



SUSTAINABILITY ESG REPORT 2023

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July 2024
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Letter to stakeholders

Dear Stakeholders,

We are honoured and proud to present our Group’s **Sustainability Report** for the second consecutive year. The Report outlines our performance over the past two years and our future commitments in the three ESG sustainability areas: environmental, social and governance.

The brilliant economic and financial results achieved in the 2023 financial year are the result of enormous sacrifices and clearly defined strategies, which enabled La Fenice Ceramiche to consolidate its commercial leadership in various sectors of the ceramics market.

2023 confirmed the retention of very important distribution chains at the European level, partly due to the great attention we pay to quality, strengthening relationships and mutual trust, as evidenced by our certified management system.

In terms of **environmental impact**, ISO 14001 certification has already been obtained, which protects confidence in an organisation’s ability to fulfil its environmental policy and comply with applicable laws to limit pollution and continuously improve its performance. In the meantime, we have also obtained ISO 45001 certification, which protects the health and welfare of the company and workers, while EPD Certification, the **environmental product declaration**, is also coming soon. This is a voluntary certification that highlights product/process/service environmental performance to improve sustainability.

In terms of investments, promises have been kept as La Fenice Group never stops! In December 2024, a new, latest-generation SACMI 8200 press will be installed in order to be able to press much larger sizes such as 120x120 and 80x160, expanding the already wide range of existing sizes and responding to the most up-to-date requirements of the various markets.

The strategies behind these investments will obviously always pay attention to saving energy and reducing emissions into the atmosphere, always in line with EU directives.

La Fenice Group is continuing its commitment to the **local community**! For many years, the Group has been supporting various sports initiatives, such as a major league basketball team and all its associated youth teams, as well as contributions to support hospitals and local public administrations where we operate, for cultural initiatives.

The Group has also just initiated a remote financial support procedure to help the ‘Sognanon’ project to build a school in Benin.

We are motivated to continue towards new development goals with sustainability criteria. **Next year** we will be able to concretely illustrate the further efforts we intend to make.

Zoello Cavazzuti
CEO at La Fenice

2023 highlights

Environment

- Porcelain stoneware production 100% in Italy
- 100% process water recovery in ultrafiltration washing plant
- 100% recovery of raw, cooked, glazed and unglazed waste
- 100% FSC or recycled cardboard boxes
- New sorting line for packaging products
- White certificates for heat recovery
- ISO 140001 certification.

Social

- 98 employees, 31% women 69% men
- 1431 training hours provided (+86% compared to 2022)
- Sponsorship of Pallacanestro Reggiana and other local sports clubs
- Donations to the Municipality of Casalgrande
- €96,700 contributions to the local area.

Governance

- M.Biagi UniMoRe Foundation certification on tenders
- Creation of a multi-stakeholder focus group on ESG issues
- Assessment of the main ESG impacts arising from the company’s activities
- Corporate Code of Ethics
- ISO 9001 Certifications.



La Fenice Group: Commercial and production activities

About us

For 25 years, La Fenice Group has been producing and marketing ceramic surfaces in the heart of the Sassuolo ceramic district, the world's most important centre for creativity, technological innovation and product quality. The Group ranks among the most highly regarded companies in Italy.

Year after year, the Group has grown, acquiring in-depth knowledge of ceramic material and markets, which has enabled it to become a European leader in the large-scale retail sector. In 2023, the Group produced 5.7 million square metres of tiles and sold around 8 million square metres in more than 100 countries worldwide.

The Group's entrepreneurial approach is based on the high technical and aesthetic quality of the products it offers, on rigorous and sustainable production processes, and on the search for technological innovations that enhance the excellence of 100% Italian design.



Our story

1998 → Foundation of La Fenice, a company established to market ceramic products selected by Enrico Guidetti (who still serves as CEO) in the Far East. The excellent quality of these surfaces opens the doors to a number of French, Spanish and Italian showrooms.

2004 → Following a diversification strategy, La Fenice abandons its roots in the East to explore new markets such as Spain and Italy. This period marks an acceleration in the growth of the Group's customer portfolio and expansion.

2005 → La Fenice moves its headquarters from its modest office in Sassuolo to a more spacious and modern facility in Casalgrande covering over 3,500 m², reflecting the Group's ambition.

2013 → La Fenice starts production of its collections at the Fiorano Modenese (Modena) plant, where logistics are also moved. Following extensive restructuring, there is an expansion of the Casalgrande offices, sample department and new showroom.

2018 → The Group acquires and completely renovates the production site in Bondeno (Mantua), opening a state-of-the-art porcelain stoneware production facility in June 2019.

2020 → From January, in-line grinding begins operation, which, with 3.5 million m² per year, places La Fenice among the most significant companies in the ceramics industry. At the same time, the Casalgrande offices and company showroom undergo further expansion, testifying to an ongoing commitment to excellence and customer satisfaction.

2023 → La Fenice celebrates 25 years in business, a historic milestone that confirms the success and unwavering commitment of the people who work at this company.

The Group's guiding values

At La Fenice, every decision, be it production, commercial or management, is guided by a strong set of corporate values. These principles not only define who we are, but also determine how we interact with our stakeholders.

Ceramic tradition

Our extensive knowledge of ceramics enables us to offer a range of innovative solutions for the construction industry, leveraging our accumulated experience to effectively respond to modern challenges.



Teamwork

Through leadership that promotes collaboration, we leverage the skills, talents and creativity of our employees, the architects of our business success.



Quality

It is essential to maintain the highest product and service quality standards in order to retain and increase customer trust and appreciation over the years.



Innovation

Investing in research and technological innovations to raise the quality of our products and reduce environmental impacts.



Democratic design

We are dedicated to creating products that combine aesthetics and functionality, offering flexible solutions that generate authentic tactile and visual sensations, while always remaining accessible to all.



Transparency

We are committed to maintaining an open and honest dialogue with all stakeholders, ensuring transparency in business decisions.



Corporate mission

"To reconcile aesthetics and functionality and to put the most advanced technologies at the service of a sound knowledge of the ceramic material".

We want to build our story on people's skills, talents and creativity. Because this is the only way we know how to return, with our ceramic collections, to people, their practical needs and their taste. This is the goal that has always guided La Fenice's activities.

La Fenice turns 25

2023 was a special year for La Fenice: the company reached a historic milestone, its 25th year in business. To celebrate this prestigious achievement, during Cersaie the owners organised a celebratory party at Palazzo Re Enzo, a distinguished building located in the heart of Bologna's city centre.

The elegant party brought together an impressive gathering of people connected to the world of La Fenice: customers, suppliers, associates and company staff.

The event consolidated the sense of community and the professional network that the company has built up over the years.



Governance

Group composition

La Fenice Group’s structure is centred around the La Fenice holding company based in Casalgrande. The organisation is completed by three subsidiaries: Keritaly, Gres Italia and La Fenice Iberia.

The Group’s production unit is the Keritaly company based in Bondeno di Gonzaga, while the sales company, Gres Italia, is based in Reggio Emilia. The Group also owns a Spanish company, La Fenice Iberia, which, however, is excluded from the scope of the Sustainability Report, which is limited to national borders.



Company structure and organisation

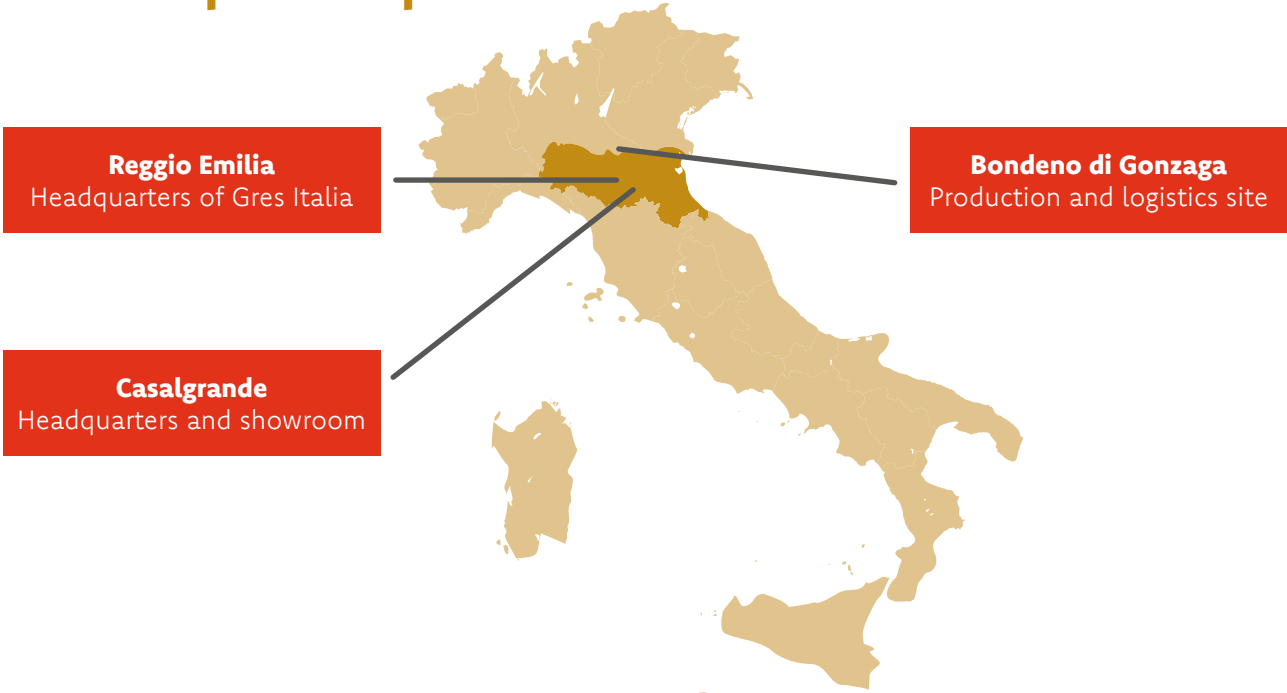
The Board of Directors is the corporate body responsible for overseeing and directing the company’s general activities. The members of this board are elected by the organisation’s shareholders or members and are responsible for making strategic decisions that influence the organisation’s direction and operation.

Within La Fenice, the Board of Directors consists of three people: President Enrico Guidetti, Stefano Mattioli Bertacchini and CEO Zoello Cavazzuti. All Group companies have a board of auditors and are subject to annual audits.

Composition of the Board of Directors (31.12.2023)	Unit of measurement	Men	Women	Total
30-50 years old	no.	1	0	1
Over 50 years old	no.	2	0	2
Total	no.	3	0	3

Corporate structure	Unit of measurement	no. shares held	Share capital %
Enrico Guidetti	n, %	1.875.000	75.00%
Stefano Mattioli Bertacchini	n, %	625.000	25.00%
Total	n, %	2.500.000	100%

The Group’s headquarters



The Group is structured around three sites in Italy: a headquarters that also serves as a showroom, a site for the commercial department, and a production and logistics site.

In 2013, the company showroom was opened inside the Casalgrande headquarters. It was subsequently refurbished in 2020. This space includes a new exhibition area dedicated to the most recent collections. Our showroom is a workshop of ideas

and inspirations, where what is on display is merely the premise for something else that is yet to be created.

The production facility in Bondeno, on the other hand, represents an applied model of Industry 4.0. This plant was designed and built according to the highest standards of safety, competitiveness and environmental awareness.



Code of Ethics

The Group has defined a Code of Ethics that precisely outlines the organisation’s rights, duties and responsibilities towards all parties it deals with, including customers, suppliers, employees, associates, shareholders and institutions. This document is the starting point for all interactions and collaborations, ensuring that the organisation’s work is always aligned with the highest ethical and professional standards.

The document sets out the rules of conduct that must be observed in day-to-day work and which require, first and foremost, compliance with the law. In addition, benchmark ethical ‘standards’ and behavioural norms are indicated to guide corporate decision-making processes.

The Code of Ethics sets out the Group’s core values and principles, such as integrity, loyalty, fairness, commitment against discrimination, respect for the individual and transparency

Management, organisation and control model

La Fenice has implemented a management, organisation and control model in accordance with Legislative Decree 231/2001. This implementation was done to ensure fair and transparent conditions in the conduct of the company’s business and activities.

Model 231 relates to corporate compliance, i.e. how a company must adapt not only to regulations, but also to its social and cultural context, while safeguarding workers’ health and safety. It describes the operational procedures and responsibilities within the organisation and serves as a tool to raise awareness and inform all company employees, including consultants, partners and other stakeholders.

In addition, as of 2023, La Fenice obtained from the Marco Biagi Foundation of UniMoRe the certification on contracts with cooperatives working in the company.

Contract certification is a mechanism introduced into the Italian legal system with the Biagi Reform (Legislative Decree 276/2003). This is a means of ensuring the legal security of contracts through a formal attestation process.

La Fenice achieved this certification in order to increase protection of external workers’ economic rights, prevent legal and administrative litigation, and improve the quality of contracts and corporate organisational models.

Our stakeholders and their involvement

La Fenice places value on regular engagement with its economic, social and institutional stakeholders through open and constructive dialogue in order

to align with market expectations and to improve its products and services and sustainability commitments.



As an innovative element, compared to the previous year, La Fenice carried out a structured process of engagement of the main relevant stakeholders, especially in the process of defining the material topics for the Sustainability Report 2023.

During this process, about 20 stakeholders including employees, customers, suppliers and associations were consulted through an online survey and

about ten key stakeholders during a multi-stakeholder focus group.

This approach has enabled La Fenice to anticipate trends and needs in the sector, always maintaining lasting relationships of trust with its various stakeholders. The main specific engagement methods used for each stakeholder category are highlighted below:

Employees <ul style="list-style-type: none">- Questionnaire on ESG material topics- Focus group on material topics- E-mail communication- Corporate notice board- Corporate events- Refresher courses- Regular meetings	Customers <ul style="list-style-type: none">- Questionnaire on ESG material topics- E-mail and telephone communication- Loyal customers involved in a ‘reward’ trip organised by the company- Corporate website- Trade fair (Cersaie)- On-site audits by customers	Suppliers <ul style="list-style-type: none">- Questionnaire on ESG material topics- Focus group on material topics- E-mail and telephone communication- Events and meetings organised by suppliers
Trade unions <ul style="list-style-type: none">- Meetings on workplace issues	Trade associations <ul style="list-style-type: none">- Member of Confindustria Ceramica- Meetings- Events- Communications and updates by e-mail- Trade fair (Cersaie)	Public administrations <ul style="list-style-type: none">- Authorisations and permits
Schools and universities <ul style="list-style-type: none">- Pathways for young people with traineeships- Collaboration for certification on procurement contracts	Financial world <ul style="list-style-type: none">- In-person and online events organised by banks- Communication by e-mail or telephone	Local community <ul style="list-style-type: none">- Sponsorship of Pallacanestro Reggiana- Sponsorship of ASD San Faustino and Rubierese volley sports clubs- One-off donations to the Municipality of Casalgrande
Media <ul style="list-style-type: none">- Newspaper advertisements	Regulatory bodies <ul style="list-style-type: none">- Audits and periodic checks	

Our products

High-tech ceramic surfaces

La Fenice Group is committed to producing ceramic surfaces that evoke pleasant and authentic visual and tactile sensations. With a distinctly Italian, modern and international style, the Group’s products are always in line with current trends and accessible to all.

All the surfaces that La Fenice produces are the result of a careful investigation into the feelings and sensations evoked by the materials used. Consequently, meticulous attention to every detail of the production chain is crucial, starting with the selection of high-quality raw materials.

La Fenice offers a complete range of products, covering all the technologies currently most in demand on the markets, including single firing in red and white body and glazed fine porcelain stoneware, available in both coloured and full body.

La Fenice devotes significant resources to research and development of its products and innovation of the technologies used. The Group recognises the importance of offering innovative solutions in an ever-changing market, and is distinguished by its quality, style and sustainability, elements that it has effectively integrated into its product range.

The research projects carried out by La Fenice are as follows:

Reactive 3D EVO

A cutting-edge technology that combines La Fenice’s strong ceramic expertise with advanced decorative techniques. REACTIVE 3D EVO, through the combined action of two digital decorating machines, enriches the surface with three-dimensional effects that are extraordinarily similar to the original materials and uses eco-friendly water-based glazes.

Quantity of tiles produced	Unit of measurement	2022	2023
Surface of tiles produced	m²	6.333.270	5.715.271
Weight of tiles produced	t	117.811	106.299

Satin Safe in&out

A new finish that is ideal for indoor and outdoor applications and soft to the touch despite its high slip resistance. Satin&Safe technology maximises aesthetic continuity between indoor and outdoor floors with a single surface that is always safe, even when wet.

The company has also conducted further research into the use of new micro-grits for grip products. This innovation achieved both an aesthetic improvement of the surfaces and a reduction in the use of additives in the formulations for this class of products.

The company also worked on the study of new surfaces made of raw materials without glaze, or with very small quantities, for a limited number of products. This innovation not only reduces raw material consumption but also eliminates or reduces the activity of grinding glazes, leading to significant energy savings. This activity will continue in 2024 with research and production of new series.

Finally, a new digital application for using glue and grit to achieve new three-dimensional aesthetic effects is planned for 2024. For the development of this project, a partnership was set up with a major glue supplier in the industry to collaborate on the development and in-line application of a new glue with a low environmental impact, particularly with regard to the release of VOCs (volatile organic compounds) during firing.

Aesthetic research and design

Through a wide range of cutting-edge products designed as flexible and innovative solutions, La Fenice showcases its style, quality and ceramic tradition.

The products’ design and aesthetics are the result of extensive research into evolving aesthetic trends and market demands. These analyses are promptly interpreted by La Fenice professionals, who translate them into a distinctive yet accessible style.

Through innovative ceramic technologies, La Fenice offers all the most popular effects, from wood to metal, stone and concrete.

The wide variety of sizes, decorative kits and finishes dedicated to outdoor flooring enrich and add versatility to the company’s collections.



Sustainability at La Fenice

Certifications



La Fenice has several voluntary product and process certifications with quality criteria. These certifications were achieved to communicate the company’s commitment to reducing the environmental and social impacts of its activities, while maintaining the highest quality of the end product.

La Fenice currently has two process certifications, namely Quality Management System certification and Environmental Management System certification.



La Fenice is also working on obtaining ISO 45001 certification for its Occupational Health and Safety Management system. The Group’s goal is to achieve this certification in the first half of 2024.

Always working with a view to continuous improvement, in 2023 La Fenice embarked on a challenging journey to obtain EPD certification on a product line. A company-specific EPD is planned to be produced and published in 2024.

Process certifications

Certification	Description
	La Fenice uses a certified environmental management system. Its application enables a systematic and documented approach to environmental aspects aimed at protecting the environment and pursuing continuous performance improvement.
	La Fenice uses a quality management system to improve the control of its products and services in compliance with current regulations and internal specifications in order to meet the needs and expectations of its customers and all stakeholders.

Product certifications

	UPEC certification The tests to which the tiles are subjected at the “Centre Scientifique du Bâtiment (CSTB)”, according to current ISO standards, are aimed at establishing the products’ resistance and performance with respect to four basic parameters: resistance to wear (U), perforation (P), water (E) and chemical aggression (C).
	EPD Italy (EPD industry average) As a member company of Confindustria Ceramica, La Fenice has an EPD study at its disposal carried out by Confindustria Ceramica. This study involved a large part of the Italian ceramic industry in the data collection and subsequent development of the average EPD for the sector.

Sustainability material topics

The sustainability material topics indicate the scope of relevance for the company in terms of economic, social and environmental impacts and related opportunities for change. The company is committed to these issues with the aim of improving its sustainability profile.

In order to gain a comprehensive view of potential areas in which to concentrate efforts and resources,

the Group’s management identified significant thematic areas as impacts to reduce and as new opportunities for improvement.

The following list of topics was submitted to internal and external stakeholders for evaluation in order to better guide their choices and strategic goals in the area of ESG (environment, society and governance).

Material topic	Management method	Scope
Energy efficiency and reduction of climate-changing emissions	<ul style="list-style-type: none">- White certificates of 3 types related to heat recovery on kilns, from kilns to dryers, on flue gas exchangers.- Three-year energy audit.- Continuous survey of energy consumption department by department.- LED lighting fixtures.	La Fenice Group
Procurement policies with environmental and social criteria	<ul style="list-style-type: none">- Packaging made of FSC-certified cardboard and recycled paper.- Plastic film packaging with recycled %.- Recycled paper in offices.	La Fenice Group and suppliers
Sustainable research and innovation	<ul style="list-style-type: none">- Research for use of new micro-grits for grip products.- Research with supplier on a new engobe/glaze package with reduced raw material consumption and elimination of the use of zirconium.- Research into new surfaces made from raw materials without glaze, or with reduced amounts of glaze, on a limited range of products.- Research into new materials and technical solutions to reduce VOC emissions during firing.	La Fenice Group
Circularity and efficiency in resource use	<ul style="list-style-type: none">- Recycling in offices.- Sort samples of tiles, wood, plastic, paper, and toner.- Ultra-filtration plant that allows significantly higher recovery of wash water.- Recovery of raw, cooked, glazed and unglazed waste.- Recovered waste oils.	La Fenice Group
Company benefits and work-life balance	<ul style="list-style-type: none">- Financial support from the company to employees in special situations.- Fuel vouchers.- Distribution of free tickets for employees for basketball games.- Agreements with canteens.- Break area.- Insurance for all employees in the event of Covid hospitalisation- End-of-year spot award.- Half-yearly dinners with all employees.	La Fenice Group employees
Employee health and safety	<ul style="list-style-type: none">- Agreement with Unisalute for employees.- Regular medical examinations.- Ergonomic structures.- Compliance with the requirements of Legislative Decree 81/2008.- All plants have earthquake-proof criteria.	La Fenice Group employees
Diversity and equal opportunities	<ul style="list-style-type: none">- Corporate Code of Ethics.- Whistleblowing procedure.	La Fenice Group employees
Growth and training	<ul style="list-style-type: none">- Courses for the use of forklifts and platforms by operators.- Regular refresher courses.- Courses in first aid, firefighting, and safety.- Courses for new employees on the use of business software.	La Fenice Group employees
Involvement and support of local communities	<ul style="list-style-type: none">- Sponsorships to sports clubs.- One-off donations.	La Fenice Group and community stakeholders

Economic and financial performance	<ul style="list-style-type: none">- Financial statements.- Monthly report.- Monthly financial situation (financial commitments of the following month).	La Fenice Group
Business ethics and integrity	<ul style="list-style-type: none">- Code of Ethics.- Organisation, Management and Control Model 231.	La Fenice Group
Business continuity	<ul style="list-style-type: none">- Organisation, Management and Control Model 231 – Risk Assessment.- Management control over emergency situations.- Context analysis to prevent emergencies.	La Fenice Group
Customer satisfaction	<ul style="list-style-type: none">- Direct contact with sales staff.- Visits to customers to maintain and monitor relationships.- Complaint handling, on-site dispute verification, customer support for issues.	La Fenice Group and customers

Materiality analysis

Materiality analysis is a process aimed at identifying priority themed areas for action cross-referenced with those deemed most relevant to external stakeholders. The intersection of these opinions determines, within the materiality matrix, the main topics on which the company should focus its sustainability efforts.

La Fenice Group’s 2023 materiality analysis differs from last year’s because, in order to make the


analysis more comprehensive, an assessment of the main ESG impacts arising from the company’s activities was introduced. This new internal company analysis, required by the GRI Standards, made it possible to assess material topics on the basis of their actual and potential associated impacts.

Below is the complete list of impacts identified through the assessment process, related to the material topics for La Fenice.




Material topic	Positive or negative aspect	Impact description	Actual or potential
Energy efficiency and reduction	+	Climate change mitigation	Actual
	-	Greenhouse gas contribution to climate change	Actual
Procurement policies with environmental and social criteria	+	Social protection of operators and reduced environmental impact along the supply chain	Potential
	-	Dependence on suppliers who may be involved in unethical or unsustainable practices	Actual
Sustainable research and innovation	+	Producing new, more sustainable types of products	Actual
	-	Not meeting customers’ expectations due to products that are not very innovative or sustainable	Actual
Circularity and efficiency in resource use	+	Lower consumption of virgin resources and water	Actual
	-	Increased waste and wastewater	Potential
Company benefits and work-life balance	+	Promoting integrated employee well-being and increasing employee satisfaction	Actual
	-	Employees feel stressed and dissatisfied because their needs are not listened to	Potential
Employee health and safety	+	Prevention of injury and illness	Actual
	-	Increase in workplace injuries	Potential
Diversity and equal opportunities	+	Creating an inclusive corporate culture that respects diversity	Actual
	-	Discrimination in the workplace	Potential
Growth and training	+	Contribution to the social and cultural development of the local community	Actual
	-	Disconnection between the company and the local area’s social and cultural needs	Potential
Involvement and support of local communities	+	Contribution to the social and cultural development of the local community	Actual
	-	Disconnection between the company and the local area’s social and cultural needs	Potential
Economic and financial performance	+	New management and production/technological innovation solutions	Actual
	-	Low investment in business development and common benefit	Potential
Business ethics and integrity	+	Strengthening transparency and respect with customers and suppliers	Actual
	-	Loss of credibility with stakeholders	Potential
Business continuity	+	Responding to emergencies and protecting employment	Actual
	-	Significant interruptions or losses due to unforeseen events	Potential
Customer satisfaction	+	Improving reputation and customer loyalty	Actual
	-	Loss of customers due to quality or service problems	Potential


Overall, the materiality analysis was carried out in the following stages:

- 


Identification of the various material topics

Identification of potentially relevant sustainability issues in the context of the company for scrutiny by internal and external stakeholders.
- 

Assessment of impacts

The assessment initially involved the identification of the company’s positive and negative ESG impacts, then actual and potential impacts were classified and assessed on the basis of their relevance (severity and likelihood), and finally, material topics were prioritised on the basis of the relevance of their associated impacts.
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Stakeholder consultation

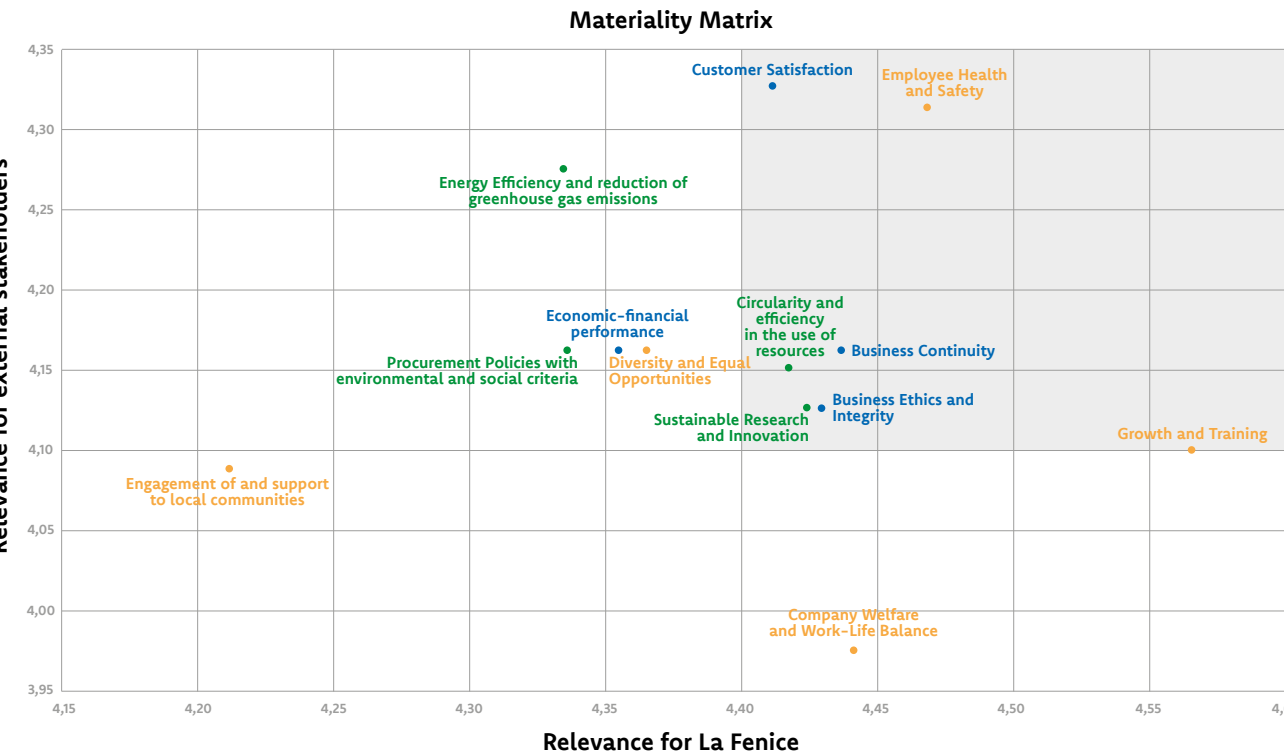
Survey of topics which, according to the assessment of internal and external stakeholders, emerge as priorities for La Fenice. In addition to the internal impact assessment, an online questionnaire was prepared for all Group employees and managers. The external stakeholder survey was conducted through a qualitative multi-stakeholder focus group.
- 

Materiality matrix

Elaboration of the output of the process showing in graphic form how material topics are positioned in relation to their relevance to internal and external stakeholders.

Analysis of the results shows that external stakeholders attach greater importance to the topics of customer satisfaction, employee health and safety, and energy efficiency and reduction of greenhouse gas emissions.

Looking at the company’s internal perspective, on the other hand, we find as priority topics employee growth and training, business continuity, company benefits and, in accordance with the preferences of external stakeholders, the topic of employee health and safety.



Our commitment to the 17 Global Goals

La Fenice Group’s activities indirectly contribute to the Sustainable Development Goals (SDGs) promoted by the UN. The following table is a summary of the actions that the Group set out to achieve in 2023, showing the relative status of implementation. Finally, these actions are then linked to the respective SDGs to which they contribute.

ESG area	What we planned for 2023	State of implementation	UN SDGs
Environment	- Launch of the Transition 5.0 plan (strategies for a more sustainable and technologically advanced industrial phase): Implementation of a photovoltaic system	Study and design phase completed Implementation under evaluation	7 ENERGIA PULITA E ACCESSIBILE
	- Installation of more insulated windows in changing rooms	Not implemented	
	- Research into new materials, processes and technologies to reduce VOC emissions during firing.	Ongoing	9 IMPRESE, INNOVAZIONE, INFRASTRUTTURE
	- Obtaining EPD certifications on average plant production (sizes with a thickness of 9)	Ongoing	12 CONSUMO E PRODUZIONE RESPONSABILI
	- Carbon footprint study for a product line that will become carbon neutral	Under evaluation	
	- Hire of 2 electric forklift models with higher performance	Achieved	
Social	- Review of employee remuneration through vouchers and bonuses	Ongoing	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
	- Obtain ISO 45001 certification for the Occupational Health and Safety Management system	Ongoing	
	- Hire of forklift models that are more comfortable for operators	Achieved	
	- M.Biagi Foundation of UniMoRe certification on contracts with cooperatives working in the company for the protection of external workers’ economic rights	Achieved	11 CITTÀ E COMUNITÀ SOSTENIBILI
	- Continue ongoing sponsorships	Achieved	
	- Initiate new collaborations with other stakeholders in the area with the aim of social quality	Under evaluation	
Governance	- Event for Cersaie 2023 open to all employees to celebrate the company’s 25th anniversary	Achieved	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
	- Launch of the Transition 5.0 plan (strategies for a more sustainable and technologically advanced industrial phase): Introduction of a new production line	Under evaluation / elaboration	12 CONSUMO E PRODUZIONE RESPONSABILI
	- Implementation of a multi-stakeholder focus group to explore the views of various stakeholders on EGS topics relevant for the company	Achieved	17 PARTNERSHIP PER GLI OBIETTIVI

Economic responsibility

La Fenice Group’s business strategy aims to achieve the highest product quality standards to meet the various needs of its customers and the ever-changing market.

To this end, it invests significant resources in research and development to anticipate trends and effectively respond to new aesthetic requirements and versatile applications of ceramic surfaces.

Economic results 2023

In 2023, the Italian ceramics industry faced a set-back compared to the previous year, with a general decline in production volumes, sales and exports. This decline was evident at a global level, particularly affecting the markets of Western Europe and North America. Falling demand posed a significant challenge to the industry, exposing it to increased competitive pressures.

The 2023 financial year for La Fenice Group, despite the many difficulties encountered, should be regarded as positive. Although there was a 9.7% decrease in total turnover, the Group’s net result was up and extremely positive, amounting to €5,563,931. The new plant ensured that the Group’s sales companies (which broker over 8 million square

metres) covered more than 60% of the total tile supply. This investment has enabled the Group to maintain stability and open up a new path for the future.

In this general scenario, marked by considerable aspects of uncertainty, the Group is committed to innovating its strategies to adapt to a rapidly evolving market, with the aim of affirming La Fenice Group as an increasingly important and significant Italian player on the world ceramic scene.

Basic economic and financial indicators	Unit of measurement	2022	2023
Net sales revenue	€	75.930.202	68.561.496
Gross operating margin (EBITDA)	€	13.248.139	10.965.015
Net operating margin (EBIT)	€	9.268.020	6.858.657
Net financial expenses	€	762.489	1.271.398
Profit before tax	€	4.962.094	5.934.098
Net result	€	4.872.963	5.563.931
Net financial debt	€	56.749.364	45.582.934
Net assets	€	18.829.230	22.410.501

Target markets

La Fenice’s target market is the large-scale retail trade (*Grande Distribuzione Organizzata*, GDO) as, over the years, La Fenice has established itself as the European leader in this segment. Leading international chains such as Leroy Merlin and Bricoman have chosen La Fenice as a trusted partner for its reliability and quality.

In terms of geographical distribution, the most relevant markets for La Fenice are France and Italy. In these countries, the company works with both large-scale retailers and traditional retailers. These are followed by the United States, Germany, Spain, Switzerland, the Netherlands, Belgium and the Scandinavian countries. The Group’s business relations expanded further, also reaching customers in the East.

Customers

La Fenice has an efficient logistics network that offers its customers a ‘just in time’ supply service, relieving them of the burden of warehousing and guaranteeing them a serious, efficient and timely relationship based on accurate service and a specialised offer.

Constant improvement of its services and assessment of customer satisfaction are guiding criteria applied by means of constant contact with its cus-

tomers through its sales staff and representatives.

To ensure maximum transparency, La Fenice undergoes periodic on-site audits by customers, who can verify that the highest standards of product quality and process management are being met.

Any complaint is handled in a timely manner through on-site verification of the complaint and by providing dedicated customer support.

Type of customers

Types of customers	Unit of measurement	2022	2023
Retailers	no.	2.209	2.186
Construction companies	no.	28	26
Large-scale distribution	no.	14	15
Total	no.	2.251	2.227

Geographical distribution of customers

Geographical area	2022		2023	
	number of customers [no.]	Revenues [€]	number of customers [no.]	Revenues [€]
Italy	1.518	35.415.120	1.493	31.393.824
Foreign	820	40.515.082	810	37.167.672
Total	2.338	75.930.202	2.303	68.561.496



Creation and distribution of added value

Added value represents a company’s ability to create wealth and highlights the economic impact generated towards the company’s various stake-holders, including shareholders, public authorities, suppliers and the local community.

Determination of Generated Added Value Table	Unit of measurement	2022 (IFRS)	2023 (IFRS)
A. Production value	€	79.417.422,00	71.742.350,00
Revenues from sales and services	€	75.930.202,00	68.561.496,00
Changes in inventories	€	-46.785,00	-114.720,00
Other revenues and income	€	3.534.005,00	3.295.574,00
B. Costs	€	-73.744.282,00	-64.880.423,00
Costs for raw materials, consumables and goods	€	-40.699.735,00	-33.879.712,00
Costs for services	€	-18.902.862,00	-22.861.718,00
Provisions for risks	€	-72.579,00	0,00
Value adjustments on tangible and intangible assets and trade receivables	€	-3.031.513,00	7.094.390,00
Other operating costs	€	-11.037.593,00	-15.233.383,00
C. Income net of bank charges	€	-711.046,00	-927.828,00
Financial income	€	9.698,00	389.408,00
Bank charges	€	-720.744,00	-1.317.236,00
OVERALL GROSS ADDED VALUE (A+B+C)	€	4.962.094,00	5.934.099,00

Added Value Distribution Table	Unit of measurement	2022 (IFRS)	2023 (IFRS)
A. Staff remuneration	€	-6.566.686,00	-6.727.252,00
Staff costs	€	-6.566.686,00	-6.727.252,00
B. Remuneration of public administration	€	-89.131,00	-370.168,00
Current, deferred, and prepaid income taxes for the year	€	-89.131,00	-370.168,00
C. Remuneration of loan capital	€	10.824.867,00	11.670.646,00
Short- and medium-term capital charges	€	10.824.867,00	11.670.646,00
D. Remuneration of risk capital	€	0	0
E. Remuneration of the company	€	892.844,00	1.457.573,00
Profit for the year allocated to reserves	€	4.872.963,00	5.563.931,00
Depreciation	€	-3.980.119,00	-4.106.358,00
F. Remuneration of the community	€	-99.800,00	-96.700,00
Membership fees	€	-99.800,00	-96.700,00
Donations and gifts	€	0	0
OVERALL GROSS ADDED VALUE (A+B+C+D+E+F)	€	4.962.094,00	5.934.099,00

Environmental responsibility commitments

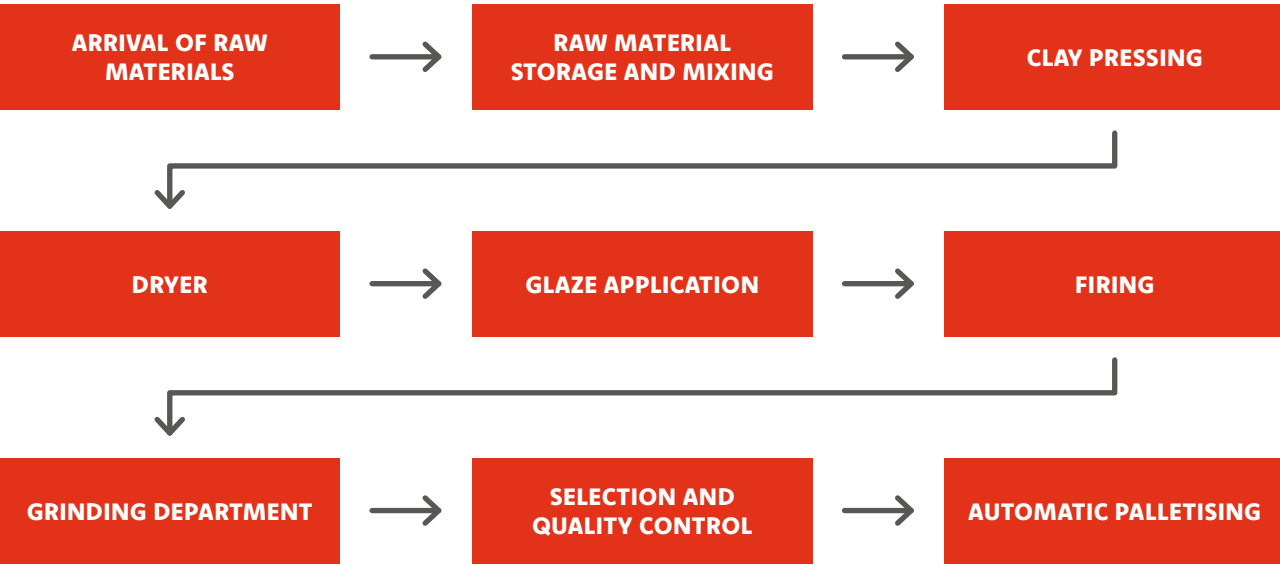
Although the ceramics industry uses durable, all-natural raw materials such as clays, sands, feldspars and kaolins, it also has significant impacts on the environment, in particular high energy consumption in its production processes. However, the most innovative companies in the industry have made huge investments in state-of-the-art facilities and procedures to minimise the environmental impact of their processes.

Among these companies is La Fenice, which by building its Bondeno (Mantua) factory from scratch was able to model its production process on environmental sustainability and circularity criteria, such as the control and reduction of atmospheric emissions, the installation of energy-efficient systems, the complete recycling of production waste and the innovative water treatment plant.

Production cycle

La Fenice’s production plant is a concrete example of the implementation of Industry 4.0 principles. Opened in June 2019, this production plant was built from scratch by transforming a disused area located near the Brenner motorway with an investment of more than €40 million.

The plant was designed and built according to stringent safety, competitiveness and environmental criteria. It has three production lines with state-of-the-art digital decorating machines, two kilns, and a grinding and surface brushing facility. The production steps that take place within the plant are shown below:



Raw materials and supply chain

La Fenice carefully selects its suppliers, prioritising quality and reliability criteria in order to establish strong and mutually beneficial business relationships with the partners that contribute to its value chain.

Most suppliers are located nationally and locally (within a distance of 100 km), so that purchases from local sources account for more than 80% of the total, while those from national sources are

close to 90%. This is made possible by the fact that processing in the company starts from the atomised material produced by Ceramiche Castelvetro. Packaging material and stationery are also provided by local companies.

Part of the foreign purchases relate to types of tiles that are not produced in-house but are nevertheless marketed by the company, such as wall tiles purchased in Spain and polished tiles from India.

Suppliers	Unit of measurement	2022	2023
Suppliers	no.	1.453	1.443
Suppliers based in the country where the ordering branch works	no.	794	787
Local suppliers (max. 100 km away)	no.	77	75
Share of national suppliers	%	54,6%	54,54%
Share of local suppliers	%	5,3%	5,2%
Order value	€	59.602.597	58.596.987
Order value of suppliers based in the country where the ordering branch works	€	52.143.690	51.036.742
Order value of local suppliers (max. 100 km away)	€	48.225.654	47.013.987
National order share	%	87,5%	87,10%
Local order share	%	80,9%	80,2%

Raw materials for production	Unit of measurement	2022			2023		
		total	quantity from waste recovery	% from recycled material	total	quantity from waste recovery	% from recycled material
Glazes and dyes	kg	3.168.329	0	0%	2.977.043	0	0%
Atomised material	kg	136.263.000	11.582.000	8,50%	124.237.920	6.833.086	5,50%
Additives	kg	118.930	0	0%	101.771	0	0%
Total	kg	139.550.259	11.582.000	8,30%	127.316.734	6.833.086	5,37%

Office materials	Unit of measurement	2022	2023
Paper (e.g. packaging, water bottles)	kg	2.962	152
Total	kg	2.962	152



Energy efficiency

La Fenice has organised effective energy management, equipping itself with the most advanced technologies to minimise its consumption. Moreover, constant monitoring and an energy diagnosis is carried out every three years to maintain efficiency.

Several state-of-the-art, energy-efficient solutions have been introduced at the Bondeno plant. This plant is equipped with LED technology lighting and energy-efficient IE3 and IE4 class electric motors.

There are two latest-generation kilns with consumption reduced by 20% compared to the average in the ceramic industry, which produce heat that is recovered in various ways. The heat generated during the firing cycle is recovered by sending the cooling air to the horizontal dryers and using it in the burners as preheated combustion air, which results in considerable energy savings.

In addition, air-to-air heat exchangers, installed before the environmental protection systems, heat the glazing department and part of the sorting department. These systems have been recognised and rewarded with white energy certificates by the competent bodies.

In 2023, there was an overall reduction in total energy consumption. Specifically: natural gas consumption, diesel consumption and purchase of electricity from the grid.

The main reason for these decreases is the fact that the square metre surface area of produced tiles dropped by 9% in 2023. Restating the data in relation to square metres of tiles produced, compared to 2022, it emerges that: natural gas consumption has increased by 2.5%, diesel consumption has decreased by 1.3% and finally electricity purchase from the grid is up 4.4%.

Energy sources	Unit of measurement	2022	2023
Natural gas	mc	8.561.759	7.887.031
Diesel for various uses (excluding fleet)	litres	70.344	64.204
Diesel for vehicle fleet	litres	83.625	72.894
Petrol for vehicle fleet	litres	0	1.594
Electricity from the grid	kWh	14.498.187	13.449.427

Energy sources	Unit of measurement	2022	2023
Natural gas	GJ	302.230	279.990
Diesel (total)	GJ	5.496	4.494
Petrol for vehicle fleet	GJ	0	51
Electricity from the grid	GJ	52.193	48.418
Total	GJ	359.920	333.353
Energy intensity	GJ/m2	0,057	0,058



Decarbonisation

The necessary path to climate neutrality starts with awareness of the current level of emissions and the implementation of effective actions to reduce them.

For some years now, La Fenice has been working on this process through calculation of the organisation’s carbon footprint, a management tool that permits reporting on the company’s greenhouse gas emissions.

The carbon footprint results are presented below, categorised according to the GHG Protocol, the most widely used international calculation standard.

The *Scope 1* category reports the company’s direct emissions from the combustion of natural gas and the company’s vehicle fleet, in this case included

despite the fact that it is predominantly made up of rental cars.

The *Scope 2* category, on the other hand, includes all indirect emissions related to the supply of electricity from the grid.

Overall, the company’s total carbon footprint values decreased slightly in 2023 compared to the previous year as an absolute value. However, if CO2 emissions are compared to the square metres of tiles produced, an increase emerges.

The company’s overall goal is to increasingly reduce emissions, which is why it has embarked on a challenging journey to obtain EPD Certification on a product line to quantify the environmental impacts of products throughout their life cycle in order to act accordingly to reduce them.

Climate-changing emissions	Unit of measurement	2022	2023
Direct (Scope 1)*	tCO2eq/year	17.715	16.457
Indirect (Scope 2)	tCO2eq/year	3.745	4.155
Totals (Scope 1 and 2)	tCO2eq/year	21.460	20.611
Organisation’s carbon intensity	tCO2eq/m2	0,0034	0,0036

*Direct emissions also include the vehicle fleet, although this mainly consists of rented cars and forklifts

Other atmospheric emissions

At the La Fenice plant, continuous monitoring ensures the effectiveness of the environmental protection systems. This system allows real-time detection of atmospheric emissions. The plants

include state-of-the-art filters and purification systems that comply with strict European environmental regulations (European best practices).

Type of emissions	Unit of measurement	2022	2023
NOx	kg/year	17.955	13.834
VOC	kg/year	3.129	3.670
Particulate matter (PM)	kg/year	3.427	3.258
Lead	kg/year	28	26
Fluorine	kg/year	425	200



Recovery and recycling, Resource circulation

In line with a circular economy approach, 100% of raw production waste is reintegrated into the production cycle. The waste generated before the firing stage, together with sludge from wastewater treatment, is returned to the atomised material suppliers, who recycle it completely in the production process of raw materials for the company.

In addition to raw and cooked waste, many other types of waste such as paper, plastic, wood, waste oil and all ordinary waste are also separated within the company itself. In addition, separate waste collection is carried out in the offices. One certainly positive fact testifying to La Fenice’s commitment is that overall 99% of the waste generated is sent for recovery.

Quantity of products recovered/regenerated post-production	Unit of measurement	2022	2023
Products recovered/regenerated post-production	kg	3.695.810	4.953.280

Quantity of waste produced by type	Unit of measurement	2022		2023	
		Total	of which hazardous	Totale	of which hazardous
Plastic	kg	44.370	0	33.660	0
Wood	kg	36.940	0	48.840	0
Paper	kg	36.320	0	36.560	0
Mixed packaging	kg	71.040	0	72.330	0
Hazardous packaging	kg	184	184	0	0
Oils and oil filters	kg	639	639	610	0
Hazardous filter materials	kg	2.669	2.669	258	0
Non-hazardous filter materials	kg	720	0	840	0
Iron and steel	kg	16.180	0	14.060	0
Hazardous insulation materials	kg	210	210	110	110
Non-hazardous insulation materials	kg	27.580	0	50.400	0
Building materials	kg	0	0	0	0
Production waste (aqueous sludge)	kg	4.357.000	0	3.488.450	0
Production waste (dust)	kg	1.628.540	0	1.797.100	0
Production waste (raw waste)	kg	4.851.940	0	4.480.090	0
Production waste (spent lime)	kg	85.740	85.740	93.190	93.190
Production waste (cooked waste)	kg	3.695.810	0	4.953.280	0
Total	kg	14.855.882	89.442	15.069.778	94.168

	Unit of measurement	2022	2023
Percentage of hazardous waste in total	%	0,60%	0,63%

	Unit of measurement	2022	2023
Total non-hazardous waste	kg	14.766.440	14.975.610
Total hazardous waste	kg	89.442	94.168
Total waste on total m² of product	kg/m²	2,345	2,636
Total non-hazardous waste on total kg of product	kg/m²	2,331	2,620
Total hazardous waste on total m² of product	kg/m²	0,0141	0,0164

Disposal method	Unit of measurement	2022			2023		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recovery	kg	3.492	14.765.720	14.769.212	868	14.974.770	14.975.638
Landfill disposal	kg	85.950	720	86.670	93.300	840	94.140
Total	kg	89.442	14.766.440	14.855.882	94.168	14.975.610	15.069.778

La Fenice attaches great importance to circular management of packaging. Recycled and recyclable materials are used in all La Fenice packaging. The paper used, which includes trays, die-cut paper and sheets, and the plastic, which includes shrink film and strapping, are derived entirely from recycled raw materials and are designed to be recycled by the end consumer.

Also in 2023, in line with the previous year, 100% of the paper and cardboard in La Fenice’s packaging features a certified mix of Forest Stewardship Council (FSC) and FSC recycled paper. This means that they contain recycled pulp or are sourced from responsibly managed forests in accordance with the FSC Standards.

Another material that is used for product packaging is recycled polyethylene shrink film. However, the percentage of recycled material is not specified, as it may vary according to availability at the time.

As a new element, from 2023 La Fenice will have a new sorting line for the automatic packaging of its products using cartons. This new technology has been introduced to achieve energy and raw material savings. It enables the efficient use of cardboard for packaging, reducing cardboard consumption and waste.

Packaging	Unit of measurement	2022			2022		
		total	of which green	% green	total	of which green	% green
Wood	kg	4.173.573	0	N.A.	2.433.702	0	N.A.
Plastic (shrink film)	kg	354.423	0	N.A.	202.711	0	N.A.
Cardboard	kg	1.468.000	1.468.000	100%	1.191.936	1.191.936	100%



Water recovery

All the wastewater generated by washing plants is diverted to an innovative microfiltration plant, the first of its kind in the ceramic district. Through an initial natural, chemical-free sedimentation process, the water is micro-filtered by a special membrane that retains any solid particles down to the size of 1 micrometre.

This process allows 100% recovery of process water. Indeed, the resulting water is perfectly clear and can be reused numerous times. Compared to the old chemical and physical plants, this process avoids the consumption of 15,000 m³ of water.

The only discharge of water from the production plant concerns the toilets and is directed to a sump intended for sub-irrigation. Since there is no direct meter installed on the drain, the quantity of water discharged is calculated by aggregating the data from two separate meters measuring the water withdrawal for the toilets.

Water withdrawals by source	Unit of measurement	2022	2023
Groundwater	mc	9.090	7.887
Water supplied by public aqueducts*	mc	193	211
Total	mc	9.283	8.098

*Withdrawal for civil use at La Fenice

Water discharges	Unit of measurement	2022	2023
Groundwater	mc	1.908	2.045
Public sewerage*	mc	193	211
Total	mc	2.101	2.256
Water consumption	mc	7.182	5.842
Wastewater treated and reused in the production process	%	100	100

*Discharge for civil use at La Fenice



Social responsibility profile

A company embarking on a path of sustainability, in addition to economic and environmental aspects, must necessarily also include social responsibility impacts.

On the one hand, care and attention for the well-being and development of its employees, and on the other hand, commitment to the community and the area in which it operates.

People have always been the most indispensable and important resource at La Fenice.

The Group strives to sustain a collaborative working environment with safety, well-being and continuous training as pillars for staff who enrich the organisation with their skills and creativity.

At the same time, La Fenice actively takes part in initiatives aimed at generating social and cultural improvement in the local context in which it is rooted, offering support to sports associations and voluntary organisations.

Employee support

There is a friendly and relaxed atmosphere at La Fenice Group. Open and regular communication between employees, management and company leadership fosters the creation of strong and even personal bonds between colleagues.

As of the end of 2023, the Group has 98 employees, 31% of whom are women, a significant percentage for a company operating in the ceramic industry. The majority of employees, over 85%, benefit from

permanent contracts, while 99% work full-time, demonstrating the company's commitment to stable employment. There are also about twenty temporary workers.

The company also maintains excellent relations with trade unions, mainly due to favourable wage conditions, which also apply to temporary workers.

Age group	Unit of measurement	2022			2023		
		Men	Women	Total	Men	Women	Total
Under 30	no.	15	8	23	15	9	24
30 to 39	no.	9	0	9	9	3	12
40 to 49	no.	18	7	25	11	8	19
50 and over 50	no.	26	11	37	32	11	43
Total	no.	68	26	94	67	31	98

Position	Unit of measurement	2022			2023		
		Men	Women	Total	Men	Women	Total
Executives	no.	2	0	2	2	0	2
Middle managers	no.	1	0	1	0	0	0
Office workers	no.	19	24	43	19	26	45
Manual workers	no.	46	2	48	46	5	51
Total	no.	68	26	94	67	31	98

Contract	Unit of measurement	2022			2023		
		Men	Women	Total	Men	Women	Total
Permanent	no.	63	20	83	61	23	84
Fixed-term	no.	0	0	0	0	2	2
Apprenticeship	no.	5	6	11	6	6	12
Atypical (staff leasing, project, internship)	no.	25	5	30	17	3	20
Total	no.	93	31	124	84	34	118
Full-Time	no.	95	33	128	84	33	117
Part-Time	no.	0	1	1	0	1	1
Total	no.	95	34	129	84	34	118

Education level	Unit of measurement	2022			2023		
		Men	Women	Total	Men	Women	Total
University degree	no.	0	6	6	1	6	7
Secondary school diploma	no.	33	17	50	31	20	51
Primary school/middle school	no.	35	3	38	35	5	40
Total	no.	68	26	94	67	31	98

Company benefits

La Fenice pays attention to its employees' well-being and work-life balance, which is why several corporate welfare initiatives were implemented in 2023.

The company is committed to actively listening to the needs of its workers and, where necessary, provides support in areas such as economic, health or social issues to address particularly urgent situations.

The company has partnered with several local canteens and made lunch vouchers available to many employees.

In addition, the company has several break areas equipped to offer refreshments, complete with vending machines. The refreshment room has been refurbished, with new furniture and enhanced with a microwave to heat meals.

Also in 2023, the company took specific measures to mitigate the impact of rising fuel costs by providing fuel vouchers to its employees.

As the official sponsor of Pallacanestro Reggiana, La Fenice distributes free match tickets to employees who request them, promoting sport as an opportunity for unity and team spirit.

La Fenice is committed to recognising its employees' value through an annual end-of-year award given to certain company staff.

In addition, La Fenice Group organises corporate dinners twice a year, in July and during the Christmas period. These events are designed to offer employees an opportunity to socialise and relax, encouraging them to meet new colleagues in an informal and relaxed setting outside the workplace.



Health and safety

Occupational safety is a fundamental principle underpinning the values of La Fenice Group, which complies with all the provisions of Legislative Decree 81/2008 on Workers’ Health and Safety. Regular medical examinations are provided to employees and attention is paid to the provision of ergonomic furniture and the appointment of all the relevant personnel to supervise these aspects.

The company, in addition to its legal obligations, offers all Gest Italia and La Fenice employees an agreement with the health insurance company Unisalute, which allows employees to book and carry out examinations and medical check-ups free of charge or at subsidised prices. Moreover, Keritaly employees have the opportunity to join the FASIE Supplementary Healthcare Fund free of charge.

The Group’s factories were renovated with the implementation of earthquake-proof standards to ensure that the buildings perform better in the event of an earthquake and to protect workers’ safety.



Finally, La Fenice Group started a path towards achieving UNI ISO 45001 certification for its “Occupational health and safety management systems”. Achieving this certification will lead to better and more efficient safety management in the company aimed at reducing the risk of work-related accidents, injuries and illnesses. The company aims to achieve this certification in early 2024.

Metrics	Unit of meas-urement	2022			2023		
		Men	Women	Total	Men	Women	Total
Total injuries in the year	no.	4	0	4	6	0	6
Lost work days	no.	21	0	21	109	0	109
Injuries / total employees	%	5,88%	0,00%	4,26%	8,96%	0,00%	6,12%
Injuries at work	no.	4	0	4	4	0	4
Commuting injuries	no.	0	0	0	2	0	2

Occupational health and safety indices	Unit of meas-urement	2022			2023		
		Men	Women	Total	Men	Women	Total
Number of days lost due to illness, injury (including first aid injuries), public duties, blood and other donation permits, disability, assemblies/strikes	no.	921	250	1.171	1.269	363	1.631
Theoretical work days	no.	23.596			31.866		
Lost work day rate	no.	4,88	1,32	6,20	4,98	1,42	6,40
Absenteeism rate	%	3,9%	1,1%	5,0%	4,0%	1,1%	5,1%
Injury rate	no.	21,19	0,00	21,19	23,54	0,00	23,54
Injury at work rate	no.	21,19	0,00	21,19	15,69	0,00	15,69
Commuting injury rate	no.	0,00	0,00	0,00	7,85	0,00	7,85

Employment and turnover

In 2023, both the number of new employees hired and the number of outgoing employees decreased, respectively -31% and -44% compared to the previous year.

Overall, there is a sharp decrease in employee turnover; compared to 2022, this rate has almost

halved to 15.3%. This is certainly a positive figure that reflects the positive path that the company is following.

Over the past few years, the company has been in contact with UniMoRe in order to find junior staff to work in the various plants.

Flows	Unit of measurement	2022			2023		
		Men	Women	Total	Men	Women	Total
Number of new hires	no.	15	14	29	10	10	20
Outgoing employees	no.	9	18	27	12	3	15
Total number of employees	no.	68	26	94	67	31	98
New employee hiring rate	%	22,1%	53,8%	30,9%	14,9%	32,3%	20,4%
Employee turnover rate	%	13,2%	69,2%	28,7%	17,9%	9,7%	15,3%

Equal opportunities and diversity

There is no room for discrimination of any kind within La Fenice Group, as stated in its Code of Ethics. The level of cultural diversity among employees is broad and varied; employees come from 14 different nationalities, which contributes to an open and respectful working environment.

The company has been monitoring the Gender Salary Gap for a number of years, and the data for 2023 shows that there is still a disparity between the salaries of male and female employees. However, the wage ratio for the manual worker category is 0.96, thus very close to absolute parity, while for the office worker category the ratio is 0.84.



Parental leave and return rates by gender	Unit of measure-ment	2022			2023		
		Men	Women	Total	Men	Women	Total
Parental leave granted	no.	1	0	1	5	0	5
Leave ended in the period	no.	1	0	1	5	0	5
Workers who returned to work at the end of parental leave	no.	1	0	1	5	0	5
Return rate	%	100%	-	100%	100%	-	100%

Ratio of remuneration of women/men by position	Unit of meas-urement	2022			2023		
		Men	Women	Ratio	Men	Women	Ratio
Executives - average hourly gross wage	€	43,93	0,00	0	43,96	0,00	0
Executives - average hourly total wage	€	55,64	0,00	0	57,19	0,00	0
Middle managers - average hourly gross wage	€	24,10	0,00	0	0,00	0,00	0
Middle managers - average hourly total wage	€	40,67	0,00	0	0,00	0,00	0
Office workers - average hourly gross wage	€	16,11	13,31	0,82	15,96	13,41	0,84
Office workers - average hourly total wage	€	17,91	14,45	0,80	18,77	14,66	0,78
Manual workers - average hourly gross wage	€	10,94	9,72	0,88	10,65	10,24	0,96
Manual workers - average hourly total wage	€	12,36	9,85	0,79	11,92	10,36	0,86

Training and professional development

La Fenice encourages the professional development of its employees through a training and refresher programme. Training is carried out across all organisations and includes both job-specific training and general programmes such as occupational safety, first aid and fire prevention. Recently, courses were also held for the recognition of PES, PAV and PEI qualifications for electrical workers.

In addition, staff entrusted with operating forklifts and using specific platforms receive specialised training on working with these machines.

Special attention is paid to newly hired employees: during the induction phase, it is essential that they master the use of the company’s management software.

In 2023, many hours of training were carried out in the area of Health and Safety. Several courses on this subject are held each year with a view to continuous improvement.

Also in 2023, an English language course was held for Group employees. This course was designed to improve communication and expressive skills; the course was taught by a native speaker and attended by several employees. This training activity was widely appreciated and will probably be repeated next year.

Overall, 2023 saw an increase in the total number of training hours, compared to 2022, of 86%.

Position	Unit of meas-urement	2022			2023		
		Men	Women	Total	Men	Women	
Executives	hours	2	0	2	0	0	0
Middle managers	hours	32	0	32	40	0	40
Office workers	hours	239	265	503	232	234	465
Manual workers	hours	225	6	231	879	47	926
Total	hours	497	271	767	1.150	281	1.431
Average hours per employee	hours/no.	7,3	10,4	8,2	17,2	9,1	14,6

Number of employees involved in training activities by position	Unit of measure-ment	2022			2023		
		Men	Women	Total	Men	Women	Total
Executives	no.	1	0	1	0	0	0
Middle managers	no.	1	0	1	1	0	1
Office workers	no.	10	16	26	17	26	43
Manual workers	no.	22	1	23	48	3	51
Total	no.	34	17	51	66	29	95

Training hours by subject area	Unit of meas-urement	2022	2022
Technical / operational	hours	30	60
Foreign languages	hours	0	80
Safety	hours	542	1.223
Quality / environment	hours	32	32
Digital	hours	163	36
Total	hours	767	1.431



Social and cultural commitments for community development

La Fenice Group is motivated to contribute to promoting cultural and social activities organised by various public and non-profit organisations in the area in which it operates. This commitment is manifested through a series of initiatives focused on supporting sports activities, strengthening the social sector and promoting cultural initiatives.



Contributions to the community	Unit of measurement	2022	2023
Monetary contributions	€	99.800	96.700

Support for sports

For many years, La Fenice has sponsored Pallacanestro Reggiana, a renowned team from Reggio Emilia that currently plays in the top division, the Lega Basket Serie A.

Basketball has always been a strong passion of Enrico Guidetti, founder of La Fenice, who sees in this sport many of the values that guide his approach to business: perseverance, resilience, self-sacrifice, respect for rules and creativity.

Basketball emphasises the importance of individual talents, but also the need to cooperate, working as a team, to achieve any goal.

Support for the sports world is not limited to basketball, but also concerns volleyball and amateur football. With regard to volleyball, as of 2023, La Fenice decided to support US Rubierese volleyball, while for football, the company has already been sponsoring a local team, ASD San Faustino, for several years.

Support for cultural projects

Every year the company sponsors the installation of lighting during the Christmas period in the municipality of Casalgrande.

Moreover, following the terrible flooding that hit Emilia-Romagna in 2023, to meet the needs of customers in the flooded areas, the company provided them with a special discounted price list.

This was a small gesture of solidarity to show support for customers.



New Sustainability Targets 2024 ESG

ESG area	La Fenice 2024 Targets for the SDGs	UN SDGs
Environment	- Research into new materials and mechanical engineering solutions to reduce VOC emissions during firing.	9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE
	- Obtain EPD certification on a product line.	12 CONSUMO E PRODUZIONE RESPONSABILI
Social	- Obtain ISO 45001 certification for the Occupational Health and Safety Management system.	8 LAVORO DECENTO E CRESCITA ECONOMICA
	- Review of employee remuneration through vouchers and bonuses.	
	- Economic support to employees in economic hardship through advance payment of severance pay.	
Governance	- Selection of suppliers with environmental and social quality criteria through process and product certification.	12 CONSUMO E PRODUZIONE RESPONSABILI

Methodological note

La Fenice’s 2nd Sustainability Report aims to inform the company’s stakeholders about the company’s environmental, social, economic and governance sustainability profile through qualitative and quantitative information.

The reporting scope of the data and information contained in the Report refers to La Fenice Group (excluding the Spanish company La Fenice Iberia S.l.), unless otherwise specified, and reports information for the year 2023.

Information for the reporting period is compared with that of the previous year, when available, in order to show information on performance trends over time. There are no changes to the data reported in the last Report with the exception of the figures in the men’s/women’s remuneration table (p. 34) as the method of calculating the average hourly gross wage and hourly total wage has been corrected.

For preparation of the Report, reference was made to data and information directly collected by the company, based on indicators and reporting methods consistent with the main international Sustainability Reporting Standards and referring to the GRI Reporting Standards (‘With Reference’ approach).

For the calculation of Added Value, the adopted reference is that indicated by GBS (Gruppo Bilancio Sociale).

Within the document, reference was made to the United Nations Sustainable Development Goals (SDGs) as an international sustainability framework in relation to the actions carried out and commitments made by La Fenice.

The Sustainability Report was approved by the Board of Directors in July 2024.

For information on this Report, please contact: info@lafenicegc.com

Technical support for the preparation of the Report and for stakeholder engagement activities: Focus Lab srl Benefit – B Corp–certified

GRI Standards Index

GRI Standard	Disclosure	Disclosure title	Page / Content
ORGANISATIONAL AND GOVERNANCE ASPECTS			
GRI 2: General Disclosures 2021	2-1	Organisational details	Pp. 8 – 37
	2-2	Entities included in the organization’s sustainability reporting	P. 37
	2-3	Reporting period, frequency and contact point	P. 37
	2-4	Restatements of information	P. 37
	2-5	External assurance	Not necessary
	2-6	Activities, value chain and other business relationships	Pp. 20 – 24
	2-7	Employees	Pp. 30 – 31
	2-8	Workers who are not employees	P. 31
	2-9	Governance structure and composition	P. 8
	2-11	Chair of the highest governance body	P. 8
	2-12	Role of the highest governance body in overseeing the management of impacts	P. 10
	2-14	Role of the highest governance body in sustainability reporting	P. 37
	2-21	Ratio of annual remuneration paid	The ratio of the annual total remuneration paid to the highest-paid employee to the average annual total remuneration of all employees is 5 times
	2-22	Statement on sustainable development strategy	P. 10
	2-26	Mechanisms for seeking advice and raising concerns	Pp. 10 – 11
	2-27	Compliance with laws and regulations	No non-compliance
	2-28	Membership in associations	P. 11
	2-29	Approach to stakeholder engagement	P. 11
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pp. 15 – 16 – 17 – 18
	3-2	List of material topics	Pp. 15 – 16
	3-3	Management of material topics	Pp. 15 – 16 – 17 – 18
Autonomous disclosure	Non-GRI	2022-2023 sustainability actions list	P. 19
	Non-GRI	Definition of new sustainability targets for 2024	P. 36

ECONOMIC SUSTAINABILITY			
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	P. 22
GRI 204: Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	P. 24
Autonomous disclosure	Non-GRI	Basic economic and financial indicators	P. 20
	Non-GRI	Customer satisfaction	P. 21
ENVIRONMENTAL SUSTAINABILITY			
GRI:301 Materials (2016)	301-1	Materials used by weight or volume	Pp. 23 – 24
GRI 302: Energy (2016)	302-1	Energy consumption within the organisation	P. 25
	302-3	Organisation’s energy intensity	P. 25
GRI 303: Water (2018)	303-3	Water withdrawal	P. 29
	303-4	Water discharge	P. 29
	303-5	Water consumption	P. 29
GRI 305: Emissions (2016)	305-1	Direct GHG emissions (Scope 1)	P. 26
	305-2	Energy indirect GHG emissions (Scope 2)	P. 26
	305-4	GHG emissions intensity	P. 26
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	P. 26
GRI 306: Waste (2020)	306-3	Waste generated	Pp. 27 – 28
	306-4	Waste diverted from disposal	Pp. 27 – 28
	306-5	Waste directed to disposal	Pp. 27 – 28
GRI 307: Environmental compliance (2016)	307-1	Non-compliance with environmental laws and regulations	No non-compliance
SOCIAL SUSTAINABILITY			
GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	P. 33
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 31
	401-3	Parental leave	P. 33
GRI 403: Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	P. 32
	403-5	Worker training on occupational health and safety	Pp. 34 – 35
	403-9	Injuries at work	P. 32
GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	On average 14.6 h/employee
	404-2	Programs for upgrading employee skills and transition assistance programs	P. 35
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	Pp. 8 – 30 – 31
	405-2	Ratio of basic salary and remuneration of women to men	Pp. 33 – 34
GRI 413: Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	P. 35
GRI 417: Marketing and Labelling (2016)	417-2	Incidents of non-compliance concerning product and service information and labelling	No non-compliance
GRI 419: Socioeconomic Compliance (2016)	419-1	Non-compliance with laws and regulations in the social and economic area	No non-compliance



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