

FLORIM



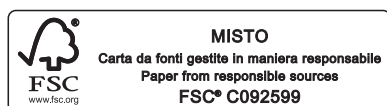
2018 Sustainability Report

ABRIDGED VERSION

11th
EDITION

Cover - “Il Cavallo” by Mimmo Paladino

By
Florim Ceramiche S.p.A.
Financial Department - supervision
Communications Department - editorial coordination
Our thanks to all contributing staff members.



Fiorano Modenese (Modena, Italy), May 2019

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Letter to stakeholders

I would like to extend to you all my usual welcome to the Florim Sustainability Report, expanded this year to include new information in compliance with the GRI Standard guidelines, and make our business even more transparent.

2018 was a difficult year due to the unpredictability of the American market and the many and varied problems affecting the industry and the country where we mainly operate

However, the Florim Group rose to the challenge with its usual calm and clear-sighted pursuit of its objectives: first and foremost to produce materials constantly at the aesthetic and technological state of the art, to create positive effects for its surrounding area, to safeguard the environment, to support the local community and to promote its image beyond Italy's borders.

It is worth pointing out that the lion's share of technical investments were dedicated to completing the two large slab production and transformation factories, which are now two shining examples of leading-edge industry 4.0 technology and a source of pride for me and the entire workforce.

There was once again a rich program of events at the Gallery and in the flagship stores, ideal places for bringing together not only industry professionals but also people from different worlds and cultures, for occasions where the value of human relations was the overriding theme.

Although fully aware of the persistent problems facing ceramic covering producers, I am confident that the Florim Group will continue to play a key role, drawing strength from the quality of its employees, to whom I extend my sincere thanks, while urging them to continue to be inspired by our keywords:

beauty - simplicity - humility.

Thank you for your attention; I hope you will enjoy reading the report

Claudio Lucchese



Our Sustainability Report

Methodological framework and reporting perimeter

Writing and distributing its Sustainability Report enables Florim to **communicate** with its stakeholders **with transparency**, describe the results achieved and set out future goals, in an approach based on engagement and continual improvement. It is in this spirit that we have always sought, year-on-year, to improve this document and ensure that it is concise and easy to read.

This year, we have adopted the GRI Standards, published by the Global Reporting Initiative, as the guidelines for the structuring of our report. In line with the GRI's requirements, this year Florim has achieved further progress in its reporting, with its first ever survey of the degree of sustainability reported by its suppliers. The aim for the future is to involve the whole supply chain via questionnaires, focus groups and projects which engage with all the stakeholders concerned. The document also includes references to the Social Development Goals (SDGs), to highlight the company's contribution to achievement of the targets agreed by the United Nations for its 2030 Agenda. Further information is available in the full version of this report and at <https://www.florim.com/en/sustainability/>.

The Florim Sustainability Report is one of those **chosen by Italian consumers for its clarity and effectiveness**. Starting with a list of 537 documents, readers selected just 40 as good examples of how they would like information to be presented to enable them to assess whether a producer deserves their business. Amongst these, the Florim Sustainability Report was considered to accurately describe a management approach which respects the future since it gives due importance to the common good, general interest and social cohesion.

The survey was conducted on the initiative of the **Consumerlab** research center in association with **Codacons**.





MADE IN FLORIM

Over **50** years of history | Over **1,400** employees | More than **400** million Euro of turnover

950 tons of CO₂ not emitted in 2018 thanks to the photovoltaic system

It takes more than figures to define a company. **Passion, innovation**, a constant commitment to **improvement** and **corporate social responsibility** are the long-established guidelines of a new way of doing business: the **MADE IN FLORIM** way.



Watch the institutional video

Our history

- 1962** **Giovanni Lucchese** pioneers the production of **extruded clinker tiles** and **Floor Gres** is founded in the heart of the Sassuolo production district
- 1967** Floor Gres is the first Italian manufacturer to produce **single-fired white body tiles**
- 1976** The **Swimming Pool Division** is established within Floor Gres
- 1981** Floor Gres is one of the first companies in the world to start the manufacture of **porcelain stoneware tiles**
- 1984** **Claudio Lucchese**, son of the founder, takes over the reins at Floor Gres after his father's untimely death
- 1990** Floor Gres acquires **Cerim Ceramiche**
- 1992** Floor Gres and Cerim merge to create **Florim**
- 1994** Florim acquires **Rex Ceramiche Artistiche**
- 1995** The **Project Division**, forerunner of today's **Florim Solutions**, is created
- 2000** Incorporation of **Florim USA**, a production and distribution company destined to become a leader on the North American market
- 2005** Florim acquires **Casa dolce casa** and **Casamood**
- 2009** The first Florim **Flagship store** opens in the Brera district, in the heart of **Milan**
- 2013** The **Florim Gallery** multi-functional center and **Florim Logistics** are built in Fiorano
The **Fondazione Ing. Giovanni Lucchese** foundation is established
- 2014** A **Flagship Store** opens in **Moscow** and the **Health&Training** Center is inaugurated in Fiorano
The production of **large slabs** (up to 320x160 cm) begins
- 2015** A **Flagship Store** opens in the center of **New York**
- 2016** Florim relaunches **CEDIT – Ceramiche d'Italia** and opens the brand's first "Spazio" in Milan
FLORIM stone, the Group's first worktop and countertop brand, is born
- 2017** Production of large slabs begins at the **new Industry 4.0 factory** at Mordano
Casa dolce casa and **Casamood** merge in a single brand
- 2018** A **new industry 4.0 factory** takes shape at Fiorano to **process and handle the Group's large size coverings**.

Our locations

The map shows the headquarters, showrooms, production plants and logistic hubs. Florim Group products are sold in Italy (20%) and abroad (80%) by top retailers and international importers.



Our brands

Inspired by an innate passion for beauty and design, Florim produces **ceramic surfaces** to meet all the needs of the construction, architecture and interior design sectors. It offers them to the market through its 7 commercial brands, all sharing the corporate payoff: **“Design is our passion”**.



The brand which serves **architectural projects** with materials that combine **outstanding performances** and **aesthetic appeal**



Its mission is luxury, with surfaces inspired by the most **exquisite natural materials** with strong **decorative content**



Through genuine designer slabs, this brand renews the idea of architectural space to express the style and **art of Italian interior design**



It is the brand for **interior designers** constantly seeking refined elegance and creative harmony



It presents a range with a contemporary look **to suit the tastes of a wide market band**



The brand that brings together **technical performances, convenience and good looks** for the perfect customized **worktops**



The **Made in USA** brand that aims to satisfy the taste of the North American market with a typically Italian style

Our design service

As well as the product itself, Florim offers technical support throughout the various design phases. From the feasibility study to the final installation, **Florim Solutions works side by side with the architect, providing expertise and experience** when the style and performance of porcelain tiles become fundamental to the project.

Design is our passion

You can learn a great deal about a company by analyzing the product it creates, how it produces it and its workplaces. Florim's DNA contains a **natural talent for art and beauty**, which it integrates in a corporate sustainability project. All this is summarized in the Group's advertising payoff: **Design is our passion**.

The product

Historically relegated to a minor role as a functional floor and wall covering product, ceramics are increasingly becoming a key decorative and interior design feature. For Florim, **giving form to "beauty"** involves the meticulous development and production of products intended to **improve the way people relate to their spaces**.

Florim implements this principle to evolve more and more innovative products, with a vision reaching beyond the confines of its industry and across all geographical barriers.

In an inspirational dialogue between creativity and technology, the traditional 20x20 cm tile **has now been transformed into a slab more than 3 meters long** which can - if necessary - become a door, a table or a kitchen worktop - as well as its standard roles as floor or wall covering.

This is how the company sees the future: dominated by creativity, which draws on state of the art technologies to shape new beauty.

Non-production activities

A company's task does not end with its industrial and commercial operations; the organization must reach beyond the dictates of business alone to embrace **overall corporate sustainability and ethics**. In this area, the Group's activities extend in many directions: from minimizing environmental impact to supporting the Peggy Guggenheim collection in Venice, with its artistic legacy of extraordinary beauty.

Workplaces

Key amongst the company's latest investments are **two large plants at Fiorano (Modena) and Mordano (Bologna)**. Two facilities similar in appearance, which have the same concentration of the very latest technologies and both hold Industry 4.0 certification. They were designed with a **strong focus on workplace quality**, to create locations which would be attractive to look at and above all to work in. This philosophy led the company, in 2018, to install two sculptures by well known contemporary artists at its headquarters at Fiorano Modenese: **"Il Cavallo" by Mimmo Paladino** in the main entrance and **"Percorso Amoroso" by Giuseppe Gallo** on the west side of the new Industry 4.0 factory.



Il Cavallo | Mimmo Paladino



Percorso Amoroso | Giuseppe Gallo



Florim Gallery wins culture prize

In December 2018, the Emilia-Romagna Region awarded Florim Gallery its **“special prize for culture”**, citing it as: “A space embodying the generosity of a **far-sighted entrepreneurial vision**, which invests in the cultural growth and development of its local area by providing an **innovative space of extraordinary beauty where the values of culture and work can meet**”.

Since it was opened at the end of October 2013, the Gallery **has hosted more than 100 events and welcomed more than 60,000 people**.

The Emilia-Romagna Region launched the “Premio ER.Rsi” Responsible Innovators Award in recognition of the projects making the greatest contribution in the area of Sustainability. Florim had already been an award-winner in 2016 for its - “Master in Florim” – in-house training school created to aid youth employment, and in 2015 for the “Health&Training” Center founded in partnership with Sassuolo Hospital.





Multiple design awards

2018 was a year rich in **many awards, presented for the outstanding design content** of the Florim brands. Leading the way was CEDIT – Ceramiche d'Italia, the brand with a clear vocation for experimentation, offering collections styled by Italian designers of international fame.

This impressive collection of awards reflects great determination and an innate passion for beauty, which have driven the company to challenge common conceptions and **successfully transform what we all call a tile from a functional to a design object.**

FEBRUARY | The Floor Gres brand's Flowtech collection receives the **Wallpaper* Design Awards 2018** (UK)

FEBRUARY | Storie by CEDIT wins the **Good Design Award**, one of the most historic and most coveted International Design prizes (USA)

APRIL | Artwork by Casa dolce casa - Casamood is a finalist at the **HD Awards in New York** (USA)

MAY | The Rilievi collection designed by Zaven for CEDIT receives the **NYCxDESIGN Award** (USA)

NOVEMBER | The CEDIT Rilievi collection triumphs at the **Archiproducts Design Awards 2018** (IT)

DECEMBER | The Rilievi collection was chosen by the Elle Decor Italia editorial board for the **EDIDA - Elle Deco International Design Awards** for design excellence (UK)





REX | Étoile de Rex Collection

GOVERNANCE

Code of Ethics

The Group's **governance** plays a central role in the responsible development of its business, ensuring ethical, transparent management of its operations with its stakeholders' interests always in mind.

After approving the Governance Model which is compliant with the provisions of Italian Legislative Decree 231/2001, the Florim Board of Directors signed and promoted the **corporate Code of Ethics** (revised in June 2016), which has become an integral part of Florim's operations and is **accepted** by every new employee, supplier and business partner. To guarantee the application of and compliance with its contents, a **Supervisory Board** is in operation to detect any breaches of its provisions. All stakeholders can also contact the Supervisory Board, (organismodivigilanza@florim.com) for further explanations regarding the interpretation and application of the corporate Code of Ethics, as described on the corporate website.

The following is an extract from the rules of conduct which govern the way we do business:

[Download the Code of Ethics.](#)

Our mission

To manufacture ceramic tiles and materials for multiple uses and offer the most appropriate solutions for both interior design and architecture. To constantly prioritize environmental sustainability, attempting to satisfy the needs of customers and to create value for shareholders, employees and the local community, in compliance with the ethical principles and rules of conduct set out in the Code of Ethics.

Our vision

To be at the cutting edge of technical and design innovation in ceramics, by developing materials and production methods that position us as a constant benchmark for customers, architects and competitors.

Our values

Honesty and Respect: all internal and external relationships must be based on honesty and respect for rules and dignity of the individual.

Corporate Social Responsibility: corporate social responsibility must be promoted through measures and practices adopted to support the local environment and community.

Individual Responsibility: everyone must be aware of the worth and consequences of their own actions.

Quality and Innovation: excellence must be pursued by improving products, processes and skills to promote corporate success.

Transparency: intentions and positions must be expressed openly and clearly, without misunderstandings or misrepresentation, to build lasting relationships based on trust both inside and outside the company.

Courage: a moral strength which enables us to undertake and deal with changes, difficulties and challenges to benefit from all the opportunities they offer.

Feeling of Belonging: feeling proud to be a part of one big team, made up of the company, associates, customers and suppliers.



Management System Policy

To achieve greater and greater transparency in its reporting, the company has drawn up guidelines for its quality, environment, safety and energy management system. [Read more.](#)

Corporate bodies

Florim Ceramiche S.p.A. is a family-owned business with fully subscribed, paid-up share capital consisting of 50,000,000 ordinary shares with a face value of 1 Euro each. The capital is 100% owned by the holding company FinFloor S.p.A., with registered office in Fiorano Modenese, which is in turn indirectly owned by the **Lucchese family** through FinTwin S.p.A.

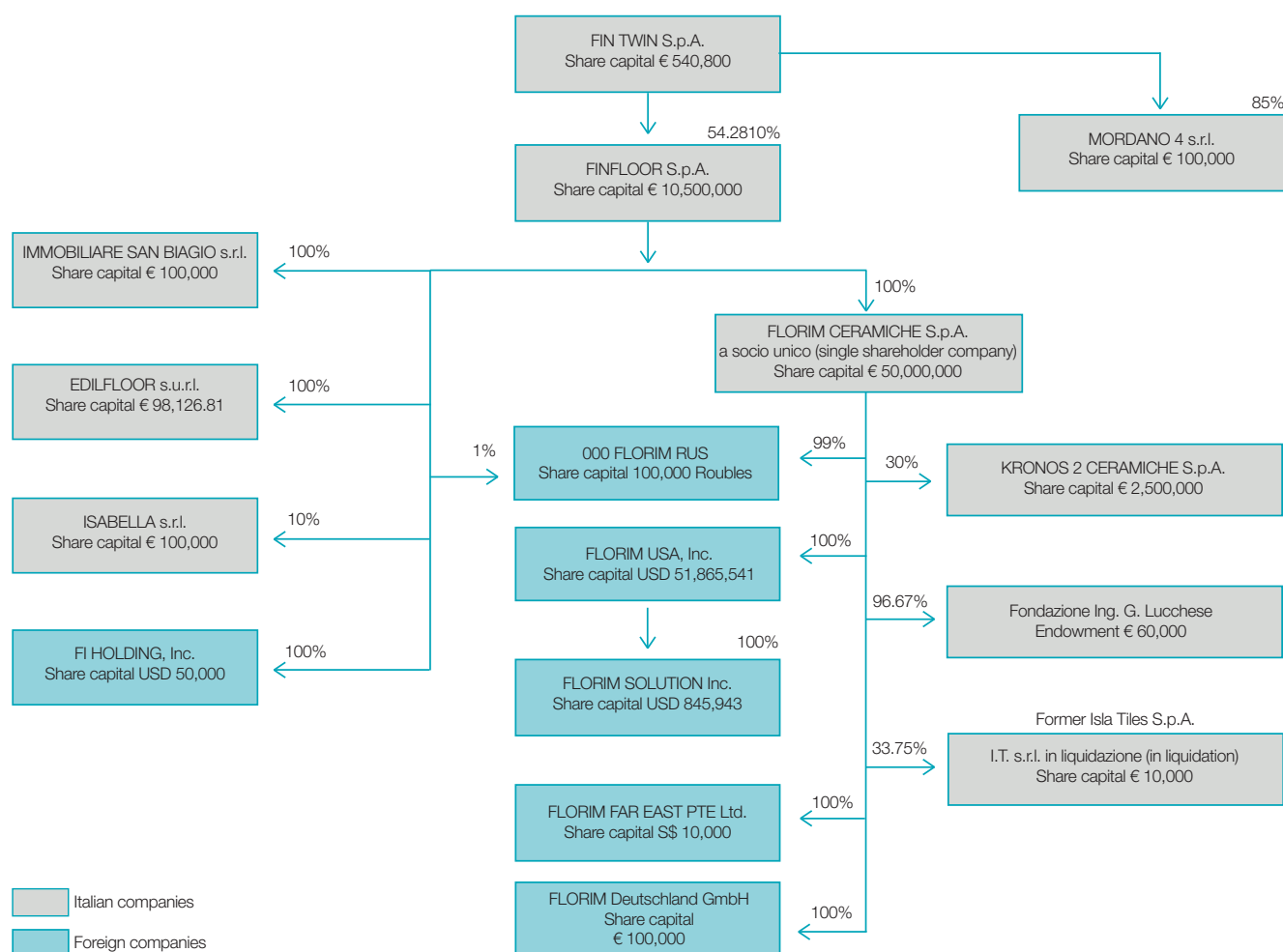
The **Board of Directors** has 10 members:

| | | | |
|--------------------|-----------------|------------------|-------------------|
| CLAUDIO LUCCHESI | Chairman | | |
| DONATO BRUNI | Deputy Chairman | | |
| MARIADELE LUCCHESI | Director | GIOVANNI GROSSI | Managing Director |
| ANNA LUCCHESI | Director | OSCAR ISEPPI | Managing Director |
| FRANCESCA LUCCHESI | Director | DORVAN SAZZI | Managing Director |
| GIOVANNI LUCCHESI | Director | STEFANO TORRENTI | Managing Director |

The Board of Directors has a mandate of one year and new elections will coincide with the approval of the financial statements. The Board of Statutory Auditors is composed of three members whose term of office is three years, from their appointment on 16 May 2019 until approval of the 2021 financial statements. The Supervisory Board's term of office will expire in December 2021. The financial statements of Florim S.p.A., and the consolidated financial statements of FinFloor S.p.A. and FinTwin S.p.A., are audited and certified by Deloitte & Touche S.p.A.

Corporate structure

The changes from the previous year are the sale of Florim Brasil and the incorporation of Florim Deutschland GmbH.



Materiality and stakeholder approach

In 2015, the company began an internal analysis process based on the **materiality principle**, in order to **identify the sustainability issues of relevance both for the Group** (including Florim USA) and for **all stakeholders**.

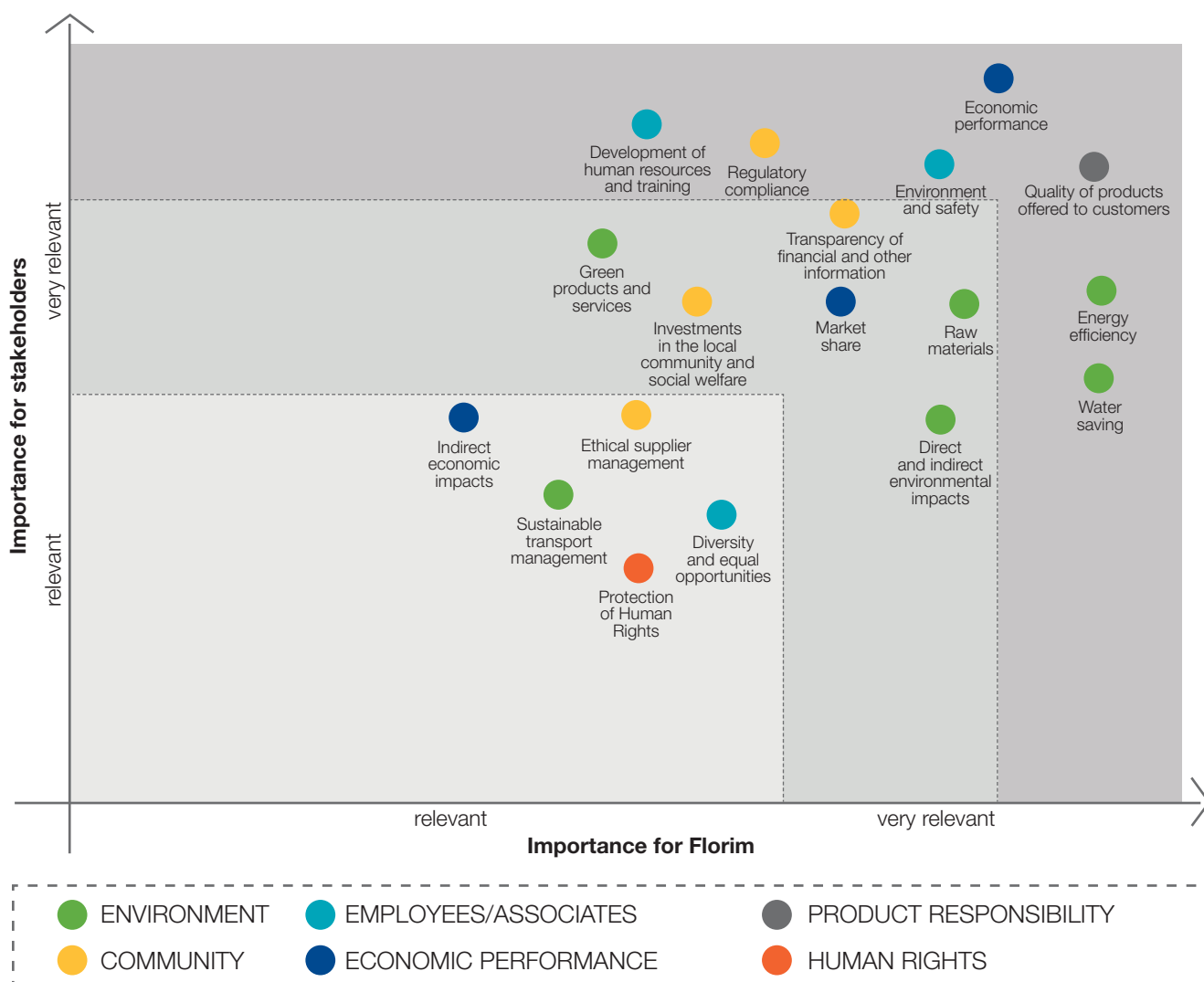
Materiality is the threshold above which a topic becomes sufficiently important to be included in this document. Relevant topics and indicators are those which impact economic, environmental and social issues or influence stakeholders' decision-making. In compliance with the new GRI Standard guidelines, Florim has analyzed and identified "relevant" topics, which were assessed by the working team which drafted the Sustainability Report on the basis of discussions with the main stakeholders.

The findings which emerged were supported by a qualitative survey external to the company's context, examining: an analysis of the press gallery, competitors' Sustainability Reports, the Emas Study of the Fiorano and Sassuolo Ceramics District and the GRI document – "Sustainability Topics for Sector: What do Stakeholders want to Know?"

In the chart below, the topics in the bottom left-hand corner are considered "less relevant" because they are easy for both the stakeholders and Florim to manage and **no problems have ever been reported** over the years. With regard to the protection of human rights, Florim complies strictly with all the provisions of the **National Employment Contract**.

The stakeholders Florim consulted when producing the chart were: employees and trade unions; customers and consumers; developers; architects and interior designers; the local community; institutions; and suppliers.

The **General Data Protection Regulation (GDPR)** is the new European data protection law which supersedes the previous European directive. As well as designating a specific team and an external DPO (Data Protection Officer), during 2018 and early 2019 Florim organized a number of informative sessions for all its Italian head office departments with regard to the correct processing of data and the broader topic of Cyber Security in general.



REPORTING

In brief

Economic profile

| FinFloor consolidated (in thousands of €) | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------|---------------|---------------|----------------|---------------|
| Net earnings | 329,533 | 374,094 | 406,759 | 424,826 | 408,154 |
| EBIDTA | 84,395 | 98,115 | 107,186 | 123,081 | 102,003 |
| Gross cash flow | 83,274 | 97,268 | 109,148 | 121,788 | 103,363 |
| Net profit | 36,433 | 43,324 | 49,347 | 57,808 | 55,424 |
| (Negative)/positive net financial position | (54,524) | (27,326) | (12,508) | 19,155 | 4,951 |
| Final inventory | 90,283 | 92,795 | 96,721 | 106,557 | 123,601 |
| Net shareholders' equity | 276,916 | 332,721 | 369,937 | 393,600 | 444,009 |
| Total investments | 41,584 | 34,215 | 53,531 | 103,015 | 75,602 |

Environmental profile*

| | 2018 |
|--|------------|
| kg of CO ₂ not emitted thanks to photovoltaic panels | 950,000 |
| Total water consumption (m ³) / finished product (m ²) | 0.01% |
| Recycling of industrial greenware waste | 100% |
| Recycling of water from the production process | 100% |
| Proportion of the electricity consumed which is produced in-house (Italy) | 78% |

Social profile*

| | 2018 |
|--------------------------------|-------|
| Number of employees at 31/12 | 1,409 |
| Total number of training hours | 8,512 |
| Number of workplace injuries | 75 |
| Workplace injury rate | 3.6% |

*For the first time, the data in this year's environmental and social profile include all the group's plants. Therefore, reporting only covers 2018.

Economic Responsibility



Comments on 2018 economic data

Consolidated turnover for 2018 was just over Euro 408 million, a fall of 4% compared to the previous year. In spite of the **excellent performance of the Italian brands**, which once again achieved **impressive growth in volumes and sales**, the American organization experienced a slowdown due in particular to external factors such as increased competition.

There was noticeable impact on EBITDA, which fell in absolute terms and as a percentage of turnover, with a figure of 25% compared to 29% for 2017.

In terms of capital reserves, the **net financial position was again positive** by about Euro 5 million, in spite of **investments of over 75 million Euro**.

Investments

Of the 75 million Euro invested during 2018, over **50 million concerned the Fiorano location**, with the new factory building of 48,000 m², with its photovoltaic plant on the roof, complete with slab processing plants. In Florim USA the **restructuring works on the body mix department were completed** at a cost of about Euro 6 million, while at the Italian locations about 12 million Euro was spent on **improvements to existing plants**. To conclude, about 4 million Euro was spent on the purchase of land.



New Industry 4.0 factory | Fiorano

The new Industry 4.0 factory, an example of the technological state of the art, occupies an area of **48 thousand square meters** (next to the corporate headquarters) and houses large slab processing and logistics operations. Sophisticated software is used to automatically control and manage the plants, humanoid robots and LGVs (Laser Guided Vehicles) at this factory, and the one built at Mordano (Bologna) in 2017, to ensure complete order traceability. **This communication system is designed to improve the quality of customer service** and to reduce material delivery times. Constructed with the company's usual strong focus on beauty and design, the building incorporates **26,000 m² of photovoltaic panels** which, combined with the existing plants, will make Florim almost completely self-sufficient in energy.





“leQuotabili” Award

The **Pambianco Magazine and Barclays survey-award**, which highlights the companies which best represent Italian manufacturing, was published in 2018.

The Florim Group won **first prize in the DESIGN/FINISHINGS sector**.

Businesses were assessed on the basis of their **financial statement figures** for the last 3 years, as well as on their **brand notoriety**, their **distribution strength** and the **market band** in which they operate. The absolute winners in the four categories (fashion, beauty, design/home and design/finishings) were elected on the basis of these factors. A ranking of the 500 companies examined, including all the various sectors, was also drawn up to identify Italy's 80 best-performing businesses. **Florim was in seventh place** in this overall table.

The “leQuotabili” title identifies companies which have everything required for stock market listing or which are outstanding on the Italian scene with regard to the factors stated above.
















Environmental Responsibility



Effective environmental policy management, energy saving and emissions reduction are amongst Florim's strategic sustainability objectives.

Our “green” projects in figures

| | | |
|--|--|--|
|  <p>45,000 m² the photovoltaic panels cladding the surface of the Florim headquarters</p> | <p>CO₂</p> <p>10,537 tons of CO₂ not emitted since the photovoltaic plant went into service in 2011</p> |  <p>2 cogeneration plants</p> |
|  <p>78% is the proportion of the electricity consumed at the Italian locations which is produced in-house</p> |  <p>102,080 the number of disposable water bottles not used thanks to good internal practices at the American location</p> |  <p>2 highly-regarded process certifications: ISO 14001 (ENVIRONMENT) and ISO 50001 (ENERGY) EPD</p> |
|  <p>100% is the recycling percentage of the water used at the production plants in Italy and the USA</p> |  <p>100% the recycling of industrial greenware waste in the production process at all the Group's locations</p> |  <p>162,706 Kg of shrink-wrap plastic recycled at the three locations</p> |
|  <p>24 trucks of wooden pallets recovered and recycled at the American location in 2018</p> |  <p>1 laboratory for the development of contemporary design projects with a specific focus on the materials' green content</p> |  <p>2 departments (marketing and communications) engaged on digitizing advertising tools in both Italy and the USA</p> |

Certifications

System and process certifications:

EN ISO 14001

TÜV has awarded Florim Italian plants the highly-regarded EN ISO 14001 voluntary certification, which confirms the compliance with a series of internally certified procedures intended to **improve the internal environmental management system**. The decision to seek this certification springs from the desire to reconcile quality with efficiency and productivity while protecting the environment and community in which the company operates. The American location has set itself the goal of obtaining certification during 2019.

EN ISO 50001

Thanks to a careful **energy management** policy and aided by the latest investments in the production area also intended to improve energy efficiency, Florim was the world's first ceramics manufacturer to obtain ISO 50001 certification of its Energy Management System.

Environmental management

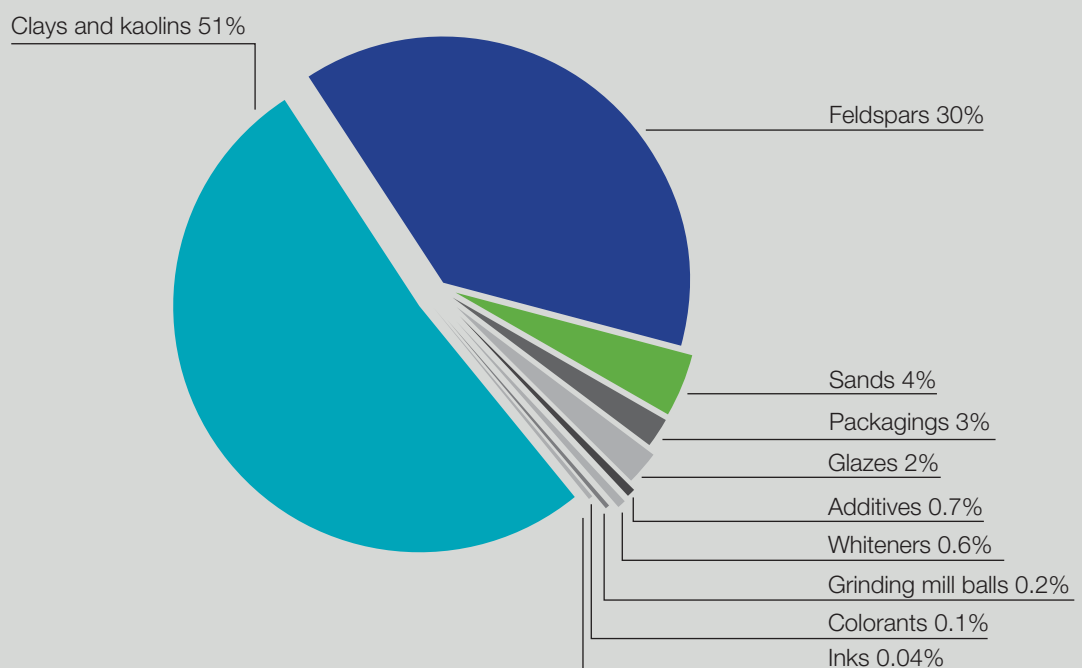
Florim's operations have always been oriented towards optimization of the **impact on the local community and the environment**. Thanks to the work of its research laboratories, the support of all staff and continuous investment, tangible results have been achieved. In 2018, the Group was not fined for any breaches of environmental regulations or laws.

The pages which follow report the main environmental responsibility indicators, from the raw materials used in the production process through to the packagings used.

The Florim ceramic product



The graphic below shows the ingredients of the Florim ceramic product, which consists of almost 90% choice quality natural raw materials. It is followed by finished product packagings, and other typical inputs of the porcelain stoneware production process.





Florim **recycles and optimizes, within the production process, all greenware scraps, dust residues from filters and sludge from the process wastewater treatment system.** Moreover, the company is able to recycle almost 99% of total waste, internally or externally.

As well as the waste from its own production process, the company also reuses waste produced by third parties in both its Italian and United States plants.

WASTE BY TYPE AND DISPOSAL METHOD

| | IT | US |
|--|--------|-------|
| Total waste recycled (t) | 40,117 | 1,107 |
| _of which hazardous waste (t) | 18 | 0 |
| Total waste disposed of (t) | 507 | 2,512 |
| _of which hazardous waste (t) | 360 | 0 |
| Hazardous waste as a percentage of total waste (%) | 0.93 | 0 |

The method used to calculate hazardous waste in the United States is different from that implemented under European regulations.



Virtually no environmental impact of wastewater discharges is specified since **all the water from the production cycle at the group's locations is 100% reused.** All other effluents comply with legal requirements.

TOTAL WATER WITHDRAWAL

| | IT | US |
|--|---------|---------|
| total water consumption (m ³) | 307,194 | 111,990 |
| _of which from wells (m ³) | 150,249 | 0 |
| _of which from water main (m ³) | 23,500 | 111,990 |
| _of which industrial (m ³) | 133,445 | 0 |
| Total recycled and used water (m ³) | 283,694 | 184,783 |
| Total water consumption (m ³) / finished product (m ²) | 0.016% | 0.012% |

In order to optimize the use of water resources, Florim is trialing **innovative dry rectifying lines** which enable the company to eliminate the physical/chemical treatment of the water used in the rectification process.

Fiorano has also installed a **rainwater collection tank** which recovers rainwater and optimizes its use by feeding it into the production process.

The only water not recycled is that utilized for the company's washrooms and kitchens.



As the materiality assessment states, **Florim plants have no significant impacts on the biodiversity** of its local area since the company is located inside the Fiorano Modenese ceramics manufacturing district, at least 5 km from the nearest nature reserve at Salse di Nirano. Moreover, the Mordano location is more than 10 km from the nearest nature reserves. Great care is taken over the **choice of the suppliers of the raw materials used for tile body mixes**, each of which is required to provide documentation guaranteeing compliance with the European Directives protecting wild birds (EU Dir. 79/409/EEC) and habitats (EU Dir. 92/43/EEC) and the United Nations Convention on the protection of biodiversity. The American location also has no significant impact on the biodiversity of the local area. The facility is in an industrial park surrounded by farmland, and impact assessment has revealed that the area has no species at risk of extinction or critical habitats. Almost all raw materials are quarried within 500 miles of the plant. It has also **introduced a software program** - used at the 3 production plants (Italy and the USA) - for the **management of data on the origin of raw materials**, such as quarry location, distance from the factory, recycled content declaration, technical, safety and radioactive content data sheets and the expiry of the quarrying permit issued by the government.

Packaging and coverings



All packaging used for Florim materials is made from recycled paper and parts of the coverings used to protect pallets of finished products consist of recycled plastic. What's more, all the packaging used (boxes, cardboard, shrink wraps, pallets, etc.) can be completely recycled by the end user. The investments made at the Italian locations include a **new type of packaging machine** which cuts the cardboard packaging to the dimensions needed for the tile size being packed, completely eliminating waste due to leftover inventory and saving significant amounts of cardboard.

During the year under consideration, 162,706 kg of shrink-wrap plastic was recycled at the three production locations.

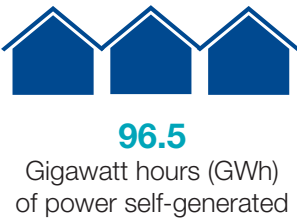
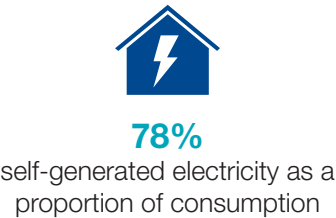


Florim | Industry 4.0 Factory - Plant 2 at Mordano (Imola, Bologna)

Energy management

There is no disputing that large amounts of energy are required to power the production processes of ceramic tile plants, with consequent direct and indirect impacts on the local area and the environment. All the Group's locations have state-of-the-art plants with low energy impact, in order to optimize the use of resources. With **two cogeneration plants and 19,000 m² of photovoltaic panels already operational**, the company certainly sets a new benchmark for the entire ceramic tile industry.

In **2018** the energy self-generation plants in Italy achieved the following targets:



In 2017 a **new cogeneration plant with power of 8.3 MW went into operation at the Mordano location** to optimize energy consumption by producing energy and also exploiting the heat energy produced within the production cycle.

Thanks to these plants, the Group is able to self-generate over **78% of the energy consumed by its Italian locations.**

In 2018 the amount of electricity self-generated by Florim would have been able to supply the energy needs of about 42,000 homes. This figure was obtained by dividing the MWh generated by the average electricity consumption of an Italian home (Istat figure for 2012 - the latest year available on the website).

Photovoltaic plant

The Fiorano Modenese headquarters have more than **45,000 m² of photovoltaic panels**, which help the company to generate clean energy and avoid the emission of CO₂ into the environment. **The last 26,000 m² of these**, installed at the end of 2018 and covering the roof of the new factory (about 48,000 m²), **will come on stream during 2019**. The first plant dates from 2011 and its figures since it went into production are as follows:

| kWp2 | kWh produced | kg of CO ₂ not emitted |
|----------|--------------|-----------------------------------|
| 2,698.92 | 22,302,845 | 10,573,860 |

(The values used for the 2018 calculation refer to ISPRA publication no. 280/2018)

Good practice

In addition to **issuing and distributing the energy saving handbook** for its offices, the company is also trying to maximize savings on the raw materials which they use, and specifically the use of paper. Internally, the company only purchases reams of paper which carry environmental certification and used paper is collected separately for proper disposal. Externally, most of the merchandising tools the company distributes are made from recycled paper, and it is encouraging their gradual digitization. **All catalogues are available in digital format** on the Group's website and from the main dealers, who are provided with a touchscreen tool containing the collection catalogues in .pdf format and other tools for final consumers.

At its Clarksville location, the company has **eliminated the use of disposable water bottles**, replacing them

with individual reusable bottles provided by the company and a series of fill-up stations. About 34,200 bottles are removed from the waste cycle every year. In Italy, more than 890 kg of plastic bottles and 2,150 kg of glass were collected and recycled in 2018.

Florim USA is also a member of the Clarksville-Montgomery Green County certification program. The company's staff actively participate in the program, which aims to help companies and other local organizations to promote and implement best practices with regard to safeguarding the environment and environmental resources.

Florim has also introduced **a new payslip distribution procedure**, introducing an online processing system. This tool has introduced new functions with greater flexibility for employees, and the company no longer prints out payslips every month. In Italy, the project initially included all office staff and was subsequently expanded to cover factory workers. During the year under consideration, **56% of Italian employees** joined the scheme, while **in the USA the take-up rate was 100%** of staff.

Transport

The materiality study reveals that transport is a significant factor for both stakeholders and Florim itself. The company is not able to measure the impact of transportation of finished product on the local area since all shipments are ex-works. However **Florim, which has been introducing electric vehicles to replace its oldest, most obsolete unleaded petrol forklifts** for years now, has optimized the handling of materials thanks to the new, highly-automated logistics hub created at the via Canaletto location. In 2018 about 64% of all production and logistics vehicles used at the Fiorano and Mordano locations were electric, with no direct greenhouse gas emissions. In America, 40% of vehicles used in indoor areas were electric.

Atmospheric emissions

The industrial facility emits greenhouse gases, basically carbon dioxide (CO₂), from the following main sources:

- *combustion*, from the burning of fossil fuels (such as natural gas)
- *processes*, from the minerals in the raw materials, any organic matter in the clays used, and any organic additives in tile body mixes.

In order to comply with Directive 2003/87/EC (ETS - Emission Trading Scheme), Florim has been **reporting and certifying its CO₂** emissions of its Italian plants since 2013.

| CO ₂ EMISSIONS | 2016 | 2017 | 2018 |
|--|---------|---------|---------|
| CO ₂ emissions (t) | 132,960 | 138,994 | 145,384 |
| CO ₂ emissions (t) / Finished product (t) | 0.35 | 0.34 | 0.36 |

| EMISSIONS FROM THE PRODUCTION CYCLE | 2016 | 2017 | 2018 |
|--|------|------|------|
| Particulate material (g/m ² finished product) | 1.18 | 1.28 | 1.06 |
| Lead (g/m ² finished product) | 0.00 | 0.00 | 0.00 |
| Fluorine (g/m ² finished product) | 0.12 | 0.04 | 0.11 |

The absolute increase in CO₂ emissions can be imputed to the increase in output. On the other hand, the ratio between CO₂ emissions and tons of finished product produced increased slightly, because in 2018 the sale of spray-dried material to other companies rose (+24%) compared to the previous year (emissions from this phase are included in the emissions count but there is no corresponding output of finished product).

The figures for the American location are not included in the table, since the calculation methods are substantially different, and no comparison is possible. However, all parameters comply with the relevant regulatory framework.



Social Responsibility



Employees & corporate welfare

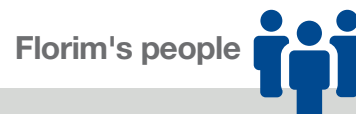
The pages which follow provide an overview of the activities and projects run by the Group for its employees during the last few years.

Below we summarize some of the programs run for **Italian employees**:

- **agreement with Sassuolo Hospital** enabling Florim employees and their family members to enjoy discounts and shorter waiting times for specialist examinations and outpatient diagnostic tests performed on a private basis
- **special agreements with local health facilities**
- **tax advice at special rates**
- **discounts on the purchase of Florim products** for employees' homes
- **free entry to the Peggy Guggenheim Collection** in Venice for employees and concessions for family members
- **free provision of water and mineral salts** in the plants during the summer
- **distribution of fuel vouchers to employees** for the Christmas holidays.

In the **USA**, full-time staff are provided with:

- **Health and dental care insurance**
- **Vision insurance**
- **Life insurance** (supplemental life insurance for employees and families available optionally)
- Short-term and long-term **disability** support
- Employee **retirement plan**
- discounts on the purchase of Milestone products for employees' homes
- free provision of water year round.



In 2018 there were **1,409 Florim people worldwide**. This number includes the employees of Florim Italia, Florim USA and the other international locations.

The following is the approximate subdivision of employees by location and type of contract.

| | ITALY | | USA | | TOTAL |
|--------------|------------|------------|------------|-----------|--------------|
| | Men | Women | Men | Women | |
| Permanent | 653 | 394 | 216 | 89 | 1,352 |
| Temporary | 35 | 18 | 2 | 2 | 57 |
| TOTAL | 688 | 412 | 218 | 91 | 1,409 |

| ITALY | | | | | | | |
|--------------|-----------|------------|--------------------------------|--------------------|---------------------------------|-----------------------|--------------|
| | Managers | Executives | Office workers and apprentices | Office ancillaries | Factory workers and apprentices | Agency staff/ interns | Total |
| Men | 20 | 27 | 144 | 74 | 401 | 22 | 688 |
| Women | 3 | 2 | 175 | 15 | 203 | 14 | 412 |
| TOTAL | 23 | 29 | 319 | 89 | 604 | 36 | 1,100 |

| USA | | | | | | | |
|--------------|----------|------------|--------------------------------|--------------------|---------------------------------|-----------------------|------------|
| | Managers | Executives | Office workers and apprentices | Office ancillaries | Factory workers and apprentices | Agency staff/ interns | Total |
| Men | 5 | 21 | 28 | 0 | 163 | 2 | 219 |
| Women | 0 | 9 | 17 | 0 | 62 | 2 | 90 |
| TOTAL | 5 | 30 | 45 | 0 | 225 | 4 | 309 |

Summer play schemes



In 2018 the **free summer play schemes** for the children of employees at Fiorano and Mordano **were continued for the seventh consecutive year**. Six different centers, across the area between Modena and Bologna, hosted 102 children; the company paid the fee for two weeks' attendance.

USA employee welfare activities



In the USA in 2018 the company held its annual picnic for employees, offering them a wide variety of foods, games, activities and live shows, in an event which provided an unforgettable day's enjoyment. Various prizes were awarded during the event, including a holiday for two. The **employees' anniversary dinner**, during which awards were made to employees with 5, 10, 15 and 20 years' seniority, was also held during the year. The **employee of the year Joejet Garcia** also received his award, in the presence of the Chairman, the CEO and other top executives.

Internal communications and training



Internal communications were strengthened during 2018 by the **Florim HUB project**, which encouraged the sharing of information and corporate values between departments and businesses. The project created the first communication system accessible to all Group employees, whatever their working location. The organization maintained its strong focus on in-house training, seen as a key factor in the company's development, and a tool for stimulating and fulfilling the potential of its human resources.

More than **8,500 hours of training** took place at the Group's locations during 2018.

Health and safety



Florim was the first Italian ceramics manufacturer to receive **BS OHSAS 18001** (Occupational Health & Safety Assessment Series) certification from TÜV; this international standard certifies the implementation of an internal management system oriented towards occupational health and safety.

This award, received by both Italian locations, confirms **the company's constant commitment to the well-being of its employees**. The objectives for 2019 (2020 for America) include ISO 45001 certification, superseding BS OHSAS 18001. Every year, in addition to plant inspections and maintenance, hours of safety and environment training are organized to raise awareness among workers and supervisors.

With support from Sassuolo Hospital, the company also organizes **free events open to the local community for the promotion of a healthy lifestyle**. BLSD refresher courses are ongoing for the team of Florim employees trained in first-aid operations and the use of the defibrillators available on site.

In 2018 two new defibrillators were purchased and installed in the new factories, alongside the 4 already in place.

A **health project targeting all employees** was launched at the Clarksville location during 2018. A different initiative is featured every month, in order to raise awareness and promote the importance of prevention. Information sessions on the health and wellness benefits offered by the company were held during December.

| | IT | US |
|-------------------------------------|-----|------|
| Total workplace injuries | 51 | 24 |
| Gravity (%) | 7.9 | 4.5 |
| Workplace injury rate (% frequency) | 3.3 | 7.9* |

*The workplace injury rate required by the USA Government uses an American calculation method, not comparable with that used in Italy.



Project | Virgola rosa

Free cardiological and gynecological screening for **all women in the Florim organization**. This project was launched in 2018 as part of the Florim Health&Training Center activities.

The figures speak for themselves: in Italy, cardiovascular disease is the number one cause of death amongst women, and there are 7,700 new cases of uterine tumors every year. **Prevention and early diagnosis** are the crucial factors in overcoming this challenge.

With the **“Florim mette una virgola rosa”** [Florim Pink Comma] project the company, in partnership with Sassuolo Hospital, encourages all female employees to take up **free screening to prevent** the most common cardiovascular and gynecological diseases.

The results achieved were impressive, with **372 screening sessions performed: 190 cardiological and 182 gynecological**. These high figures reflect the importance of the project, run thanks to the **invaluable assistance of Dr Marcella Camellini**, Medical Director of the Cardiology Unit, and **Dr Ivana Algeri**, Medical Director of the Obstetrics and Gynecology Unit both at Sassuolo Hospital.



Project | Officina delle idee



In 2018 Florim launched a project targeting all Italian employees intended to improve internal processes and foster the feeling of belonging to the organization.

“But wouldn't it be better if we did it like this?” With these words, the company invited its workforce to send in ideas and suggestions for changes, with the aim of selecting the brightest proposals and putting them into practice.

4 different areas for suggestions were chosen:

PASSION - improving employees' feeling of belonging, or projects helping to achieve a better work-life balance

INNOVATION - in company products, processes and communication. New solutions in both offices and production areas, for improving the end product, the process by which it is produced and the way it is marketed

ENVIRONMENTAL SUSTAINABILITY - measures to reduce environmental impact in both the offices and production areas.

CUSTOMER SERVICE AND DISTRIBUTION STRATEGY - optimizing the service provided to customers, and identifying new distribution channels or sales approaches.

The best proposals will receive prizes at the Premio Lucchese 2019 awards.



Salone del Mobile 2019 | Florim Installation. Focus on the new Policroma collection by CEDIT

Local community & culture

This chapter describes a number of programs Florim runs for the local community in the area where it operates.

Fondazione Ing. Giovanni Lucchese

In 2013, thirty years after the untimely death of the company's founder **Giovanni Lucchese**, to honor his memory his family established a Foundation in his name, which since then has **funded organizations and associations that support families in need in the ceramics district**. The Foundation also supports a variety of projects such as the summer play scheme for employees' children, the Premio Lucchese, the community projects run in the Florim Gallery, and the Florim Health&Training Center, described in more detail below. The Foundation's activities during 2018 included the opening of a new, state-of-the-art operating theatre at Baggiovara Hospital. **The theatre, equipped with leading-edge radiology equipment, including a high-powered angiograph, is defined as a hybrid operating room.** It is a single, high-tech location where **different specialists can work as a team** and, without moving the patient, can produce an immediate diagnosis and operate simultaneously with greater speed, precision and safety. In 2018 Florim also funded the **"Opera Anziani"** project, a building for the elderly at Mordano (Bologna) with both residential and outpatient areas.

Florim USA community welfare

With the active support of its employees, Florim USA undertook a number of projects to support its local community during 2018. These include the award of **four scholarships** to the most deserving students at Austin Peay State University, in memory of Giovanni Lucchese. The company also donated to the **"Clarksville Association for Down Syndrome"**, the local organization working to promote the social inclusion of people with Down Syndrome. After the large-scale destruction caused on Puerto Rico in 2017 by hurricanes Irma and Maria, in 2018 employees continued to offer their **support by donating basic essentials**. Last but not least, in 2018 the company supported **the Lowe's - Swing for Charity foundation**, which increases educational opportunities and supplies aid to disaster-hit communities.

Aziende modenesi per la RSI

"Aziende Modenesi per la RSI", an independent, open, inclusive association of **companies in the Modena area which believe in the principles and values of Corporate Social Responsibility**, was established on 30 September 2014, **with Florim as a founder member**.



Premio Lucchese

In 2018, the Premio Lucchese award was held for the **thirty-first time**. The award, established in memory of Giovanni Lucchese, consists of scholarships awarded to students at the "Alessandro Volta" Technical High School in Sassuolo who graduate with full marks. During the award ceremony, held every year at the Florim Gallery in association with Società Ceramica Italiana of Bologna, topics of current interest are discussed before an audience of eager young listeners.

Intrapresæ Collezione Guggenheim

As befits a company that combines the values of its local community and historic and artistic heritage with a flair for research and innovation, Florim recently launched a partnership with the **Peggy Guggenheim Collection in Venice**. Since its foundation, Florim has always had a unique ability to incorporate the true cultural significance of its industry in its business model, and by this project once again confirms its commitment to promoting art by supporting a collection of extraordinary beauty.





Florim Health&Training Center



Watch the
Heath&Training
Center video

The project, run jointly by **Florim** and **Sassuolo Hospital**, adopts a completely new model, combining industrial culture and healthcare in an original way to **benefit the local and community in which the promoters operate**. Florim Health&Training is the synthesis of this idea: an innovative center which promotes local training, health education and information, advanced medical simulation and research. The **Santa Maria Nuova Hospital in Reggio Emilia** joined the project in 2017.

The Center

On the main Florim site and opened on 16 April 2014, the Center is **more than 600 square meters in area** and contains a modular lecture theatre able to seat 100 people and a number of classrooms for seminars and lessons. At its heart is **a state-of-the-art control room, crammed with technology that operates dummies capable of reproducing human functions of all kinds**. An opportunity for maintaining the skills of emergency healthcare workers via advanced simulation. In 2018 Florim decided to donate two new state-of-the-art simulators to the Centre, **so there are now 4 latest-generation dummies for use by health care workers: infant, child, adult and the birth simulator**.

Health meetings

Designed as a **space for community use**, the Center also aims to become a place where all sections of the population - workers, schoolchildren, parents, teachers, volunteers and even just members of the public - can learn about **preventive health care and acquire first aid skills**. After the distribution to Florim employees of a questionnaire surveying their training needs and preferences, a Center Scientific Committee of Sassuolo Hospital medical personnel was appointed and drew up a plan of quarterly **"Health meetings"**. All meetings are led by doctors with expertise in the various topics, who answer the many questions from the audience at the end of their talks. Between its opening and the end of December 2018, **the Center hosted 21 meetings on a variety of topics**.



Healthcare discounts for Florim employees

The project also includes a major welfare program for all Florim employees and their family members, entitling them to **discounts and shorter waiting times for specialist examinations and outpatient diagnostic tests performed on a private basis**.

American Heart Association

The American Heart Association (AHA) is the oldest and most respected American not-for-profit voluntary organization with the mission of combating cardiovascular diseases such as heart attack and stroke. In 2015, the AHA, via the Simaid International Training Center, **named the Florim Health&Training Center as an Authorized Training Center for basic and advanced cardiopulmonary resuscitation**.



Product responsibility

Here we summarize the concept of “**Made in Florim**”, denoting a product that encapsulates the company's core values: **passion, innovation, a constant commitment to improvement and corporate social responsibility.**

ISO 9001 certification of the quality management system

The current ISO 9001 standards define quality as the ability to satisfy explicit or implicit needs via a product or a service. A Quality System implies constant improvement of company processes in order to realize products that satisfy the customer's needs. Further to the recent audit (2016 for Italy and 2018 for USA), Florim obtained the renewal of its EN ISO 9001:2015 certification for the design, manufacture and sale of all categories of ceramic tile.

Florim product certifications

CE Marking guarantees the user that the materials purchased meet the requirements of the relevant regulations and that the characteristics concerned are virtually unchanged for all production lots. It is a declaration of conformity which safeguards the consumer's safety, and the presence of the CE Marking on packaging guarantees that Florim products comply with the relevant regulatory requirements.



Ecolabel (EC Regulation 66/2010) is a certification granted to products which comply with ecological and performance criteria set at a European level, concerning raw material extraction, supplier selection, manufacturing processes, packaging, distribution, use and disposal.

Several ceramic tile collections bearing the Florim and Florim USA brands have earned **certification** from Bureau Veritas for their pre-consumer **recycled material** content. These articles are therefore fully eco-compatible and can meet the environmental sustainability requirements imposed by many international certifications.



Florim and Florim USA are members of the U.S. **Green Building Council** (USGBC), the most important association which promotes the reduction of buildings' negative impact on the environment. To allow the effective monitoring a project's level of sustainability, the USGBC has developed a certification procedure for the development of sustainable buildings, which assess and certifies the sustainability of a building in its entirety. Florim materials are able to help to gain “LEED” points in a number of areas (data available on the Florim brand websites).



Florim and Florim USA have achieved the prestigious **Greenguard** certification for all their products. Issued by the American body UL Environment, this certification aims to reduce indoor pollution, caused by interior design systems and materials. UL Environment thus aims to protect health by improving air quality and reducing people's exposure to chemicals and other pollutants. Florim has also achieved **Greenguard Gold Certification**, which imposes even stricter limits to confirm that a given product is suitable for use even in locations such as schools and health care facilities.



The EPD, or Environmental Product Declaration, is a document which defines the environmental impacts arising from production. In 2016 Florim participated in the study - certified by the German organization IBU - performed on the ceramics industry average data, which aims to raise international awareness of the excellence of the environmental standards achieved. Florim USA also achieved the EPD certification, issued by the NSF certification body.



FLORIM stone brand products have received **NSF** (National Sanitation Foundation - Food Equipment Materials) certification. This certification originated in the USA but has now become the worldwide benchmark for **materials suitable for use as “solid surfacing for splash zone”**.



Florim and Milestone products are also supplied complete with HPD - Health Product Declaration. This is a form of self-certification mainly used in the USA and comparable to the European safety data sheet. They are standard declarations for transparent communication on products' ingredients and the associated risks.

Beyond the standards

Made in Florim products are a guarantee of **safety**, high **innovative** content and **eco-friendliness**. The people who produce them work in a **safe place and in ethically sustainable conditions**. Due to their nature, all Florim products are guaranteed **free from pollutant emissions**, do not accumulate electrostatic charges, are frostproof and completely inert and are undamaged by contact with flames. The Group's Internet sites and collection catalogues contain the technical data sheets which detail the product information (resistance to abrasion, stains, frost, etc.) for every collection, as well as its recycled material content, with the relative certificates.

During the period under consideration, no banned products were placed on the market and the company was not found guilty of any breaches of the law with regard to data protection or its marketing and communication activities.

AEO Certification

In addition to the various process certifications obtained by the production locations with regard to quality, the environment and safety, **Florim also holds the coveted AEO – Authorized Economic Operator - certification**. Further to a lengthy and demanding audit process by the Customs Authorities, in 2016 Florim was awarded AEO certification, **the first ceramics manufacturer in the Province of Modena** to receive this major form of approval. Authorized Economic Operator status guarantees the company's absolute compliance with customs and security requirements in its foreign trade. This certification, initially valid for 3 years, has already been **renewed until 2022**. The European Commission is also planning to introduce the figure of the Certified Taxable Person (CTP), a taxpayer recognized as reliable by definition by the tax authorities of all European Union Member States. All organizations which already hold AEO certification automatically meet the criteria for the award of CTP status and will be able to benefit from a number of simplifying regulations. Florim is thinking of its next step: the in-house performance of customs clearance procedures.



REX | Étoile de Rex Collection



Ceramics as interior design feature

OUR COMMITMENTS



The promises we kept

In our last Sustainability Report, we committed to achieving a large number of objectives; the following are the outcomes we attained:

Economic Responsibility

| | |
|---|--------------|
| Construction of a new Industry 4.0 factory at Fiorano for large slab processing and logistics | ✓ |
| Construction of 2 roundabouts to improve traffic flows in Fiorano | NOT ACHIEVED |
| Installation of whole tile polishing machines and other surface treatment equipment in the Fiorano factory | ✓ |
| Launch of the Florim HUB project, also including a new CRM and Marketing Automation system for the Fiorano headquarters departments | ✓ |
| Continuation of implementation of the "supplier portal" online project for the digital, automated management of purchase orders | ✓ |
| Unification of the sales organization for multibrand management of the sales order cycle | ✓ |
| Start of refurbishment of the Mordano office and shipping department building | NOT ACHIEVED |
| Installation of a new kiln in the Mordano Industry 4.0 factory | ✓ |
| Modernization of the glaze grinding department at Mordano with energy-saving plants connected to innovative software | ✓ |
| New finished product store in the American factory | NOT ACHIEVED |
| Rebranding operation for the American brand | ✓ |

Environmental Responsibility

| | |
|--|---|
| Construction of a new 4MWp photovoltaic system at Fiorano | ✓ |
| Installation of an industrial sludge recovery and reuse plant at Mordano | ✓ |
| Continuation of replacement of the diesel forklift trucks with electric vehicles for use in indoor and outdoor areas at Mordano and Fiorano | ✓ |
| Extension of the use of software for the computerized logging of maintenance work in the production departments at Mordano and Fiorano | ✓ |
| Continuation of in-house training in the environment and safety at Mordano and Fiorano | ✓ |
| Increase of recycling targets through constant awareness-raising amongst all staff and optimization of recycling facilities at Mordano and Fiorano | ✓ |
| Construction of an underground tank for the low energy storage of industrial wastewater at Mordano | ✓ |

Social Responsibility

| | |
|--|---|
| Improvement of corporate welfare through the activation of new free services and discounts tailored to employees' needs throughout the company | ✓ |
| Adoption of the new European Personal Data Protection Regulation - GDPR (General Data Protection Regulation) | ✓ |
| Continuation of the health meetings for the local community in association with Ospedale di Sassuolo S.p.A. | ✓ |
| Organization of new community events at Florim Gallery | ✓ |
| Organization of a new event for Florim employees: The 2019 Christmas Party | ✓ |
| Installation of two new defibrillators at the new Industry 4.0 factories at Fiorano and Mordano | ✓ |

The targets we set ourselves

We aim to achieve the following objectives in 2019:

Economic area

| |
|--|
| Opening of a new Florim Flagship Store in Frankfurt |
| Opening of a new Florim Flagship Store in Singapore |
| Adoption of the new SAP S/4HANA business suite in Italy |
| Introduction of the new SAP S/4HANA business suite in the USA |
| Introduction of new vertical warehouses for the management of spare parts in the Mordano factories |
| Renovation of the administrative office building at the Clarksville location |

Environment and safety area

| |
|---|
| Commissioning of the 26,000 m ² of photovoltaic panels installed in the new Fiorano plant |
| Installation of control software for the LED lights at the new Fiorano plant |
| Creation of a new internal traffic network at the Florim headquarters and implementation of a tag system for pedestrian detection in the logistics area |
| At Fiorano, connection to the agricultural-industrial water main |
| Installation of a new post-combustion system with regenerative heat recovery at the Mordano location |
| Replacement of the Diesel vehicles used for handling materials at the Italian locations with electric vehicles |
| Introduction of new energy data analysis software in the Italian factories |
| New measures at the Italian factories to comply with the new ISO 45001 standard, which supersedes OHSAS 18001 |
| Continuation of in-house training on the environment, energy and safety at the three locations |
| Achievement of ISO 14001 certification also at the USA location |

Social area

| |
|--|
| Continuation of the “Officina delle Idee” project with realization of the winning idea |
| Launch of the “B. diritto alla bellezza” [B. right to beauty] project |
| Support for the realization of an innovative bilingual school with 3.0 teaching in the Modena area |
| Organization of a corporate welfare plan for the Mordano location |
| Hosting of new health promotion events organized in association with Sassuolo Hospital |
| Support for the realization of the new Vidas Casa Solievo Bimbi children's hospice |

Your assessment

You are kindly requested to take a few minutes of your time to give us your assessment and any suggestions, to enable us to improve future editions of our Sustainability Report.

[Click here to send us your opinion.](#)

To keep up to date with our business:



www.florim.com



www.milestonetiles.com



Florim Ceramiche



Milestone



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Florim_ceramiche



Milestone_tiles



Florim Ceramiche spa



Florim USA



Florim Ceramiche



Florimusa

For any further information, please feel free to contact our communications department: comunicazione@florim.com



Florim USA headquarters | Clarksville, Tennessee



AMBIENTI | Florim event at the Peggy Guggenheim collection (Venice)



DESIGN IS OUR PASSION | Florim event at the opera house in Valencia (Spain)



DISCOVER THE FUTURE | Cersaie 2018 event | inauguration of the new Industry 4.0 factory (Fiorano Modenese - Modena)



FLORIM CHRISTMAS PARTY | Event for employees at Florim Gallery (Fiorano Modenese - Modena)



IL BUON CIBO ITALIANO | One of the health meetings hosted at Florim Gallery (Fiorano Modenese (Modena)



IL NOVECENTO | Event with art historian Vittorio Sgarbi at Florim Gallery (Fiorano Modenese - Modena)



LEZIONI DI PACE | Social awareness event with Hafez Haidar (Fiorano Modenese - Modena)



MODENA 100 ORE | Event hosted at Florim Gallery (Fiorano Modenese - Modena)



PREMIO LUCCHESI | 31st edition of the Premio Lucchese at Florim Gallery (Fiorano Modenese - Modena)

Cover: north-west and north sides of the new Fiorano Modenese (Modena) plant

