability Statement)
Develop new training courses through the FLORIM Learning platform	Target achieved (see p. 78 of the Sustainability Statement)
Expand the soft skills training program to include managers and department heads from the Fiorano and Mordano production plants and logistics hubs as well as sales personnel	Target achieved (see p. 77 of the Sustainability Statement)
Promote participation and contribute to sign-up fees for the Mezza Maratona d'Italia (5, 10 and 21 km races) for employees and their families, to encourage physical exercise and team building among colleagues	Target achieved (see p. 80 of the Sustainability Statement)
Expand the company welfare package for employees to include discounts for sports facilities and summer camps, discounts on banking operations, and free health screenings in partnership with a participating pharmacy	Target achieved (see p. 82 of the Sustainability Statement)

Targets for 2026

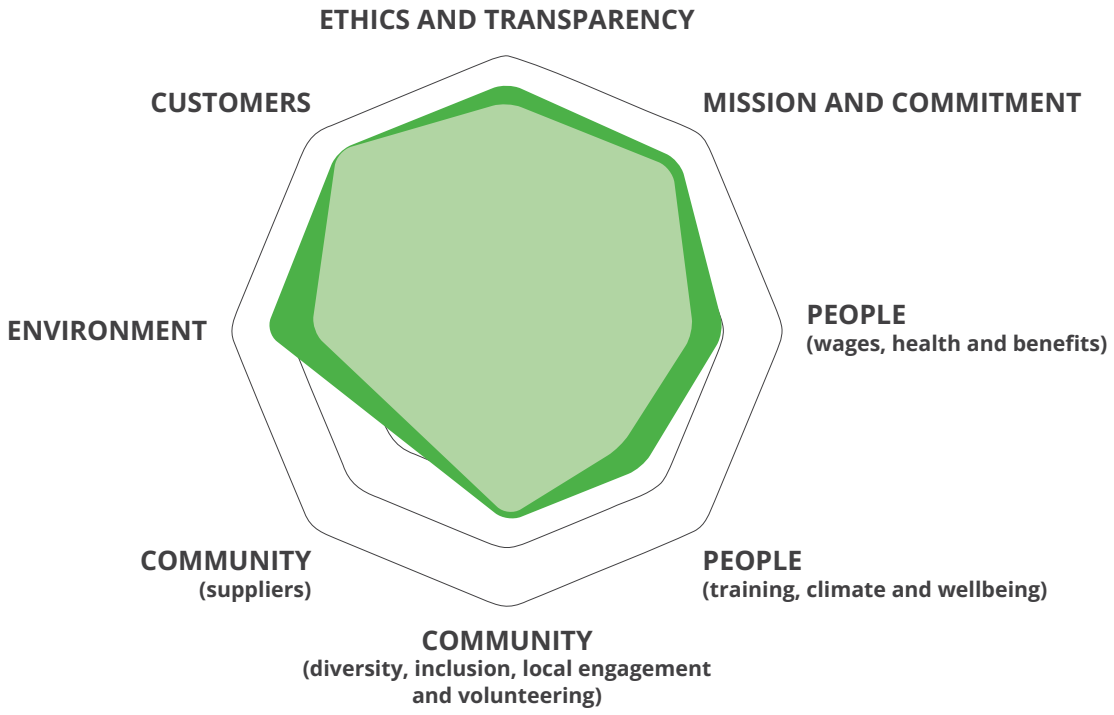
- Develop new training courses through the FLORIM Learning platform
- Guarantee employees and their families, thanks to a partnership with Sassuolo Hospital, access to specialist and diagnostic outpatient services, on a private basis, with discounted rates and reduced waiting times
- Implement a new cybersecurity training platform
- Distribute a workplace atmosphere survey to employees

FLORIM USA Inc. Impact Report

FLORIM USA Inc., based in Clarksville, Tennessee, has been part of the FLORIM S.p.A. SB Group since 2000. The production site is among the largest and most technologically advanced in the United States and manufactures ceramic material under the MILE®*stone* brand name, the first in the US to sell zero-emission porcelain stoneware products.

In December 2022, the company became a Benefit Corporation, combining sustainability with a business strategy that embraces three areas of responsibility: economic, social and environmental.

The following chart shows the score of 95.8 certified by B Lab during recertification in October 2025.



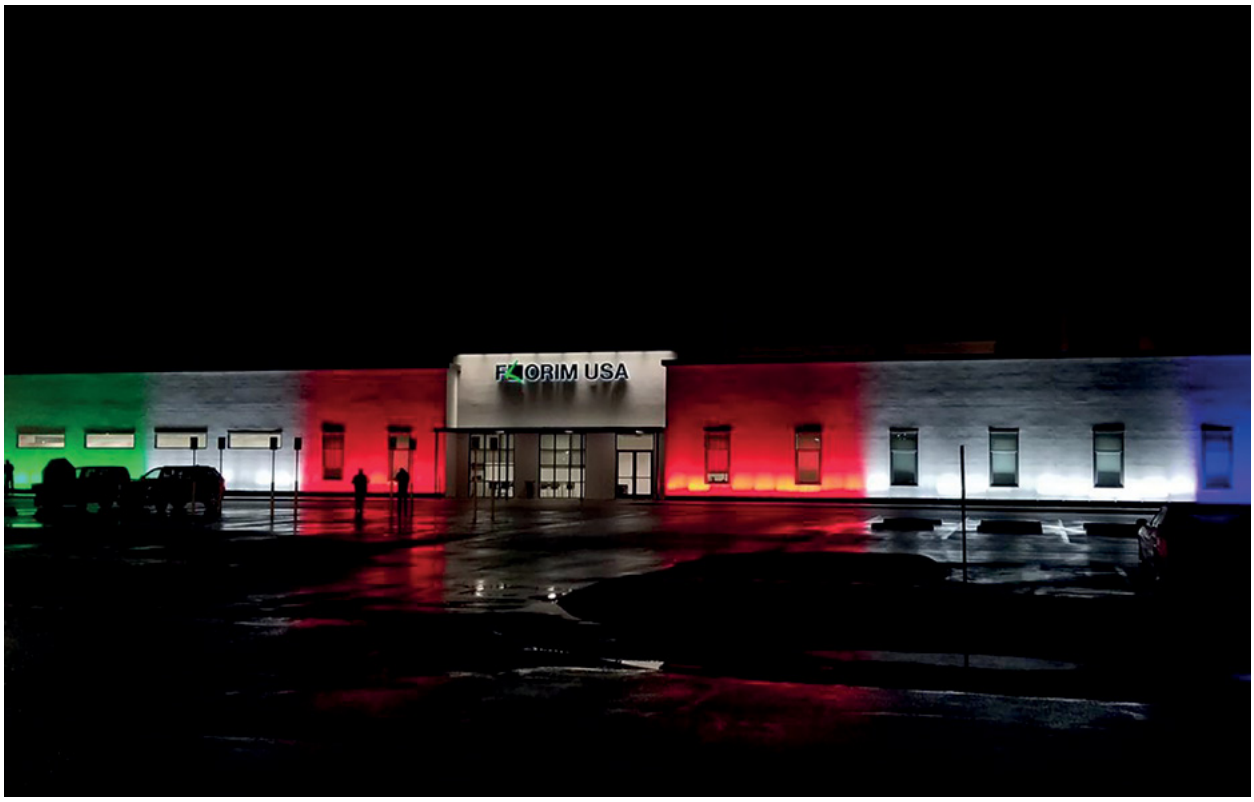
Specifically, in its articles of incorporation, FLORIM USA Inc. has formalized the conduct of its business
in such a way as to:

• limit the impact of its business and operations on the environment:
- reducing its emissions into the air, water and soil by procuring recycled raw materials
- recycling its own waste and production scrap
- improving its energy efficiency

• support the arts, sciences and/or the advancement of knowledge through the provision of scholarships and donations to educational and other institutions in the local community

• support non-profit organizations that aid low-income and disadvantaged individuals through the necessary programs, products and services

• safeguard human health through the production and sale of certified, safe products, thanks to initiatives and programs geared toward the wellbeing of customers and employees



Exterior view of the FLORIM USA Inc. site (Clarksville, Tennessee, USA)

Targets achieved and future commitments

FLORIM USA Inc. set the following targets for 2025, which will be assessed and reported in the 2026 Impact Report.

REDUCE ENVIRONMENTAL IMPACT

Commitments made in 2025

Cut solid waste sent to landfill by 1% compared to total waste disposed of in 2024	Target not achieved
Recover 25,000 tons of raw materials in production	Target achieved (see p. 66 of the Sustainability Statement)
Purchase and employ new equipment to begin to recycle and use scraps from the 2-cm product	Target achieved (see p. 66 of the Sustainability Statement)
Improve efficiency of natural gas use in manufacturing by at least 1% per square foot	Target achieved (see p. 46 of the Sustainability Statement)

Targets for 2026

- Cut solid waste directed to landfill by 1% compared to total waste disposed of in 2025
- Introduce 25,000 tons of recycled raw materials into the production process
- Increase the energy efficiency rate of production by at least 1% per square foot per surface
- Recycle and reuse scraps from the 2-cm product

SUPPORT THE ARTS, SCIENCES AND/OR THE ADVANCEMENT OF KNOWLEDGE

Commitments made in 2025

Provide guidance, scholarships, donations, or internship opportunities at TCAT (Tennessee College of Applied Technology) and at other local educational institutions	Target not achieved

Targets for 2026

- Provide guidance, scholarships, donations, or internship opportunities at Austin Peay and at other local educational institutions

SUPPORT NON-PROFIT ORGANIZATIONS

Commitments made in 2025

Support non-profit organizations with cash and product donations in the Clarksville, TN area	Target achieved (see p. 97 of the Sustainability Statement)

Targets for 2026

- Support non-profit organizations with cash and product donations in the Clarksville, TN area

SAFEGUARD HEALTH

Commitments made in 2025

Renew the following certifications: Health Product Declaration (HPD), Declare Label - Red List Free (International Living Future Institute), Environmental Product Declaration (ISO 14025), GreenGuard Gold (Underwriters Laboratories), Green Squared and UNI EN ISO 14001	Target achieved (see p. 37 of the Sustainability Statement)

Targets for 2026

- Renew the following certifications: Health Product Declaration (HPD), Declare Label, Red List Free (International Living Future Institute), Environmental Product Declaration (ISO 14025), GreenGuard Gold (Underwriters Laboratories), Green Squared and UNI EN ISO 14001



A year of events featuring design, culture and solidarity





The AcEMC Conference - Dr. Bonfanti | Medical conference at FLORIM Gallery
January 2025



Opening | FLORIM Flagship Store in Rome
February 2025



Construction schools project | Health and Training Center
April 2025



Milan Design Week | Event at the FLORIM Flagship Store in Milan
April 2025



Opening | FLORIM Flagship Store in Los Angeles
April 2025



Giustizia Penale Festival | hosted yearly at Florim Gallery since May 2023
May 2025



38th Lucchese Prize | Scholarships awarded to the most deserving students from A. Volta IIS in Sassuolo, in the FLORIM Gallery May 2025



Opening | FLORIM Flagship Store in Seoul
June 2025



Event at the Peggy Guggenheim Collection in Venice
June 2025



MATTER.LIGHT.EMOTION. | FLORIM Gallery Reopening
September 2025



“Sorridere è salute” (Smiling Is Health) | 49th Health Meeting at FLORIM Gallery
October 2025



ECO | TEDxModenaWomen event at FLORIM Gallery
November 2025

To keep up to date with our initiatives:

W: florim.com / milestonetiles.com
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For any further information, please contact our communications department: comunicazione@florim.com

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Sustainability Statement **2025_IT**



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