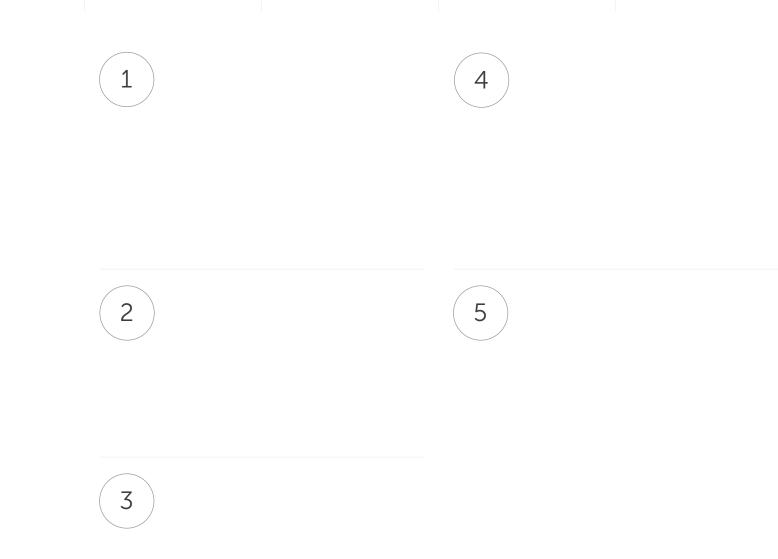
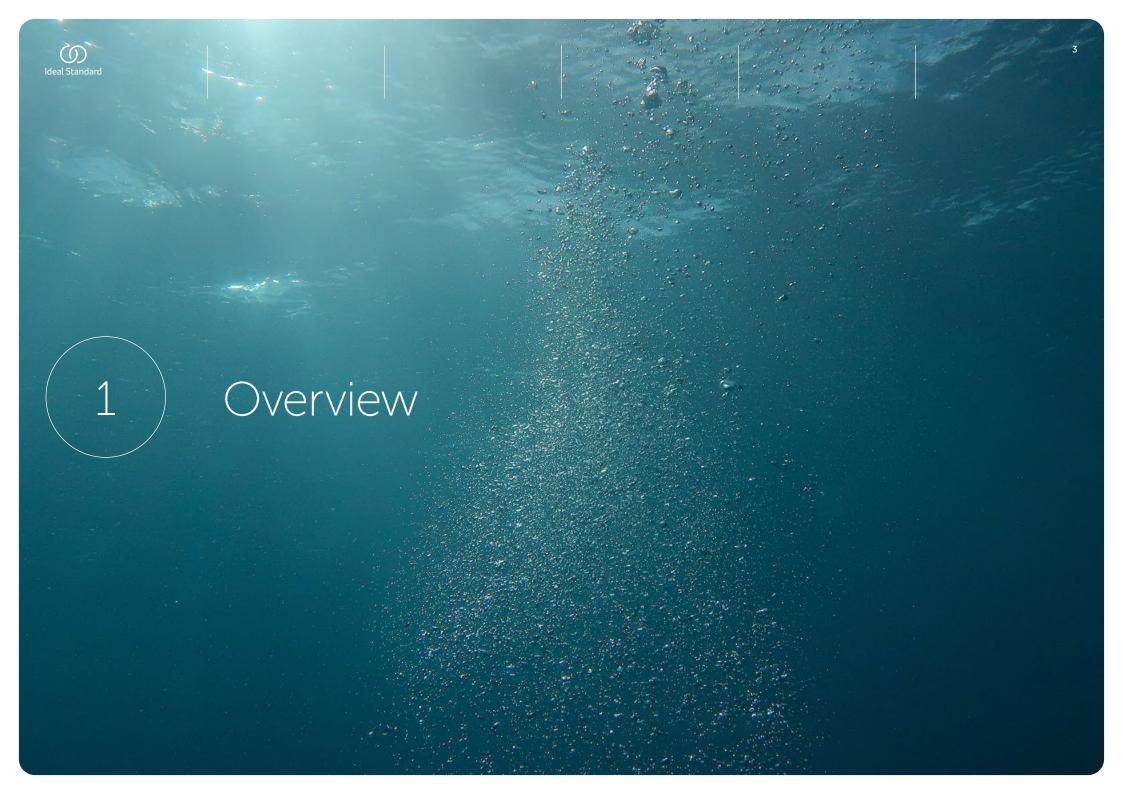
Together for a better future

Sustainability Report 2023



Contents





Our company ethos describes it best: 'Together for Better'.

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Ideal Standard

At Ideal Standard, we're all about making positive changes for the world we live in. It's our mission to combine design and performance, allowing more customers than ever to have access to superior bathrooms and washrooms.

We can only achieve this if we think and work holistically with our partners, allowing us to employ long-term, sustainable solutions. Having a constant focus on environmental improvement, and integrating it into the very core of our business is what this Sustainability Report 2023 reflects.

Despite the economic downturn our industry has experienced in recent years, we have continued our investments in Environmental, Social and Governance (ESG) initiatives and are proud to present significant progress across the three pillars of our sustainability commitments: for a better planet, for better lives, and for better business.



Sustainable manufacturing

As one of the leading bathroom manufacturers globally, we're passionate about our opportunity to use our scale for good across all our operations.

Our commitment to reducing our carbon footprint remains strong, and I'm happy to share that we have cut our carbon emissions by 5% in 2023, thanks to the installation of sophisticated heat recovery systems, optimised manufacturing processes and our transition to green electricity in Wittlich, Germany.

5%↓

Through advanced energy recovery systems and energy saving actions we've cut our carbon emissions by 5% in 2023.



We removed 41.5 tonnes of single-use plastic from our packaging.

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We've already published Environmental Product Declarations (EPDs) for over 5,000 products.

EcoLogic – a holistic approach to environmental progress

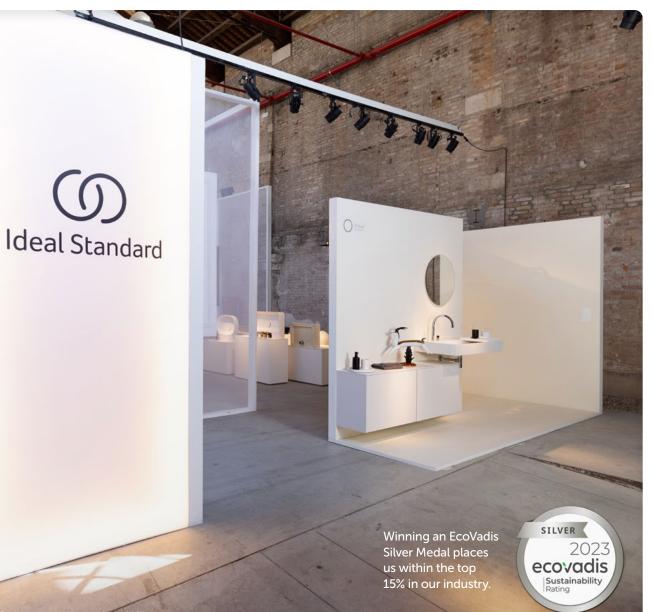
EcoLogic drives our sustainable product development, focusing on elevated hygiene, water and energy efficiency, sustainable and durable materials and sustainable value chains. At the end of 2023, more than 90% of our products met at least one of these criteria, underscoring our dedication to environmental and social responsibility. Moving forward, we aim to further improve our products so that they align with an even broader range of these criteria.

Our EcoLogic values have led to progress in several areas of our ESG commitments. In 2023, we removed 41.5 tonnes of single-use plastic from our packaging, introduced water and energy-saving taps, and developed an innovative new showering range made from 84% recycled aluminium.

In line with our approach, we have also published Environmental Product Declarations (EPDs) for over 5,000 products, providing transparency for our EcoLogic solutions but also large parts of the rest of our portfolio. Throughout 2024, we plan to expand this coverage, providing even more verified sustainability information.

EcoLogic also supports Ideal Standard's Singular™, the way we provide holistic cross-category solutions for different sectors and requirements. With growing demand for sustainable solutions across different product categories, this unique approach helps us to deliver an expanding array of EcoLogic solutions to the market.





Being transparent about our impact

Sharing transparent information with our customers is one of our key commitments. That is why, in spring 2023, we hosted our Aesth | ethics events in Venice, with a focused agenda on unveiling our latest innovations and sustainability initiatives. These events provided an ideal platform to highlight our future objectives and present our ambitious goals. As part of our commitment to sustainability, we conducted thorough carbon footprint analyses for all events and partnered with Up2You to offset the generated CO₂ emissions.

Submitting our application to EcoVadis, the world's largest provider of sustainability ratings, was another step in fulfilling our public pledge to sustainability. I am pleased to share that EcoVadis awarded us a silver medal, placing us in the top 25% of more than 85,000 companies evaluated globally and the top 15% in our industry. I'm especially proud that our environmental performance was declared 'advanced': a real reflection of our dedication to sustainability across the board.

Our goals remain ambitious, yet we are confident that by fostering close collaboration with our employees, partners, and suppliers, we can face challenges headon and truly make a meaningful impact.

Here's to working together for a better future.

Jan Peter Tewes CEO Ideal Standard International

2023 highlights

We've made great sustainability strides in 2023. Here are some highlights.

5,514 tonnes of CO2^e saved.

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Ideal Standard

By reducing CO₂ emissions by 5,514 tonnes, we have decreased our carbon footprint by 5%, compared to 2022.



Even greater transparency.

Environmental Product Declarations (EPDs) now cover over 5,000 individual products across seven different categories, providing transparent and verified information for our customers.



Launched Alu⁺ shower collection.

Made from 84% recycled material and free from chrome and nickel.



Awarded **EcoVadis** Silver Medal.

We proudly received the EcoVadis Silver Medal, recognising our commitment to sustainability.





41.5 tonnes of plastic removed from our packaging.

This substantial effort contributed to our ongoing commitment to removing single use plastics from our packaging.



100% green electricity in Wittlich.

Our plant in Germany achieved zero scope 2 emissions in 2023 with 100% of electricity produced from renewable sources.





More **ethical** and **responsible** sourcing of our products.

We have launched and completed a comprehensive supply chain due diligence programme covering 80% of current direct group spend, ensuring the ethical and responsible sourcing of our products.

Improved female recruitment in Europe by **7.5%**.

Emphasising our commitment to diversity and inclusion within our company.





All manufacturing plants now ISO 45001 certified.

Securing Health & Safety ISO certification (ISO 45001) for our operations in the UK and the Czech Republic underscores our dedication to a safe and healthy workplace.

15,000 hours of ethics and compliance training.

With a focus on ethical business practices, we invested over 15,000 hours in ethics and compliance training for our employees, fostering a culture of integrity and collective responsibility.



We've made a real impact against our goals set in 2022. However, we know there's more to do, and we're already working on improvements. At Ideal Standard, we take pride in being a global leader, creating high quality residential, commercial, and healthcare bathroom solutions.

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Ideal Standard

With over a century of experience, our brands have consistently set the bar in the bathroom industry through innovative ideas, exemplary manufacturing, and deep industry insights.

Collaborating exclusively with the renowned Italian design studio, Palomba Serafini Associati, our products are expertly crafted and seamlessly blend quality with cutting-edge technologies, setting new standards in design and performance.

Our manufacturing plants are all located in proximity to our European and MENA markets; conscientiously minimising the environmental footprint associated with transportation logistics. Any suppliers to Ideal Standard are thoroughly vetted to guarantee they prioritise transparency and excel in all aspects of ESG, ensuring we're consistently working together for a better future.

Our company in numbers

100+

We work in more than 100 countries across Europe, the Middle East, Africa and Asia. Global turnover 2022.

€737m

Total employees.

7,073

Global Design Centre 1 Milan, Italy

Innovation Centres

- 2 Rugeley, United Kingdom
- 3 Wittlich, Germany

Production Hubs

- 4 Wittlich, Germany
- 5 Rugeley, United Kingdom
- 6 Teplice, Czech Republic
- 7 Sevlievo, Bulgaria
- 8 10th of Ramadan, Egypt

Design and Specification Centres

- 9 London, United Kingdom
- 10 Athens, Greece
- 11 Paris, France
- 12 Utrecht, Netherlands
- 13 Dubai, United Arab Emirates



Ideal Standard

Our guiding principle, 'Together for better,' influences every aspect of our work – from our employees and partners, to the world around us.

This brand ethos has helped us to break down our goals into three clear areas, allowing us to take focused actions, and bring about positive change for everyone's future.



(f)Ideal Standard

Our sustainability commitments, in keeping with the UN Sustainable Development Goals.

The United Nations Global Compact is a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. We joined the United Nations Global Compact in 2022, as part of our commitment to building a more sustainable future, and have successfully submitted our first communication on progress in 2023. This commitment is to operate responsibly, in alignment with universal sustainability principles, take actions to support society, and report to the UN Global Compact annually on our ongoing efforts.

We continue to follow the UN's Sustainable Development Goals (SDGs). These are helpful indicators of our own advancement in our sustainability efforts, and aid us in achieving our own environmental goals as a business. Each SDG underscores the importance of these goals in creating a more equitable, sustainable, and prosperous world for us all.



Good health and Wellbeing (SDG 3)

The health, safety and wellbeing of our employees across all facilities are top priorities. We're a permanent committee member of the European Agency for Safety and Health at Work (EU-OSHA), relentlessly evolving our working best practices, pushing our investments and working across sectors to ensure our standards are always world-class.



Quality education (SDG 4)

Unlocking the potential of minds through quality education is the key to moving forward. We make sure that everyone, regardless of their gender or background, has access to inclusive and fair education by providing internship and work experience programmes across markets.

This is with the aim of providing the next generation of talent with full-time employment. We are laying the foundation for a future that is not only brighter, but more prosperous for all.

Decent work and economic growth (SDG 8)

Being a multinational company active in 30+ countries, we take the responsibility of championing human rights throughout our value chain extremely seriously. Our commitment extends to making a meaningful impact on employment and economic growth, particularly in lower and middle-income countries.



Gender equality (SDG 5)

Through our dynamic Diversity, Equity, and Inclusion initiative, supported by group policies and thorough employee training, we're dedicated to fostering a workplace where every gender is empowered, respected, and given equal chances to thrive and succeed. Together, we're shaping a future that embraces inclusivity.

Responsible consumption

and production (SDG 12)

Our EcoLogic approach helps us

to use materials more responsibly:

production and streamlined supply

and their packaging, we can play a

pivotal role in driving the transition

from our close-to-market

to a circular economy.

chain to using more recycled

materials in both our products



Clean water and sanitation (SDG 6)

Fuelled by our passion for innovation, we are dedicated to delivering products that not only let customers enjoy high guality, long-lasting bathroom solutions with enhanced water efficiency, but also contribute to raising hygiene standards across various sectors.



Climate action (SDG 13)

We stand behind the Paris climate agreement and pledge to champion climate action. Through collaboration with all our partners in the value chain, we are dedicated to tackling the global challenge and aid the transition to a net-zero economy.





energy (SDG 7)

Decarbonisation is already a fundamental component of our 'For a better planet' commitment, having already installed a solar energy campus at our fittings site in Germany and actively exploring a diverse array of innovative decarbonisation activities, including collaboration within the sector on fuel alternatives.

For a better planet

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(John Standard

We are dedicated to decarbonisation.

Our commitment to decarbonisation remains an important cornerstone of our sustainability strategy. Through diligent efforts and innovative initiatives, we are dedicated to reducing our carbon footprint and mitigating our environmental impact. Based on a long history of efficiency initiatives, we officially launched the decarbonisation project in 2022, involving two dedicated teams focusing on sanitaryware (ceramics and acrylics) and brass fittings. Concurrently, we created our first baseline carbon inventory validated by an independent consulting firm.

This comprehensive assessment encompassed Scope 1, 2, and a portion of Scope 3 emissions generated by all Ideal Standard plants throughout 2021. In 2023, to monitor our progress, we conducted our second carbon inventory, capturing the entirety of our CO₂ emissions for the year 2022. We have set ourselves ambitious goals, with our decarbonisation team tasked with reducing Scope 1 and 2 CO₂ emissions by 30% by 2030 and achieving carbon neutrality by 2050. Furthermore, we are committed to transitioning to 100% share of electricity produced from renewable sources across all our factories by 2030, with an accelerated timeline for brass fittings, targeting achievement by 2025. Throughout this journey, we will continuously monitor and adjust our actions to ensure that we remain on course to achieve our intermediate targets.

Decarbonisation

Decarbonisation milestones

2025

2050

neutrality.

Reach carbon

100% share of electricity produced from renewable sources in our fittings plants.

2030

Reduce our Scope 1 and 2 carbon emissions by 30% and use 100% share of electricity produced from renewable sources in all our plants.

Our key decarbonisation strategies

01.

Clean energy adoption We're actively transitioning to cleaner and renewable energy sources, such as solar power, to run our manufacturing facilities. This shift aims to significantly reduce our reliance on fossil fuels, consequently mitigating greenhouse gas emissions.

02.

Material selection and life cycle assessment

We thoroughly assess the environmental impact of the raw materials used in our production, prioritising those with lower embodied carbon. Continuously evaluating their life cycle helps us make sustainable choices that align with our overall objectives.

03.

Process optimisation Our commitment to energy

efficiency and waste reduction drives us to optimise manufacturing processes. This involves implementing advanced technologies, enhancing kiln efficiencies, and exploring innovative approaches to minimise the carbon intensity of our operations.

04.

Circular economy and recycling

We design products with, not for easy recyclability in mind, incorporating recycled materials into our production processes wherever possible. This not only reduces the need for virgin raw materials but also mitigates the environmental impact linked to waste disposal.

05.

Supply chain sustainability

We assess and maximise the environmental impact of transportation, materials sourcing, and supplier practices. Collaborating with partners who share our commitment to sustainability is integral to our decarbonisation strategy.



Decarbonisation

Decarbonisation highlights

Several initiatives contributed to our 5% decrease in global carbon emissions.

2,361 tonnes of CO₂^e saved by transitioning to 100% share of electricity produced from renewable sources at our German fittings plant.

In 2023, our newly built solar campus of over 3,000 photovoltaic panels at our Wittlich fittings plant in Germany became operational. By transitioning to solar power, we significantly reduced our reliance on traditional energy sources, thereby mitigating our environmental impact and contributing to global efforts to combat climate change. The new solar campus is part of a wider transition that moved the Wittlich facility to 100% share of electricity produced from renewable sources.



1,000 tonnes of CO2^e saved through drier cycle and kiln optimisations.

In 2023, we achieved a 30% reduction in consumption across the majority of our driers in Sevlievo and Teplice, as well as a 7% decrease in consumption on two kilns in Sevlievo. This resulted in CO2^e savings of approximately 1,000 tonnes. We intend to expand these actions to encompass all of our plants.

1,200 tonnes of CO2^e saved through heat recovery systems.

In the ceramic manufacturing process, a substantial amount of heat is conventionally lost through the chimneys of ceramic kilns. We have conducted extensive research to identify the optimal method for capturing this wasted heat from each process, thereby enabling its utilisation in other facilities. This not only mitigates the need for additional natural gas consumption but also significantly reduces overall energy consumption.



In 2023, we made a significant investment in our UK site by expanding the sophisticated heat recovery equipment. This enhancement allows us to efficiently utilise the recovered heat for drying ceramic products in lower temperature ovens.

This project alone has resulted in a reduction of CO₂ emissions by 300 tonnes. We are extending this approach to our other plants as well, where we are diligently exploring opportunities to maximise process efficiency.

At our Teplice plant, for example, we achieved an overall reduction of approximately 800 tonnes of $CO2^e$.

219 tonnes of CO₂^e saved through start-stop optimisations.

Start-stop optimisation in factories refers to an approach aimed at enhancing energy efficiency and operational effectiveness. This is achieved by systematically controlling the starting and stopping of machinery and production processes. Since implementation, these optimisation efforts have allowed us to save approximately

39 tonnes of CO2^e in our German fittings plant and roughly 180 tonnes of CO2^e in our Czech ceramics plant. In December 2023, a similar pilot project commenced at our Bulgarian production site in Vidima, involving the shutdown of 5 compressors. The main phase of the project will be carried out throughout 2024.



Decarbonisation

More than 900 tonnes of CO₂^e saved by revamping our air compression system.

In our Sevlievo and Rugeley sites, we have refurbished the air compression systems by implementing new variable speed compressors, significantly enhancing performance in the latter part of 2023.

In Sevlievo alone, this upgrade is projected to yield a reduction of 900 tonnes of CO2^e per year.

A parallel analysis is currently underway at our factories in Egypt and the Czech Republic.



92 tonnes of CO2^e saved by introducing a new peeling process.

After casting, the surface of our fittings is very rough and requires refining – usually achieved by grinding it to a smooth finish. To reduce energy consumption and make recycling easier, we replaced part of the grinding process to refine surfaces with a process called 'peeling'. The new peeling machines create chips rather than dust, making recycling the waste material easier and more efficient.

This has been made possible by the use of stronger, Dezincification Resistant (DZR) alloy, Ideal Standard's Diamatec® brass, which enables us to create taps with thinner walls while retaining strength and improving

While the grinding dust primarily consists of brass, it also contains foreign substances from the abrasive materials. This causes more burn-off during the recycling process which cannot be fully recovered. Consequently, only around 80% of the dust can be effectively recycled. In contrast, the recycling process for chips is notably more efficient. Not only can 100% of the chips be recycled, but this process also requires approximately 15% less energy, underscoring its environmental advantages.

Switching to peeling at our Wittlich plant (Germany) has also allowed us to shut down more than half of our exhaust units required during the grinding process and overall helped us to reduce our annual CO₂ emissions by 92 tonnes.

100%

The chips resulting from the peeling process are 100% recycled and reused.

15%

Less energy required to recycle the chips, compared to dust.







Decarbonisation

Decarbonisation performance

In 2023, we have continued to make significant progress in reducing the climate impact of our operations.

Through a variety of decarbonisation activities, we have decreased our global carbon emissions by 5% from 2022 (Scopes 1 and 2)*.

In addition to various energy-saving and recovery projects implemented within our production process, the transition to green electricity at our German fittings plant in Wittlich stands out as a significant contributor to this reduction.



We have decreased our global carbon emissions by 5% from 2022 (Scopes 1 and 2)*

Total carbon footprint 2023

Carbon emissions are measured following the Green House Gas Protocol. Scope 1 emissions are direct emissions that are generated from sources that are owned or controlled by Ideal Standard. Scope 2 includes all indirect emissions from the generation of the electricity purchased and used by us.

Carbon footprint results since 2021 baseline (t CO2^e)

2021	2022	2023
Scope 1		
94,143	69,564	51,365
Scope 2		
45,386	37, 561	32,863
Total		
139,529	107,125	84,228

* 2023 CO₂^e reduction of 5% (Scope 1 & 2) versus 2022 is based on decarbonisation activities only. Additional CO₂^e reductions are attributed to reduced production.

Scope 1 total emissions: 51,365t CO2^e

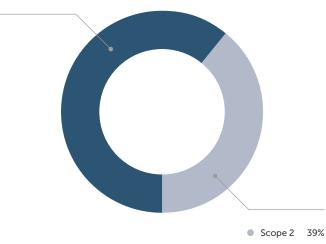
32,863t CO2^e

84,228t CO2^e

Scope 2 total emissions:

Total emissions:

Scope 1 61%



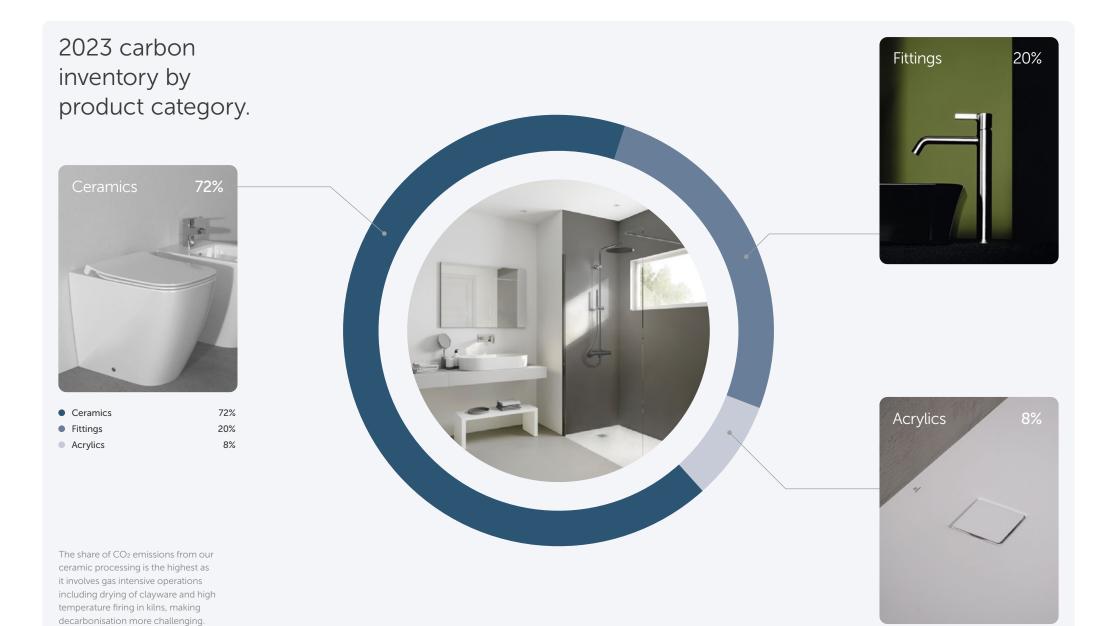
Scope 3 emissions

Our 2022 carbon inventory played a crucial role in identifying the key contributors to our Scope 3 emissions, enabling us to pinpoint areas of focus. We established baselines for modelling future emissions reductions and setting ambitious targets. These targets will be integrated into a comprehensive company-wide strategy aimed at reducing Scope 3 emissions. Furthermore, the carbon inventory has provided valuable insights into the interconnectedness of our operations and supply chain, highlighting opportunities for collaboration and innovation.

By addressing Scope 3 emissions comprehensively, we aim to drive meaningful progress towards our overarching sustainability goals and contribute to a more sustainable future for all.







Ideal Standard

Decarbonisation

Upcoming decarbonisation initiatives We're already underway with further initiatives to ensure we reach our decarbonisation milestones. High efficiency motors and inverters In 2023, we explored the implementation of high efficiency motors and inverters in our production processes, and the latter was shown to be able to provide a bigger impact. Deployment plans are currently underway for inverters, scheduled for implementation in 2024 and 2025.

Electric heating

Our UK ceramics plant conducted a test in which gas heating was replaced with electric heating. Despite yielding only a slight net CO₂^e gain, attributed to 100% share of renewable electricity at our UK site, these results provide invaluable insights for our forthcoming transition to renewable electricity, particularly because we plan a phased implementation of this transition, area by area.

LED lighting

In 2024 and 2025, we are set to replace the majority of our lights with LED lighting at our Egypt sites, resulting in a projected CO_2 saving of 200 tonnes.

Heat recovering systems

We are planning the implementation of additional heat recovery systems, having conducted an extensive study in collaboration with specialised firms in Sevlievo. This study has revealed significant potential for heat recovery from kilns, with the intention of reutilising this heat in driers and the castshop. The initial phase of implementation is scheduled for 2024, with plans for further expansion in the subsequent years. New opportunities

Innovation is essential in order for us hit our target of carbon neutrality by 2050.

We are actively exploring a diverse array of innovative decarbonisation technologies in collaboration with universities and specialised firms.

This encompasses CO₂ capture, utilisation of green electricity, and investigation into hydrogen as a potential alternative fuel to natural gas.

The fusion of cutting-edge technology with sustainable practices will play a pivotal role in further reducing our carbon footprint, propelling our business towards a better future.

Decarbonisation



Turning to the future: Hydrogen firing.

Hydrogen has the potential to play a transformative role in achieving global sustainability goals by providing a clean, versatile, and sustainable energy source that can help mitigate climate change and reduce our reliance on fossil fuels. This potential drives our commitment to spearheading research into hydrogen's viability as an alternative to natural gas in ceramic production. Currently, we are actively engaged in a consortium, supported by funding from the UK government, dedicated to exploring the feasibility of 100% hydrogen firing. Phase 1 of our trials yielded promising results, with a successful initial test conducted on a small kiln to manufacture one basin entirely fuelled by hydrogen. Building upon this success, we are collaborating with partners to continue trials throughout 2024, utilising a purpose-built intermittent kiln to test 20 basins. Should these trials prove successful, our next step will involve converting one of our production kilns to dual-fuel technology, facilitating 100% hydrogen firing in a production-led environment.

This strategic shift towards fuel switching and the development of hydrogen technology is essential for the decarbonisation of industries like ceramic production, signalling a pivotal step towards a more sustainable future.

What is EcoLogic?

EcoLogic is our way of making sustainability an easy choice for our customers across all bathroom categories. This approach to product development focuses on four pillars: elevated hygiene, water and energy, sustainable and durable materials and sustainable value chains. This allows us to integrate sustainability both in our manufacturing processes and our finished products.

What's next?

Adopting the EcoLogic approach not only empowers us to align with current environmental standards, but also positions us well for anticipated future norms and regulations that may impose stricter criteria on environmental impact. From our analysis, we're aiming to establish targets that enhance our production processes and incorporate more sustainability features into our products. EcoLogic has become integral to our new product development, and we've implemented tools that enable us to gauge the environmental impact of our solutions, helping us take corrective action and make continuous improvements.

EcoLogic

Make Stage

Sustainable Value Chains

Redefining the manufacturing and supply chain to drive renewable and sustainable processes and transportation.

Sustainable & Durable Materials

Reimagining the use of materials, focusing on increasing the use of recycled materials, efficiency, durability, recyclability and reducing waste.

Elevated Hygiene

Promoting health and wellbeing, by maximising hygiene and sanitation performance above standards not only for hospitals and care homes or in public washrooms, but more and more in the residential sector.

Water and energy efficiency

Optimising and reducing the use of water, especially hot water, and therefore also energy during the use of our products.

Portfolio

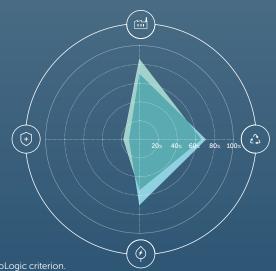
We have analysed more than 13,500 individual products based on predefined criteria to see which products meet at least one of the four EcoLogic pillars.

Percentage of portfolio which meets EcoLogic criteria

Fittings

Sustainable value chains86%Sustainable and durable materials66%Water and energy efficiency54%Elevated hygiene17%

Ceramics, acrylics, furniture
 Sustainable value chains
 Sustainable and durable materials
 Water and energy efficiency
 Elevated hygiene
 11%



EcoLogic hero products and innovations.



Diamatec[®] Brass.

Diamatec® Brass is our most sustainable brassware. Making up more than 90% of our fittings, it uses less raw materials and creates more durable taps with optimal wall thickness, which is only possible because of the use of a much stronger, Dezincification Resistant (DZR) brass alloy.



EcoLogic

Ceraplan iX basin taps.

Our smart two-in-one solution combines the flexibility of a single lever basin mixer with the eco-friendly advantages of an infrared sensor tap. The BlueStart iX feature minimises energy usage by enabling touchless cold-water activation, saving up to 75% on hot water bills.

With a potential 67% reduction in water consumption, Ceraplan iX encourages conscious water use in bathrooms. Aligned with our EcoLogic approach, it utilises less energy and water, resulting in significantly reduced CO₂ emissions – up to 92% less than conventional mixer taps, which is ideal for moderr sustainable bathrooms.



Possible reduction in water consumption*.

*Based on a household of four, with hot water heated with natural gas in Germany, compared to a normal basin mixer with EN normed water flow of 12 litres/minute.







EcoLogic hero products and innovations

The Alu⁺ bathroom collection.

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One of our sustainability goals is to reimagine material design and maximise the efficiency and recyclability of our products. Alu⁺ was developed with these goals in mind, resulting in a contemporary and environmentally responsible collection that also reduces our impact on the planet.

When creating Alu⁺, we wanted to avoid more harmful materials such as nickel. Aluminium, often referred to as the green metal, was the perfect choice, as it is 100% recyclable, meaning it can be reused again and again without degrading its inherent value. Alu⁺ is made from 84% recycled aluminium. 84%

Alu+ is made with 84% recycled aluminiur

Designed to be more water efficient, Alu⁺ features flow limiters which restrict consumption to just 8 litres/ minute for the hand spray and 12 litres/minute for the rain shower, all without impacting performance.

Conscious sustainability steps were taken across the full product life cycle, meaning all Alu⁺ packaging is completely recyclable and free from single use plastics.

Diamatec[®] ceramic material.

A circular economy involves minimising material usage from the very beginning. Diamatec®, made with a distinctive blend of alumina and chamotte, achieves exceptional strength and durability with less material.

To make an equally durable product, we would have to use 25% more fine fire clay material.

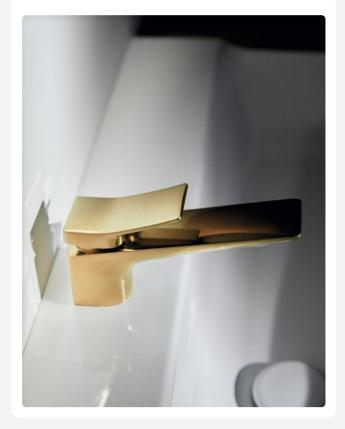
However, the robust nature of Diamatec[®] ceramic material means we can craft thinner basins using less material.

PVD coatings.

Diamatec

Physical Vapour Deposition (PVD) technology allows us to apply fine layers of metal, atom by atom. Used for our coloured fittings, this allows us to control the composition, hardness and durability of the surface compounds, resulting in vibrant shades that are more responsibly made and last longer, even after 10,000 use cycles.







RimLS+®

With every flush, RimLS+® delivers a powerful whole bowl clean and reduced splashing, ensuring maximum hygiene for our customers.





SmartGuard®+ glaze

SmartGuard®+ glaze provides our basins and toilet bowls with built-in hydrophilic qualities and antimicrobial protection. Independent, regular testing procedures in accordance with ISO 22196 rated the efficiency of SmartGuard®+ against Escherichia coli and Staphylococcus aureus, achieving a kill rate of 99% in 24 hours*

*Result of antibacterial surface test commissioned by Ideal Standard and conducted by Industrial Microbiological Services Ltd to international standard ISC 22196: 2011 which specifies a method of evaluating the antibacterial activity of antibacterial-treated products

99% Effective against

Escherichia coli and Staphylococcus aureus*.

We support a circular economy by using recyclable and sustainably sourced packaging materials wherever we can.

As a manufacturing business, packaging is an inevitable part of what we do. We want our products to arrive with the end user in perfect condition. Historically, plastic and cardboard have been standard elements in packaging, but only in recent years has industry realised how important it is to change that, to benefit the planet we live on.

Authenticity is key for us: we only implement strategies that drive real change. For example, switching from plastic to cardboard is not always more sustainable if the cardboard is not sourced from an environmentally responsible manufacturer.



are really necessary. This reduces waste and is also advantageous for our customers as it reduces their waste too.

Packaging

should also be made from a minimum of 51% recycled content. Wherever we cannot use recycled paper or carton, we ensure that the packaging has been produced from wood that comes from sustainably managed forests and is chain of custody certified.



We're careful about the claims that others make. Biodegradable plastic is one, which is why we don't use them. Many products which are labelled as biodegradable will only break down more quickly if heated to a certain temperature for several weeks in an industrial composting facility – they take hundreds of years to biodegrade in landfill. We avoid these guick fixes, in order to concentrate on something with real impact. We also felt that the international standard for labelling packaging as 'made from recycled materials' wasn't in depth enough, when we take our sustainability credibility very seriously.

We needed to understand how much plastic and cardboard we use, involving more than 13,500 individual products within our sanitaryware and fittings categories. We have also consulted with leading global packaging companies about how they see the future of what they do, before taking immediate action where possible.



Packaging results

We're proud of the progress we have made so far, but there's still work to do.

We're dedicated to removing all single-use plastic from our packaging by 2025, and will continue to work with our suppliers to support them in finding new sustainable packaging methods.

Packaging

Fittings

In 2023, we worked on activities which in 2024 will result in removing 37t of plastic bags from our packaging. This category posed a unique challenge, in that many of our finished products are usually made up of several individual components.

For example, a basin mixer pack could include the tap itself, plus the fixation kit and a pop-up waste – all of which need packaging to protect them from damage.

37t↓

Removed 37 tonnes of virgin plastic from our fittings packaging.



Examples of how we improved our fittings packaging

- Replacing plastic bags protecting the body and spout of taps with paper bags that are chain of custody certified.
- Replacing plastic bags that would usually protect the fixation set with recycled paper bags.
- Optimising our box construction for basins so that plastic bags could simply be removed.
- Replacing plastic caps that protect waste covers with 100% recycled carton caps.
- Replacing plastic caps that protect our hose nuts with chain of custody certified paper bags and paper tape.
- Replacing polyester bags that protect our shower heads with layers of tissue paper and a recycled carton box.
- Ideal Standard is the first manufacturer to ship pop-up wastes without plastic bags and using a recycled paperbased cover cap, through our sustainable innovation process.



70%↓

As a result of the steps taken so far, we have reduced the amount of plastic bags within our finished fittings products by around 70%; a great improvement from where we were. Ceramics

Packaging



Examples of how we improved our ceramic packaging

- Removing any unnecessary carton boxes and plastics.
- Removing all plastic caps that protect the corners of our furniture, either replacing them with carton or removing them completely.
- Replacing the majority of plastic bags that protect our toilet seats and components with glassline paper, which has already been partially implemented.
- Replacing non-recyclable plastic bags that protect our shower waste covers with at least 51% recycled plastic bags.
- Replacing polythene bags that protect our lights with carton boxes.
- Replacing virgin plastic bags that protect our prewall solutions with 51% recycled plastic bags (in some cases even 100% recycled plastic).



As a result of our efforts, 9% of our sanitaryware products don't have any individual carton boxes or any virgin plastic in their packaging, 43% of our sanitaryware comes in fully plastic-free packaging and 22% only contain recycled plastic.

Any new packaging is rigorously tested to guarantee they offer the best protection for the products.



of our sanitaryware now comes in fully plastic-free packaging.

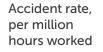


3

For better lives

Since 2020, our track record shows less than one accident for every one million hours worked, underlining our unwavering commitment to a safe working environment.

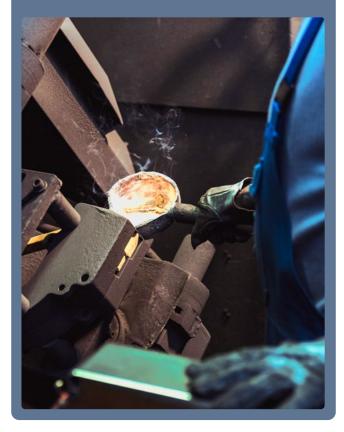
We take great pride in achieving yet another year of world-class safety performance, while recognising the ongoing need to enhance the measures we have in place. To further enhance our safety practices, we have embraced digitalisation for near-miss reporting and implemented operating protocols based on industry benchmarks.





International certification for health and safety.

As a business, we are very proud to be ISO 45001 certified, to help us to protect and enhance our most important asset, our people, and to drive business excellence internationally. ISO 45001 is an international standard for health and safety at work developed by national and international committees independent from governments. In 2023, our UK ceramics plant and distribution centre in Rugeley, our UK offices in Hull and our Czech ceramics plant in Teplice have received their first certificates for ISO 45001 from SGS: the world's leading testing, inspection and certification company. This means that all Ideal Standard sites are now fully ISO 45001 certified.



19th consecutive RoSPA win for UK.

Safe and health

work in the

digital age.

Ideal Standard UK's strong safety record has once again earned one of the highest accolades by the Royal Society for the Prevention of Accidents (RoSPA), receiving the Order of Distinction for the fifth time after winning the Occupational Health & Safety Gold Award for the 19th consecutive year.



We are proud to support the EU-OSHA's 'Safe and healthy Work in the Digital Age' campaign, Europe's largest occupational safety and health initiative, as an official partner. This partnership offers us networking opportunities and engagement in the regular meetings of the EU-OSHA Campaign Partner Steering Group, along with participation in the Healthy Workplaces Good Practice Exchange.

Rewarding safety in our Bulgaria plants.

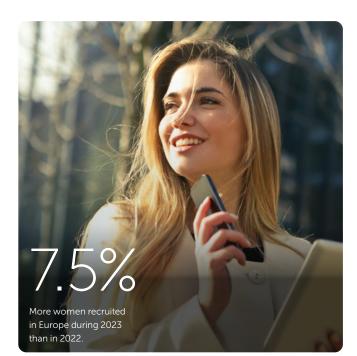


Since 2013, we've championed safe and tidy workplaces in our ceramics plant, extending the initiative in 2019. Winners not only receive recognition but also a special gift and monetary award as a way of helping to improve the working environment. As a testament to our commitment, 22 donations have been made to 15 colleagues facing difficult situations since March 2020.

Diversity and inclusion

We're constantly working to ensure our workforce is balanced, and reflects the world around us.

We believe our differences make us stronger, and we work hard at our diversity and equality measures to reflect this. For example, we have successfully increased the percentage of female employees year on year.



In 2023, we increased female recruitment by 7.5% compared to the previous year, leading to a rise in women's representation within our European workforce to 28%.

Female representation within Ideal Standard's global workforce stands at 19%, being influenced by our significant presence in the Middle East and North Africa (MENA). Overall, the trend in female recruitment over the last five years is positive, reaffirming our commitment to promoting greater gender equality in all markets in which we operate.

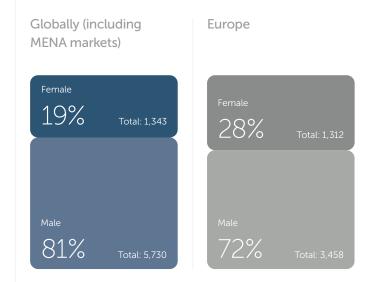
We have a balanced age profile with an average age of 46 for both men and women, reflective of a dynamic workforce with a mix of both seasoned professionals and emerging talent. We're rich in diversity, with employees of 46 distinct nationalities reflecting our global culture. Through our diversity and difference, we pride ourselves in fostering a workplace that celebrates our unique perspectives and experiences, creating one vibrant team.

mproving gender diversity within manufacturing. We've seen an increase of 48% since 2021 of women working in the manufacturing area of

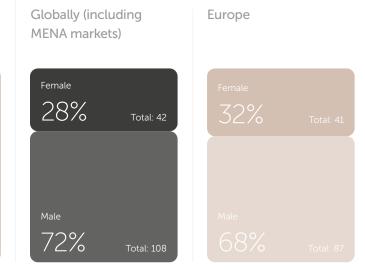
Our goal for 2024 is to increase this by a further 15%



Gender representation within our workforce



Gender representation in upper management



(John Standard

Age diversity

We have a balanced age profile, reflective of our dynamic workforce made up of seasoned professionals and emerging talent.

> 4% 14%

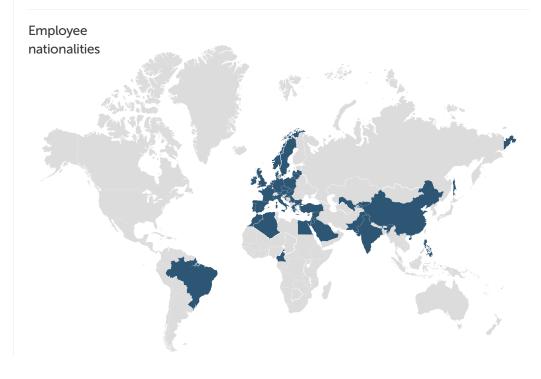
> 22%

37%

22%

1%

A balanced workforce

Multi-national We have a diverse, global culture, with employees of 46 distinct nationalities. 

employees 18-24 25-34 35-44

Age groups of our

• 45-54

55-64
65+





Diversity and inclusion

Fostering opportunities for the future generations is part of our commitment to make lives better for all.

Internships and training in Bulgaria

Since 1994, Ideal Standard Bulgaria has run an internship programme that has seen over 650 young individuals flourish within the company.

Each summer, an average of around 25 students take part – a remarkable 20% of whom go on to find continued employment within different structures of the company. This underscores our commitment to fostering close cooperation and contributing to vocational education and training.

We also maintain a close partnership with the Technical High School of Electrical and Mechanical Engineering in Sevlievo. In 2023, a total of 92 students engaged in practical training at our plants, focusing on dual education profiles such as 'CNC Machines Operators' and 'Mechanical Technicians.' This programme, initiated in September 2017, has already seen 50 students recognised by the company with a Certificate for Completed Dual Training.



1994

Our Bulgarian internship programme has now been running for 30 years.

650

Over 650 young people have taken part in the programme.



of interns go on to find continued employment within the company.

A balanced workforce



Diversity and inclusion

Throughout 2023, we've driven diversity and inclusion through a series of events, partnerships and policies.

Wellbeing week.

To commemorate World Mental Health Day Ideal Standard UK organised a wellbeing week, which took place at the end of October. During the week employees were invited to attend workshops and talks on important subjects including mental health, menopause, fitness and wellbeing.

The aim was to promote and inform employees about the resources, benefits and services available to them that can help them to improve their health and overall wellbeing.

Emirati Women's Day.

Ideal Standard MENA celebrated Emirati Women's Day on August 28th with an inspiring event dedicated to acknowledging the remarkable contributions of Emirati women in shaping the rich cultural tapestry of the United Arab Emirates (UAE). The highlight of the evening was a captivating live painting session by the Emirati artist, Narjes Noureddine.

Renowned for her expressive Arabic calligraphy art, Noureddine's work served as a poignant tribute to the achievements and influence of Emirati women. The event was a vibrant expression of admiration and recognition for the indelible the cultural landscape of the UAE.

Pinktober.

Pinktober raises awareness of breast cancer, with a focus on early detection. Ideal Standard MENA organised several events across the month, including talks and demonstrations from oncologists, flower arranging and a student art celebration which featured the Atelier Collections. These events highlight the company's dedication to making a meaningful impact in the fight against breast cancer.







Supporting each other, all over the world. At the heart of our 'Better Lives' commitment is a profound dedication to making a difference in the lives of individuals and communities worldwide.

Our expansive portfolio of social initiatives crosses geographical boundaries, embodying a shared vision for positive transformation.

From empowering marginalised populations through education and skills development, to fostering sustainable practices that benefit the environment, each initiative resonates with our core values and belief in the potential for positive change. Together, we work towards a future where every life is improved by better opportunities and enhanced wellbeing.

Supporting adapted housing.

'Habitat et Humanisme' in France offers adapted housing solutions, supporting people who need a house to promote autonomy and integration, while also acting for the (re)creation of social links within cities and society. Ideal Standard France donated 280 products to the HH Provence Renovation. In 2024, we will extend the donation to their nursing homes.

Supporting communities

Creativity for children.

In Munich, Ideal Standard Germany supported the institution "Artists for Kids" with product donations for the renovation of a country house. Artists for Kids was founded in 1999 and has looked after more than 4,000 children and young people since its founding in the context of sports, environmental and creative projects and campaigns.



Supporting young people with autism.

Ideal Standard Italy worked with PizzaAut – a charity formed by a group of parents who wanted to create training and employment opportunities for young people with autism, helping them to learn and gain independence through hospitality work. We have supplied products for a total of seven bathrooms in the restaurant and apartments that serve as accommodation for the young people.



Ethics and compliance training programme

The way we do business is every bit as important as the business we do.

This is grounded in our desire to do the right thing. But there are also important business benefits in terms of being a company other companies want to work with, the strength of our reputation and ensuring that everyone is proud to be a part of this business.

Every employee, at every level of our organisation, plays a vital role in shaping our ethical culture. We set high standards in everything we do: something we all take responsibility for. Based on the ethics and compliance framework we have created; we have launched a new training programme, including related policies and procedures, that ensures every Ideal Standard employee is educated and informed on the topics that underpin this framework.

Ethics & compliance programme breakdown

The programme has been delivered over four phases tailored around specific themes.

Our Code – Your Compass

During the first phase of 'Our Code – Your Compass', we introduced our new Code of Ethics, our 'Speak Up' policy and underlined why our values are so crucial to the way we do business.

This training is an opportunity for our employees to contribute to the success of the company: ensuring they know what is expected of them in their conduct at work and so protecting them in their decision-making.

Keeping Compliant

'Keeping Compliant' includes essential training surrounding anti-corruption and bribery, human rights, competition law, trade compliance and financial integrity.

This training also gives everyone taking part skills and knowledge which are essential to doing their job on a daily basis. Committing to the highest ethical and compliance standards is essential if we are to achieve our aim of always doing business the right way, at every level.

A Diverse & Sustainable Environment

This phase encompasses areas such as diversity, equality & inclusion, supply chain due diligence and sustainability. Our commitment to these principles not only reinforces our core values, but also reflects our dedication to creating a workplace that fosters inclusivity and environmental responsibility.

Safety and Security

'Safety and Security' covers critical areas, such as health & safety at work, data protection, and cybersecurity. This reflects our organisation's strength in collectively safeguarding our assets, data, and reputation.



Ethics and compliance

training



Ideal Standard

For a better business

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Ideal Standard

4

Star Star

Aesth | ethics events Sharing our values.

Sharing our sustainability commitments and improvements with our customers has been a major priority in 2023. Our Aesth | ethics pop-up events in Venice, Italy, provided the ideal backdrop for visitors to gain an exclusive look into our latest collections and gave attendees the opportunity to learn more about our ESG commitments and how they impact our product portfolio.

The event took place at the historic Arsenale di Venezia, within Venice's former shipyards, and was specifically developed to showcase our dedication to creating a more sustainable future, highlighting collections designed to encourage sustainable living practices.

We partnered with Up2You to offset the events' carbon emissions.







In line with our sustainability efforts, we conducted a full carbon footprint analysis of the event and partnered with Up2You to neutralise the generated CO₂ emissions. We selected two projects focused on preserving and restoring forests to combat climate change.

The first involved protecting nearly 785,000 hectares of forests and wildlife on the southern shores of Lake Kariba in Zimbabwe. The Kariba Forest Protection project aims to establish a biodiversity corridor connecting four national parks and eight safari reserves while implementing various communityfocused initiatives. The second initiative aimed at converting almost 22,000 hectares of cattle grazing land into sustainably managed forests for the production of high-value, long-life timber products, as well as for carbon dioxide sequestration.

Both projects adhered to the Verified Carbon Standard and the Climate, Community & Biodiversity Standards, ensuring their credibility and impact.

share this common goal.

Sustainability is at the heart of our business and we encourage the same core principles within our supply

chains. Our commitment to upholding human rights

business decisions, and we expect our suppliers to

IntegrityNext, a supply chain monitoring platform that

By doing this, we can ensure that our suppliers across

the globe share our values and meet our expectations

enables the supplier to self-assess its performance

based on ESG-related assessment questionnaires.

in terms of regulatory compliance. This ensures

we only work with businesses that meet our ESG

requirements, manages any ESG risks and improves

our overall supply chain sustainability. This includes

transparency and ethics throughout our process.

and anti-corruption measures - promoting

labour standards, human rights, environmental impact,

That's why we started a collaboration with

and protecting the environment forms the basis of our



Of our direct spend is covered by suppliers who have undertaken our due diligence assessment.

Results

To start with, we reached out to our top 80% of direct suppliers based on total spend. To date, all of them have registered on the platform, and an impressive 80% have already completed the assessment process.

In 2024, we're taking the next step by expanding our supply chain due diligence to include indirect suppliers, followed by a thorough examination of all remaining suppliers. Harnessing the power of the platform, we aim to conduct regular audits on our suppliers, pinpointing any questionable supply chain practices.

This proactive approach allows us to take corrective actions swiftly and ensure compliance with ESG legislation.



Supply chains

Enhancing our robust supply chain due diligence process for ethical and sustainable operations.



Heightened transparency

Our commitment to increased transparency empowers us to scrutinise our supply chain, pinpointing ESG risks and opportunities with precision.

Comprehensive ESG risk assessment

Through meticulous assessments and audits, including SMETA audits, we systematically identify potential compliance and sustainability risks, ensuring a thorough understanding of our supply chain landscape.

Prioritising high-risk suppliers

We prioritise monitoring and evaluating higher risk suppliers, diligently tracking their performance to mitigate potential risks effectively.

Elevating supplier performance

Proactively implementing risk management strategies enables us to enhance supplier performance, minimising the likelihood of costly non-compliance incidents and fostering a culture of continuous improvement.

Adherence to legal and ethical standards

Our process is designed to facilitate compliance with existing and forthcoming regulations, safeguarding adherence to both legal mandates and ethical standards, thereby fortifying our commitment to responsible business practices.

What's next?



Declaring the environmental impact of our products.

An Environmental Product Declaration is a standardised and verified report that communicates transparent and comparable information about the environmental impact of a product. It is based on a life cycle assessment (LCA) and follows the International Organization for Standardization 14025.

While an EPD in itself is not proof that a product is sustainable, it is a public declaration of the environmental impacts associated with specified life cycle stages of that product. EPDs provide important information for specifiers and architects, as they offer full knowledge of the impacts their product choices make, not only during their portion of the building development, but before the product is delivered to the job site and after the building's use as well.

This allows our customers to also promote the sustainability of their designs to their clients, and helps them to claim extra credits from building assessment and certification schemes like LEED, BREEAM and other green building organisations.

In 2023, we published EPDs for more than 5,000 individual products covering a wide range of categories, including single lever basins, bath and showers mixers, dual control and thermostatic mixers, toilets, ceramic cisterns, bidets, washbasins, pedestals and urinals.

For our French market we have also published FDES (Fiche de Déclaration Environnementale et Sanitaire) for 600 individual fitting products, including basin mixers, bath and shower mixers, kitchen mixers and hand sprays. While both FDES and EPDs assess the environmental impacts of products, an FDES typically refers to a specific type of declaration in the French context, providing environmental and health-related data, while an EPD is an internationally recognised environmental declaration following standardised guidelines for product sustainability information.

In 2024, we plan to expand our EPD coverage to acrylic shower trays, shower systems, prewall solutions, commercial taps and toilet seats.

Our aim with publishing EPDs and FDES is to better support our partners and customers during specification. Applying our Singular[™] philosophy to the EPD process allows us to approach it in a holistic way. We want to provide transparent and meaningful information about all product categories, making it even easier for specifiers, architects and building owners to use Ideal Standard solutions in their projects.

Environmental Product Declarations

Upcoming EPDs in 2024













5,000+

In 2023, we published EPDs for more than 5,000 individual products.

Transparency in ethics and environmental standards.



Amid growing expectations for transparency from both suppliers and consumers, an ESG rating stands as a public pledge to sustainability. EcoVadis is a globally recognised assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and sustainable procurement practices. We applied for it not only to reflect how important sustainability is to us and our stakeholders, but to help us identify areas in need of attention. We are proud to announce that we won the Silver EcoVadis Medal in recognition of our ongoing sustainability efforts.

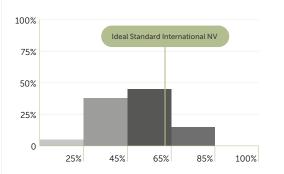
15%

Top 15% of companies in our industry.



Top 25% of companies assessed.

Overall score distribution



The EcoVadis rating is a comprehensive assessment of a company's environmental, social, and governance (ESG) practices, and we received a score of 61/100, placing us among the top 25 per cent of companies assessed and the top 15 per cent in our industry.

We are particularly pleased that our environmental performance was deemed 'advanced', validating our dedication to integrating sustainability principles in our entire business. This EcoVadis rating recognises Ideal Standard's ambitious sustainability commitments, practices and achievements, including the removal of all single use plastic from our packaging, the publication of independently verified Environmental Product Declarations and the implementation of sustainability criteria in our product development stages using our new EcoLogic approach.

Our EcoVadis assessment has provided us with many recommendations that we will be prioritising and implementing over the coming years as we aim to better our outcomes in future assessments.

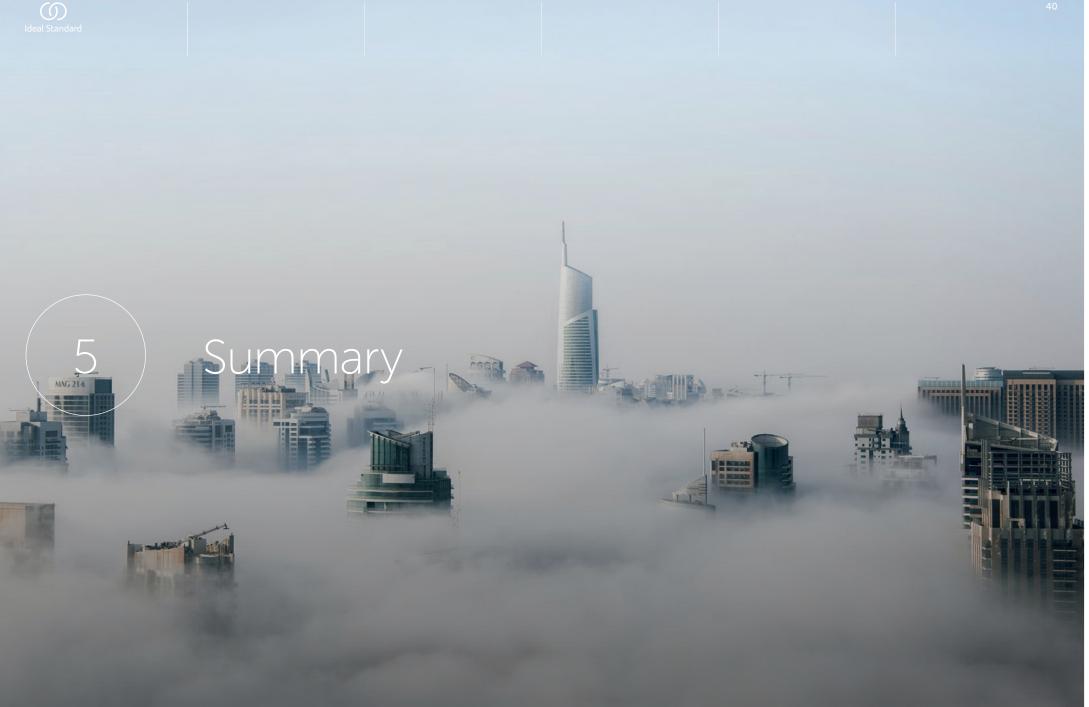
EcoVadis score breakdown

EcoVadis assessments focus on 21 issues which are grouped into four themes (Environment, Labour & Human Rights, Ethics, Sustainable Procurement). The 21 issues or criteria are based upon international sustainability standards such as the UN Global Compact Principles, the International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standard, the ISO 26000 standard, and the CERES principles.









Embarking on a path towards a more sustainable future, together.

As we embark on a path towards a more sustainable future, we're committed to driving positive change in our industry. Our vision extends beyond the present: focusing on key projects that will help us become even closer to achieving our sustainability commitments as we move forward.

Through these key projects, we aspire to not only minimise our environmental impact, but also foster positive social change. Our commitment to decarbonisation and social responsibility reflects our dedication to creating a sustainable and equitable future for generations to come.

For a better planet

For better lives

For better business Renewable energy integration In the coming years, we'll accelerate our transition to renewable energy sources for our manufacturing processes. Through strategic investments in solar and wind energy solutions, we aim to significantly reduce our carbon footprint and enhance the environmental sustainability of our operations. We will continue to evaluate green hydrogen energy's potential to fire our kilns.

Community engagement and education

We believe in the importance of community involvement. We will actively engage with local communities to foster understanding and awareness of sustainable practices. Educational programmes, workshops, and outreach initiatives will empower communities to make environmentally conscious choice

Supply chain sustainability collaboration:

Collaborating with our suppliers and partners, we will enhance the sustainability of our entire supply chain. We aim to extend our supply chain due diligence to indirect suppliers.

Employee wellbeing and diversity

Our commitment to social responsibility extends to our workforce. We will prioritise employee wellbeing by implementing wellness programs, promoting a healthy work-life balance, and fostering a diverse and inclusive workplace. By investing in our team, we aim to create a positive and supportive workplace.

Advanced process innovation We are dedicated to continuous improvement in our manufacturing processes. Embracing cuttingedge technologies and innovative solutions, we will optimise water and energy consumption, improve efficiency, and minimise waste generation, thereby contributing to a lower carbon intensity in our production operations.

EcoVadis ambitions:

Our environmental performance was deemed to be 'advanced' by EcoVadis. Going forward, we will work harder to achieve higher recognition across other categories, with additional focus on sustainable procurement, for example by setting challenging objectives and targets for emissions reduction in the supply chain.

Empowering women: Project Equality

This project focuses on fostering gender equality and supporting the growth of women within and beyond our organisation. Through Project Equality, which includes policies that ensure equal opportunities, address pay gaps, and support a work-life balance, we'll contribute to a more inclusive and equitable future: one where women are empowered, valued, and given the tools to thrive.

Carbon neutral certification

We're actively working towards achieving carbon neutrality. Our comprehensive plan includes internal measures for emissions reduction, energy efficiency, and the implementation of carbon offset initiatives. We are committed to obtaining and maintaining recognised certifications that validate our progress toward a carbon-neutral status.

EPDs in the future:

In 2024, we will expand EPD coverage across other product categories as well as collaborating with key suppliers to produce the first EPDs on third party products.



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