



2024

Sustainability brochure

PANARIAgroup®

2024

Sustainability brochure

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Letters to stakeholders

It is with great pleasure that I introduce the preview of Panariagroup's 2024 Sustainability Report — a document that represents a moment of transparency and sharing of our commitment to an increasingly responsible business model.

In 2024 our Group faced an uncertain global context, while remaining firmly anchored to its strategic vision. In a complex environment marked by geopolitical tensions and macroeconomic challenges, we have chosen to continue our journey with consistency, focusing on sustainability, innovation, and people.

Throughout the year, the Sustainability Plan has guided many of our decisions, integrating the three key pillars — Planet, People, and Prosperity — across all operational areas of the Group.

We have continued to innovate in reducing environmental impact, investing in low-emission products, proprietary technologies such as PROTECT® to ensure healthy indoor environments, expanding our portfolio of certifications attesting to the quality and sustainability of our production processes, and introducing an innovative system for accurately measuring the Carbon Footprint of every product leaving our Italian facilities.

Our path of industrial and international growth has been consolidated through major strategic initiatives — such as the progressive integration of new production sites into the Group and the strengthening of our presence in key markets — always with a focus on the future and the creation of long-term value.

To all our stakeholders, I extend my personal thanks for your trust and collaboration. Together, we will continue building a company capable of evolving, creating value, and generating a positive impact for people, the environment, and the communities in which we operate.

Marco Mussini
President of Panariagroup



1

The Group

highlights

Customers

approximately 11,000

58% EUROPEAN UNION

30% UNITED STATES

12% REST OF THE WORLD

Reliability and trust

57%

Percentage of customer relationships that have lasted at least 3 years.

Panariagroup, a leading global industrial company, combining manufacturing excellence, innovation, and a culture of design.

Group profile

Panariagroup is one of the world's leading producers of ceramic surfaces for floors and walls, positioned in the premium segment of the market. It stands out for its **global presence** with **highly specialized brands** focused on **innovation, sustainability, and design**. The Group covers every market segment – from accessible luxury to architectural premium – while maintaining **strong production roots** in Europe and the United States.

The company employs 1,984 people and operates eight production plants located in Italy (3), Portugal (3), the United States (1), and Germany (1), with production exceeding 24 million square meters of ceramic surfaces. Panariagroup's commercial network includes approximately 11,000 clients, with sales in over 130 countries.

Over the years, the group has developed a portfolio of 13 international brands, each with its own distinctive identity and a high level of recognition. The brands meet the needs of a diverse clientele united by a particular focus on aesthetic and technical quality. Among the **Italian brands** are Panaria Ceramica, which expresses the Italian ceramic tradition with high-end residential collections; Lea Ceramiche, combining visionary design and technological innovation for unique architectural projects; and Cotto d'Este, known for the excellence and refinement of its ceramic surfaces, such as the large thin Kerlite slabs, the exclusive 14 mm thick porcelain stoneware; and the Blustyle line with traditionally thick porcelain stoneware.

The range is extended with Maxa Ceramic Slabs, large-format ceramic slabs reinforced with fiberglass, suitable for both indoor and outdoor applications.

The **Portuguese** brands include Margres, specialized in high-quality technical porcelain stoneware; Love Tiles, focused on creating elegant and personal environments; and Gresart, with a youthful language and attention to sustainability.

In Germany, Steuler Design operates, specialized in products with modern and creative design; Grohn, with over 150 years of experience and durable, elegant products; Nordceram, offering timeless design porcelain stoneware; and Kerateam, a producer of wall tiles in innovative formats made with locally sourced raw materials.

In the American market, Florida Tile has been active since 1954, with a large showroom network and products that combine technology and international style trends.

Finally, Bellissimo is the brand dedicated to the Indian market, combining Italian style and technology with local needs, offering luxury ceramics for the residential and commercial sectors.

Panariagroup thus confirms itself as a global industrial benchmark, capable of combining production excellence, innovation, and design culture.



History

Panariagroup was founded in Italy in 1974 from the passion and entrepreneurial vision of Giuliano Mussini (1930–2023) with the establishment of Panaria Ceramica, gradually establishing itself as one of the world leaders in the ceramic surface industry. From the very beginning, it stood out for the high quality of its products and attention to design. In the 1990s, the company began a process of expansion and brand development with the acquisition of Lea Ceramiche and the creation of Cotto d'Este, designed to conquer the luxury market segment through exclusive product lines.

During the 2000s, the Group began its internationalization process, starting with the Portuguese market through the acquisition of Margres and Love Tiles, and marking its entry into the American market with the acquisition of the brand and main assets of Florida Tile, a historic reference brand in the United States. The expansion process has continued to the present day with the recent acquisitions of Gresart in Portugal and Steuler, Grohn, Nordceram, and Kerateam in Germany, which have further strengthened Panariagroup's position in Europe. From 2004 to 2021, the Group was listed on the Italian Stock Exchange.



Values and principles of the Group

Panariagroup's mission is to grow and create well-being in harmony with people and the environment, with commitment and passion for its work.

Research and innovation, placed at the service of **beauty** and **product quality**, enable the Group to address all major market segments with a dedicated and structured offering system.

VALUES

The values Panariagroup believes in—and pursues in its activity of sustainable value creation—can be expressed as follows:

technological leadership

Panariagroup constantly invests in research, technology, and cutting-edge manufacturing plants to meet every need in architecture and interior design with innovative solutions capable of becoming industry benchmarks.

quality and aesthetic excellence

The Group is steadfast in its pursuit of industrial excellence—from the quality of raw materials to process efficiency—to create products that combine maximum aesthetic value with outstanding technical performance.

responsibility

Panariagroup always places people and quality of life at the center, with safe and environmentally sustainable products, operating with the utmost respect for those who work for the Group.

reliability

Born from strong family roots in the fertile ceramic district of Sassuolo, the Group has grown into a solid international organization, operating worldwide while maintaining an Italian heart.

PRINCIPLES

The Group's daily activities are guided by the following principles, fundamental to the pursuit of the company's mission:

responsible communication and transparency

Panariagroup is committed to ensuring the highest transparency in corporate communication and information management.

accountability and regulatory compliance

In carrying out its activities, the Group acts in compliance with applicable laws and regulations, as well as internal rules and procedures. Compliance with national and international standards represents a binding and essential condition for Panariagroup's operations. The Group expects all its partners, whether permanent or temporary, direct or indirect—to follow the same principles of responsible conduct in their dealings with the company.

ethics in commercial relations

The Group complies with all national and international laws and provisions regarding anti-money laundering and anti-bribery practices.

Organizational and governance structure

Panariagroup's organizational model is based on a traditional corporate structure composed of the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors. The Shareholders' Meeting—whose entire shareholding is held by Finpanaria S.p.A.—is the sovereign body responsible for deliberating on fundamental matters and for appointing the Board of Directors. The latter is composed of six members and has always been led by the Mussini family, with Emilio Mussini serving as Chairman and Giuliano Pini as Managing Director and CEO. The Board is responsible for defining industrial strategies and managing key decisions, with a particular focus on creating shareholder value and sustainability, ensuring compliance with non-financial reporting, and approving the policies necessary for the responsible management of corporate impacts.

It operates in synergy with the Supervisory Body, the Board of Statutory Auditors, and the auditing firm, maintaining constant dialogue with stakeholders. The Board of Statutory Auditors oversees compliance with the law and the Articles of Association, the correctness of administrative practices, and the efficiency of the organizational structure, reporting to the Shareholders' Meeting on regulatory compliance, including those relating to sustainability.

To effectively oversee sustainability matters, the Group has established a **CSR Operational Committee**, responsible for all activities related to sustainability, the drafting of the Sustainability Report, and the management of data collection across all Group locations in Italy, Portugal, the United States, India, and Germany. The members of the committee come from various company departments, facilitating coordination among administrative offices and providing continuous support to the Board of Directors on ESG topics.



2

Sustainability for Panariagroup

Panariagroup aims to grow by generating well-being for people and the environment, while maintaining a strong focus on quality, research, and innovation.

highlights

Commitment to people and the planet



In alignment with the United Nations 2030 Agenda, Panariagroup has identified the most relevant Sustainable Development Goals (SDGs) in relation to the impacts it generates on the territory.

Together for a sustainable global economy



Panariagroup is the only company in the Italian ceramic industry to have voluntarily joined the UN Global Compact since 2018, actively promoting its 10 fundamental principles.

2.1 Sustainability strategies and objectives: Panariagroup's integrated pathway

Panariagroup aims to grow by generating well-being for people and the environment, while maintaining a strong focus on quality, research, and innovation—key elements for meeting the needs of both private and professional customers in the construction and architectural sectors.

The Group integrates sustainability into all its strategic and daily decisions, from raw material procurement to the distribution of the finished product, involving all actors along the supply chain and actively contributing to the development of the local communities where it operates.

This commitment is reflected in its Sustainability Plan, structured around the three pillars: People, Planet, Prosperity, and aligned with the United Nations 2030 Sustainable Development Goals (SDGs).

The Sustainability Plan is guided by concrete, measurable objectives, inspired by the SDGs most relevant to the Group's activities—particularly those related to the environment, health, and social justice.

Even if not included among the most material SDGs identified, Panariagroup also considers Goal 16 (promoting inclusive and accountable institutions) and Goal 3 (health and well-being) as priorities, recognizing their fundamental role in ensuring balance and consistency within the company's model, and reaffirming its integrated approach to sustainability.

Among the tangible initiatives implemented are the continuation of the THINK ZERO project, aimed at offsetting CO₂ emissions associated with the production of laminated porcelain stoneware.

In line with this commitment, in 2024 the Group completed the certification process according to the UNI EN ISO 14067 standard, developing a tool for measuring the carbon footprint throughout the entire life cycle of any product manufactured in its Italian plants (Carbon Footprint Systematic Approach). This process is part of a systemic approach to measuring the carbon footprint and serves as a strategic tool—particularly relevant to the decarbonization efforts and environmental performance improvement of its products.

Panariagroup's sustainable approach also includes a strong focus on employee well-being, promotion of employment, and human resource development, with actions such as structured smart working and flexible working hours to support work–life balance.

The Group has demonstrated its ability to respond and adapt, maintaining effective communication and stable employment even in the face of global and local crises such as the 2009 recession, the 2012 Emilia earthquake, the COVID-19 pandemic, and the energy crisis triggered by the Russia–Ukraine conflict beginning in 2022.

The Sustainability Report is used by the Group not only as a reporting tool but also as a means to enhance internal awareness and communicate its commitment to responsible development, transparency, and ethics to all stakeholders.

In Panariagroup's path toward sustainable growth, stakeholders play a fundamental role. Through their involvement and the consideration of their needs, the Group continuously monitors the contexts in which it operates, committing to incorporate their expectations, perceptions, and priorities into its decision-making processes and the definition of its economic, environmental, and social objectives.

stakeholder	engagement methods
Shareholders, financiers, and investors	- Shareholders' Meeting - Publication on the Group's website of all financial and non-financial information required by current regulations - Daily contact related to operational activities and specific meetings with the Group's financiers - Communication of results and main corporate initiatives through the media
Consumers	- Commercial relationships in the Group's retail shops - Participation in events (e.g., Milan Design Week) - External communication (website, social media, digital campaigns, press releases) - Online consulting services
Public institutions	- Participation in data collection for statistical purposes - Compliance with documentation requests under national and local legislation - Ongoing collaboration with institutions responsible for issuing environmental permits and certifications
Clients (distributors)	- Daily interaction with the Group's commercial offices - Participation in major industry trade fairs - Organized visits to Group facilities - Newsletters and direct communication - Webinars and online presentations
Employees and trade unions	- Communication boards and totems at plants and offices - Ongoing training and professional development for employees - Periodic meetings with social partners - Regular Management Meetings for executive updates - Communication via the HR Portal - Daily interaction between the HR department and all employees
Suppliers	- Supplier selection and performance evaluation based on quality, sustainability, and service cost - Periodic meetings and on-site audits conducted by the Group's Purchasing Department - ESG Risk Analysis of suppliers operating in Italy and Portugal
Trade and industry associations	- Membership in Confindustria Ceramica (Italy) and APICER (Portugal), including participation in relevant technical committees on environment, safety, training, and labor - Membership in the US Green Building Council - Ordinary membership in the Green Building Council Italia - Associate membership in ASSOPOSA (National Association of Ceramic Tile Installation Companies)
Local communities	Sponsorships and donations aimed at supporting the socio-economic development of the areas where the Group operates
Designers, architects, interior designers	- Dedicated team for building structured and ongoing relationships with designers, architects, and interior designers - Technical seminars held at external venues offering professional education credits - In-house seminars in Group showrooms featuring expert speakers - Participation in trade fairs and target-specific events - Organized visits to the Group's facilities - Newsletters and direct communication - Webinars and online presentations
Educational and training organizations	- Dedicated team for structured and ongoing relationships with local universities, secondary schools, training centers, and foundations managing educational programs for youth and adults - Participation in initiatives such as Career Days and corporate presentations in schools and universities - Guided tours of the Group's plants and offices for students - Management and monitoring of applied research and student internship programs within the company

3

Panariagroup for
prosperity

Panariagroup proudly serves as an ambassador of Made in Italy around the world, while firmly preserving its deep-rooted connection to its local heritage.

highlights

Product quality

0.6% of claims

Product claims represent just 0.61% of total revenue.

Trust in innovation

€126 million

Over the past 5 years, more than €126 million have been invested in innovation and technological upgrades.

For a healthy, safe, and protected living environment

6 million m² of PROTECT® sold

In 2023, over 6 million square meters of PROTECT® antibacterial surfaces were sold.

Customer first

50% reduction in response times

Thanks to the exclusive VIS application, internal handling times for product-related reports have been reduced by 50%, also optimizing customer response procedures

3.1

The Group's economic responsibility

Panariagroup's history is deeply rooted in an industrial district globally renowned for the production of ceramic floor and wall tiles. The area of Modena and Reggio Emilia—particularly the Sassuolo district—is home to numerous companies that have made ceramics their core business. This is the ideal environment to nurture an entrepreneurial project focused on quality and manufacturing excellence. Over the years, alongside the region's economic development, the technical skills of those working in the ceramic industry have also grown exponentially.

Panariagroup has always firmly maintained its roots in this context and proudly serves as an ambassador of Made in Italy throughout the world. A key factor in its economic success lies precisely in the products that are designed and developed in Italy. Equally important for the Group is supporting the prosperity of the regions in which it operates—preserving employment levels, fostering relationships with local communities, and creating shared value.

Even within its foreign subsidiaries, Panariagroup has consistently maintained a strong local identity, contributing to the economic and social development of the areas where it operates. The Group is thus deeply connected to the local dimension, while also remaining attentive to national and international dynamics. Furthermore, it remains fully aware of its economic responsibility toward current and potential shareholders, as well as financial institutions—an awareness strengthened by its seventeen years of experience as a publicly listed company.

Panariagroup is committed to achieving the development goals it has identified, with the aim of increasing its value. It does so in line with its financial performance, by reinvesting its profits and implementing an appropriate dividend policy, thereby providing direct returns to shareholders.



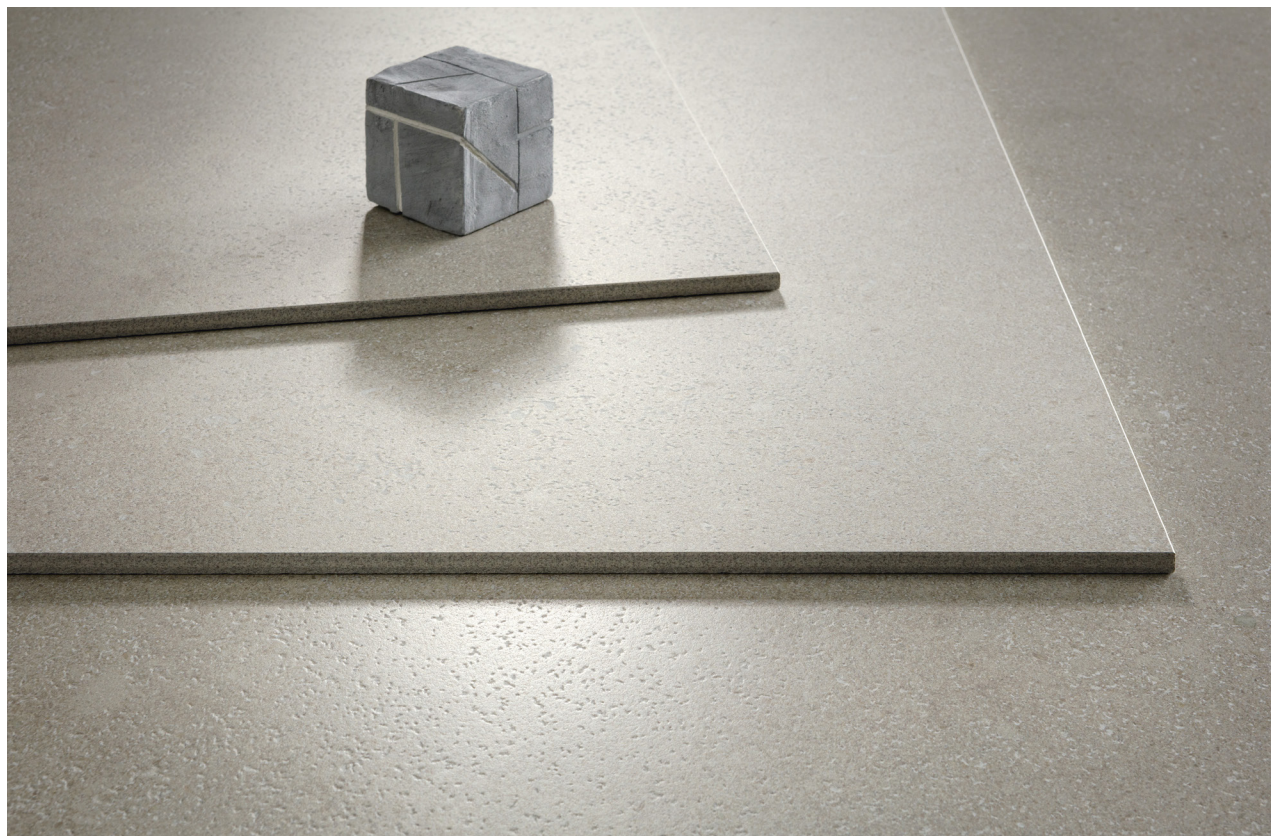
3.2

Product quality, design, and sustainability

Panariagroup considers technological innovation and its ongoing commitment to sustainability as fundamental strategic levers for its growth in the ceramic surface manufacturing sector. By combining ancient ceramic traditions with the most advanced production standards, it offers solutions suitable for all types of applications—from large commercial spaces to residential environments—while ensuring high technical and aesthetic performance.

Panariagroup's offering stands out for its completeness and the excellence achieved through cutting-edge technologies, the use of top-quality raw materials, and meticulous attention to every phase of the production cycle. Each product results from a highly controlled and innovative process, designed to ensure superior technical, aesthetic, and environmental performance.

Among the materials produced in its own plants is **high-quality porcelain stoneware**, obtained through dry pressing and firing at temperatures above 1,200 °C. This process gives the product an extremely compact structure, almost zero porosity, and exceptional resistance to chemicals, wear, stains, and frost—making it suitable for both indoor and outdoor use, with guaranteed durability and reliability.



Panariagroup's product range also includes **monoporosa**, a ceramic material particularly suited for wall coverings, combining lightness, ease of processing, and aesthetic value. Completing the offer is **laminated porcelain stoneware, a revolutionary product** in which Panaria is a market leader. This material, featuring reduced thickness and large formats, is produced through a mold-free, fully automated process that optimizes resources and significantly reduces environmental impact. Its technical and aesthetic characteristics make it a versatile and sustainable solution for contemporary construction.

In line with its focus on health and quality of life, Panariagroup has invested in PROTECT® antibacterial technology, developed exclusively with Microban®, a global leader in antimicrobial solutions. This technology, integrated into the Group's products, has proven highly effective in meeting the growing market demand for hygiene, helping distribute over 37 million square meters of protected surfaces worldwide.

Product development is driven by the Product Development department, which identifies the most relevant market trends and translates them into ceramic collections that combine technical and aesthetic excellence. The attention to design, detail, and finish quality has earned Panariagroup prestigious international recognition, including the Archiproducts Design Award 2024 for the "Segni su Pigmenti" collection by Lea Ceramiche and the Sustainability Award assigned to "Arketipo" by Cotto d'Este. The "Segni su Pigmenti" collection was also selected for the ADI Design Index 2024, officially entering the running for the Compasso d'Oro, the most prestigious Italian design award.

With over fifty years of experience, Panariagroup boasts consolidated expertise and a deeply rooted ceramic culture, enabling it to create innovative and refined collections. Its products are chosen for prestigious architectural projects around the world, carried out in collaboration with renowned international architects and designers. Recent examples include the Saint-Denis – Pleyel station of the Paris metro, designed by Kengo Kuma for the Grand Paris Express project; the new headquarters of Litex Surface in Foshan; and the Yangtze River Delta Hi-tech Park in Shanghai. Italian projects include the Unipol Assicurazioni complex in Bologna, the H10 hotel in Venice, the Kartell flagship store in Genoa, the Heart Hospital in Massa Carrara, Via della Spiga 26 in Milan, and the Radisson Collection Hotel Palazzo Nani in Venice.

All of this confirms the Group's international vocation and its ability to support complex projects thanks to a solid organization, an expert team, and flexible production—driven by continuous innovation.

certification	description	scope of application	Panariagroup Italia	Gres Panaria Portugal
 SISTEMI DI GESTIONE QUALITÀ CERTIFICATO UNI EN ISO 9001:2015 	In accordance with ISO 9001 certification, all stages of the production process—from the arrival of raw materials to the selection and packaging of the finished product—are thoroughly verified by expert personnel through rigorous quality controls. The quality system of Panariagroup's production sites is audited annually by an External Certification Body through detailed inspection visits.	Worldwide	Finale Emilia	Aveiro
			Toano	Ílhavo
			Fiorano Modenese	Oliveiro do Barrio
 SISTEMA DI GESTIONE AMBIENTALE CERTIFICATO UNI EN ISO 14001:2015 	For ISO 14001 certification, all environmental aspects related to tile production are constantly monitored, ensuring the use of the best available technologies to minimize environmental impact. The environmental management system of Panariagroup's production sites is verified annually by an External Certification Body through detailed inspections.	Worldwide	Finale Emilia	Aveiro
			Toano	Ílhavo
			Fiorano Modenese	Oliveiro do Barrio
 EMAS GESTIONE AMBIENTALE VERIFICATA	The EMAS (Eco-Management and Audit Scheme) is a European Union initiative that requires organizations to establish a true Environmental Management System based on the continuous improvement of their environmental performance. The system is built on creating a relationship of cooperation and trust with employees, local institutions, and the public. The Environmental Statement is the final output of this process.	EU	Finale Emilia Toano Fiorano Modenese	Aveiro Ílhavo

certification	description	scope of application	It	Pt	US	D
	A product certification issued by the French institute CSTB, which verifies the technical suitability of products based on their intended use.	Francia	•	•		
	The CE marking is the product safety certification required by the European Union, aimed at safeguarding human health.	EU	•	•		•
	Certifies that products comply with European regulations for ceramic tiles.	EU	•			
	Attests that certified products conform to European standards for ceramic tiles.	EU		•		
	Since August 2005, only ceramic tiles bearing the CCC mark can be exported to the People's Republic of China. Since March 2006, Panariagroup has obtained CCC certification for several products.	Cina	•	•		
	A voluntary declaration applicable to all products. It is a key tool for environmental quality reporting and documentation.	Worldwide	•	•	•	
	All Panariagroup collections are GREENGUARD GOLD certified, UL's strictest standard for VOC emissions, ensuring the highest level of indoor air quality. Suitable for use in sensitive settings like schools and healthcare facilities. Widely recognized in sustainable building programs and design regulations, such as LEED (international) and BREEAM (UK).	Worldwide	•	•	•	
	Panariagroup has adopted the HPD open standard, recognized by USGBC LEED, promoting transparency on product content and potential health risks for all stakeholders.	Worldwide	•		•	
	MAXA has earned this prestigious certification from NSF (National Sanitation Foundation – American National Standard for Food Equipment Materials), confirming product suitability for food contact and compliance with strict chemical analysis criteria, ensuring food safety.	Worldwide	•			
	An initiative by TCNA to recognize and certify sustainable products according to ANSI A138.1. It covers product environmental attributes, manufacturing, raw material sourcing, end-of-life management, and innovation.	US			•	
	For many of its products, Panariagroup has obtained certification for pre-consumer recycled material content. This eco-friendly feature contributes to earning credits under various international green building standards.	Worldwide	•		•	
	A voluntary labeling tool demonstrating a manufacturer's commitment to increasingly responsible construction. It provides designers, technicians, and end users with detailed product information to guide environmentally and health-conscious purchasing decisions.	Worldwide	•		•	

Innovation and technology

Over the years, Panariagroup has undertaken a path of continuous growth, establishing itself as one of the most innovative and dynamic companies in the international ceramic industry. Its success is rooted in uninterrupted research and development activities, aimed at exploring new production methods and creating product lines capable of meeting the needs of an increasingly conscious, demanding, and diverse clientele. At the core of this vision lies the in-house Research Center, where technicians, engineers, architects, and researchers work in synergy to develop cutting-edge solutions that strengthen the Group's position in the global market for ceramic floor and wall coverings.

Innovation is a constant, essential value for Panariagroup, embedded across all its production sites—in Italy, Portugal, Germany, and the United States. It takes shape through continuous investments in cutting-edge technologies, the careful selection of raw materials, and the development of increasingly advanced surfaces. A notable example is laminated porcelain stoneware, a product the Group has believed in and invested in since the early 2000s. Thin yet highly resistant, this material has revolutionized the market by enabling new applications and flexible design solutions, while also offering superior environmental performance compared to traditional products. Its reduced thickness and high durability allow it to be installed directly over existing flooring, reducing demolition costs and impacts.

In line with this, the Easy installation system was developed—a patented technology launched in 2021 by the brands Cotto d'Este (Kerlite Easy) and Lea Ceramiche (Slimtech Easy). It allows the installation of laminated porcelain slabs reinforced with fiberglass without adhesives, using a sound-absorbing mat and a specific sealant. This system enables quick, clean, and reversible installation, perfectly aligned with the principles of the circular economy due to the possibility of recovering and reusing the installed material.

Another cornerstone of Panariagroup's innovation is PROTECT® antibacterial technology, developed exclusively with Microban®, the world leader in antimicrobial solutions. Introduced over 15 years ago, this technology permanently integrates a silver ion shield into ceramic materials, eliminating up to 99.9% of bacteria continuously and without degrading over time. Especially valuable in sensitive environments such as hospitals, schools, airports, and restaurants, this protection not only facilitates cleaning but actively contributes to improved hygiene, limiting bacterial proliferation and reducing unpleasant odors. In 2024 alone, the Group sold approximately 6 million m² of PROTECT® surfaces worldwide.

Further enriching its offering and showcasing its ability to anticipate market needs, Panariagroup launched the Maxa Ceramic Slabs line—large-format, high-thickness ceramic slabs (12 mm) in 160x320 cm size, ideal for furniture and interior applications. This new segment targets specific markets and meets the expectations of advanced design sectors, further validated by certifications such as GREENGUARD Gold and NSF, confirming the products' safety and food-contact suitability.

Through this continuous evolution, Panariagroup confirms a strong identity focused on responsible innovation, capable of integrating technology, quality, design, and sustainability into every aspect of its operations.

Even in recent times, Panariagroup has achieved further milestones, including the development of an exclusive high-gloss mirror finish on large laminated porcelain slabs with 3.5 mm thickness, and the introduction of Safetouch—a universal ceramic finish for residential and public spaces that combines maximum anti-slip performance with a completely smooth surface.



3.4 Investments

Panariagroup has always linked the production of its brand collections to a strategy of innovation, technological upgrades, and efficiency improvement. Even during periods of greater uncertainty in the economic landscape, the Group has continued to invest in its production facilities, confirming its position within the select group of the most advanced companies in the industry. Over the past 5 years, the Group’s investments have remained consistent, as shown in the tables below:

Investments by year	Total (in million euros)	% of revenues
2020	19,4	5,4
2021	21,8	5,4
2022	30,3	6,7
2023	33,6	8,4
2024	21,1	4,6
Total 2020-2024	126,2	6,1

Investments by Business Unit (million euros)	Italy	Portugal	USA	De	Group
2020	13,5	2,2	3,7		19,4
2021	14,2	4,2	3,4		21,8
2022	19,0	6,6	4,7		30,3
2023	20,8	7,4	5,4		33,6
2024	8,1	3,7	7,6	1,6	21,1
Total	75,6	24,1	24,8	1,6	126,2
Percentage impact %	60%	19%	20%	1%	100%
% of revenues	7,3%	5,5%	3,7%	2,7%	6,1%

In 2024, Panariagroup’s main investment focused on the construction of an innovative photovoltaic plant at the production site in Finale Emilia, developed in collaboration with Enel X. The plant was completed and brought online, marking a concrete step forward in the company’s sustainability and decarbonization strategy.

The installation, consisting of over **3,000 photovoltaic panels** with a total capacity of **1,662 kWp**, will enable annual self-production of approximately **1,708,659 kWh** of electricity. This corresponds to an **estimated annual reduction of around 780,000 kg of CO₂**. The entire energy system will be monitored and optimized through the Energy Management System provided by Enel X, ensuring additional energy efficiency opportunities.

The completion of this project reaffirms Panariagroup’s commitment to an increasingly sustainable, innovative, and environmentally conscious ceramic production.

Alongside the major investment in the Finale Emilia solar plant, Panariagroup continues to reinforce its dedication to responsible resource management through a widespread strategy of energy efficiency and circularity across the Group’s various facilities.

Following the implementation of consumption monitoring systems already active in Finale Emilia and Toano, the project was extended to the sites in **Fiorano Modenese and Aveiro (PT)** with the deployment of a network of smart meters designed to continuously and precisely monitor the consumption of water, natural gas, and electricity. Strategically placed, these instruments allow the collection of accurate data at both the individual plant and overall site level, enabling constant comparison with the company’s defined environmental targets. This dynamic control provides Panariagroup with the ability to act swiftly in case of deviations, fostering a proactive and conscious approach to energy management.

Water resource management has also been a focus of innovation. At the **Gresart** production site in Portugal, the wastewater treatment plant was upgraded to maximize the reuse of wastewater in the production process. This intervention has led to a more circular use of water, reducing dependency on external water sources and enhancing the overall sustainability of the ceramic production cycle.

A particularly exemplary case of integrated sustainability is the **Panariagroup Deutschland plant in Leisnig**, Germany. From the moment of acquisition, the site has stood out for its high efficiency in resource use. All waste materials—from raw to fired tiles, including ceramic powders—are **completely reintegrated into the production cycle**, as are the process waters. Additionally, **the plant reuses thermal waste generated during the firing stage to heat both production areas and offices**, significantly reducing external energy consumption. It represents an advanced model of circular economy applied to the ceramic sector.

At the **Florida Tile** facility in the United States, the circular approach has been realized through a high-efficiency wastewater treatment system serving the polishing line. This system **decants, filters, and thickens wastewater**, enabling its continuous reuse within the same production process. Moreover, the solid residues resulting from the treatment are also reused as raw material, eliminating waste generation and closing the production loop.

Collectively, these initiatives outline a coherent and systemic strategy in which each Group site is progressively optimized according to principles of **efficiency, monitoring, recovery, and resource valorization**. The goal is not only to meet environmental targets but also to create a sustainable, future-oriented, and **replicable industrial model**. Panariagroup thereby reaffirms its commitment to combining production excellence with environmental responsibility, achieving measurable results in terms of energy, water, and environmental performance.

Customer satisfaction

Panariagroup pursues a strategy in which innovation, sustainability, and customer focus merge into a coherent and distinctive approach. The continuous experimentation with new technologies and advanced production systems enables the Group to offer a broad and high-quality product portfolio, capable of meeting the most complex and diverse design needs—always in compliance with the highest aesthetic, technical, and environmental standards.

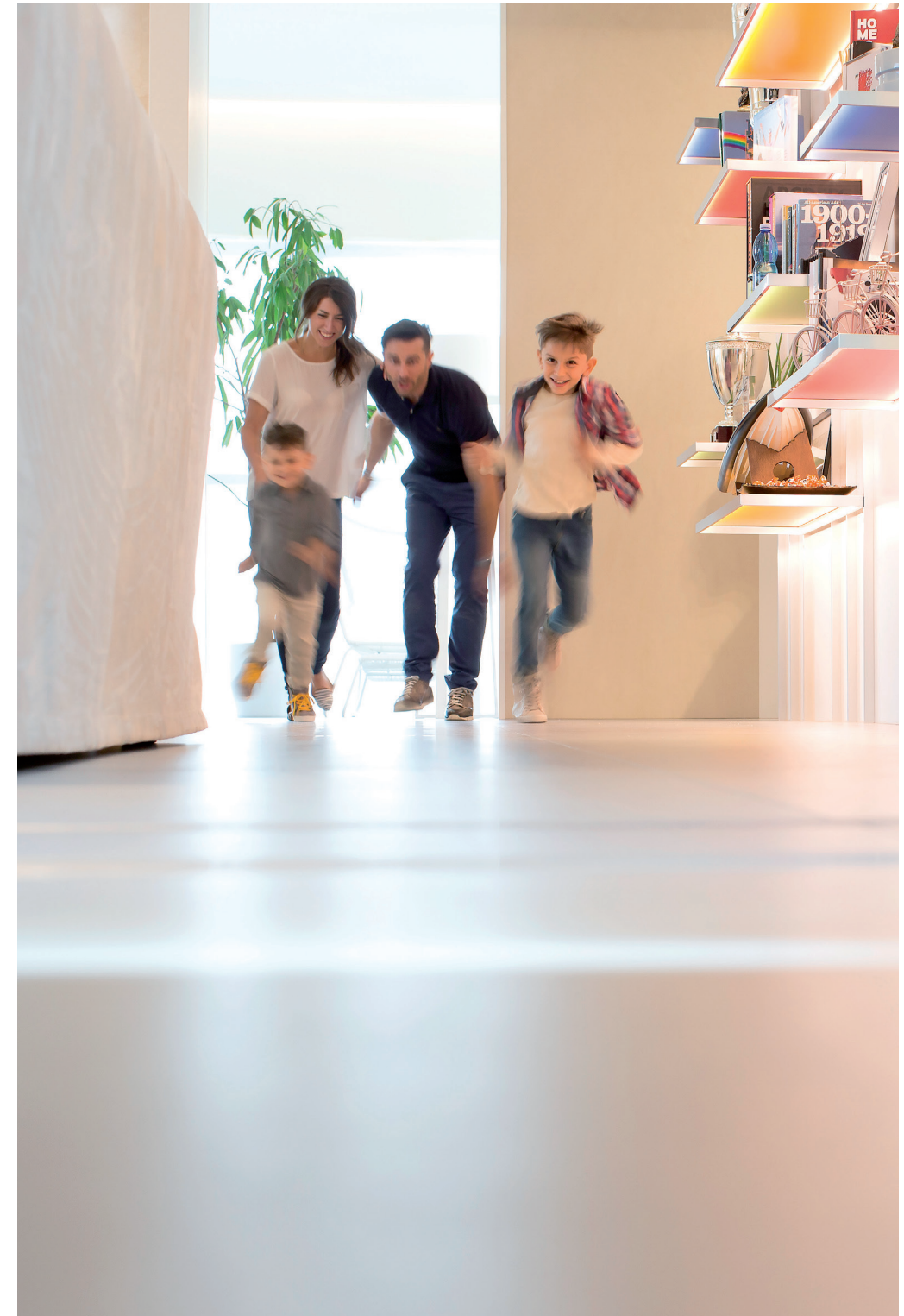
This integrated vision of product, research, and design has helped position Panariagroup among the leaders in the ceramic sector, a status also confirmed by the award given to Cotto d'Este for Best Customer Service in the "Flooring and Tiles" category of Italy's Best Customer Service 2023/2024.

The high quality of the Group's processes is also reflected in its after-sales service, where customer satisfaction is supported by advanced digital tools and cutting-edge organizational procedures. A standout example is the VIS Service (Verbale Interno di Sopralluogo), a proprietary Sales Force Automation system that allows sales personnel to promptly handle any product-related issues. Through a dedicated app linked to a web platform, supply quality can be monitored in real time and written, certified responses can be provided with great efficiency.

In 2024, the service successfully managed 876 reports, with an average customer response time reduced by 50%, and a self-resolution rate of 80%, avoiding the need for specialized technician intervention in most cases. Active since 2021 also for the American business unit, the service is currently under evaluation for expansion to Portugal.

Panariagroup's excellence is also expressed through the dissemination of its technical know-how, shared with partners and clients via manuals, expert personnel, and customized training programs. Over the years, thousands of visitors have participated in in-depth sessions held at the Fiorano Modenese plant and in various national and international contexts, strengthening the connection between technical expertise and product quality.

Completing this virtuous framework is the Group's commercial organization, structured by brand and dedicated channels to ensure comprehensive market coverage and prompt responsiveness to key segments. A significant example is the Contract & Key-Account Division, specialized in working with designers, professional studios, and architects. This structure includes a commercial team and a design unit operating globally, offering tailored consultancy and support for complex projects. With a strong presence in the Italian market and a growing network of promoters in major European capitals, the division plays a crucial role in the Group's international success, further reinforcing its reputation as a reliable, competent, and customer-oriented partner.



3.6

Responsible supply chain management

Panariagroup adopts a structured and responsible approach to supply chain management, with the aim of building an integrated and sustainable system that actively involves its suppliers. Aware that environmental and social sustainability, along with the protection of human rights, cannot be separated from the practices adopted throughout the entire value chain, the Group has introduced supplier selection and monitoring criteria based on ESG parameters (Environmental, Social, Governance). This approach has enabled the profiling of strategic suppliers according to sustainability, governance, quality, and social responsibility criteria—revealing a general awareness among business partners and a solid average rating level.

The initiative initially focuses on the most significant existing suppliers, with annual updates to include new strategic partners within relevant product categories. Particular attention is paid to “Primary Suppliers”—those providing raw materials, finished products, and services directly linked to production activities. These suppliers undergo a rigorous evaluation based on parameters such as product quality, compliance with ESG standards, workplace safety, price, after-sales service, as well as the availability of certifications such as ISO 9001, ISO 14001, and EMAS regulation adherence. Attention is also extended to contracted suppliers, who are required to comply with the Organizational Model 231/01, through contractual clauses ensuring respect for the company’s ethical values.

A special focus is placed on raw material suppliers, considered a priority not only for their central role in ceramic production but also for the potential environmental impact of extraction activities. In this area, Panariagroup conducts regular inspection visits to monitor extraction methods, environmental management, and compliance with regulatory requirements, including licenses, permits, and geographical documentation. Notably, environmental evaluation accounts for 75% of the total ESG score in the “Environmental” section. Furthermore, the Group confirms that none of the raw materials used fall under the category of “conflict minerals”, reinforcing its commitment to social responsibility.

The global context and geopolitical dynamics have led Panariagroup to diversify its sourcing, developing a multi-channel strategy that enables prompt responses to crises or

supply chain disruptions. One such case is the forced discontinuation of imports from Ukraine due to the conflict with Russia, which was followed by the swift identification of valid alternatives without compromising the technical or aesthetic performance of its products. This adaptability and ongoing pursuit of improved, long-term sustainable solutions underscore the strength and evolution of the Group’s supply chain management.

Finally, Panariagroup reaffirms its commitment to supporting local economies, as evidenced by the 89% share of procurement in 2023 being spent on suppliers located in the regions where it operates. This figure highlights the Group’s strong connection to local communities and its dedication to developing short, efficient, and responsible supply chains, capable of balancing economic performance with integrated sustainability.

4

Panariagroup
for planet

The Group firmly believes that the pursuit of excellence cannot be separated from respect for the environment.

highlights

A new life for waste

98%

In 2024, the Group recovered 98% of its waste.

Consistent performance

0,008 tCO₂/m²

Panariagroup's emission intensity has remained extremely low and stable over the last 3 years*.

Sustainable procurement

92.5% recycled plastic for industrial use

A steadily increasing figure compared to previous years.

Energy from renewable sources

30%

of the electricity needs of the Italy Business Unit are met through energy from renewable sources.

Energy from renewable sources

Installation of 3,000 photovoltaic panels

for renewable energy production at the Finale Emilia plant.

* Emission intensity Scope 1 + Scope 2 (Location-based)

4.1

Environmental policies and management systems

Panariagroup firmly believes that the pursuit of excellence cannot be separated from respect for the environment. The Group has always stood out for its strong commitment to minimizing the environmental impact of its industrial activities. This approach is reflected in its desire to protect the areas where its plants operate, ensure safety and hygiene in the workplace, and contribute—through its products—to the daily well-being of people around the world.

The Group's environmental policy is based on solid principles: strict compliance with current regulations, efficient use of natural resources, reduction of pollutant emissions, and promotion of transparent dialogue with local communities and institutions.

All European plants—automated and technologically advanced—are certified according to ISO 14001 and EMAS standards (with the exception of the German site). Each year, they publish environmental declarations that document their performance and improvement goals. In Italy, in accordance with the Integrated Environmental Authorization (AIA), an AIA report is also prepared, containing specific data and indicators.

Environmental management also includes raw materials, which are constantly monitored to ensure compliance, and production waste, approximately 85% of which is recovered, reducing the need for extracting new natural resources.

The quality of the final product is accompanied by meticulous care at every stage of production, with rigorous controls and continuous updates in line with international ceramic standards. Panariagroup's products are often eligible for credits in major sustainable building certification systems, such as LEED. The Group's active participation in technical committees and ISO working groups highlights its intention to contribute to the definition of industry standards.

Panariagroup has made a concrete commitment to creating a production cycle that reduces its ecological footprint by recycling waste and water and using high-efficiency energy systems. In 2024, thanks to material recovery and water recycling, the Group's plants avoided the extraction of large quantities of natural resources—clear proof of the effectiveness of its sustainable choices.

Improvement objectives are regularly set and monitored through the Sustainability Report, which serves not only as a transparent reporting tool, but also as a continuous driver for progress.

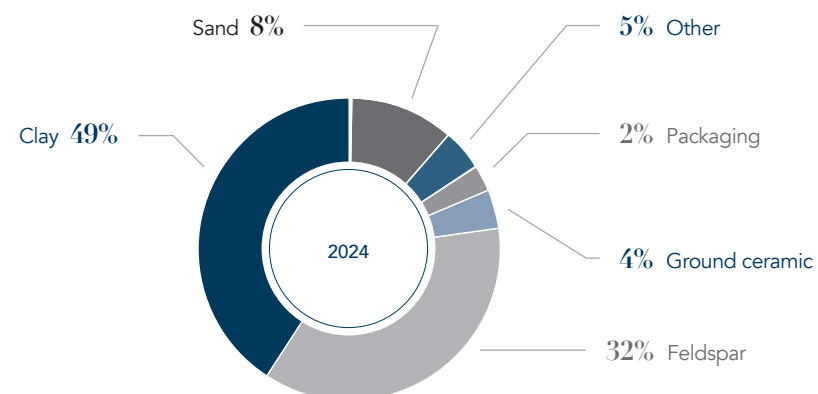


Raw materials, packaging, and waste management

Panariagroup has consistently demonstrated its environmental commitment by prioritizing, where compatible with its business operations, the use of renewable raw materials, particularly in packaging components. In 2024, in line with this approach, the company introduced new supplies sourced from local producers.

Within the Italian business unit, most of the wood used for ceramic packaging is purchased from PEFC- or FSC-certified suppliers; nearly 100% of the paper and cardboard comes from recycled materials; and the plastic used contains 70% recycled content.

The chart shows that in 2024, the Italian business unit primarily used clay and feldspar, while the purchase of spray-dried powder (atomizzati) has been almost entirely phased out since 2019.



Raw materials and packaging 2024

In the foreign business units, in 2024 the American business unit replaced 96% of its plastic packaging with WestRock packaging, which is recyclable, compostable, or reusable, with the goal of reaching 100% replacement. The Portuguese business unit uses FSC-certified corrugated cardboard for 95% of total packaging; the LDPE plastic used contains 35% recycled material; and most wood is sourced from PEFC- or FSC-certified suppliers.

Panariagroup continues to pursue the reduction of environmental impact from packaging systems by enhancing process efficiency and increasing the use of recycled materials. The company has invested in sustainable logistics technologies and solutions to minimize resource consumption and optimize packaging management across the entire supply chain.

End-of-line box packaging machines

At both Italian and international production sites, automated box packaging machines have been installed. These optimize cardboard usage and reduce waste through custom-fit packaging. Such technologies allow up to a 50% reduction in cardboard use compared to previous systems. Since 2023, these machines represent the sole packaging method at the Toano plant.

Next-generation pallets

In 2023, the Italian business unit introduced lightweight pallets aimed at reducing wood usage and improving logistics efficiency. A feasibility study is currently underway on a new EPAL-standard pallet prototype, developed in collaboration with a supplier and made using wood sourced from recycling centers. These pallets are nail-free, mold- and fungus-resistant, exempt from ISPM15 treatment, and compliant with End-of-Waste regulations.

Sustainable procurement of packaging materials

Despite challenges in raw material availability, Panariagroup maintained strong sustainable procurement practices in 2024, including:

- 92.5% recycled plastic for industrial use (continuously increasing over recent years);
- 70% recycled paper and cardboard for packaging;
- The majority of wood purchased from PEFC- or FSC-certified suppliers.



Recovery of waste materials

The Group recovers waste materials—such as plastic used for pallet packaging—by reintroducing them into the production cycle through specialized suppliers. These recovered materials are marked with the “GREEN Packaging” label, which guarantees traceability of the waste both for the company and for the customer.

Since 2019, Panariagroup has been monitoring specific packaging-related KPIs. In 2024, compared to the standardized quantity of kilograms of tiles sold, the company recorded a 10.7% reduction in paper usage and a 12.2% increase in plastic usage—figures that reflect the evolution of Panariagroup’s technical and logistical choices.

In 2024, Panariagroup reaffirmed its commitment by recovering a total of 62,239 tons of waste, equal to 98% of total **waste produced**, representing a 7% increase compared to 2023, mainly due to increased production and the addition of the new plant in Germany. With regard to **production scrap**, which accounts for over 85% of total waste, the recovery rate is nearly 100%. All **raw waste** is reintroduced into the production cycle, and in the production plants located in Italy, Germany, and the USA, 100% of **fired waste** is also reused in ceramic body mixtures. The Aveiro site in Portugal is currently being upgraded to reach the same recovery level. Due to the type of mixtures produced, the Finale Emilia plant—currently under renovation—has not yet implemented the direct recovery of wastewater treatment sludge as done in Toano. However, a project for this is scheduled for 2025.

2024 TREND VS 2023: -10.69% PAPER - 3.69% WOOD +12.19% PLASTIC

Year	Paper (ton)	Wood (ton)	Plastic (ton)	Shipped ceramic product (ton)	Issued by Italian production (ton)	Final stock inventory (ton)	% Paper / Issued by production	% Wood / Issued by production	% Plastic / Issued by production
2019	2.791,91	9.012,89	922,49	291.672,30	287.845,79	159.215,18	0,970	3,131	0,320
2020	1.875,40	7.235,58	901,77	270.779,91	237.199,35	134.989,50	0,791	3,050	0,380
2021	2.252,46	9.924,62	1.102,12	324.405,80	296.573,03	124.228,08	0,590	3,334	0,372
2022	2.172,95	8.353,42	790,30	292.712,68	276.051,44	125.221,16	0,787	3,026	0,256
2023	1.570,09	6.501,15	610,26	213.914,31	188.893,57	115.101,03	0,831	3,442	0,323
Total 2019-2023	10.662,81	41.027,66	4.326,94	1.393.485,00	1.286.563,18	658.754,95	0,829	3,189	0,336
2024	1.685,05	7.524,13	822,75	208.543,94	226.990,90	122.736,91	0,742	3,3315	0,362
Total including 2024	12.347,86	48.551,79	5.149,69	1.602.028,94	-	-	0,816	3,208	0,340

2024					
waste ¹⁰	Italy	Portugal	US	Germany	total
Recovery (t)	37.362	14.936	48	9.893	62.239
Disposal (t)	171	-	842	409	1.422
Total (t)	37.533	14.936	890	10.302	63.661
of which hazardous	203	42	-	8	253
% hazardous waste / total	0,5%	0,3%	0,0%	0,1%	0,4%

4.3 Water

Water is an essential resource for Panariagroup's ceramic production cycle, used in various stages such as grinding, glazing, equipment washing, and tile finishing. A distinguishing feature of the Group's approach is the **100% reuse of process water** across all production facilities in Italy, Germany, Portugal, and the USA. Thanks to advanced **physical-chemical wastewater treatment** systems and dedicated technologies, the company is able to internally recover most of the water needed for its processes, reducing natural water consumption by up to 80% and eliminating industrial water discharges.

In 2024, total water withdrawal reached 419 megaliters, a 15% increase compared to the previous year, due to the acquisition of the new production plant in Germany. Nevertheless, the environmental impact remained limited, thanks to the efficiency of the recovery systems. A portion of the treated water is reused for grinding ceramic bodies and glazes, while the remainder is used for washing glazing lines and mills.

Panariagroup also conducts continuous monitoring of water resources and associated risks, using the Aqueduct Water Risk Atlas tool and its own environmental significance index. None of the Group's eight production sites are located in areas subject to water stress, confirming its strong focus on sustainability and the responsible management of natural resources.



4.4 Energy and emissions

In 2024, Panariagroup recorded a 19% increase in energy consumption compared to the previous year, reaching a total of 3,170,277 GJ. This increase was due to the acquisition of the new production plant in Germany.

Additionally, production volumes rose significantly, which kept the Group's emission intensity in line with the previous year.

Despite this, the Group maintained stable energy performance through continuous efforts to improve plant efficiency. In 2024, Panariagroup obtained its first White Certificates (TEE – Energy Efficiency Certificates) following the installation of a new kiln at the Finale Emilia plant.

Moreover, the company covered 30% of the electricity needs of the Italy Business Unit with Guarantees of Origin from renewable sources, and launched a partnership with Enel X to install over 3,000 photovoltaic panels at the Finale Emilia facility. This project aims to reduce CO₂ emissions by approximately 780,000 kg per year.

Since 2013, Panariagroup's production facilities in Italy, Portugal, and Germany (the latter acquired in 2024) have been part of the European Emissions Trading System (ETS), which regulates the trading of CO₂ allowances for production-related emissions, as outlined in Directive 2009/29/EC.

energy intensity ⁷		
reference year	u.m.	index
2023	GJ/m ²	0,139
2024	GJ/m ²	0,127

emission intensity ⁷			
reference year	u.m.	index Scope 1 + Scope 2 (Location based)	index Scope 1 + Scope 2 (Market based)
2023	tCO ₂ /m ²	0,009	0,010
2024	tCO ₂ /m ²	0,008	0,009

Note: Intensity values are calculated based on the square meters produced during the year, equal to 24,963,002 m² for 2024 and 19,119,149 m² for 2023.

5

Panariagroup
for People

Panariagroup places people at the heart of its strategy, aiming to enhance employee job satisfaction and personal well-being.

highlights

Employee health: a priority

2,555 medical check-ups

In 2024, Panariagroup provided 2,555 medical check-ups to its employees.

Work flexibility at panariagroup

Smart working and Work hours

Since 2022, the Group has continued to implement smart working in both Italy and Portugal, integrating it into its corporate structure. In Italy, a flexible time-band schedule was introduced in 2023. Smart working was also confirmed for 2024, maintaining the same operational procedures.

5.1 People

Panariagroup places people at the core of its strategy and, through a targeted people strategy focused on attracting talent, enhancing skills, and rewarding performance, aims to improve employee job satisfaction and personal well-being.

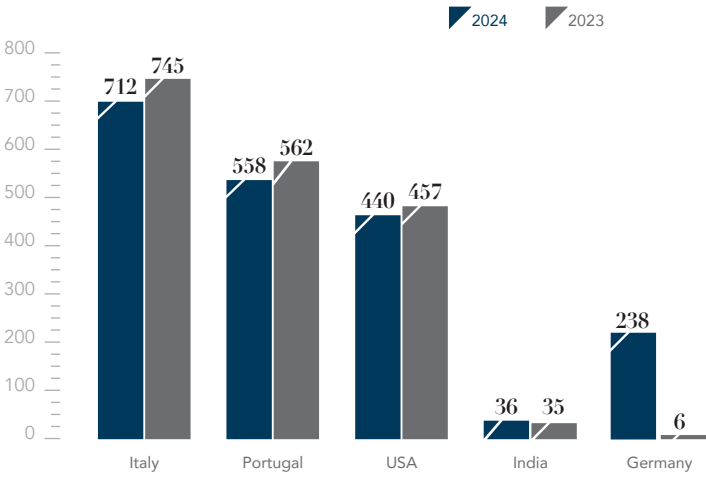
To uphold these principles, the Group employs almost exclusively permanent staff, a contractual form that ensures greater stability and more opportunities for professional growth. Likewise, Panariagroup considers employee requests for part-time work, offering, where possible, job solutions that meet both personal and professional needs.

In an increasingly complex economic context, Panariagroup has kept employment levels substantially stable. This employee retention is considered a key factor in responsibly supporting the Group’s economic growth.

As of December 31, 2024, Panariagroup employed 1,984 people, marking a net increase of 179 employees compared to the previous year, primarily due to the acquisition of Grespanaria Deutschland (see sections 2.1 and 2.2).

In light of this workforce expansion, employee turnover in 2024 decreased compared to 2023.

Group employees as of 31.12.2024



Panariagroup promotes equal opportunities for all employees, valuing diversity, tolerance, and inclusion, with particular attention to the integration of people with disabilities. These individuals are supported through personalized assessments, tutor guidance, and development pathways that enhance their skills, relationships, and self-esteem. In the U.S. business unit, specific anti-discrimination and anti-harassment policies are in place, along with a reporting system for potential violations, which includes disciplinary sanctions. In 2024, as in 2023, no cases of discrimination related to race, gender, religion, political orientation, origin, or other factors were reported.

Panariagroup actively **promotes work-life balance**, offering flexibility for maternity or paternity needs and supporting employees through meaningful life events. The expansion of **smart working**, accelerated by the pandemic, has encouraged new organizational models aligned with employee needs and contributed to a more balanced approach to performance evaluation. In Italy, agile working has been in place since 2022 under a company policy allowing one day per week of smart working (two for specific categories), a system confirmed for 2024. In Portugal, since 2022, smart working has been governed by written agreements, offering maximum flexibility for childcare for minors, also confirmed for 2024. Additionally, in 2023, a new time schedule was introduced in Italy, offering **greater flexibility in start times and lunch breaks**. Corporate welfare initiatives remain central and include regularly updated benefit packages. In Portugal, services introduced include flu vaccinations, access to nutritionists and psychologists, improved health coverage, and subsidies for communication services. This commitment has also been recognized in the **“Corporate Welfare”** guide by Professor Tiziano Treu. Employment stability enables **career planning** in harmony with personal needs, including smooth transitions between part-time and full-time arrangements. As of December 31, 2024, there were 68 part-time contracts, representing a 36% increase compared to 2023. On the subject of **compensation**, Panariagroup supports fair wages and upholds the right to collective bargaining, in line with ILO conventions and local labor laws. In 2024, the collective bargaining coverage rate was 64%, with 100% coverage in Italy, where supplementary corporate agreements were in place, offering improvements over national contracts. No collective agreements are currently in place in the U.S. and Indian business units. In the event of major organizational changes, the company complies with the notice requirements set forth in collective agreements.

5.2

Training and skills development

Training and professional development are a top priority for Panariagroup, which aims to enhance skills, promote employability, and ensure high safety standards in compliance with regulations. Across the Group, training activities are carried out on health and safety, alongside specialized programs planned by managers to meet the specific needs of different departments.

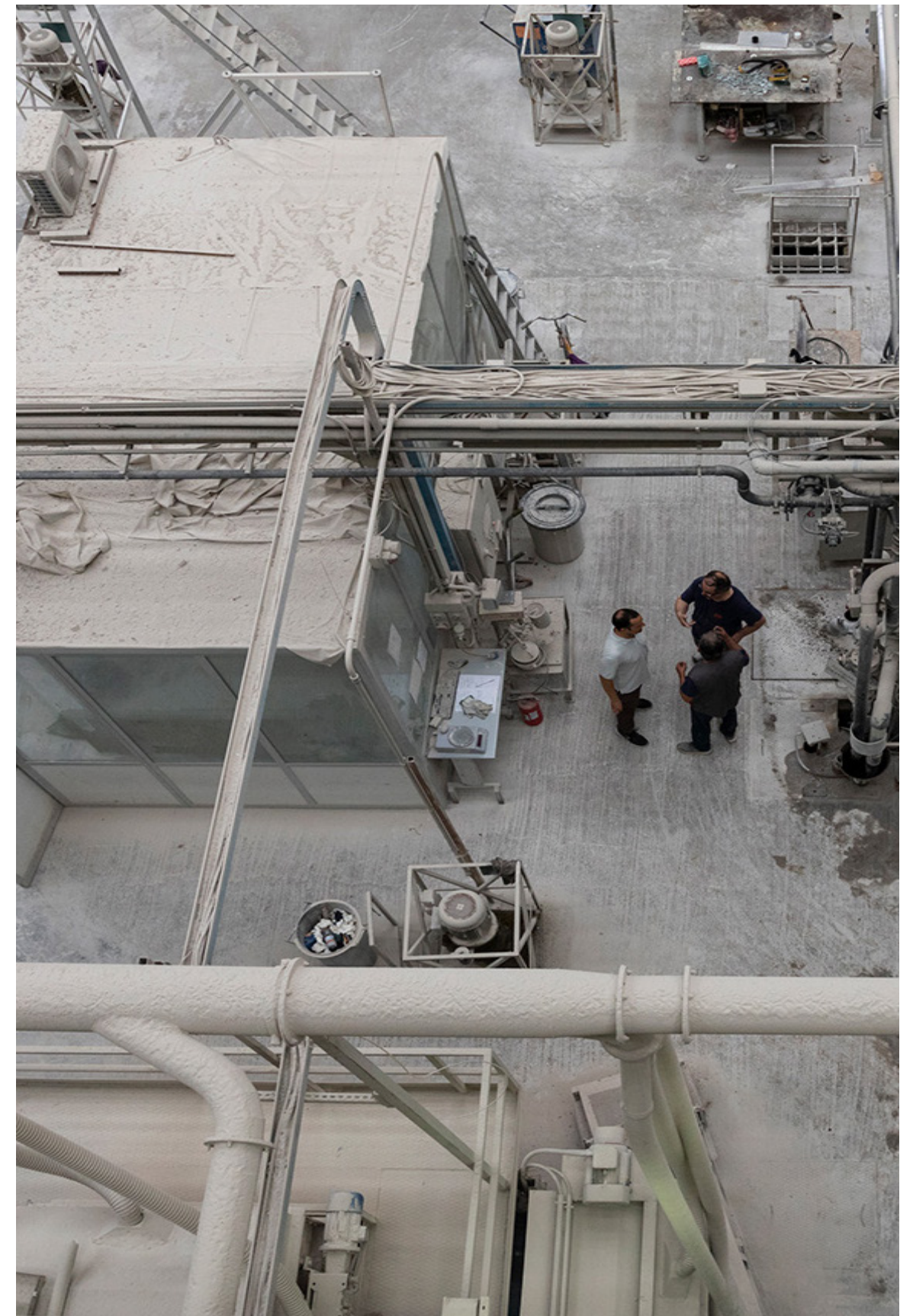
In 2024, an average of 12 training hours per employee was recorded, marking a 50% increase. In total, 24,338 hours of training were delivered—up 145% compared to 2023. This significant growth resulted from several factors: a doubling of hours reported in Italy, where a process to improve training mapping had already started the year before; a notable increase in hours in the U.S. and Portuguese sites; the addition of the German business unit following the acquisition of Panariagroup Deutschland, which further expanded the scope of reporting.

Specialized training programs continued for managers and designers in fast-evolving areas such as digital marketing, social media analysis, and language skills to support expansion in European markets.

Further focus was placed on improving business processes and reducing production defects, as well as on strengthening interpersonal and customer service skills. Awareness on sustainability was reinforced through training sessions linked to the Sustainability Plan and participation in events such as the Landscape Festival. In 2023, a dedicated training program was also held for sales and business development teams, focusing on environmental and process certifications.

In the U.S. business unit, use of the Learning Management System continued in 2024, offering thousands of courses—including on health, wellness, leadership, and customer service—alongside an onboarding program via the Paycor platform. Training needs are reviewed annually to ensure alignment with company priorities.

The German business unit, on the other hand, focuses on collaborations with schools and companies, participates in career fairs for interns, and in 2024 introduced a mentoring system for new hires. It also offers specialized training courses across various fields, with the goal of supporting internal growth and integration.



5.³ Health and safety in the workplace

Panariagroup places great emphasis on employee health and safety, as well as on safety in the design of its products. With regard to products, internal procedures require the request and verification of safety data sheets for each new raw material, ensuring strict control throughout every production phase and preventing risks to workers or negative impacts on the environment.

In terms of occupational health and safety, the Group has adopted an integrated Quality, Environment, Hygiene, and Safety Management System to ensure the protection of its employees. In 2022, the role of Group Health and Safety Manager (RSPP) was introduced, with the aim of standardizing and improving safety practices across all business operations. In Italy, the company has developed a management system compliant with UNI EN ISO 9001, UNI EN ISO 14001, EMAS Regulation, and UNI INAIL Guidelines, aimed at preventing and managing workplace injuries. Measures include injury reduction protocols, detailed incident analyses, regular meetings between the RSPP, safety representatives, and occupational physicians, continuous updates to the Risk Assessment Document, and training and awareness programs for employees.

In Portugal, the Margres, Love Tiles, and Gresart facilities operate under an integrated quality, environment, health, and safety system, certified under ISO 9001, ISO 14001, and EMAS, and based on the principles of ISO 45001. Actions include employee safety representatives, workplace risk assessments, safety improvement programs, health promotion, training, technical consultancy, monitoring of hazards such as noise and crystalline silica, equipment safety checks, technical meetings, preventive gymnastics, and on-site medical services. Supplier safety and social responsibility practices are also monitored. A study was launched to assess corporate safety culture. Additionally, Gres Panaria Portugal has introduced physical and mental well-being initiatives, such as physiotherapy, nutrition, gymnastics, and—since 2023—free psychological support, which continued in 2024. During 2024, three occupational diseases related to musculoskeletal injuries were officially recognized at Gres Panaria Portugal.

In the United States, the Florida Tile business unit applies procedures based on OSHA, NIOSH, and ANSI standards. These include workplace risk analyses, health and safety improvement programs, training courses, medical and nursing services, and regular meetings to share best practices. Employees also have access to a free assistance program for medical and psychological support—even for non-work-related needs—developed during the pandemic to help balance work and personal life. The Safety Team remained active throughout 2024, with monthly meetings that encouraged active employee participation in managing safety practices.

In Germany, safety efforts are supported by ongoing training initiatives and a mentoring system for new hires and interns, designed to ensure rapid and mindful integration.

In 2024, the Group's average injury rate was 30.35 per million hours worked.



5.4

Relationships with local communities

For Panariagroup, sustainability also extends to its relationships with local communities, integrating into its management strategies practices aimed at minimizing the company's economic and social impact. The objective is to adopt responsible behavior at all levels, fostering continuous dialogue with stakeholders, including through EMAS certification processes, which become opportunities for engagement on environmental and social issues. The Group actively contributes to the development of the communities in which it operates through donations, sponsorships, and charitable initiatives. A concrete example is the donation of tiles to local organizations or the sale of discontinued materials at reduced prices, in order to support communities with limited spending capacity. At the international level, in the United States, the Florida Tile business unit collaborates with Operation Compassion to provide reconstruction materials to areas affected by natural disasters. In 2024, 40 truckloads of tiles were delivered to regions devastated by hurricanes. Additionally, employees at the U.S. headquarters participate in volunteer activities with a local nursing home, offering support during holidays and special events. Panariagroup is also actively involved in the world of sports, with a long-standing tradition in cycling and support for local teams, particularly in Portugal, where it sponsors handball, beach volleyball, and basketball teams. The Group also organizes the Douro Gran Fondo, a prestigious non-professional cycling race held annually, and supports the Love Tiles Cycling Team. Internationally, Panariagroup is a partner of the Maratona Dles Dolomites - Enel, an amateur cycling event attracting thousands of participants. In 2024, for the fourth consecutive year, Panariagroup was also an Official Partner of Olimpia Milano, one of the leading teams in Italian basketball. In the cultural field, the Italian business unit participated in the renovation of the Carani Theater in Sassuolo, a landmark of local cultural heritage, which reopened in 2024 after years of closure. Finally, Panariagroup took part in a major solidarity initiative promoted by the Sassuolo Hospital Foundation, donating—alongside other companies in the ceramic sector—one million euros to support the purchase of an advanced diagnostic imaging system for the city's hospital.

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