



SUSTAINABILITY
REPORT
2022

 **Industrie Bitossi**



DEFINING CERAMICS INNOVATION

SINCE 1962

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1. About us: Industrie Bitossi





Our DNA contains an innate drive towards research and innovation, making the most of our internal resources.

This, together with the vast natural and technological resources, unparalleled know-how and the breadth of our offer, has made us a dynamic partner, capable of providing an additional consultancy global service on raw materials, semi-finished products and advanced decoration techniques. After a century of history, we are even more future-oriented. Our growth now also involves the development of new partnerships in the most dynamic markets. At the same time, a contribution to building an increasingly solid future can come from the new generation of our family, the fourth, who has already joined the Group management.



Marco Bitossi
Chairman of the Colorobbia Group

1.1 Part of a large industrial group: history and tradition

Industrie Bitossi is one of the leading companies of the **Colorobbia Group**, specialised in the production and distribution of raw materials and semi-finished products for the ceramic and glass industry. It has its historical headquarters in the municipality of Vinci, in the heart of Tuscany.

The Colorobbia Group has always invested in its own development and has continued to offer its customers high-quality innovative services and solutions. The synergies within the Group make it a global company with a strong local presence and oriented towards the real needs of the customer. Our great experience in the sector and know-how gained over the decades have led our company to a level of absolute excellence in the development of industrial ceramics.

Technology and human resources are the two cornerstones that have always constituted its strength. Investing in the research and internationalisation of production forces has led the company to establish itself as a leading player on the market, positioning itself as a fundamental condition for the constant upgrading of its means.



Celebration of the Group's Centennial, 1921/2021

A story of passion for ceramics:

Led since its origins by the Bitossi family, the Colorobbia Group can be considered a true high-tech pioneer in the global ceramic industry.

The family's roots date back to 1536 in the Tuscan town of Montelupo Fiorentino, where the Bitossi worked as bakers, modellers, sculptors and potters.

In 1921 Guido Bitossi opened his factory in Montelupo Fiorentino under the name of Maioliche Artistiche Guido Bitossi.

Despite the war, after his untimely death, his four children reorganised and continued the business. One of them, Vittoriano, took the reins in 1942, starting the production of land and enamels first for domestic consumption and then for foreign trade; to the colour factory called "Della Robbia", was born, later named Colorobbia.

As a consequence, the company expanded globally for over eight decades.



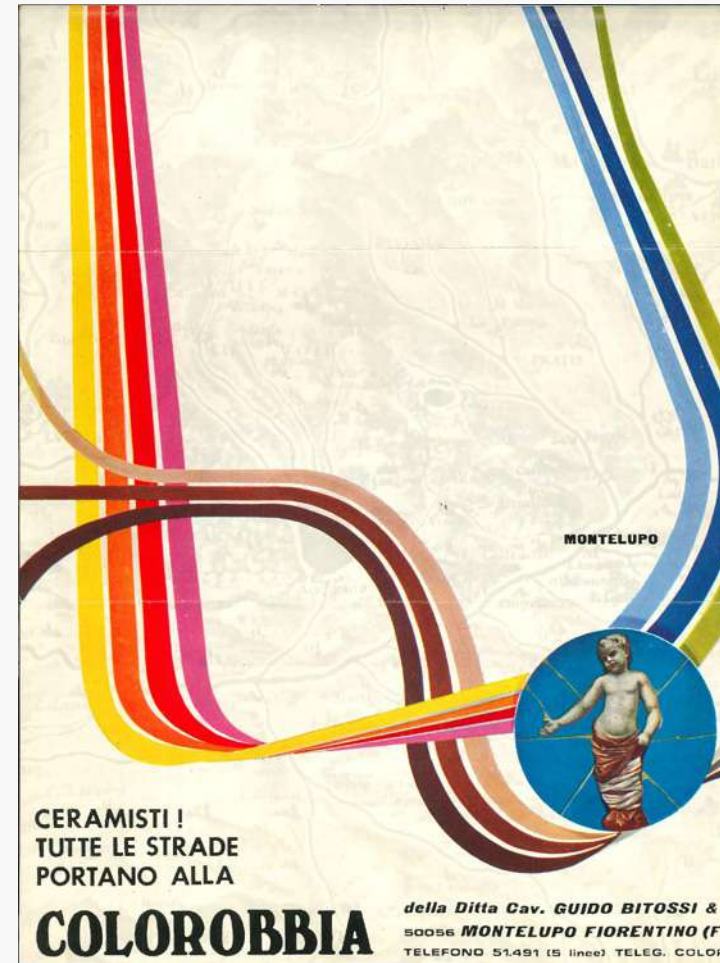
Photo of the historic headquarters of the "Maioliche Artistiche Guido Bitossi" factory



Historical Photo - Vittoriano Bitossi in his office

It all began in a territory, Montelupo Fiorentino, which has produced glazed ceramics since the thirteenth century; from a family, the Bitossi, who have worked in this territory for generations with dedication and passion for the ceramic tradition giving life to an excellent production in Italian artistic craftsmanship.

One hundred years later...
The Colorobbia Group feels even stronger the value of tradition, investing in research and the future of the new generations.



Historical Advertising



New Logistics Centre - Colorobbia Spain, Vilafamés

Industrie Bitossi



Colorobbia Messico, Monterrey headquarters

Plants - Colorobbia Italia

The Colorobbia Group provides a wide range of industrial products, including frits, pigments, enamels, digital inks, precious materials for decoration, porcelain enamels, grinding bodies, mattifiers, technical ceramics, lead oxide and glass products. The proposed solutions are able to cover the entire production process of each industrial ceramic sector while at the same time boasting control over the supply of certain minerals such as zirconium and the processing and production of boric products.

From 1921 to the present

19 Countries

31 Companies

2,000 + employees

More than € 800 MNL turnover

To date, the Colorobbia Group holds 13% of the shares of the international ceramic market.

RELIABILITY
WORLDWIDE
SERVICE
RESEARCH
SAFETY
EXTENSIVE
KNOW-HOW
PASSION



1.2 Bitossi Industries: key milestones

Industrie Bitossi has always played an important role in the Colorobbia Group, positioning itself as a market leader for the supply of zirconium silicate and the worldwide production of high-density sintered alumina grinding media.

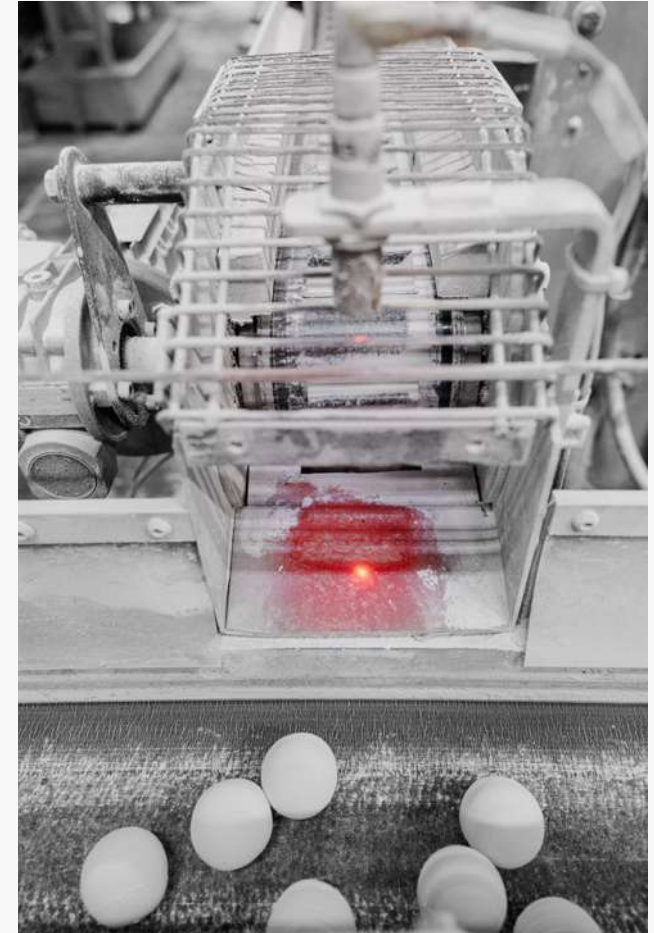
When the company was founded in 1962, the modern ceramic industry was in its infant stage and the available technologies could not meet the growing demand from both a qualitative and quantitative point of view. In particular, the grinding of frits and pigments was a time-consuming process and did not give consistent results.

This became a big problem for the booming ceramic industry.

The Company immediately had a clear vision of what the ceramic industry needed and sought global solutions for its customers by committing to the development of better grinding media, which would increase the productivity and reliability of grinding operations.

But not only that, in the same years the ceramic industry had the problem of replacing the expensive mattifying titanium oxide with zirconium silicate.

Industrie Bitossi was able to quickly develop what will be one of its biggest successful products marketed under the name Zircobit.



1962

. Industrie Bitossi was founded with the production of micronised zirconium silicate and zirconium flours.

1967

. The first ones in Europe to introduce coatings and grinding bodies in Alubit 90 high-density sintered alumina with productivity increases of up to 100%.

1989

. For the first time, Industrie Bitossi invested outside Italy, creating a new production line of zirconium flours in Turkey.

2000

. In Brazil, Industrie Bitossi launched a new production line of micronised zirconium silicate to meet the numerous demands of the South American market.

2001

. Start of Corbit98FS production for vehicle protection.

2004

. Start of production of Corbit 98FS monolith for personal protection.

2005

. In Guanizhou, China, the new production line of micronised zirconium silicate designed for the entire Asian market was born.

2007

. The new type of Alubit Leonardo grinding bodies was born, characterised by greater density, hardness, resistance to wear, and grinding efficiency.

2009

. Introduction of high-density alumina microspheres (Leonardo Microbit) in the refining of precious metals.

2010

. New composite coating, obtained by vulcanising rubber around Alubit 90 bricks, partnership with SACMI IMOLA and B&B.

2012

. New composite coating, obtained by vulcanising rubber around Alubit 90 bricks, partnership with SACMI IMOLA and B&B.

2013

. In Guangzhou, China, the production of zirconium (flour) was carried out, which completes the plant's production line.

2015

. First ever monoliths in 997 alumina to be introduced to the market.

2017

. The production of zircon-based ceramic bleaches was born in Inzago (MI).

2020

. A new type of "Microbit ZTA" microspheres (Zircon toughened Alumina) was born.

2023

. Introduction of Black Alumina. Start of production of SiC for vehicular protection.

Since its foundation, Industrie Bitossi has adopted a philosophy respectful of environmental sustainability, faithfully following the guidelines of the countries in which the company operates.

The approach adopted covers all stages of production, from saving energy and materials to collecting and treating industrial water, recovering raw materials and reducing atmospheric emissions.

The company's ethics extend to the well-being of the workers of Industrie Bitossi, a principle that has always been at the heart of founder Vittoriano Bitossi, with optimal working conditions and safety of plants and company sites. Protective devices, ventilation of environments and transport of raw materials are adopted, which are carefully assessed, as well as all suppliers are subject to verification procedures to ensure high standards of quality and safety.



“

I think the biggest asset of a company is people.

It is through them, their commitment and their preparation that a company generates wealth for the territory in which it operates and creates prospects for the future.

”

Order of Merit for Labour
Vittoriano Bitossi

1.3 Our business

Industrie Bitossi S.p.A, located in Vinci in the province of Florence, is one of the largest suppliers of zirconium silicate worldwide (under the **Zircobit®**) and a global manufacturer of high-density sintered alumina grinding media (**Alubit Leonardo**).

The company also has a leading position in the production of technical ceramics in sintered alumina for anti-wear applications (**Alubit® 90** e **Duralbit**), in the manufacture of supports for catalytic beds (Supporbit) and in defence solutions (Corbit), where materials with high mechanical and chemical resistance are required.

The company consists of two main divisions:

- Opacifiers Division;
- Technical Ceramics Division.

Opacifiers Division

Industrie Bitossi has established itself in the market for the production of **Zircobit® MO** and **Zircobit® MO/S**, which are two of the main opacifiers used in the ceramic industry.

The superior quality of these products is achieved through the use of high-quality sand and state-of-the-art process technologies. Both products are used in the production of enamels and engobings, where a high degree of whiteness and covering capacity is required. They are also used in special production of super-white porcelain stoneware mixes, where a high degree of white is required.

Due to their quality, these mattifiers have become the standard in the ceramic industry and the company also produces zirconium silicate flour (**Zircobit® FU**) used in various industrial sectors, such as the production of frits, refractory materials, foundries and braking systems.

Technical Ceramics Division

The technical ceramics division includes a series of solutions for:

- **Grinding and Coatings**

Grinding solutions are a series of products intended for the ceramic and mining industry.

The Technical Ceramics Division of Industrie Bitossi has developed Alubit Leonardo, the new generation of grinding media, characterised by greater density and hardness, resistance to wear and milling efficiency.

Grinding plants cause wear and abrasion, therefore adequate wear protection is essential to increase plant productivity and reduce operating costs. Ceramic mill coatings are one of the best solutions, as they not only protect plants from abrasion, but also improve productivity, especially in ultra-fine grinding.

Thanks to its experience and the high performance of its **Alubit 90® coatings**, Industrie Bitossi is able to provide the best solutions for these wear problems.

Alubit 90® bricks, made of high-density alumina ceramic material, are available in various standard sizes and, on request, are customised to meet the specific needs of customers and reduce assembly and installation times.



Alubit 90 bricks

- **Anti-wear**

The ceramic and mining industry is increasingly looking for methods to improve the efficiency of production plants.

However, the transport and processing of industrial minerals inevitably causes costly abrasion and wear problems, which generates costly maintenance and unexpected machine downtime, resulting in efficiency losses.

To maximise the efficiency of the systems, it therefore becomes essential to have effective wear protection.

Industrie Bitossi offers a wide range of wear protection that can be used both on machinery such as mills, cyclones and separators and on material loading and transfer points such as hoppers, silos and pipes.

With its anti-wear coatings **Duralbit 90** and **Duralbit 92**, the company is able to develop customised anti-wear solutions for any part of the system.

These elements are made of high-density alumina ceramic, specially designed for anti-wear applications, particularly effective in extreme erosion and abrasion situations.

The **Duralbit 90** and **Duralbit 92** elements are available in many standard formats, and upon request, can be customised to meet the specific needs of customers.



- **Defence**

Today, ceramic materials, particularly alumina-based composites, play an important role in the ballistic protection industry.

The lightness, high hardness and compressive strength, compared to conventional materials such as steel, make them ideal materials for defence systems.

Industrie Bitossi has a long experience in the production of alumina ballistic tiles and, with **Corbit** products and the support of its technical department, is able to develop the best components for every need, both in the field of personal protection and vehicle protection.



Technical Ceramics Division - Corbit products production area

Our factories

The Company's activities are carried out in 3 plants:

- *Sovignana plant (Vinci):*

The Sovigliana-Vinci plant is divided into two distinct sections: the Alubit department and the Zircobit department. In the Alubit department, sintered ceramic alumina is produced for various industrial sectors, mainly using industrial furnaces powered by methane gas and mills for grinding. The Zircobit department, on the other hand, grinds zirconium silicate used in the industrial ceramic sector, for the production of tiles and sanitary ware. In this case, the raw material used is the zircon sand which is processed by a dry and/or wet grinding process.

- *Pratella plant (Montelupo F.no):*

The Pratella plant (Montelupo F.no) follows the same production process as the Alubit department.



Aerial photo of the Sovigliana plant

- *Inzago (MI) plant:*

Inside the plant located in Inzago, the company has a department called Zircobit, where the grinding of zirconium silicate is carried out, which will be used in the industrial ceramic sector for the production of tiles and sanitary ware. The raw material used is zirconiferous sand (zirconium silicate), which is processed through a wet grinding process.



1.4 The governance model

The governance of the company is composed of the **Board of Directors** and the **Board of Statutory Auditors**.

The Board of Directors is the governing body vested with the broadest powers of ordinary and extraordinary administration, except as reserved by law or by statute to the **Shareholders' Meeting**.

The Board of Directors is composed of 5 members belonging to the family branches of control of the company. There are no external independent members. Four of the members are male and one is female.

Composition of the Board of Directors as at 31.12.2022	
Name	Position
Loriano Bocini	Chairman and Chief Executive Officer
Marco Bitossi	Deputy Chairman and Managing Director
Cinzia Bitossi	Managing Director
Edoardo Bocini	Managing Director
Tommaso Bitossi	Director

The **Chairman of the Board of Directors** is also a **Managing Director** and **CEO (Chief Executive Officer)**.

The Board of Directors is responsible for defining the company's sustainability objectives, approving the **Code of Ethics**, defining the **company's mission** and **key values**, as well as strategies and policies for achieving **sustainability objectives**.

The Board of Directors also validates the **materiality analysis** and the **Sustainability Report**.

The Board of Directors carries out audits on the results when preparing the Sustainability Report, maintaining a constant focus on assessing the impact that new activities and initiatives may have on the sustainability of the company.

The Board of Directors has gained specific knowledge on sustainability issues during the development of the individual career paths of the members and during the projects carried out in this area over the years by the Company.

The **Board of Statutory Auditors** has the task of overseeing compliance with the law and the Articles of Association, compliance with the principles of proper administration and the adequacy of the organisational, administrative and accounting structure adopted by the company and its concrete functioning.

The Board of Statutory Auditors is composed of 3 standing auditors and 2 alternate auditors.



To effectively oversee the management of **ESG impacts**, a dedicated structure of delegations to department directors or professional employees has been implemented for the management of sustainability aspects.

These subjects report relevant facts or topics periodically or when necessary to the **General Manager** or to the **Board of Directors**. No significant critical issues relating to the reporting year were communicated.

Composition of the Board of Statutory Auditors as at 31.12.2022

Name	Position
Alessandro Vinattieri	Chairman of the Board of Statutory Auditors
Deborah Sassorossi	Statutory Auditor
Alberto Frascchetti	Statutory Auditor
Neddo Baldini	Statutory Auditor
Gianni Baldini	Alternate statutory auditor

Company policies and impact management

The company's commitments are mainly described in the **Code of Ethics** and the **Quality Policy** both published on our website.

The Code of Ethics defines the values, principles and rules of the business and focuses on the dignity of workers, customers, suppliers and the community.

This document emphasises the importance of occupational safety, actively promoting the prevention of accidents and the maintenance of high standards of hygiene in the workplace.

It also supports work-life balance. The company is dedicated to sustainable development, encouraging the use of innovative and environmentally friendly technologies.

Through continuous training, staff awareness and the assumption of an active role by the Company Management in defining company strategies, employee empowerment is promoted.

Finally, we are committed to preventing, monitoring and reducing the environmental impact of our operations.

UNI EN ISO 9001:2015

Industrie Bitossi SpA has chosen to adopt the Quality Management System compliant with the UNI EN ISO 9001:2015 standard, with the aim of guaranteeing a high quality standard of its products, the professional excellence of its employees and customer satisfaction by providing solutions adapted to their needs. The System is managed through internal procedures and an organisational structure that ensures the improvement of both products and processes.

The Company Management has defined its strategic objectives taking into account the internal and external context factors that influence the ability to obtain the expected results from the quality management system. Stakeholders that influence the company's ability to provide products and services that comply with implicit, explicit and mandatory requirements have also been established.

The **Quality Management System** is based on a risk-based approach, in order to identify and treat the risks that may interfere with the achievement of the expected results and identify the events that may constitute opportunities for improvement. For this reason, assignments, strategies and responsibilities have been defined to guarantee the performance of risk mitigation activities and the monitoring of projects.

As part of our strategy of growth and continuous improvement, we have adopted staff selection plans and targeted training with great attention and care. This process has been designed to ensure that each member of our team not only possesses the technical skills required by their role, but is also able to adapt to changes.

The documents relating to the Quality Management System are easily accessible to employees through our internal intranet network, while with regard to the Code of Ethics and **The Quality Policy** we have also chosen to make them available on our public website in addition to the intranet network. This allows greater transparency and accessibility, especially for our customers and suppliers, who are invited to view these documents on the company website for a full understanding of our standards and commitments.

The company uses a system of internal procedures to manage negative impacts.

The quality management system includes a risk and opportunity analysis plan and an improvement plan that includes corrective actions taken following reports of internal non-conformities or complaints by the customer with the aim of preventing the recurrence of similar events.

Communication tools used for safety, health, environment and work discomfort include specific periodic meetings, meeting notes, email, internal paper communications and meetings with company RSUs.

The **Head of the Prevention and Protection Service (RSPP)** analyses the near misses, accidents and incidents that have occurred. Each investigation carried out by the RSPP on accidents or near misses is accurately documented and this documentation is kept and if necessary made available to the competent functions, offering the opportunity to examine it for further observations and proposals for improvement.

Annually, an improvement plan is drawn up based on the critical issues and reports that emerged in the previous year. This strategic approach allows us to plan and organise activities according to their priority, ensuring effective and timely intervention. In addition, the plan is subject to continuous revisions and updates, depending on the needs that emerge during the year.



Letter to Stakeholder

Dear Stakeholder...

Industrie Bitossi has always considered sustainability as an integral part of the company culture, a value consolidated over the years thanks to the constant commitment of the Management.

It is a guiding principle that permeates every aspect of our industrial universe, from processes to support policies towards our employees.

Safety, professional growth of our resources and innovation are the principles that guide the company, the definition of its strategies and its investments.

In recent years we have made substantial investments in technological development, with the main objective of improving energy efficiency and remaining at the forefront of the sector. We installed photovoltaic systems at all our sites and later increased their capacity.

Continuing in this direction, we have set a clear and ambitious goal: to transform our energy production to fully meet our needs through renewable sources.

Currently, we are conducting innovative research to convert our methane gas cooking systems into systems powered by electricity derived exclusively from renewable sources.

This transition represents a fundamental step in our sustainability strategy, significantly reducing environmental impact and actively contributing to the fight against climate change.

We believe that through these efforts, we can create lasting value not only for our company, but for the entire community and the environment.

Our company is constantly committed to technological innovation, aiming for a cutting-edge and stimulating work environment. Investments in advanced automation and state-of-the-art production machinery guarantee a safe working environment, also enhancing the professionalism of our employees, making them protagonists of a continuous and dynamic evolution.

To strengthen our commitment to innovation and training, we have been collaborating for years with numerous universities by integrating the latest academic research into our methods, thus not only enriching the skills of our teams, but also laying the foundations for the professional growth of the new generations. This environment of continuous learning and challenge allows us to develop cutting-edge products and maintain our leadership in a rapidly changing global market.

The processes managed within the Quality Management System certified according to the UNI EN ISO standard, allow us to maintain and constantly improve our quality standards, a key element for sustainable and long-term success and essential to offer our customers the best solutions to their needs.

Our company has always been like a big family that allows those who collaborate with it to grow and have opportunities in a world of work full of stimuli and challenges.

The preparation of this report aims to be a summary of what we have achieved and continue to achieve for a lifetime, with enthusiasm, dedication to work following the teaching of our founder Vittoriano Bitossi "*optimism for the future*" as he himself repeated.

A declaration of integrity, reliability and at the same time a commitment to all our stakeholders, to whom we guarantee the continuation of the values that have always distinguished us and that have led our company to its fourth generation.

Thank you to all those who every day contribute to keeping this production engine active by guaranteeing high quality products exported and appreciated by customers around the world.



- Lorian Bocini
Chairman of Industrie Bitossi

2. Our path to a sustainable future



2. Our path to a sustainable future

Our financial statements aim at expressing in a transparent and effective manner, to all stakeholders, the will to embark on a path to-wards a sustainable future in terms of envi-ronmental, social and governance issues.

In our first year of reporting, we are purposefully committed to providing a complete and accurate scenario of the negative and positive impacts that directly or indirectly affect our business activities.

We have embarked on a new path towards a sustainable future, putting the environment, people and a more sustainable business at the centre of our corporate vision every day in order to safeguard them and mitigate our impacts.

Better awareness within the various business functions allows us to respond effectively to present and future challenges.

Our document has been prepared in line with the **GRI Sustainability Reporting Standards**, the most widely used and internationally recognised standards for non-financial reporting in order to better understand.



2.1 Materiality Analysis

Based on these standards, we carried out a materiality analysis regarding the environmental, social and economic impacts (**ESG**) directly or indirectly produced.

In order to align company strategies with the expectations of our stakeholders, we have identified and evaluated qualitatively and quantitatively the most important issues to be reported in our non-financial statement.

For each area of interest, we have identified the potential or actual significant impacts, positive or negative, short or long term, foreseen and not foreseen, mitigable or permanent, of the company's direct activity or produced by the commercial relations undertaken with the outside.

The main purpose of impact analysis is essential to the identification of material issues. For each material theme identified, a relative GRI indicator was associated.



The materiality analysis was carried out according to the following processes

Point 1

Study of the context in which the Company operates through internal sources such as analysis of forecast trends and interviews with the various functions, and external, such as regulations, international legislative sources and sector studies.

Point 2

Identification of the actual impacts, i.e. the impacts that are currently occurring or in any case certain in the future, and potential, which could with a certain probability occur in the present or in the future.

Point 3

Understanding the severity, probability and significance of each impact in line with international standards: Significance was established through an analysis that takes into account the severity of an impact and its probability.

For the determination, in fact, the following three aspects were taken into consideration:

- **Gravity scale (scales):** severity of the impact and the external context in which the impact occurs, including the geo-political scenarios in which the company operates.
- **Scope of application (scope):** dissemination of the impact throughout the value chain;
- **Irremediable character:** assessment of the degree of difficulty in remedying the damage generated by the impact.

The probability of potential impacts was instead assessed on qualitative and quantitative aspects based on the procedures and activities implemented within the company.

Point 4

Prioritisation of the most significant impacts for reporting: once the positive or negative impacts and their degrees of significance, which consider severity and probability, have been identified, they have been sorted by importance. Once the relevant impacts have been identified, the material topics and GRI information to be reported have been defined.

In the following list we report the 16 material issues, associated with the related GRI Disclosures, which emerged as a result of the aggregation of the material results impacts.

	Material topics	Description	Impacts	GRI Themes	GRI Indications
ENVIRONMENT	Climate change	<p>Chemical activities generate direct greenhouse gas (GHG) emissions due to the combustion of fossil fuels in production and cogeneration processes, as well as process emissions resulting from chemical reactions. The consumption of thermal and electrical energy is a critical issue for the company's activity, being characterised by very energy-intensive processes, such as fusion or oxidation processes.</p> <p>The energy used can be generated on site, and can come from the grid or alternative energy.</p> <p>Energy consumption is also linked to the extraction of raw materials and logistics.</p>	<ul style="list-style-type: none"> • GHG emissions • Energy consumption 	<ul style="list-style-type: none"> • GRI 302: Energy • GRI 305: Emissions 	<ul style="list-style-type: none"> • 302-1: Energy consumption within the organisation • 305-1: Direct emissions of GHG • 305-2: Indirect GHG emissions

	Material topics	Description	Impacts	GRI Themes	GRI Indications
ENVIRONMENT	<i>Waste management and circular economy</i>	<p>The production processes present in the company involve the generation of hazardous and non-hazardous waste, such as powders, aqueous suspensions, etc., which require an effective policy of disposal, recycling, recovery, biodegradation of products.</p> <p>The company business requires the use of semi-finished products and raw materials, including critical raw materials, whose deposits are concentrated in a few countries subject to geopolitical uncertainty and growing global demand.</p>	<ul style="list-style-type: none"> • Waste management • Consumption of raw materials 	<ul style="list-style-type: none"> • GRI 306: Waste 	<ul style="list-style-type: none"> • 306-1: Waste generation and significant waste-related impacts • 306-2: Management of significant waste-related impacts • 306-3: Waste generated • 306-4: Waste diverted from disposal • 306-5: Waste directed to disposal

	Material topics	Description	Impacts	GRI Themes	GRI Indications
ENVIRONMENT	Pollution and air quality	Some of the company's production operations involve the emission of pollutants into the atmosphere, mainly in relation to the melting and cooking phases.	<ul style="list-style-type: none"> • Inquinamento atmosferico 	<ul style="list-style-type: none"> • GRI 305: Emissions 	<ul style="list-style-type: none"> • 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions
	Protection of natural resources	In the chemical sector, water is the basis of several processes (cooling, processing of raw materials, etc.) and a high quantity of it can be required, leading to a depletion of the resource, all the more serious as its availability is particularly limited. In the company's activity, some raw materials are used which, if dispersed, can lead to pollution of the soil and groundwater. In this regard, for some establishments, a subject verification has been carried out with reference to these contaminations, whose	<ul style="list-style-type: none"> • Sfruttamento della risorsa idrica • Inquinamento del suolo e acque sotterranee e alterazione della biodiversità 	<ul style="list-style-type: none"> • GRI 303: Water and effluents • GRI 304: Biodiversity 	<ul style="list-style-type: none"> • 303-2: Management of water-discharge-related impacts • 303-3: Water withdrawal • 303-4: Water discharge • 303-5: Water consumption • 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

	Material topics	Description	Impacts	GRI Themes	GRI Indications
ENVIRONMENT	<i>Protection of natural resources</i>	<i>results have ascertained the negligibility of this aspect for the activity carried out by the company. In addition, the extraction activity upstream of the production process generates a negative impact on biodiversity.</i>	<ul style="list-style-type: none"> • <i>Exploitation of water resources</i> • <i>Soil and groundwater pollution and alteration of biodiversity</i> 	<ul style="list-style-type: none"> • GRI 303: <i>Water and effluents</i> • GRI 304: <i>Biodiversity</i> 	<ul style="list-style-type: none"> • 303-2: <i>Management of water-discharge-related impacts</i> • 303-3: <i>Water withdrawal</i> • 303-4: <i>Scarico discharge</i> • 303-5: <i>Water consumption</i> • 304-1: <i>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</i>

	Material topics	Description	Impacts	GRI Themes	GRI indications
PEOPLE	Protection and development of employees	<p>The organisation could hinder the creation of a stimulating and attractive work environment through, for example, the use of unsustainable working hours or lack of listening, dialogue and employee involvement initiatives. In order to contribute positively to the well-being of workers, the organisation is committed to promoting the reconciliation of life and work times, through the development of company flexibility and appropriate company policies. Staff training allows employees to acquire higher-level skills. A strategic approach aimed at attracting, retaining and growing the workforce contributes to the enhancement of human resources.</p>	<ul style="list-style-type: none"> • Impact on work • Contribution to the development of employee skills 	<ul style="list-style-type: none"> • GRI 401: Employment • GRI 404: Training and Education 	<ul style="list-style-type: none"> • 401-1: New employee hires and employee turnover • 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees • 404-1: Average hours of training per year per employee

	Material topics	Description	Impacts	GRI Themes	GRI indications
PEOPLE	Protection and development of employees	<i>The company's investment in skills development allows employees to achieve better results and not just perform routine tasks.</i>	<ul style="list-style-type: none"> • <i>Impact on work</i> • <i>Contribution to the development of employee skills</i> 	<ul style="list-style-type: none"> • <i>GRI 401: Employment</i> • <i>GRI 404: Training and Education</i> 	<ul style="list-style-type: none"> • <i>401-1: New employee hires and employee turnover</i> • <i>401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees</i> • <i>404-1: Average hours of training per year per employee</i>

	Material topics	Description	Impacts	GRI Themes	GRI indications
PEOPLE	Human Rights	The company, in particular for the procurement phases of raw materials and semi-finished products in its supply chain, may not ensure adequate working conditions for its employees, and may cause incidents of human rights violations, forced labour and exploitation of child labour.	<ul style="list-style-type: none"> • Violation of human rights 	<ul style="list-style-type: none"> • GRI 408: Child labour 	<ul style="list-style-type: none"> • 408-1: Operations and suppliers at significant risk for incidents of child labour
	Health and Safety	Product problems such as faults, manufacturing and design defects or inadequate disclosure could cause damage and health problems to users. Technical failures, human errors or external factors such as weather conditions can lead to accidental releases of chemicals into the environment at processing facilities or during storage and transportation.	<ul style="list-style-type: none"> • Health and safety of workers • Ability to ensure operational safety and response in emergency situations 	<ul style="list-style-type: none"> • GRI 403: Occupational Health and Safety 	<ul style="list-style-type: none"> • 403-1: Occupational health and safety management system • 403-2: Hazard identification, risk assessment, and incident investigation • 403-8: Workers covered by an occupational health and safety management system

	Material topics	Description	Impacts	GRI Themes	GRI indications
PEOPLE	<i>Health and Safety</i>	<i>In addition, the combustible nature of chemicals increases the risk of explosions and/or hazardous spills. The company has developed emergency plans and procedures in order to limit damage to the environment and humans in high-risk situations.</i>	<ul style="list-style-type: none"> • <i>Health and safety of workers</i> • <i>Ability to ensure operational safety and response in emergency situations</i> 	<ul style="list-style-type: none"> • <i>GRI 403: Occupational Health and Safety</i> 	<ul style="list-style-type: none"> • <i>403-9: Work-related injuries</i> • <i>403-10: Work-related ill health</i>

	Material topics	Description	Impacts	GRI Themes	GRI Indications
ECONOMY	<p>Generation and distribution of value in local communities</p> <p>Health and Safety</p>	<p>The company can support the profitability of the business and contribute to the creation of economic value and its distribution among its stakeholders, such as suppliers, employees, investors and local communities, on the basis of reliable and cost-efficient operations, capital discipline and global optimisation.</p> <p>The company is committed to contributing positively to the economic development of the community, through the adoption of strategies to ensure the alignment of the organisation's interests with those of the local community. To these can be added initiatives with schools and universities, donations and sponsorships. The organisation generates job opportunities, with positive socio-economic impacts on communities and regions.</p>	<ul style="list-style-type: none"> • Contribution to the generation and distribution of value • Contribution to community development • Promotion of local employment 	<ul style="list-style-type: none"> • GRI 201: Economic performance 	<ul style="list-style-type: none"> • 201-1: Direct economic value generated and distributed • 202-2: Percentage of senior management at significant locations of operation that are hired from the local community

	Material topics	Description	Impacts	GRI Themes	GRI indications
ECONOMY	Innovation	<p>The commitment of the chemical sector to scientific research and technological innovation makes it possible to increase the level of quality of our final products and processes, increasing customer satisfaction and company productivity.</p> <p>In addition, new technologies can optimise the use of raw materials and increase the level of environmental prevention, achieving a stronger competitive positioning and greater value in the market.</p>	<ul style="list-style-type: none"> • Contribution to technological innovation 	<ul style="list-style-type: none"> • Non-GRI Disclosure 	<ul style="list-style-type: none"> • Non-GRI

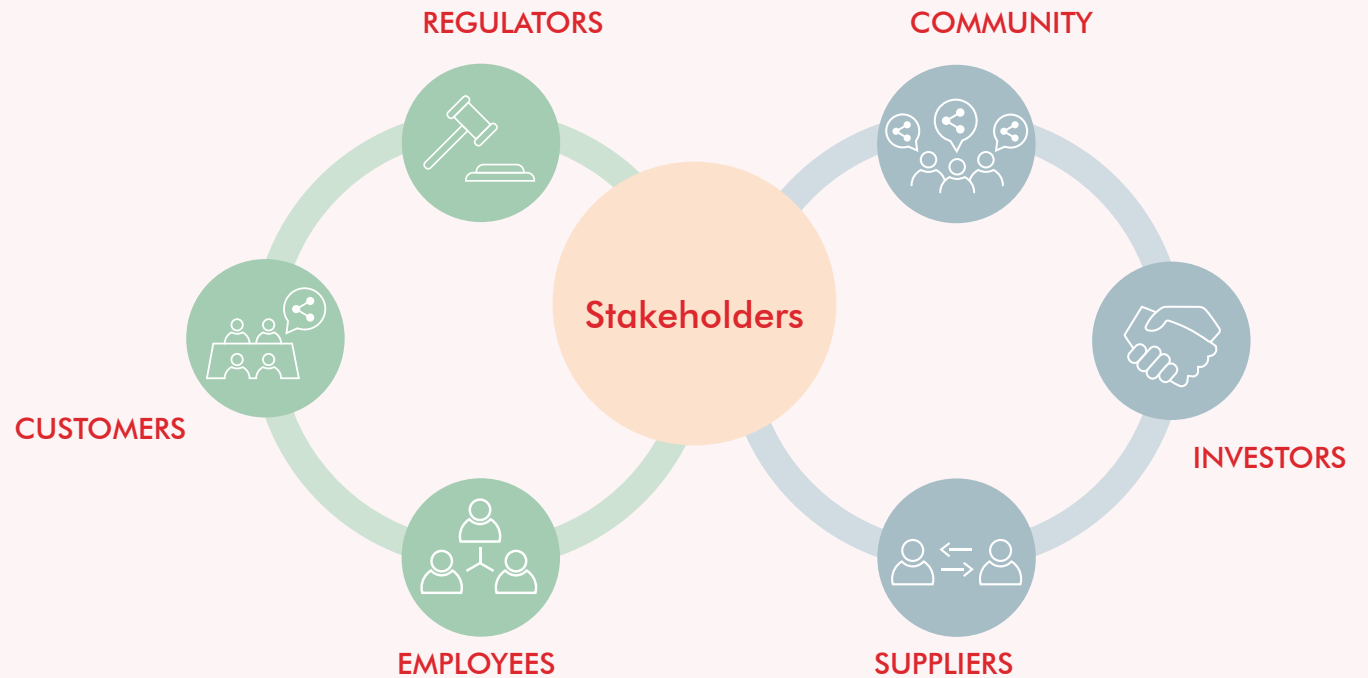
2.2 Our stakeholders

We believe that lasting and proactive management, based on responsible and sustainable activities towards environmental, social and governance issues in the medium and long term, allows the creation of strategic value for the benefit of each stakeholder.

We consider it important to create a solid and transparent relationship with our Stakeholders, with whom we interface during each phase of the value chain.

In the first phase of drafting our report, we focused on the analysis of the internal and external relationships that the company undertakes on a daily basis.

We have identified the following 6 categories of Stakeholders

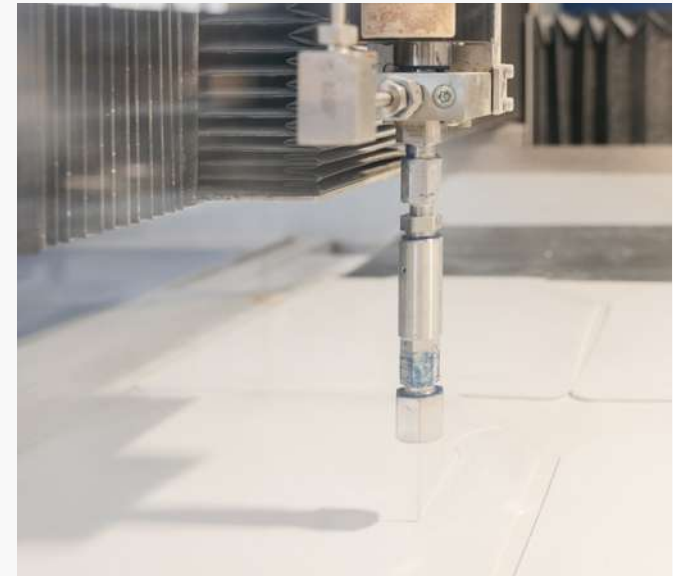


In 2022 it was not necessary to undertake any specific activity with a wide range of stakeholder engagement: the relationship with the various Stakeholders continued regularly spontaneously and/or on the basis of new inputs, without formal involvement.



3. A passion for innovation and research

What drives us towards the future has always been innovation. In particular, attention to the optimisation of internal processes is of fundamental importance not only for the coordination of the production line, but also for the management of the finished product. The company, in fact, is attentive to internal quality processes and controls that allow it to meet the needs of the customer and the company itself.



3. A passion for innovation and research

In this sense, we constantly work to ensure control and continuous review of the phases of the production process, in order to identify any gaps and improve the quality of the products. The constant attention to internal quality processes allows the company to promptly intervene on the issues identified, adopting continuous improvement processes.

In addition, we are attentive to the search for innovative solutions that can guarantee an improvement in the production process and an increase in the quality of the final product. In this sense, we have implemented an alert system that allows us to promptly identify any critical issues, intervening promptly to optimise the production process and guarantee the highest quality of the final product.



Ultimately, the continuous attention to the optimisation of internal processes and product quality, combined with the constant search for innovative solutions, allows us to guarantee a high quality standard of our products, satisfying customer needs and guaranteeing a leading position in the market.

The attention to efficiency is also evidenced by the complete revamping of the photovoltaic system of the Sovigliana site and the expansion of the solar park of the Pratella site, which allowed a self-production of renewable energies that positively impacted the company's consumption needs.

- **Industrie Bitossi invested over 23.000.000 euros in this regard from 2018 to 2022 for investments with an industria 4.0 perspective.**

In particular, the installation of new state-of-the-art production furnaces and the modification of machinery and production processes has revolutionised the work of different production lines, achieving economic savings and also savings in natural resources.

We have made significant investments in research and development. Innovative products have been developed in order to use innovative materials, such as silicon carbide, with processes different from traditional ones that provide for water and gas savings.

The introduction of new productions with innovative materials allows the company to expand the range of its products, offering customers a wide choice of cutting-edge consumption options. The development of new production lines through the use of new materials is therefore an interesting element of differentiation compared to traditional technical ceramic manufacturers, ensuring a high quality and technological standard.



Industry 4.0

In order to give a boost to the digitisation of internal processes, the **SAP MII** and **Zucchetti** and **Wonderware** applications were introduced, which, respectively, led to an efficiency improvement in internal work processes, making it possible to use the workforce on value-added activities.

■ SAP MII

It is a solution dedicated to production and integration solutions, particularly suitable for the process industry.

Using SAP MII, the company has allowed its employees to have information and insights on the entire production process at their disposal, supporting decisions on the use of machinery and equipment or in the management of production priorities.

■ Wonderware

It is a software to acquire data from plants and make them available at a higher level for management. Digital interconnections were created between the machines and we supervised the entire production process.

The initiative has given a strong boost to the digitisation of employees' work by encouraging collaboration between colleagues belonging to different generations. This allowed participants to share their knowledge and skills with their colleagues, learning new methods and best practices from the experience of others.



■ Zucchetti

In addition, the introduction of the Zucchetti payroll system has allowed better centralisation of data, allowing better management and flexibility of the organisation and giving each employee the opportunity to independently view their timesheets and their holiday and permit counters.

- FLEXIBILITY ■
- CENTRALISATION OF DATA ■
- MANAGEMENT AUTONOMY ■
- VISION ALWAYS AVAILABLE ■



3.1 Research and Universities

■ Our research, focused on the development of innovative materials and advanced production techniques, has been carried out in collaboration with renowned Italian universities. This synergy has created an effective bridge between academia and practical industrial experience.



■ Students from different disciplines, including Energy Engineering, Mechanical Engineering and Materials Engineering, have contributed significantly through their dissertations, engaging in the analysis, modelling and optimisation of processes in addition to the in-depth study of materials produced by cutting-edge techniques.



An important advance has taken place in the context of an industrial doctorate, carried out in collaboration with the CNR.

During this journey, a careful selection of various technical ceramics was made, aiming at optimising them for large-scale production.

The process involved a transition from small quantities initially produced in the laboratory, to the achievement of techniques and production volumes suitable for industry.

This represents a significant step forward in the field of advanced materials, marking a remarkable evolution both in terms of scale and production efficiency.





4. Our commitment to environmental protection

4. Our commitment to environmental protection

As a testament to our constant commitment to protecting the environment around us, in 2021 our ***Environmental Policy***.

It has made it possible to increase the awareness of all employees on the subject and to push them to adopt a behaviour aimed at safeguarding environmental values.

In particular, the document demonstrates our willingness to pursue continuous improvement in the field ***of reducing noise emissions, dust production, waste management and water consumption monitoring***.

Our approach to environmental protection is based on complying with regulatory requirements, assessing in advance the impacts that can be generated by new processes, reducing the use of hazardous substances, ***promoting the issue of environmental protection along the supply chain and ensuring a response in emergency situations to cancel the negative impact***.



4.1 The choice of raw materials and the responsible management of waste

The production of our final products requires a considerable use of raw materials, in particular for the production of high-intensity sintered alumina ceramic, high amounts of aluminum oxide are necessary, to which other materials such as dolomite, calcium carbonate and kaolin are added. Similarly, for the line dedicated to zirconium silicate, a considerable amount of zircon sand is used.

Aware of the high demand for raw materials, our company strategy is increasingly oriented towards developing processes based on the reuse of production waste and innovative technologies that allow the reduction of incoming quantities.

As for the waste generated by our business, in 2022 we recorded a quantity of 2,069.7 tonnes, **decreased by 11%** compared to last year. In particular, a **reduction of about 32% in hazardous waste** has been identified, which represents only 2% of the total. Therefore, the decrease compared to 2021 can be related to **the decrease in non-hazardous waste, equal to 10%**.



Tonnes of waste generated	2020	2021	2022
Total hazardous waste	49.14	53.37	36.67
Total non-hazardous waste	1621.01	2266.43	2033.06
Total waste	1670.15	2319.80	2069.73

Hazardous waste shows obvious variations in the quantities produced between the different years examined, these are mainly contaminated absorbents and/or filter materials and insulating materials.

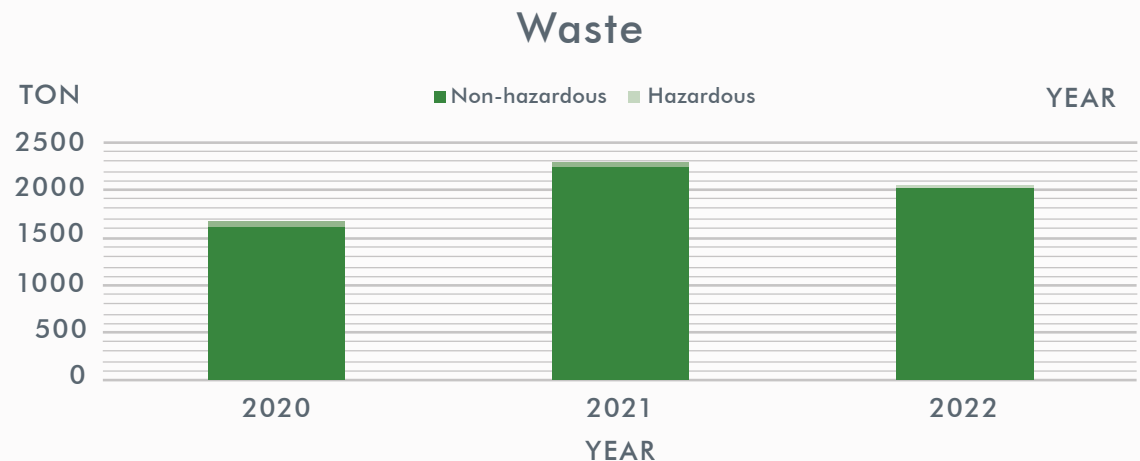
In 2022, approximately 16,525 kg of hazardous waste produced was destined for recovery/recycling activities, or 45% of total hazardous waste.

Instead, the remaining part (20,140 kg) was sent for disposal in landfill or incineration.

98% of the waste generated is non-hazardous, including packaging, end-of-life equipment, iron and steel..

In terms of weight, 37% of non-hazardous waste is represented by ceramic waste (CER 10.12.08), followed by coatings and refractory materials, which account for 483,040 kg in 2022.

Our analysis shows that about 78% of total waste is sent to recovery/recycling operations: achieving this value is an excellent starting point for developing responsible and sustainable management of the waste generated by our business.





Green Energy

casting process optimization

sustainable business

4.2 The fight against climate change

In our corporate strategy, a central role is given to the fight against climate change; in recent years we have undertaken initiatives aimed **at reducing energy consumption and limiting CO2 emissions**.

The figures responsible for the energy sector monitor and manage the energy consumption, electrical and thermal, of all plants in order to identify potential areas for improvement.

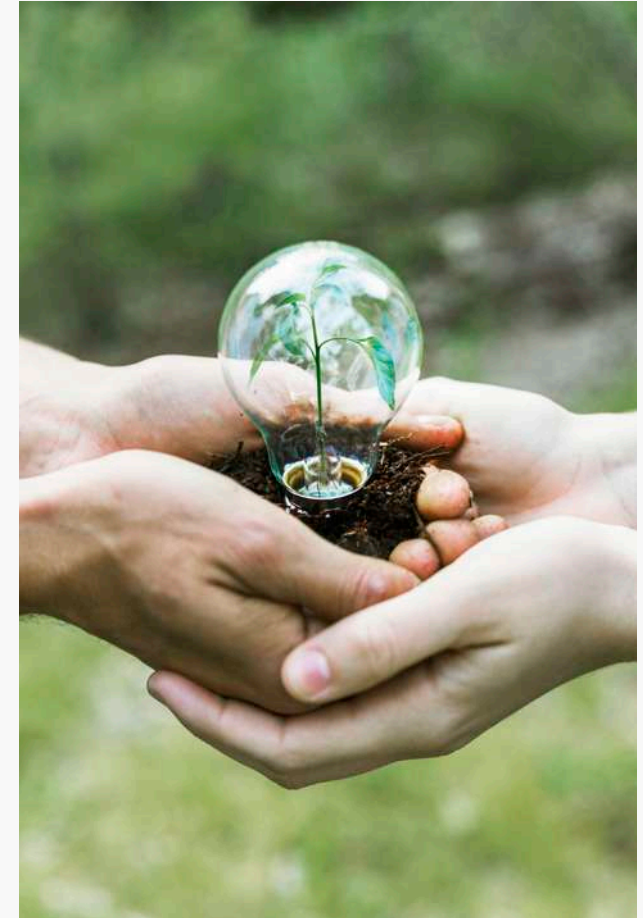
As for the energy used, in 2022 the energy consumption of the Sovigliana and Montelupo F.no. plants amounted to 653,286 GJ, a slight decrease compared to last year's values. Energy consumption is related to the operation of production plants, lighting, cooling and heating of premises, and for a small fraction to diesel, used for generators and wheel loaders.

For 2022, the data relating to fuel consumption has not been collected, which we plan to report in the next year.

This figure (9,500 litres) was collected to carry out the energy diagnosis that affected the plants.

The largest contribution is represented by natural gas, which accounts for about 76% (493,406 GJ) of total energy consumption, followed by electricity (EE) purchased with 24%, or 157,646 GJ.

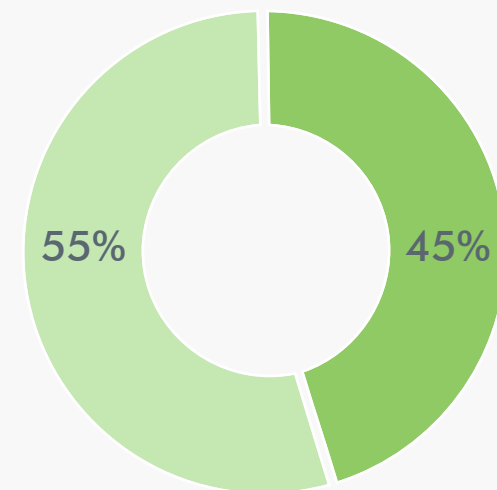
Comparing the plants, Montelupo F.no caused a more significant impact on energy consumption: only the consumption of natural gas, equal to 298,209 GJ, represents 46% of total energy consumption. Meanwhile, the Sovigliana plant contributes significantly to the amount of electricity used, reaching 64% of total electricity consumption (101,557 GJ).



Energy sources	u.m.	2020	2021	2022
Natural Gas	kWh	125.046.188	146.192.182	137.055.451
Diesel	Litres	8.500	4.500	9.500
Self-produced EE	kWh	664.224	215.487	525.447
Purchased EE	kWh	42.149.931	49.760.405	43.790.677
Sold EE	kWh	0	0	0
Total EE	kWh	42.814.155	49.975.892	44.316.124

Energy consumption in GJ	2020	2021	2022
Natural Gas	450.172	52.629	493.406
Diesel	305	162	341
Self-produced EE	2.391	776	1.892
Purchased EE	151.740	179.138	157.646
Total EE	154.131	179.913	159.538
Total	604.606	706.374	653.286

Total energy consumption (GJ) in the two plants



- Sovigliana
- Montelupo Fiorentino

In 2022, the installation of photovoltaic panels in the Sovigliana and Montelupo F.no plants led to the generation of 525,447 kWh, which represents 1.2% of total energy consumption.

One of the direct consequences of energy consumption is the emissions of greenhouse gases (Greenhouse gases, hereinafter GHG) responsible for climate change.

At European level, one of our plants is part of the Emission Trading System (ETS), the NATO instrument for the control of GHG emissions, through the allocation of GHG emission allowances and the exchange of them between companies.

During this year we have reported the GHG emissions Scope 1 and Scope 2:

- **Scope 1 emissions** are those generated by sources owned or controlled by the company (direct emissions);
- **Scope 2 emissions** are those resulting from the production of electricity (indirect emissions).

In 2022, GHG Scope 1 emissions amounted to 27,749 TonCO₂eq and derived mainly from the use of natural gas, in line with previous years.

While diesel fuel for the company fleet causes about 1% of the total GHG Scope 1 emissions. These emissions are also attributable to refrigerant gases, of which we have identified two types, **R410A** and **R407C**, whose quantity is equivalent to about **9 TonCO₂eq**.

GHG emission Scope 1 (Ton CO ₂) ₁	2020	2021	2022
Natural Gas	25.287	29.564	27.716
Diesel	22	12	24
Refrigerant gases	-	-	9
Total	25.309	29.575	27.749

1.The quantities connected to the Company's car fleet have not been included in the calculation.

Refrigerant gas	U.M.	R410A	R407/C
Quantity (2022)	kg	0,8	3,9
GHG emission	Ton CO ₂	1,67	6,88

The consumption component related to the use of electricity is linked to GHG Scope 2 emissions.

The following table shows the two types of calculation used for this category:

Location Based and **Market Based**, which take into account energy produced from renewable

The result obtained with the first approach shows a reduction of 11.3% compared to the previous year, while with the second a decrease of 12% is achieved.



Sewage treatment plant - Pratella



Emissione GHG Scope 2 (Ton CO2)	2020	2021	2022
Location-Based	13.277	15.674	13.794
Market-Based	19.244	22.719	19.994

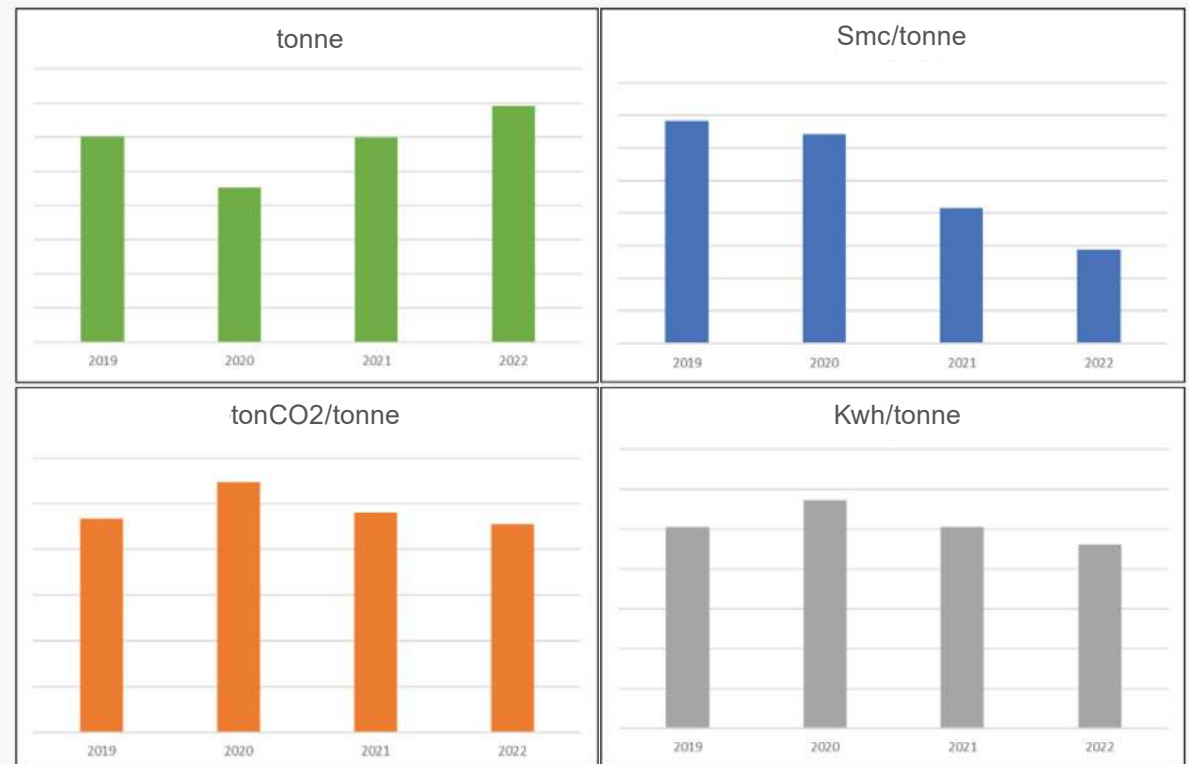
As an issue of great importance, we are increasing investments for the implementation of actions aimed at saving energy and reducing GHG emissions.

In this regard, in recent years we have carried out several projects at the Montelupo F.no plant during the production phase to reduce the consumption of natural gas and electricity.

The graphs below show how production in terms of tonnes of product produced has increased over the three-year period; however, reductions in the use of natural gas, electricity and GHG emissions have been recorded.



Despite the increase in production over the three-year period, there have been reductions in the use of natural gas, electricity and GHG emissions.



4.3 Attention to air quality

The control of emissions of pollutants into the atmosphere is guided by Community and national legislation that implies compliance with certain concentration thresholds for substances that could cause harm to humans and the environment.

With the development of cutting-edge technologies and the application of best available techniques (**BAT**) for plants subject to **AIA (Integrated Environmental Authorisation)**, we have achieved a good level of reduction of emissions into the atmosphere. The main phases related to the processing of alumina and zirconium silicate that are related to significant emissions are drying, baking and dry grinding.

Each of these activities has been associated with suitable pollutant capture systems such as sleeve filters, sometimes combined with cyclones, pocket filters and post-combustion systems for furnaces.

The most critical pipeline emissions from our business are particulate matter (PM), nitrogen oxides (NO_x), total organic carbon (TOC), aluminium and formaldehyde. We constantly monitor these emissions through direct measurements, in order to ensure compliance with the limits defined by the regulations, and in case of exceedance we intervene in a timely manner.



2022

During 2022, the mass flows of formaldehyde and COT registered a significant decrease compared to last year, which can be attributed to the inclusion in the processing cycle of a mixture with a reduced organic load at our Montelupo F.no plant.

The following table shows the values measured in kg/year over the three-year period.

In 2022, the increase in the amount of PM is mainly due to an abnormal measurement related to an emission from the ALUBIT department, in addition to the activation of a new emission point in the ZIRCOBIT department.

Substances	Type of activity	U.M.	2020	2021	2022
PM	- Processing of zirconium silicate; - Alumina Processing	kg/anno	3.888,60	3.846,90	7.940,40
NO _x	- Processing of zirconium silicate; - Alumina Processing	kg/anno	42.416,70	50.681,20	40.509,60
COT	- Alumina Processing	kg/anno	10.228,00	7.435,70	6.399,00
Aluminium	- Alumina Processing	kg/anno	8,10	148,30	77,20
Formaldehyde	- Alumina Processing	kg/anno	1.166,30	1.282,20	816,40

4.4 Protection of water resources and biodiversity



The water present in the production cycles derives mainly from wells (97%) and from aqueducts (3%), in 2022 an amount of 135,727 m³ was withdrawn, a slight decrease compared to 2021 (-15%).

This trend is largely related to the significant reduction that has affected the Sovigliana site, which records a change **of -29% in water withdrawn compared to last year.**

Within our plants, water is the basis of various processes, such as cooling or processing of raw materials, especially in the Sovigliana and Montelupo F.no plants, where 98% of the total water withdrawal takes place.

Withdrawal	Unit of measurement	2020	2021	2022
Groundwater	mc	114.987	154.925	131.376
Third Parties (Aqueduct)	mc	4.130	4.800	4.351
Total	mc	119.117	159.725	135.727

Water discharge also shows a decreasing trend over the three-year period, in 2022 the total water discharged was 43,349 m³.

In line with previous years, the Sovigliana site determines almost all water discharges (37,721 m³).

The water discharges from the Montelupo F.no and Sovigliana plants are authorised under the AIA regime, consequently they are subject to monitoring and controls in compliance with current legislation.

In this regard, we adopt industry-specific best applicable technologies (BATs) with the aim of improving the quality of discharged water and reducing our water consumption.



Unloading	Unit of measurement	2020	2021	2022
Third Parties (Aqueduct)	mc	46.798	52.934	43.349
Total	mc	46.798	52.934	43.349

With regard to the Sovigliana site, the industrial wastewater is provided to the Depurcolor Consortium, authorised with its own Integrated Environmental Authorisation, which carries out chemical and physical treatment to obtain a quality level that complies with the legal limits for discharge into surface water.

On the contrary, in line with the Montelupo F.no headquarters, the water similar to domestic water in compliance with Legislative Decree 152/2006 undergoes biological treatment and is subsequently sent to the integrated water service and partly discharged into surface water bodies.



Sovigliana Treatment	2020	2021	2022
Chemical-physical treatment c/o Consortium Purple	37.245	45.320	34.898
Treatment of biological pits/oxidation subsequent transfer to SII	2.801	3.334	2.823

- Within our perimeter at the Montelupo F.no plant, we have created a chemical and physical treatment plant for the industrial wastewater generated by the production department.

- A specific case is related to our plant in Inzago, where the plant does not generate industrial wastewater, recording zero water discharge. This is due to the nature of the process that is carried out and the implementation of water recycling techniques. In fact, through drying, the water evaporates or is recycled in the grinding process.

In 2022 we recorded a total water consumption of 92,378 m³, which shows a decreasing trend as for the withdrawal.

This quantity was obtained from the difference between the withdrawal and the water discharge of all our plants.

Through a relaunch system (pump and autoclave) a percentage of the treated water is reused in various operations such as machine washing, washing work areas and reagent preparation.

The development and implementation of this process is a demonstration of our care in the management of water resources and awareness in the protection of natural resources.



Montelupo treatment	2020	2021	2022
Chemical-physical treatment c/o departmental purifier	5.423	2.814	4.100
Treatment of biological pits/oxidation subsequent conferral to SII	1329	1466	1528



Water Consumption	Unit of measurement	2020	2021	2022
Total	mc	72.319	106.791	92.378

Aware of the considerable amounts of water used for the operation of our production processes, we are constantly looking for water efficiency solutions with the aim of reducing the volumes of water entering the system and moving towards water recycling and reuse.

Our commitment to environmental protection is also reflected in our attention to biodiversity, which is continuously threatened by human activity. The protection of natural habitats and existing life forms is essential for the survival of the entire planet, so it is essential that it

is preserved. To this end, we have carried out an analysis of the protected areas located near our plants. Such areas may include national parks, nature reserves and other areas that play an important role in biodiversity and ecosystem conservation.

Our analysis was based on the identification of protected areas at a maximum distance of 15 km from our plants through the “**National Biodiversity Network**” tool developed by **ISPRA (Higher Institute for Environmental Protection and**

Research), from which we obtained the following results (see table below).

In total, we have identified 5 protected areas of variable extension, in particular the Montelupo F.no factory appears to be the closest to a protected area, being approximately 10 km away from it.

Knowledge of proximity to certain areas leads to a greater awareness of their importance in the preservation of ecosystems. We are therefore actively engaged in order to minimise our impact on these areas, in line with our principles.

Site	Region	Type of operations	Distance from protected area	Protected area	Protected area extension	Type of biodiversity	Code
SOVIGLIANA	Tuscany	Prod.	12.8 km	Padule di Fucecchio	0.25 kmq	Terrestrial and inland waters protected areas	ZSC IT5130007
			15.0 km	Cerbaie	65.09 kmq	Terrestrial and inland waters protected areas	ZSC IT5170003
MONTELUPO	Toscana	Prod.	10.0 km	Stagni della Piana Fiorentina e Pratese	19.02 kmq	Terrestrial and inland waters protected areas	ZSC IT5140011
INZAGO	Emilia Romagna	Prod.	13.0 km	Sorgenti della Muzzetta	0.86 kmq	Terrestrial and inland waters protected areas	ZSC IT2050009
			14.2 km	Boschi e Lanca di Comazzo	2.66 kmq	Terrestrial and inland waters protected areas	ZSC IT2090009



5. Human resource management

5.1 The enhancement and well-being of people

“The people who work with us have always been the secret of the success of our industrial group. Dedication, commitment and professionalism contribute every day to making our business better.”

- Loriano Bocini

People are the engine of the company’s improvement, they represent a fundamental element in guaranteeing the quality and safety of our products, actively participating in the achievement of objectives.

For this reason, we are committed to protecting the well-being of our employees, as we are aware that they are essential to our success.

As of 31 December 2022, there are 270 resources in the company workforce, all of which are covered by the ***National Collective Labour Agreement***.

99% of our employees have a permanent contract, a testament to our commitment to creating stable working relationships.

Type of contract	2020			2021			2022		
Gender	Men	Women	Tot	Men	Women	Tot	Men	Women	Tot
Permanent contract	231	22	253	235	23	258	245	23	268
Fixed-term contract	-	1	1	1	-	1	1	1	2
Intermittent contract	-	-	-	-	-	-	-	-	-
Total	231	23	254	236	23	259	246	24	270

The company provides for the use of part-time contracts, in order to promote the work-life balance of its employees and to support them in achieving a balance between personal life and work. In 2022, this type of contract was stipulated for 7 employees, a slight increase compared to the previous two years.

Type of contract	2020			2021			2022		
Gender	Men	Women	Tot	Men	Women	Tot	Men	Women	Tot
Part-time contract	-	6	6	-	6	6	1	6	7
Full-time contract	231	17	248	236	17	253	245	18	263
Total	231	23	254	236	23	259	246	24	270

The number of people is constantly growing despite the period of social complexity, this confirms the role of society in the various territorial contexts: **in 2022 there was an increase of 4% compared to 2021.**

In line with the previous two years, our workforce is made up of 9% women and 91% men: these percentages are closely related to the productive nature of society. This aspect means that the most numerous professional category is that of workers, who make up 64% of employees. While 27% is represented by employees, followed by the category of managers, which makes up 7% of the total.

The average age of our workers is 45.

Category	2020	2021	2022
Executives	1	1	1
Middle managers	18	19	18
Employees	66	73	77
Workers	169	166	174
TOTAL	254	259	270

With regard to non-employee workers in 2022, the composition is as follows:

Type of contract	2020	2021	2022
Internship	-	8	-
Temporary workers	67	110	82
Self-employed	-	-	-
Other categories	-	-	-
TOTAL	67	118	82

We employ non-employee workers for some types of activities, in this reporting year we recorded 82 temporary workers, a slight decrease compared to 2021.

The attention we turn to human capital begins from the first recruitment phase and continues in each subsequent phase after joining the company, guaranteeing professional growth and quality in the workplace.

The selection and hiring processes of employees take place on the basis of work skills and propensity for the role. Aware of the importance of attention in the selection of human resources in the company's evolution, we have defined an adequate internal policy in this regard, which identifies, in particular, three phases.

Process steps

1 - The first phase consists of the **selection process**, once the need to hire personnel for a specific task has been identified, the Human Resources Department defines the relative job description and publishes the announcement through a special software.

2 - The second phase is **recruitment**, once a substantial number of CVs have been received, the HR division proceeds with a first screening that leads to the selection of the most suitable CVs called for the interview. After this phase, the resource is subjected to preventive checkups carried out by the Occupational Physician. This figure, in collaboration with the Environment and Safety Office and the Human Resources Office, develops and activates the Health Protocol in order to ascertain and guarantee the suitability of the resource for the task.

3 - Finally, the complete **contract is signed** and the Human Resources department draws up and updates, with the approval of the Legal Representative, the company organisation chart and the organisation charts of the operating divisions.

The tables and graphs show the trend in hiring and terminations over the three years:

Age	2020			2021			2022		
	Men	Women	Tot	Men	Women	Tot	Men	Women	Tot
< 30 years	-	1	1	10	-	10	20	2	22
Between 30 and 50 years old	1	-	1	4	1	5	5	-	5
> 50 years	1	1	2	1	0	1	1	-	1
Total number of hires	2	2	4	15	1	16	26	2	28

Age	2020			2021			2022		
	Men	Women	Tot	Men	Women	Tot	Men	Women	Tot
< 30 years	-	-	-	-	1	1	1	-	1
Between 30 and 50 years old	1	1	2	2	-	2	-	-	0
> 50 years	3	1	4	8	-	8	14	2	16
Total number of hires	4	2	6	10	1	11	15	2	17

The company is constantly growing, hiring exceeds the number of terminations.

The general trend shows growth over the three years with a greater percentage increase in the recruitment rate compared to the termination rate.

2022

Turnover in 2022 was up 16%, compared to 10% in 2021 and 4% in 2020.

Terminations concern employees who leave the organisation voluntarily or as a result of dismissal or retirement.

Indicator	Gender	Age	2020	2021	2022
Incoming Rate	Female	< 30 years	100%	0%	100%
		Between 30 and 50 years old	0%	8%	0%
		> 50	0%	0%	0%
	Total women		9%	4%	8%
	Male	< 30 anni	0%	33%	47%
		Between 30 and 50 years old	1%	4%	5%
		> 50	1%	1%	0%
	Total men		2%	4%	6%
	Total Rate		2%	6%	10%

Indicator	Gender	Age	2020	2021	2022
Incoming Rate	Female	< 30 anni	0%	-	0%
		Between 30 and 50 years old	9%	0%	0%
		> 50	9%	0%	15%
	Total women		9%	4%	8%
	Male	< 30 anni	0%	0%	2%
		Between 30 and 50 years old	1%	2%	0%
		> 50	3%	7%	15%
	Total men		2%	4%	6%
	Total Rate		2%	6%	6%

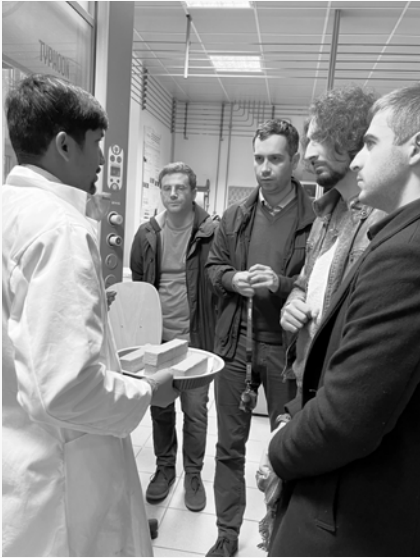
The majority of new hires are younger, which means that we try to encourage youth employment in the area.

In this regard, we have been carrying out collaborations with high schools for several years for school-work alternation and internship projects in order to promote a better integration of young people into the world of work.

In addition, annually, we host students from local universities and support them in their internship or dissertation activities.

These projects, together with the various **Career Day** in which we take part, are occasions that usually allow hiring at the end of the internship period for all recent graduates interested in taking a path in our company.





People have always been the secret to the success of our industrial Group



To confirm the importance that the company gives to people's well-being, over the years, plans and agreements have been established with workers that have the common goal of creating a proactive and fulfilling work environment.

Our company has activated a plan for insurance coverage in case of accidents involving cases of disability or invalidity and life

insurance for all employees, regardless of whether they have a permanent or fixed-term contract, part-time or full-time.

In addition, aware of the strategic value that our employees have in our process of evolution and improvement, we make the following company agreements available:

Point 1

Second level agreement of three-year duration that provides for the possibility of using a **Welfare**;

Point 3

Recognition of an allowance in the event of a sudden shift change to remedy a situation of possible discomfort caused to the employee.

Point 5

Possibility of teleworking activities to meet staff requests;

Point 7

Redundancy fund in addition to the legal minimum that allows to be able to support people more in a time of difficulty;

Point 2

For employees who work at night for at least six months a year, two additional days of rest in addition to the traditional ones are given;

Point 4

Agreement for time flexibility, to ensure that each employee can reconcile their work needs with their personal commitments in line with their role within the company;

Point 6

Paid leave for medical examinations, to allow each employee to safeguard their health;

Point 8

Agreements with local businesses dedicated to all employees and in some cases also for their families.

Finally, in order to recognise the commitment of employees in the company's activity, an achievement bonus and an Easter bonus are paid in addition to the remuneration and normal legal fees.

We are committed every day to ensuring that each person is guaranteed a correct and dignified remuneration for the work contribution made.

The ratio of the total annual compensation for the highest paid person in the organisation to the total median annual compensation for all employees is 2.58.

There are no remuneration policies related to sustainability objectives, however, we constantly seek to improve our performance capacity by ensuring a valid level of remuneration consistent with the activity carried out.

As regulated in our Code of Ethics, we guarantee the freedom of association of workers and recognise the right to collective bargaining. No incidents have been identified that may relate to a risk in terms of forced and compulsory labour or child labour.

We reject all forms of discrimination in recruitment policies, in human resource management and we actively fight all forms of mobbing and exploitation of work.



The Code of Ethics also sets out a series of rules of conduct that employees must follow when carrying out their professional activities in order to comply with the company's principles and philosophy.

The relationship with the local community is fundamental and most of the workers live within the region where the company resides, as well as the manager who operates within it.

Another central element for society is training. We believe that to create an innovative and high-level production reality, it is essential that each person can feel valued and be able to express their potential to the fullest.

We promote training and skills enhancement courses with the aim of allowing professional development in line with the needs of our company and the professional objectives of employees.

These courses concern training activities that are functional to the type of professionalism, the operating unit and the hierarchical level and aimed at achieving skills in line with market demands.

A good part of the courses concern health, environment and safety issues, on-the-job training, and there are also specific and mandatory training courses.

Among the various courses offered we find, of particular importance, the courses on **Lean Manufacturing** that involve several figures of various levels and on multiple production processes.



These courses are designed to maximise value for the customer through a systematic elimination of waste along the entire value chain. During the courses, employees learn to identify and eliminate all hidden waste in production independently, improving the efficiency of the process. In addition, a culture of continuous improvement aimed at improving production efficiency is developed.

On the basis of its own preventive training plan, the Human Resources office deals with the scheduling of vocational courses in agreement with the training agency by organising sessions, dates and locations of the courses.

In 2022, 2,971 total training hours were paid, a slight decrease compared to 2021.

The majority of the training was provided to the category of workers.

Regarding the distinction by gender, according to the composition of our workforce, 92% of the training hours provided are intended for male individuals.

Training Hours by Occupation Category	UM	2020	2021	2022
Executives	h	-	27	-
Middle managers	h	78	135	81
Employees	h	172	635	636
Workers	h	426	3.983	2.254
Total hours of training provided to employees	h	676	4.780	2.971

Training Hours by Occupation Category	UM	2020	2021	2022
Average hours of training per employee	h	3	18	11
Average hours of training for managers	h	-	27	-
Average hours of training per team	h	4	7	5
Average hours of training per office workers	h	3	9	8
Average hours of training per worker	h	3	24	13

Training Hours by Occupation Category	UM	2020	2021	2022
Hours of training provided to women	h	56	187	245
Hours of training provided to men	h	620	4.592	2.726
Average hours of training per employee (women)	h	2	8	10
Average hours of training per employee (men)	h	3	19	11

5.2 Commitment to creating a safe working environment

Given the attention we pay to our employees, we are aware of our role in terms of safety and we are committed to ensuring that all levels of the company collaborate in the promotion and application of defined worker health and safety procedures.

Although a health and safety management system is not implemented, procedures and systems have been developed internally for the organisation, monitoring and review of activities on this issue.

The safety and health of our workers remains a very sensitive issue for us, which is why we have drafted a specific safety policy, demonstrating our constant commitment to ensuring a healthy and safe working environment for all.



Within the Policy we have identified the following objectives and commitments:

Point 1

Pursue a policy of continuous improvement directed by personnel with expertise in safety;

Point 2

Define the responsibilities in the organisation that allow to achieve specific objectives for continuous improvement;

Point 3

Demonstrate their constant commitment to the protection of safety, both with regard to the Authorities and the population;

Point 4

Design their systems and conduct the operation in such a way as to ensure compatibility with the protection of Health and the Environment;

Point 5

Demonstrate that all employees of the plant are trained to operate with full knowledge of the potential risks associated with the activities;

Point 6

Implement methods for the identification and assessment of potential risks related to existing or planned plants, considering in particular those that need to be modified;

Point 7

Provide systems for the review of the project and the modification of plants and work procedures, taking into account the controls: project safety, replacement of materials, engineering controls, administrative controls and personal protective equipment;

Point 8

Verify that safety equipment is properly selected, properly maintained and properly used;

Point 9

Coordinate all companies operating within the plant in order to implement a safety standard consistent with the principles stated.

The objectives of the company policy are developed consistently with the activity carried out by each employee, monitored periodically and communicated in order to ensure continuous improvement for everyone.

In order to identify work-related hazards and assess risks, apply the hierarchy of controls to eliminate hazards and minimise risks, we have identified some processes used:

Point 1

Analysis of the production cycle: raw materials and equipment used;

Point 2

Analysis and assessment of work procedures;

Point 3

Training analysis;

Point 4

Execution of measurements and field checks, interviews and personal involvement and department managers, and finally awareness campaigns of the various figures with obligations towards safety (Employer, supervisors, Workers' Representative for safety, workers) in collaboration with the Occupational Physician;

Point 5

Analysis in the contractor chain: interference analysis, delivery of information on risks in the workplace, analysis and collection of documentation for the verification of professional technical requirements, drafting of DUVRI and cooperation and coordination reports.

To guarantee the quality of the processes listed above, we are committed to ensuring continuous and complete training, to carrying out periodic reviews of documentation and field measurements, periodic inspections, comparison with personnel and managers of the various departments to obtain feedback on the application of the procedures, near-miss analysis, accidents and incidents, the continuous exchange of information and cooperation/coordination with department managers and managers and/or third party companies for the assessment of possible interference.

The results of the various processes to assess and continuously improve the health and safety management process developed internally, are subsequently used for a statistical analysis of accident and near-miss indices, for the periodic evaluation of suppliers and for periodic meetings with managers and department employees for the collection of feedback.

In addition, each worker has a specific form available in the department with which they can anonymously report any hazards or dangerous situations.

Anonymity eliminates any risk of possible retaliation, and employees can refer at any time to the **RSPP (Prevention and Protection Service Manager)**.

In the event that the worker, in their opinion, feels that they are in a situation that may cause injury or health problems, the company provides information channels through training and education to impart and raise awareness of useful concepts and also guarantees a direct exchange of information with the RSPP, even in anonymous form.

To ensure continuous improvement, we have initiated processes that study possible accidents at work.

They include the assessment of the risks and hazards associated with accidents, as well as the identification of corrective actions to prevent them in the future.

Among these we find: application of a company procedure on near miss investigation, accidents and injuries, identification and analysis of the causes, identification of any deficiencies (application of procedures, protection prevention measures, lack of information and training), DVR review, prevention measures, protection and corrective actions.

By analysing the number of accidents in the three plants we can instead report that there have been no accidents or deaths in the last three years for the Inzago plant.

At company level, the following data is recorded:

In 2022, the number of accidents related to employees is half compared to 2021 and 2020; this trend highlights the positive effects of the prevention and protection measures adopted.

No accidents with serious or fatal consequences have been recorded.

Employees	UM	2020	2021	2022
Hours Worked	n.	404.072	421.408	425.927
Total number of recordable accidents at work, including deaths	n.	6	6	3
Total number of accidents at work without serious consequences (<6 months of absence)	n.	6	6	3
Number of accidents in progress (only if the transport was organised by the company and the movements took place within working hours)	n.	0	0	0
Total number of accidents at work with serious consequences (>6 months of absence), excluding deaths	n.	0	0	0
Total number of deaths following an accident at work	n.	0	0	0
Recordable Workplace Accident Rate	n.	14,85	14,24	7,04

With regard to non-employee workers, 2 injuries occurred, without serious consequences at the Sovigliana site.

Workers who are not employees, but whose work and/or workplace is under the control of the company	UM	2020	2021	2022
Hours Worked	n.	68.800	164.920	159.960
Total number of recordable accidents at work, including deaths	n.	1	2	2
Total number of accidents at work without serious consequences (<6 months of absence)	n.	1	2	2
Number of accidents in progress (only if the transport was organised by the company and the movements took place within working hours)	n.	-	-	-
Total number of accidents at work with serious consequences (>6 months of absence), excluding deaths	n.	-	-	-
Total number of deaths following an accident at work	n.	-	-	-
Recordable Workplace Accident Rate	n.	14,53	12,13	12,50

Specifically, in the Sovigliana plant, compared to last year, there was a slight improvement in both the frequency index, with a value almost halved, and the severity index.

By evaluating the accidents found during the year 2022, we can confirm that the main causes that led to the occurrence of the same accidents are mainly due to deficiencies related to the lack of experience or carelessness of the staff.

In this regard, by analysing injuries and near-misses, training interventions were immediately carried out to remember the correct and safe practices to be followed for each type of task.

Also at the Sovigliana site, in line with last year, we recorded 2 injuries to non-employee workers, with an accident rate of 13.52.

Workers who are not employees, but whose work and/or workplace is under the control of the company for the Sovigliana site	UM	2020	2021	2022
Hours Worked	n.	56.760	151.160	147.920
Total number of recordable accidents at work, including deaths	n.	1	2	2
Total number of accidents at work without serious consequences (<6 months of absence)	n.	1	2	2
Number of accidents in progress (only if the transport was organised by the company and the movements took place within working hours)	n.	0	0	0
Total number of accidents at work with serious consequences (>6 months of absence), excluding deaths	n.	0	0	0
Total number of deaths following an accident at work	n.	0	0	0
Recordable Workplace Accident Rate	n.	17,62	13,23	13,52

For all our plants, there are no cases of occupational diseases or deaths due to occupational diseases.

With regard to the Pratella plant, we report an improvement in both the frequency index and the severity index, and there have been no accidents with serious consequences.

In both plants, the main risks related to the work activity that could lead to significant damage are related to mechanical risks on machines, equipment and plants that however are equipped with suitable safety systems and risks related to confined spaces, whose processing is managed as required by current legislation by adopting all the prevention measures, protection and safety devices necessary to minimise the risks, as well as the provision of adequate training and information of authorised operators.



6. Our relationship with the territory



6.1 Our passion for ceramic culture

The **Vittoriano Bitossi Foundation**, founded in 2008 by the Bitossi family, was created with the aim of protecting and enhancing the historical memory and activity of the company “Maio-liche Artistiche Guido Bitossi”. The foundation’s headquarters are located in the historic factory, founded by Guido Bitossi in 1921 in Montelupo Fiorentino.

To preserve the history of the company, the Foundation has set up the **Bitossi Industrial Archive**, which collects equipment, documents and ceramic objects produced by the manufacture from 1921 to the present. The archival heritage is organised and classified through study assignments and can be used for the creation of thematic exhibitions.

In addition, the Bitossi family created the **Bitossi Industrial Art Museum**, a business museum that exhibits the production of artistic ceramics of the twentieth century. The MAIB is located in the historic building of 1929, the first seat of the Bitossi, and consists of two exhibition halls. Associated with Museimpresa, the museum organises temporary thematic exhibitions on the production of the Bitossi manufacture, with particular attention from 1950 to the present. The museum also hosts exhibitions by architects and designers who have collaborated with the



company, as well as exhibitions on other ceramic manufactures and artists. The MAIB can only be visited by appointment and free of charge.

Its opening is aimed at all those who are interested in the history of ceramic art and wish to discover the evolution of Bitossi manufacturing, from its origins to current productions.

Ultimately, the Bitossi Foundation aims at protecting the historical memory of the manufacture, offering the public the opportunity to discover and learn about Bitossi’s artistic and industrial production, to pass on **the passion and culture of craftsmanship** to future generations.

The experimental ceramic centre

The **Experimental Ceramic Centre** for Knowledge and Technical Innovation (CCS), created in 2016 in Montelupo Fiorentino by the collaboration between the Municipality of Montelupo Fiorentino and Colorobbia SpA, has as its main objective to create a cultural venue for the dissemination of **technical knowledge of ceramic art**.

The Experimental Ceramic Centre aims at disseminating the technical knowledge acquired and to codify it in didactic form, through a school of **high professional training**.

The ceramics school, the operational arm of the Experimental Ceramic Centre, teaches the art of know-how **by combining the knowledge of the oldest knowledge and the research and innovation of new technologies**.



The professionals involved in the activities of the Experimental Ceramic Centre were selected on the basis of their personal technical knowledge and their willingness to transmit their acquired knowledge.

Through collaboration with artisans, artists, industrialists, designers, architects and technicians specialised in various sectors, the Experimental Ceramic Centre aims at creating a high-level technical staff capable of increasing research and innovation in the ceramic field and beyond.

The Experimental Ceramic Centre represents the space where craftsmanship and technological innovation meet.

The activity of recovering the technical knowledge of ceramics, the production of educational tools and the training of specialised personnel are the basis of the Experimental Ceramic Centre, whose laboratory takes into account the creation of the **Oral History Archive of the Experimental Ceramic Center (ASOCCS)**, where the voices and actions of ceramicists, historical professors and technicians of ceramic colouring are collected.

The Experimental Ceramic Centre aims at continuously innovating, working in active interaction with ceramic companies and individuals, to develop new sources and allow the world of ceramics to withstand the passage of time, evolve and not succumb.

The **School of Ceramics** is an integral part of the Experimental Ceramic Centre and aims at training new professionals in the ceramic and craft sector.

The school, located in Montelupo Fiorentino, meets the strong demand for technical and technological knowledge of the sector, which requires a deep professional preparation both in terms of tradition and innovation of processing techniques.



The school offers a wide range of structured courses at different levels of learning, to allow future professionals to progressively acquire the skills necessary to operate in the ceramic sector and other craft sectors.

Taking advantage of the experience acquired at the Experimental Ceramic Centre, the ceramic school becomes a place where the creativity and inspiration of the students find expression and where tradition and innovation merge to form real professionals in the sector.

6.2 Our support to the local community

Our traditional Christmas dinner takes place every year thanks to the valuable contribution of the association **Noi da Grandi**, which is dedicated to supporting families and children with disabilities. Thanks to them, we are able to organise a great dinner with over 500 people.

Industrie Bitossi has been supporting the valuable work of these volunteers for years, a unique resource for the local community.



*It is the people, the protagonists,
who determine the success and
future of the group.*

*Their responsibility, their
dedication, their attachment and
affection towards the company lead
to the achievement of the objectives
and the victory that we truly believe
in... the collective one!*



A small contribution to a big project

For years, we have been actively participating in the courageous project of Doctors Without Borders.

Not only an organisation of immense value for humanity but also an example of efficiency and transparency in the management of resources.



We support smart initiatives

Treedom's "*Much more than a tree*" directly finances agroforestry projects throughout the territory.

The philosophy is to create sustainable ecosystems and allow thousands of farmers to bear the initial costs of planting new trees, ensuring food autonomy and income opportunities over time.



6.3 Creating Value for Stakeholders

The creation of value in the medium to long term towards the main stakeholders represents the main objective of the economic and social sustainability of society.

We are aware of the needs and requirements of stakeholders and are keen to ensure that our activities create tangible value for all stakeholders.

This involves monitoring and controlling activities, both for cost management and for the innovation of our products and processes, in order to ensure long-term economic and environmental sustainability.

Creating sustainable value for stakeholders not only improves the reputation of the organisation, but can also ensure superior long-term results for the organisation itself and reduce the risk of instability in an increasingly competitive and rapidly evolving market.

Value Added (VA) analysis allows to assess the ability to generate and distribute wealth among stakeholders within the markets in which the company operates.



It is important to note that the objective of the analysis is to assess the sustainability of the value created by the company, as well as its ability to distribute the wealth generated.

ECONOMIC VALUE

Item	2020	2021	2022
Economic value generated	120.151.096	148.475.210	225.411.258

Operating costs	88.053.673	104.808.760	157.483.847
Value distributed to employees	16.833.305	19.868.346	20.860.672
Value distributed to capital providers	6.520.407	279.754	749.339
Value distributed to the P.A.	28.831	2.320.728	6.639.510
Value distributed to shareholders	-	7.000.000	10.000.000
Value distributed to the community	579.746	365.542	173.021
Distributed economic value	112.015.962	134.643.130	195.906.389

Item	2020	2021	2022
Withheld economic value	8.135.134	13.832.080	29.504.869

In 2022, the economic value directly generated by the company amounted to 225,411 thousand Euros, an increase compared to the previous two years, and the distributed value amounted to 195,906 thousand Euros.

In particular, the share of economic value distributed to employees shows an increase of 5% compared to 2021, partly due to the hiring of new employees.

Similarly, the value distributed to capital suppliers increased in 2022, registering a positive delta of +470 thousand Euros compared to 2021.

The value distributed to shareholders and the Public Administration is also growing. With regard to the item relating to the value distributed to the community, a decreasing trend is shown over the three-year period.

The economic value retained within the company and not distributed was therefore equal to 29,505 thousand Euro in 2022, or about 13% of the total economic value generated, a percentage that increased compared to 2021 (9%) and 2020 (6%).

“

*They often ask me “What is the success of your companies?”.
My entrepreneurial vision leads me to think that the product I propose
to the market is excellence, whatever it may be.
This is indisputable for an entrepreneur.*

”

Order of Merit for Labour
Vittoriano Bitossi

METHODOLOGICAL NOTE

This document represents the first Sustainability Report of Industrie Bitossi S.p.A., prepared on a voluntary basis with the aim of transparently communicating to its Stakeholders performance, strategies and commitments in areas of sustainability that is significant to the Company.

The reporting scope includes Industrie Bitossi S.p.A. and relates to fiscal year 2022 (from 1 January to 31 December). The data are compared with the results of the two-year period 2020-2021.

The reporting standard adopted for the preparation of this Sustainability Report is the **2021 GRI Sustainability Reporting Standards** (hereinafter also “GRI Standards”) defined by the **Global Reporting Initiative (GRI), according to the option “with reference”**.

The principles used to define the contents and guarantee the quality of these Financial Statements are the **Reporting Principles** defined by the GRI Standard 1: **Foundation** (completeness, sustainability context, accuracy, verifiability, clarity, comparability, balance, timeliness).

Main calculation criteria

The qualitative-quantitative information contained in this Sustainability Report was collected through specific interviews with the heads of the main company departments and functions

Below are the methods of calculation of some indicators reported in the different sections of the Financial Statements.

For environmental data, a conservative approach was adopted in the assumptions made.

Energy consumption

The energy consumption of Industrie Bitossi, deriving from electricity, diesel and natural gas, was calculated in terms of Gigajoule (GJ).

To standardise the different energy carriers, the conversion factors in the table **“UK Government GHG Conversion Factors for Company Reporting – Fuel properties”** of the UK Department for Environment, Food & Rural Affairs (DEFRA) of 2022 were used.

Direct (Scope 1) and indirect (Scope2) emissions

Greenhouse gas emissions were calculated based on the principles included in the **"GHG Protocol Corporate Accounting and Reporting Standard"**,

the standard published by **The Greenhouse Gas Protocol Initiative** in terms of CO₂ equivalent and determined as shown in the table.

DIRECT EMISSIONS OF GHG (SCOPE 1)		
SOURCE	ACTIVITY	EMISSION FACTOR
Natural Gas Diesel Refrigerant gases	Consumption of natural gas, diesel and use of refrigerant gases	DEFRA (Department for Environment, Food and Rural Affairs)

INDIRECT EMISSIONS OF GHG (SCOPE 2)		
FONTE	ACTIVITY	EMISSION FACTOR
Electricity purchased from the national grid - according to the location-based method	Electricity consumption	Terna, International Comparisons (Total Gross Production)
Electricity purchased from the national grid - according to the location-based method	Electricity consumption	AIB - Residual Mix

Health and Safety

The accident rate is calculated as the ratio between the total number of recordable accidents, excluding those in progress, and the number of hours worked in the same period, multiplied by 1,000,000.

Employees

The inbound turnover rate was calculated by taking into account the number of hires out of the total number of employees.

The outgoing turnover rate, expressed as a percentage, instead corresponds to the number of terminations on the total number of employees.

Information and Contacts

For information and further information on the contents of this Sustainability Report, please contact the following address:

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The standards defined by the Global Reporting Initiative (GRI) are a reference for organisations around the world and are used to measure and communicate, with the highest level of transparency, performance in terms of sustainability.



GRI Content Index

Statement of use	Industrie Bitossi has submitted a report with reference to the GRI Standards for the period 01.01.2022 - 31.12.2022
Title of GRI 1 used	GRI 1 - Foundation 2021
GRI Sector Standard(s) that apply to the organization's sector(s)	N/A

STANDARD GRI	DISCLOSURE	LOCATION	OMISSIONS			NOTE
			REQUIREMENT OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2 – General Disclosures 2021	2-1 Organizational Details	1. About Us: Industrie Bitossi				
	2-2 Entities included in the organization's sustainability reporting	Methodological Note				
	2-3 Reporting period, frequency and contact point	Methodological Note				
	2-4 Restatements of information	Not applicable as it is the First Sustainability Report of the Company				
	2-5 External assurance	This document is not subject to external assurance				
	2-6 Activities, work chain and other business relationships	1. About us: Industrie Bitossi				
	2-7 Employees	5. Human resource management				
	2-8 Workers who are not employees	5. Human resource management				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSIONS			NOTES
			REQUIREMENT OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2 – General Disclosures 2021	2-9 Governance structure and composition	1.4 Our governance model				
	2-11 Chair of the highest governance body	1.4 Our governance model				
	2-12 Role of the highest governance body in overseeing the management of impacts					
	2-13 Delegation of responsibility for managing impacts	1.4 Our governance model				
	2-14 Role of the highest governance body in sustainability reporting	1.4 Our governance model				
	2-16 Communication of critical concerns	1.4 Our governance model				
	2-17 Collective knowledge of the highest governance body	1.4 Our governance model				
	2-19 Remuneration policies	5.1 The enhancement of people's well-being				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSIONS			NOTES
			REQUIREMENT OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2 – General Disclosures 2021	2-21 Annual total compensation ratio	5.1 The enhancement of people's well-being				
	2-22 Statement on sustainable development strategy	5.1 The enhancement of people's well-being				
	2-23 Policy commitments	Letter to Stakeholder				
	2-25 Processes to remediate negative impacts	1.4 Our governance model				
	2-26 Mechanisms for seeking advice and raising concerns	1.4 Our governance model				
	2-27 Compliance with laws and regulations	1.4 Our governance model				
	2-28 Membership in associations	The Group actively participates in working groups and initiatives to: The company is associated with Confindustria Ceramica and the Industrial Association of Florence				
	2-29 Approach to stakeholder engagement	2.2 Our Stakeholders				



Industrie Bitossi

SUSTAINABILITY REPORT

2022

DEFINING
CERAMICS
INNOVATION

SINCE 1962



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