

2023

Group Impact Report

kerakoll

Group Impact Report 2023

Sassuolo (Modena, Italy), 10 September 2024

All companies in the Kerakoll Group have voluntarily decided to prepare an impact report that describes their activities and future targets to achieve the common benefit purposes stated in the sustainability policy statement.

Our Group is B Corp certified



The Kerakoll Group is a company entrenched to the past, but focused on the future. The 2023 Kerakoll Impact Report is a document that shows one stage of our commitment to this long journey encompassing a mission that is key for the Group: bringing together thinkers and enthusiastic creators to build better places where we can live.

2023 was characterised by unprecedented challenges at the environmental, social and economic levels: extreme weather events, economic uncertainty and geopolitical conflicts underscored the importance of sharing responsibility for a safer and more sustainable future for our planet and the people who live on it.

In this context, sustainability is not just a trend or a legal obligation, but an absolute necessity to ensure the prosperity and resilience of companies. At the same time, it represents ongoing impetus for innovation and working within a system to create shared value.

Inspired by our vision of the future and driven by a spirit of interdependence, in 2023 we achieved an important objective: we became a B Corp, i.e. we were recognised as an organisation that integrates its environmental and social impacts in its growth strategy.

We have chosen to take a significant step, which confirms our ongoing commitment to making a positive impact through our business activities in respect of society and the environment.

As a B Corp, we are committed to respecting the highest social and environmental standards, transparency and responsibility, and making choices directed at systematically improving our positive impact towards people, communities and the environment in a measurable way. For us, being a B Corp means cultivating greater awareness and determination to direct our practices and processes towards sustainability and the promotion of a culture of inclusion and regeneration. There are currently 315 B Corp certified companies in Italy, with more than 9,000 having undertaken the same commitment worldwide. We are proud to be one of the largest B Corp certified companies in Italy and one of the first in the building sector to join a global movement of market leaders moving in the same direction.

On becoming a B Corp, the Kerakoll Group was asked to sign an Interdependence Statement, thus recognising the importance of shared and coordinated action, well aware of the deep-rooted correlation between a sense of responsibility and future generations.

B Corp certification demonstrates our determination to promote a company culture based on ESG (Environmental, Social and Governance) guidelines, as well as our desire to serve as a catalyst for change in the building industry. We want to show that it really is possible to build a better future, in which we can grow our company in harmony with our surroundings and promote the wellbeing of the people and communities with whom we work.

Fabio Sghedoni

Vice President, Kerakoll Group

Making sustainability central to strategy is an essential challenge for all companies today. This challenge is even greater in complex sectors like the construction industry. We congratulate Kerakoll on the genuine commitment that shareholders, managers and employees of all 11 nations where the Group operates have shown over the years in introducing strategic innovation and achieving tangible results in the field of sustainability. We are certain that the commitment will continue in coming years, and that many other companies will be inspired to follow in the same direction.

Eric Ezechieli

Co-founder of NATIVA, the Regenerative Design Company that helps businesses achieve radical transformation towards regenerative economic models and that has supported Kerakoll on its journey towards sustainability.



Declaration of Interdependence

Our Vision is one of a global economy that uses business as a force for good.

An economy of this type requires a new kind of company, the **B Corporation**, which has a higher purpose and creates benefit for all stakeholders and not just shareholders.

As a B Corporation and a leader in this emerging economy, we believe that:

we must drive the change we want to see in the world;

- all companies should be run to create wellbeing for people and the planet;
- companies should aim not to cause damage through their products, services, practices and profits, but to create benefit for everybody.

To do so we must be aware that we are dependent on one another and are therefore responsible to one another and to future generations.

Director/Officer

6/13/2023

Date

Kerakoll

Company

Eleanor Allen

Director/Officer, B Lab Standards Trust

6/12/2023

Date of Current Certification

6/12/2026

Certification Expires

6/1/2023

Date of Original Certification

Certified



Corporation



Our common benefit purposes

As a certified B Corporation, the Kerakoll Group undertakes to create better spaces where people can live, safeguarding and respecting the environment, working with whoever shares the same passion for excellence and a commitment to work in a responsible, sustainable and transparent way in four interest areas:

- product sustainability;
- strategic processes and partnerships;
- people;
- civic engagement.

Our commitment to sustainability includes 9 common benefit purposes referring to people and the environment:

1. GreenBuilding

To use the best knowledge available (technical, applicative, scientific, industrial, etc.) as a tool for growth, in order to develop construction products of the highest quality in terms of technical and environmental performance, and with as little impact as possible on the health and safety of customers, installers and home users.

2. Product rating

Apply methodologies for analysing and assessing our products' sustainability profile according to the best scientific knowledge available (science-based approach).

3. Innovative processes

To develop highly innovative industrial standards aimed at significantly reducing the environmental footprint of production, logistics and supply chain processes, including the extraction of resources, the use of energy, the use of toxic substances, and the control of waste and greenhouse gas emissions, with a view to decarbonisation.

4. Strategic partnerships

Implement strategic partnerships with the best supply chain or complementary products and services operators, in order to launch business initiatives oriented towards sustainability and the circular economy.

5. Scientific research and education

Co-operate with scientific and cultural research bodies to promote initiatives aimed at protecting the environment and community well-being, focusing in particular on improving all aspects of the life cycle and performance of buildings, including installation, use and recycling.

6. Safety

The design of operative models which always prioritise worker safety, formulating products and using materials that are increasingly less hazardous and environmentally impactful, aware of the company's social role and its responsibility as a part of the community.

7. Associates' well-being

Pursuit of the well-being of our professionals, through the constant monitoring of work environment conditions, the promotion of inclusion and work-life balance.

8. Pathways to growth

Create opportunities for growth in a working environment that favours innovation and allows people to express themselves at their best through a culture based on merit, equal opportunities and a sense of belonging.

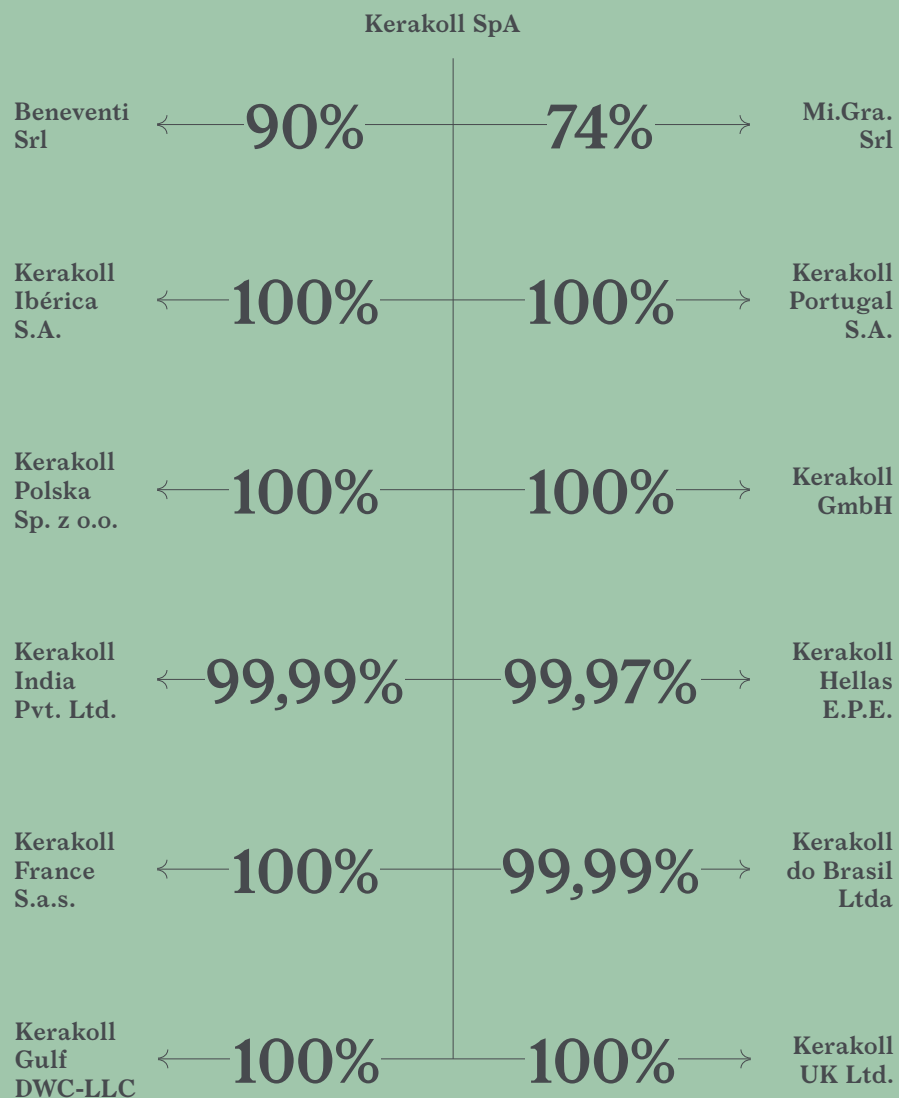
9. Civic engagement

Support is provided to non-profit organisations, foundations, third-sector entities, sporting clubs and local communities in projects that aim to have a positive impact on people's health and social life, the categories of disadvantaged people or those with any type of problem, and a positive impact on the environment where we live and our cultural heritage.



Company overview

Kerakoll Group



KERAKOLL Spa

Board of Directors

Chairman	Romano Sghedoni
Vice President	Fabio Sghedoni
Board Member	Emilia Sghedoni
Chief Executive Officer	Marco Pietro Zini
Independent director	Umberto Nicodano

Board of Auditors

Chairman	Alfredo Malguzzi
Standing Auditor	Marcello Braglia
Standing Auditor	Luca Damiani

Auditing Company

Auditor	Deloitte & Touche SpA
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Consolidated financial data	2023	2022
Sales revenue	774.140.590	744.437.740
Operating profit	111.753.394	99.484.402
Results for the year	86.010.680	63.944.110
ROI	15,3%	15,4%
ROE	17,5%	15,8%
ROS	14,4%	13,4%
Current Ratio	2,46	2,33
Acid Test	2,13	1,90
Coverage ratio	2,07	2,04

2023 impacts and targets for 2024



1 Greenbuilding

Goals to be pursued according to the company's articles of association

To use the best knowledge (technical, applicative, scientific, industrial, etc.) as a tool for growth, in order to develop building products of the highest quality in terms of technical and environmental performance, and with as little impact as possible on the health and safety of customers, installers and home users.

2023 impacts

Low-impact innovative products

The Kerakoll Group is strongly committed to researching and developing innovative solutions that promote environmental sustainability, well-being and quality of life. This undertaking is reflected in the creation of building materials focusing on their environmental impact, and designed to avoid the upcoming diseases related to indoor pollution. Some of the products that most closely represent our philosophy include:

- Bioflex: mineral adhesive with a low content of chemical additives, ideal for high performance bonding of porcelain, ceramic tiles and natural stones;
- Biocalce: pure natural NHL 3.5 lime-based plaster, EN 459-1 compliant. Ideal for breathable plastering, protecting load-bearing walls and infills with materials like internal and external brickwork, bricks, tuff, stone and mixed materials;
- Benesserebio: thermo-dehumidifying heat cell-based plaster, providing total protection against moisture.

In addition to these products, we also promote initiatives at local level, like the use of alternative binding agents with a lower impact, and raw materials that safeguard living comfort.

For example, in 2023, Kerakoll Polska extended its range with the introduction of two innovative solutions: Planogel Ultra and Flowtech Alfa. Planogel Ultra is a self-levelling gel technology product, providing high levels of control of the fluidity of the cement and laying, whereas Flowtech Alfa is a fast-setting calcium sulphate based levelling product. Both products combine superior mechanical performance and workability, with a focus on the environmental impact. They are also characterised by low VOC emissions and are recyclable at the end of their life as inert materials. Furthermore, they improve efficiency at work sites because of their greater workability and reduced drying times.

We focus continually on designing products that respect our planet, monitoring their environmental impact and working to improve this, committing ourselves consistently in the following areas:

- EPD (Environmental Product Declaration), based on EN 15804, assessing the life cycle of products and the declaration on recycled content;
- FSC certification for wood products derived from responsibly managed forests;
- EC marking for internal quality control;
- management of 19 product performance certifications;
- use of packaging from recycled plastic;
- 34% average recycled content in mineral inorganic products in 2023;
- indoor air quality, by adopting the best certification protocols to test our products with reduced emissions of volatile organic compounds (VOC).

Our commitment to sustainable design translates into an opportunity to also make a contribution through our products to obtain Green Building certification, according to recognised protocols, like BREEAM (Building Research Establishment Environmental Assessment Method), LEED (Leadership in Energy and Environmental Design) and WELL.

Low emission cement

Cement has a significant impact on the Kerakoll Group's overall carbon footprint, representing one of the main emission sources. This is mainly attributable to the cement production process, especially the burning of clinker. This process causes high CO₂ emissions due to its specific energy intensive nature, as well as the calcination, i.e. decomposition of the calcium, clinker, a basic component in cement.

Various R&D projects are underway to identify alternative binding solutions, for example, reducing the clinker, and consequently reducing CO₂ emissions.

The objective is to guarantee maximum technical and environmental performance. At Kerakoll, we talk about innovability as the best balance between innovation and sustainability: a strategic axis that drives our significant investments in research and scouting for the best technologies available.

Packaging

During 2023, we strengthened our commitment to more sustainable packaging, introducing new packing with recycled materials and making certain components lighter. Specifically, Kerakoll Polska introduced new paper bag with reduced thickness HDPE sheets, whilst keeping the protection of the product unchanged. This innovation covers around 80% of the products sold in Poland, providing material proof of our commitment to reducing our environmental impact, based on more efficient and responsible solutions.

Targets for 2024

- To increase the percentage of sales with third-party certification.
- Increasing the use of binding solutions with less environmental impact.



2023 impacts and targets for 2024



2 Product rating

Goals to be pursued according to the company's articles of association

Apply methodologies for analysing and assessing our products' sustainability profile according to the best scientific knowledge available (science-based approach).

2023 impacts

GreenBuilding Rating

The Kerakoll Group undertakes to fully and transparently communicate the sustainability features of a product with regard to the different factors that have an impact along the product's life cycle from the time of construction. The consistent use of instruments measuring product sustainability, the Green Building Rating, allows us to systematically monitor and improve impacts, whilst at the same time, increasing stakeholders' awareness about the sustainability of Kerakoll products. SGS, the leading international certification body, recognises the GreenBuilding Rating as "a reliable, complete and essential measurement method that guarantees the environmental sustainability of products". During 2023, the average rating, calculated across the product range, stood at 3.5 out of 5.

Product Quality & Sustainability

FDES Campaign. In France, Kerakoll was actively involved in the FDES (Fiches de Déclaration Environnementale et Sanitaire) campaign, an initiative providing detailed schedules on the environmental and health impacts of construction products extending across their life cycles. These schedules represent a key instrument for assessing the environmental performance of buildings, and are used to obtain prestigious certifications such as HQE (Haute Qualité Environnementale), BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design).

FDES include data relating to the origins of the raw materials, the production processes, transport, installation, use and end-of-life disposal, providing essential information for professionals in the sector, so as to design more

sustainable buildings. During the previous campaign, Kerakoll France had announced 2 solutions for each of the 4 product families. In 2023, this statement extended to the entire offering of 25 products, which also included 105 products marketed by customers selling under private trademarks. Once the campaign is over, all the stated solutions will receive a FDES certificate, further emphasising the company's commitment to promoting sustainability at international level.

VOC emission assessment. In the United Kingdom, Kerakoll began an assessment of its products in terms of sustainability, focusing on the emissions of volatile organic compounds (VOC) during their use. The company applied the GEV Ecode classification, which assesses the environmental impact of products based on the VOC levels released.

In 2023, the results showed that:

- 46% of the Kerakoll products marketed in the United Kingdom are rated EC1 Plus – GEV Ecode (the lowest classification in terms of environmental impact);
- 8% is rated EC1 – GEV Ecode;
- the remaining 46% of products still need to be tested according to the applicable protocols, with the aim of further improving the low emissions classifications.

Participation in the Sector Quality Programme (SQP). In Brazil, Kerakoll retained its qualification with the TESIS Laboratory and the Sector Quality Programme (SQP) during 2023. The SQP is an initiative that aims to monitor and improve the quality of products in specific industrial sectors, guaranteeing compliance with technical standards.

Being part of the SQO represents an essential contribution to the industry's sustainability, because it promotes the production of high-quality products, reduces waste and minimises the environmental impact. This practice is essential to ensuring product safety, protecting the health of users and promoting sustainability along the product's entire life cycle.

Targets for 2024

- Design the new Green Building Rating instrument, aligned to the SLCA (Sustainability Life Cycle Assessment) methodology and the new Green Claims Directive.
- Continue with the implementation of LCA studies and Product Environmental Declarations, completing the study for at least 20 products during 2024.

2023 impacts and targets for 2024



3 Innovative processes

Goals to be pursued according to the company’s articles of association

To develop highly innovative industrial standards aimed at significantly reducing the environmental footprint of production, logistics and supply chain processes, including the extraction of resources, the use of energy, the use of toxic substances, and the control of waste and greenhouse gas emissions, with a view to decarbonisation.

2023 impacts

Emissions and climate impact

We measured the Group’s carbon footprint in 2023 based on the GHG Protocol categories, i.e. the internationally recognised calculation standard. The scope includes 11 companies (Kerakoll SpA, Beneventi Srl; Mi.Gra. Srl; Kerakoll India Pvt. Ltd.; Kerakoll do Brasil Ltda; Kerakoll Iberica S.A.; Kerakoll Polska Sp. z o.o.; Kerakoll Hellas E.P.E.; Kerakoll France S.a.s.; Kerakoll Portugal S.A.; Kerakoll UK Ltd.).

The outcomes obtained are detailed below:

Scope 1:	15,358 tCO ₂ e
Scope 2:	9,247 tCO ₂ e
Scope 2 market-based:	4,685 tCO ₂ e*
Scope 3:	714,697 tCO ₂ e
Total:	739,302 tCO ₂ e
Total market-based:	7434,741 tCO ₂ e

* Market-based: approach that allows market tools to be enhanced to reduce the carbon footprint, for example, purchasing electricity with a renewable origin guarantee.

The main impact sources were identified along the value chain, specifically relating to the procurement of goods and services, which accounts for about 80% of total emissions.

The raw materials within the goods and services purchased category certainly represent a significant portion of the Group’s carbon footprint.. Specifically, binding agents make up a major portion of the emissions, confirming the importance of R&D investments to find solutions with lower CO₂ levels.

Secondly, upstream and downstream transport and distribution activities represent a significant contribution to the overall impact, due to the large volumes of materials handled. This is why we have an ongoing commitment to finding regional procurement solutions, and wherever possible, developing intermodal transport routes.

With regard to Scope 2 emissions, i.e. relating to the purchase of electricity, the Kerakoll Group continues to invest in energy from self-produced renewable sources and energy optimisation. Furthermore, wherever possible, we favour purchasing certified energy from renewable sources with origin guarantees.

Specifically:

- in Italy, as was the case in previous years, Kerakoll has maintained its commitment to its energy policy, by purchasing 100% renewable electricity in 2023, sourced from low impact technologies, and using this in company operations. In addition to self-produced energy (2% of the needs of Kerakoll SpA, 21% for the site in Zimella – VR, Italy), the acquisition of electricity from the national grid is combined with Origin Guarantee certificates, attesting to their sources. Thanks to this initiative, in 2023, Kerakoll SpA avoided the emission of 4,500 tons of CO₂eq. In addition, the company set up a centralised Energy Management team, focusing on developing an Energy Management System, which drafted an energy policy, defining the energy objectives to be achieved from a sustainability perspective, and undertaking the measures needed to continually improve energy performance based on a systemic approach, thus reducing costs and consumption, and increasing competitiveness;
- in France, an intelligent energy management system has made it possible to reduce electricity consumption by 8% in 2023 compared to 2022, without impacting on productivity;
- in Spain, the installation of solar panels and compressor with inverter technology that is 50% more efficient compared to the past, has reduced emissions by more than 287 tons of CO₂eq between August and September 2023, corresponding to a 28% reduction in electricity consumption over that period.

Process efficiency

The Kerakoll Group has introduced advanced solutions for reducing carbon emissions across all stages of its products' life cycles, by improving the efficiency of production and logistics processes at global level.

In Poland a state-of-the-art packaging line was installed with high energy efficiency technologies. Thanks to the integration of compressors with inverters and heat recovery systems, overall energy consumption was optimised, ensuring heated buildings during the winter with a lower environmental impact. In addition, we implemented an advanced waste management system, focusing on the separation and compacting of materials at source, thus reducing the energy needed for recycling.

In Greece a new cement production line was installed in 2023, the third production line for Kerakoll Hellas, where the plant produces products with a high granulometry, a feature that was not previously possible. This innovation had an immediate effect, reducing the need to transfer products from the Italian plant, with a consequent reduction in the transport-related carbon footprint. In addition, the installation of the new line has contributed the quantities of recycled materials within the production process. In general terms, the new lines have brought down emissions related to logistics, whilst supporting a 16.6% increase in sales.

Company fleet

The Kerakoll Group has introduced hybrid plug-in and 100% electrical vehicles into its fleet, which can be recharged at the stations installed in Spain. This transition to more sustainable mobility contributes to reducing the CO₂ emissions deriving from staff commuting.

Circular economy and waste reduction

The Kerakoll Group's approach aims to maximise the reuse of materials and reduce industrial waste:

In Brazil we treated 36,000 litres of waste water, reused 80% of the imported pallets and integrated almost 100% of the Big Bags in the production cycle. The new wrapping machines reduced plastic usage by 12% compared to the previous year.

In France Kerakoll has recovered the drums containing the silicone base for the static mixer, thus avoiding sending them on for recycling. An agreement signed with a specialist company makes it possible to wash and use the drums, reducing the need for new procurements and the relative transportation.

Targets for 2024

- Design and introduce a decarbonisation plan, by defining the Group's carbon footprint reduction target, based on the best scientific standards at international level.
- Maintain current energy consumption levels until 2026, even though we are preparing to increase production by 20%.
- Go beyond the 50% level of electricity originating from certified renewable sources.



4 Strategic Partnerships

Goals to be pursued according to the company's articles of association

Implementation of strategic partnerships with the best supply chain or complementary products and services operators, in order to launch business initiatives oriented towards sustainability and the circular economy.

2023 impacts

The Supplier and Partner Code of Conduct

On the basis of the code of conduct for suppliers, we ensure that the highest environmental, worker safety standards are applied, with equal and respectful treatment, as well as ethical practices along the supply chain. In 2023 we further disseminated the use of this tool in contractual relations, launching collaborations increasingly based on the generation of shared social and environmental value.

Strategic partnerships

We establish medium-long term strategic partnerships, of up to 30 years, with suppliers and other key players, so as to work together and set common objectives. The relationship is built on the basis of a shared strategic fit, focusing especially on sustainability, innovation and people. The objective is to develop production and logistics solution that can drive a positive transformation in the sector, introducing innovative practices with a low environmental impact.

We seek partnerships with companies – from innovative start-ups to large multinationals – who offer products and services complementary to those of Kerakoll in order to extend our vision through an ecosystem of innovative players who support sustainability.

Together with Garc SpA – an Italian B Corp certified company, leader in industrial construction and always highly conscious of sustainability issues – we have started a project to build a new Kerakoll plant in Sassuolo (MO) Italy.

In Greece, we have consolidated our collaboration with a local materials supplier so as to maximise the regional and proximity approach, thus significantly reducing the environmental impact linked to transportation and our carbon footprint.

In Spain, we have innovated our logistics system, replacing the standard pallets with Euro pallets, which are reusable within the supply chain. We also work in conjunction with certified producers of recycled pallets, promoting a circular economy that avoided around 30,000 trees been cut down a year. This model encourages our customers to reuse pallets, and initiates new relationships with local operators.

In the United Kingdom, we worked with our supplier on a new intermodal concept for the transportation of bulk raw materials, reducing CO₂ emissions by 30% compared to transportation by road only. Thanks to a road, rail and maritime transport mix, we have not only improved our logistics efficiency, but also the sustainability of operations, ensuring faster delivery times. Furthermore, in 2023, we laid the foundations for a multiple-year collaboration with the University of Sheffield t/a Advanced Manufacturing Research Centre (AMRC).

The first project agreed on with AMRC refers to assessing the efficiency of our machines at the Kerakoll UK plant, with a view to minimising waste. Running parallel to this, AMRC is supporting us in designing a new manufacturing plant at our branch in the United Kingdom, with a special focus on reducing the environmental impact and maximising the potential social impact, both for the staff occupying the spaces, as well as the local community.

Interdependence

By embracing the B Corp model, the Kerakoll Group has become part of a community of companies that want to spread a new regenerative entrepreneurial model, through which to share values and vision for the future. We have therefore embraced the principle of Interdependence as declared at the beginning of this document.

In May 2023, we took part in the B for Good Leaders Summit in Amsterdam, together with a number of global leaders and companies that have founded their operations on sustainability. This participation brought us into contact with other experiences that see their main factor for success in sustainability, and provided us with an opportunity to reflect on how a paradigm shift is possible and requires concrete action, investments and courage, so as to generate a tangible impact for consumers, citizens and communities.

In addition, we also supported and participated in the B Corp Summit in Milan in October 2023. Along with 230 other Italian B Corps, we attended the 2023 #TimetoB Summit. This provided a great opportunity to consolidate links and reflect on how to accelerate progress towards a new economic paradigm. Claudio Motta, Chief Operative Officer of Kerakoll Group, took part in a panel discussing Benefit Companies. The panel included Monica De Paoli, Vice President of Assobenefit and was moderated by Paolo di Cesare, co-founder of NATIVA. At the core, the importance of the Benefit Company status that we obtained in 2021, and its implications for multinationals, in terms of governance and commitment in respect of the company and future generations.

Targets for 2024

- To consolidate the ESG evaluation of existing and potential suppliers and strategic partners, leading to the definition of a strategic direction and shared improvement plans.
- To create a tool for defining specific ESG targets for each strategic partnership.
- To establish and develop new partnerships with sector leaders in order to create value for the community.





5 Scientific research and education

Goals to be pursued according to the company's articles of association

Co-operate with scientific and cultural research bodies to promote initiatives aimed at protecting the environment and community well-being, focusing in particular on improving all aspects of the life cycle and performance of buildings, including installation, use and recycling.

2023 impacts

The Kerakoll Group takes part in collective actions and systematically cooperates with Universities and scientific research entities to deal with significant issues related to sustainable innovation in the construction sector, and invest in specific innovative solutions that can be introduced into the market

CO2alizione

With CO2alizione, a cooperation platform between companies committed to climate neutrality, the Kerakoll Group together with more than one hundred companies has decided to unite to increase the level of attention being given to climate neutrality, undertaking to progressively evolve their business models to an economy of zero emissions of climate-changing gasses, in line with the European targets of climate neutrality and national objectives referring to the ecological transition. 2023 was the first year for us to participate in this initiative. It introduced us to other excellent companies with whom we can develop solutions to the common challenges that affect everybody, even outside business. The Kerakoll Group's activities in 2023 included participation in workshops focusing on strategies for decarbonisation, accounting, offsetting, green logistics, procurement and packaging. This has made it possible for us to focus and lay solid foundations for 2024, which we would like to make our year of action in effectively implementing what we have built up until now, based also on a solid governance model.

Eucentre

Ensuring building safety is a challenge we have been committed to for a number of years now, with research into innovative anti-seismic technologies and solutions. In 2023, we analysed the results of the Eucentre tests, based on which we planned trials in 2022. These results provide us with useful data for safer and more efficient system design with a view to building homes in which people can feel increasingly safe.

Research with universities

The Kerakoll Group has ongoing thesis projects with different Universities, proposing research project and thesis subjects focusing on innovation and sustainability, with the objective of supporting initiatives that can make a contribution in this regard.

Every year, we host a number of University students preparing their thesis for around two to six months, supporting them in conducting tests on research projects that are current for us, with objectives relating to defining formulas and products with high sustainability levels, such as for example, binding agents with a lower cement content or organic materials from renewable sources. In 2023, we specifically worked in conjunction with:

- University of Trento (Italy), on a research project aimed at studying the resistance to corrosion of the new Kerakoll formulations, the so-called alternative cements, which use a lower cement content.
- University of Bologna (Italy), on two theses – one already completed and one that will be completed in 2024 – on hybrid prepolymers obtained from sustainable materials; an analysis of binding agents made with alternative cements with a reduced clinker content (cement powder).
- University of Modena and Reggio Emilia (Italy), on a research thesis on the characterisation of cements made from materials from the circular economy.
- University of Parma (Italy), on an important thesis project, which began in 2022, and resulted in the graduate being employed in our Laying division.
- Polytechnic University of Barcelona (Spain), on the development of tests with more sustainable materials for the structural repair and strengthening of historic buildings.

H40 Guru della Posa

In 2023, we presented the H40 Guru della Posa, the first web series that tells the story of the professionals in the installation laying world, with whom the Kerakoll Group works on a daily basis. The series adopted a docu-reality style that realistically and engagingly illustrated on-site work and also presented personal experiences and daily challenges. The name for the series originates from the iconic H40 Gel adhesive range, which made Kerakoll's history and revolutionised the world of laying. Every episode is dedicated to a specific type of installation: from working at heights to highly technical installations, including a focus on sustainable laying. Involving specialists in sustainable building, every episode discusses the impact of construction materials and the importance of working with partners that promote a responsible approach to the planet and people. Equally important, the recovery of historic flooring: in the series, we highlighted the historic and cultural heritage from Italy and abroad, focusing on the work done in recoveries in historic and cultural sites that used Kerakoll products, such as the renovation of a historic building in the centre of Bari, in Italy.

EcoDDS

In France, Kerakoll works with and is part of EcoDDS, a local organisation specialising in the collection and treatment of hazardous domestic waste, ensuring the safe disposal and recycling of materials such as paints, solvents, chemical products. By managing the life cycle of this waste, EcoDDS contributes to reducing the environmental impact, and promoting responsible waste management practices among consumers and companies. In 2023, we committed to formulating a 5-year plan to reduce the use of non-recyclable resources, increasing the utilisation of recycled materials and the recyclability of our products and waste in specialised treatment centres.

Job opportunity events and fairs

In 2023, Kerakoll do Brasil was an exhibitor at the first Fair for Professions and Technology (Feira das Profissões e Tecnologia), held from 14 to 16 September in Jundiaí, in Brazil. Organised by the Unit managing the development of the economy, science and technology (UGDECT) with the aim of providing new generations with an interactive and practical experience on different professional careers. We also took part in the second edition of the Fair on employment and entrepreneurship (Feira da Empregabilidade e Empreendedorismo) in Charqueada, Brazil.

Targets for 2024

- Finalise the research project with the University of Trento (Italy) to assess the resistance of alternative cements to corrosion from the perspective of decarbonising the cement chain and the doctoral thesis in Industrial Chemistry with the University of Bologna (Italy) on sustainability focused projects in the area of adhesives for laying, with the doctoral student also expected to participate at the Rilem 2024 conference as a speaker.
- To continue raising awareness among stakeholders through campaigns focused on physical and environmental wellbeing on work sites, in collaboration with the Benefit Company ICS Maugeri SpA.



6. Safety

Goals to be pursued according to the company's articles of association

The design of operative models which always prioritise worker safety, formulating products and using materials that are increasingly less hazardous and environmentally impactful, aware of the company's social role and its responsibility as a part of the community.

2023 impacts

Healthy products for the environment and people

In 2006 we joined forces with the Joint Research Centre (JRC), the European Commission research centre, to define a method to measure indoor pollution generated by construction products, through the use of the environmental simulation room Indoortron. Over the years this project and its scientific bases have led to the construction of VOC rooms that are constantly operative in order to assess the emissions of our products. Today Kerakoll GreenLab has its own IAQ Lab for emissions research and VOC testing, fitted with 12 software-managed test rooms. In 2023, we had over 600 products with EC1 plus certificates according to the GEV methodology or classified A+ based on the "Emission dans l'Air Intérieur" label. We have also planned to acquire two new VOC chambers, taking the total number in service to 14.

Operators' health and safety

The Kerakoll Group constantly undertakes to promote the health and safety of its operators at all its locations, guaranteeing a safe and protected work environment. At Group level, we ensure the standard adoption of Personal Protection Equipment (PPE), specific corporate policies, strict guidelines and ongoing training courses on safety. This integrated approach aims to protect the well-being of every staff member, regardless of their location or the role they cover.

In Spain, for example, we have reduced the packaging weight on certain products from 25 kg to 20 kg, by introducing a handhold that makes it easier to handle. This intervention, together with the use of PPEs and specific safety procedures, have significantly reduced the risk of accidents and muscular strain. We have also introduced a Protocol on respirable crystalline silica, with measures such as washing clothing, environmental monitoring and dust control procedures, supported by training aimed at the correct usage of PPEs. Also in Spain, thanks to the new KIB5 production line, we manage a raw material that reduces dust generation, in synergy with our safety policies and the mandatory use of PPEs. To strengthen a culture of safety, we have also established a health and safety committee, and appointed a person responsible for work risk prevention.

At our plant in the UK, we introduced a centralised inlet system, reducing dust emissions by 73%, to further improve working conditions. In addition to the Personal Protection Equipment provided to all operators, the packaging line was automated with the installation of a robotic arm to eliminate heavy manual handling. This automation, together with the necessary technical training, has brought the number of accidents linked to handling to zero, and increased production capacity by 37.5%. We also implemented standardised operating procedures (SOP) for our production processes to significantly increase operational efficiency, reducing errors in production, with a consequent improvement in work quality. The positive results from these metrics have shown how successful the initiative has been and their crucial role in supporting the growth of our colleagues and promoting a more efficient, innovative and cohesive work environment.

In France, we are developing a project for powder dosages, reducing workers' exposure and the professional risks, whilst continuing to promote the use of PPEs and implementing policies and guidelines to reduce volatile dust emissions.

In Greece, we have installed an online monitoring system for dust emissions in production filters, supported by a prompt alert procedure if safety limits are exceeded. This system forms an integral part of our guidelines, which combined with the PPEs and training, guarantee ongoing protection for workers.

In Poland, despite local regulations not requiring the appointment of a health and safety specialist if the staff component is less than 600, Kerakoll has chosen to pro-actively appoint an internal specialist with effect from July 2023. This decision, together with the provision of PPEs and ongoing safety training, shows our commitment to promoting a solid and widespread culture of safety.

In Brazil, in addition to guaranteeing the use of PPEs, we introduced the daily Dialogues on safety. Ongoing monitoring of the work environment is ensured with the Risk Management Programme (RMP) and Programme for medical and health controls at work (PCMSO). Furthermore, activities like gymnastics were introduced at the workplace, with ergonomic assessments to make additional improvements to the well-being of staff.

Safety Week

In February 2023, Kerakoll SpA promoted Safety Week, an event dedicated to Health and Safety, involving practical workshops and courses, in conjunction with regional entities and associations. The initiative, a new addition included in the 2022-2024 integrative contract, was carried out over 14 non-consecutive days via remote and in class sessions at the plants in Sassuolo (MO, Italy), Rubiera (RE, Italy), Brugine (PD, Italy) and Zimella (VR, Italy). Those taking part in at least 3 initiatives received a final award. The positive feedback we received strengthened our willingness to support people in creating opportunities for ongoing training, discussion and sharing.

Targets for 2024

- Continue in designing innovative, performing products with increased sustainability content, with a view to offering solutions that increasingly correspond to our vision of sustainable living.
- To repeat Safety Week.
- To further integrate environmental and safety aspects into the operations of all departments with a view to developing a common culture in line with company principles.



7 Professional well-being

Goals to be pursued according to the company's articles of association

Pursuit of the well-being of our professionals, through the constant monitoring of work environment conditions, the promotion of inclusion and work-life balance.

2023 impacts

Remote working

Smart working successfully continues according to the Kerakoll model, based on flexibility and work targets.

In Italy, 50% of new recruits signed the individual smart working agreement, with a total of 425 people that are able to work remotely for approximately 29,000 days-man/year. This has permitted a saving in CO₂eq emissions of around 279 tons of CO₂eq for the mobility of Kerakoll personnel.

In France, we extended the option of smart working for those working in the office, allowing them to work remotely up to 2 days a week.

In Greece, the implementation of smart working, with flexible remote working hours, has resulted in 6 different work timetables based on the place and role, and allowed 12 people to work remotely up to 2 days a week.

Smart working was also formalised in Spain, involving 10% of staff, that now carry out 30% more of their work remotely.

In Brazil, we have adopted a home office policy for administrative staff in the larger capitals, promoting a hybrid work model that improves quality of life, while optimising home-work commuting.

Welfare and benefits

In Italy, the trial of the welfare plan continued in 2023 at the Brugine (PD, Italy) and Zimella (VR, Italy) plants: people received a welfare credit to spend on a number of activities, shopping or refunds via a platform. We organised training days on the portal and corners dedicated to personalised one-to-ones to support everyone in using the services on offer. In addition, an agreement was reached with trade unions, according to which one could choose whether to convert the entirety or part of the award into welfare credits.

Kerakoll SpA also signed a new integrative agreement for the offices in Veneto, which sees the introduction of various people first based initiatives. The main innovations include a results award, joint time bank, the Kerakoll Safety Week, family leave and promoting equal opportunities.

In France, the company offers supplementary medical cover for all staff and their dependants, with the addition of well-being initiatives, like the weekly distribution of fruit organised by the association of workers' representatives.

Greece also makes provision for private medical insurance, with the option of extending this to the family, in addition to extra rest days. We have also introduced some financial incentives, including an extra remuneration package on the occasion of the appointment anniversary, a Christmas bonus, contributions for summer camps and University diplomas. Kerakoll Hellas introduced salary increases for workers of 4% and 5%, up to EUR 2,500 monthly, in response to the increased cost of living.

The UK also has a dedicated Plaza platform, where workers can access a resource centre to obtain information on the company and the different welfare measures available, like those supporting physical, financial and psychological well-being. Through this platform, we introduced another two benefits for our colleagues in 2023: Holiday Trading and Smart Tech Loans. Holiday Trading makes it possible to improve the work and private life balance, providing flexibility in managing leave. The Smart Tech Loans initiative, on the other hand, is mainly directed at workers occupying entry level positions, facilitating the purchase of personal devices, like household appliances and other tech instruments, for use in the private and professional sphere.

K Program

The K Program project has been completed, which with the active participation of 28 champions representing the entire Kerakoll population, set about defining new conduct for the Group. The latter were circulated during 2023, in an initial phase involving all function managers, and then with the entire Kerakoll population with a behaviour component included in the performance management assessment schedules.

K Engagement Days

As a Group, we have formulated a model over time to engage with people at global and local level, including team building activities directed at improving cooperation, communication and the team's internal dynamics.

In Portugal, we implemented Connection Day for the first time in 2023, i.e. an entire day dedicated to Kerakoll staff as a time for engagement and team building.

The different activities included listening to the needs to improve colleagues' sense of well-being, training sessions on sustainability and other opportunities for engagement. Managers also had the opportunity to share current and future company projects. This helped people from the plant and head office to get to know each other better and share experiences.

In Italy, 2023 saw the start of K Cultural Days, a cycle of guided visits specifically for Kerakoll staff, to encourage a culture of the beautiful and well-made, and increasingly create a community. The first stop was the Duomo in Modena, then on to Villa Vigarani Guastalla in Fiorano Modenese (MO, Italy), the Ducal Palace in Sassuolo (MO, Italy) and many more. This initiative was very successful and was described as an opportunity to meet up and share an experience in the Kerakoll style.

Kerakoll France, organised events dedicated to team building throughout the year. During the summer, it promoted the initiative of "quart d'heure fraîcheur", offering our staff a fifteen-minute break and time for relaxing.

BSS and work climate surveys

The Group has begun climate analyses based on structured interviews to investigate people's well-being in the functional areas involved. The results provide a solid basis for defining action plans and dealing with the criticisms that emerged.

The Brand Strength Survey (BSS) aims to assess engagement and the connection of workers with Kerakoll at global level, by calculating various performance indicators, including the Net Promoter Score. Various initiatives and discussions were undertaken at local level following the outcomes of the survey.

For example, in Poland, based on the satisfaction rating surveys, we made significant improvements, like changing the medical aid and sports providers, expanding the benefits portfolio, the methods of hybrid working and flexible work hours.

As proof of the results obtained with these initiatives, in 2023, Kerakoll SpA was ranked as the "Top Job – Italy's Best Employers" for the second consecutive year, in the "Chemicals" category, in the German Quality Institute (ITQF) report.

This recognition confirms the path we have undertaken to build workplaces promoting well-being and safety with initiatives such as the Kerakoll Safety Week, the new K Lunch canteen in Brugine (PD, Italy) and the start of construction for the industrial hub in Sassuolo (MO, Italy), where 100 new recruits will be working.

Targets for 2024

- Moving from a test model to a structural smart working model at Group level.
- To extend flexible working times.
- Extending the welfare plan to a number of international Kerakoll locations.
- Repeat the Brand Strength Survey on an annual basis.
- To continue work climate surveys, using structured interviews to assess the wellbeing of employees in other areas of the company.

2023 impacts and targets for 2024



8 Pathways to growth

Goals to be pursued according to the company's articles of association

Create opportunities for growth in a working environment that favours innovation and allows people to express themselves at their best through a culture based on merit, equal opportunities and a sense of belonging.

2023 impacts

PMP (Performance Management Process)

In 2023, the Kerakoll Group introduced changes to the PMP process. For example, we have reformulated upward feedback (manager's assessment of worker) in the Research, Development and Quality area, with the aim of promoting dialogue and improving manager-staff relations, providing the latter with an opportunity to share their constructive feedback on the manager's work. This type of assessment was also extended and tested in the Product Marketing area. In addition, we revised the timing and forms relating to Performance Assessments, introducing the new leadership framework created by the Kerakoll Group in the scope of the common performance factors, with the aim of increasingly promoting virtuous behaviour and personal development.

Development and training

In Italy, the first edition of the Leadership Academy was completed, involving experience-based training. Managers from the Marketing and Sales areas of Kerakoll SpA took part in this programme. Its main objective was to harmonise the way in which teams are managed according to the Kerakoll leadership model, through various training sessions designed to acquire specific competences. A second edition of the Leadership Academy was then undertaken, involving the first line of management and leaders in the sales area.

Kerakoll France introduced the Building Better Together programme, created to share the Group's values and vision with all new employees, irrespective of the position in the organisation, during a training session that promoted a sense of belonging.

In Poland, with the implementation of learning and development processes, we are committed to strengthening people skills and freeing up their full potential. By offering training programmes and resources, we promote professional growth and focus on providing the conditions for our team to excel in their roles.

Kerakoll do Brasil invested in development and training, with a total of 28 courses and 3,013 learning hours.

Kerakoll Succession Planning

2023 saw the start of the strategic Succession Planning programme, which aims to validate the International Business organisational model, developing a common definition for key roles and verifying how robust succession plans are, identifying possible risks and the talent pipeline to ensure that key roles are covered.

The International Business Unit Organizational Design phase was completed during the year, completing the first wave of the Development Centre addressed to 113 talents in Italy and abroad (Top Management), with the relative personal feedback, and a new leadership model was prepared (Leadership Framework).

Internal Job Posting

Last year, the first Internal job Postings were circulated: open positions were advertised via the newsletter addressed to all Kerakoll Group staff, providing people that already worked within the Group with the opportunity of applying for the job and advancing. During the year, the initiative involved three workers that were promoted to new roles after the relevant selection process.

Kerakoll Hellas implemented various initiatives during the year to promote professional growth and improvement. Specifically, significant work advancements were made. In addition, weekly contact meetings are organised between workers and the General Manager, with periodic meetings held between the different function teams.

Poland and Brazil also encouraged internal promotions: we actively encourage Kerakoll staff to explore new opportunities within the Group, by taking part in our recruiting processes. In Brazil, 22 people received an internal promotion during 2023.

Employer Branding

We promoted a number of initiatives directed at young students, in collaboration with schools, universities and business schools: participating in career days, company presentations at universities or study courses hosted at our premises for company visits. The aim of these Employer Branding initiatives was mainly an opportunity to come into contact and attract the best talent on the market. In 2023, various group assessment sessions were organised at the Kerakoll SpA headquarters, which were very well received by the young new graduates involved. In Italy, we appointed 4 new graduates in the Brand Marketing & Communication area, after a training internship that then became a direct contract with the relative career advancement within the company.

Targets for 2024

- extend the Leadership Academy training course to involve leaders in the Operations area, excluding the shift manager/line manager;
- to define succession tables and associated hiring plans covering identified risks. Develop a Group development initiatives plan, involving more than 50 people in Italy and abroad;
- to implement the Learning Management System for the entire Group, defining a structured and standardised onboarding process;
- include a sustainability target in all MBOs;
- to roll out the Performance Management Process to the entire Group;
- to define and adopt a Group Job Model;
- implement the “International Business Unit Organisation” model by recognising internal talent and identifying talent from the outside market, based on a structured hiring plan.



2023 impacts and targets for 2024



9 Civic engagement

Goals to be pursued according to the company's articles of association

Support is provided to non-profit organisations, foundations, third-sector entities, sporting clubs and local communities in projects that aim to have a positive impact on people's health and social life, the categories of disadvantaged people or those with any type of problem, and a positive impact on the environment where we live and our cultural heritage.

2023 impacts

Improving the local impact

In 2023, Kerakoll UK started the Silo Cladding Project, an industrial initiative corresponding to our reputation as a Green Building Company. Work began in January and was completed in April, involving the external restructuring of 13 silos, with a steel structure constructed to enclose them. The objective was to capture any surplus material that could leak out into the atmosphere from our production site. The project focused on:

- reducing noise levels for the neighbouring residents and limiting the local environmental impact;
- reducing the amount of surplus material and dust that risked being dispersed into the surrounding areas;
- improving the aesthetics for residents in the area.

Solidarity efforts

In Poland, we actively support non-profit organisations committed to making a positive impact on people's health and social life. In 2023, Kerakoll Polska supported a number of initiatives involving local communities: by making donations to various charity organisations, it contributed to creating a shelter for the homeless, renovating a fire station, as well as supporting paediatric and veterinary treatment.

In 2023, Kerakoll France sponsored its first charity race, the Course des Lumières in Lyon (FR). The event was held to provide funding for research on diabetes through the Fédération Française des Diabétiques.

A number of solidarity initiatives were undertaken in Greece during the year. Through the Solidarity Now programme, we provided financial donations to support the people affected by the earthquake in Turkey and the flooding in Thessaly, the Race for the Cure, for people affected by breast cancer and Reto Hellas, to provide building materials for the homes of people undergoing rehabilitation. Finally, we supported the Ermis basketball team, providing eight bursaries, of which four were for the basketball academy and four for the special team of players with an autism spectrum.

In 2023, in Portugal, we donated materials for an amount equalling 1.8% of our net income to various non-profit organisations, including Fundação Gil, Querer é Saber and Património dos Pobres da Freguesia de Ílhavo. These associations are committed to the development and well-being of local communities, offering support to families, children, youngsters and the elderly.

In 2023, Kerakoll UK consolidated its civil commitment based on a well-structured apprenticeship programme, aimed at supporting local communities, education centres and the workers of tomorrow. Working in conjunction with educational institutions, we offered students the opportunity to combine their learning of theory with practical experience in the field, which benefited them with the precious skills they acquired, and our education partners, by contributing to the development of curricula and improving employment opportunities.

This programme has had a significant impact, as shown by the many results achieved: eight trained apprentices, the Employer of the Year award, won at the Runshaw College Apprenticeship Awards for two consecutive years and recognition at the Lancashire Apprenticeship Awards. In addition, the involvement of our colleagues, who dedicated more than 500 volunteering hours working as mentors, increasing their job satisfaction, nurturing a sense of pride in the contribution they made to developing the workforce.

Kerakoll do Brasil supported various programmes and projects for the local communities in Brazil:

- “The Drug and Violence Resistance Educational Programme” (PROERD), an initiative directed at preventing the use of drugs and violence among children and adolescents;
- “Acolha um Quarto, Conforte Vidas”, a project launched in March 2019, for the renovation of the structures at the Carità São Vicente de Paulo (HSV) Hospital in Jundiaí;
- “Creating Exploratory Demand”, a project with the municipality of Charqueada focusing on children in public schools with the aim of clearly explaining the sector in which Kerakoll operates;
- “Servidor Consciente Recicla”, an initiative promoted by the Municipality of Jundiaí, to raise awareness among the more than 1,200 Municipal Offices workers on the importance of recycling and reducing waste.

Targets for 2024

- Continue to support non-profit entities by providing material and financial donations for social and environmental causes and for renovation and restructuring projects relating to the cultural heritage.



Impact assessment

The Kerakoll Group has chosen to measure and progressively improve its environmental and social impact, based on the Benefit Impact Assessment (BIA), one of the most authoritative and internationally recognised tools for measuring companies' sustainability performance.

The analysis includes around 200 questions relating to the practices adopted by the Group, and calculating a score for its impact, then comparing this with an international benchmark. The BIA result referring to the Group is scored between 0 and 200, broken down over the five main impact areas under consideration:

- governance: issues related to ethics, transparency and corporate mission;
- workers: subject relating to employees' health and safety, their well-being and level of satisfaction;
- community: issues related to inclusion, supply chain management and civic engagement of the company;
- environment: issues related to climate change and natural resource management;
- customers: issues related to interaction with consumers.

The use of this tool also provides indications on possible areas of improvement.

The figure below shows the results of the BIA analysis in the assessment.

This document declares our 2023 sustainability performance as validated by B Lab in a perfectly transparent way.

Overall B Impact Score

Based on the B Impact assessment, Kerakoll earned an overall score of 84.4. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 84.4 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score of Ordinary Businesses

Governance 14.7

Governance assesses the company's overall mission, its commitment in terms of its social/environmental impact, ethics and transparency. This section also assesses a company's ability to protect its mission and formally take into consideration stakeholders in the decision-making process through the company structure (e.g. company benefits), or corporate governance documents.

Workers 24.4

The section "Workers" assesses a company's contribution to financial security, the health and safety of its employees, their well-being, career development, involvement and satisfaction. In addition, this section recognises the company models created to favour workers, like the companies that are held for at least 40% by non-executive employees and those that have work development programmes to support individuals with employment barriers.

Community 15.6

The community assesses the commitment and impact of a company on the community where it operates, recruits staff and makes procurements. The issues here include diversity, equality and inclusion, the economic impact, civic commitment, charity and management of the procurement chain. This section also recognises the company models created to deal with specific problems within the community, like the alleviation of poverty through equal and solidarity-based procurements or distribution through micro-enterprises, producer cooperative models, economic development focusing locally and the formal charity undertakings.

Environment 26.1

The environment assesses a company's overall environmental management practices and its impact on the air, climate, water, ground and biodiversity. This includes the direct impact of the company's operations, and if applicable, its procurement chain and distribution channels. This section also recognises companies with innovative production process from an environmental perspective, and those selling products or services with a positive environmental impact. Examples include products and services that create renewable energy, reduce consumption or waste, conserve the territory or wild fauna, provide less toxic alternatives to the market or educate the public on environmental problems.

Customers 3.6

The "Customers" section assesses a company's customer management based on the quality of the products and services, ethical marketing, privacy, data security and feedback channels. This section also recognises the products or services designed to deal with a specific social problem for customers or through them, for example, products for health or education, artistic or media products, services to non-served customers and services that improve the social impact of other companies or organisations.

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