

Certified



Corporation



FLORIM
DESIGN IS OUR PASSION

2020 BENEFIT REPORTS

PART OF 2020 SUSTAINABILITY REPORT





The arena is firmly **PEOPLE-CENTERED**.

The product immerses visitors in a sensory experience that is first visual and then tactile. The slabs touched are displayed on large screens, in a virtual space that explores all their possible intended uses.



LETTER TO STAKEHOLDERS

I extend my usual warm welcome to you all, with the sincere hope that reading this document will reassure you that we can look to the future on a positive note.

I believe that, as well as its terrible consequences, the “war” we have all had to fight has generated a greater awareness of how important our actions in the present are for the prospects for the future.

Coinciding, by chance, with the outbreak of the pandemic, Florim has been transformed into a Benefit Corporation, to express its commitment to safeguarding the environment and society with even greater determination.

Although these values are already intrinsic to our business model, this change has publicly proclaimed our desire to be an organization that helps to improve the environment, through operations where the balance between the resources produced and those extracted to produce them is a positive one, to the benefit of our planet.

Award of B Corp Certification, received as the year drew to an end, provided independent, external confirmation of the integrity of our business model: we were also particularly proud to see Florim included in the top 100 Italian and other companies with the best reputation.

The document provides more details about what we have done to ensure the highest level of prevention in workplaces and you will see that, in spite of the unpredictability of the variables in play, the 2020 financial statements show very satisfying economic and financial results.

I would like to conclude by expressing my profound thanks to all staff for their hard work, but above all for the spirit with which, day by day, we share our mission of being a company for the future.

With great affection, I dedicate this edition to the memory of Luisa Sghedoni Ballarini, who worked tirelessly for me and for Florim for so many years, also in the drafting and review of this report.

Enjoy

Claudio Lucchese



BENEFIT CORPORATION AND B CORP CERTIFICATION

FLORIM IS THE FIRST CERAMICS MANUFACTURER TO BECOME A BENEFIT CORPORATION AND THE ONLY ONE TO HOLD B CORP CERTIFICATION.

An extraordinary general meeting was held on **19 March 2020** to amend the by-laws and enable Florim to become a **Benefit Corporation**, changing its name to **FLORIM CERAMICHE- SOCIETÀ PER AZIONI SOCIETÀ BENEFIT** (which can be abbreviated to FLORIM S.P.A. SB).

Florim thus formally stated its commitment to operating not just for profit but also for the good of the planet and the community, by adding to its corporate purpose the goal of acting:

- with a constant commitment to continuous innovation as regards the sustainability of the processes and environmental impacts of all company activities;
- according to criteria designed to prevent pollution and reduce environmental impacts and risks, through recovery activities rather than disposal, and the implementation of energy efficiency and saving measures;
- with promotion of an informed and sustainable business approach, through collaborative dialogue with stakeholders, and the organization of training and cultural events, also in association with third parties, to integrate and spread correct and sustainable lifestyles for the environment;
- to promote a positive and inclusive workplace for its employees, safeguarding their rights and duties, safety, training, growth and the development of their potential, including the adoption of concrete company welfare measures.

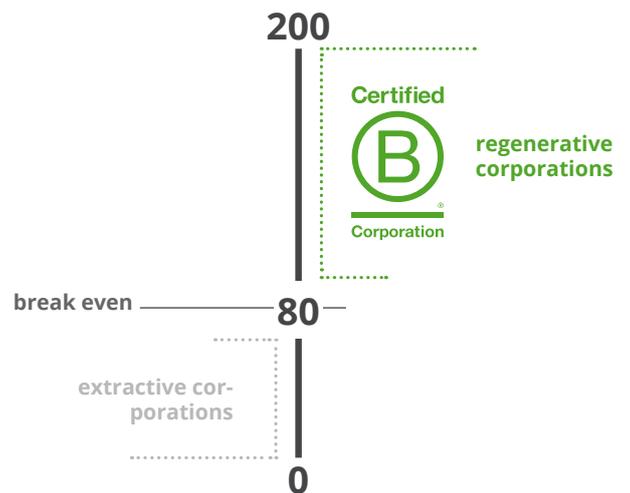
Benefit Corporations (in Italy Società Benefit - SB) – introduced into Italy by law no. 208 of 28/12/2015 - revolutionize the concept of what a corporation stands for, because their business model includes not only profit objectives but also a specific commitment to responsible operation.

On **21 December 2020**, after being measured against the highest social and environmental performance standards, Florim was awarded **B Corp Certification**.

Companies which succeed in attaining this goal are considered to **lead the world in terms of positive impact** and represent a global movement which aims to promote a new economic paradigm in which businesses play a central role in social regeneration.



Regenerating means not only reducing impact on nature and the environment but also producing positive effects, creating shared value within society and regenerating the biosphere.

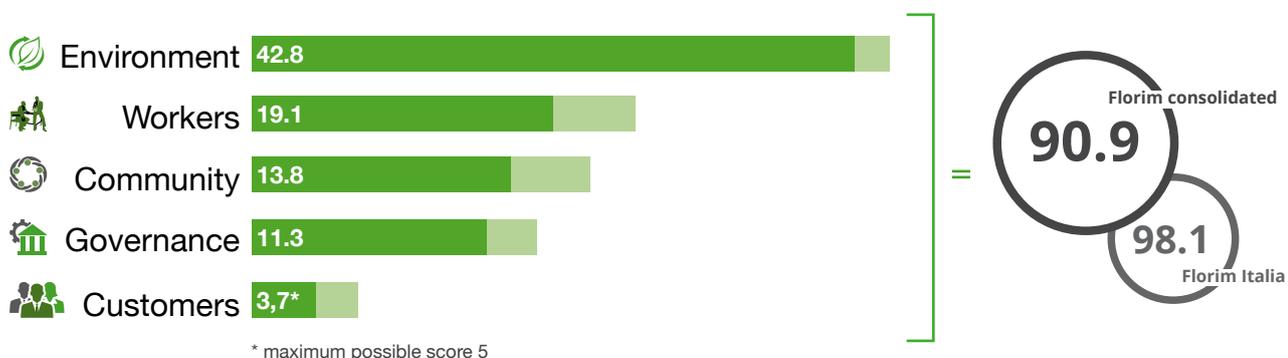


B Corp status is only awarded to corporations which, measured using the **B Impact Assessment (BIA)**, score more than 80 (on a scale from 0 to 200), placing them amongst an elite of regenerative companies. Those which fail to pass this threshold are classified as extractive corporations, meaning that they consume more economic, social and/or environmental resources than they are able to generate as output.

Florim Italia scores **98.1** points; its score combined with its American sister company is **90.9** points. The Florim Group is therefore one of just 4,000 B Corps worldwide, while over 140,000 corporations are currently trying to obtain this status. **Only 3% succeed in passing the audit process enforced by B Lab**, the American certifying body which operates at the global level.

IMPACT REPORT

To meet the regulatory requirements, Benefit Corporations must appoint “Impact Managers” and draw up an annual report to inform stakeholders about the overall social and environmental impacts the business has generated. The Board of Directors has named Directors Anna Lucchese and Mariadele Lucchese as “**Impact Managers**” and assigned them powers to oversee and supervise the pursuance of the goals of benefit for the community contained in the corporate purpose of Florim s.p.a. SB. To report the impact generated, **the company has been publishing its Sustainability Report for thirteen years** and with effect from 2020 it also uses the **B Impact Assessment, with score certified by B Lab** in December 2020. The table below shows Florim’s scores in the various areas and the **improvement targets** the company has set itself for the next three years.



**** Current score**
2021 - 2023 Improvement objectives

** Source: bcorporation.eu/directory/florim

Florim has included **four specific communal benefit corporate purposes** in its bylaws as a Benefit Corporation. The following are the results achieved and future targets for each of them.

1 CONSTANT COMMITMENT TO CONTINUAL INNOVATION AS REGARDS THE SUSTAINABILITY OF THE COMPANY'S PROCESSES AND ALL ITS PRACTICES.

2020 ACHIEVEMENTS

| Activity | Description |
|----------------------------------|---|
| B Corp Certification | In 2020 the Florim Group was measured against the highest social and environmental performance standards, and as the year drew to a close it was awarded B Corp Certification. American organization B Lab audited the company's B Impact Assessment (assessment questionnaire) and validated the score of 90.9 at the Group level and 98.1 for FLORIM S.p.A. SB. |
| Florim Connections | Florim Connections is a project launched at the Fiorano Headquarters in November 2020, during a time of international travel restrictions. The aim was to create new ways of interrelating with the main global market players, using a leading-edge digital communication system (more details on page 24). During December 2020, Florim Connections hosted 53 live-streamed events, attended by a total of 540 customers from all over the world. This investment will enable the company to reduce travel by its sales force, cutting travel-related emissions. |
| Fiorano Headquarters Road Access | During 2020 the company modified access to its Fiorano Modenese raw materials site, creating a new entrance from via Pedemontana on via Madonna del Sagrato, after upgrading and paving the private road in partnership with the co-owner Ferrari SPA. This improved the local road network and reduced traffic levels in the main entrance, shortening truck queueing times on the roads and thus cutting CO₂ emissions. |

PLANNED FOR 2021

| Activity | Description |
|----------------------|--|
| B Corp Certification | The company has set itself the goal of improving its B Corp score and thus its impact on people and the environment, by raising its result for its Italian locations to 99 points by December 2021. As shown in the graph on page 13, Florim is committed to improving its score, especially with regard to the wellbeing of "workers". |

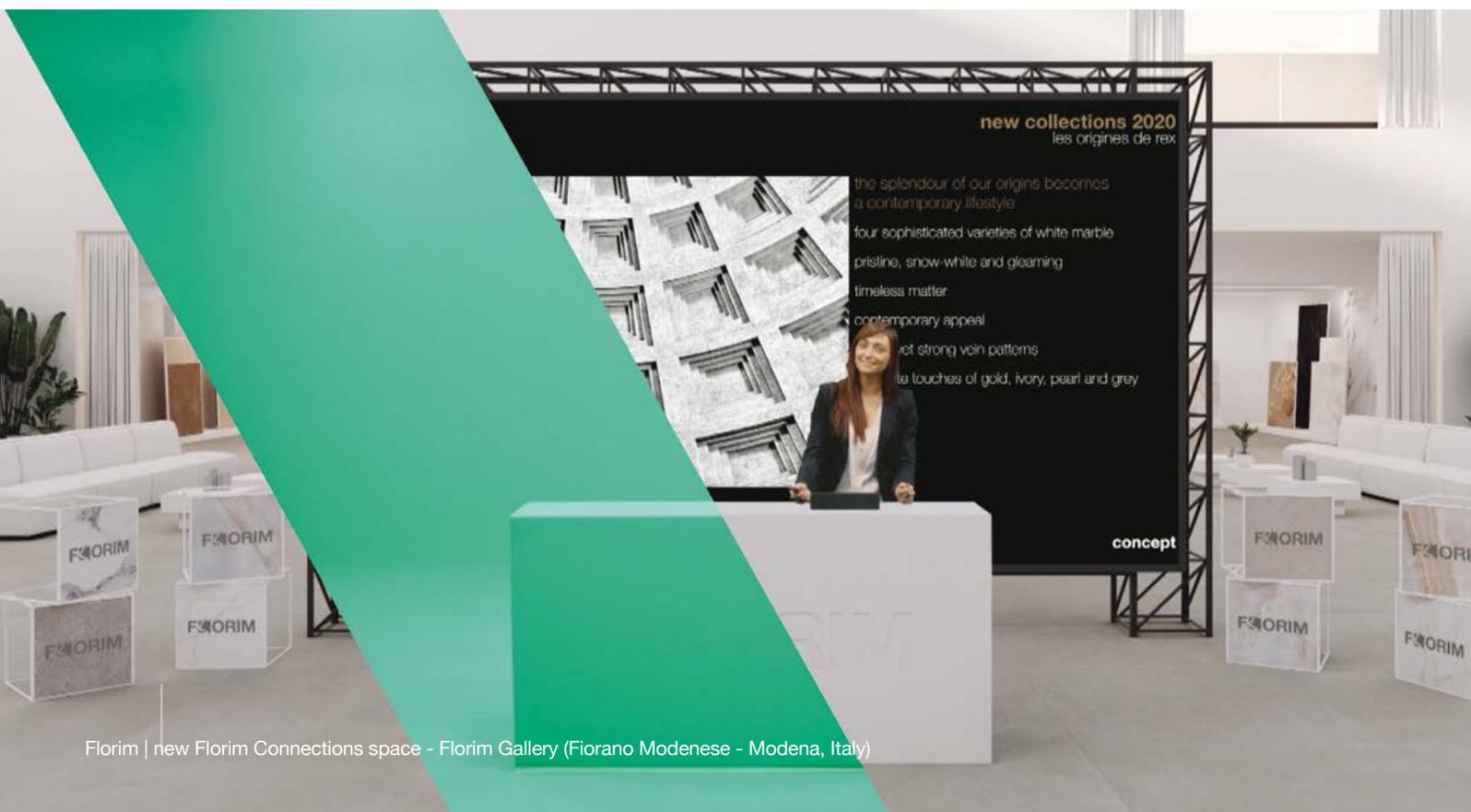
2 APPLICATION OF CRITERIA DESIGNED TO PREVENT POLLUTION AND REDUCE ENVIRONMENTAL IMPACTS AND RISKS, THROUGH RECOVERY ACTIVITIES RATHER THAN DISPOSAL, AND THE IMPLEMENTATION OF ENERGY EFFICIENCY AND SAVING MEASURES.

2020 ACHIEVEMENTS

| Activity | Description |
|---|--|
| In-house production of renewable energy | A major modernization of the 2.7 MW photovoltaic system at the Fiorano Headquarters has been completed , upgrading the plant's efficiency (further details on page 31). |
| Reduction of number of plastic bottles used | Thanks to the installation of micro-filtered water dispensers in the Italian offices and plants, more than 70,000 fewer plastic water bottles were used in 2020 than the previous year (further details on page 30) |
| Mordano noise reduction | Sound-absorbent wall panels were installed at the Mordano location and silencers were fitted to significantly improve noise pollution inside and outside the plant. |

PLANNED FOR 2021

| Activity | Description |
|--------------------------------------|--|
| Purchase of renewable electricity | Apart from the energy produced in-house, the company sets itself the goal of ensuring that 100% of the electricity purchased from the grid is from renewable sources with GO certificates of origin, meeting the increased costs. |
| Encouraging the use of electric cars | By December 2021 the company has decided to install 7 new charging stations for electric cars , in addition to the existing 4. Moreover, 4 new plug-in hybrid cars will be added to the company's fleet. |



3 PROMOTION OF AN INFORMED AND SUSTAINABLE BUSINESS APPROACH, THROUGH COLLABORATIVE DIALOG WITH STAKEHOLDERS, AND THE ORGANIZATION OF TRAINING AND CULTURAL EVENTS, ALSO IN ASSOCIATION WITH THIRD PARTIES, TO INTEGRATE AND SPREAD CORRECT AND SUSTAINABLE LIFESTYLES, FOR THE ENVIRONMENT AND FOR HEALTH.

2020 ACHIEVEMENTS

| Activity | Description |
|---|---|
| Free talks on health and healthy lifestyles | In 2020 Florim held 4 different events in the “Health meetings” cycle , run since 2014 to increase awareness of healthy life styles and prevention amongst the general population. For reasons relating to the pandemic, during the year it was necessary to redesign the events’ format , transforming them into digital video events, also translated into English to reach a larger audience. The talks are all available free of charge on the Florim website or YouTube channel (further details on page 39). |
| Economic support for health facilities and households in need in the local area | The Fondazione Ing. Giovanni Lucchese responded to the exceptional circumstances of the pandemic by donating money to support households directly or indirectly hit by Covid, and by making grants for the purchase of equipment for the local hospitals during the health emergency. |
| Florim for the community | Florim has decided to fund “Dopo di noi” [“After Us”] a new community project conceived and run by Rock No War . The project involves the creation of a residential facility complete with services and its own grounds to accommodate vulnerable members of society. The project, designed to be attractive to look at and to live in, aims to create a space where people with disabilities can live once their parents are no longer there to care for them, and where they can interact with the local community. |
| Toddlers School | In 2020, Florim helped to fund the innovative new bilingual Toddlers school at Formigine (Modena). Carefully planned down to the tiniest detail, the school was designed with a strong focus on its aesthetic and environmental impact and a high degree of interaction between architecture and teaching methods. The Group’s materials were used for the coverings. |

PLANNED FOR 2021

| Activity | Description |
|---|--|
| Free talks on health and healthy lifestyles | The company sets itself the goal of organizing 4 new talks on health lifestyles , tackling important topics such as, for example, the impact of atmospheric pollution on health, and the relationships between food, environment and health. |
| Economic support for households in need in the local area | Fondazione Ing. Giovanni Lucchese intends to continue its subsidies to households in need in the community during 2021 . |
| Stakeholder engagement | Florim plans to organize a new meeting with the main stakeholders to identify and discuss the topics considered “relevant” with regard to the company’s operations and their repercussions in terms of economic, environmental and social impact. |
| Florim for the community | The company intends to continue to fund the new community project “Dopo di noi” already described amongst the 2020 activities. |

4 PROMOTION OF A POSITIVE AND INCLUSIVE WORKPLACE FOR EMPLOYEES, SAFEGUARDING THEIR RIGHTS AND DUTIES, SAFETY, TRAINING, GROWTH AND THE DEVELOPMENT OF THEIR POTENTIAL, INCLUDING THE ADOPTION OF CONCRETE COMPANY WELFARE MEASURES.

2020 ACHIEVEMENTS

| Activity | Description |
|--|--|
| FLORIM CARE internal protocol for the management of the pandemic | During 2020, all the Italian plants adopted an internal project to safeguard employees' health and safety and contain the effects of the Covid-19 pandemic . The FLORIM CARE protocol is based on 4 main pillars: Diagnosis, Distance, Digitization and Devices (further details on page 36). |
| Company welfare | During 2020, the company added the special arrangement with Toddlers, a new local bilingual primary school , to its company welfare package. The school offers cooperative learning featuring a strong interaction between its environmentally sustainable architecture and the teaching methods adopted. |

PLANNED FOR 2021

| Activity | Description |
|--|---|
| FLORIM CARE internal protocol for the management of the pandemic | During 2021, the company is continuing the FLORIM CARE project to safeguard employees' health and safety and contain the effects of the Covid-19 pandemic. |
| Company welfare | In 2021, Florim has set itself the goal of realizing a new company welfare platform for employees at the Fiorano and Mordano locations, giving them access to a large package of benefits. |
| "Azienda senza fumo" ["No-smoking company"] project | In 2021 Florim intends to introduce a communication project to raise employees' awareness of the harm caused by smoking and restrict "smoking areas" even outdoors. |
| On-site Covid-19 vaccination plan | Dependent on the decisions of the competent Authorities, Florim is willing to run a plan for vaccinating its employees and the public against Covid-19. |
| Training | In 2021 training activities are to be reinforced with innovative technologies and the development of microlearning, the term given to training on various topics (motivation, wellbeing, creativity, health, etc.) delivered on a daily basis via the company Intranet and the screens installed in plants. |

Per rimanere aggiornati sulle nostre attività:

 www.florim.com

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“A ROUNDABOUT THAT COMES ALIVE
EVEN AT NIGHT, TO LIGHT UP OUR PASSAGE”



FLORIM

DESIGN IS OUR PASSION

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