

yes
we
do,



Sustainability Report 2022

ABRIDGED VERSION

PROFILE, ACTIVITY, COMMITMENTS TOWARDS
THE ENVIRONMENT AND THE COMMUNITY

 CERAMICHE
coem



Letter to the Stakeholders

Dear Stakeholders,

I am pleased to present to you the second edition of COEM S.p.A. Sustainability Report, which reflects our constant efforts for a responsible and sustainable approach. This document has been drawn up in compliance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and I am proud to share with you the results achieved in 2022, together with our future plans to grow as a company while reducing, at the same time, our environmental impact.

We achieved important milestones during the year: all our products obtained independent verification by Certiquality of the new ISO 17889-1 sustainability standard for ceramic surfaces, the new international standard to determine the level of sustainability of ceramic products in the construction sector. This important recognition confirms Coem's commitment to pursue environmental and social responsibility policies with determination in all production processes. The excellence of Coem's highly sustainable porcelain stoneware is now also certified.

We have also continued to invest in new technologies to improve the quality of our products. We have set ourselves ambitious goals, such as a reduction of the thickness of our porcelain stoneware and the revision of formats in order to optimise resources and minimise consumption during processing while maintaining, however, the technical and aesthetic qualities that characterise our surfaces.

At the same time, the importance of our social responsibility commitment remains a cornerstone of our actions. We have set up training programmes aimed at involving all suppliers and employees in order to make every individual an active part of our environmental policy. This constant commitment is an integral part of our business approach.

I would like to express my sincere thanks to you, dear customers and partners, for your dedication and continued support. These results represent a significant step forward in a journey which will continue into the future, with the aim of creating quality surfaces in harmony with the environment and of contributing to improving the context in which we live.

Enjoy your read!

Daniela Selmi
Chairwoman and C.E.O.

Sustainability as a primary value

The goal of reaching the highest levels of excellence while maintaining the technical and aesthetic qualities of our products.

Sustainability, for some time at the centre of our corporate strategy and business activities, is a guiding value to be applied with the commitment to constantly maintain the quality and beauty of our products.

In Coem, we aim to take responsibility for our operations and reflect on the choices that we make and on how our priorities affect the wellbeing of people and the environment, from the materials that we select to the partners with which we work, to the independent institutions through which we test and certify our products, and up to their being packaged.

We have been pursuing for a number of years a policy of combining sustainability with the enhancement of the technical and aesthetic performances of our ceramic surfaces; this is achieved through a continuous process of technological innovation and dedicated management procedures while, at the same time, making sure to operate responsibly with relation to society and the environment, safeguarding the health and safety of our employees, customers and associates through responsible and transparent behaviour. For some time Coem has formalised and implemented an integrated policy for a correct Quality, Environment and Safety Management System. Our social responsibility and continuous improvement commitment according to the principles of sustainability is expressed first and foremost in the various environmental and safety certifications obtained over the years in compliance with the reference regulations, placing Coem among the top companies of the sector in these fields.

Starting from the beginning of the 2000s, we have certified our **UNI EN ISO 9001:2015 Quality Management System, integrating it in 2010 with Environmental Certification (UNI ISO 14001:2015, Reg. EMAS UE) and in 2015 with the UNI ISO 45001:2018 Certification for Safety.** We have certified products in line with international sustainable building rating systems(**LEED® - Green Building Council**) and sector systems, such as the **EPD (Environmental Product Declaration)**, a certification that describes environmental performance linked to the product life-cycle, in accordance with the ISO 14025 International Standard.

Since 2022, compliance of Coem's products with the **ISO 17889-1 standard on the sustainability of ceramic tiles** has been independently verified. The new standard promotes a unique and international standard to evaluate the environmental, economic and social impact of ceramic tiles. The evaluation system is composed of 38 indicators, 15 of which are obligatory for establishing the minimum pre-requisites that a tile must have in order to be defined as sustainable. If a product does not meet all these criteria, it will not be able to obtain the certification. The remaining 23 requirements are voluntary and assign a score from 100 to 130 according to the different levels of product and process performance.

Coem's commitments are described in qualitative and quantitative detail in the Environmental Sustainability Chapter. Our path of awareness and evolution regarding sustainability issues also passes through this, our 1st Integrated Sustainability Report. This Report is a multi-themed informative document, but is also intended to be an assessment, management, transparency and comparison tool for introducing new sustainability and social goals in line with the most authoritative international references and standards such as the **17 Sustainable Development Goals of the UN 2030 Agenda, the EU Green Deal and new approaches to the Circular Economy.**



Coem for the UN Sustainable Development Goals (SDGs)

Coem is aligned with the 2030 Agenda for Sustainable Development and identifies the most important SDGs in relation to the impacts generated in the territory

Coem makes reference to the United Nations 2030 Agenda and its 17 Sustainable Development Goals (SDGs) as a guiding approach for business sustainability. The 17 goals are an international Plan of Action shared by Governments and the business world, which provides for 169 specific interconnected targets for saving the planet, promoting economic prosperity, valuing people and social development. Coem utilises this international framework to measure in qualitative terms how its actions contribute to achieving the shared goals in a given timeframe.

SUSTAINABLE DEVELOPMENT GOALS



Highlights 2022



ENVIRONMENTAL SUSTAINABILITY

• Greater use of recycled materials

Coem's research enables the development of products of excellence with a very high pre-consumer recycled content, ranging from 40% to 60%, independently verified on the basis of the ISO17889-1 certification.

• Reduction in raw materials used

Design of new 9 mm-thickness collections, which make it possible to reduce impacts associated with the use of raw materials, while guaranteeing the same mechanical performance as porcelain stoneware of 10 mm thickness.

• Reduction of scraps

Reduction of grinding scraps and optimization of specific consumption thanks to the developments of new collections with slightly larger formats (+1.3%).

• Selection of more sustainable raw materials

Launch of a process to replace white cardboard with cardboard which has not been subject to chemical whitening treatments and with a recycled content above 70%. Reduction of cardboard consumption by up to 50%. Coem achieves excellence in all the packaging parameters linked to the new ISO 17889-1 certification, as independently verified.

• Management of waste and water discharges

Informed management with a correct subdivision of hazardous waste, through characterisation processes, and the use of suitable areas for separate storage in full compliance with legislation and voluntary regulations. Reuse of process scraps. Elimination of industrial waste water.

• Monitoring of climate-altering gas emissions, management of energy resources and emissions

Calculation of direct (Scope 1) and indirect (Scope 2) energy emissions according to the Carbon Footprint parameters (GHG Green House Gases). Efficient management of energy consumption, with heat recovery in lower temperature production processes such as atomization and drying, and for the heating of production environments. Reduction of specific consumption and consequent CO₂ emissions thanks to an improvement in productivity in the Roteglia plant. High-performance purification plants to reduce outdoor pollutant emissions. Use of renewable energy sources.

• Responsible use of water resources

Careful monitoring of water resources, implementation of best available practices in the sector for minimising use, complete reuse of industrial water and rainwater in the yards

• “Water free from plastic” project

It is estimated that 50,000 plastic bottles and 180,000 plastic cups for hot drinks were saved in 2022 with the “Plastic-free water” project.

• Responsible procurement

Over 97% of raw materials used for the bodies have been verified on the basis of the ISO 17889-1 standard and are indigenous, i.e., they are found within a radius of 800 km. We promote the use of recovered material in our products for an efficient use of our planet's finite resources. We choose suppliers that apply responsible procurement policies in environmental and social terms, and which protect biodiversity and human rights.

• Catalogues

Our catalogues are printed on certified FSC® paper. Forest Stewardship Council™ (FSC) aims to guarantee that forests are managed in a sustainable and environmentally friendly way to conserve the natural environment, also supporting local communities



SOCIAL SUSTAINABILITY

• Health and safety in the workplace

Implementation of a management system relating to the Health and Safety of workers in the workplace for both our sites. Development of continuous training and awareness activities and initiatives directed to all stakeholders inside the company, aimed at developing a culture of prevention and monitoring, as well as the management of accidents in the workplace.

• Employee Engagement

We involve employees in making them aware and responsible in the performance of their individual and collective duties, with important training updates on the internal 231 ethical code. Organisation of a structural framework to define, monitor and review appropriate improvement goals for professional functions. New support services for a correct Life-Work balance.

• Responsibilities towards employees

Personnel management processes aimed at guaranteeing the safeguarding of workers' rights, equal opportunities and the wellbeing of employees. Open dialogue and exchange with trade unions to learn of the demands and needs of employees.



ECONOMIC SUSTAINABILITY

• Selection of suppliers

Increase in the proportion of supplies assessed with environmental and social sustainability criteria.

• Product quality and Design

Certified processes that seek to ensure high product quality levels and continuous innovation in design in order to respond appropriately to new market demands.

• Economic results

Operate using resources responsibly in order to create value in the medium-short and long-term for stakeholders

• Product quality and safety

Coem has obtained independent verification by Certiquality for all its products on the basis of the new ISO 17889-1 ceramic surfaces sustainability standard. Our products are EN 14411 certified and CE marked and, therefore, comply with the quality, safety and health requirements provided for by the relative European directives and regulations.

• Support to local schools and public administrations

Collaboration in, and support of, social and cultural projects with local Schools, Universities and Public Administrations.

• Partnership on social projects

Support for various associations in Italy and abroad to promote solidarity activities in favour of children and families in difficulty.

• Customer satisfaction

Monitoring and management systems and procedures for ascertaining customer satisfaction.

• Ethics and integrity

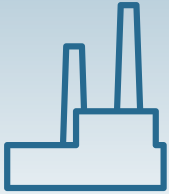
Updating of the shared ethical code according to the 231 Organisational Model complying with current laws, aimed at business integrity and transparency and support of the fight against corruption.

• Protection of Brands and business enhancement

Register and enhance company brands with activities aimed at their development and dissemination.

Coem in brief

A path of continuous evolution guided by research and Made in Italy technological innovation



2

Production sites



97.78

Million euros

(Net sales revenues in 2022)



79%

Percentage of Sales

In foreign markets



1

Research & Development Centre



5.36

Million m² of tiles produced 2022

(Equivalent to 138,422 tonnes per year)



21%

Percentage of Sales

In the domestic market



280

Employees 2022



85

Collections

Distributed in the markets in 2022



88

Countries

In which our products are distributed



Company profile

We develop safe ceramic surfaces of impeccable design and with low environmental impact

Coem was founded in the 1970s and began its story with the development of semi-finished ceramics for the production of double-fired glazed tiles, also called “cotto emiliano”, from which our name derives. A journey began from that moment, full of passion, constancy and authenticity, in which we have become leaders in the production and marketing of ceramic floors and wall coverings. In these 50 years we have been pioneers in the sector for various technological process and product innovations and for a research into design that has always characterized our surfaces. **Producing in a sustainable way, reducing environmental impacts, enhancing human resources and collaborating with external interlocutors that include suppliers, schools and universities, designers and local communities, is the operating approach that guides all our choices.**

Production of porcelain stoneware

Coem's porcelain stoneware is manufactured in our **2 production sites in Fiorano Modenese (MO) and Roteaglia di Castellarano (RE)**, in the heart of the ceramic industrial district. The Roteaglia factory stands on an area of land extending for around 125.600 sq.m. and is formed of a building with a covered surface area of 56.320 sq.m., with an adjacent wide courtyard area used as a car park and for goods loading and unloading. 172 employees currently work in the Roteaglia factory. Work activities are performed in a continuous 7 day a week cycle with 7 different shifts according to the department.

Our Brands

The experience acquired over 50 years of working in traditional Made in Italy ceramics has given us the know-how and the background to project us towards the future, combining tradition and modernity, practicality and beauty, technology and sustainability, thanks to a continuous process of creative and technical renewal. In these years, Coem has managed to evolve thanks to a deep and profound knowledge of materials and a constant commitment to research and development

The Fiorano factory covers a total surface area of around 43,700 sq.m., of which 24,000 sq.m. are covered, 18,500 sq.m. composed of an uncovered waterproofed surface used for roads, car parks and a large piazza, and 1,200 sq.m. occupied by offices. Around 101 employees currently work in the Fiorano factory. Work activities are performed in a continuous 7 day a week cycle with 7 different shifts according to the department. **The annual production capacity** of our factories is around **5 million sq.m. of tiles/year (150,000 tonnes/year)** for the **Roteaglia factory** and **2 million sq.m. of tiles/year (100,000 tonnes/year)** with regards to the **Fiorano factory**.

which has allowed the company to propose ever more innovative, original and long-lasting solutions. COEM S.p.A. is expressed in two historical ceramics brands, **Ceramica Fioranese** and **Ceramiche Coem**, which together have combined quality, experience and latest-generation technologies that characterise collections of sophisticated design and with a contemporary look, appreciated throughout the world.



Values

Product quality and design go hand-in-hand with sustainable innovation aimed at satisfying the Customer.

Coem believes the values aspect to be essential in the way it does business. It involves the continuous optimisation of company processes, to obtain products that always meet the customer's requirements, to ensure respect for the environment and the health and safety of its workforce. We endeavour to put these values into practice in our production, management and commercial activities, with measurable objectives and targets, as described in this 2nd Sustainability Report. The fundamental values that guide our day-to-day activities are as follows:



Total quality

The theme of quality involves the company in a comprehensive manner, from product processes, to distribution, to commercial relations. All our processes are certified in compliance with international standards with respect to **quality (UNI EN ISO 9001:2015) environment (ISO 14001: 2015 EMAS) and safety (UNI ISO 45001:2018)** and have obtained the **certification of excellence on the part of Certiquality**. The company achieved an important milestone in 2022, obtaining independent verification by Certiquality for all its products according to the **new ISO 17889-1 sustainability standard for ceramic surfaces**. Coem makes ceramic products of excellence which reflect all the aesthetic characteristics of a Made in Italy design associated with high-level chemical, physical and mechanical performance ensuring their durability. Ours is a versatile and high performing porcelain stoneware made with carefully controlled and verified raw materials which complies with rigid environmental and safety standards, intended to cover spaces that combine comfort, aesthetics and functionality.



Work safety

All our factories are **UNI ISO 45001:2018** certified because it is a priority for us to work with a systematic approach to the management of work health and safety for all the people present in the places belonging to the company. Our socially responsible strategy starts from the protection and development of people, putting them at the centre of our decisions. We try to guarantee work environments in which human and work rights are complied with and promoted, developing programmes through which to identify the needs of workers and the communities in the areas where we operate.



Continuous innovation of products and processes

Coem's resistant, modular and technologically advanced ceramic surfaces offer multiple and varied composition possibilities thanks to a rich range of materials, formats, colours coordinated between them and combined with decorations, mosaics and special finishing pieces, to offer exclusive floor and covering solutions for indoor and outdoor spaces.

Coem's porcelain stoneware is not only an excellent alternative to natural materials originating from increasingly impactful extraction activities, but offers innovative design and technological solutions for promoting sustainable and welcoming living environments. Extensive aesthetic research to achieve a design of excellence has allowed us to obtain prestigious awards with both brands.



Attention to the customer

We invest in innovative projects, set up partnerships and work to raise awareness among our customers in such a way as to bring positive change all together to coordinated the way of doing things and reduce environmental impact. **For us, attention to the customer is essential, a priority that becomes a way of operating from day-to-day in order to respond to new continuously evolving demands, offering added value which is the fruit of consolidated experience in the market.**

Our business model, based on a flexible structure, allows us to adapt productions to the demands of the market, reducing surplus production and facilitating the development of synergic initiatives with our customers in all our products' life-cycle phases.



Reliability

We constantly monitor the entire production cycle of our porcelain stoneware, from the necessary resources to carry it out, to transport and packaging logistics, considering how to they can be changed in order to offer greater safety, reduce environmental impact and guarantee quality products and services to our customers.



Constant collaboration and dialogue with our external stakeholders

It is a priority for Coem to develop a trusting relationship with all our stakeholders, according to the needs of each one, putting transparency and dialogue at the centre. **Through their involvement and consideration of their requirements, the company maintains a constant focus on the contexts in which it operates,** making every take account of their expectations, perceptions and priorities within decision-making processes and in the definition of economic, environmental and social objectives. Responsible procurement is also a fundamental principle of our corporate strategy and is a strategic objective for our organisations.



Support to the community

We are aware of the importance of giving back to our community, collaborating for the development of communities with the objective of promoting a more just and egalitarian society. **For some years Coem has been sponsoring projects focused social wellbeing and education,** which aim to support local communities and different charitable organisations through cash donations of money and products and support to international programmes.



Ethics in commercial relations

We are signed up to the Ethical Code of the sector promoted by Confindustria Ceramica, which imposes transparency and clarity in the origin of porcelain stoneware and which regulates use of the **Ceramics of Italy** mark to only ceramic products manufactured entirely made in Italy. **We have also signed and disseminated the ethical code in compliance with the 231 Organisational Model.**

We believe that the Ceramics of Italy mark affirms not only a geographical origin but a series of values that apply to the development of ceramic surfaces of certified quality d design, in respect of the environment and of the health and safety of whoever works with us.



Responsibility and compliance with laws

Coem is attentive to **compliance with laws defined by the Legislator and controlled by a Supervisory Body that reports any non-fulfilment following its own internal regulations,** constantly implemented to measure and verify the effectiveness of its quality, environment, safety and energy system, in order to meet established goals and find new ways to improve.

Economic Sustainability

An international growth trend that favours an all-Italian operational approach



82.9
Million euros
Products sold in 2021



79%
Revenues in the
foreign market



97.78
Million euros
Products sold in 2022



21%
Revenues in the
domestic market



99%
Suppliers
The percentage of suppliers by
value based in Italy



2.6%
Increase in the
number of suppliers
For the procurement of goods
and services compared to 2021



Our customers

Coem has an open mind towards the contexts in which it operates, committed to considering the expectations of its customers in the definition of economic, environmental and social objectives

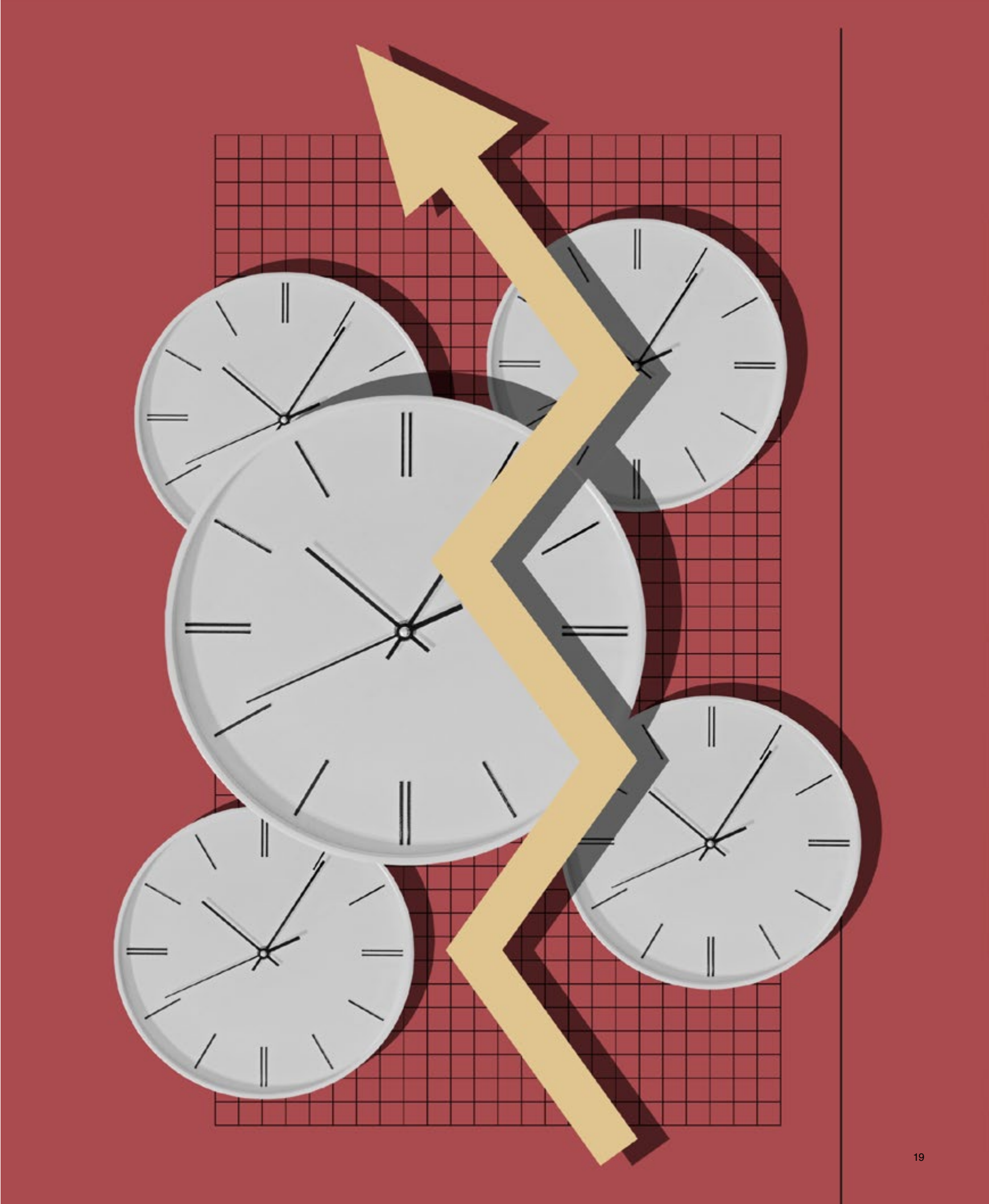
Coem relates with different types of customers: private, dealers, distributors, building companies and agents. Dealers and distributors are the ones who most contribute to business revenues, accounting for 96.7% of total income. At a second level, we find sales made to occasional customers who represent 2.7% of total revenues, and are grouped inside the “Other” heading in the table. Revenues deriving from private customers, building companies, agents and “stock clearance” sales together account for the remaining 0.6%. **The foreign market overall is the source of most of business revenues, accounting for 79% of total revenues in 2022, with 21% coming from the Italian market.**

In the two years reported, there was an increase in the value of business revenues deriving both from Italian buyers, +13%, and foreign buyers, +12%, which increased its share of total revenues by 12 percentage points compared to the previous year.

Starting from 2003, Coem’ factories have obtained certification of the UNI EN ISO 9001 process for attesting the design, production and sale of all products developed. Working in “Quality” for us means making state-of-the-art surfaces with a refined design and optimal chemical, physical and mechanical resistance characteristics according to safety standards and respect of the environment throughout the product’s entire life-cycle.

We, therefore, pay great attention to customer satisfaction, responding promptly to their new demands and expectations, creating different opportunities for dialogue and exchange in order to improve the quality of the products and services offered, managing to establish positive relationships and long-lasting projects. **The analysis of customer satisfaction is conducted through constant monitoring by the sales office together with the quality office using different tools such as interviews, focus groups, questionnaires, quality analyses of the supplies, to provide rapid and exhaustive feedback in a dynamic and pro-active manner**

Besides samples and product catalogues, all the necessary information for the different collections such as technical characteristics, installation and maintenance tips is provided through our social network channels and websites; it’s an active support useful for choosing the ceramic surfaces, which is also available to potential final customers. Periodic monitoring of the trend of numbers of customers over time is also carried out so as to identify positive or negative trends that indicate market changes in orientation of interest.



The supply chain

Criteria and procedures for enhancing all the processes

Coem has set up a comprehensive overview that enables it to identify the effects generated by its activity along the entire value chain. The procurement process and the assessment of suppliers are defined through the UNI EN ISO 9001 procedure. A supplier is for us a business partner and, therefore, we require them to be reliable and continuous. We give preference to local suppliers in order to support and develop the local economy.



Suppliers

The percentage of suppliers based in Italy both for 2021 and 2022 remains constant at around 92% of total suppliers. This proportion, emblematic of Coem's preference for a short supply chain, becomes even more significant if combined with the value of orders, as 99% of Coem's expenses for the purchase of products are paid to suppliers based in Italy. In its choice of suppliers, Coem assesses a supplier's possession of certifications such as ISO 14001 and Reg. UE Emas, the publication of a Sustainability Report or the signing up to an Ethical Code in compliance with the 231 Organisational Model which certifies the commitment and operation of the supplier towards economic, environmental and social sustainability. In 2022 there was an increase in the proportion of suppliers evaluated with environmental sustainability and social criteria and monitoring of suppliers considered "critical", with which a relationship of trust and partnership was established to foster continuous improvement in relations and to incorporate them in the company's policy and rules of conduct. Over 90% of suppliers in terms value have been independently verified as complying with the ISO 17889-1 standard regarding both environmental sustainability and social themes. Coem increased the number of suppliers for the procurement of products and service by 2.5% compared to 2021.



Expenditure criteria

90% of costs in 2022 were incurred with suppliers previously assessed with environmental criteria.

90% of the total of costs in 2022 took account, instead, of social criteria such as, for example, the supplier's possession of an Ethical Code in compliance with the 231 Organisational Model.



Raw materials and semi-finished products

Most of Coem's purchases, in terms of monetary value, are made from suppliers of raw materials and semi-finished products necessary for the production of its own ceramic coverings (33%) and energy costs (36%).



Transport

In the procurement process, transport, currently carried out via sea, train and road is a sensitive area that is carefully monitored.



Energy costs

A significant percentage of costs incurred relates to the cost of energy used mainly for the manufacture of finished company products (36%). It should be noted that there was a considerable increase in energy costs in 2022 (+63%) compared to 2021.

The acquisition of primarily renewable sources is preferred for electricity. For the production of thermal energy, methane gas, which is the fossil fuel with least environmental impact, is purchased. **A good percentage of the costs incurred by Coem is directed towards the acquisition of capital goods and the necessary maintenance of machinery in the production process (7%) so that the plants are always updated with the best technologies available in the sector to guarantee high levels of performance, safety and low environmental impact.**



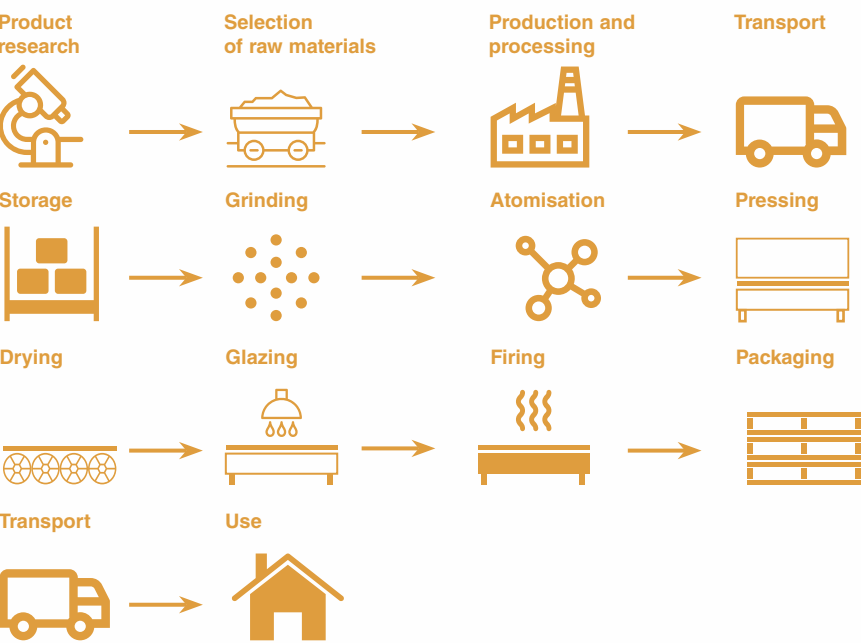
Packaging

The packaging for finished products and the transport of material also accounts for significant share of expenses, respectively 7% and 3%.

Primary packaging is composed of cardboard selected with a high content of recycled material and itself recyclable, as shown by the logos affixed to the packaging. Coem has recently equipped itself with modern packaging technologies to minimise the use of cardboard, saving around 50% compared to traditional systems. For the procurement of shrink film, preference is given to the purchase of products containing recycled and recyclable material. Cardboard bubble wrap containing recycled and recyclable material is used for the preparation of samples and where not possible, because its use could damage the sample, plastic recycled bubble wrap is used.

The supply chain

The supply chain is a critical aspect to keep under consideration when talking of sustainability because the length and type of chain can give rise to factors that determine greater or lesser environmental and social impacts.



Environmental sustainability

Investing in innovation to safeguard the environment
improving the entire production system in order to avoid
waste and guarantee sustainable surfaces



Energy

-3.7% of specific consumption
compared to 2021.

Constant updating of production
plant to increase efficiency and
reduce energy consumption.



Water

-19% compared to specific
consumption in 2020,
+26% against 2021.

94% reuse of rainwater and
wastewater within the production
process



Recycling

93% of production process scraps are
recycled and reused internally

High-performance abatement systems
only 0.3%-14% of authorised emissions
are emitted into the atmosphere.



Packaging

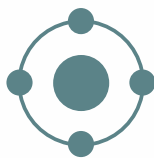
Up to -50% of consumption of
cardboard compared to traditional
systems.

Use of recyclable cardboard for
packaging of products.



Certifications

More than 10 environmental
certifications of product and process.



CO₂ emissions

-4.4% on 2021 of CO₂ emissions per
tonne of porcelain stoneware produced.

Environmental management

Towards an increasingly sustainable production and social path

The protection of people and the natural heritage that surrounds us is a commitment that Coem has taken on for some time and on which it intends to invest ever greater resources.

Investing in innovation means investing in the safeguarding of the environment with continuous research and development aimed at improving the entire ceramic production system and to avoid waste and timewasting, optimising materials and resources to guarantee beautiful and sustainable surfaces. Eco-sustainability requirements contribute to improving the quality and safety of the environments inside the premises and do not interfere with the aesthetic quality of the porcelain stoneware substrate, always a the cutting-edge of design and technological innovation.

From 1999, Coem's production processes have focused on energy saving and environmental issues. Since then, Coem has stood out for the use of **"closed circuit" production processes, with the total recycling of unfired and fired scraps and wastewater from the production process.**

In both its factories Coem recovers waste heat from the kilns which is then used in other thermal production processes at lower temperatures compared to firing, such as the atomisation phase (drying of the body in the "slip" liquid state to generate the dry "atomized" body), the post-pressing and forming phase of the piece, the heating of the production environments in winter, recently updated in 2021. This makes it possible to reduce thermal consumption in these processes and, hence, associated CO₂ emissions.

Coem uses methane gas for the production of heat which is the fossil fuel with the least environmental impact and gives priority to the purchase of electricity generated from renewable sources to support its activities.

Coem has been pursuing Environmental Sustainability for some years. As part of this approach, since 2010, it has decided voluntarily to certify its processes and products, obtaining the **UNI ISO 14001:2015 Environmental Management System Certification, in compliance with the EU EMAS Regulation (Eco-Management and Audit Scheme) for both its factories.**

EMAS and UNI ISO 14001:2015 are two voluntary tools that aim to contribute to the achievement of a sustainable economic development, highlighting the role and responsibility of businesses, not only in monitoring the impacts of their activities, but setting themselves concrete improvement goals, published in the environmental statement which is updated annually and visible to all stakeholders in a transparent way on the company's website.



The sustainability of our products

Right from the start, Coem has produced according to the ecological principles and the protection of the environment around us

As far back as 1999 our experts began to transform production cycles with attention towards energy saving and the environment.

Research led to ever-more efficient plant and to the production of tiles with a high content of recyclable material and industrial waste.

As confirmation of our early commitment to these issues, the Ecogres® brand was created in 2000 for our porcelain stoneware, in order to declare environmentally friendly production processes in a transparent way.

Coem's products have obtained the **EPD (Environmental Product Declaration)** for the sector, a certification that described the environmental performances linked to the product's life-cycle in compliance with the ISO 14025 International Standard.

Since 2009, Coem has been member of the **U.S. Green Building Council (USGBC)**, a non-profit association that has been transforming the building market for years towards more sustainable forms of construction. The American association deals, in particular, with implementing and regulating the construction of sustainable buildings through **LEED® (Leadership in Energy and Environmental Design)** certification, which recognises the performances of buildings in key areas, such as energy and water saving, the reduction of CO₂, emissions, the improvement of the ecological quality of interiors, the materials and resources used, the design and the choice of location. Our products, thanks to their structural-technical characteristics and for the high content of recyclable material, can contribute to allows a building to achieve a score according to the LEED® parameters and, to this end, have been **certified by the CERTIQUALITY external body**. Through its research activities, Coem is today able to develop excellent products with a very high pre-consumer

recycled content. **The pre-consumer recycled material content of products varies between 40% and 60%**, while maintaining very good technical and aesthetic performance levels as independently verified according to the ISO 17889-1 standard.

Easy to clean and hygienic, Coem's ceramics contribute to improving the quality and safety of the environments inside buildings, without forgetting the design and aesthetic quality of the product. They are composed of materials that can be categorised as "low emission", **as they don't emit VOC (Volatile Organic Compounds) damaging for human health**. Up-to-date and performing production plants, which adopt the best technologies available at environmental level, the use of digital technology and the development of automations in line with industry 4.0 have allowed us to keep consumptions under control, guaranteeing the ecological nature of our products.

Our outdoor products with a thickness of 2cm are compatible with dry-laying, which permits the direct application of the tile on the ground without using screeds, mortars or glues.

Our porcelain stoneware coverings guarantee an excellent energy performance and good thermal insulation, thanks to the high refractive index. A reduction in the "heat island" effect (difference in the thermal gradient between urban and extra-urban areas) can, therefore, help to reduce effects on the microclimate, on man's habitat and on wild fauna.

Coem products conforming to the LEED® requirements certified by the external Certiquality body for the high content of recycled material:

Ceramiche Coem

ARDESIA MIX
ARENARIA
BLENDSTONE
BRIT STONE
CARDOSO
DUALMOOD STONE
FLOW
I SASSI
KAVASTONE
LAGOS
MADRE NATURA
MARMI BIANCHI
MASSIVE STONE
MOON STONE
MOON VEIN
PANNONIA STONE
PIETRA JURA
PIETRA SABBIOSA
PIETRA VALMALENCO
PORFIRICA
QUARTZ
REVERSO
REVERSO2
SEQUOIE
SILVER STONE
SOAP STONE
T.U.
TUFFEAU

Ceramica Fioranese

BLEND
CEMENTINE BLACK&WHITE
CEMENTINE OPENAIR
DOT
FIO.CLOROFILLA
FIO.GHIAIA
FIO.LIQUIDA
FRAMMENTA
GRANUM
I VARIEGATI
KINTSUGI
LAND OF ITALY
LEGNOVIVO
MONTPELLIER
MASHUP DOLOMIA
MASHUP NEW BLEND
SFRIDO



CE MARK

The CE mark guarantees a product's safety requirements. The new Building Products regulation no. 305/2011, which came into force on 1 July 2013, introduces the DOP (Declaration Of Performance). All Coem's tiles comply with the CE requirements.



QB-UPEC

QB-UPEC is a French mark of quality obtained by Ceramiche Coem's articles based on tests provided for by the EN 14411 European standard and by the technical Cahiers of the CSTB. Every article is assigned a classification that attributes it suitability for installation in different intended contexts.



LEED® CERTIFICATION

LEED® (Leadership in Energy and Environmental Design) certification which assesses and certifies the sustainability of a building as a whole, from the design phase to its final use, through a method that involves the attribution of a score for the building on the basis of its compliance with various requirements. Many of Coem's products have characteristics that can contribute to the achievement of a building score in line with the LEED® parameters. In brief terms, the main requirements for obtaining LEED® credits and certificates from the external CERTIQUALITY body are:

- Content of recycled material varying between 20% and 40%;
- Practically zero emissions of VOCs (Volatile Organic Compounds): volatile organic substances which are contaminating and irritating for the respiratory system;
- Excellent solar reflectance properties that reduce the "heat island" effect, diminishing to a minimum the impact in habitat and microclimate;
- Use of quality national materials with a considerable reduction of CO₂ emissions in the transport phase;
- Optimisation of energy performances;
- Innovation of product design.



SECTOR EPD

The document refers to an average "ceramic tile" product, manufactured by member companies of Confindustria Ceramica. The data relating to the LCA (life-cycle assessment) were collected inside member companies of the association. The study involved 76 companies and 84 factories for the primary data, representing 82.6% of the Italian production of ceramic tiles. Coem participated actively, collecting the primary data for both the factories. **The final results are representative of the companies taking part, such as Coem.**

ISO 17889-1

Recognised quality

Coem has obtained independent verification by Certiquality according to the new ISO 17889-1 sustainability standard for ceramic surfaces.

The “ISO 17889-1 – Sustainability for ceramic tiles” standard is a new international standard for determining the level of sustainability of ceramic products in the construction sector. This standard analyses the entire life-cycle of the product, evaluating also employee health and safety parameters.

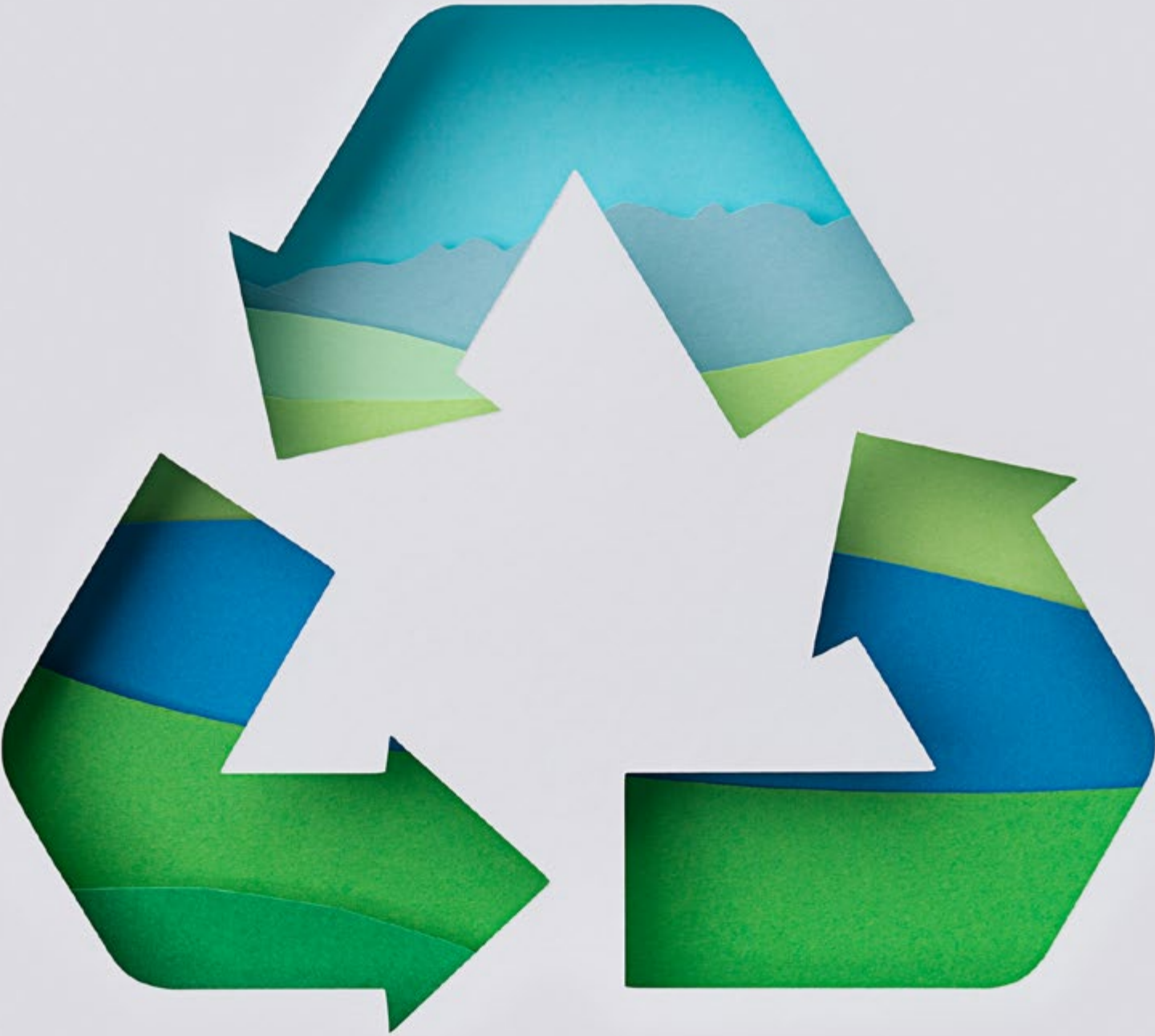
This important recognition confirms Coem's commitment to pursue environmental and social responsibility policies with determination in all production processes, certifying the excellence of a highly sustainable porcelain stoneware.

The ISO 17889-1 standard has the aim of providing design professionals, contractors and consumers with an internationally valid and verifiable standard in order to identify the sustainability of a product according to economic, environmental and social sustainability criteria. The standard provides 38 compliance parameters, 15 of which are obligatory, giving rise to a specific score for every product, for comparison with benchmark values. Only ceramic tiles reaching a minimum score of 117.5 can obtain ISO 17889-1 certification. This standard is also in line with Goal 12 of the Sustainable Development Goals (SDGs) for consumption and production, as defined by the UN in the 2030 Agenda.

Environmental criteria for the sustainability of ceramic surfaces

Coem meets the requirements of the ISO 17889-1 standard, implementing a series of actions and measures along the entire life-cycle of the product:

- Procurement of local raw materials obtained or extracted within a radius of 800 km, recorded on relative safety data sheets. Over 97% of Coem raw materials are obtained or extracted within a radius of 800 km, constituting the maximum level of excellence with respect to this parameter;
- Recycled waste content in products over 6 mm thick. Coem has various product lines with over 60% of pre-consumer recovered waste, reaching the highest level of excellence regarding the content of recycled waste in the product;
- Contract for the purchase of raw materials and environmental services with suppliers that adhere to internal environmental policy systems;
- Implementation of the Environmental Management System (EMS) and Energy Efficiency Management System (EEMS). All Coem's plants are ISO 14001 and Emas-certified and use an energy efficiency management system conforming to ISO 5001;
- Use of heat recovery systems for manufacturing kilns. 100% of Coem's kilns have a heat recovery system;
- Use of renewable energy in the production line. All Coem's plants achieve the maximum level of excellence in the use of renewable energy;





- Use of natural gas in production systems;
- Monitoring of specific consumption of fuel for firing kilns. All Coem's plants achieve the maximum level of excellence in the specific consumption of fuel;
- Monitoring of emissions of dust and fluorine into the atmosphere. All Coem plants achieve the maximum level of excellence in reducing emissions into the atmosphere;
- Recycling and reuse of process waste. All Coem's plants achieve the maximum level of excellence in the recycling and reuse of process waste with values above 100%;
- Recycling of product packaging materials above 50%. All Coem's plants achieve the maximum level of excellence in the recycling of packaging materials;
- Differentiated collection and recycling of materials used in the production process;
- Monitoring of specific water consumption and wastewater discharge during the production cycle. All Coem's plants achieve the maximum level of excellence in the reduction of specific consumption of water and do not discharge wastewater as it is entirely recycled;
- Use of packaging made with recycled materials. All Coem's plants achieve the maximum level of excellence as over 70% of packaging materials are recycled;
- Type III Environmental Product Declaration (EPD for the sector).

Economic criteria

Demonstration of conformity of the product with the standards applicable to the company. Coem's first-choice products comply with the EN 14411 (ISO 13006) standard.

Social criteria

- Information on the risks of workers' exposure to chemical and physical agents;
- Presence of dust extraction and filtering systems in the various production departments;
- All Coem's plants achieve the maximum level of excellence in periodic checks of occupational health and safety;
- Provision of personal protective equipment on the basis of ascertained potential risks. All Coem's plants achieve the maximum level of excellence in providing its employees with, and ensuring they use, all personal protective equipment necessary for guaranteeing safe production activities;
- Implementation of an occupational health and safety management system. All Coem plants are certified with regards to health and safety in compliance with the ISO 45001 standard;
- Contract for the purchase of raw materials and services only with suppliers who comply with health, safety and labor laws and regulations;
- Information provided to tile dealers and installers for a correct and safe use of the tiles, their packaging and cutting;
- Preparation of product safety data sheets for dealers and installers;
- Information provided on the correct use and maintenance of ceramic surfaces.

Social Sustainability

People are our greatest resource. Protecting them and meeting their expectations is a priority for us



Employees

276 employees, of which:
76% men
24% women



Training

2.830 hours of training
in 2022

Close collaboration
with schools and universities



Support to Communities and Associations

Reggia di Monza – Reopening of the Villa Reale kitchens

Collaboration with the Local Public Administration
and support of the local territory

Support to local humanitarian and sports associations



Our people

Equal opportunities in work environments which are proactive and attentive to the needs of our workers

Our socially responsible strategy starts from the protection and development of people, putting them at the centre of our decisions. We seek to guarantee work environments in which human and labour rights are respected and promoted, developing programmes through which to identify the needs of our workers.

We ensure that men and women enjoy optimal conditions and opportunities, promoting at the same time, gender equality across the board, creating a diversified, safe and inclusive work environment.

At the end of 2022 Coem had **276 employees**, up against 2021, of which 76% are male, a particularly significant figure for the category of worker linked to the type of production process, while for office workers the difference reduces to 65%.

Most of our company's workers (59%) work in our production facilities, but office workers also account for 36% of our employees. Of the remaining share, 5% have managerial roles and, finally, there is one person with executive roles.

With regards to the educational background of employees, 57.6% have a middle school diploma, and 32.6% have a high school diploma and 9.8% have a degree.

With regard to the type of contracts, **almost all our employees (98.6%) are on a permanent contract**. The high proportion of permanent contracts helps to achieve stability in the company workforce and guarantees employees job security, with a positive impact on the turnover rate. In 2022, with 15 employees leaving, 16 new employees were hired. These figures are very similar to 2021, when 22 employees left and 23 were hired.



Safety and training

Attention and support

Safety in the workplace is a fundamental principle underpinning Coem’s values. We want to guarantee that workers are protected from risks to their safety, their health and their professional wellbeing inside our factories and offices.



Accidents and safety in the workplace

Since 2015 Coem has set up, maintained and certified a Management System complying with the world’s major reference standard in terms of Work Health and Safety, first certifying it according to the **British BSOHSAS 18001 standard** and from October 2020 according to the highest international reference standard available and implemented in the national territory, that is **UNI ISO 45001:2018** (the first international standard that defines the minimum standards of good practice for workers’ protection throughout the world). Precisely for its non-mandatory nature, the company’s organisation model drawn up in compliance with the ISO standard is characterised by its willingness to undertake the commitment to meet increasingly stringent requirements with respect to legal obligations. Specifically, the Management System includes not only the organisational structure, planning, management and control activities according to the PDCA* approach, responsibilities, practices, procedures and resources, but also a higher-level determination of risks and, most of all, the opportunities associated with them.



Training and skills development

2,830 hours of training were provided in 2022, a significant amount, almost double compared to 2021. **Training was directed mainly to factory workers and office workers/middle management who were recipients of respectively 79% and 21% of the hours allocated by the company to professional growth.**

It’s important to note, moreover, that **75% of the time allocated to training is focused on safety issues, while the remaining time is dedicated to the development of skills and know-how regarding the other areas set out in the table.** **A significant training and awareness programme regarding sustainability themes also began in 2022**, which involved all management levels in the company. **An important internal Stakeholder Engagement event** was also held, organised with the **World Cafè method** in the form of a circular/incremental discussion of ideas for improving the company’s Sustainability/ESG profile.



Wellbeing and the involvement of employees

In 2022 action was taken to enhance the responsibility and awareness of internal staff in the fulfillment of their individual and collective duties. The various managers in charge received important training updating on the 231 model, verified by the external Supervisory Body, and on the recently updated internal ethical code, which they then passed on to their staff. During 2022, **meetings with the company doctor** were held in the production areas to launch a project to reduce smoking, providing information oriented towards greater awareness regarding the consequences of smoking, and a **Health Notice** was set up with information on correct lifestyles.

The possibility of smart working for a number of clerical areas continued in 2022. Again in 2022, important building and energy redevelopment work was carried out in the Fiorano building to a design by the architect, Luigi Romanelli.



Collaboration with Schools and Universities

Coem has for some years been consolidating relations and carrying forward projects with the world of school and university, supporting the growth of young people and the development of synergies between the business and educational fields. Among the initiatives, mention is made of the **organisation of guided tours inside our factories**, intended for middle and high school students, students of the Academy of Fine Arts and Cerform, with the objective of showing them the world of ceramics in all its production process phases. In addition, Coem collaborates with training bodies to offer students the opportunity to visit the company or have work experience and university Master internships. One example is the contribution for **new II level degree in Business and Ceramic Technology, created out of the partnership between the UNIMORE and UNIBO universities and the sector associations, Confindustria Ceramica and Federchimica Ceramicolor. Two curricular internships were organised with secondary schools in 2022. Coem is also a member of the Associazione per il Disegno Industriale (ADI) (Industrial Design Association) in which it participates actively, hosting events on its premises.**

The company collaborates with various designers, organising meetings on site to understand their business in depth and explore new forms of co-marketing with companies in the sector for the integration of ceramic surfaces into their products.



Our commitment for the Community

In 2022 we promoted and economically supported many initiatives in favour of associations and bodies of various types, continuing collaborations already in progress for a number of years.

With the Ceramica Fioranese brand, COEM S.p.A. has contributed to the reopening of the Villa Reale kitchens in the Reggia di Monza, an important cultural heritage site that has long remained abandoned.

Thanks to a collaboration with the Local Public Administration, in 2022, Coem contributed to landscaping the Castellarano area, creating elements of urban design for Piazza 20 Luglio and for the most important monuments of the city.

Coem has contributed to supporting the activities of Idea Volley Sassuolo, a female sports club, for initiatives in the 6 to 18 years of age range: this is because we believe that sport is a fundamental part of physical and emotional growth, as well as an important opportunity for social interaction that actively contributes to developing a person’s personality and a correct approach to healthy competition.

Our collaboration with Anffas, the national association of families and people with intellectual disabilities and neurodevelopmental disorders, also continued in 2022.

Improvement Goals for 2023

Our commitment to sustainable development together with a programme of actions to promote a circular economy continues. The Green Deal has as its objective the reduction of greenhouse gases by 55% by 2030 compared to 1990 and to obtain neutrality by 2050. To achieve these objectives a transition to renewable energy sources and a more efficient use of resources is necessary.



ENVIRONMENTAL SUSTAINABILITY

• Use of renewable energy

Installation of a photovoltaic system in the Fiorano plant for the production of electricity.

Use of a plant for the generation of electrical energy in the Roteglia factory.

• Reduction in raw materials used

Design of new collections with 9mm thickness that permit a reduction in impacts linked to the use of raw materials, guaranteeing the same mechanical performances as 10mm thick porcelain stoneware.

• Reduction of scraps

Reduction of grinding scraps and optimization of specific consumption thanks to the development of new collections with slightly larger formats (+1.3%).

Replacement of a wet grinding line with a dry one, without using water, making it possible to internally recover all grinding waste.



ECONOMIC SUSTAINABILITY

• Improvement in supply chain sustainability

Carrying out of a survey with its suppliers to monitor and verify environmental aspects relating to the quality and safety of processes, maintaining with them a relationship based on trust and which creates the conditions for continuous and shared improvement.

Setting up of Focus Groups with suppliers to gauge their perception of Coem's sustainability profile, collect improvement suggestions and begin a dialogue on sustainability issues.



SOCIAL SUSTAINABILITY

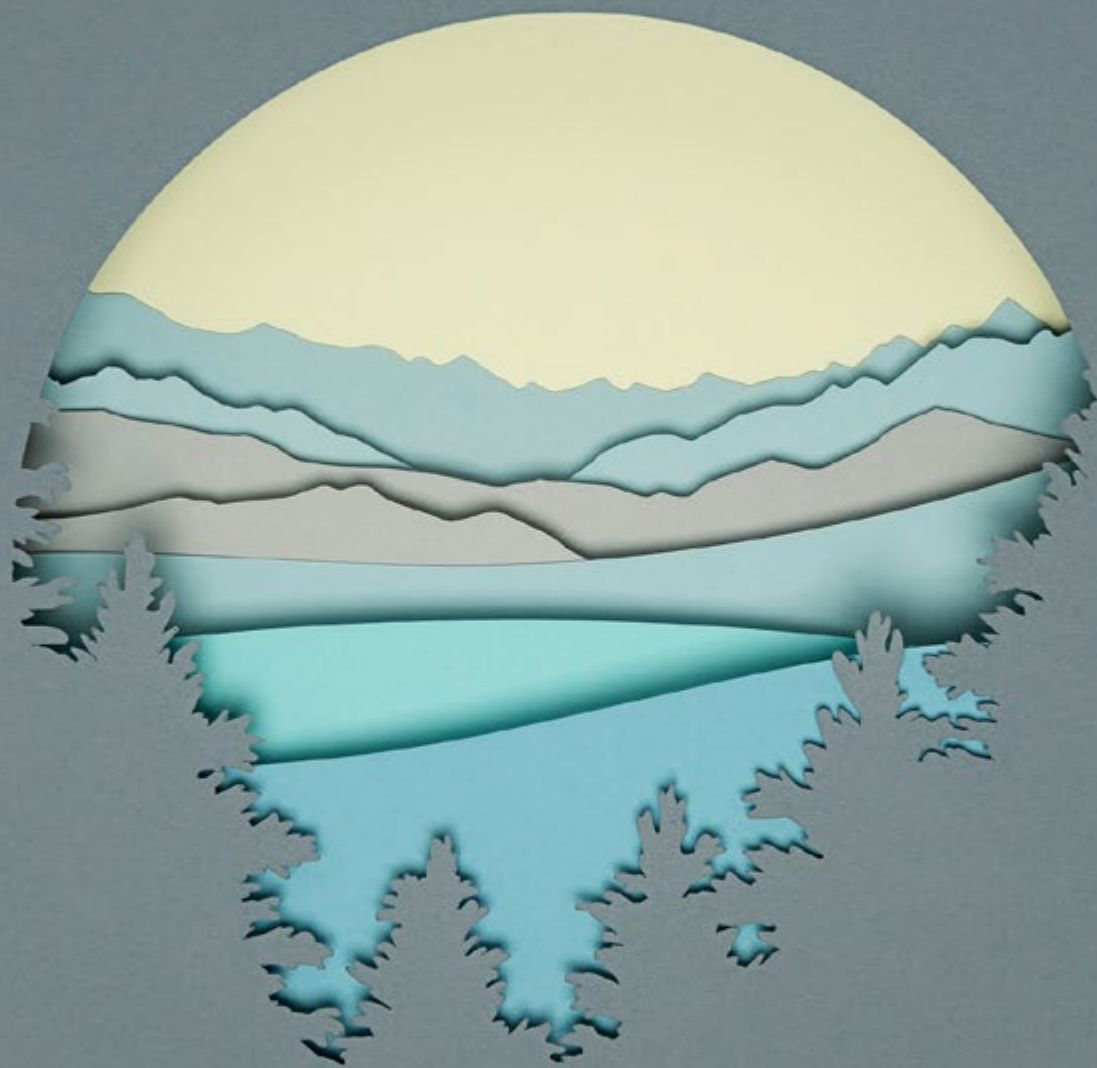
• Employee Engagement

Investing in the training and professional updating of our employees to support personal growth and improve the quality of company services at production, management and commercial level.

• Partnership on social projects

Collaboration with, and support of, projects with Schools and Universities, Public Administrations and actions of a social and cultural value.

Promoting activities that generate a shared value for people and the community.



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